



Quarterly Report
September 30, 2021 (Un-audited)



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Company Information

Board of Directors

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

Suleman Lalani
Chief Executive Officer

Ali Raza Siddiqui
Director - Non-Executive

Shahid Hussain Jatoi
Director - Non-Executive

Muhammad Ali
Director - Non-Executive

Hina Athar Khan
Director - Non-Executive

Saud Ahmed Mirza
Director - Independent, Non-Executive

Lt. Gen. (R) Javed Mehmood Bukhari
Director - Independent, Non-Executive

Chief Financial Officer

Najmul Hoda Khan

Company Secretary

Syed Ali Hasham

Audit Committee

Saud Ahmed Mirza
Chairman

Ali Raza Siddiqui
Member

Shahid Hussain Jatoi
Member

Human Resource & Remuneration Committee

Saud Ahmed Mirza
Chairman

Chief Justice (R) Mahboob Ahmed
Member

Suleman Lalani
Member

Executive Committee

Ali Raza Siddiqui
Chairman

Shahid Hussain Jatoi
Member

Suleman Lalani
Member

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S.
Main Shahrah-e-Faisal
Karachi - 74400
Tel: 0800-23275
Fax: (92-21) 34326053
Email: info@cdcsrsl.com
Website: www.cdcsrsl.com

Registered Office

20th Floor, The Center
Plot No. 28, SB - 5
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Saddar, Karachi-74400
Pakistan
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Directors' Review

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the nine months period ended September 30, 2021. We are pleased to present the report on the performance of the Company along with consolidated performance of the Company with its subsidiaries for the period under review.

Financial Performance

The Company has reported a net profit after tax of PKR 793.27 million for the nine months period ended September 30, 2021. The overall revenues for the period under review increased to PKR 1,304.85 million from the corresponding period last year mainly due to increase in dividend income and realized and unrealized capital gains on equity securities.

The breakup value per share of the Company as on September 30, 2021, was PKR 37.58.

Further, after a massive cut of 625 basis points in the policy rate by the State Bank of Pakistan ("SBP") in the year 2020, SBP maintained the policy rate at 7% since then till the last meeting of Monetary Policy Committee of SBP which was held on September 20, 2021. In the last meeting, SBP raised the policy rate by 25 basis points to 7.25 percent due to evidence of economic recovery exceeding expectations. However, this increase in policy rate did not affect the period under review and owing to the massive reduction done earlier, finance cost of the Company decreased considerably to PKR 198.82 million for the nine months period ended September 30, 2021, from PKR 386.74 million for the corresponding period last year.

The basic and diluted earnings per share is PKR 0.78 for the nine months period ended September 30, 2021.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 2,019.91 million for the nine months period ended September 30, 2021, as compared to a net profit of PKR 1,112.44 million for the corresponding period last year.

The basic and diluted earnings per share is PKR 1.86 for the nine months period ended September 30, 2021.

Credit Rating

The Pakistan Credit Rating Agency ("PACRA") has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company. Further, the ratings for the Company's 10th and 11th (listed on PSX) TFC issues, of PKR 1,500 million each, are also maintained at AA+ (Double A plus) by PACRA.

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

Future Outlook

The persistent progress in vaccination and immunization program and overall adept management of the pandemic by the Government is resulting in to the signs that the latest wave of COVID-19 in the Country is now contained. Owing to the Government's and the SBP's timely responses, the economic recovery now appears less vulnerable to pandemic-related uncertainty.

In the latest Monetary Policy Statement issued by the SBP on September 20, 2021, the Monetary Policy Committee of SBP noted that the pace of the economic recovery has exceeded expectations. As a result of these positive developments, growth in FY22 is now expected toward the upper end of the forecast range of 4-5%.

The management has taken necessary measures to ensure long term sustainability and actively monitoring and managing the developing situation across our businesses with regards to the pandemic. Further, the Company strives for enhancement in shareholders' value in these challenging times through prudently managing its strategic investments.

Acknowledgement

The Directors greatly value the continued support and patronage of our clients and business partners. We also wish to appreciate our employees and management for their dedication and hard work.

**For and on behalf of the
Board of Directors**

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Karachi: October 28, 2021

مستقبل کے امکانات

ویکسینیشن اور حفاظتی ٹیکوں کے پروگرام میں مسلسل پیش رفت اور حکومت کی طرف سے وبائی امراض کو روکنے کے مجموعی انتظام کے نتیجے میں اس بات کے آثار نظر آرہے ہیں کہ پاکستان میں کووڈ کی تازہ ترین لہر قابو میں ہے۔ تاہم حکومت اور اسٹیٹ بینک کے بروقت رد عمل کی وجہ سے معاشی بحالی اب وباء سے متعلق غیر یقینی کیفیت کا اتنا زیادہ شکار معلوم نہیں ہوتی۔

۳۰ ستمبر ۲۰۲۱ء کو جاری کردہ زری پالیسی بیان میں اسٹیٹ بینک کی زری پالیسی کمیٹی نے نوٹ کیا ہے کہ معاشی بحالی کی رفتار توقعات سے تجاوز کر گئی ہے۔ اس مثبت پیش رفت کے نتیجے میں اب مالی سال ۲۰۲۲ء میں نمو ۵ تا ۶ فیصد پیش گوئی کی بالائی حد میں رہے گی۔

انتظامیہ نے طویل المدت کے استحکام کو یقین بنانے اور وبائی امراض کے سلسلے میں ہمارے کاروباروں کی پیش رفت اور صورتحال کی فعال طور پر نگرانی اور انتظام کرنے کے لئے ضروری اقدامات اٹھائے ہیں۔ مزید یہ کہ کمپنی ان مشکل حالات میں اپنی سرمایہ کاری کو محتاط طریقہ سے منظم کرنے سے حصص یافتگان کے سرمایہ کی قدر میں اضافہ کے لئے کوشاں ہیں۔

قدر شناسی

ڈائریکٹرز ہمارے کلائنٹس اور کاروبار کے شراکت داروں کی مسلسل حمایت اور سرپرستی کی بہت قدر کرتے ہیں۔ ہم اپنے ملازمین اور انتظامیہ کو ان کی لگن اور محنت کی تعریف کرنا چاہتے ہیں۔

برائے اور منجانب

بورڈ آف ڈائریکٹرز

سلیمان لالانی

چیف ایگزیکٹو آفیسر

علی رضا صدیقی

ڈائریکٹر

کراچی ۲۸ اکتوبر ۲۰۲۱ء

ڈائریکٹرز کا جائزہ

معزز حصص یافتگان

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والی نو ماہی پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ ہم جائزہ کی مدت کے دوران کمپنی کی انفرادی اور جمعہ ذیلی اداروں کے مجموعی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی کارکردگی

۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والی نو ماہی مدت کے دوران کمپنی کا خالص منافع ۳۹.۲۷ ملین روپے رہا مجموعی آمدنی پچھلے سال تقابلی مدت سے بڑھ کر ۸۵.۳۰ ملین روپے ہو گئی جس کی بنیادی وجہ ڈیویڈنڈ آمدنی میں اضافہ اور ایکویٹی سکیورٹیز کے حقیقی / غیر حقیقی منافع میں اضافہ ہے۔

۳۰ ستمبر ۲۰۲۱ء کو فی حصص بریک اپ ویلیو ۵۸.۳۷ روپے رہی۔

مزید یہ کہ سال ۲۰۲۰ء میں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح کو بڑے پیمانے پر ۶۲۵ بنیادی پوائنٹس کم کرنے کے بعد اپنی مانیٹری پالیسی کمیٹی کے آخری اجلاس تک جو کہ ۲۰ ستمبر ۲۰۲۱ء کو منعقد ہوا پالیسی شرح کو ۷ فیصد پر برقرار رکھا۔ آخری ہونے والے اجلاس میں ایس بی پی نے پالیسی شرح کو ۲۵ بنیادی پوائنٹس بڑھا کر ۲.۲۵ شرح کر دیا کیونکہ معاشی بحالی کی رفتار توقعات سے تجاوز کر رہی ہیں۔ تاہم پالیسی کی شرح میں اس اضافے نے زیر جائزہ مدت کو متاثر نہیں کیا اور پہلے کی گئی بڑی کمی کی وجہ سے کمپنی کی سودی لاگت ۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والی نو ماہی میں ۱۹۸.۸۲ ملین روپے رہی جو گزشتہ سال کی اسی مدت کے لئے ۳۸۶.۷۷ ملین روپے تھی۔

۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والی نو ماہی میں کمپنی کا basic اور diluted منافع فی حصص ۰.۷۸ روپے رہا۔

مجموعی مالیاتی گوشوارے

۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والی نو ماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۲,۰۱۹.۹۱ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں ۱۱۲.۴۳ ملین روپے کا خالص منافع تھا۔

۳۰ ستمبر ۲۰۲۱ء کو ختم ہونے والی نو ماہی میں کمپنی کا basic اور diluted منافع فی حصص ۱.۸۶ روپے رہا۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹنگ AA (Double A) اور مختصر کریڈٹ ریٹنگ A1+ (A One Plus) کو برقرار رکھا ہے۔ مزید یہ کہ (PACRA) نے کمپنی کے ۵۰۰ ملین روپے والے دونوں دسویں اور گیارہویں TFCs کی ریٹنگ کو بھی AA+ (Double A Plus) پر برقرار رکھا ہے۔

یہ ریٹنگ Credit Risk میں انتہائی کم خطرہ کے امکانات، مالیاتی وعدوں کی بروقت ادائیگی اور زیادہ خطرات کو جذب کرنے کی صلاحیت رکھتی ہے۔



