



Half Yearly Report
June 30, 2020 (Un-audited)



Table of Contents

Company Information	02
Directors' Review	03
Independent Auditors' Review Report to the members on Interim Financial Information	07
Unconsolidated Condensed Interim Statement of Financial Position	10
Unconsolidated Condensed Interim Statement of Profit or Loss	11
Unconsolidated Condensed Interim Statement of Comprehensive Income	12
Unconsolidated Condensed Interim Statement of Changes in Equity	13
Unconsolidated Condensed Interim Statement of Cash Flows	14
Notes to the Unconsolidated Condensed Interim Financial Information	15
Consolidated Condensed Interim Statement of Financial Position	32
Consolidated Condensed Interim Statement of Profit or Loss	33
Consolidated Condensed Interim Statement of Comprehensive Income	34
Consolidated Condensed Interim Statement of Changes in Equity	35
Consolidated Condensed Interim Statement of Cash Flows	36
Notes to the Consolidated Condensed Interim Financial Information	37

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

Hasib Navaid Malik
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

EY Ford Rhodes
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
Abdullah Haroon Road
Saddar, Karachi- 74400
Pakistan
UAN: +92 21 111 574 111
Fax: (+92-21) 35632575

Website

www.js.com



Directors' Review

Dear Shareholders

The Board of Directors of Jahangir Siddiqui & Co. Ltd. (the "Company") has reviewed the performance of the Company for the half year ended June 30, 2020. 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.

This period under review has seen something very unfamiliar, unique and disturbing in the silhouette of COVID-19. On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic and alerted the world that this pandemic will infect large populations and will claim many lives across the world.

Due to the emergence of COVID-19, lockdowns across several countries including Pakistan were imposed causing major disruptions to economic activities. Pakistan's economy demonstrated its worst performance in 68 years, posting a negative growth of 0.38% in FY 2019-20.

The drop in domestic and global demand compounded the strain on the economy. Monetary and fiscal policy interventions, such as interest rate reduction, payroll financing, announcement of stimulus package, have been made to ensure liquidity to cushion growth and employment. On the fiscal front, weak collections and higher expenditure in 4QFY20 mainly due to COVID-19 related developments resulted in a fiscal deficit of 9.5% of GDP. Owing to the unprecedented economic distress, the federal budget 2020-21 was presented without imposing any new taxes.

Despite challenging conditions, the outlook for external sector broadly remained stable. To lessen the impact on businesses and economies in general, regulators / governments across the globe have introduced a host of measures on both the fiscal and economic fronts. The State Bank of Pakistan has also responded to the crisis by cutting the Policy Rate by a massive 625 basis points to 7% in June 2020. Moreover, schemes *inter alia* covering principal deferments and loan restructuring have also been announced to provide overall relief to borrowers in these difficult times.

During the period under review, Stock Exchanges all over the globe, alongside Pakistan Stock Exchange ("PSX"), also witnessed an abrupt decline due to outbreak of COVID-19. KSE-100 index declined to 27,228.80 points on March 25, 2020 and closed at 34,421.92 points on June 30, 2020. That resulted into a 15.50% decline during the period under review.

Subsequent to the period under review, Government of Pakistan has phase-wise relaxed the lockdowns in the Country. However, the COVID-19 situation is fluid yet and it is rapidly evolving, which makes it challenging to reliably demarcate the impact.

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.

Financial Performance

The Company has reported a net profit after tax of PKR 217.04 million for the half year ended June 30, 2020. The overall revenues for the period under review decreased to PKR 608.58 million from the corresponding period last year mainly due to dividend income from strategic investments and unrealized/realized gain on equity securities. The breakup value per share of the Company as on June 30, 2020 was PKR 26.31.

The basic and diluted earnings per share is PKR 0.24 for the half year ended June 30, 2020.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 757.14 million for the half year ended June 30, 2020 as compared to a net loss of PKR (234.52) million for the corresponding period last year.

The basic and diluted earnings per share is PKR 0.64 for the half year ended June 30, 2020.

Credit Rating

The Directors are pleased to inform you that the Pakistan Credit Rating Agency ("PACRA") has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company. Further, the ratings for the Company's 9th, 10th and 11th (listed on PSX) TFC issues of PKR 1,000 million, PKR 1,500 million and PKR 1,500 million respectively 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 COVID-19 is weighing on economic activities in Pakistan, resulting in lower tax revenue, a wider fiscal deficit, and a higher debt burden for the government. While continued spread of the virus poses downside risks to the economy and government finances, financial and technical support from development partners mitigates external vulnerability and liquidity risks. The government's commitment to its current International Monetary Fund (IMF) Extended Fund Facility (EFF) continues to unlock a large financial envelope that Moody's expects will cover its external financing needs over the next 12-18 months, and provides an anchor for ongoing fiscal reforms. Effective macroeconomic policies lower interest payments, supporting debt affordability, and provide policy buffers.

The phased lifting of lockdown restrictions along with declining new COVID-19 cases in the Country has raised hopes for normalized business activity in coming months. If this proceeds smoothly, it is expected that the economy will resume its growth momentum.

The Company strives for enhancement in shareholders' value in these challenging times through prudently managing its strategic investments in banking and insurance sectors, along with other holdings in telecommunication, energy, technology, media and infrastructural sectors.

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 and to the Securities and Exchange Commission of Pakistan for its efforts to strengthen the financial markets, guidance on good corporate governance and other measures to safeguard investor rights.

For and on behalf of the
Board of Directors

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Karachi: August 27, 2020



۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی میں کمپنی کا Basic اور Diluted منافع فی حصص ۶۴ پیسے رہا۔

کریڈٹ ریٹنگ:

ڈائریکٹرز اس بات کی اطلاع دینے پر مسرت محسوس کر رہے ہیں کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لیے طویل مدتی کریڈٹ ریٹنگ AA (Double) اور مختصر مدتی کریڈٹ ریٹنگ A1+ (A One Plus) کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے ۵۰۰،۰۰۰ ملین روپے کے نوٹس، ۵۰۰،۰۰۰ ملین روپے کے دسویں اور ۵۰۰،۰۰۰ ملین روپے کے 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 کو ظاہر کرتی ہے۔

مستقبل کے امکانات:

COVID-19 پاکستان میں معاشی سرگرمیوں پر کافی اثر انداز ہو رہا ہے جس کے نتیجے میں ٹیکس کی کم آمدنی، ایک وسیع مالی خسارہ اور حکومت پر قرضوں کا زیادہ بوجھ پڑنا شامل ہیں۔ اگرچہ وائرس کے مسلسل پھیلاؤ سے معیشت اور حکومت کے مالی معاملات کو مضطر خطرہ لاحق ہے، لیکن ترقیاتی شراکت داروں کی مالی اور تکنیکی مدد سے بیرونی خطرے اور لیکویڈیٹی کے خطرات کو کم کیا جاسکتا ہے۔ حکومت کے موجودہ بین الاقوامی مالیاتی فنڈ (آئی ایم ایف) کے توسیعی فنڈ کی سہولت (ای ایف ایف) سے وابستہ ایک بڑے مالیاتی سہولت فراہم کرے گی جس سے موڈی کو توقع ہے کہ وہ اگلے ۱۲-۱۸ ماہ کے دوران اپنے بیرونی فنانسنگ کی ضروریات کو پورا کرے گا اور جاری مالی اصلاحات کیلئے ایک سہولت مہیا کرے گا۔ موثر معاشی پالیسیوں سے سود کی ادائیگی کم ہو جاتی ہے، قرضوں کی برداشت میں مدد ملتی ہے اور پالیسی بفر مہیا ہوتی ہے۔

مرحلہ وار لاک ڈاؤن کی پابندیوں کے خاتمے کے ساتھ ساتھ ملک میں نئے COVID-19 کیسز میں کمی واقع ہونے سے آنے والے مہینوں میں کاروباری سرگرمیوں کے معمول پر آنے کی امیدوں میں اضافہ ہوا ہے۔ اگر یہ آسانی سے آگے بڑھتا ہے تو، توقع کی جاتی ہے کہ معیشت اپنی نمو کی رفتار دوبارہ شروع کرے گی۔

کمپنی اس مشکل وقت میں حصص یافتگان کی قدر میں اضافے کیلئے کوشاں ہے اور اپنی بہترین حکمت عملی کے ساتھ سرمایہ کاری کا انتظام کر رہی ہے جس میں بینکاری اور انشورنس کے شعبوں کے ساتھ ٹیلی مواصلات، توانائی، ٹیکنالوجی، میڈیا اور بنیادی ڈھانچے کے دیگر شعبے شامل ہیں۔

قدر شناسی:

ڈائریکٹرز اپنے کلائنٹس اور کاروباری شراکت داروں کی مسلسل حمایت (سپورٹ) کی بہت قدر افزائی کرتے ہیں۔ ہم اپنے ملازمین اور انتظامیہ کو ان کی لگن اور سخت محنت پر اور سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو فنانس مارکیٹس کو مستحکم کرنے کے لیے کوششوں، اچھی کارپوریٹ گورننس پر ہمنوائی اور سرمایہ کاروں کے حقوق کے تحفظ کے لیے اقدامات کرنے پر داد و تحسین پیش کرتے ہیں۔

