



Half Yearly Report
June 30, 2018 (Un-audited)



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Company Information

Board of Directors

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

Suleman Lalani
Chief Executive Officer

Ali Raza Siddiqui
Director - Non-Executive

Khalid Imran
Director - Non-Executive

Kalim-ur-Rahman
Director - Non-Executive

Munawar Alam Siddiqui
Director - Non-Executive

Saud Ahmed Mirza
Director - Independent, Non-Executive

Stephen Smith
Director - Non-Executive

Chief Financial Officer & Company Secretary

Hasan Shahid

Audit Committee

Saud Ahmed Mirza
Chairman

Munawar Alam Siddiqui
Member

Stephen Smith
Member

Human Resource & Remuneration Committee

Saud Ahmed Mirza
Chairman

Chief Justice (R) Mahboob Ahmed
Member

Munawar Alam Siddiqui
Member

Suleman Lalani
Member

Executive Committee

Munawar Alam Siddiqui
Chairman

Ali Raza Siddiqui
Member

Suleman Lalani
Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block-B, S.M.C.H.S
Main Shahra-e-Faisal, Karachi-74400
Tel: (92-21) 111-111-500
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Pakistan
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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, 2018. We are pleased to present the report on the performance of the Company along with consolidated performance of the Company with its subsidiaries for the period under review.

Financial Performance

The Company has reported a net profit after tax of PKR 448 million for the half year ended June 30, 2018. The overall revenues for the period under review decreased to PKR 929 million from the corresponding period last year mainly due to decline in capital gains on disposal of investments. The breakup value per share of the Company as on June 30, 2018 was PKR 31.34.

Further, the Company has recorded a provision for impairment of PKR 18 million on investments due to decline in net assets of unquoted subsidiary company during the period under review.

During the period, the Company has invested PKR 1,100 million in the right shares of PKR 10/- each issued by Energy Infrastructure Holding (Private) Limited, a wholly owned subsidiary.

Moreover, during the period under review the Company has issued 11th TFC (privately placed) of principal amount of PKR 1,500 million. The TFC is in the process of listing at the Pakistan Stock Exchange Limited.

The basic and diluted earnings per share is PKR 0.49 for the half year ended June 30, 2018.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 1,058 million for the half year ended June 30, 2018 as compared to a net profit of PKR 1,092 million for the corresponding period last year.

Further, on February 28, 2018, the shareholding of the Holding Company in JS Bank Limited, a subsidiary, has increased to 75.02% on account of conversion of preference shares of JS Bank into its ordinary shares as per the terms and conditions of the issue.

The basic and diluted earnings per share is PKR 0.95 for the half year ended June 30, 2018.

Credit Rating

The Directors are pleased to inform you that the Pakistan Credit Rating Agency (PACRA) has maintained a long term credit rating of "AA" (Double A) and short term rating of "A1+" (A One Plus) for the Company.

Further, the ratings for the Company's eighth, ninth and tenth TFC issues of PKR 750 million, PKR 1,000 million and PKR 1,500 million respectively are also maintained at "AA+" (Double A Plus) by PACRA. For the eleventh TFC issue of PKR 1,500 million issued during the period, PACRA has also assigned a credit rating of "AA+" (Double A Plus).

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

Future Outlook

The economy is presently facing a challenging environment with macroeconomic imbalances rising owing to surging twin deficits. It is increasingly likely that the new government would have to resort to further external funding for providing short term relief to the economy. Additionally, it is envisaged that the incoming government will focus on institutional reforms and governance to bring sustainable change to the economy.

The Company believes that its investments, particularly in the banking and insurance sectors, coupled with investments in energy, telecommunication, media and technology and infrastructural sectors through its subsidiaries will continue to contribute positively towards enhancing shareholders' value.