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Unconsolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		September 30, 2021 (Un-Audited)	December 31, 2020 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	214,287	235,239
Investment property		1,330	1,420
Long term investment	7	26,092,411	27,613,822
Long term loans and advances		16,694	4,968
Long term security deposits		2,873	2,959
		26,327,595	27,858,408
Current Assets			
Short term loans and advances		1,800	859
Short term prepayments and other receivables		40,296	9,995
Interest accrued		7,589	6,901
Other financial assets - short term investments	8	10,567,573	6,815,188
Taxation - net		111,081	113,842
Cash and bank balances		1,390,138	179,730
		12,118,477	7,126,515
		38,446,072	34,984,923
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		65,000,000	65,000,000
Issued, subscribed and paid-up capital			
Ordinary shares		9,159,424	9,159,424
Equity component of Preference Shares	9	1,300,181	-
Reserves		23,965,313	22,245,198
		34,424,918	31,404,622
Non-Current Liabilities			
Long term financing	10	1,247,959	2,169,551
Liability component of Preference Share	11	393,536	-
Lease liability	12	119,144	127,048
Deferred tax liability		775,142	287,448
Current Liabilities			
Trade and other payables	13	434,707	314,606
Unclaimed dividend		10,522	10,538
Accrued interest on borrowings		24,066	73,501
Current portion of long term financing	10	857,177	568,175
Current portion of liability component of Preference Shares	11	134,004	-
Current maturity of lease liability	12	24,897	29,434
		1,485,373	996,254
		38,446,072	34,984,923
Contingencies and commitment	14		

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Unconsolidated Condensed Interim Statement of Profit or Loss

For the Nine Months Period Ended September 30, 2021 (Un-audited)

		Nine Months Ended		Quarter Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
INCOME	Note	(Rupees in '000)			
Return on investments	15	968,064	707,813	134,852	109,606
Gain / (loss) on sale of investments - net	16	207,917	(9,930)	(5,765)	2,152
Income from long term loans and fund placements	17	51,908	26,906	35,716	13,277
Other income		90,797	53,107	17,368	40,767
Loss on remeasurement of investments at fair value through profit or loss - net		(13,837)	(31,895)	(5,690)	(28,385)
		1,304,849	746,001	176,481	137,417
EXPENDITURE					
Operating and administrative expenses		162,784	159,444	52,069	68,847
Finance cost		198,824	386,740	70,628	102,404
Provision for Sindh Workers' Welfare Fund		18,877	15,166	1,080	8,934
Reversal of impairment - net		(623)	(558,503)	(244)	(480,580)
		379,862	2,847	123,533	300,395
PROFIT BEFORE TAXATION		924,987	743,154	52,948	437,812
Taxation					
Current		187,464	105,721	30,100	17,423
Prior		7,923	-	7,923	-
Deferred		(9,670)	-	(962)	-
		185,787	105,721	37,061	17,423
PROFIT FOR THE PERIOD		739,270	637,433	15,887	420,389
EARNINGS PER SHARE					
(Rupees)					
Basic and diluted	18	0.78	0.70	(0.01)	0.46

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	(Rupees in '000)			
PROFIT FOR THE PERIOD	739,270	637,433	15,887	420,389
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items that will not be reclassified subsequently to statement of profit or loss				
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the period - net of deferred tax	980,845	1,438,408	(2,547,483)	2,583,870
Total comprehensive income / (loss) for the period	1,720,115	2,075,841	(2,531,596)	3,004,259

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Unconsolidated Condensed Interim Statement of Changes in Equity

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	Issued, subscribed and paid-up capital		Reserves				Sub-total	Total
			Ordinary share premium	Unrealised	Revenue reserve			
	gain / (loss) on revaluation of investments at fair value through OCI - net	Unappropriated profit						
	Ordinary Shares	Equity Component of Preference Shares						
	(Rupees in '000)							
Balance as at December 31, 2019 (audited)	9,159,424	-	4,497,894	8,456,311	2,914,646	15,868,851	25,028,275	
Profit for the period	-	-	-	-	637,433	637,433	637,433	
Other comprehensive loss	-	-	-	1,438,408	-	1,438,408	1,438,408	
Total comprehensive loss	-	-	-	1,438,408	637,433	2,075,841	2,075,841	
Reclassification of net revaluation loss on equity instruments upon derecognition	-	-	-	(158,885)	158,885	-	-	
Balance as at September 30, 2020 (un-audited)	9,159,424	-	4,497,894	9,735,834	3,710,964	17,944,692	27,104,116	
Balance as at December 31, 2020 (audited)	9,159,424	-	4,497,894	13,447,957	4,299,347	22,245,198	31,404,622	
Profit for the period	-	-	-	-	739,270	739,270	739,270	
Other comprehensive income	-	-	-	980,845	-	980,845	980,845	
Total comprehensive income	-	-	-	980,845	739,270	1,720,115	1,720,115	
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	-	(12,604)	12,604	-	-	
Equity component of Preference Shares (Note 9)	-	1,312,601	-	-	-	-	1,312,601	
Less: Issuance cost related to equity component of Preference Shares	-	(12,420)	-	-	-	-	(12,420)	
Balance as at September 30, 2021 (un-audited)	9,159,424	1,300,181	4,497,894	14,416,198	5,051,221	23,965,313	34,424,918	

The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021	September 30, 2020
Note	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	924,987	743,154
Adjustment for non cash charges and other items:		
Depreciation	26,414	25,398
Gain on sale of property and equipment	(1,012)	(1,156)
Interest income	(51,908)	(44,864)
Loss on remeasurement of investments at fair value through profit or loss - net	13,837	31,895
Reversal of impairment - net	(623)	(558,503)
Dividend income	(964,936)	(689,855)
Gain on remeasurement of derivatives through profit or loss	(71,106)	-
Finance cost	198,824	386,740
	(850,510)	(850,345)
Operating gain / (loss) before working capital changes	74,477	(107,191)
(Increase) / decrease in current assets:		
Short term loans and advances	(941)	52
Short term prepayments and other receivables	(23,220)	(33,992)
Long term loans, advances and security deposits	(11,640)	354
	(35,801)	(33,586)
Increase / (decrease) in trade and other payables	191,207	(57,465)
	229,883	(198,242)
Investments - net	(1,062,027)	1,518,349
Dividend received	957,855	676,714
Finance cost paid	(217,746)	(508,311)
Taxes paid	(192,626)	(109,067)
Interest income received	51,222	48,252
Net cash (used in) / generated from operating activities	(233,455)	1,427,695
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(5,372)	(17,917)
Proceeds from sale of property and equipment	1,012	3,209
Net cash used in investing activities	(4,360)	(14,708)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of preference right shares - net of transaction cost	1,814,551	-
Redemption of term finance certificates	(450,000)	(750,000)
Long term loan repaid to bank	(187,500)	(187,500)
Payment against lease liability	(24,873)	(10,941)
Net cash generated from / (used in) financing activities	1,152,178	(948,441)
Net increase in cash and cash equivalents	914,363	464,546
Cash and cash equivalents at the beginning of the period	475,775	669,064
Cash and cash equivalents at the end of the period	1,390,138	1,133,610

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The annexed notes 1 to 23 form an integral part of this unconsolidated condensed interim financial information.

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 04, 1991 as a public unquoted company. The Company is presently listed on Pakistan Stock Exchange Limited. The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Company are managing strategic investments, trading of securities, consultancy services, etc.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This unconsolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard (IAS) 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.2 This unconsolidated condensed interim financial information does not include all the information required for full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2020.

2.3 The comparative unconsolidated condensed interim statement of financial position presented in this unconsolidated condensed interim financial information has been extracted from the audited annual financial statements of the Company for the year ended December 31, 2020, whereas the comparative unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim statement of cash flows and unconsolidated condensed interim statement of changes in equity are extracted from the unaudited unconsolidated condensed interim financial statements for the nine months period ended September 30, 2020.

2.4 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and section 237 of the Companies Act, 2017.

2.5 Basis of measurement

This unconsolidated condensed interim financial information has been prepared under the historical cost convention, except for certain investments and derivative financial instruments which are stated at fair value.

2.6 Functional and presentation currency

This unconsolidated condensed interim financial information is presented in Pakistani Rupee, which is also the functional and presentation currency of the Company and rounded off to the nearest to thousand rupee.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2020, except as stated below.

3.1 Class-'A' Preference Shares (Listed, Convertible, Redeemable, Non-Participatory, Non-Voting And Cumulative) ("Preference Shares")

The component parts of Preference Shares issued by the Company are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument under the applicable accounting standards.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This liability component is subsequently recognized on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The remainder of the proceeds is allocated to the equity component and recognised in shareholders' equity, net of transaction cost, and not subsequently remeasured.

The equity component that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own ordinary shares is an equity instrument. The equity component is determined by deducting the amount of the liability component from the total proceeds of the Preference Shares as a whole.

In addition, the equity component classified as equity will remain in equity until the conversion option is exercised by the Company, in which case, the balance recognised in equity will be transferred to Ordinary Shares. No gain or loss is recognised in profit or loss upon conversion.

Transaction costs that relate to the issue of the Preference Shares are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the period of the Preference Shares using the effective interest method.

3.2 New / Revised Standards, Interpretations and Amendments

There are certain interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these condensed interim financial statements.

