



Quarterly Report  
September 30, 2016  
(Un-audited)



**Jahangir Siddiqui & Co. Ltd.**



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# Company Information

## Board of Directors

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

**Suleman Lalani**  
Chief Executive Officer

**Ali Hussain**  
Director - Non-Executive

**Ali J. Siddiqui**  
Director - Non-Executive

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

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

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

**Stephen Christopher Smith**  
Director - Non-Executive

## Chief Financial Officer & Company Secretary

**Hasan Shahid**

## Audit Committee

**Saud Ahmed Mirza**  
Chairman

**Munawar Alam Siddiqui**  
Member

**Stephen Christopher 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

## 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 on July 28, 2016 in place of Mr.Asad Ahmed.



# 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 and its Subsidiaries for the nine month period ended September 30, 2016. I am pleased to present, on behalf of the Board, the report on the performance of your Company along with consolidated performance of the Company with its subsidiaries for the period under review.

## BRIEF REVIEW OF RESULTS

During the period under review, the Company has witnessed significant improvement in investment portfolio which resulted in enhancing the shareholders equity of the Company to PKR 27,957 million as on September 30, 2016 from PKR 25,302 million as on December 31, 2015 translating to an increase of shareholders wealth by 10.49%. The breakup value per share of the period end grew to PKR 30.52 per share from PKR 27.62 per share as of December 31, 2015.

The Company has reported a net profit of PKR 607.58 million for the nine month period ended September 30, 2016. The overall revenues for the period under review has declined to PKR 796.34 million from the comparative period last year mainly on account of lower capital gains on disposal of investments.

Further, the Company has reversed provision for impairment on investments by PKR 377.89 million due to substantial increase in net assets of subsidiary companies during the period under review.

Furthermore, the Company has invested PKR 1,000 million in 100,000,047 right shares of PKR 10/- each issued by JS Infocom Limited, a wholly owned subsidiary of the Company.

Pursuant to the enactment of Finance Act 2016 the Company has recorded super tax liability of PKR 89.46 million in respect of Tax Year 2016 i.e. for the year ended December 31, 2015.

Moreover, on June 24, 2016 the Company has issued 9<sup>th</sup> TFC of principal amount of PKR 1,000 million.

The basic and diluted earnings per share is PKR 0.66 for the nine month period ended September 30, 2016.

## CONSOLIDATED FINANCIAL STATEMENTS

In the consolidated financial statements the Group (the Company and its subsidiaries) has reported a net profit of PKR 1,383.83 million for the nine month period ended September 30, 2016 as compared to a net profit of PKR 4,142.77 million for the comparative period last year.

The revenues have declined by 16.90% over the comparative period last year primarily on account of decrease in net gain on sale of investments. However, the total operating, administrative and finance costs have also declined by 3.81%.

The basic and diluted earnings per share is PKR 1.06 for the nine month period ended September 30, 2016.

During the period under review JS Global Capital Limited, a sub-subsidiary of the Company, bought back 11,993,000 shares from its shareholders which resulted in an increase in effective shareholding of the Group to 47.29% from 35.95% reported as on December 31, 2015.

## 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 rating for the Company's 8<sup>th</sup> TFC issue of PKR 750 million is also maintained at AA+ (Double A plus) by PACRA. The recently issued 9<sup>th</sup> TFC of PKR 1,000 million of the Company has also been assigned rating of AA+ (Double A plus) by the 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**

A considerable size of Company's investment portfolio comprises of investments in banking and insurance sectors. The Company believes that the aforesaid investments coupled with investments in energy, telecommunication, media and technology sectors through its wholly owned subsidiaries will contribute positively in enhancing shareholders' value.

## **ACKNOWLEDGEMENT**

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

For and on behalf of the  
Board of Directors

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

Karachi: October 27, 2016



## کریڈٹ ریٹینگ:

ڈائریکٹرز اس بات کی اطلاع دینے پر مسرت محسوس کر رہے ہیں کہ پاکستان کریڈٹ ریٹینگ ایجنسی (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹینگ AA (Double A) اور مختصر مدتی کریڈٹ ریٹینگ (A One Plus) A1+ کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے 750 ملین روپے کے آٹھویں TFC کی ریٹینگ کو بھی (Double A Plus) AA+ پر برقرار رکھا ہے۔ کمپنی کے حال ہی میں جاری کردہ 1,000 ملین روپے والے نویں TFC کو بھی PACRA نے (Double A Plus) AA+ کی ریٹینگ تفویض کی ہے۔

یہ ریٹینگ 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:

کمپنی کی سرمایہ کاری کے پورٹ فولیو کا قابل ذکر حصہ بینکاری اور انشورنس کے شعبہ جات پر مشتمل ہے۔ کمپنی اس بات کی توقع رکھتی ہے کہ مندرجہ بالا سرمایہ کاری مع توانائی، ٹیلی مواصلات، میڈیا اور ٹیکنالوجی کے شعبہ جات میں اپنی مکمل ملکیتی ذیلی کمپنیوں کے ذریعے سرمایہ کاری حصص یافتگان کے سرمایہ کی مالیت میں اضافہ کا باعث بنے گی۔

## قدر شناسی:

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

برائے اور منجانب

بورڈ آف ڈائریکٹرز

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی۔ ۲۷ اکتوبر ۲۰۱۶ء

## ڈائریکٹرز کا جائزہ

### معزز حصص یافتگان

جہاں تک تصدیق ایبڈ کمپنی لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ ستمبر ۲۰۱۶ء کو ختم ہونے والی نو ماہی پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ میں بورڈ کی جانب سے جائزہ کی مدت کے دوران آپ کی کمپنی کی انفرادی اور بمعہ ذیلی اداروں کے مجموعی کارکردگی کی رپورٹ پیش کرنے پر مسرت محسوس کر رہا ہوں۔

### نتائج کا مختصر جائزہ:

جائزے کی مدت کے دوران کمپنی کے سرمایہ کاری کے پورٹ فولیو میں قابل ذکر بہتری دیکھنے میں آئی جس کی بناء پر کمپنی کی شیئر ہولڈرز ایکویٹی 25,302 ملین روپے ۳۱ دسمبر ۲۰۱۵ء سے بڑھ کر ۲۰۱۶ ستمبر ۲۰۱۶ء پر 27,957 ملین روپے ہو گئی یعنی شیئر ہولڈرز ویلتھ میں 10.49 فیصد سے اضافہ ریکارڈ کیا گیا۔ مدت کے خاتمے پر بریک اپ ویلیو فی حصص ۳۱ دسمبر ۲۰۱۵ء پر ریکارڈ کی گئی 27.62 روپے سے بڑھ کر 30.52 روپے فی حصص ہو گئی۔

۳۰ ستمبر ۲۰۱۶ء کو ختم ہونے والی نو ماہی کے دوران کمپنی نے 607.58 ملین روپے کا خالص منافع حاصل کیا۔ مجموعی طور پر اس سال کی کل آمدنی پچھلے سال تقابلی مدت سے کم ہو کر 796.34 ملین روپے رہی جس کی بنیادی وجہ حصص کی فروخت پر حاصل ہونے والے حاصلات سرمایہ میں کمی تھی۔

علاوہ ازیں کمپنی نے اس نو ماہی کے دوران اپنی ذیلی کمپنیوں کے خالص اثاثوں کی مالیت میں خاطر خواہ اضافے کے باعث 377.89 ملین روپے سے reverse provision کو کم کیا ہے۔

مزید برآں کمپنی نے اپنی ایک مکمل ملکیتی ذیلی کمپنی جے ایس انفوکوم لمیٹڈ کے 10 روپے مالیت کے 100,000,047 رائٹ شیئرز میں 1,000 ملین روپے کی سرمایہ کاری کی ہے۔

فنانس ایکٹ ۲۰۱۶ء کے نفاذ کے بعد کمپنی نے ٹیکس سال ۲۰۱۶ء (برائے ۳۱ دسمبر ۲۰۱۵ء کو ختم شدہ سال) کیلئے 89.46 ملین روپے کا سپر ٹیکس ریکارڈ کیا ہے۔ علاوہ ازیں ۲۴ جون ۲۰۱۶ء کو کمپنی نے 1,000 ملین روپے مالیت کا نواں ٹرم فنانس سرٹیفکیٹ جاری کیا ہے۔

۳۰ ستمبر ۲۰۱۶ء کو ختم ہونے والی شش ماہی میں کمپنی کا basic اور diluted منافع فی حصص 0.66 روپے رہا۔

### مجموعی مالیاتی گوشوارے:

۳۰ ستمبر ۲۰۱۶ء کو ختم ہونے والی نو ماہی کے دوران مجموعی مالیاتی گوشواروں میں، گروپ (کمپنی اور اس کے ذیلی ادارے) نے 1,383.83 ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں 4,142.77 ملین روپے تھا۔

آمدنی میں پچھلے سال کے مقابلے میں 16.90 فیصد کمی واقع ہوئی جس کی بنیادی وجہ حصص کی فروخت پر حاصل ہونے والے حاصلات سرمایہ میں کمی ہے۔ تاہم کل آپریٹنگ، انتظامی اور مالیاتی اخراجات میں 3.81 فیصد سے کمی واقع ہوئی ہے۔