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

Karachi: August 28, 2018

Suleman Lalani
Chief Executive Officer



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:

معیشت اس وقت دشوار دور سے گزر رہی ہے جبکہ بڑھتے ہوئے جڑواں خساروں کی وجہ سے مجموعی معاشی حالات غیر مستحکم ہیں۔ اس بات کا قوی امکان ہے کہ معیشت کو درپیش مشکلات پر عارضی طور پر قابو پانے کیلئے نئی آنے والی حکومت بیرونی قرضوں کا سہارا لے۔ اسکے علاوہ معیشت میں پائیدار تبدیلی کے حصول کیلئے یہ بھی امید کی جارہی ہے کہ حکومت کی توجہ اداروں میں اصلاحات اور گورننس پر مرکوز رہے۔ کمپنی اس بات پر یقین رکھتی ہے کہ سرمایہ کاری بالخصوص بینکنگ اور انشورنس کے شعبوں کے علاوہ توانائی، ٹیلی مواصلات، میڈیا اور ٹیکنالوجی کے شعبوں میں اپنی ذیلی اداروں کے ذریعے حصص یافتگان کی ملکیت میں اضافے کا باعث ہوگی۔

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 کمپنیل مارکیٹ کو مستحکم کرنے کے لئے کوششوں، اچھی کارپوریٹ گورننس پر رہنمائی اور سرمایہ کاروں کے حقوق کے تحفظ کیلئے اقدامات کرنے پر داد و تحسین پیش کرتے ہیں۔

برائے اور منجانب

بورڈ آف ڈائریکٹرز

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیئر مین

کراچی۔ ۲۸ اگست ۲۰۱۸ء

سلیمان لالانی

چیف ایگزیکٹو آفیسر

ڈائریکٹرز کا جائزہ

معزز حصص یافتگان:

جہانگیر صدیق اینڈ کمپنی لمیٹڈ، (کمپنی) کے بورڈ آف ڈائریکٹرز نے ۳۰ جون ۲۰۱۸ء کو ختم ہونے والی ششماہی پر کمپنی کی کارکردگی کا جائزہ لیا ہے۔ ہم جائزہ کی مدت کے دوران کمپنی کی انفرادی اور جمعہ ذیلی اداروں کے مجموعی کارکردگی کی رپورٹ پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

مالیاتی کارکردگی:

۳۰ جون ۲۰۱۸ء کو ختم ہونے والی ششماہی کے دوران کمپنی کا خالص منافع ۲۳۸ ملین روپے رہا۔ مجموعی آمدنی پچھلے سال تقابلی مدت سے کم ہو کر ۹۲۹ ملین روپے رہی جس کی بنیادی وجہ حصص کی فروخت پر حاصل ہونے والے حاصلات سرمایہ میں کمی ہے۔ ۳۰ جون ۲۰۱۸ء کو فی حصص بریک اپ ویلیو ۳۱.۳۴ روپے رہی۔

علاوہ ازیں جائزہ کی مدت کے دوران کمپنی نے اپنی ذیلی کمپنی (Un-Quoted) کے خالص اثاثوں میں کمی کے باعث ۱۸ ملین روپے کا امپیئرمنٹ کا پروویژن (provision for impairment) ریکارڈ کیا ہے۔

مدت کے دوران انرجی انفراسٹرکچر ہولڈنگ (پرائیوٹ) لمیٹڈ (EIHPL) جو کہ مکمل ملکیت ذیلی ادارہ ہے میں کمپنی نے رائٹ حصص میں ۱،۱۰۰ ملین روپے فی حصص -/۱۰ روپے کے احساب سے سرمایہ کاری کی ہے۔

مزید برآں، جائزہ کی مدت کے دوران، کمپنی نے ۵۰۰ ملین روپے مالیت والا گیارہواں مدتی مالیاتی سرٹیفیکٹ جاری کیا ہے جو کہ پاکستان اسٹاک ایکسچینج لمیٹڈ پلسٹنگ حاصل کرنے کے مراحل پر ہے۔

۳۰ جون ۲۰۱۸ء کو ختم ہونے والی ششماہی میں کمپنی کا Basic اور diluted منافع فی حصص ۰.۴۹ روپے رہا۔

مجموعی مالیاتی گوشوارے:

۳۰ جون ۲۰۱۸ء کو ختم ہونے والی ششماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۱۰۵۸ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں ۱۰۹۲ ملین روپے تھا۔

علاوہ ازیں ۲۸ فروری ۲۰۱۸ء کو بے ایس بینک لمیٹڈ جو کہ کمپنی کا ایک ذیلی ادارہ ہے نے اپنے ترجیحی حصص کو شرائط و ضوابط کے مطابق عام حصص میں تبدیل کر دیا جس کی بنیاد پر کمپنی کی بینک میں شیئر ہولڈنگ بڑھ کر ۵۰.۰۲ فیصد ہو گئی۔