3.2.1 Standards, Interpretations and Amendments to Published Approved Accounting Standards That Are Not Yet Effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2021:

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

COVID-19 - Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- there is no substantive change to the other terms and conditions of the lease.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

3.2.2 Annual Improvements to IFRS Standards 2018-2020

The following annual improvements to IFRS 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

4. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2020.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of unconsolidated condensed interim financial information, in conformity with approved accounting standards, requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual unconsolidated financial statements for the year ended December 31, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

		September 31, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT			
Operating assets - Owned	6.1	98,054	104,391
Right-of-use asset	6.2	116,233	130,132
Capital work-in-progress		-	716
		<u>214,287</u>	<u>235,239</u>
6.1 Operating assets - Owned			
Opening written down value		104,391	103,792
Addition during the period		6,088	18,559
Disposal during the period		-	(3,086)
Depreciation for the period		(12,425)	(14,874)
		<u>98,054</u>	<u>104,391</u>
6.2 Right-of-use asset			
Opening balance		130,132	154,562
Depreciation expense		(13,899)	(19,118)
Adjustment relating to lease modification		-	(5,312)
Closing balance		<u>116,233</u>	<u>130,132</u>
7. LONG TERM INVESTMENTS			
Investments in related parties			
Subsidiaries - at cost	7.1	11,560,715	11,560,092
Associate - 'at fair value through OCI'	7.2	2,969,622	2,830,569
Other related parties - 'at fair value through OCI'	7.3	<u>8,664,325</u>	<u>9,263,863</u>
		<u>23,194,662</u>	<u>23,654,524</u>
Other investments - 'at fair value through OCI'	7.4	<u>2,897,749</u>	<u>3,959,298</u>
		<u>26,092,411</u>	<u>27,613,822</u>



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

7.1 Subsidiaries - at cost

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

Number of shares					Holding			
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)		Note	Activity	September 30, 2021 (Un-audited) %	December 31, 2020 (Audited) %	September 30, 2021 (Un-audited) -----	December 31, 2020 (Audited) (Rupees in '000)-----
		<u>Quoted</u>						
973,307,324*	973,307,324	JS Bank Limited Market value Rs. 4,973.6 (December 31, 2020: Rs. 6,248.63) million		Commercial Banking	75.02	75.02	6,127,149	6,127,149
		<u>Un-quoted</u>						
370,000,000	370,000,000	Energy Infrastructure Holding (Private) Limited Net assets value Rs. 4,934.02 (December 31, 2020: Rs. 4,699.22) million based on unaudited financial statements for the nine months period ended September 30, 2021		Energy Petroleum & Infrastructure	100.00	100.00	3,700,000	3,700,000
173,736,297	173,736,297	JS Infocom Limited Net assets value Rs. 3,410.20 (December 31, 2020: Rs. 1,964.00) million based on unaudited financial statements for the nine months period ended September 30, 2021		Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490
10,000	10,000	JS International Limited Ordinary Shares of US\$ 1/- each having negative equity balance of Rs. 1.8 (September 30, 2020: Rs. (1.8)) million based on unaudited financial statements for the Nine months Period ended June 30, 2021 Less: Impairment		Investment services	100.00	100.00	294,882 <	

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

7.1.1 The net assets of Quality Energy Solutions (Private) Limited mainly comprise of bank deposits and debt securities. Due to interest income on bank deposits and debt securities, net assets value (NAV) increased at the reporting date. Therefore, reversal in provision of impairment of Rs. 0.62 million is recognized during the period.

7.2 Associate

At fair value through OCI

These are ordinary shares of Rs.10 each.

Number of shares			September 30, December 31,	
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)		2021 (Un-audited)	2020 (Audited)
			----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>		
235,684,306 *	235,684,306	BankIslami Pakistan Limited	2,969,622	2,830,569

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

7.3 Other related parties

At fair value through OCI

These are ordinary shares of Rs.10 each.

Number of shares				Holding		September 30, December 31,	
September 30, 2021 (Un-audited)	December 31, 2020 (Audited)		Activity	September 30, 2021 (Un-audited) %	December 31, 2020 (Audited) %	2021 (Un-audited)	2020 (Audited)
						----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>					
42,191,152	42,191,152	EFU General Insurance Limited	General Insurance	21.10	21.10	4,592,507	5,062,938
20,047,708	20,047,708	EFU Life Assurance Limited	Life Assurance	20.05	20.05	4,061,265	4,190,372
		<u>Un-quoted - at fair value</u>					
750,000	750,000	EFU Services (Private) Limited	Investment company	37.50	37.50	10,553	10,553
						8,664,325	9,263,863

7.3.1 The Company holds more than 20% shareholding in these entities, however, the Company believes that no 'significant influence' of the Company exists over these entities, and there is no representation of the Company on the respective boards of these entities. Hence, these entities are not accounted for as 'associates' under IAS 28 'Investment in Associates and Joint Ventures'. Appeal proceedings are currently pending with the Appellate Bench of the SECP, over an Order dated 06 November 2020 of the SECP, regarding the interpretation of 'significant influence' under IAS 28, in the context of the Company's above referred investments. In view of the pending status of the appeal, the SECP vide its letter dated February 23, 2021, has allowed the Company to continue the existing accounting policy of keeping such investments at 'fair value through other comprehensive income' till the decision of the appeal.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

7.3.2 Included herein are equity securities having average cost of Rs. 885.45 (December 31, 2020: Rs. 966.07) million and having market value of Rs. 2,783.82 (December 31, 2020: Rs. 3,219.38) million pledged with trustee of Term Finance Certificates issued by the Company.

7.4 Other investments

At fair value through OCI

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

Number of shares			September 30, 2021 (Un-audited)	December 31, 2020 (Audited)		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
					Note	(Rupees in '000)	
		<u>Quoted - at fair value</u>					
120,657,363	120,657,363	Azgard Nine Limited				2,431,246	3,443,561
3,001,500	11,600,000	Hum Network Limited (Ordinary Shares of Rs. 1 each)	7.4.1			17,949	63,104
		<u>Un-quoted - at fair value</u>					
2,399,454	2,399,454	Security General Insurance Company Limited				448,554	452,633
						<u>2,897,749</u>	<u>3,959,298</u>

7.4.1 The Company has disposed of various investments carried at fair value through OCI having fair value amounting to Rs. 188 million and has recorded net realized gain on these investments amounting to Rs. 52 million in these unconsolidated condensed interim financial information in order to meet its working capital requirements.

			September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		Note	(Rupees in '000)	
8.	OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS			
	Assets at fair value through OCI			
	Listed equity securities	7.4.1	9,653,308	5,039,165
	Assets at fair value through profit or loss			
	Listed equity securities		914,265	1,479,978
	At amortized cost			
	Government Securities		-	296,045
		8.1	<u>10,567,573</u>	<u>6,815,188</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

8.1 Included herein are equity securities having average cost of Rs. 564.71 (December 31, 2020: Rs. 756.05) million and having market value of Rs. 1,116.92 (December 31, 2020: Rs. 1,342.11) million and government securities having amortized cost of Rs. Nil (December 31, 2020: Rs. 98.68) million and having face value of Rs. Nil (December 31, 2020: Rs. 100) million pledged with trustee of Term Finance Certificates issued by the Company and with Bank against Term Loans obtained by the Company.

9. PREFERENCE SHARES

This represents the equity component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares ("Preference Shares") of Rs. 10/- each issued by the Company during the period. These Preference Shares were issued to the existing shareholders of the Company by way of rights (i.e. 20% rights issue) at par value of Rs. 10/- per share, in proportion to their respective shareholdings in the ratio of 2:10 i.e. 2 Preference Shares for every 10 Ordinary Shares held by the shareholders.

These Preference Shares carry entitlement to a fixed cumulative preferential cash dividend out of the normal profits of the Company @ 6% (six per cent) per annum, in priority over dividends declared by the Company on Ordinary Shares. No compensation shall be available to the Preferred Shareholders other than the agreed return i.e. 6% per annum.

These Preference Shares shall be redeemable or convertible into Ordinary Shares in the ratio of 80:100 only at the option of the Company on June 30 or December 31 of any calendar year prior to December 31, 2027. All outstanding Preference Shares not redeemed by December 31, 2027 shall be converted into ordinary shares.

	Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		----- (Rupees in '000) -----	
10. LONG TERM FINANCING			
Term Finance Certificates (TFCs)			
Ninth issue - Privately Placed		-	124,682
Tenth issue - Privately Placed		672,904	746,350
Eleventh issue - listed on Pakistan Stock Exchange Limited		995,982	1,243,452
		1,668,886	2,114,484
Term Loans	10.1 & 10.2		
Term Loan 2	10.3	124,184	248,745
Term Loan 3	10.3	312,066	374,497
		2,105,136	2,737,726
Less: Current portion shown under current liability		857,177	568,175
		1,247,959	2,169,551

10.1 These TFCs are secured against lien over designated accounts with the Central Depository Company of Pakistan Limited. The accounts contain marketable securities having market value aggregating to Rs. 2,786.31 (December 31, 2020: Rs. 3,499.37) million to secure the outstanding principal with 35% margin. TFC 10 is repayable by July 2023 and TFC 11 is repayable by September 2023.

10.2 Also included herein, is an amount of Rs. 16 (December 31, 2020: Rs. 20) million payable to related parties.

10.3 These loans are secured by pledge of marketable securities having market value of Rs. 1,114.43 (December 31, 2020: Rs. 1,215.19) million with margin ranging from 30% to 50%. Term Loan 2 is repayable by December 2022 and Term Loan 3 is repayable by March 2025.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
11. LIABILITY COMPONENT OF PREFERENCE SHARES		
Opening balance	-	-
Present value of liability component of preference shares	514,370	-
Amortization of transaction and finance cost	13,170	-
Closing balance	527,540	-
Less: Current maturity	(134,004)	-
	393,536	-

- 11.1** This represents the liability component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares of Rs.10/- each issued by the Company during the period. Refer note 9.