۳۰ ستمبر ۲۰۱۶ء کو ختم ہونے والی نو ماہی میں کمپنی کا basic اور diluted منافع فی حصص 1.06 روپے رہا۔

جائزے کی مدت کے دوران، جے ایس گلوبل کیپیٹل لمیٹڈ، ایک ذیلی ماتحت کمپنی، نے اپنے حصص یافتگان سے اپنے 11,993,000 حصص واپس خرید لئے جس کے نتیجے میں گروپ کی شرکت داری (Shareholding) ۳۱ دسمبر ۲۰۱۵ء کو رپورٹ کی گئی 35.95 فیصد سے بڑھ کر 47.29 فیصد ہو گئی۔



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# UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS



# Unconsolidated Condensed Interim Balance Sheet

As at September 30, 2016

	Note	September 30, 2016 (Un-audited)	December 31, 2015 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	5,647	7,520
Investment property		1,930	2,020
Long term investments	7	24,393,256	22,325,276
Long term loans and advances	8	1,001,199	1,743
Long term security deposits		804	779
		<u>25,402,836</u>	<u>22,337,338</u>
<b>Current Assets</b>			
Short term loans and advances		926	1,092
Short term prepayments and other receivables		30,601	9,520
Interest accrued		9,037	11,880
Other financial assets - short-term investments	9	3,631,590	2,284,095
Taxation - net		287,106	377,136
Cash and bank balances		1,031,795	2,000,658
		<u>4,991,055</u>	<u>4,684,381</u>
		<u>30,393,891</u>	<u>27,021,719</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>18,797,589</u>	<u>16,142,424</u>
		<u>27,957,013</u>	<u>25,301,848</u>
<b>Non-Current Liability</b>			
Long term financing	10	1,746,501	957,089
<b>Current Liabilities</b>			
Trade and other payables	11	366,749	295,812
Accrued interest on borrowings		51,682	36,638
Current portion of long term financing	10	271,946	430,332
		<u>690,377</u>	<u>762,782</u>
		<u>30,393,891</u>	<u>27,021,719</u>
<b>Contingencies and commitment</b>			
	12		

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



# Unconsolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
----- (Rupees in '000) -----					
<b>INCOME</b>					
Return on investments	13	637,977	558,216	76,614	57,847
Gain on sale of investments - net	14	42,287	3,175,358	11,659	371,078
Income from long term loans and fund placements		83,573	120,681	28,395	37,281
Commission		-	1,440	-	-
Other income		36,552	33,797	8,817	15,895
(Loss) / gain on remeasurement of investments through profit or loss - held for trading		(4,045)	(2,827)	1,062	(6,191)
		<u>796,344</u>	<u>3,886,665</u>	<u>126,547</u>	<u>475,910</u>
<b>EXPENDITURE</b>					
Operating and administrative expenses	15	211,718	170,003	47,806	46,894
Finance cost		104,616	132,517	42,123	38,834
Provision for Workers' Welfare Fund	11	17,158	62,898	2,290	7,803
(Reversal of) / provision for impairment - net		(377,892)	439,226	(77,892)	-
		<u>(44,400)</u>	<u>804,644</u>	<u>14,327</u>	<u>93,531</u>
<b>PROFIT BEFORE TAXATION</b>		<u>840,744</u>	<u>3,082,021</u>	<u>112,220</u>	<u>382,379</u>
<b>Taxation</b>					
Current		143,706	316,363	13,155	72,269
Prior	16	89,461	-	-	-
		<u>233,167</u>	<u>316,363</u>	<u>13,155</u>	<u>72,269</u>
<b>PROFIT FOR THE PERIOD</b>		<u>607,577</u>	<u>2,765,658</u>	<u>99,065</u>	<u>310,110</u>
			(Restated)		(Restated)
<b>EARNINGS PER SHARE</b>	17	----- (Rupees) -----			
Basic and diluted		<u>0.66</u>	<u>3.28</u>	<u>0.11</u>	<u>0.37</u>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

## Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----			
<b>PROFIT FOR THE PERIOD</b>	607,577	2,765,658	99,065	310,110
<b>OTHER COMPREHENSIVE INCOME / (LOSS):</b>				
<b>Items that will not be reclassified     to profit and loss account</b>	-	-	-	-
<b>Items that may be reclassified     subsequently to profit and loss account:</b>				
Fair value gain on available for sale investments during the period - net	2,087,495	2,845,427	1,796,699	229,433
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(39,907)	(3,166,358)	(5,734)	(366,013)
<b>Total items that may be reclassified     subsequently to profit and loss account</b>	2,047,588	(320,931)	1,790,965	(136,580)
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>2,655,165</u>	<u>2,444,727</u>	<u>1,890,030</u>	<u>173,530</u>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



# Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Issued, subscribed and paid-up capital	Ordinary share premium	Reserves		Sub-total	Total
			Unrealised gain / (loss) on revaluation of available for sale investments - net	Revenue Reserve Accumulated (loss) / Unappropriated profit		
----- (Rupees in '000) -----						
<b>Balance as at December 31, 2014 (audited)</b>	7,632,853	4,497,894	11,024,854	(1,691,700)	13,831,048	21,463,901
Profit for the period	-	-	-	2,765,658	2,765,658	2,765,658
Other comprehensive loss	-	-	(320,931)	-	(320,931)	(320,931)
Total comprehensive (loss) / income	-	-	(320,931)	2,765,658	2,444,727	2,444,727
<b>Balance as at September 30, 2015 (un-audited)</b>	<u>7,632,853</u>	<u>4,497,894</u>	<u>10,703,923</u>	<u>1,073,958</u>	<u>16,275,775</u>	<u>23,908,628</u>
<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>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

## Unconsolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Note	September 30, 2016	September 30, 2015
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation for the period		840,744	3,082,021
<b>Adjustment for non cash charges and other items:</b>			
Depreciation		2,238	2,316
Gain on sale of property and equipment		-	(1,092)
Loss on remeasurement of investments through profit or loss - held for trading		4,045	2,827
(Reversal of) / provision for impairment - net		(377,892)	439,226
Dividend income		(636,551)	(541,102)
Interest income		(84,999)	(132,979)
Finance cost		104,616	132,517
		<b>(988,543)</b>	<b>(98,287)</b>
<b>Operating (loss) / profit before working capital changes</b>		<b>(147,799)</b>	<b>2,983,734</b>
<b>(Increase) / decrease in current assets:</b>			
Loans and advances		166	(40)
Short term prepayments and other receivables		(13,346)	(5,060)
Long term loans, advances and security deposits		(999,481)	580
		<b>(1,012,661)</b>	<b>(4,520)</b>
<b>Increase in trade and other payables</b>		<b>70,974</b>	<b>62,476</b>
<b>Net cash (used in) / generated from operations</b>		<b>(1,089,486)</b>	<b>3,041,690</b>
Investments - net		(994,043)	(2,080,368)
Dividend received		628,816	536,721
Finance cost paid		(85,181)	(101,402)
Taxes paid		(143,137)	(321,049)
Interest income received		87,842	103,129
Dividend paid		(37)	(131)
<b>Net cash (used in) / generated from operating activities</b>		<b>(1,595,226)</b>	<b>1,178,590</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(275)	(5,287)
Proceeds from sale of property and equipment		-	2,470
<b>Net cash used in investing activities</b>		<b>(275)</b>	<b>(2,817)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance / (redemption) of term finance certificates - net		689,138	(153,126)
Proceeds from subscription against issue of right shares		-	326
Long term loan (repayment to)/obtained from bank		(62,500)	491,375
<b>Net cash generated from financing activities</b>		<b>626,638</b>	<b>338,575</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(968,863)</b>	<b>1,514,348</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>2,000,658</b>	<b>135,281</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	18	<b>1,031,795</b>	<b>1,649,629</b>

The annexed notes 1 to 22 form an integral part of these unconsolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (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 (formerly Karachi 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 trading of securities, managing strategic investments, consultancy services, etc.

## 2. STATEMENT OF COMPLIANCE

These unconsolidated condensed interim financial statements are 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). Wherever requirements of the Companies Ordinance and SECP directives differ, the requirements of the Companies Ordinance and directives issued by the SECP shall prevail.

## 3. BASIS OF PREPARATION

- 3.1 These unconsolidated condensed interim financial statements are un-audited and are 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 These unconsolidated condensed interim financial statements do not include all the statements and disclosures required in the annual financial statements; therefore should be read in conjunction with the Company's unconsolidated financial statements for the year ended December 31, 2015.
- 3.3 The comparative balance sheet presented in these unconsolidated condensed interim financial statements has been extracted from the annual unconsolidated financial statements of the Company for the year ended December 31, 2015 whereas the comparative unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of changes in equity and unconsolidated condensed interim cash flow statement have been taken from unconsolidated condensed interim financial statements for the nine month period ended September 30, 2015.
- 3.4 These unconsolidated condensed interim financial statements are separate financial statements 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 These unconsolidated condensed interim financial statements are prepared in Pak Rupees, which is also the functional and presentation currency of the Company, and rounded off to rupees in thousand.