برائے اور منجانب

بورڈ آف ڈائریکٹرز

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی ۲۷ اگست ۲۰۲۰ء

سلیمان لالانی

چیف ایگزیکٹو آفیسر

ڈائریکٹرز کا جائزہ

معزز حصص یافتگان

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ ہم جائزہ کی مدت کے دوران کمپنی کی انفرادی اور مجموعہ ذیلی اداروں کے مجموعی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

جائزہ کی مدت کے دوران COVID-19 کے باعث کچھ ناواقف، انوکھی اور پریشان کن چیزیں دیکھنے میں آئی ہیں۔ ۱۱ مارچ ۲۰۲۰ء کو عالمی ادارہ صحت (WHO) نے COVID-19 کو وبائی مرض قرار دیا اور دنیا کو آگاہ کیا کہ یہ وبائی بیماری بڑی آبادی کو متاثر کرے گی اور پوری دنیا میں بہت سی جانیں لے گی۔

COVID-19 کے ظہور کے سبب، پاکستان سمیت متعدد ممالک میں لاک ڈاؤن مسلط کر دیئے گئے جس کی وجہ سے معاشی سرگرمیوں میں بڑا خلل پڑا ہے۔ پاکستان کی معیشت نے گزشتہ ۲۸ سالوں میں اپنی بدترین کارکردگی کا مظاہرہ کیا اور اس طرح مالی سال ۲۰۱۹-۲۰ میں ترقی کی رفتار منفی ۰.۳۸ فیصد رہی۔

ملکی اور غیر ملکی سطح پر طلب میں کمی نے معیشت میں تناؤ کو بڑھایا۔ مانیٹری اور مالیاتی پالیسی میں مداخلت جیسے کہ شرح سود میں کمی، تنخواہوں کی ادائیگی کے لیے فنانسنگ اور دیگر معارف کے لیے اعلان کردہ پیکیج نے کشن گروتھ اور ملازمتوں میں سیالیت کو یقینی بنایا۔ مالیاتی محاذ پر مالی سال ۲۰۲۰ء کی چوتھی سہ ماہی میں کم وصولیوں اور زیادہ اخراجات وجہ COVID-19 سے متعلقہ اخراجات کے نتیجے میں شرح نمو کے اندر ۹.۵۲ فیصد کا مالیاتی خسارہ ریکارڈ کیا گیا۔ غیر معمولی معاشی صورتحال کو مد نظر رکھتے ہوئے وفاقی بجٹ ۲۰۲۱-۲۰ کوئی نیا ٹیکس عائد کیے بغیر پیش کیا گیا۔

تمام تر مشکلات کے باوجود، بیرونی شعبے کا نقطہ نظر وسیع پیمانے پر مستحکم رہا۔ عام بنیادوں پر کاروباروں اور معیشتوں پر پڑنے والے اثرات کو کم کرنے کے لیے، دنیا بھر کے ریگولیٹرز / حکومتوں نے مالی اور اقتصادی دونوں محاذوں پر بہت سارے اقدامات متعارف کروائے ہیں۔ اسٹیٹ بینک آف پاکستان نے بھی اس بحران کو مد نظر رکھتے ہوئے جون ۲۰۲۰ء میں پالیسی شرح کو بڑے پیمانے پر ۲۲۵ بنیادی پوائنٹس کی کمی کر کے ۷ فیصد کر دیئے ہیں۔ مزید یہ کہ اس مشکل وقت میں قرضے لینے والوں کی اصل رقوم کی التواء اور قرضے کی تنظیم نو پر پریلیف فراہم کرنے کا اعلان کیا گیا ہے۔

زیر جائزہ مدت کے دوران، پاکستان اسٹاک ایکسچینج ("PSX") کے ساتھ ساتھ پوری دنیا میں اسٹاک ایکسچینج میں بھی COVID-19 کے پھیلنے کی وجہ سے اچانک کمی دیکھنے میں آئی۔ کے ایس ای ۱۰۰ انڈیکس ۲۵ مارچ ۲۰۲۰ء کو کم ہو کر ۲۲۸.۸۰، پوائنٹس پر آ گیا اور ۳۰ جون ۲۰۲۰ء کو ۳۲۱.۹۲ پوائنٹس پر بند ہوا۔ اس کے نتیجے میں زیر جائزہ مدت کے دوران ۱۵.۵۰ فیصد کمی واقع ہوئی۔ زیر غور مدت کے بعد، حکومت پاکستان نے مرحلہ وار ملک میں لاک ڈاؤن کو نرم کر دیا ہے۔ تاہم COVID-19 کی صورتحال ابھی تک مائع ہے اور یہ تیزی سے پھیل رہی ہے، جس کی وجہ سے اس کے اثرات کو قابل اعتماد طریقے سے جانچنا مشکل ہے۔

انتظامیہ نے طویل المدت استحکام کو یقینی بنانے اور وبائی امراض کے سلسلے میں ہمارے کاروباروں میں بڑھتی ہوئی صورتحال کی فعال طور پر نگرانی اور انتظام کرنے کے لئے ضروری اقدامات اٹھائے ہیں۔

مالیاتی کارکردگی:

۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی کے دوران کمپنی کا خالص منافع (۲۱۷.۰۳) ملین روپے رہا۔ مجموعی آمدنی پچھلے سال تقابلی مدت سے کم ہو کر ۶۰۸.۵۸ ملین روپے رہی جس کی بنیادی وجہ اسٹریٹیجک سرمایہ کاری سے حاصل ہونے والی ڈیویڈنڈ آمدنی میں کمی اور ایکویٹی سکیورٹیز کے حقیقی / غیر حقیقی منافع میں کمی ہے۔ ۳۰ جون ۲۰۲۰ء کو فی حصص بریک اپ ویلیو ۲۶.۳۱ روپے رہا۔ ۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی میں کمپنی کا Basic اور Diluted منافع فی حصص ۲۲ پیسے رہا۔

مجموعی مالیاتی گوشوارے:

۳۰ جون ۲۰۲۰ء کو ختم ہونے والی ششماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۷۵۷.۱۴ روپے کا خالص منافع ریکارڈ کیا جب کہ پچھلے سال کی تقابلی مدت میں خالص نقصان (۲۳۴.۵۲) روپے تھا۔

Independent Auditors' Review Report to the members of Jahangir Siddiqui & Co. Ltd. Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim statement of financial position of Jahangir Siddiqui & Co. Ltd. (the Company) as at 30 June 2020, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity, and notes to the financial information for the six-months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on the financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarters ended 30 June 2020 and 30 June 2019 have not been subject to limited scope review by the external auditors as we are only required to review the cumulative figures for the six-months period ended 30 June 2020.

Scope of review

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

Conclusion

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

The engagement partner on the review resulting in this independent auditor's review report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants
Date: August 31, 2020
Karachi

This page is left blank intentionally



UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2020

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	246,816	259,532
Investment property		1,480	1,540
Long term investments	7	24,843,711	25,641,462
Long term loans and advances		4,975	5,109
Long term security deposits		2,959	2,959
		25,099,941	25,910,602
Current Assets			
Short term loans and advances	8	799	772
Short term prepayments and other receivables		14,744	13,810
Interest accrued		3,955	2,559
Other financial assets - short term investments	9	2,518,476	3,177,131
Taxation - net		113,630	109,533
Cash and bank balances		485,927	232,440
		3,137,531	3,536,245
		28,237,472	29,446,847
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		65,000,000	65,000,000
Issued, subscribed and paid-up capital		9,159,424	9,159,424
Reserves		14,940,433	15,868,851
		24,099,857	25,028,275
Non-Current Liabilities			
Long term financing	10	2,243,065	2,738,746
Lease liability	11	139,431	131,018
Deferred tax liability		-	990
Current Liabilities			
Trade and other payables	12	211,020	284,245
Unclaimed dividend		10,543	10,543
Accrued interest	13	156,287	179,356
Short term borrowing	14	180,000	-
Current portion of long term financing	10	1,176,981	1,049,702
Current maturity of lease liability	11	20,288	23,972
		1,755,119	1,547,818
		28,237,472	29,446,847
Contingencies and commitment			
	15		

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Unconsolidated Condensed Interim Statement of Profit or Loss

For the Half Year Ended June 30, 2020 (Un-audited)

		Half Year Ended		Quarter Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
INCOME	Note	(Rupees in '000)			
Return on investments	16	598,207	687,962	135,680	642,938
(Loss) / gain on sale of investments - net		(12,082)	62,301	(12,630)	216
Income from long term loans and fund placements	17	13,629	22,648	8,061	13,450
Other income		12,340	16,795	5,936	6,127
(Loss) / gain on remeasurement of investments at fair value through profit or loss - net		(3,510)	60,230	15,672	(9,739)
		608,584	849,936	152,719	652,992
EXPENDITURE					
Operating and administrative expenses		90,597	113,664	51,409	47,597
Finance cost		284,336	269,643	136,551	143,487
Provision for Sindh Workers' Welfare Fund		6,232	7,059	5,414	1,253
(Reversal of) / provision for impairment - net		(77,923)	113,672	(305,932)	129,540
		303,242	504,038	(112,558)	321,877
PROFIT BEFORE TAXATION		305,342	345,898	265,277	331,115
Taxation					
Current		88,298	99,791	18,907	93,955
PROFIT FOR THE PERIOD		217,044	246,107	246,370	237,160
EARNINGS PER SHARE		(Rupees)			
Basic and diluted	18	0.24	0.27	0.27	0.26