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
12. LEASE LIABILITY		
Opening balance	156,482	154,990
Interest expense	12,432	17,746
Payments	(24,873)	(10,942)
Adjustment relating to lease modification	-	(5,312)
Closing balance	144,041	156,482
Less: Current maturity	(24,897)	(29,434)
	119,144	127,048

- 12.1** This represents lease arrangement with JS Land (Pvt) Ltd., a related party, for office premises at 20th Floor, The Centre, Abdullah Haroon Road, Saddar, Karachi.

13. TRADE AND OTHER PAYABLES

This includes payable against Sindh Workers' Welfare Fund (WWF) amounting to Rs. 165.48 (December 31, 2020: Rs. 146.57) million.

14. CONTINGENCIES AND COMMITMENTS

14.1 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, 2020.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
14.2 Commitment		
Commitment in respect of future sale transactions of listed equity securities	930,945	789,820

15. RETURN ON INVESTMENTS

This includes dividend income on investments in related parties aggregating to Rs. 629.27 (September 30, 2020: Rs. 629.27) million.

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
16. GAIN ON SALE OF INVESTMENTS - net		
Gain / (loss) on sale of investments in financial assets:		
At fair value through profit or loss	207,925	(12,082)
At amortized cost	(8)	-
	<u>207,917</u>	<u>(12,082)</u>

17. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 50.35 (September 30, 2020: Rs. 25.60) million on bank balances maintained with a related party (JS Bank Limited).

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
18. BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE				
Adjusted profit after taxation attributable to ordinary shareholders	715,179	637,433	(8,204)	420,389
	----- (Numbers in '000) -----			
Weighted average number of ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
Earnings / (loss) per share:	----- (Rupees) -----			
- Basic and diluted	0.78	0.70	(0.01)	0.46

The dilutive effect of convertible preference shares is considerably immaterial in the current period.

	September 30, 2021	September 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
19. CASH AND CASH EQUIVALENTS		
Cash and bank balances	1,390,138	938,813
Government securities	-	194,797
	<u>1,390,138</u>	<u>1,133,610</u>



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

20. RELATED PARTY TRANSACTIONS

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

Contributions to the account in respect of staff retirement benefit are made in accordance with terms of the contribution plan. Remuneration of the key management personnel is in accordance with the terms of their employment. Other transactions are at agreed terms.

	September 30, 2021 ----- (Un-audited) ----- ----- (Rupees in '000) -----	September 30, 2020
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Brokerage expense paid	10,360	5,661
Bank charges paid	-	6
Capital gain tax paid for onward submission to NCCPL	14,279	-
Capital gain tax refund through NCCPL	12,190	-
Capital gain tax tariff paid	60	40
Principal redemptions made against TFCs issued by the Company	4,000	4,000
Mark-up paid on TFCs issued by the Company	1,656	3,618
Rent income received	3,239	3,131
Market maker fee paid	-	565
Profit received on deposit accounts	49,651	23,286
Reimbursement of expenses by the Company	-	4
Reimbursement of expenses to the Company	24,156	4,856
Commission paid against banker to right issue	389	-
Purchase of government securities	-	487,092
Maturity of government securities	-	200,000
Common Directorship		
Dividend received	629,269	629,269
Insurance premium paid	3,229	1,219
Insurance claim received	531	60
Reimbursement of expenses to the Company	1	1,046
Reimbursement of expenses by the Company	32	-
Donation paid	-	5,000
Rent income received	-	5,409
Security deposit repaid	-	468
Security deposit received	-	492
Post-employment Benefit Funds		
Contribution to staff provident fund	4,685	4,375

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021	September 30, 2020
	----- (Un-audited) -----	
Common Substantial Shareholder	----- (Rupees in '000) -----	
Rent income received	12,164	9,504
Reimbursement of expenses to the Company	2,631	2,131
Reimbursement of expenses by the Company	6,491	5,807
Rent paid against lease liability	24,873	10,941
Controlling Person		
Short term loan received & repaid	-	180,000
Interest / mark-up paid	-	4,520
Advisory fee paid	4,500	4,500
Royalty paid	11,250	11,250
Other Related Party		
Donation paid	10,000	-
Rent income received	5,680	-
Reimbursement of expenses to the Company	1,213	-
Key Management Personnel		
Remuneration paid to Chief Executive Officer	27,618	24,881
Fee paid to directors for attending directors / committee meetings	3,775	3,525
Remuneration paid to executives	14,798	10,327
Loan and advance disbursed to executives	13,180	-
Interest received on long term loans to executives	948	-
Loans and advance repayments from executives	567	-
Reimbursement from CEO	-	2
Reimbursement of expenses to CEO and executives	239	347
Reimbursement of expenses to directors	-	191
BALANCES		
Subsidiary and Sub-subsidiary Companies		
Mark-up payable on TFCs issued by the Company	98	554
Outstanding principal of TFCs issued by the Company	16,000	20,000
Payable against purchase of equity shares	54,044	19,985
Profit receivable on deposit accounts	7,530	6,830
Receivable against expenses incurred on their behalf	5	4
Rent Receivable	450	225
Unearned Rent	370	370
Cash at bank accounts	1,383,699	166,128



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
Common Substantial Shareholder		
Receivable against expenses incurred on their behalf	383	90
Security deposit	1,003	1,003
Unearned Rent	2,212	-
Common Directorship		
Prepaid insurance	887	135
Donation payable	-	10,000
Security deposit	-	492
Other Related Party		
Donation payable	10,000	-
Receivable against expenses incurred on their behalf	8	-
Security deposit	492	-
Unearned Rent	1,033	-
Key Management Personnel		
Loans and advances receivable	16,609	-

21. FAIR VALUE OF FINANCIAL INSTRUMENT

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

September 30, 2021				
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	(Rupees in '000)			
Financial Assets				
Investments at fair value through OCI				
Listed equity securities	23,725,897	-	-	23,725,897
Unquoted equity securities*	-	-	459,107	459,107
Investments at fair value through profit or loss				
Listed equity securities	914,265	-	-	914,265
Derivative asset	20,007	-	-	20,007
	<u>24,660,169</u>	<u>-</u>	<u>459,107</u>	<u>25,119,276</u>
December 31, 2020				
	Level 1	Level 2	Level 3	Total
	(Audited)			
	(Rupees in '000)			
Financial Assets				
Investments at fair value through OCI				
Listed equity securities	17,799,140	-	-	17,799,140
Unquoted equity securities*	-	-	463,186	463,186
Investments at fair value through profit or loss				
Listed equity securities	1,479,978	-	-	1,479,978
	<u>19,279,118</u>	<u>-</u>	<u>463,186</u>	<u>19,742,304</u>
Financial liability				
Derivative liability	<u>51,098</u>	<u>-</u>	<u>-</u>	<u>51,098</u>

* As at September 30, 2021, the Company's long term investments in unquoted securities of EFU Services (Private) Limited and Security General Insurance Company Limited (see note 7) are carried at fair value. The fair values of these investment are determined by the management after applying appropriate haircut to the carrying values of the net assets of investee companies as the net assets of investee companies mainly comprise of marketable securities and other assets having carrying value approximately equal to their fair value.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Nine Months Period Ended September 30, 2021 (Un-audited)

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

23. DATE OF AUTHORISATION

These unconsolidated condensed interim financial information were authorised for issue by the Board of Directors in their meeting held on October 28, 2021.

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

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CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position

As at September 30, 2021

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited) (Restated)
		(Rupees in '000)	
ASSETS	Note		
Non-Current Assets			
Property and equipment	6	10,045,299	9,166,138
Intangible assets	7	2,454,642	2,081,951
Investment property		1,330	1,420
Long term investments	8	106,240,263	51,082,863
Long term loans, advances, prepayments and other receivables		106,105,271	74,523,608
Assets repossessed		1,453,635	1,176,143
Long term deposits		18,694	19,814
Deferred asset - employee benefit		147,708	312,881
		226,466,842	138,364,818
Current Assets			
Short term investments	9	173,525,951	176,870,548
Trade debts		1,170,462	1,544,570
Loans and advances		145,096,762	174,837,323
Accrued markup		5,933,355	6,970,349
Short-term prepayments, deposits, and other receivables		7,127,169	8,045,919
Other financial assets - fund placements		3,000,000	23,239,672
Taxation - net		532,554	415,517
Cash and bank balances		28,081,961	31,769,714
		364,468,214	423,693,612
Assets held for sale	10	568,342	543,590
		591,503,398	562,602,020
EQUITY AND LIABILITIES			
Share capital and reserves			
Issued, subscribed and paid-up capital			
Ordinary shares		9,159,424	9,159,424
Equity component of Preference Shares	11	1,300,181	-
Reserves		34,839,896	30,150,149
Equity attributable to equity holders of the parent		45,299,501	39,309,573
Non-controlling interests		6,525,060	6,303,035
Total equity		51,824,561	45,612,608
Non-Current Liabilities			
Long term financing		8,849,964	9,590,919
Liability component of Preference Shares		393,536	-
Lease liability		2,679,883	2,346,348
Long term deposits and other accounts		12,006,109	5,511,678
Long term borrowings		12,402,311	17,329,408
Deferred tax liability		1,687,408	555,514
		38,019,211	35,333,867
Current Liabilities			
Trade and other payables		19,946,762	20,281,505
Unclaimed dividend		23,083	23,297
Accrued interest / mark-up on borrowings		3,809,443	3,136,977
Current portion of long term borrowings		52,235,722	31,202,004
Current deposits and current portion of long term liabilities	12	425,644,616	427,011,762
		501,659,626	481,655,545
		591,503,398	562,602,020
Contingencies and Commitments			
	13		