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

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### 4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2015 other than described below:

#### 4.1 New and revised and amended standards and interpretations

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

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

- IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the unconsolidated condensed interim financial statements.

In addition to the above standards and amendments, following improvements to accounting standards have also been issued by the IASB. Such improvements are effective for the current accounting period but did not have any material impact on the Company's financial statements.

##### **Improvements to Accounting Standards Issued by the IASB**

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 Employee Benefits - Discount rate: regional market issue
- IAS 34 Interim Financial Reporting - Disclosure of information elsewhere in the interim financial report



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

## 5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of unconsolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual unconsolidated financial statements for the year ended December 31, 2015.

	(Un-audited) September 30, 2016	(Un-audited) September 30, 2015
	----- (Rupees in '000) -----	

## 6. PROPERTY AND EQUIPMENT

The details of additions and disposals during the period are as follows:

### Additions - cost

Office equipment	275	260
Motor vehicles	-	5,026
	<u>275</u>	<u>5,286</u>

### Disposal - cost

Office equipment	-	56
Motor vehicles	-	4,377
	<u>-</u>	<u>4,433</u>

	Note	(Un-audited) September 30, 2016	(Audited) December 31, 2015
		----- (Rupees in '000) -----	

## 7. LONG TERM INVESTMENTS

Investment in subsidiaries	7.1	6,919,034	6,541,132
Available for sale - related parties	7.2	17,474,149	15,784,071
		<u>24,393,183</u>	<u>22,325,203</u>
Other investments	7.3	73	73
		<u>24,393,256</u>	<u>22,325,276</u>



## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (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		(Un-audited)	(Audited)	
September 30, 2016	December 31, 2015			September 30, 2016 %	December 31, 2015 %	September 30, 2016	December 31, 2015	
<u>Quoted</u>								
755,245,007 *	755,245,007		JS Bank Limited Market value Rs. 5,890.91 (December 31, 2015: Rs. 5,853.15) million	Commercial Banking	70.42	70.42	4,673,400	4,673,400
<u>Un-quoted</u>								
145,374,878 *	145,374,878		JS Bank Limited Convertible Preference Shares	Commercial Banking	96.92	96.92	1,453,749	1,453,749
73,736,250	73,736,250		JS Infocom Limited Net assets value Rs. 161.88 (December 31, 2015: Rs. 102.26) million based on un-audited financial statements for the nine months ended September 30, 2016 Less: Impairment	Telecom Media & Technology	100.00	100.00	708,490  (546,615) 161,875	708,490  (612,416) 96,074
10,000	10,000		JS International Limited Ordinary Shares of US\$ 1/- each having net assets value Rs. 1.09 million (December 31, 2015: Rs. 4.06) million based on un-audited financial statements for the nine month period ended June 30, 2016 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. 708.99 (December 31, 2015: Rs. 321.77) million based on un-audited financial statements for the nine months ended September 30, 2016 Less: Impairment	Power Generation & Distribution	100.00	100.00	630,000  -	630,000  (312,091) 317,909
1,000	-	7.1.1	Quality Energy Solutions (Private) Limited	Power Generation & Distribution	100.00	-	10	-
							<u>6,919,034</u>	<u>6,541,132</u>

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

**7.1.1** During the period, the wholly owned subsidiary has been incorporated on May 09, 2016 for the purpose of investments in power projects and the Board of Directors has approved an equity investment of Rs.1,000 million in its share capital.



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

## 7.2 Other related parties

### Available for sale

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

Number of shares		Note	Activity	Holding		(Un-audited)	(Audited)
September 30, 2016	December 31, 2015			September 30, 2016	December 31, 2015	September 30, 2016	December 31, 2015
				%	%	(Rupees in '000)	
<u>Quoted - at fair value</u>							
41,191,152	31,110,722		EFU General Insurance Limited	20.60	19.44	5,655,957	4,464,389
148,204,799	150,350,299		Pakistan International Bulk Terminal Limited	11.66	11.83	4,622,508	4,205,298
20,047,708	20,047,708		EFU Life Assurance Limited	20.05	20.05	3,408,110	3,989,494
214,258,460 *	214,258,460	7.2.1	BankIslami Pakistan Limited	21.26	21.26	2,665,375	2,463,972
112,157,863	112,157,863		Azgard Nine Limited	24.96	24.96	970,166	495,738
11,935,000	12,000,000	7.2.1	Hum Network Limited (Ordinary shares of Re.1 each)	1.26	1.27	144,533	157,680
<u>Un-quoted - at cost</u>							
750,000	750,000	7.2.1	EFU Services (Private) Limited	37.50	37.50	7,500	7,500
		7.2.2				<u>17,474,149</u>	<u>15,784,071</u>

**7.2.1** Investments in BankIslami Pakistan Limited, Hum Network Limited and EFU Services (Private) Limited represent investment in 'associated companies' in terms of provisions of Companies Ordinance, 1984. However, the Company has not accounted for them as associates under IAS 28 "Investment in Associate and Joint Ventures", as management has concluded that the Company does not have significant influence in these associated companies.

**7.2.2** This includes unrealized gain on equity security of BankIslami Pakistan Limited amounting to Rs. 1,296.63 million which is Sharia compliant security under KMI-30 index.

## 7.3 Other investments

### Available for sale

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

Number of shares			(Un-audited)	(Audited)
September 30, 2016	December 31, 2015		September 30, 2016	December 31, 2015
			----- (Rupees in '000) -----	
<u>Un-quoted - at cost</u>				
4,007,383	4,007,383	Pakistan Stock Exchange Limited	<u>73</u>	<u>73</u>

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

### 8. LONG TERM LOANS AND ADVANCES

This includes Rs. 1,000 million as advance against investment for subscription of 100,000,044 right shares offered to the Company by JS Infocom Limited, a wholly owned subsidiary.

The Board of Directors of the Company in its meeting held on July 28, 2016 has approved long term investments of upto Rs. 2,000 million in JS Infocom Limited i.e. upto Rs. 1,500 million by way of subscription of right shares of Rs. 10/- each that will be offered by JS Infocom Limited and by providing loan of upto Rs. 500 million.

The Board of Directors of JS Infocom Limited in their meeting held on September 26, 2016 have resolved to issue 100,000,047 ordinary right shares at par i.e. Rs. 10/- per share in the ratio of 135.6186 shares for each 100 shares held. Subsequent to the period end, the Board of Directors of JS Infocom Limited have resolved to allot 100,000,047 right shares to the Company which were fully subscribed.

	Note	(Un-audited) September 30, 2016	(Audited) December 31, 2015
----- (Rupees in '000) -----			
<b>9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS</b>			
<b>Available for sale</b>			
Listed equity securities	9.1	3,243,099	2,193,241
Government securities - PIB		-	25,643
		<u>3,243,099</u>	<u>2,218,884</u>
<b>Financial assets at fair value through profit or loss - held for trading</b>			
Listed equity securities		388,491	65,211
		<u>3,631,590</u>	<u>2,284,095</u>

9.1 These include unrealized loss on equity securities of Engro Fertilizers Limited and Fauji Cement Company Limited of Rs. 6 million and Rs. 1.2 million and unrealized gain on equity security of Ghani Glass Limited of Rs. 49.7 million which are Sharia compliant securities under KMI-30 index.

	Note	(Un-audited) September 30, 2016	(Audited) December 31, 2015
----- (Rupees in '000) -----			
<b>10. LONG TERM FINANCING</b>			
Term loan		433,209	493,781
Term Finance Certificates - 7	10.1	-	249,448
Term Finance Certificates - 8		598,172	644,192
Term Finance Certificates - 9	10.2	987,066	-
		<u>2,018,447</u>	<u>1,387,421</u>
Less: Current portion of shown under current liability		271,946	430,332
		<u>1,746,501</u>	<u>957,089</u>



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

- 10.1** The Company exercised the Call Option in respect of TFC (30-10-2012) bearing symbol JSTFC6 in accordance with clause 3.16 of the Trust Deed dated June 14, 2012. The Option Redemption Date was April 30, 2016, on which date the Company redeemed in full the entire principal outstanding amount of Rs. 250 million along with accrued profit as of the said date and premium at the rate of 0.25% of the prepaid amount i.e. Rs.125 million which was otherwise due on October 30, 2016.
- 10.2** On June 24, 2016, the Company issued Privately Placed TFCs amounting to Rs.1,000 million. The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 165 basis points per annum. These TFCs have a tenor of five years i.e. 2016-2021 with a call option exercisable by the Company at any time on a coupon date during the tenor of the TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in eight (8) equal semi-annual installments starting from the 18th month of the Issue Date. 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.1,806.97 million to secure the outstanding principal with 35% margin. In the event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

## **11. TRADE AND OTHER PAYABLES**

Included herein a provision against Workers' Welfare Fund (WWF) of Rs. 146.37 million. Prior to certain amendments made through the Finance Acts of 2006 and 2008, was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding income falling under the Final Tax Regime (FTR). Through Finance Act 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the said Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the Ordinance in 2011. However, some stakeholders also filed petition in the Sindh High Court which, in 2013, decided against the stakeholders.