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Half Year Ended June 30, 2020 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- (Rupees in '000) -----			
PROFIT FOR THE PERIOD	217,044	246,107	246,370	237,160
OTHER COMPREHENSIVE (LOSS) / INCOME:				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised (loss) / gain on revaluation of investments at fair value through OCI during the period - net of deferred tax	(1,145,462)	(775,015)	2,748,080	(1,017,620)
Reclassification adjustments relating to investments at fair value through OCI disposed off during the period - net	104,305	(269,983)	101,824	49,056
Items that may be reclassified subsequently to statement of profit or loss	-	-	-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE PERIOD	<u>(824,113)</u>	<u>(798,891)</u>	<u>3,096,274</u>	<u>(731,404)</u>

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Unconsolidated Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2020 (Un-audited)

	Reserves					
	Issued, subscribed and paid-up capital	Ordinary share premium	Unrealised gain / (loss) on revaluation of investments at fair value through OCI - net	Revenue reserve	Sub-total	Total
	----- (Rupees in '000) -----					
Balance as at December 31, 2018 (audited)	9,159,424	4,497,894	7,803,459	2,333,734	14,635,087	23,794,511
Impact of initial application of IFRS 9	-	-	211,321	(46,546)	164,775	164,775
Adjusted balance as at January 01, 2019	9,159,424	4,497,894	8,014,780	2,287,188	14,799,862	23,959,286
Profit for the period	-	-	-	246,107	246,107	246,107
Other comprehensive loss	-	-	(1,209,773)	-	(1,209,773)	(1,209,773)
Total comprehensive (loss) / income	-	-	(1,209,773)	246,107	(963,666)	(963,666)
Reclassification of net revaluation gain on equity instrument upon derecognition-net	-	-	-	269,983	269,983	269,983
Balance as at June 30, 2019 (un-audited)	9,159,424	4,497,894	6,805,007	2,803,278	14,106,179	23,265,603
Balance as at January 01, 2020 (audited)	9,159,424	4,497,894	8,456,311	2,914,646	15,868,851	25,028,275
Profit for the period	-	-	-	217,044	217,044	217,044
Other comprehensive loss	-	-	(1,041,157)	-	(1,041,157)	(1,041,157)
Total comprehensive (loss) / income	-	-	(1,041,157)	217,044	(824,113)	(824,113)
Reclassification of net revaluation loss on equity instrument upon derecognition-net	-	-	-	(104,305)	(104,305)	(104,305)
Balance as at June 30, 2020 (un-audited)	9,159,424	4,497,894	7,415,154	3,027,385	14,940,433	24,099,857

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Cash Flows

For the Half Year Ended June 30, 2020 (Un-audited)

	Note	June 30, 2020	June 30, 2019
		(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation for the period		305,342	345,898
Adjustment for non cash charges and other items:			
Depreciation		16,603	13,594
Gain on sale of property and equipment		(1,156)	(1,156)
Interest income		(28,843)	(61,534)
Loss / (gain) on remeasurement of investments at fair value through profit or loss - net		3,510	(60,230)
(Reversal of) / provision for impairment - net		(77,923)	113,672
Dividend income		(582,993)	(649,076)
Finance cost		284,336	269,643
		(386,466)	(375,087)
Operating loss before working capital changes		(81,124)	(29,189)
(Increase)/ decrease in current assets:			
Short term loans and advances		(27)	62,530
Short term prepayments and other receivables		(934)	(16,645)
Long term loans, advances and security deposits		134	(3,017)
		(827)	42,868
Decrease in trade and other payables		(73,225)	(172,559)
		(155,176)	(158,880)
Investments - net		139,351	900,035
Dividend received		582,993	649,076
Finance cost paid		(291,828)	(218,602)
Taxes paid		(92,395)	(101,551)
Interest income received		31,583	61,848
Net cash generated from operating activities		214,528	1,131,926
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(5,880)	(26,568)
Proceeds from sale of property and equipment		3,209	1,160
Net cash used in investing activities		(2,671)	(25,408)
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of term finance certificates		(312,500)	(445,840)
Long term loan repaid to bank - net		(62,500)	313,020
Short term borrowing		180,000	-
Payment against lease liability		(4,249)	-
Net cash used in financing activities		(199,249)	(132,820)
NET INCREASE IN CASH AND CASH EQUIVALENTS		12,608	973,698
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		669,064	296,059
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	19	681,672	1,269,757

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (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, Saddar, Karachi. The principal activities of the Company are managing strategic investments, trading of securities, consultancy services, etc.

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information is un-audited and has been prepared in accordance with the 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.

3. BASIS OF PREPARATION

- 3.1 This unconsolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Rule Book of the Pakistan Stock Exchange Limited.
- 3.2 This unconsolidated condensed interim financial information does not include all the information and disclosures required in the annual financial statements; therefore should be read in conjunction with the Company's unconsolidated financial statements for the year ended December 31, 2019.
- 3.3 This unconsolidated condensed interim financial information is separate financial information of the Company in which investments in subsidiaries and associates (if any) are stated at cost less impairment, if any, and have not been accounted for on the basis of reported results and net assets of the investee companies.
- 3.4 This unconsolidated condensed interim financial information is prepared in Pak Rupees, which is also the functional and presentation currency of the Company, and rounded off to rupees in thousand.

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this unconsolidated condensed interim financial information is consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2019.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

4.1 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, 2020 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.

4.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current year. These are not likely to have material effect on the company's financial statements except for the following:

Standard or Interpretation	Effective date (annual periods beginning on or after)
- Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
- Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2014
- IFRS 17 – Insurance Contracts	January 01, 2023

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, 2019.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT			
Operating assets - Owned	6.1	97,840	103,792
Right-of-use asset	6.2	144,935	154,562
Capital work-in-progress		4,041	1,178
		<u>246,816</u>	<u>259,532</u>
6.1 Operating assets - Owned			
Opening written down value		103,792	5,696
Addition during the period		3,017	109,221
Disposal during the period		(2,053)	(4)
Depreciation for the period		(6,916)	(11,121)
		<u>97,840</u>	<u>103,792</u>
6.2 Right-of-use asset			
Opening		154,562	173,869
Depreciation expense		(9,627)	(19,307)
Closing		<u>144,935</u>	<u>154,562</u>
7. LONG TERM INVESTMENTS			
Investments in related parties			
Subsidiaries - at cost	7.1	10,556,480	10,478,556
Other related parties - 'at fair value through OCI'	7.2	8,869,375	9,306,685
		<u>19,425,855</u>	<u>19,785,241</u>
Other investments	7.3	5,417,856	5,856,221
		<u>24,843,711</u>	<u>25,641,462</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

7.1 Subsidiaries - at cost

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

Number of shares				Holding				
June 30, 2020 (Un-audited)	December 31, 2019 (Audited)		Note	Activity	June 30, 2020 (Un-audited) %	December 31, 2019 (Audited) %	June 30, 2020 (Un-audited) ----- (Rupees in '000) -----	December 31, 2019 (Audited)
		<u>Quoted</u>						
973,307,324*	973,307,324	JS Bank Limited		Commercial Banking	75.02	75.02	6,127,149	6,127,149
		Market value Rs. 5,207.19 (December 31, 2019: Rs. 5,255.86) million						
		<u>Un-quoted</u>						
370,000,000	370,000,000	Energy Infrastructure Holding (Private) Limited		Energy Petroleum & Infrastructure	100.00	100.00	3,700,000	3,700,000
		Net assets value Rs. 4,148.12 (December 31, 2019: Rs. 4,128.05) million based on unaudited financial statements for the half year ended June 30, 2020						
173,736,297	173,736,297	JS Infocom Limited	7.1.1	Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490
		Net assets value Rs. 705.43 (December 31, 2019: Rs. 628.04) million based on unaudited financial statements for the half year ended June 30, 2020 Less: Impairment					(1,003,063)	(1,080,451)
							705,427	628,039
10,000	10,000	JS International Limited		Investment services	100.00	100.00	294,882	294,882
		Ordinary Shares of US\$ 1/- each having negative equity balance of Rs. 1.9 (September 30, 2019: Rs. (1.8)) million based on unaudited financial statements for the half year ended March 31, 2020 Less: Impairment					(294,882)	(294,882)
							-	-
3,000,000	3,000,000	Quality Energy Solutions (Private) Limited	7.1.2	Renewable Energy	100.00	100.00	30,000	30,000
		Net assets value Rs. 23.90 (December 31, 2019: Rs. 23.37) million based on unaudited financial statements for the half year ended June 30, 2020 Less: Impairment					(6,096)	(6,632)
							23,904	23,368
							10,556,480	10,478,556

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



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

7.1.1 The net assets of JS Infocom Limited mainly comprise of listed equity securities. Due to improvement in market conditions at the reporting date, the net assets of JS Infocom Limited have increased resulting in reversal of impairment amounting to Rs. 77.39 million.

7.1.2 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. 0.54 million is recognized during the period.