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

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Consolidated Condensed Interim Statement of Profit or Loss

For the Nine Months Period Ended September 30, 2021 (Un-audited)

		Nine Months Ended		Quarter Ended	
		September 30, 2021	September 30, 2020 (Restated)	September 30, 2021	September 30, 2020 (Restated)
	Note	(Rupees in '000)			
INCOME					
Return on investments		14,461,727	13,663,662	4,922,678	4,296,512
Gain on sale of investments - net		261,186	958,954	13,076	161,207
Income from long term loans and fund placements		15,983,863	21,199,097	5,374,134	5,380,241
Fee, commission and brokerage		3,429,633	3,234,674	1,240,520	1,151,178
Other income		1,147,114	1,662,391	376,275	1,146,776
(Loss) / gain on remeasurement of investments through profit or loss - net		(156,402)	(14,957)	(99,174)	120,695
		35,127,121	40,703,821	11,827,509	12,256,609
EXPENDITURE					
Administrative and other expenses		12,471,431	11,396,920	4,301,972	4,062,725
Finance cost		20,192,626	27,043,860	7,021,179	7,527,229
Provision for Sindh Workers' Welfare Fund		63,023	35,486	19,248	15,534
(Reversal of) / provision for impairment on investments - net		(294,973)	47,199	(16,736)	15,733
		32,432,107	38,523,465	11,325,663	11,621,221
SHARE OF PROFIT / (LOSS) FROM ASSOCIATES					
		403,966	(13,969)	146,524	(2,377)
PROFIT BEFORE TAXATION					
		3,098,980	2,166,387	648,370	633,011
Taxation					
- Current		1,100,325	636,566	392,007	421,799
- Deferred		(82,495)	-	(82,495)	-
		61,243	417,383	14,607	(144,087)
		1,079,073	1,053,949	324,119	277,712
PROFIT FOR THE PERIOD					
		2,019,907	1,112,438	324,251	355,299
Attributable to:					
Equity holders of the parent		1,730,663	801,245	205,325	212,597
Non-controlling interests		289,244	311,193	118,926	142,702
		2,019,907	1,112,438	324,251	355,299
EARNINGS PER SHARE					
(Rupees)					
Basic and diluted	14	1.86	0.87	0.20	0.23

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

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020 (Restated)	September 30, 2021	September 30, 2020 (Restated)
	(Rupees in '000)			
PROFIT FOR THE PERIOD	2,019,907	1,112,438	324,251	355,299
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to statement of profit or loss				
Actuarial gain on defined benefit plan - net of tax	135	-	-	-
Related tax	(39)	-	-	-
	96	-	-	-
Unrealised gain / (loss) on revaluation of investments at fair value through OCI disposed off during the period - net	2,277,500	2,253,107	(3,107,227)	3,227,881
	2,277,596	2,253,107	(3,107,227)	3,227,881
Items that may be reclassified subsequently to statement of profit or loss				
Fair value gain / (loss) on revaluation of available for sale investments during the period - net	690,776	1,516,003	(297,291)	(481,793)
Exchange difference of translation of net assets in foreign branches of a subsidiary	51,482	29,536	58,933	(7,896)
Share of other comprehensive income from associates accounted for using equity method	88,232	-	29,831	-
	830,490	1,545,539	(208,527)	(489,689)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	5,127,993	4,911,084	(2,991,503)	3,093,491
Attributable to:				
Equity holders of the parent	4,663,802	4,217,615	(3,033,572)	3,066,217
Non-controlling interests	464,191	693,469	42,069	27,274
	5,127,993	4,911,084	(2,991,503)	3,093,491

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

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Consolidated Condensed Interim Statement of Changes in Equity

For the Nine Months Period Ended September 30, 2021 (Un-audited)

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT									
	Reserves									
	Issued, subscribed and paid-up capital		Ordinary share premium	Foreign exchange translation reserve	Unrealised gain on revaluation of available for sale / fair value through other comprehensive income investments - net	Statutory	Revenue reserve	Non-controlling interests	TOTAL	
Ordinary Shares	Equity component of Preference Shares					Unappropriated profit				
	9,159,424	-	4,497,894	102,965	7,611,000	1,164,630	8,221,534	30,757,447	5,405,258	36,162,705
Profit for the period	-	-	-	-	-	-	801,245	801,245	311,193	1,112,438
Other comprehensive income	-	-	-	29,536	3,386,834	-	-	3,416,370	382,276	3,798,646
Total comprehensive income for the period	-	-	-	29,536	3,386,834	-	801,245	4,217,615	693,469	4,911,084
Transfer to statutory reserves	-	-	-	-	-	174,870	(174,870)	-	-	-
Reclassification of net revaluation loss on equity instrument upon derecognition	-	-	-	-	(248,141)	-	248,141	-	-	-
Assets held for sale	-	-	-	-	-	-	92,123	92,123	-	92,123
Balance as at September 30, 2020 (un-audited)	9,159,424	-	4,497,894	132,501	10,749,693	1,339,500	9,188,173	35,067,185	6,098,727	41,165,912
Balance as at December 31, 2020 (audited) (restated)	9,159,424	-	4,497,894	114,450	14,442,174	1,337,185	9,758,446	39,309,573	6,303,035	45,612,608
Profit for the period	-	-	-	-	-	-	1,730,663	1,730,663	289,244	2,019,907
Other comprehensive income	-	-	-	51,482	2,881,561	-	96	2,933,139	174,947	3,108,086
Total comprehensive income for the period	-	-	-	51,482	2,881,561	-	1,730,759	4,663,802	464,191	5,127,993
Transfer to statutory reserve	-	-	-	-	-	150,936	(150,936)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(19,521)	(19,521)
Buy-back of shares by sub-subsidiary (note 1.2.1)	-	-	-	-	-	-	-	-	(272,321)	(272,321)
Surplus arised on buy back of shares by sub-subsidiary	-	-	-	-	-	-	25,945	25,945	-	25,945
Proceeds from issue of Right shares by sub-subsidiary	-	-	-	-	-	-	-	-	49,676	49,676
Equity component of Preference Shares (Note 11)	-	1,312,601	-	-	-	-	-	1,312,601	-	1,312,601
Less: Issuance cost related to equity component of Preference Shares	-	(12,420)	-	-	-	-	-	(12,420)	-	(12,420)
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	-	-	(17,766)	-	17,766	-	-	-
Balance as at September 30, 2021 (un-audited)	9,159,424	1,300,181	4,497,894	165,932	17,305,969	1,488,121	11,381,980	45,299,501	6,525,060	51,824,561

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

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021	September 30, 2020 (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES	Note	(Rupees in '000)
Profit before taxation	3,098,980	21,66,387
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation	1,361,857	1,496,686
Amortisation on intangible assets	99,197	87,692
(Gain) / loss on sale of property and equipment	(11,274)	48,560
Gain on sale of assets held for sale	-	(1,000)
Charge for defined benefit plan	169,751	9,941
Loss on remeasurement of investments at fair value through profit or loss - net	156,402	14,957
Gain on remeasurement of derivatives at fair value through profit or loss	(71,106)	-
Share of (profit) / loss from associate	(403,966)	13,969
Provision for doubtful debts, loans and advances	1,530,495	271,986
(Reversal of) / provision for impairment on investments - net	(294,973)	47,199
Effect of translation of net investment in foreign branches	51,481	29,536
Finance cost	20,192,626	27,043,860
	22,780,490	29,063,386
Operating profit before working capital changes	25,879,470	31,229,773
Decrease / (Increase) in operating assets:		
Loans and advances	28,210,066	(8,024,859)
Trade debts	374,108	93,771
Long term loans, advances, prepayments, deposits and other receivables	(31,580,543)	9,571,371
Other financial assets - fund placements	20,239,672	21,540,574
Prepayments, deposits, accrued mark-up and other receivables	1,616,600	1,029,248
	18,859,903	24,210,105
Increase / (Decrease) in operating liabilities:		
Trade and other payables	(268,215)	1,645,297
Deposits and other accounts	4,636,308	20,988,151
Borrowings	(2,615,026)	8,279,598
Net cash generated from operations	46,492,440	86,329,355
Finance cost paid	(19,180,805)	(25,338,533)
Taxes paid	(1,134,866)	(223,210)
Dividend paid (including non-controlling interests)	(19,735)	(35,777)
Net cash generated from operating activities	26,157,034	60,755,404
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,031,751)	(1,957,945)
Intangible assets acquired	(471,888)	(1,183,814)
Proceeds from sale of property and equipment	88,181	310,051
Paid to Non-Controlling Interests against buy back of shares by a subsidiary	(246,376)	-
Proceeds from (acquisition) / disposal of assets repossessed	(277,492)	6,715
Proceeds from disposal of assets held for sale	-	375,000
Proceeds from issuance of right shares by sub-subsidiary company	49,676	-
Investments purchased - net	(47,143,011)	(20,130,062)
Net cash used in investing activities	(49,032,661)	(22,556,486)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates	(397,568)	(745,999)
Long term loan (repaid to) / obtained from bank	(59,295)	(100,248)
Proceeds from issuance of preference right shares by parent company- net of transaction cost	1,814,551	-
Repayment of lease liability	(891,461)	(895,766)
Securities sold under repurchase agreements - net	17,860,073	(27,688,562)
Net cash generated from / (used in) financing activities	18,326,300	(29,430,575)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(4,549,327)	8,744,774
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	31,583,144	25,184,350
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	270,33,817	33,929,124

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

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

1. THE GROUP AND ITS OPERATIONS

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

The Holding Company was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 4, 1991 as a public unquoted company. The Holding Company is presently listed on Pakistan Stock Exchange Limited. The registered office and geographical location of the Holding Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Holding Company are managing strategic investments, trading of securities, consultancy services, etc.