۳۰ جون ۲۰۱۸ء کو ختم ہونے والی ششماہی میں کمپنی کا Basic اور diluted منافع فی حصص ۰.۹۵ روپے رہا۔

کریڈٹ ریٹنگ:

ڈائریکٹرز اس بات کی اطلاع دینے پر مسرت محسوس کر رہے ہیں کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹنگ AA (Double A) اور مختصر مدتی کریڈٹ ریٹنگ A1+(A One Plus) کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے ۵۰ ملین روپے کے آٹھویں، ۰۰۰، ۱۵۰۰ ملین روپے کے دسویں TFCs کی ریٹنگ کو بھی AA+(Double A Plus) پر برقرار رکھا ہے۔ ۵۰۰ ملین روپے کے جاری ہونے والے گیارہویں TFC کو بھی PACRA نے AA+(Double A Plus) کی ریٹنگ تجویز کی ہے۔

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 2018, 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 2018 and 30 June 2017 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 2018.

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 audit resulting in this independent auditor's review report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants

Date: August 28, 2018
Place: Karachi

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UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2018

		June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Property and equipment	6	39,532	6,284
Investment property		1,720	1,780
Long term investments	7	28,541,192	26,688,789
Long term loans and advances		1,437	828
Long term security deposits		3,027	2,927
		28,586,908	26,700,608
Current Assets			
Short term loans and advances	8	46,669	56,024
Short term prepayments and other receivables		208,909	35,431
Interest accrued		15,099	9,934
Other financial assets - short term investments	9	2,918,354	3,032,542
Taxation - net		126,113	152,630
Cash and bank balances		1,902,544	1,427,482
		5,217,688	4,714,043
		33,804,596	31,414,651
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		19,543,223	18,360,984
		28,702,647	27,520,408
Non-Current Liabilities			
Long term financing	10	3,783,529	2,859,934
Deferred tax liability		14,957	22,387
Current Liabilities			
Trade and other payables	11	263,371	289,498
Accrued interest on borrowings		107,410	73,755
Current portion of long term financing	10	932,682	648,669
		1,303,463	1,011,922
		33,804,596	31,414,651
Contingencies and commitment	12		

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Hasan Shahid
Chief Financial Officer



Unconsolidated Condensed Interim Profit and Loss Account

For the Half Year Ended June 30, 2018 (Un-audited)

		Half Year Ended		Quarter Ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	Note	(Rupees in '000)			
INCOME					
Return on investments	13	796,052	890,675	584,186	658,548
Gain on sale of investments - net	14	36,828	258,946	14,750	147,718
Income from long term loans and fund placements	15	66,412	19,347	42,067	13,609
Other income		29,683	24,519	15,501	13,232
(Loss) / gain on remeasurement of investments through profit or loss - held for trading - net		-	(335)	3,736	(335)
		928,975	1,193,152	660,240	832,772
EXPENDITURE					
Operating and administrative expenses		118,067	121,679	57,809	66,100
Finance cost		178,279	78,787	99,730	40,387
Provision for Workers' Welfare Fund	11	12,288	17,936	7,194	8,857
Provision for impairment - net		18,218	95,868	142,987	283,412
		326,852	314,270	307,720	398,756
PROFIT BEFORE TAXATION		602,123	878,882	352,520	434,016
Taxation					
Current		132,273	132,599	125,643	97,795
Prior	16	22,036	90,056	22,036	90,056
		154,309	222,655	147,679	187,851
PROFIT FOR THE PERIOD		447,814	656,227	204,841	246,165
EARNINGS PER SHARE					
(Rupees)					
Basic and diluted	17	0.49	0.72	0.22	0.27

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Hasan Shahid
Chief Financial Officer

Unconsolidated Condensed Interim Statement of Comprehensive Income

For the Half Year Ended June 30, 2018 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in '000)			
PROFIT FOR THE PERIOD	447,814	656,227	204,841	246,165
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items that may not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account				
Fair value gain / (loss) on available for sale investments during the period - net of deferred tax	773,025	(57,801)	(359,883)	(2,458,869)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(38,600)	(257,271)	(16,566)	(150,764)
Total items that may be reclassified subsequently to profit and loss account	734,425	(315,072)	(376,449)	(2,609,633)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	1,182,239	341,155	(171,608)	(2,363,468)