7.2 Other related parties

At fair value through OCI

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

Number of shares			Holding					
June 30, 2020 (Un-audited)	December 31, 2019 (Audited)		Note	Activity	June 30, 2020 (Un-audited) %	December 31, 2019 (Audited) %	June 30, 2020 (Un-audited) ----- (Rupees in '000) -----	December 31, 2019 (Audited) ----- (Rupees in '000) -----
			<u>Quoted - at fair value</u>					
42,191,152	42,191,152	EFU General Insurance Limited	7.2.1	General Insurance	21.10	21.10	4,640,183	4,653,684
20,047,708	20,047,708	EFU Life Assurance Limited	7.2.1	Life Assurance	20.05	20.05	4,218,639	4,642,448
			<u>Un-quoted - at fair value</u>					
750,000	750,000	EFU Services (Private) Limited	7.2.1	Investment company	37.50	37.50	10,553	10,553
							8,869,375	9,306,685

7.2.1 The Company has not accounted for investment in these companies as associates under IAS 28 "Investment in Associates and Joint Ventures", as management has concluded that the Company does not have significant influence in these companies.

7.2.2 Included herein are equity securities having average cost of Rs. 1,272.11 (2019: Rs. 1,286.75) million and having market value of Rs. 3,973.96 (2019: Rs. 4,124.68) million pledged with trustee of Term Finance Certificates issued by the Company.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

7.3 Other investments

At fair value through OCI

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

Number of shares					
June 30, 2020 (Un-audited)	December 31, 2019 (Audited)			June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
			Note	----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>			
235,684,306 *	235,684,306	BankIslami Pakistan Limited	7.2.1	1,781,773	2,613,739
120,657,363	89,690,363	Azgard Nine Limited	7.2.1	1,914,832	1,122,026
127,586,638	153,406,638	Pakistan International Bulk Terminal Limited		1,122,762	1,658,326
11,622,000	11,622,000	Hum Network Limited (Ordinary Shares of Rs. 1 each)		145,856	37,307
		<u>Un-quoted - at fair value</u>			
2,399,454	2,399,454	Security General Insurance Company Limited		452,633	424,823
				5,417,856	5,856,221

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

7.3.1 Included herein are equity securities having average cost of Rs. 879.24 (2019: Rs. 849.24) million and having market value of Rs. 911.18 (2019: Rs. 945.28) million pledged with trustee of Term Finance Certificates issued by the Company and with a Bank against Term Loans obtained by the Company.

	June 30,	December 31,
	2020	2019
	(Un-audited)	(Audited)
	(Rupees in '000)	
8. SHORT TERM LOANS AND ADVANCES		
Advances to staff	101	122
Current maturity of long term loans to employees	698	650
	799	772



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS	Note	----- (Rupees in '000) -----	
Assets at fair value through OCI			
Listed equity securities		2,204,270	2,572,782
Assets at fair value through profit or loss			
Listed equity securities		18,204	159,735
At amortized cost			
Government Securities	9.1	296,002	444,614
	9.2	<u>2,518,476</u>	<u>3,177,131</u>

9.1 Government Securities - Amortized Cost

Government Securities - Amortized Cost					Balances as at June 30, 2020	
Name of security	Issue Date	Face Value			As at June 30, 2020	Carrying Value
		As at Jan 01, 2020	Purchased during the period	Sold/ matured during the period		
----- (Un-audited) -----						
----- (Rupees in '000) -----						
Market Treasury Bills - 3 months	24-Oct-19	150,000	-	150,000	-	-
Market Treasury Bills - 3 months	7-Nov-19	150,000	-	150,000	-	-
Market Treasury Bills - 3 months	5-Dec-19	150,000	-	150,000	-	-
Market Treasury Bills - 3 months	30-Jan-20	-	100,000	100,000	-	-
Market Treasury Bills - 3 months	27-Feb-20	-	100,000	100,000	-	-
Market Treasury Bills - 3 months	9-Apr-20	-	100,000	-	99,971	99,971
Market Treasury Bills - 3 months	7-May-20	-	100,000	-	99,369	99,369
Market Treasury Bills - 6 months	18-Jun-20	-	100,000	-	96,662	96,662
Total as at June 30, 2020						296,002
Total as at December 31, 2019						444,614

9.1.1 These treasury bills carry effective interest rate ranging from 7.48% to 10.81% per annum and will be matured by December 17, 2020.

9.2 Included herein are equity securities having average cost of Rs. 1,361.62 (2019: Rs. 1,287.66) million and having market value of Rs. 1,258.78 (2019: Rs. 1,180.54) million and government securities having amortized cost of Rs. 196.03 (2019: Rs. 246.67) million and having face value of Rs. 200 (2019: Rs. 250) million pledged with trustee of Term Finance Certificates issued by the Company and with Banks against Term Loans and Running Finance Facility obtained by the Company.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		----- (Rupees in '000) -----	
10. LONG TERM FINANCING	Note		
Term Finance Certificates (TFCs)			
Ninth issue - Privately Placed		249,074	373,211
Tenth issue - Privately Placed		932,894	1,118,015
Eleventh issue - listed on Pakistan Stock Exchange Limited		1,491,064	1,488,534
	10.1	<u>2,673,032</u>	<u>2,979,760</u>
Term Loan			
Term Loan 2	10.2 & 10.3	248,238	310,057
Term Loan 3	10.2 & 10.3	498,776	498,631
		<u>3,420,046</u>	<u>3,788,448</u>
Less: Current portion shown under current liability		<u>1,176,981</u>	<u>1,049,702</u>
		<u><u>2,243,065</u></u>	<u><u>2,738,746</u></u>

10.1 These TFCs are secured against lien over designated accounts with the Central Depository Company of Pakistan Limited. The accounts contain marketable securities having market value aggregating to Rs. 4,722.19 (December 31, 2019: Rs. 4,854.82) million to secure the outstanding principal with 35% margin.

10.2 During the period, on request of the Company and under general relaxation provided by State Bank of Pakistan (vide BPRD Circular Letter No. 13 of 2020, dated March 26, 2020), the lender Bank has granted deferment in repayment of principal of term loans. Said deferment is for six months and one year for Term loan 2 & Term Loan 3, respectively. Therefore, the overall maturity of the aforementioned loans has been extended, accordingly, in line with the deferment.

10.3 These loans are secured by pledge of marketable securities having market value of Rs. 1,562.57 (December 31, 2019: Rs. 1,642.31) million with margin ranging from 7.5% to 50%. Term Loan 2 is repayable by December 2022 and Term Loan 3 is repayable by March 2025.

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees in '000) -----	
11. LEASE LIABILITY		
Opening	154,990	155,659
Interest expense	8,978	18,451
Payments	(4,249)	(19,120)
Closing	<u>159,719</u>	<u>154,990</u>
Less: Current Maturity	<u>(20,288)</u>	<u>(23,972)</u>
	<u><u>139,431</u></u>	<u><u>131,018</u></u>

11.1 This represents lease arrangement with JS Land (Pvt) Ltd., a related party, for office premises at 20th Floor, The Centre, Saddar, Karachi.



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

12. TRADE AND OTHER PAYABLES

This includes payable against Sindh Workers' Welfare Fund (WWF) amounting to Rs. 125.45 (December 31, 2019: Rs. 119.22) million.

13. ACCRUED INTEREST

This include markup on short term loan obtained from a related party during the period, amounting to Rs. 1.41 million.

14. SHORT TERM BORROWING

During the period, the Company obtained an unsecured short term loan from Mr. Jahangir Siddiqui (a related party), repayable in 12 months. The mark-up on this loan is payable quarterly, based on the six months KIBOR plus 165 basis points per annum.

15. CONTINGENCIES AND COMMITMENTS

15.1 CONTINGENCIES

15.1.1 On January 18, 2019, the Company received a notice from the Additional Commissioner Inland Revenue - Audit Range-A, Zone III, Corporate RTO Karachi (ADCIR) under section 122(9) in respect of tax year 2018, demanding payment of super tax. The Company filed a constitutional petition against applicability of section 4B of the Income Tax Ordinance, 2001 (the Ordinance) before the Honorable Sindh High Court which admitted the petition and granted a stay order.

Subsequent to the period ended June 30, 2020, the Honourable High Court of Sindh passed the order dated July 21, 2020 whereby all the petitions challenging the levy of super tax filed before the Court were dismissed. Thereafter, the ADCIR raised the demand of super tax amounting to Rs. 39.06 million (net of refund for the tax year). Further, on August 04, 2020, the Company also received a notice from the Deputy Commissioner Inland Revenue, Unit-I, Range-I, Zone-III, Corporate RTO Karachi (ACIR) under section 4B of the Ordinance in respect of tax year 2019, for determination of super tax liability amounting to Rs. 23.34 million.

The management is in the process of consultation with its tax advisors to determine the future course of action with respect to the above matters. However, provision for liability in respect of super tax had already been made in the financial statements of the respective tax years.

15.1.2 Except for the above, there were no material changes in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended December 31, 2019.

15.2 Commitment

Commitment in respect of Future purchase transactions of listed equity securities

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees in '000) -----	
	773	-

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

16. RETURN ON INVESTMENTS

This includes dividend income on investments in related parties aggregating to Rs. 535.91 (June 30, 2019: Rs. 606.01) million.

17. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 12.70 (June 30, 2019: Rs. 18.23) million on bank balances maintained with a related party (JS Bank Limited).