1.2 Composition of the Group

The Group comprises of the Holding Company and the following subsidiary companies that have been consolidated in these financial statements on the line by line basis. All material inter-company balances, transactions and resulting unrealised profits / losses have been eliminated:

Subsidiary Companies	Nature of Business	Date of Acquisition	Effective Holding	
			September 30, 2021	December 31, 2020
JS Bank Limited (JSBL)	Commercial Banking	December 30, 2006	75.02%	75.02%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager	November 1, 2012	63.43%	63.43%
JS Global Capital Limited (JSGCL) (Sub-subsidiary) - Note 1.2.1	Brokerage, advisory and consultancy services	December 21, 2011	69.69%	62.66%
JS ABAMCO Commodities Limited (Sub-subsidiary) - Note 1.2.2	Commodity brokerage	November 1, 2012	-	63.43%
JS Infocom Limited	Telecom, Media and Technology	August 25, 2003	100.00%	100.00%
JS International Limited	Investment Advisory Services	July 14, 2005	100.00%	100.00%
Quality Energy Solutions (Private) Limited	Power generation	May 9, 2016	100.00%	100.00%
Khairpur Solar Power (Private) Limited (Sub-subsidiary)	Power generation	May 18, 2017	100.00%	100.00%
Energy Infrastructure Holding (Private) Limited	Investment Company in energy, petroleum and infrastructure sectors	July 07, 2008	100.00%	100.00%
JS Petroleum Limited (Sub-subsidiary)	Oil and Gas Storage	October 9, 2017	51.00%	51.00%
Quality 1 Petroleum (Private) Limited (Sub-subsidiary)	Oil Marketing	April 01, 2020	100.00%	100.00%
JS Engineering Investments 1 (Private) Limited (Sub-subsidiary)	Engineering Infrastructure	November 23, 2017	100.00%	100.00%

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

- 1.2.1** During the period, JS Global Capital Limited, a sub-subsidiary of the Holding Company, bought back 3,079,703 shares from its shareholders under tender offer at a price of Rs. 80 per share which resulted in an increase in effective shareholding of the Holding Company to 69.69% from 62.66%.
- 1.2.2** The board of directors of JS Investment Limited (JSIL) (sub-subsidiary) and that of JS ABAMCO Commodities Limited (JSACL) (the subsidiary of JSIL) in their respective meetings held on February 19, 2021 have considered and approved the merger/amalgamation of JSACL with and into JSIL in accordance with the terms of a scheme of amalgamation under the provisions of section 284 to the Companies Act, 2017. Securities and Exchange Commission of Pakistan (SECP) vide its order dated June 24, 2021 has confirmed the scheme effective from March 31, 2021. Therefore, with effect from March 31, 2021, JSACL stands merged into JSIL. As a result of merger/amalgamation, the following assets and liabilities of JSACL have been transferred in / merged with JSIL:

**Balances as at
March 31, 2021
(Rupees in '000)**

CURRENT ASSETS

Advance income tax - net	744
Other financial assets - investments	67,779
Bank balances	448
TOTAL ASSETS	68,971

CURRENT LIABILITIES

Accrued and other liabilities	1,934
TOTAL LIABILITIES	1,934

NET ASSETS	67,037
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REPRESENTED BY:

Share Capital	37,500
Amalgamation reserve	29,537
	67,037

2. BASIS OF PREPARATION

2.1 Statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

- 2.2** This consolidated condensed interim financial information do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the audited consolidated annual financial statements of the Company for the year ended December 31, 2020.



Notes to the Consolidated Condensed Interim Financial Information

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2.3 The comparative consolidated condensed interim statement of financial position presented in this consolidated condensed interim financial information has been extracted from the audited annual financial statements of the Group for the year ended December 31, 2020, whereas the comparative consolidated condensed interim statement of profit or loss, consolidated condensed interim statement of comprehensive income, consolidated condensed interim statement of cash flows and consolidated condensed interim statement of changes in equity are extracted from the unaudited consolidated condensed interim financial statements for the period ended September 30, 2020.

2.4 This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange and Section 237 of the Companies Act, 2017.

2.5 Basis of measurement

This consolidated condensed interim financial information has been prepared under the historical cost convention, except for certain investments and derivative financial instruments which are stated at fair value.

2.6 Functional and presentation currency

This consolidated condensed interim financial information is presented in Pakistani Rupee, which is also the functional and presentation currency of the Group and rounded off to the nearest to thousand rupee.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are consistent with those applied in the preparation of the Group's annual financial statements for the year ended December 31, 2020 except as stated below.

3.1 Class-'A' Preference Shares (Listed, Convertible, Redeemable, Non-Participatory, Non-Voting And Cumulative) ("Preference Shares")

The component part of Preference Shares issued by the Holding Company are classified separately as financial liability and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument under the applicable accounting standards.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-convertible instrument. This liability component is subsequently recognized on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The remainder of the proceeds is allocated to the equity component and recognised in shareholders' equity, net of transaction cost, and not subsequently remeasured.

The equity component that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Holding Company's own ordinary shares is an equity instrument. The equity component is determined by deducting the amount of the liability component from the total proceeds of the Preference Shares as a whole.

In addition, the equity component classified as equity will remain in equity until the conversion option is exercised by the Holding Company, in which case, the balance recognised in equity will be transferred to Ordinary Shares. No gain or loss is recognised in profit or loss upon conversion.

Transaction costs that relate to the issue of the Preference Shares are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the period of the Preference Shares using the effective interest method.

3.2 New / Revised Standards, Interpretations and Amendments

There are certain interpretations and amendments that are mandatory for the Holding company's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the Holding company's operations and therefore not detailed in these consolidated condensed interim financial statements.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

3.2.1 Standards, Interpretations and Amendments to Published Approved Accounting Standards That Are Not Yet Effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2021:

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an ‘economically equivalent’ basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

COVID-19 - Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard’s previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.

The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- there is no substantive change to the other terms and conditions of the lease.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

3.2.2 Annual Improvements to IFRS Standards 2018-2020

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will apply prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) – The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Holding Company for the year ended December 31, 2020.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2020.

6. PROPERTY AND EQUIPMENT	Note	September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		(Rupees in '000)	
Operating assets - owned	6.1	5,668,822	5,666,880
Right-of-use asset	6.2	3,047,561	2,793,095
Capital work-in-progress		1,328,916	706,163
		<u>10,045,299</u>	<u>9,166,138</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	(Rupees in '000)	
6.1 Movement in operating assets - owned			
Book value at beginning of the period		5,666,880	5,450,074
Cost of additions / transfers from CWIP / adjustments during the period	6.1.1	717,700	1,767,680
Book value of assets disposed off during the period	6.1.2	(76,907)	(760,505)
Depreciation charge for the period		(638,851)	(790,369)
Book value at end of the period		<u>5,668,822</u>	<u>5,666,880</u>
6.1.1 Details of additions / adjustments during the period			
Office premises - leasehold		-	802,730
Land - freehold		-	143,200
Plant and machinery		-	132,711
Leasehold improvements		168,581	190,950
Office equipment		497,651	386,237
Filling station signages		-	26,372
Fuel Dispenser and other equipments		-	17,511
Office furniture and fixtures		35,929	50,568
Motor vehicle		15,539	17,401
		<u>717,700</u>	<u>1,767,680</u>
6.1.2 Book value of assets disposed off during the period			
Office premises - leasehold		-	545,287
Leasehold improvements		39,340	114,797
Office equipment		19,071	59,039
Office furniture		7,506	18,805
Motor vehicle		10,990	22,577
		<u>76,907</u>	<u>760,505</u>
6.2 Right-of-use asset			
Opening		2,793,095	4,271,231
Additions		960,871	73,593
Depreciation expense		(706,405)	(979,953)
Deletion		-	(571,776)
Closing		<u>3,047,561</u>	<u>2,793,095</u>
7. INTANGIBLE ASSETS			
Opening written down value		828,025	732,150
Addition during the period		280,058	214,812
Disposal during the period		(1,000)	-
Amortization for the period		(99,197)	(118,937)
		<u>1,007,886</u>	<u>828,025</u>
Goodwill - Quality 1 Petroleum (Private) Limited	7.1	1,040,614	1,040,614
Capital work-in-progress		406,142	213,312
		<u>2,454,642</u>	<u>2,081,951</u>

Notes to the Consolidated Condensed Interim Financial Information

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- 7.1 This represents goodwill recognized on the acquisition of Quality 1 Petroleum (Private) Limited (Q1P) (sub-subsidiary) by Energy Infrastructure Holding (Private) Limited (EIHPL) (a wholly owned subsidiary of the Holding Company). Since the management of the Group was in the process of carrying out the detailed exercise for the identification and valuation of assets acquired and liabilities assumed including goodwill and other intangible asset (if any), therefore, the provisional values were reported in respect of the above acquisition in the consolidated financial statements of the Group for the year ended Dec 31, 2020, as allowed under IFRS-03 "Business Combination".