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Hasan Shahid
Chief Financial Officer

Unconsolidated Condensed Interim Cash Flow Statement

For the Half Year Ended June 30, 2018 (Un-audited)

	June 30, 2018	June 30, 2017
	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	602,123	878,882
Adjustment for non cash charges and other items:		
Depreciation	1,131	1,014
Gain on sale of property and equipment	-	(650)
Loss on remeasurement of investments at fair value through profit or loss - net	-	335
Provision for impairment - net	18,218	95,868
Provision for Workers' Welfare Fund	12,289	17,936
Dividend income	(796,052)	(850,883)
Interest income	(66,412)	(19,347)
Finance cost	178,279	78,787
	(652,547)	(676,940)
Operating (loss) / profit before working capital changes	(50,424)	201,942
Decrease / (increase) in current assets:		
Loans and advances	9,355	(59,393)
Short term prepayments and other receivables	(177,737)	(416,882)
Long term loans, advances and security deposits	(709)	(1,641)
	(169,091)	(477,916)
Decrease in trade and other payables	(38,416)	(93,697)
Net cash used in operations	(257,931)	(369,671)
Investments - net	(1,029,437)	(151,900)
Dividend received	800,311	834,642
Finance cost paid	(135,803)	(75,866)
Taxes paid	(127,792)	(127,188)
Interest income received	61,247	22,675
Net cash (used in) / generated from operating activities	(689,405)	132,692
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(34,319)	(1,268)
Proceeds from sale of property and equipment	-	650
Net cash used in investing activities	(34,319)	(618)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of term finance certificates - net of redemption	1,261,286	(76,130)
Long term loan obtained - net of repayment to bank	(62,500)	429,510
Net cash generated from financing activities	1,198,786	353,380
NET INCREASE IN CASH AND CASH EQUIVALENTS	475,062	485,454
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,427,482	730,182
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	1,902,544	1,215,636

The annexed notes 1 to 21 form an integral part of this unconsolidated condensed interim financial information.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Hasan Shahid
Chief Financial Officer



Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (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 of the Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. The principal activities of the Company are managing strategic investments, trading of securities, consultancy services, etc.

2. STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information 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).

This unconsolidated condensed interim financial information do not include all the information and disclosures required in the unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company as at December 31, 2017.

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, 2017.
- 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, 2017 other than described below:

4.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice (Amendment)

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

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

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of unconsolidated condensed interim financial information in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the annual unconsolidated financial statements for the year ended December 31, 2017.

	Note	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
		----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT			
Opening written down value		5,220	5,346
Addition during the period		42	1,759
Depreciation for the period		(1,071)	(1,885)
		<u>4,191</u>	<u>5,220</u>
Capital work-in-progress		35,341	1,064
		<u>39,532</u>	<u>6,284</u>
7. LONG TERM INVESTMENTS			
Investments in related parties			
Investment in subsidiaries	7.1	9,976,142	8,894,359
Other related parties - available for sale	7.2	16,431,223	15,022,216
		<u>26,407,365</u>	<u>23,916,575</u>
Other investments	7.3	2,133,827	2,772,214
		<u>28,541,192</u>	<u>26,688,789</u>



Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

7.1 Investment in subsidiaries - at cost

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

Number of shares		Note	Activity	Holding		June 30, 2018 (Un-audited)	December 31, 2017 (Audited)	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
June 30, 2018 (Un-audited)	December 31, 2017 (Audited)			June 30, 2018 (Un-audited)	December 31, 2017 (Audited)				
<u>Quoted</u>									
973,307,324 *	755,245,007	JS Bank Limited	7.1.1	Commercial Banking	75.02	70.42	6,127,149	4,673,400	
		Market value Rs. 8,117.38 (December 31, 2017: Rs. 5,679.44) million							
<u>Un-quoted</u>									
-	145,374,878	JS Bank Limited	7.1.1	Commercial Banking	-	96.92	-	1,453,749	
		Convertible Preference Shares							
173,736,297	173,736,297	JS Infocom Limited	7.1.2	Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490	
		Net assets value Rs. 727.25 (December 31, 2017: Rs. 746.11) million based on un-audited financial statements for the half year ended June 30, 2018							
		Less: Impairment							
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. 1.32 (September 30, 2017: Rs. 1.26) million based on un-audited financial statements for the half year ended March 31, 2018							
		Less: Impairment							
310,000,000	200,000,000	Energy Infrastructure Holding (Private) Limited	7.1.3	Energy, Petroleum & Infrastructure	100.00	100.00	3,100,000	2,000,000	
		Net assets value Rs. 3,803.04 (December 31, 2017: Rs. 2,627.73) million based on un-audited financial statements for the half year ended June 30, 2018							
3,000,000	3,000,000	Quality Energy Solutions (Private) Limited		Power Generation & Distribution	100.00	100.00	30,000	30,000	
		Net assets value Rs. 21.75 (December 31, 2017: Rs. 21.37) million based on un-audited financial statements for the half year ended June 30, 2018							
		Less: Impairment							