18. BASIC AND DILUTED EARNINGS PER SHARE

Profit after taxation attributable to ordinary shareholders

Half Year Ended		Quarter Ended	
June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019

----- (Un-audited) -----

----- (Rupees in '000) -----

217,044	246,107	246,370	237,160
---------	---------	---------	---------

----- (Numbers in '000) -----

Weighted average number of ordinary shares
outstanding during the period

915,942	915,942	915,942	915,942
---------	---------	---------	---------

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

Earnings per share:

- Basic and diluted

0.24	0.27	0.27	0.26
------	------	------	------

June 30, 2020 June 30, 2019

----- (Un-audited) -----

----- (Rupees in '000) -----

19. CASH AND CASH EQUIVALENTS

Cash and bank balances

485,927 589,279

Government securities

195,745 680,478

681,672 1,269,757

20. RELATED PARTY TRANSACTIONS

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

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



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

	June 30, 2020	June 30, 2019
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Brokerage expense paid	1,045	801
Bank charges paid	6	-
Dividend received	-	23,419
Capital gain tax paid for onward submission to NCCPL	1	113
Capital gain tax tariff paid	-	40
Mark-up paid on TFCs issued by the Company	1,846	1,014
Rent income received	1,632	9,252
Profit received on deposit accounts	11,245	10,745
Reimbursement of expenses by the Company	4,767	46
Reimbursement of expenses to the Company	1	4,027
Loan repaid including interest	-	4,500
Purchase of government securities	292,150	683,437
Sale of government securities	200,000	-
Common Directorship		
Rent income received	5,409	5,151
Reimbursement of expenses to the Company	592	-
Dividend income	535,911	582,590
Insurance premium paid	787	2,198
Security deposit repaid	468	-
Security deposit received	492	468
Common Substantial Shareholder		
Rent income received	9,504	3,766
Reimbursement of expenses to the Company	1,284	-
Reimbursement of expenses by the Company	3,567	-
Rental paid against lease liability	4,249	22,257
Security deposit received	-	342
Post-employment Benefit Funds		
Contribution to staff provident fund	2,997	1,733

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

	June 30, 2020	June 30, 2019
	----- (Un-audited) -----	----- (Rupees in '000) -----
Controlling Person		
Short term loan received	180,000	-
Advisory fee paid	3,000	1,500
Royalty paid	7,500	5,000
Key Management Personnel		
Remuneration paid to Chief Executive Officer	20,754	16,214
Fee paid to directors for attending directors / committee meetings	2,350	1,425
Remuneration paid to executives	8,249	10,318
Interest received on long term loans to executives	-	549
Loan and advances repayments from executives	-	204
Reimbursement of expenses to directors	191	4,022
	June 30, 2020	December 31, 2019
	(Un-audited)	(Audited)
	----- (Rupees in '000) -----	
BALANCES		
Subsidiary and Sub-subsidiary Companies		
Mark-up payable on TFCs issued by the Company	1,124	480
Outstanding principal of TFCs issued by the Company	24,000	29,250
Mark-up receivable on loan issued by the Company	-	1,563
Outstanding principal of loan issued by the Company	-	42,500
Profit receivable on deposit accounts	3,889	3,826
Receivable against expenses incurred on their behalf	108	5,032
Rent receivable	675	-
Unearned rent	344	-
Cash at bank accounts	477,181	291,629
Common Directorship		
Donation payable	9,000	5,000
Receivable against expenses incurred on their behalf	115	-
Prepaid insurance	1,053	468
Security deposit	492	1,682
Unearned rent	2,950	4,683



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2020 (Un-audited)

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	----- (Rupees in '000) -----	
Common Substantial Shareholder		
Receivable against expenses incurred on their behalf	323	-
Security deposit	1,003	342
Prepaid rent	-	12,140
Unearned rent	4,238	3,424
Post-employment Benefit Funds		
Mark-up payable on TFCs issued by the Company	-	515
Outstanding principal of TFCs issued by the Company	-	9,975
Controlling Person		
Short term loan	180,000	-
Interest accrued on short term loan	1,406	-
Key Management Personnel		
Loans and advances	-	24,729

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 Half Year Ended June 30, 2020 (Un-audited)

June 30, 2020				
	Level 1	Level 2	Level 3	Total
----- (Un-audited) -----				
Investments at fair value through OCI	----- (Rupees in '000) -----			
Listed equity securities	16,028,315	-	-	16,028,315
Unquoted equity securities*	-	-	463,186	463,186
Investments at fair value through profit or loss				
Listed equity securities	18,204	-	-	18,204
	<u>16,046,519</u>	<u>-</u>	<u>463,186</u>	<u>16,509,705</u>
December 31, 2019				
	Level 1	Level 2	Level 3	Total
----- (Audited) -----				
Investments at fair value through OCI	----- (Rupees in '000) -----			
Listed equity securities	17,300,312	-	-	17,300,312
Unquoted equity securities*	-	-	435,376	435,376
Investments at fair value through profit or loss				
Listed equity securities	159,735	-	-	159,735
	<u>17,460,047</u>	<u>-</u>	<u>435,376</u>	<u>17,895,423</u>

- * As at June 30, 2020, 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 Half Year Ended June 30, 2020 (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 August 27, 2020.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

This page is left blank intentionally



CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2020

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
		(Rupees in '000)	
ASSETS	Note		
Non-Current Assets			
Property and equipment	7	9,939,123	10,131,782
Intangible assets	8	1,866,509	839,406
Investment property		1,480	1,540
Long term investments	9	102,974,987	71,195,640
Long term loans, advances, prepayments and other receivables		82,738,012	86,756,481
Assets repossessed		1,084,206	1,088,682
Long term deposits		23,749	21,381
Deferred taxation - net		-	1,006,908
		198,628,066	171,041,820
Current Assets			
Short term investments	10	96,938,936	93,364,833
Trade debts		583,862	750,421
Loans and advances		159,065,303	156,603,553
Accrued markup		9,536,743	8,824,961
Short-term prepayments, deposits, and other receivables		6,448,567	5,602,529
Other financial assets - fund placements		9,977,451	30,320,540
Taxation - net		876,547	924,949
Cash and bank balances		33,904,457	26,074,326
		317,331,866	322,466,112
Assets held for sale	11	374,000	374,000
		516,333,932	493,881,932
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		9,159,424	9,159,424
Reserves		22,569,835	21,598,023
Equity attributable to equity holders' of the parent		31,729,259	30,757,447
Non-controlling interests		6,071,453	5,405,258
Total equity		37,800,712	36,162,705
Non-Current Liabilities			
Long term financing		9,025,885	10,207,546
Lease liabilities		3,163,653	3,592,921
Long term deposits and other accounts		7,592,084	9,911,600
Long term borrowings		8,147,401	4,535,252
Deferred liability - employee benefit		107,560	151,881
Deferred taxation - net		624,600	-
		28,661,182	28,399,200
Current Liabilities			
Trade and other payables		16,114,941	14,764,464
Unclaimed dividend		23,499	21,072
Dividend payable		-	38,149
Accrued interest / mark-up on borrowings		5,675,152	4,340,342
Short term borrowings		876,515	-
Current portion of long term borrowings		29,139,939	50,186,015
Current deposits and current portion of long term liabilities	12	398,041,992	359,969,985
		449,872,038	429,320,027
		516,333,932	493,881,932
Contingencies and Commitments			
	13		
The annexed notes 1 to 20 form an integral part of this consolidated condensed interim financial information.			

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Consolidated Condensed Interim Statement of Profit or Loss

For the Half Year Ended June 30, 2020 (Un-audited)

		Half Year Ended		Quarter Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	Note	(Rupees in '000)			
INCOME					
Return on investments		9,367,150	5,030,632	4,595,153	2,881,959
Gain / (loss) on sale of investments - net		797,747	(293,863)	702,631	(309,960)
Income from long term loans and fund placements		15,818,856	14,960,816	7,058,561	7,699,026
Fee, commission and brokerage		2,083,496	1,589,308	1,060,241	804,355
Other income		515,615	605,084	254,631	402,344
(Loss) / gain on remeasurement of investments through profit and loss - net		(135,652)	(43,946)	116,970	(116,763)
		28,447,212	21,848,031	13,788,187	11,360,961
EXPENDITURE					
Administrative and other expenses		7,334,195	6,343,772	3,958,562	3,200,205
Finance cost		19,516,631	15,565,817	9,001,362	8,086,211
Provision for Sindh Workers' Welfare Fund		19,952	7,622	12,767	1,831
Provision for impairment on investments - net		31,466	218,997	14,898	251,675
		26,902,244	22,136,208	12,987,589	11,539,922
SHARE OF (LOSS) / PROFIT FROM ASSOCIATES		(11,592)	15,020	2,795	9,436
PROFIT / (LOSS) BEFORE TAXATION		1,533,376	(273,157)	803,393	(169,525)
Taxation					
- Current		214,767	509,545	(125,246)	349,551
- Prior		-	4,942	-	2,471
- Deferred		561,470	(553,125)	536,977	(436,913)
		776,237	(38,638)	411,731	(84,891)
PROFIT / (LOSS) FOR THE PERIOD		757,139	(234,519)	391,662	(84,634)
Attributable to:					
Equity holders of the parent		588,648	(42,821)	225,494	75,416
Non-controlling interests		168,491	(191,698)	166,168	(160,050)
		757,139	(234,519)	391,662	(84,634)
EARNINGS / (LOSS) PER SHARE					
(Rupees)					
Basic and diluted	14	0.64	(0.05)	0.24	0.08