However, based on the above exercise, no change has been identified in the provisional figures and the same has been reported by the management of the Group in this consolidated condensed interim financial information.

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited) (Restated)
8.	LONG TERM INVESTMENTS	Note	----- (Rupees in '000) -----
	Investment in associates	8.1	2,747,353
	Related parties:		
	- At fair value through OCI		9,838,448
	Other investments		
	- Available for sale		56,626,468
	- Held to maturity		34,068,028
	- At fair value through OCI		2,959,966
			<u>106,240,263</u>
8.1	Investment in associates		
	Carrying value / cost of investment		2,255,155
	Addition	8.1.1	-
	Share of profit from associates		403,966
	Share of other comprehensive gain of an associate - net of tax		88,232
			<u>2,747,353</u>

- 8.1.1 This includes investment in BankIslami Pakistan Limited (BIPL) in which the Holding Company holds more than 20% shareholding. During previous year, in August 2020, a key management personnel of the Holding Company was elected on the Board of BIPL (after obtaining permission from State Bank of Pakistan). Accordingly, owing to the Holding Company's investment and representation on the Board of BIPL, the Holding Company had then determined this investment as an 'associate' under IAS-28. Therefore, this investment had been accounted for using the equity method of accounting under IAS-28 with effect from establishing the significant influence (i.e August 04, 2020). For the purpose of equity accounting, the Company used fair value as deemed cost approach for measuring the initial value of the investment.

Further, the Holding Company had used the provisional values for the purposes of initial measurement of investment under equity method and no goodwill / bargain gain had been recognized at that stage as the exercise to determine the fair values of assets and liabilities of BIPL, in order to compare with its deemed cost (used for equity method accounting) which may result in recognition of goodwill/ bargain gain at the date of initial measurement of investment under the equity method, was under progress.

During the period, the fair valuation exercise of assets and liabilities of BIPL has been completed owing to which the Holding Company has recorded bargain purchase gain amounting to Rs. 23.57 million retrospectively in these consolidated condensed interim financial information in accordance with "IFRS 3 Business Combinations".



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For the Nine Months Period Ended September 30, 2021 (Un-audited)

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
9. SHORT TERM INVESTMENTS	Note	----- (Rupees in '000) -----	
Assets at fair value through profit or loss	9.1	3,817,619	28,457,633
Available for sale	9.1	148,072,083	126,864,330
Assets at fair value through OCI	9.1	14,312,760	7,793,837
Held to maturity		7,323,489	13,458,703
At amortised cost		-	296,045
		<u>173,525,951</u>	<u>176,870,548</u>

- 9.1 These include investments in equity securities and mutual funds of related parties having aggregate market value of Rs. 5,798 million (December 31, 2020: Rs. 4,340 million).

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
10. ASSETS HELD FOR SALE	Note	----- (Rupees in '000) -----	
Building on leasehold land	10.1	543,590	543,590
Freehold land	10.2	24,752	-
		<u>568,342</u>	<u>543,590</u>

- 10.1 In 2020, the Board of Directors of the Subsidiary Bank accorded its in-principle approval and authorised the management of the Subsidiary Bank to explore the possibility to sell a land located at Plot No. 201, situated at Upper Mall, Lahore, Pakistan of the following reasons:

- The property is available for immediate sale and can be sold in its current condition subject to completion of certain legal formalities.
- The actions to complete the sale were initiated and expected to be completed within one year from the date of classification.
- The Bank expects the legal and procedural formalities for the sale to be completed by the end of 2021.

Immediately before the classification of the property as a held for sale, the Property was revalued by independent professional valuer by M/s. Tristar International Consultants (Private) Limited as at December 31, 2020 and no significant change was observed in valuations of the property. However, revaluation surplus on asset classified as held for sale has been reversed since the Holding Company follows cost model. Therefore, such asset has been recorded at cost in these consolidated condensed interim financial information.

- 10.2 During the period, Quality 1 Petroleum (Private) Limited, a sub-subsidiary company of the Holding Company, has classified its freehold land as held for sale which is located at Mehmood Kot, Mouza Qasba, Gujrat measuring 11 kanals and 16 marlas. In this respect, sale negotiation is at advance stage which is expected to be materialize within a month or two after the date of authorization of this consolidated condensed interim financial information.

11. PREFERENCE SHARES

This represents the equity component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares ("Preference Shares") of Rs.10/- each issued by the Holding Company during the period. These Preference Shares were issued to the existing shareholders of the Holding Company by way of rights (i.e. 20% rights issue) at par value of Rs.10/- per share, in proportion to their respective shareholdings in the ratio of 2:10 i.e. 2 Preference Shares for every 10 Ordinary Shares held by the shareholders.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

These Preference Shares carry entitlement to a fixed cumulative preferential cash dividend out of the normal profits of the Holding Company @ 6% (six per cent) per annum, in priority over dividends declared by the Holding Company on its Ordinary Shares. No compensation shall be available to the Preferred Shareholders of the Holding Company other than the agreed return i.e. 6% per annum.

These Preference Shares shall be redeemable or convertible into Ordinary Shares in the ratio of 80:100 only at the option of the Holding Company on June 30 or December 31 of any calendar year prior to December 31, 2027. All outstanding Preference Shares not redeemed by December 31, 2027 shall be converted into Ordinary Shares.

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
12. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES	Note	----- (Rupees in '000) -----	
Long term financing - Term finance certificates		797,694	446,234
Current portion of liability component of Preference Shares	12.1	134,004	-
Long term loans		61,483	123,941
Deposits and other accounts		423,850,390	425,708,513
Lease liabilities		801,045	733,074
		<u>425,644,616</u>	<u>427,011,762</u>

12.1 This represents the liability component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class 'A' Preference Shares of Rs. 10 each issued by the Holding Company during the period. Refer note 11.

13. CONTINGENCIES AND COMMITMENTS

13.1 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, 2020 except as disclosed below.

In respect of JS Bank Limited

During the period, the Subsidiary Bank has received amended assessment order for tax year 2020 creating a demand of Rs. 200 million. The Subsidiary Bank has not accepted the amendments and filed appeal before Commissioner Inland Revenue – Appeals (the CIRA) against said order. Further, till the decision of the CIRA, the Subsidiary Bank has also obtained stay orders from Sindh High Court against impugned demand of tax year 2020.

Further, the Subsidiary Bank has filed appeal before the Supreme Court of Pakistan (the SCP) against levy of Super Tax demanded under above assessment order with other pending appeals of tax year 2016 to 2019 on same issue. The SCP has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability.

Sales Tax

During the period, the Subsidiary Bank as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued Sales Tax Orders from the Sindh Revenue Board (SRB) for the period from January to December 2015 and 2017, creating demand of Rs. 27.8 million and Rs. 31.7 million respectively against the Subsidiary Bank for allegedly non-payment of Sindh sales tax on certain 'presumed non-taxable services / incomes (i.e. Bancassurance, Home Remittances under Pakistan Remittance Initiative Scheme, SBP rebates on Government securities, and FX gain on remittance by Western Union). Appeals have been filed before Commissioner (Appeals) Sindh Revenue Board, CA-SRB against the decision of AC-SRB which are pending for hearing.



Notes to the Consolidated Condensed Interim Financial Information

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The management of the Subsidiary Bank is confident that the appeals filed in respect of the above matter will be decided in the Subsidiary Bank's favor and accordingly no demand for payment would arise.

13.2 Transaction-related Contingent Liabilities

Includes performance bonds, bid bonds, warranties, advance payment guarantees, shipping guarantees and standby letters of credit related to particular transactions:.

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
- Financial guarantees		2,042,892	1,024,422
- Performance guarantees		26,500,379	36,678,881
- Other guarantees		20,097,813	21,076,291
	13.2.1	<u>48,641,084</u>	<u>58,779,594</u>

13.2.1 Included herein are outstanding guarantees of Rs. 735.468 million (December 31, 2020: Rs. 29.054 million) of related parties.

		September 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
13.3 Commitments			
Documentary credits and short-term trade-related transactions			
letters of credit	13.3.1	<u>24,935,497</u>	<u>21,111,360</u>
Commitments in respect of:			
Forward exchange contracts:			
- Purchase	13.3.2	<u>17,696,414</u>	<u>23,137,733</u>
- Sale	13.3.2	<u>8,038,250</u>	<u>15,040,529</u>
Undrawn formal standby facilities, credit lines and other commitments to lend	13.3.3	<u>232,989</u>	<u>384,230</u>
Other Commitments			
Future sale transactions of listed equity securities		<u>930,945</u>	<u>990,872</u>
Commitments in respect of capital expenditure		<u>1,371,597</u>	<u>257,875</u>
Bank Guarantee from a commercial bank in favor of NCCPL		<u>400,000</u>	<u>400,000</u>
Interest rate swaps		<u>971,598</u>	<u>2,353,648</u>
Options		<u>2,675,082</u>	<u>3,007,906</u>
Outstanding settlements against margin financing contracts - net		<u>41,301</u>	<u>58,805</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

13.3.1 Included herein the outstanding letter of credits of Rs. 334.128 (December 31, 2020: Rs. 86.543) million of related parties.

13.3.2 The Subsidiary Bank utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk.

13.3.3 These represent commitments that are irrevocable because they cannot be withdrawn at the discretion of the Subsidiary Bank without the risk of incurring significant penalty or expense.