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

- 7.1.1** Preference shares issued by JS Bank Limited were converted into ordinary shares on February 28, 2018 in the ratio of 1.5 ordinary shares for every one preference share. Consequently, shareholding of the Company in JS Bank Limited increased to 75.02%.
- 7.1.2** The net assets of JS Infocom Limited mainly comprise of listed equity securities. Due to deterioration in market conditions at the reporting date, the net assets of JS Infocom Limited have decreased resulting in charge of impairment amounting to Rs.18.86 million.
- 7.1.3** During the period, the Company has invested Rs. 1,100 million in Energy Infrastructure Holding (Private) Limited (EIHPL) by subscription of right shares of Rs. 10/- each. This investment was approved by the Board of Directors of the Company.

Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

7.2 Other related parties

Available-for-sale

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

Number of shares		Note	Activity	Holding		June 30,	December 31,	
June 30, 2018 (Un-audited)	December 31, 2017 (Audited)			June 30, 2018 (Un-audited) %	December 31, 2017 (Audited)	2018 (Un-audited) (Rupees in '000)	2017 (Audited)	
<u>Quoted - at fair value (note 7.2.1)</u>								
214,258,460 *	214,258,460		BankIslami Pakistan Limited	Islamic Banking	21.26	21.26	2,560,389	1,990,461
41,191,152	41,191,152	7.2.2	EFU General Insurance Limited	General Insurance	20.60	20.60	6,167,551	6,298,127
20,047,708	20,047,708		EFU Life Assurance Limited	Life Assurance	20.05	20.05	6,244,460	5,081,894
112,157,863	112,157,863		Azgard Nine Limited	Textile Composite	24.96	24.96	1,451,323	1,644,234
<u>Un-quoted - at cost (note 7.2.1)</u>								
750,000	750,000		EFU Services (Private) Limited	Investment company	37.50	37.50	7,500	7,500

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

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

7.2.2 The shareholders of the Company in their Annual General Meeting held on April 17, 2018 have approved, by way of Special Resolution under section 199 of the Companies Act, 2017 to make further long term equity investment of up to Rs. 1,000 million from time to time by purchase of Ordinary Shares of EFU General Insurance Limited.

7.3 Other investments

Available for sale

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

Number of shares			June 30,	December 31,
June 30,	December 31,		2018	2017
(Un-audited)	(Audited)		(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>		
153,775,638	159,080,638	Pakistan International Bulk Terminal Limited	1,745,353	2,378,256
1,587,453 *	1,602,953	Pakistan Stock Exchange Limited	31,352	35,906
11,622,000	11,622,000	Hum Network Limited	94,022	94,952
		(Ordinary shares of Rs. 1 each)		
		<u>Un-quoted - at cost</u>		
2,399,454	2,399,454	Security General Insurance Company Limited	263,100	263,100
		Net assets value Rs. 354.18		
		(December 31, 2016: Rs. 337.14)		
		million based on audited		
		financial statements for the year		
		ended December 31, 2017		
			<u>2,133,827</u>	<u>2,772,214</u>

* Out of these, 1,081,194 shares are blocked for trading as per the requirements of Pakistan Stock Exchange Limited.



Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

8. SHORT TERM LOANS AND ADVANCES

Included herein is a loan amounting to Rs. 46 million to JS Infocom Limited, a wholly owned subsidiary of the Company, carrying mark-up rate of 6 months KIBOR plus 175 basis points per annum. This loan has been renewed / extended for a further period of one year in the month of April 2018. The outstanding balance of the loan is repayable within a year (extendable for a further period of one year at the option of borrower) as per the terms of the agreement.