Further pursuant to the show cause notice dated June 28, 2014 issued by the Deputy Commissioner of Inland Revenue (DCIR) under section 221(3) for rectification under section 221(1) of the Income Tax Ordinance, 2001 in respect of tax year 2013 for non-payment of WWF of Rs.53.06 million under the provisions of section 4 of the Workers Welfare Fund Act, 1971, read with FBR circular no. 13 of 2008, the Company has filed a writ petition under Article 199 of the Constitution of Islamic Republic of Pakistan before the High Court of Sindh challenging the levy and demand for payment of WWF and obtained interim relief. The matter is pending adjudication before the Court.

In view of the promulgation of Sindh Workers' Welfare Fund Act, 2014 wherein financial institutions have also been brought into the definition of industrial establishment, the Company is in consultation with its tax advisors regarding the applicability of this enactment.

However on a prudent basis, the Company has recognized current period provision of Rs. 17.16 million and aggregate provision amounting to Rs.146.37 million for the years from July 2011 to September 2016.

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

### 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, 2015, except for the following:

**12.1.1** The Commissioner Inland Revenue-Appeals (CIR-Appeals) deleted the additions made as per orders passed under section 122(5A) eliminating the resulting tax liability and restored the return versions for the tax years 2008 and 2009. The tax department filed appeals before the Appellate Tribunal Inland Revenue (ATIR) against the orders of CIR-Appeals. The ATIR also decided the subject matter in respect of tax years 2008 and 2009 in favour of the Company. However, appeal effect orders passed by the department in respect of aforesaid tax years resulted in refund of Rs. 11.02 million for the tax year 2009. Rectification applications for both the years were filed with the ACIR to allow appeal effect in accordance with the orders passed by the appellate forums. The rectification application for the tax year 2008 was rejected by the ACIR on the contention that another amended order under section 122(5A) as discussed below is in field and previous order is no more in the field. Against the rejection, appeal was filed with the CIR-Appeals which is pending.

**12.1.2** The Additional Commissioner of Inland Revenue - Audit Division (ACIR) had passed an order under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax year 2008 and raised an undue demand of Rs. 96.48 million by unlawfully charging minimum tax at 0.5% under section 113 of the Ordinance on capital gains on sale of listed securities of Rs. 19,255.04 million despite the fact that such capital gains are treated under separate head of income as 'Capital Gains' and not as part of 'Income from Business'. Further, capital gains on sale of listed securities are not covered under the exclusive definition of 'turnover' stipulated in section 113 of the Ordinance. The Company filed an appeal against the above order before the CIR-Appeals. The CIR-Appeals, vide his order dated December 22, 2015, annulled the said order on the issue of charging of minimum tax under section 113 and treatment of capital gain on sale of listed securities as business income. Against the order of CIR-Appeals, the tax department has filed an appeal before the Appellate Tribunal.

(Un-audited) September 30, 2016	(Audited) December 31, 2015
----- (Rupees in '000) -----	

#### 12.2 Commitment

Future sale transactions of listed equity securities	<u>389,751</u>	<u>65,852</u>
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**13.** This includes dividend income of Engro Fertilizers Limited, Fauji Cement Company Limited and Pakistan Oilfields Limited of Rs. 1.94 million, Rs. 0.57 million and Rs. 0.2 million respectively which are Sharia compliant securities under KMI-30 index.



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

Note	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
<b>14. GAIN ON SALE OF INVESTMENTS - net</b>				
Financial assets at fair value through profit and loss	2,380	9,000	5,925	5,065
Available for sale	14.1 39,907	3,166,358	5,734	366,013
	<u>42,287</u>	<u>3,175,358</u>	<u>11,659</u>	<u>371,078</u>

**14.1** This includes gain on sale of investments in related parties amounting to Rs. 45.67 (September 30, 2015: Rs. 2,983.06) million. This also includes gain on sale of investment of Hub Power Company Limited and Ghani Glass Limited of Rs. 0.02 million and Rs. 2.48 million respectively and loss on sale of investment of Engro Fertilizers Limited and Fauji Cement Company Limited of Rs. 0.84 million and Rs. 0.13 million respectively which are Sharia compliant securities under KMI-30 index.

**15.** Included herein is a sum of Rs. 48.059 million payable to Citibank Overseas Investment Corporation (“COIC”) as part of the purchase consideration for the six million shares in Jahangir Siddiqui Investment Bank Limited (now merged into JS Bank Limited and formerly known as Citicorp Investment Bank Limited) pursuant to the terms of the agreement entered into between COIC and Jahangir Siddiqui & Co. Ltd. dated February 01, 1999 (Agreement). The amount was to be paid if and when the JS Bank Limited (the successor company of Jahangir Siddiqui Investment Bank Limited) receives certain refunds which were pending at the time of execution of the Agreement. There will be no increase in the number of shares pursuant to the aforesaid payment which is being made in terms of the Agreement. Pursuant to the approval of the Board of Directors of the Company the members of the Company in their Annual General Meeting held on April 11, 2016, have also approved the payment to COIC, by way of special resolution under Section 208 of the Companies Ordinance, 1984, subject to the requisite regulatory permission(s).

The Company, upon the recommendation of its statutory auditors, has recorded the liability payable to COIC as an expense since it did not fulfil the criteria to be recognized as an asset under currently applicable financial reporting framework.

**16.** This represents super tax liability for the tax year 2016 levied through enactment of Finance Act, 2016 which became applicable from July 01, 2016. Since the Company follows a special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001, for the year ended December 31, 2015 (tax year 2016) is recognized during the period.

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
<b>17. BASIC AND DILUTED EARNINGS PER SHARE</b>				
Profit after taxation attributable to ordinary shareholders	<u>607,577</u>	<u>2,765,658</u>	<u>99,065</u>	<u>310,110</u>
		(Restated)		(Restated)
		----- (Number in '000) -----		
Weighted average number of ordinary shares outstanding during the period	<u>915,942</u>	<u>842,476</u>	<u>915,942</u>	<u>842,476</u>
		(Restated)		(Restated)
<b>Earnings per share:</b>	----- (Rupees) -----			
- Basic and diluted	<u>0.66</u>	<u>3.28</u>	<u>0.11</u>	<u>0.37</u>

**17.1** The comparative figures of earnings per share have been restated due to the right issue by the Company on December 01, 2015 resulting in change in weighted average number of shares as disclosed in note 12.2 of the annual audited financial statements for the year ended December 31, 2015.

	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
<b>18. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	1,031,795	149,629
Term deposit receipts	-	1,500,000
	<u>1,031,795</u>	<u>1,649,629</u>

### 19. 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.



# Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
<b>TRANSACTIONS</b>		
<b>Subsidiary and Sub-subsidiary Companies:</b>		
Dividend received	174,450	151,031
Brokerage expense paid	3,889	7,421
Purchase of government securities	-	5,597,021
Sale of government securities	26,300	3,623,501
Mark-up paid on TFCs issued by the Company	4,957	7,722
Investment in term deposit receipts	4,400,000	3,000,000
Maturity of term deposit receipts	4,900,000	1,500,000
Capital gain tax paid for onward submission to NCCPL	3,582	190,503
Capital gain tax refund	1,596	-
Rent income received	32,451	18,492
Market maker fee paid	472	518
Principal redemptions made against TFCs	13,500	6,150
Profit received on fund placements and deposit accounts	59,380	76,900
Profit received on term deposit receipts	25,498	-
Bank charges paid	7	1
Reimbursement of expenses by the Company	261	211
Reimbursement of expenses to the Company	14,850	7,497
Advance for investment in right shares	1,000,000	-
Advisory and arrangement fee paid	11,600	-
<b>Common Directorship</b>		
Dividend income received	-	17,388
Payment against subscription of right shares	-	918,416
Underwriting commission received	-	1,440
Reimbursement of expenses to the Company	-	260
Donation paid	30,000	3,000
	----- (Number) -----	
Right shares received	-	91,841,563
Sale of shares	-	113,370,000
Letter of right - JS Infocom Limited	100,000,044	-
	----- (Rupees in '000) -----	
<b>Other Related Parties</b>		
Dividend income received	414,539	311,234
Contributions paid to Staff Provident Fund	3,006	1,816
Interest / mark-up paid	3,200	8,122
Principal redemptions made against TFCs	28,563	311,234
Insurance premium paid	1,672	1,875
Proceeds against insurance claim / cancellation	1	1,444
Royalty paid	6,600	4,125
Advisory fee paid	4,000	2,500
Tax on bonus shares	53,649	-



## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	
	----- (Number) -----	
Purchase of shares	2,063,500	-
Sale of shares	2,145,500	50,253,360
Bonus shares received	8,016,930	-
	----- (Rupees in '000) -----	
<b>Key Management Personnel</b>		
Remuneration paid to Chief Executive Officer	17,425	7,503
Advisory fee paid to Directors	4,500	2,500
Fee paid to directors for attending directors / committee meetings	1,506	1,500
Remuneration paid to executives	11,732	4,512
Interest received on long term loans to executives	57	93
Loan and advances disbursed during the period	200	500
Loan and advances repayments from executives	776	947
Proceeds from sale of vehicle	-	326
	September 30, 2016	December 31, 2015
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
<b>BALANCES</b>		
<b>Subsidiary and Sub-subsidiary Companies:</b>		
Receivable against expenses incurred on their behalf	11,591	7,161
Cash at bank accounts	1,030,999	499,026
Profit receivable on deposit accounts and TDR	9,147	7,240
Investment in Term Deposit Receipts (TDRs)	-	1,500,000
Payable against purchase of equity securities - net	54,579	1,635
Outstanding principal of TFCs issued by the Company	24,000	123,263
Mark-up payable on TFCs issued by the Company	936	2,745
<b>Common Directorship</b>		
Donation payable	62,152	92,746
<b>Other Related Parties</b>		
Outstanding principal of TFCs issued by the Company	5,600	117,975
Mark-up payable on TFCs issued by the Company	218	2,445
<b>Key Management Personnel</b>		
Loans and advances receivable	1,040	1,892
Payable to director against fee for attending meeting	-	2,800

### 20. FAIR VALUE OF FINANCIAL INSTRUMENT

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.