	Nine Months Ended		Quarter Ended	
	September 30, 2021	September 30, 2020 (Restated)	September 30, 2021	September 30, 2020 (Restated)
	(Un-audited)			
	(Rupees in '000)			
14. BASIC AND DILUTED EARNINGS / PER SHARE				
Adjusted profit after taxation attributable to equity holders of the parent	<u>1,706,572</u>	<u>801,245</u>	<u>181,234</u>	<u>212,597</u>
	(Number in '000)			
Weighted average number of Ordinary shares outstanding during the period	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>
Earnings per share:	(Rupees)			
Basic and Diluted	<u>1.86</u>	<u>0.87</u>	<u>0.20</u>	<u>0.23</u>

The dilutive effect of convertible preference shares issued by the Holding Company is considerably immaterial in the current period.

	September 30, 2021	September 30, 2020
	(Un-audited)	
	(Rupees in '000)	
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	28,081,961	34,499,238
Overdrawn nostro accounts	(1,048,144)	(570,114)
	<u>27,033,817</u>	<u>33,929,124</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

16. 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, 2021	September 30, 2020
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Dividend received	804,797	812,439
Brokerage / commission / service income	49,353	150,257
Purchase of money market instruments	3,668,754	40,221,794
Sale / Maturity of money market instruments	83,929,989	76,868,252
Letter of credits (Contingencies and Commitments)	334,128	70,072
Letter of guarantees (Contingencies and Commitments)	735,468	26,821
Rental income	17,844	14,913
Rent expense	41,994	40,473
Interest / markup earned	204,790	197,463
Interest / markup paid	714,989	626,267
Purchase of Term Finance Certificate	-	202,089
Royalty paid	23,333	22,500
Advisory fee paid	20,962	15,750
Insurance premium paid	605,757	396,473
Insurance claim received	14,275	2,793
Investments matured / disposed off in funds under management - at cost	2,366,668	2,609,555
Investments made in funds under management	2,188,779	2,311,155
Purchase of shares	-	1,184,279
Sale of shares	1,194,011	-
Remuneration and commission income from funds	117,979	168,008
Commission income	101,184	180,584
Donation paid	10,000	63,919
Contribution to provident fund	209,621	191,789
Contribution to gratuity fund	167,592	161,822
Loan repayment from executives / others	538,066	129,886
Interest received on long term loans to executives	13,011	32,430
Loan disbursed to executives / others	238,552	280,307
Security deposit received	-	492
Security deposit repaid	-	468

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	September 30, 2021	September 30, 2020
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Reimbursement of expenses to Company	68,611	64,269
Reimbursement of expenses by Company	84,481	83,304
Reimbursement of expenses to CEO & Executives	239	4,440
Reimbursement of expenses from CEO	-	132
Reimbursement of expenses to directors	-	191
Short term loan received	558,624	180,000
Short term loan repaid	-	180,000
Markup paid on short term loan	-	4,520
Remuneration paid to Chief Executive Officer	115,140	121,092
Fee paid to directors for attending directors / committee meetings	17,532	19,140
Sale of Sukuk/ Ijara Sukuk	1,321,547	12,256,614
Purchase of Sukuk / Ijara Sukuk	164	14,899,710
Remuneration to key management personnel	2,941,141	3,457,734

17. SEGMENT INFORMATION

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

Capital market & brokerage	Principally engaged in trading of equity securities, managing strategic and trading portfolios and earning share brokerage and money market, forex and commodity brokerage, advisory, underwriting, book running and consultancy services.
Banking	Principally engaged in providing investment and commercial banking.
Investment advisor / assets manager	Principally providing investment advisory and asset management services to different mutual funds and unit trusts.
Energy, infrastructure and petroleum	Principally engaged in investment in oil marketing sector and storage of petroleum, LPG and allied products.
Others	Other operations of the Group comprise of telecommunication, media, information technology and power generation.

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

The following tables present revenue and profit information for the Group's operating segments for the nine months period ended September 30, 2021 and 2020 respectively.

Nine month ended September 30, 2021						
(Rupees in '000)						
	Capital Market & Brokerage	Banking	Investment Advisor/ Manager	Energy, Infrastructure and Petroleum	Others	ADJUSTMENTS AND ELIMINATIONS
Revenue						CONSOLIDATED
Segment revenues	2,768,551	32,620,936	34,956	350,688	102,062	35,877,193
Inter-segment revenues	(97,803)	(270,441)	(1,420)	29,511	(5,953)	(346,106)
Total revenue	2,670,748	32,350,495	33,536	380,199	96,109	35,531,087
Results						
Net profit for the period	1,436,903	775,503	(255,932)	(84,328)	75,432	71,789

Nine month ended September 30, 2020 (Restated)						
	Capital Market & Brokerage	Banking	Investment Advisor/ Manager	Energy, Infrastructure and Petroleum	Others	ADJUSTMENTS AND ELIMINATIONS
Revenue						CONSOLIDATED
Segment revenues	1,408,488	38,330,563	228,996	884,032	17,658	40,869,737
Inter-segment revenues	(112,871)	(14,484)	(2,285)	(45,281)	(4,964)	(179,885)
Total revenue	1,295,617	38,316,079	226,711	838,751	12,694	40,689,852
Results						
Net profit for the period	661,034	1,167,820	(76,209)	(287,456)	7,890	(384,210)

The following tables present assets and liabilities information for the Group's operating segments for the nine months period ended September 30, 2021 and year ended December 31, 2020 respectively.

September 30, 2021						
(Rupees in '000)						
	Capital Market & Brokerage	Banking	Investment Advisor/ Manager	Energy, Infrastructure and Petroleum	Others	ADJUSTMENTS AND ELIMINATIONS
Assets						CONSOLIDATED
September 30, 2021	42,490,189	557,309,104	1,446,469	6,770,668	3,453,482	(19,966,514)
December 31, 2020 (Restated)	4,039,612	530,877,243	1,721,582	8,600,755	2,078,840	(21,068,012)
Liabilities						
September 30, 2021	6,202,646	535,975,519	402,845	1,754,884	3,864	(4,660,921)
December 31, 2020	6,407,940	511,331,774	453,522	2,907,683	7,259	(4,118,766)

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

IFRS 13 "Fair Value Measurement" defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the reporting date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book value.

In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market price at the close of business day. For term finance certificates, fair value is determined by reference to average broker rates.

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

- **Level 1** Quoted prices in active markets for identical assets or liabilities.
- **Level 2** Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;
- **Level 3** Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at September 30, 2021 (Un-audited)

Level 1	Level 2	Level 3	Total
Rupees in '000			

On balance sheet financial instruments

At fair value through profit or loss

Open end mutual funds	-	1,374,557	-	1,374,557
Listed equity securities	1,021,221	-	-	1,021,221
Government securities	-	1,421,841	-	1,421,841
Derivative asset	20,007	-	-	20,007

At fair value through OCI

Listed equity securities	26,630,077	-	-	26,630,077
Unquoted equity securities *	-	-	459,106	459,106
Sukuk and term finance certificates	-	21,991	-	21,991

Available for sale investments

Listed equity securities	5,188,608	-	-	5,188,608
Open end mutual funds	736,914	-	-	736,914
Sukuk and term finance certificates	-	483,309	-	483,309
Foreign currency bond (US\$)	-	5,367,141	-	5,367,141
Government securities	-	191,008,236	-	191,008,236
	<u>33,596,827</u>	<u>199,677,075</u>	<u>459,106</u>	<u>233,733,008</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

As at September 30, 2021 (Un-audited)				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	18,533,336	-	18,533,336
Sale	-	8,311,579	-	8,311,579
Interest rate swaps				
Purchase	-	517,334	-	517,334
Sale	-	519,476	-	519,476
Options				
Purchase	-	286,637	-	286,637
Sale	-	2,399,120	-	2,399,120

* As at September 30, 2021, the Holding Company's long term investments in unquoted securities of EFU Services (Private) Limited and Security General Insurance Company Limited are carried at fair value. The fair values of these investment are determined by the management after applying appropriate haircut to the carrying values of the net assets of investee companies as the net assets of investee companies mainly comprise of marketable securities and other assets having carrying value approximately equal to their fair value.

As at December 31, 2020 (Audited)				
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
On balance sheet financial instruments				
At fair value through profit or loss				
Open end mutual funds	-	1,535,365	-	1,535,365
Term finance certificates	-	125,000	-	125,000
Listed equity securities	1,793,494	-	-	1,793,494
Government securities	-	25,003,774	-	25,003,774
At fair value through OCI				
Listed equity securities	21,947,881	-	-	21,947,881
Unquoted equity securities	-	-	463,168	463,168
Available for sale investments				
Listed equity securities	4,339,823	-	-	4,339,823
Sukuk and term finance certificates	-	2,622,025	-	2,622,025
Government securities	-	127,406,043	-	127,406,043
Foreign currency bond (US\$)	-	4,017,289	-	4,017,289
	28,081,198	160,709,496	463,168	189,253,880

Notes to the Consolidated Condensed Interim Financial Information

For the Nine Months Period Ended September 30, 2021 (Un-audited)

	As at December 31, 2020 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	22,942,707	-	22,942,707
Sale	-	14,910,910	-	14,910,910
Forward securities				
Purchase	-	1,394	-	1,394
Sale	-	-	-	-
Interest rate swaps				
Purchase	-	1,120,607	-	1,120,607
Sale	-	1,125,550	-	1,125,550
Options				
Purchase	-	581,042	-	581,042
Sale	-	2,437,068	-	2,437,068

18.1 During the period ended September 30, 2021, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

19. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Holding Company in its meeting held on October 28, 2021.

20. GENERAL

20.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. No significant rearrangements or reclassifications were made in these financial statements.

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

Ali Raza Siddiqui
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Nine Month Report September 30, 2021 (Un-audited)



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