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

For the Half Year Ended June 30, 2020 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	(Rupees in '000)			
PROFIT / (LOSS) FOR THE PERIOD	757,139	(234,519)	391,662	(84,634)
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified to statement of profit or loss subsequently				
Unrealised (loss) / gain on revaluation of investments at fair value through OCI during the period - net of deferred tax	(1,154,360)	(934,970)	3,474,972	(934,970)
Reclassification adjustments relating to investments at fair value through OCI disposed off during the period - net	102,950	(270,819)	100,588	(270,819)
	(1,051,410)	(1,205,789)	3,575,560	(1,205,789)
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	1,213,715	245,599	1,000,142	(576,955)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	784,081	376,608	705,998	635,420
	1,997,796	622,207	1,706,140	58,465
Exchange difference on translation of net assets in foreign branches of a subsidiary	37,432	52,214	10,073	48,209
	2,035,228	674,421	1,716,213	106,674
Total comprehensive income / (loss) for the period	1,740,957	(765,887)	5,683,435	(1,183,749)
Attributable to:				
Equity holders of the parent	1,740,957	(613,891)	5,683,435	(918,613)
Non-controlling interests	666,195	(151,996)	594,287	(265,136)
	1,740,957	(765,887)	5,683,435	(1,183,749)

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Consolidated Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2020 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							Non-controlling interests	TOTAL
	Reserves					Statutory	Sub-total		
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Unrealised gain / (loss) on revaluation of available for sale / fair value through other comprehensive income investments - net	Revenue reserve				
					Unappropriated profit / (accumulated loss)				
(Rupees in '000)									
Balance as at December 31, 2018 (audited)	9,159,424	4,497,894	70,394	5,584,452	1,160,931	7,632,483	28,105,578	6,009,183	34,114,761
Impact of initial application of IFRS 9	-	-	-	(13,728)	-	35,790	22,062	111,424	133,486
Adjusted balance as at January 01, 2019	9,159,424	4,497,894	70,394	5,570,724	1,160,931	7,668,273	28,127,640	6,120,607	34,248,247
Total comprehensive income / (loss) for the period									
Loss for the period	-	-	-	-	-	(42,821)	(42,821)	(191,698)	(234,519)
Other comprehensive income	-	-	52,214	(788,059)	-	-	(735,845)	39,702	(696,143)
Total comprehensive income / (loss) for the period	-	-	52,214	(788,059)	-	(42,821)	(778,666)	(151,996)	(930,662)
Transfer to statutory reserves	-	-	-	-	-	-	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(745)	(745)
Proceeds from issue of Right Shares by subsidiary	-	-	-	-	-	-	-	15,190	15,190
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	-	-	-	270,819	270,819	-	270,819
Balance as at June 30, 2019 (un-audited)	9,159,424	4,497,894	122,608	4,782,665	1,160,931	7,896,271	27,619,793	5,983,056	33,602,849
Balance as at December 31, 2019 (audited)	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	-	-	-	-	-	588,648	588,648	168,491	757,139
Other comprehensive income / (loss)	-	-	37,432	448,682	-	-	486,114	497,704	983,818
Total comprehensive income / (loss) for the period	-	-	37,432	448,682	-	588,648	1,074,762	666,195	1,740,957
Transfer to statutory reserves	-	-	-	-	128,483	(128,483)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-
Proceeds from issue of Right shares by subsidiary	-	-	-	-	-	-	-	-	-
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	-	-	-	(102,950)	(102,950)	-	(102,950)
Balance as at June 30, 2020 (un-audited)	9,159,424	4,497,894	140,397	8,059,682	1,293,113	8,578,749	31,729,259	6,071,453	37,800,712

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Consolidated Condensed Interim Statement of Cash Flows

For the Half Year Ended June 30, 2020 (Un-audited)

	Note	June 30, 2020	June 30, 2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		1,533,376	(273,157)
Non-cash adjustments to reconcile profit before tax to net cash flows			
Depreciation		1,050,541	830,895
Amortisation of intangible assets		57,510	46,698
Gain on sale of property and equipment		46,181	(29,286)
Charge for defined benefit plan		(44,321)	65,939
Loss on remeasurement of investments at fair value through profit or loss - net		135,652	43,946
Provision for doubtful debts, loans and advances		299,510	436,049
Provision for impairment on investments - net		31,466	218,997
Effect of translation of net investment in foreign branches		37,432	52,214
Finance cost		19,516,631	15,565,817
		21,130,602	17,231,269
Operating profit before working capital changes		22,663,978	16,958,112
Decrease / (increase) in operating assets :			
Loans and advances		(2,761,260)	1,253,461
Trade debts		166,559	131,964
Long term loans, advances, prepayments, deposits and other receivables		4,016,101	180,715
Other financial assets - fund placements		20,343,089	(2,660,715)
Prepayments, deposits, accrued mark-up and other receivables		(1,557,820)	(692,005)
		20,206,669	(1,786,580)
(Decrease) / increase in operating liabilities:			
Trade and other payables		1,350,477	(479,209)
Deposits and other accounts		35,654,560	38,570,695
Borrowings		2,430,265	3,175,064
Net cash generated from operations		82,305,949	56,438,082
Finance cost paid		(18,175,222)	(16,222,381)
Taxes paid		(166,365)	(485,558)
Dividend paid (including non-controlling interests)		(35,722)	(745)
Net cash generated from operating activities		63,928,640	39,729,398
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital expenditure incurred		(1,002,191)	(1,291,752)
Intangible assets acquired		(1,084,613)	(3,210)
Proceeds from sale of property and equipment		244,615	63,438
Proceeds from disposal / (acquisition) of assets repossessed		4,476	(533,957)
Proceeds from issuance of right shares by subsidiary company		-	15,190
Investments (purchased) / sold - net		(33,607,094)	13,437,047
Net cash (used in) / generated from investing activities		(35,444,807)	11,686,756
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of term finance certificates		(1,428,447)	(439,499)
Long term loan obtained from bank		1,058,855	310,929
Repayment of lease liability		(610,453)	-
Securities sold under repurchase agreements - net		(19,394,703)	(48,323,198)
Net cash used in financing activities		(20,374,748)	(48,451,768)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		8,109,085	2,964,386
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		25,184,350	32,623,147
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	15	33,293,435	35,587,533

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (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	Note	Date of Acquisition	Effective Holding	
				June 30, 2020	December 31, 2019
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)	Brokerage, advisory and consultancy services		December 21, 2011	62.66%	62.66%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage		November 1, 2012	63.43%	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%
JS Fuel (Private) Limited (Sub-subsidiary)	Oil Marketing		November 24, 2017	100.00%	100.00%
JS Engineering Investments 1 (Private) Limited (Sub-subsidiary)	Engineering Infrastructure		November 23, 2017	100.00%	100.00%
Quality 1 Petroleum (Private) Limited (Sub-subsidiary)	Oil Marketing	2	April 01, 2020	100.00%	100.00%

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

2. BUSINESS COMBINATION

- 2.1 On April 01, 2020, Energy Infrastructure Holding (Private) Limited, a wholly owned subsidiary of the Holding Company, acquired 100% shares in Quality 1 Petroleum (Private) Limited (Sub-subsidiary). The acquisition is expected to bring in synergies resulting in overall growth of the Group. The acquisition has been accounted for in accordance with the requirements of International Financial Reporting Standard 3 (IFRS 3) "Business Combinations". IFRS 3 allows the acquirer a maximum period of one year from the date of acquisition to finalise the accounting for business combination. IFRS 3 requires that all identified assets and liabilities acquired in a business combination should be carried at fair values at the acquisition date in the acquirer's balance sheet. Goodwill is recognized as at acquisition date for any difference in excess of fair value of consideration transferred over fair values of net assets acquired.

Details of purchase consideration, fair values of assets acquired and liabilities assumed which approximates to their carrying values at the acquisition date and the resultant goodwill recognised in this consolidated condensed interim financial information are as follows:

	April 01, 2020
	(Rupees in '000)
Fair values of assets acquired	1,050,291
Fair values of liabilities assumed	(1,401,606)
Net liabilities assumed	(351,315)
Purchase consideration in cash	600,000
Excess of purchase consideration over net assets (Goodwill)	951,315

- 2.2 The carrying amounts of assets acquired and liabilities assumed which approximates to their carrying values at the date of acquisition are as follows:

	Balances as at
	April 01, 2020
	(Rupees in '000)
NON - CURRENT ASSETS	
Property, plant and equipment	598,538
Security deposits	2,181
	600,719
CURRENT ASSETS	
Stock in trade	40,612
Trade debts	7,117
Advances, prepayments and others	400,852
Cash and bank balances	991
	449,572
TOTAL ASSETS	1,050,291



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

	Balances as at April 01, 2020
	(Rupees in '000)
NON CURRENT LIABILITIES	
Long term borrowings	16,667
Lease liability	1,639
Long term security deposits	28,150
	46,456
CURRENT LIABILITIES	
Trade and other payables	40,610
Accrued markup	113,492
Current maturity of long term borrowings and lease liability	341,087
Short term borrowings	859,390
Provision for taxation - net	571
	1,355,150
TOTAL LIABILITIES	1,401,606
Carrying Values of Net assets acquired	(351,315)

3. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and is being submitted to the shareholders as required under Section 237 of the Companies Act, 2017 and the Listing Regulations of the Pakistan Stock Exchange Limited. This consolidated condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan. This consolidated condensed interim financial information does not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company's annual audited consolidated financial statements for the year December 31, 2019.