For investments in government securities, fair value is determined by reference to quotations obtained from PKRV Reuters page. 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 Nine Month Period Ended September 30, 2016 (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).

	September 30, 2016			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
<b>Available for sale investments</b>				
Equity securities	3,243,099	-	-	3,243,099
Government securities	-	-	-	-
	3,243,099	-	-	3,243,099

**Fair value through profit and loss - held for trading**

Listed equity securities	388,491	-	-	-
Derivative asset	4,016	-	-	-
	<u>3,635,606</u>	<u>-</u>	<u>-</u>	<u>3,243,099</u>

	December 31, 2015			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
<b>Available for sale investments</b>				
Equity securities	17,969,812	-	-	17,969,812
Government securities	-	25,643	-	25,643
	17,969,812	25,643	-	17,995,455

**Fair value through profit and loss - held for trading**

Listed equity securities	65,211	-	-	-
Derivative asset	174	-	-	-
	<u>18,035,197</u>	<u>25,643</u>	<u>-</u>	<u>17,995,455</u>

## Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

### 20.1 Fair value of other assets

The Company accounts for its investment properties using the cost method. However, as per the requirements of IAS 40 'Investment Property', fair value of the same is required to be disclosed. Basis of valuation is disclosed in note 5.1 of the annual audited financial statements for the year ended December 31, 2015.

As at balance sheet date, the fair value hierarchy is as follows:

	September 30, 2016	
	Level 2	Fair Value
	----- (Rupees in '000) -----	
Investment property	86.35	86.35
	<u>86.35</u>	<u>86.35</u>
	December 31, 2015	
	Level 2	Fair Value
	----- (Rupees in '000) -----	
Investment property	86.35	86.35
	<u>86.35</u>	<u>86.35</u>

### 21. DATE OF AUTHORISATION

These unconsolidated condensed interim financial statements were authorised for issue by the Board of Directors in their meeting held on October 27, 2016.

### 22. GENERAL

22.1 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.

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

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



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# CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

## Consolidated Condensed Interim Balance Sheet

As at September 30, 2016

	Note	September 30, 2016 (Un-Audited)	December 31, 2015 (Audited)
----- (Rupees in '000) -----			
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property and equipment	6	4,238,993	3,027,113
Intangible assets		323,517	321,822
Investment property		1,930	2,020
Long term investments	7	85,872,297	88,967,268
Long term loans, advances and other receivables		16,014,589	4,545,534
Long term deposits		11,908	11,585
		<b>106,463,234</b>	<b>96,875,342</b>
<b>Current Assets</b>			
Short term investments	8	68,897,977	46,664,723
Trade debts		1,654,973	800,847
Loans and advances		63,666,895	72,147,603
Accrued markup		3,328,516	4,618,665
Short-term prepayments, deposits, and other receivables		1,389,399	991,095
Other financial assets - fund placements		500,000	3,581,329
Taxation - net		994,185	962,570
Cash and bank balances		14,805,541	12,886,399
		<b>155,237,486</b>	<b>142,653,231</b>
Assets classified as held for sale		83,104	182,455
		<b>155,320,590</b>	<b>142,835,686</b>
		<b>261,783,824</b>	<b>239,711,028</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Share capital		9,159,424	9,159,424
Reserves		24,970,649	21,414,864
Equity attributable to equity holders' of the parent		<b>34,130,073</b>	<b>30,574,288</b>
Non-controlling interests		6,555,825	6,746,408
<b>Total equity</b>		<b>40,685,898</b>	<b>37,320,696</b>
Surplus on revaluation of non-banking assets - net of tax		20,530	-
<b>Non-Current Liabilities</b>			
Long term financing	9	1,724,001	863,289
Long term deposits and other accounts		838,299	695,664
Deferred liability - employee benefit		72,240	64,005
Deferred taxation		1,215,341	1,109,469
		<b>3,849,881</b>	<b>2,732,427</b>
<b>Current Liabilities</b>			
Trade and other payables		7,865,340	4,984,061
Accrued interest / mark-up on borrowings		1,211,870	912,066
Short term borrowings		22,073,353	54,638,318
Current deposits and current portion of long term liabilities	10	186,076,952	139,123,460
		<b>217,227,515</b>	<b>199,657,905</b>
		<b>261,783,824</b>	<b>239,711,028</b>
<b>Contingencies and Commitments</b>	11		

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



# Consolidated Condensed Interim Profit and Loss Account

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Note	Nine Months Ended		Quarter Ended	
		September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
----- (Rupees in '000) -----					
<b>Income</b>					
Return on investments	12	7,390,653	7,375,475	2,532,147	2,557,049
Gain on sale of investments - net	13	1,482,027	4,569,597	137,742	564,303
Income from long term loans and fund placements		4,598,707	4,690,391	1,580,507	1,512,874
Fee, commission and brokerage		1,475,564	1,317,692	483,150	423,157
Other income		385,868	287,855	62,870	84,570
(Loss) / gain on remeasurement of investments through profit and loss - held for trading - net		(2,176)	208,268	5,488	92,245
		<u>15,330,643</u>	<u>18,449,278</u>	<u>4,801,904</u>	<u>5,234,198</u>
<b>Expenditure</b>					
Administrative and other expenses	14	5,524,333	5,577,999	1,623,084	1,400,310
Finance cost		6,942,428	7,382,439	2,484,921	2,416,735
Workers' Welfare Fund		58,192	108,306	14,889	26,305
Provision for / (reversal of) impairment on investments - net		383,374	141,150	-	(42,965)
		<u>12,908,327</u>	<u>13,209,894</u>	<u>4,122,894</u>	<u>3,800,385</u>
<b>Profit before taxation</b>		<u>2,422,316</u>	<u>5,239,384</u>	<u>679,010</u>	<u>1,433,813</u>
<b>Taxation</b>					
- Current		731,092	556,727	206,148	151,632
- Prior	15	169,299	10,105	-	(426)
- Deferred		138,099	529,782	16,659	269,150
		<u>1,038,490</u>	<u>1,096,614</u>	<u>222,807</u>	<u>420,356</u>
<b>PROFIT FOR THE PERIOD</b>		<u>1,383,826</u>	<u>4,142,770</u>	<u>456,203</u>	<u>1,013,457</u>
<b>Attributable to:</b>					
Equity holders' of the parent		969,714	3,555,181	319,622	794,017
Non-controlling interests		414,112	587,589	136,581	219,440
		<u>1,383,826</u>	<u>4,142,770</u>	<u>456,203</u>	<u>1,013,457</u>
			(Restated)		(Restated)
----- (Rupees) -----					
<b>EARNINGS PER SHARE</b>	16				
<b>Basic and diluted</b>		<u>1.06</u>	<u>4.22</u>	<u>0.35</u>	<u>0.94</u>

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive

## Consolidated Condensed Interim Statement of Comprehensive Income

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Rupees in '000) -----			
<b>PROFIT FOR THE PERIOD</b>	1,383,826	4,142,770	456,203	1,013,457
<b>OTHER COMPREHENSIVE 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 gain on revaluation of available for sale investments during the period - net	2,614,405	5,338,644	2,245,592	893,438
Reclassification adjustments relating to available for sale investments disposed off during the period -net	(107,107)	(3,384,867)	(26,006)	(366,012)
Related deferred tax	35,265	(878,713)	(57,011)	(248,825)
	2,542,563	1,075,064	2,162,575	278,601
Exchange difference of translation of net assets of foreign subsidiaries	(4,640)	2,988	(240)	778
<b>Total items that may be reclassified subsequently to profit and loss account - net of tax</b>	2,537,923	1,078,052	2,162,335	279,379
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<u>3,921,749</u>	<u>5,220,822</u>	<u>2,618,538</u>	<u>1,292,836</u>
<b>Attributable to:</b>				
Equity holders' of the parent	3,446,765	4,300,443	2,391,765	970,858
Non-controlling interests	474,984	920,379	226,773	321,978
	<u>3,921,749</u>	<u>5,220,822</u>	<u>2,618,538</u>	<u>1,292,836</u>