		June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	(Rupees in '000)	
9. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS			
Available for sale			
Listed equity securities		2,918,354	3,029,464
Assets at fair value through profit or loss			
Listed equity securities		-	3,078
		<u>2,918,354</u>	<u>3,032,542</u>

10. LONG TERM FINANCING

Term Finance Certificates (TFCs)

Eighth issue - listed on Pakistan Stock Exchange Limited	10.1	262,211	355,632
Ninth issue - Privately Placed	10.1	744,148	867,198
Tenth issue - Privately Placed	10.1	1,485,161	1,481,788
Eleventh issue - Privately Placed	10.2	1,481,246	-
		<u>3,972,766</u>	<u>2,704,618</u>

Term Loan

Term loan 1	10.3	248,910	310,646
Term loan 2	10.3	494,535	493,339
		<u>743,445</u>	<u>803,985</u>
		4,716,211	3,508,603

Less: Current portion shown under current liability		932,682	648,669
		<u>3,783,529</u>	<u>2,859,934</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. 4,455.98 (December 31, 2017: Rs. 4,889.71) million to secure the outstanding principal with 35% margin.

10.2 During the period, the Company issued privately placed Term Finance Certificate (TFC) of Rs. 1,500 million. The mark-up on this TFC is payable semi-annually, based on the six months KIBOR average rate plus 140 basis points per annum. This TFC has tenure of five years i.e. 2018-2023 including a grace period of twenty four (24) months. The principal is payable in six (06) equal semi-annual instalments starting from 30th month of the drawdown date. This TFC is secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,582.85 million to secure the outstanding principal with 35% margin. The Company shall procure the listing of the TFC within 180 (one hundred and eighty) days of the Issue Date. The application for listing filed with Pakistan Stock Exchange under newly promulgated "Listing of Debt Market Securities Issued to Qualified Institutional Buyers (QIBs) through Private Placement rules" is pending for approval.

Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

- 10.3** These loans are secured by pledge of marketable securities having market value of Rs. 1,285.17 (December 31, 2017: Rs. 1,316.22) million with margin ranging from 30% to 40%. Term Loan 1 is repayable by January 2020 and Term Loan 2 is repayable by June 2022.

11. TRADE AND OTHER PAYABLES

This includes a payable against Workers' Welfare Fund (WWF) amounting to Rs. 172.86 (December 31, 2017: Rs. 160.57) million. There is no change in the status of Federal WWF and Sindh WWF as reported in note 24 to the annual audited unconsolidated financial statements of the Company for the year ended December 31, 2017.

12. CONTINGENCIES AND COMMITMENTS

12.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended December 31, 2017, except for the following:

- 12.1.1** Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2014 and raised the demand for Rs. 50.77 million. Against the said order, the Company has filed rectification application on various grounds including the adjustment of brought forward losses and credit of taxes amounting to Rs. 16.015 million. After the rectification is given the due effect, refund of Rs. 16.015 million will be arising. The Company has also filed appeal before the CIR-Appeals. The Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Company.

- 12.1.2** Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2015 and raised the demand for Rs.12.744 million. Against the said order, the Company has filed rectification application on the ground of chargeability of WWF. The Company has also filed appeal before the CIR-Appeals. The Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Company.

12.2 Commitment

There are no significant commitments at the reporting date.

13. RETURN ON INVESTMENTS

This include dividend income on investments in related parties aggregating to Rs. 739.6 million.

	Half Year Ended		Quarter Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Un-audited)			
	(Rupees in '000)			
14. GAIN ON SALE OF INVESTMENTS - net				
Financial assets at fair value through profit or loss	(1,772)	1,675	(1,816)	(3,046)
Available for sale	38,600	257,271	16,566	150,764
	36,828	258,946	14,750	147,718

15. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 64.24 million on bank balances maintained with a related party (JS Bank Limited).



Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

16. TAXATION

This includes Rs. 38.71 million as charge for super tax in respect of tax year 2018 levied through enactment of Finance Act, 2018 ("Act") which became applicable from July 01, 2018. Since the Company follows special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001 (Ordinance), for the year ended December 31, 2017 (tax year 2018) is recognised during the period.