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

The comparative statement of financial position presented in this consolidated condensed interim financial information has been extracted from the audited consolidated financial statements of the Group for the year ended December 31, 2019, whereas the comparative statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows are extracted from the un-audited consolidated condensed interim financial information for the half year ended June 30, 2019.

3.1 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. 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 as at December 31, 2019.

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2019.

4.1 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, 2020 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.

4.2 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

There are various standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not effective in the current year. These are not likely to have material effect on the Holding Company's financial statements except for the following:

Standard or Interpretation	Effective date (annual periods beginning on or after)
- Covid-19-Related Rent Concessions – Amendment to IFRS 16	June 01, 2020
- Classification of liabilities as current or non-current - Amendment to IAS 1	January 01, 2022
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendment to IFRS 10 and IAS 28	Not yet finalized

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standards	IASB Effective date (annual periods beginning on or after)
- IFRS 1 - First-time Adoption of International Financial Reporting Standards	July 01, 2014
- IFRS 17 – Insurance Contracts	January 01, 2023

5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Group for the year ended December 31, 2019.

6. 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 Holding Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Holding Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2019.



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
7. PROPERTY AND EQUIPMENT			
Operating assets - owned	7.1	5,696,531	5,308,343
Capital work-in-progress		567,467	552,208
Right-of-use asset	7.2	3,675,125	4,271,231
		<u>9,939,123</u>	<u>10,131,782</u>
7.1 Movement in operating assets - owned			
Book value at beginning of the period		5,308,343	5,554,252
Cost of additions / transfers from CWIP during the period	7.1.1	954,139	1,819,986
Book value of deletions during the period	7.1.2	(72,219)	(1,234,234)
Depreciation charge for the period		(493,732)	(831,661)
Book value at end of the period		<u>5,696,531</u>	<u>5,308,343</u>
7.1.1 Details of additions during the period:			
Capital work-in-progress - net transfers			
Office premises - leasehold		46,512	41,929
Land - freehold		151,200	27,164
Land - leasehold		232,290	5,415
Office equipment		146,048	626,457
Leasehold improvements		91,213	637,030
Plant & machinery		110,553	-
Pipeline, pumps & tanks		79,145	-
Filling station signages		37,143	-
Fuel dispenser & other equipments		31,829	-
Office furniture and fixtures		25,569	126,809
Motor vehicle		2,637	355,182
		<u>954,139</u>	<u>1,819,986</u>
7.1.2 Book value of deletions during the period			
Office premises - leasehold		-	374,000
Office equipment		12,821	8,846
Leasehold improvements		42,623	3,753
Office furniture and fixtures		5,871	1,149
Motor vehicle		10,904	846,486
		<u>72,219</u>	<u>1,234,234</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
7.2 Right-of-use asset			
Opening		4,271,231	5,241,945
Additions		179,220	52,040
Depreciation expense		(556,749)	(1,006,744)
Deletion		(218,577)	(16,010)
Closing		3,675,125	4,271,231
8. INTANGIBLE ASSETS			
Opening written down value		732,150	657,667
Addition during the period	8.1	1,072,336	176,638
Disposal during the period		(62)	(3,227)
Amortization for the period		(57,510)	(98,928)
		1,746,914	732,150
Capital work-in-progress		119,595	107,256
		1,866,509	839,406
8.1	This includes goodwill amounting to Rs. 951.32 million recognised during the period with respect to the acquisition of Quality 1 Petroleum (Private) Limited (a sub subsidiary company).		
		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
9. LONG TERM INVESTMENTS			
Investment in associates	9.1	242,622	213,386
Related parties:			
- at fair value through OCI		10,055,687	10,496,449
Other investments			
- available for sale		63,946,935	22,608,704
- at amortised cost		23,211,459	31,418,387
- at fair value through OCI		5,518,285	5,883,714
Advance against investment		-	575,000
		102,974,988	71,195,640



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
9.1 Investment in associates	Note	----- (Rupees in '000) -----	
Carrying value / cost of investment		213,386	186,674
Cost of investment - acquired during the period	9.1.1	40,828	21,239
Share of (loss) / profit from associates		(11,592)	5,473
		<u>242,622</u>	<u>213,386</u>

9.1.1 During the period, Veda Transit Solutions Private Limited, an associate of the subsidiary bank, has issued shares against advance subscription of Rs. 40.828 million made by the subsidiary bank. Resultantly, shareholding of the subsidiary bank increased to 9.12% (December 31, 2019: 8%). The subsidiary bank has classified the investment as associate on account of its significant influence over the investee company.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
10. SHORT TERM INVESTMENTS	Note	----- (Rupees in '000) -----	
Assets at fair value through profit or loss	10.1	9,624,885	58,165,015
Available for sale	10.1	70,373,572	29,381,056
Assets at fair value through OCI	10.1	3,549,154	3,786,625
Held to maturity / At amortised cost		13,391,324	2,032,137
		<u>96,938,935</u>	<u>93,364,833</u>

10.1 These include investments in equity securities and mutual funds of related parties having aggregate market value of Rs. 5,000 million (December 31, 2019: Rs. 970.77 million).

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
11. ASSETS HELD FOR SALE	Note	----- (Rupees in '000) -----	
Building on leasehold land	11.1	<u>374,000</u>	<u>374,000</u>

11.1 In 2019, the subsidiary bank had entered into an agreement to sell its property located at 13th floor of Ocean Tower, plot No. G-3, Khayaban-e-Iqbal, Block 9, KDA Scheme No. 5, Clifton Karachi, Pakistan ("Property"). The subsidiary bank has initiated the necessary legal proceedings which are expected to be completed in next quarter, accordingly, the property is measured as a non-current asset held for sale.

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

	June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
12. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES	----- (Rupees in '000) -----	
Term finance certificates	2,000	866,156
Term loans	1,182,391	185,546
Deposits and other accounts	396,062,394	358,088,318
Lease liabilities	795,207	829,965
	<u>398,041,992</u>	<u>359,969,985</u>

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, 2019, except for the following;

- In respect of Holding Company

On January 18, 2019, the Company received a notice from the Additional Commissioner Inland Revenue - Audit Range-A, Zone III, Corporate RTO Karachi (ADCIR) under section 122(9) in respect of tax year 2018, demanding payment of super tax. The Company filed a constitutional petition against applicability of section 4B of the Income Tax Ordinance, 2001 (the Ordinance) before the Honorable Sindh High Court which admitted the petition and granted a stay order.

Subsequent to the period ended June 30, 2020, the Honourable High Court of Sindh passed the order dated July 21, 2020 whereby all the petitions challenging the levy of super tax filed before the Court were dismissed. Thereafter, the ADCIR raised the demand of super tax amounting to Rs. 39.06 million (net of refund for the tax year). Further, on August 04, 2020, the Company also received a notice from the Deputy Commissioner Inland Revenue, Unit-I, Range-I, Zone-III, Corporate RTO Karachi (ACIR) under section 4B of the Ordinance in respect of tax year 2019, for determination of super tax liability amounting to Rs. 23.34 million.

The management is in the process of consultation with its tax advisors to determine the future course of action with respect to the above matters. However, provision for liability in respect of super tax had already been made in the financial statements of the respective tax years.

- In respect of JSBL

The Subsidiary Bank does not accept the levy of Super Tax on constitutional grounds and has been contesting the matter in Sindh High Court and other appellate forums. During the year, Sindh High Court dismissed the Bank's petitions for Super Tax pertaining to tax year 2017 and 2018. Based on the opinion of legal counsel, the Bank is now evaluating the legal options to approach the Supreme Court to challenge the aforesaid decision of the Sindh High Court and seek interim relief in respect of the outstanding super tax demand.

- In respect of JSGCL

For the tax years 2015, 2016 and 2017, orders under section 4B were passed by the tax officer raising demands of Super tax at Rs. 24.32 million, Rs. 24.48 million and Rs. 19.49 million for each of the above tax years respectively. The orders raising demand pertaining to super tax was later confirmed by the CIRA and the Honorable ATIR. The Company has also now filed reference application before the Honorable SHC against the appellate order of the ATIR [ITRA Nos. 52 to 53 of 2020] wherein the case will be decided on merits. In pursuance of the judgement of Honorable Supreme Court of Pakistan (SCP), the Company has paid 50% of tax demands raised in respect of tax years 2016 and 2017 to maintain the suits before Sindh High Court. Whereas, no amount of super tax demand has been paid for tax year 2015.



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

The Honorable SHC vide order dated July 21, 2020 has dismissed the CP pertaining to TY 2015, however suits pertaining to TY 2016 and 2017 have not been disposed of. The Company is currently evaluating the legal options to approach the Supreme Court to challenge the aforesaid decision of SHC and seek interim relief in respect of the outstanding super tax demand for all three years.

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:

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
- Financial guarantees		4,639,185	2,464,411
- Performance guarantees		35,451,379	21,483,841
- Other guarantees		23,184,816	21,702,551
	13.2.1	<u>63,275,380</u>	<u>45,650,803</u>

13.2.1 Included herein are outstanding guarantees of Rs. 24.125 million (December 31, 2019: Rs. 14.22 million) issued by subsidiary companies in respect of related parties. It also includes corporate guarantees issued on behalf of a sub-subsidiary company to various banks amounting to Rs. 1,800 million.