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



# Consolidated Condensed Interim Statement of Changes in Equity

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT								
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Reserves		Revenue Reserve		Non-controlling interests	Total
				Unrealised gain on revaluation of available for sale investments - net	Statutory	Unappropriated profit / (accumulated loss)			
						Sub-total			
----- (Rupees in '000) -----									
<b>Balance as at December 31, 2014 (audited)</b>	7,632,853	4,497,894	6,377	12,381,111	361,752	(300,050)	24,579,937	5,615,494	30,195,431
Profit for the period	-	-	-	-	-	3,555,181	3,555,181	587,589	4,142,770
Other comprehensive income	-	-	2,988	742,274	-	-	745,262	332,790	1,078,052
Total comprehensive income for the period	-	-	2,988	742,274	-	3,555,181	4,300,443	920,379	5,220,822
Transfer to statutory reserves	-	-	-	-	152,378	(152,378)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(4,805)	(4,805)
<b>Balance as at September 30, 2015 (un-audited)</b>	<u>7,632,853</u>	<u>4,497,894</u>	<u>9,365</u>	<u>13,123,385</u>	<u>514,130</u>	<u>3,102,753</u>	<u>28,880,380</u>	<u>6,531,068</u>	<u>35,411,448</u>
<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 reserve	-	-	-	-	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>

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

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

**Suleman Lalani**  
Chief Executive



## Consolidated Condensed Interim Cash Flow Statement

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	Note	September 30, 2016	September 30, 2015
----- (Rupees in '000) -----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		2,422,316	5,239,384
<b>Adjustments for non cash charges and other items:</b>			
Depreciation		409,347	338,075
Amortisation on intangible assets		39,905	34,024
Gain on sale of property and equipment		(29,542)	(28,144)
Provision for doubtful debts, loans and advances		(58,500)	555,219
Charge for defined benefit plan		47,121	54,023
Provision for impairment on investments - net		383,374	141,150
Loss / (gain) on remeasurement of investments through profit and loss - held for trading - net		2,176	(208,268)
Finance cost		6,942,428	7,386,517
		7,736,309	8,272,596
<b>Operating profit before working capital changes (Increase) / decrease in operating assets :</b>		10,158,625	13,511,980
Trade debts		(854,126)	(577,802)
Loans and advances		8,539,208	962,293
Long term loans, advances, deposits and other receivables		(11,469,378)	(9,445,560)
Fund placements		3,081,329	11,353,336
Deposits, prepayments, accrued mark-up and other receivables		891,845	1,655,767
		188,878	3,948,034
<b>Increase in operating liabilities</b>			
Trade and other payables		2,881,315	1,269,282
Deposits and other accounts		47,236,113	18,532,558
<b>Net cash generated from operations</b>		60,464,931	37,261,854
Interest / mark-up paid		(6,640,125)	(7,318,226)
Gratuity paid		(38,886)	(21,349)
Taxes paid		(932,006)	(515,372)
Dividend paid (including non-controlling interests)		(5,415)	(4,936)
<b>Net cash generated from operating activities</b>		52,848,499	29,401,971
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital expenditure incurred		(1,640,377)	(1,087,846)
Intangible assets acquired		(41,600)	(80,998)
Proceeds from sale of property and equipment		48,782	59,072
Paid to Non-Controlling Interests against buy back of shares by a subsidiary		(551,678)	-
Proceeds / (acquisition) from assets held for sale		120,391	(18,137)
Investments acquired - net of sale		(17,018,140)	(32,414,282)
<b>Net cash used in investing activities</b>		(19,082,622)	(33,542,191)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issuance of / (redemption) of term finance certificates - net		780,179	(146,976)
Long term loan (repayment to) / obtained from bank		(61,949)	491,375
Proceeds from subscription against issue of right shares of Parent Company		-	326
Securities purchased under repurchase agreements		(27,793,377)	444,392
<b>Net cash (used in) / generated from financing activities</b>		(27,075,147)	789,117
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		6,690,730	(3,351,103)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		4,085,662	5,890,006
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	17	10,776,392	2,538,903

The annexed notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (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 (formerly Karachi 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 trading of securities, managing strategic investments, 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, 2016	December 31, 2015
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	1.2.1	December 21, 2011	47.29%	35.95%
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 International LLP (Sub-subsidiary)	Investment Advisory Services	1.2.2	April 11, 2006	-	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	1.2.3	May 9, 2016	100.00%	-
Khairpur Solar Power (Private) Limited	Power generation	1.2.4	May 9, 2016	100.00%	-

1.2.1 During the period, JS Global Capital Limited, a sub-subsidiary of the Company, bought back 11,993,000 shares from its shareholders which resulted in an increase in effective shareholding of the Group to 47.29% from 35.95% reported as on December 31, 2015.

1.2.2 During the period, JS International LLP, a subsidiary of JS International Limited was wound up.

# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

**1.2.3** During the period, the wholly owned subsidiary has been incorporated on May 09, 2016 for the purpose of investments in power projects and the Board of Directors of the Holding Company has approved an equity investment of Rs. 1,000 million in its share capital.

**1.2.4** During the period, the Company was incorporated to invest in a power project to be located at Khairpur District, Sindh. The Company is the wholly owned subsidiary of the holding company by virtue of common management.

## 2. BASIS OF PREPARATION

These consolidated condensed interim financial statements are 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 (formerly Karachi Stock Exchange Limited). These consolidated condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. These consolidated condensed interim financial statements do 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, 2015.

These consolidated condensed interim financial statements have been prepared under the accrual basis of accounting except for cash flow statement.

The comparative balance sheet presented in these consolidated condensed interim financial statements has been extracted from the audited consolidated financial statements of the Group for the year ended December 31, 2015, 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 statements for the nine month period ended September 30, 2015.

### 2.1 Statement of compliance

These consolidated financial statements have 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 these consolidated condensed interim financial statements are consistent with those followed in the preparation of the Holding Company's annual financial statements for the year ended December 31, 2015 other than described below:

### 3.1 New and revised and amended standards and interpretations

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



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

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## Standards or interpretations

- IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates – Investment Entities: Applying the Consolidation Exception (Amendment)
- IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)
- IAS 1 – Presentation of Financial Statements - Disclosure Initiative (Amendment)
- IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)
- IAS 27 – Separate Financial Statements – Equity Method in Separate Financial Statements (Amendment)

The adoption of the above standards, amendments, interpretations and improvements did not have any material effect on the unconsolidated condensed interim financial statements.

In addition to the above standards and amendments, following improvements to accounting standards have also been issued by the IASB. Such improvements are effective for the current accounting period but did not have any material impact on the Holding Company's financial statements.

## Improvements to Accounting Standards Issued by the IASB

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal
- IFRS 7 Financial Instruments: Disclosures - Servicing contracts
- IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements
- IAS 19 Employee Benefits - Discount rate: regional market issue
- IAS 34 Interim Financial Reporting - Disclosure of information elsewhere in the interim financial report

## 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, 2015.

## 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 Holding 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 Holding 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, 2015.

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

### 6. PROPERTY AND EQUIPMENT

The details of additions in and disposals of operating assets during the period are as follows:

		September 30, 2016	September 30, 2015
		----- (Un-audited) -----	----- (Un-audited) -----
		----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>Additions - cost</b>			
<b>Owned:</b>			
- Office premises - freehold		805,640	136,182
- Leasehold improvements		231,570	86,928
- Office equipment		341,115	255,085
- Office furniture and fixtures		82,343	36,454
- Motor vehicles		171,806	164,093
		<u>1,632,474</u>	<u>678,742</u>
<b>Disposals - cost</b>			
- Office premises - freehold		300	-
- Leasehold improvements		12,662	-
- Office equipment		73,499	18,572
- Office furniture and fixtures		17,917	1,219
- Motor vehicles		62,929	75,350
		<u>167,307</u>	<u>95,141</u>
		(Un-audited) September 30, 2016	(Audited) December 31, 2015
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>7. LONG TERM INVESTMENTS</b>			
<b>Related parties:</b>			
- Others - Available for sale	7.1	17,474,149	15,784,071
<b>Other investments</b>			
		<u>68,398,148</u>	<u>73,183,197</u>
		<u>85,872,297</u>	<u>88,967,268</u>
7.1	Included herein is unrealized gain on equity security of BankIslami Pakistan Limited amounting to Rs. 1,296.63 million which is Sharia compliant security under KMI-30 index.		
		(Un-audited) September 30, 2016	(Audited) December 31, 2015
	Note	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>8. SHORT TERM INVESTMENTS</b>			
Assets at fair value through profit or loss		20,329,439	24,105,806
Available for sale	8.1	48,568,538	22,558,917
	8.2	<u>68,897,977</u>	<u>46,664,723</u>



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

- 8.1 Included herein are the investments in related parties amounting to Rs. 1,812.63 million (December 31, 2015: Rs.1,778.11 million) having market value of Rs. 3,087.48 million (December 31, 2015: Rs. 2,405.62 million).
- 8.2 Included herein are unrealized gain on Ghani Glass Limited and Pakistan Oilfields Limited amounting to Rs. 419.5 million and Rs. 1.7 million respectively and unrealized loss on Engro Fertilizers Limited, Fauji Cement Company Limited and Engro Corporation Limited Islamic - Rupiya Sukuks amounting to Rs. 6.6 million, Rs. 1.2 million and Rs. 0.15 million respectively which are Sharia compliant securities under KMI-30 index.

## 9. LONG TERM FINANCING

- 9.1 The Holding Company exercised the Call Option in respect of TFC (30-10-2012) bearing symbol JSTFC6 in accordance with clause 3.16 of the Trust Deed dated June 14, 2012. The Option Redemption Date was April 30, 2016, on which date the Holding Company redeemed in full the entire principal outstanding amount of Rs. 250 million along with accrued profit as of the said date and premium at the rate of 0.25% of the prepaid amount i.e. Rs. 125 million which was otherwise due on October 30, 2016.
- 9.2 During the period, on June 24, 2016, the Holding Company has issued Privately Placed TFCs amounting to Rs. 1,000 million. The profit on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 165 basis points per annum. These TFCs have a tenor of five years i.e. 2016-2021 with a call option exercisable by the Holding Company at any time on a coupon date during the tenor of the TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in eight (8) equal semi-annual installments starting from the 18th month of the Issue Date. 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. 1,806.97 million to secure the outstanding principal with 35% margin. In the event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	----- (Rupees in '000) -----	
<b>10. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES</b>		
Long term financing - Term finance certificates	142,994	345,818
Long term loans	122,952	60,114
Deposits and other accounts	138,789,223	104,147,082
Current accounts - Non-remunerative	47,021,783	34,570,446
	186,076,952	139,123,460

## 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, 2015, except for the following:

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

### In respect of Holding Company

- a) The Commissioner Inland Revenue-Appeals (CIR-Appeals) deleted the additions made as per orders passed under section 122(5A) eliminating the resulting tax liability and restored the return versions for the tax years 2008 and 2009. The tax department filed appeals before the Appellate Tribunal Inland Revenue (ATIR) against the orders of CIR-Appeals. The ATIR also decided the subject matter in respect of tax years 2008 and 2009 in favour of the Company. However, appeal effect orders passed by the department in respect of aforesaid tax years resulted in refund of Rs. 11.02 million for the tax year 2009. Rectification applications for both the years were filed with the ACIR to allow appeal effect in accordance with the orders passed by the appellate forums. The rectification application for the tax year 2008 was rejected by the ACIR on the contention that another amended order under section 122(5A) as discussed below is in field and previous order is no more in the field. Against the rejection, appeal was filed with the CIR-Appeals which is pending.
- b) The Additional Commissioner of Inland Revenue - Audit Division (ACIR) had passed an order under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) in respect of the tax year 2008 and raised an undue demand of Rs. 96.48 million by unlawfully charging minimum tax at 0.5% under section 113 of the Ordinance on capital gains on sale of listed securities of Rs. 19,255.04 million despite the fact that such capital gains are treated under separate head of income as 'Capital Gains' and not as part of 'Income from Business'. Further, capital gains on sale of listed securities are not covered under the exclusive definition of 'turnover' stipulated in section 113 of the Ordinance. The Company filed an appeal against the above order before the CIR-Appeals. The CIR-Appeals, vide his order dated December 22, 2015, annulled the said order on the issue of charging of minimum tax under section 113 and treatment of capital gain on sale of listed securities as business income. Against the order, the tax department has filed an appeal before the Appellate Tribunal.

### In respect of JS Investments Limited

- a) In respect of the appeals filed by the Company against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and Rs. 66 million respectively, the Deputy Commissioner Inland Revenue (DCIR) Appeals previously had not accepted the basis of addition 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 adjudication.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 has deleted the additions of tax amortization of Management rights and remanded back the issues of disallowed provisions and advertisement expenses.

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 said appeal before ATIR is currently pending for adjudication.



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

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, which is pending for adjudication.

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

## In respect of JS Global Capital Limited

- a) During the period, an amended assessment order dated April 28, 2016, has been passed under section 122 (5A) of the Income Tax Ordinance, 2001 (the Ordinance) by the Additional Commissioner Inland Revenue, for the tax year 2014. Through said order, the ACIR raised demand amounting to Rs. 20.081 million. The Company has filed rectification application identifying various errors / details not considered by the ACIR and requested the ACIR to rectify the same. In addition to that, Company has also filed an appeal to the Commissioner Inland Revenue Appeals - IV (CIR-A) which is pending. The Company has also obtained stay against recovery of demand from Sindh High Court (SHC) till the decision of CIR-A. Tax advisor of the Company is of the opinion that no liability would accrue in this regard.
- b) Tax department has issued notice confronting (alleged) non payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005. 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 on account of non-payment of Federal Excise Duty (FED) for the period from July, 2010 till December, 2013. The Company has filed a rectification appeal amounting to Rs. 55.3 million against the said order on account of certain computational errors. However, for the remaining demand of Rs. 22.526 million (representing duplicate levy as the Company has already paid Sindh sales tax under Sindh Sales Tax on Services Act on such services) the Company has also filed an appeal / stay application, which is still pending. The Company has also filed an appeal in the Sindh High Court (SHC), through KSE Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18<sup>th</sup> 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 obligations in the respective provinces. The SHC has stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers. Further, management of the Company and its tax advisors are of the view that the issue will be decided in Company's favour in view of the recent decision of SHC on the matter of duplicate levy of sales tax and FED on services. Thus, no further charge is expected to arise in respect of this matter.

The SHC has stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers. Further, management of the Company and its tax advisors are of the view that the issue will be decided in Company's favour in view of the recent decision of SHC on the matter of duplicate levy of sales tax and FED on services. Thus, no further charge is expected to arise in respect of this matter.

- c) During 2015, the Company received a show cause notice from Officer Inland Revenue contending short deduction / deposit of tax on dividend paid during 2014. Subsequently, an order was passed demanding an amount of Rs. 281,597. The Company filed an appeal with Commissioner Appeals and stay order was granted. Tax advisor of the Company is of the opinion that no liability would accrue in this regard.

## 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:



## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	(Un-audited) September 30, 2016	(Audited) December 31, 2015
	----- (Rupees in '000) -----	
- Government	22,141,929	13,374,471
- Banking companies and other financial institutions	2,510,437	590,642
- Others	13,337,675	2,888,172
	<u>37,990,041</u>	<u>16,853,285</u>
<b>11.3 Other contingencies</b>		
Claims not acknowledged as debts	66,886	66,884
Trade related contingent liabilities documentary credits	15,054,894	11,134,071
<b>11.4 Commitments</b>		
Commitments in respect of:		
Forward exchange contracts:		
- Purchase	7,161,176	9,076,271
- Sale	8,486,090	5,218,707
Forward commitments to extend credit	3,100,495	1,396,767
<b>Other Commitments</b>		
Forward commitments in respect of sale of securities	856,354	1,035,179
Commitments in respect of capital expenditure	91,163	616,466
Cross currency swaps	2,085,600	2,627,850
<b>12.</b>	Included herein are dividend income of Ghani Glass Limited, JS Islamic Government Securities Fund, Engro Fertilizers Limited and Pakistan Oilfields Limited of Rs. 35.2 million, Rs. 6.9 million, Rs. 2.3 million and Rs. 1 million each respectively which are Sharia compliant securities under KMI-30 index.	
<b>13.</b>	Included herein are gain on sale of investment of Ghani Glass Limited and Pakistan Oilfields Limited of Rs. 19.8 million and Rs 1.5 million respectively and loss on sale of investment of Engro Fertilizers Limited and Fauji Cement Company Limited of Rs. 1.3 million and Rs. 0.1 million which are Sharia compliant under KMI-30 index.	



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

14. Included herein is a sum of Rs. 48,058,738 payable to Citibank Overseas Investment Corporation ("COIC") as part of the purchase consideration for the six million shares in Jahangir Siddiqui Investment Bank Limited (now merged into JS Bank Limited and formerly known as Citicorp Investment Bank Limited) pursuant to the terms of the agreement entered into between COIC and Jahangir Siddiqui & Co. Ltd. dated February 01, 1999 (Agreement). The amount was to be paid if and when the JS Bank Limited (the successor company of Jahangir Siddiqui Investment Bank Limited) receives certain refunds which were pending at the time of execution of the Agreement. There will be no increase in the number of shares pursuant to the aforesaid payment which is being made in terms of the Agreement. Pursuant to the approval of the Board of Directors of the Holding Company the members of the Holding Company in their Annual General Meeting held on April 11, 2016, have also approved the payment to COIC, by way of special resolution under Section 208 of the Companies Ordinance, 1984, subject to the requisite regulatory permission(s).

The Holding Company, upon the recommendation of its statutory auditors, has recorded the liability payable to COIC as an expense since it did not fulfill the criteria to be recognized as an asset under currently applicable IFRS framework.