		June 30, 2020 (Un-audited)	December 31, 2019 (Audited)
	Note	----- (Rupees in '000) -----	
13.3 Commitments			
Documentary credits and short-term trade-related transactions			
- letters of credit	13.3.1	<u>13,456,446</u>	<u>13,965,258</u>
Commitments in respect of:			
Forward exchange contracts:			
- Purchase	13.3.2	<u>20,414,093</u>	<u>33,104,108</u>
- Sale	13.3.2	<u>13,273,563</u>	<u>22,007,258</u>
Undrawn formal standby facilities, credit lines and other commitments to lend	13.3.3	<u>235,682</u>	<u>72,183</u>
Other Commitments			
Forward commitments in respect of sale of securities		<u>97,076</u>	<u>493,103</u>
Commitments in respect of capital expenditure		<u>250,437</u>	<u>220,771</u>
Bank Guarantee from a commercial bank in favor of NCCPL		<u>400,000</u>	<u>400,000</u>
Interest rate swaps		<u>3,000,336</u>	<u>4,199,350</u>
Options		<u>53,181,671</u>	<u>2,046,620</u>
Commitments in respect of forward government securities		<u>124,947</u>	<u>499,622</u>
Outstanding settlements against margin financing contracts - net		<u>(6,187)</u>	<u>5,305</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

- 13.3.1** Included herein are the outstanding letter of credits of Rs. 40.823 million (December 31, 2019: Rs.44.368 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. At period end, all foreign exchange contracts have a remaining maturity of less than one year.
- 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.

		Half Year Ended		Quarter Ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
		(Un-audited)			
		(Rupees in '000)			
14.	BASIC AND DILUTED EARNINGS / (LOSS) PER SHARE				
	Profit / (loss) after taxation attributable to equity holders of the parent:	588,648	(42,821)	225,494	75,416
		(Number 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	0.64	(0.05)	0.24	0.08
				June 30, 2020	June 30, 2019
				(Un-audited)	
				(Rupees in '000)	
15.	CASH AND CASH EQUIVALENTS				
	Cash and bank balances			33,904,457	37,267,488
	Overdrawn nostro accounts			(611,022)	(1,679,955)
				33,293,435	35,587,533



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (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:

	June 30, 2020	June 30, 2019
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Dividend received	690,712	738,447
Brokerage and commission expense	-	455
Brokerage / commission / service income	114,778	238,283
Purchase of money market instruments	13,307,066	5,641,089
Sale / Maturity of money market instruments	40,240,810	126,034,301
Letter of credits (Contingencies and Commitments)	40,823	20,913
Letter of guarantees (Contingencies and Commitments)	24,125	15,401
Rental income	14,913	15,916
Rent Expense	23,159	25,202
Principal redemptions made against TFCs	-	9,975
Purchase of Term Finance Certificates	202,089	-
Royalty paid	7,500	7,500
Advisory fee paid	18,000	18,000
Insurance premium paid	368,937	285,451
Insurance claim received	2,793	6,548
Investments matured / disposed off in funds under management - at cost	400,354	883,051
Investments made in funds under management	2,495,599	1,532,428
Remuneration and commission income from funds	120,230	102,160
Commission income	25,527	153,787
Donation paid	-	4,000
Contribution to provident fund	127,801	120,447
Contribution to gratuity fund	107,560	65,939
Preference dividend paid	-	199
Loan repayment from executives / others	124,644	73,023
Interest received on long term loans to executives	32,688	9,923

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

	June 30, 2020	June 30, 2019
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Loan disbursed to executives / others	289,993	34,821
Security deposit paid	-	1,471
Security deposit received	492	-
Security deposit repaid	468	-
Reimbursement of expenses to Company	72,887	1,262
Reimbursement of expenses by Company	50,485	2,019
Reimbursement of expenses to directors	3,225	5,228
Short term loan received	180,000	-
Remuneration paid to Chief Executive Officer	98,731	121,726
Fee paid to directors for attending directors / committee meetings	11,615	7,925
Sale of Sukuk/ Ijara Sukuk	8,986,684	2,857,841
Purchase of Sukuk/ Ijara Sukuk	14,899,710	-
Remuneration to key management personnel	377,228	361,767

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 Half Year Ended June 30, 2020 (Un-audited)

The following tables present revenue and profit information for the Group's operating segments for the half year ended June 30, 2020 and 2019 respectively.

(Rupees in '000)						
Half year ended June 30, 2020						
Revenue	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, Infrastructure and Petroleum	Others	ADJUSTMENTS AND ELIMINATIONS
Segment revenues	982,522	27,313,874	30,334	205,091	13,940	(110,141)
Inter-segment revenues	(69,642)	(15,069)	(3,613)	(16,373)	(5,444)	110,141
Total revenue	912,880	27,298,805	26,721	188,718	8,496	-
Net profit for the period	208,784	847,942	(181,999)	(150,814)	4,725	28,501
Half year ended June 30, 2019						
Revenue	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, Infrastructure and Petroleum	Others	ADJUSTMENTS AND ELIMINATIONS
Segment revenues	1,177,521	20,646,530	48,212	133,903	9,460	(152,575)
Inter-segment revenues	(114,616)	(16,288)	(4,707)	(14,991)	(1,973)	152,575
Total revenue	1,062,905	20,630,242	43,505	118,912	7,487	-
Results	136,914	(430,613)	(162,061)	(21,736)	3,381	239,596
Net profit for the period	136,914	(430,613)	(162,061)	(21,736)	3,381	239,596

The following tables present assets and liabilities information for the Group's operating segments for the half year ended June 30, 2020 and year ended December 31, 2019 respectively.

(Rupees in '000)						
Assets						
June 30, 2020	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, Infrastructure and Petroleum	Others	ADJUSTMENTS AND ELIMINATIONS
June 30, 2020	31,889,775	493,545,390	1,512,862	5,990,258	818,075	(17,422,428)
December 31, 2019	33,537,712	468,693,927	2,061,831	5,369,971	736,123	(16,517,632)
Liabilities	5,498,590	474,440,743	376,659	1,569,530	6,264	(3,358,566)
June 30, 2020	6,275,884	452,487,539	747,238	386,419	6,106	(2,183,959)
December 31, 2019	6,275,884	452,487,539	747,238	386,419	6,106	(2,183,959)

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (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.

Fair value hierarchy

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

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

As at June 30, 2020 (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	-	1,258,936	-	1,258,936
Term finance certificates	-	125,000	-	125,000
Listed equity securities	221,311	-	-	221,311
Government Securities	-	8,019,637	-	8,019,637

At fair value through OCI

Listed equity securities	18,553,253	-	-	18,553,253
Unquoted equity securities *	-	-	463,186	463,186
Sukuk and term finance certificates	-	106,686	-	106,686

Available for sale investments

Listed equity securities	3,589,147	-	-	3,589,147
Sukuk and term finance certificates	-	459,355	2,360,183	2,819,537
Government Securities	-	124,580,724	-	124,580,724
	<u>22,363,711</u>	<u>134,550,338</u>	<u>2,823,369</u>	<u>159,737,418</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

	As at June 30, 2020 (Un-audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	21,071,299	-	21,071,299
Sale	-	13,666,888	-	13,666,888
Forward government securities				
Purchase	-	124,976	-	124,976
Sale	-	-	-	-
Interest rate swaps				
Purchase	-	1,620,946	-	1,620,946
Sale	-	1,611,210	-	1,611,210
Options (notional principal)				
Purchase	-	1,103,926	-	1,103,926
Sale	-	52,093,716	-	52,093,716

* As at June 30, 2020, 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, 2019 (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	-	1,678,841	-	1,678,841
Term Finance Certificates	-	125,000	-	125,000
Listed equity securities	762,705	-	-	762,705
Government Securities	-	55,598,469	-	55,598,469
At fair value through OCI				
Listed equity securities	19,731,412	-	-	19,731,412
Unquoted equity securities *	-	-	435,376	435,376
Sukuk and term finance certificates	-	96,672	-	96,672
Available for sale investments				
Listed equity securities	1,965,753	-	-	1,965,753
Sukuk and term finance certificates	-	540,303	2,423,192	2,963,495
Government Securities	-	47,019,373	-	47,019,373
	22,459,870	105,058,658	2,858,568	130,377,096

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2020 (Un-audited)

	As at December 31, 2019 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- Rupees in '000 -----			
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	32,885,546	-	32,885,546
Sale	-	21,722,741	-	21,722,741
Forward government securities				
Purchase	-	499,818	-	499,818
Sale	-	-	-	-
Interest rate swaps				
Purchase	-	1,474,016	-	1,474,016
Sale	-	2,738,661	-	2,738,661
Options (notional principal)				
Purchase	-	1,024,638	-	1,024,638
Sale	-	1,030,868	-	1,030,868

18.1 During the period ended June 30, 2020, 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. GENERAL

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

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

20. 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 August 27, 2020.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Half Yearly Report June 30, 2020 (Un-audited)



Jahangir Siddiqui & Co. Ltd.

20th Floor, The Centre
Plot No. 28, SB-5
Abdullah Haroon Road
Saddar, Karachi- 74400
Pakistan
UAN: (+92-21) 111 574 111