15. This represents super tax liability for the tax year 2016 levied through enactment of Finance Act, 2016 which became applicable from July 01, 2016. Since the Group follows a special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001, for the year ended December 31, 2015 (tax year 2016) is recognized during the period.

	Nine Months Ended		Quarter Ended	
	September 30, 2016	September 30, 2015	September 30, 2016	September 30, 2015
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			

## 16. BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation attributable to equity holders' of the parent

969,714	3,555,181	319,622	794,017
---------	-----------	---------	---------

(Restated) (Restated)

----- (Number in '000) -----

Weighted average number of Ordinary shares outstanding during the period

915,942	842,476	915,942	842,476
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(Restated) (Restated)

----- (Rupees) -----

Earnings per share:

Basic and Diluted

1.06	4.22	0.35	0.94
------	------	------	------

- 16.1 The comparative figures of earnings per share have been restated due to the right issue by the Holding Company on December 1, 2015 resulting in change in weighted average number of shares as disclosed in note 21.2 of the annual audited financial statements for the year ended December 31, 2015.

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
<b>17. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	14,805,541	9,982,254
Borrowings from banks / NBFCs	(4,029,149)	(7,443,351)
	<b>10,776,392</b>	<b>2,538,903</b>

### 18. RELATED PARTY TRANSACTIONS

Related parties comprise of associates, companies under common directorship, joint ventures, directors, key management personnel and provident fund schemes.

Significant transactions with related parties during the period ended are as follows:

	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Dividend received	472,342	370,434
Brokerage and commission expense	45,441	44,339
Purchase of money market instruments	1,596,753	3,916,781
Sale of money market instruments	27,457,947	13,313,950
Purchase of units	-	778,915
Letter of credits	99,143	16,139
Call borrowing / repurchase transactions / encashment of fund placements	-	13,800,000
Foreign exchange purchases transaction	6,101,906	4,274,732
Foreign exchange sale transaction	10,593,395	3,931,858
Rental income	12,582	7,966
Interest / markup earned from key management personnel	57	93
Interest / markup paid	3,200	8,122
Principal redemptions made against TFCs	28,563	15,763
Royalty paid	14,100	9,125
Advisory fee paid	34,000	14,000
Insurance premium paid	144,943	93,251
Insurance claim received	6,180	7,121
Tax on bonus shares	53,649	-
Investments disposed off in funds under management - at cost	404,202	1,063,442
Investments made in funds under management	328,731	1,070,634
Proceeds from sale of property and equipment	-	326
Sale of shares	-	624,104
Remuneration and commission income from funds	111,913	81,473
Donation paid	33,557	48,255
Contribution to provident fund	38,647	45,078
Contribution to gratuity fund	64,005	21,349
Loan repayment from executives / others	112,672	2,172
Loan disbursed to executives / others	204,999	1,135



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	September 30, 2016	September 30, 2015
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Letter of guarantees	-	92,123
Subscription against right shares	-	918,416
Income from HR services	467	-
Fee paid to directors for attending directors / committee meetings	13,356	3,725
Sale of Sukuk/ Ijara Sukuk	295,977	5,040
Remuneration to key management personnel	299,008	218,578
	----- (Number) -----	
Purchase of shares	2,063,500	163,623,360
Sale of shares	2,247,870	-
Right shares received	-	91,841,563
Bonus shares received	8,016,930	-

## 19. SEGMENT INFORMATION

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

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

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

The following tables present revenue and profit information for the Group's operating segments for the nine month period ended September 30, 2016 and 2015 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
----- (Rupees in '000) -----							
<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 / (loss) 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>
<b>Nine months ended September 30, 2015</b>							
<b>Revenue</b>							
Segment revenues	4,546,234	13,622,423	381,317	253,141	18,803,115	(353,837)	18,449,278
Inter-segment revenues	(332,638)	(2,275)	(3,533)	(15,391)	(353,837)	353,837	-
<b>Total revenue</b>	<b>4,213,596</b>	<b>13,620,148</b>	<b>377,784</b>	<b>237,750</b>	<b>18,449,278</b>	<b>-</b>	<b>18,449,278</b>
<b>Results</b>							
Net profit / (loss) for the period	<b>2,619,855</b>	<b>1,079,652</b>	<b>193,890</b>	<b>(392,653)</b>	<b>3,500,744</b>	<b>642,026</b>	<b>4,142,770</b>

The following tables present assets and liabilities information for the Group's operating segments for the nine month period ended September 30, 2016 and year ended December 31, 2015 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
----- (Rupees in '000) -----							
<b>Assets</b>							
September 30, 2016	<b>34,115,572</b>	<b>236,239,046</b>	<b>2,509,889</b>	<b>2,478,048</b>	<b>275,342,555</b>	<b>(13,558,731)</b>	<b>261,783,824</b>
December 31, 2015	<b>30,437,384</b>	<b>218,475,663</b>	<b>2,299,742</b>	<b>1,512,614</b>	<b>252,725,403</b>	<b>(13,014,375)</b>	<b>239,711,028</b>
<b>Liabilities</b>							
September 30, 2016	<b>3,702,387</b>	<b>219,405,963</b>	<b>207,271</b>	<b>559,763</b>	<b>223,875,384</b>	<b>(2,797,988)</b>	<b>221,077,396</b>
December 31, 2015	<b>2,250,198</b>	<b>202,507,760</b>	<b>192,165</b>	<b>494,672</b>	<b>205,444,795</b>	<b>(3,054,463)</b>	<b>202,390,332</b>



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

## 20. 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)

20.1 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, 2016			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				

### On balance sheet financial instruments

#### At fair value through profit or loss

Open end Mutual Funds	-	335,695	-	335,695
Sukuk and term finance certificates	-	135,183	-	135,183
Listed equity securities	684,055	-	-	684,055
Government Securities	-	16,978,281	-	16,978,281
	684,055	17,449,159	-	18,133,214

#### Available for sale investments

Open end Mutual Funds	95,886	1,824,705	-	1,920,591
Listed equity securities	26,839,309	-	-	26,839,309
Unlisted equity securities	-	169,817	-	169,817
Sukuk, term finance certificates and foreign currency bonds	-	6,410,944	-	6,410,944
Government Securities	-	101,296,399	-	101,296,399
	26,935,195	109,701,865	-	136,637,060
	27,619,250	127,151,024	-	154,770,274

## Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	As at September 30, 2016			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	7,118,640	-	7,118,640
Sale	-	8,467,846	-	8,467,846
<b>Future transactions of listed equity securities</b>	<b>660,190</b>	<b>-</b>	<b>-</b>	<b>660,190</b>
<b>Forward government securities</b>				
Sale	-	196,063	-	196,063
<b>Cross currency swaps (notional principal)</b>	<b>-</b>	<b>2,156,726</b>	<b>-</b>	<b>2,156,726</b>

	As at December 31, 2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>On balance sheet financial instruments</b>				
<b>At fair value through profit or loss</b>				
Open end Mutual Funds	363,454	-	-	363,454
Term Finance Certificates	43,403	-	-	43,403
Listed equity securities	832,642	-	-	832,642
Government Securities	-	22,537,891	-	22,537,891
	1,239,499	22,537,891	-	23,777,390

### Available for sale investments

Open end Mutual Funds	2,142,526	-	-	2,142,526
Listed equity securities	21,470,653	-	-	21,470,653
Unlisted equity securities	-	11,000	-	11,000
Sukuk, term finance certificates and foreign currency bonds	-	3,174,342	152,960	3,327,302
Government Securities	-	84,679,742	-	84,679,742
	23,613,179	87,865,084	152,960	111,631,223
	24,852,678	110,402,975	152,960	135,408,613



# Notes to the Consolidated Condensed Interim Financial Statements

For the Nine Month Period Ended September 30, 2016 (Un-Audited)

	As at December 31, 2015			
	Level 1	Level 2	Level 3	Total
	----- (Rupees in '000) -----			
<b>Off balance sheet financial instruments</b>				
<b>Forward exchange contracts</b>				
Purchase	-	9,010,743	-	9,010,743
Sale	-	5,232,871	-	5,232,871
<b>Future transactions of listed equity securities</b>	<b>772,304</b>	<b>-</b>	<b>-</b>	<b>772,304</b>
<b>Forward government securities</b>				
Sale	-	267,228	-	267,228
<b>Cross currency swaps (notional principal)</b>	<b>-</b>	<b>2,638,243</b>	<b>-</b>	<b>2,638,243</b>

## 20.2 Fair value of other assets

The Holding Company accounts for its investment properties using the cost method. However, as per the requirements of IAS 40 'Investment Property', fair value of the same is required to be disclosed

As at balance sheet date, the fair value hierarchy is as follows:

	September 30, 2016		December 31, 2015	
	Level 2	Fair Value	Level 2	Fair Value
	----- (Rupees in '000) -----			
Investment property	86.35	86.35	86.35	86.35

## 21. 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 October 27, 2016.

## 22. General

Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed  
Chairman

Suleman Lalani  
Chief Executive





**Jahangir Siddiqui & Co. Ltd.**

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