Also included herein is a prior period adjustment of Rs. 16.67 million due to the decrease in tax rate on undistributed profits for the tax year 2018 brought through enactment of the Finance Act 2018. Since the Company follows special tax year, therefore, tax on undistributed profits for the year ended December 31, 2017 (tax year 2018) is adjusted during the period. The Company has filed a constitutional petition against applicability of section 5A of the Ordinance and stay has been granted by the Honorable High Court of Sindh.

	Half Year Ended		Quarter Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Un-audited)			
	(Rupees in '000)			
17. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation attributable to ordinary shareholders	447,814	656,227	204,841	246,165
	(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	0.49	0.72	0.22	0.27

18. 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.

	June 30, 2018	June 30, 2017
	(Un-audited)	
	(Rupees in '000)	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Dividend received	174,450	174,450
Brokerage expense paid	496	2,096
Mark-up paid on TFCs issued by the Company	563	816
Principal redemption made against TFCs issued by the Company	3,750	3,000
Investment in term deposit receipts	500,000	-
Capital gain tax paid for onward submission to National Clearing Company of Pakistan Limited	1,539	16,818

Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

	June 30, 2018	June 30, 2017
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Capital gain tax refund through National Clearing Company of Pakistan Limited	262	285
Capital gain tax tariff paid for onward submission to National Clearing Company of Pakistan Limited	30	50
Rent income received	24,543	22,566
Profit received on fund placements and deposit accounts	59,046	17,266
Bank charges paid	1,524	3
Reimbursement of expenses by the Company	3,941	239
Reimbursement of expenses to the Company	8,646	16,008
Loan disbursement by the Company	-	100,000
Loan repaid by subsidiary including interest	11,153	41,314
Investment in right shares of a subsidiary	1,100,000	29,990
Refund on cancellation of guarantee issued	810	-
Investment in TFCs issued by the Company	15,000	-
	----- (Number) -----	
Right shares received	110,000,000	2,999,000
Ordinary shares received against conversion of preference shares	218,062,317	-
Other Related Parties	----- (Rupees in '000) -----	
Donation paid	7,000	-
Dividend income received	565,155	614,834
Contributions paid to Staff Provident Fund	2,815	2,235
Interest / mark-up paid	1,074	1,550
Principal redemptions made against TFCs	-	5,700
Insurance premium paid	2,478	2,051
Proceeds against insurance claim / cancellation	-	31
Royalty paid	7,475	4,950
Advisory fee paid	3,000	3,000
Key Management Personnel		
Remuneration paid to Chief Executive Officer	16,592	15,993
Advisory fee paid to a Director	-	2,693
Fee paid to directors for attending directors / committee meetings	2,100	3,089
Remuneration paid to executives	12,276	9,390
Interest received on long term loans to executives	11	11
Loan and advances repayments from executives	343	1,068
Reimbursement of expenses to directors	781	588



Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

	June 30, 2018 (Un-audited) ----- (Rupees in '000) -----	December 31, 2017 (Audited)
BALANCES		
Subsidiary and Sub-subsidiary Companies		
Receivable against expenses incurred on their behalf	2,781	89
Cash at bank accounts	1,401,926	1,426,826
Profit receivable on deposit accounts including Term Deposit Receipt	14,291	8,910
Payable against purchase of equity securities - net	-	44,968
Receivable against sale of equity securities - net	191,649	-
Outstanding principal of TFCs issued by the Company	25,500	14,250
Mark-up payable on TFCs issued by the Company	578	263
Outstanding principal of loan issued by the Company	46,000	55,000
Mark-up receivable on loan issued by the Company	806	1,025
Placement in Term Deposit Receipts (TDRs)	500,000	-
Other Related Parties		
Donation payable	8,956	7,000
Outstanding principal of TFCs issued by the Company	28,950	27,075
Mark-up payable on TFCs issued by the Company	606	499
Prepaid rent	2,023	14,164
Key Management Personnel		
Loans and advances	496	840

19. FAIR VALUE OF FINANCIAL INSTRUMENT

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

Financial assets which are tradeable in an open market are revalued at the market prices prevailing on the 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:

Notes to the Unconsolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2018 (Un-audited)

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

	June 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Un-audited)			
	(Rupees in '000)			
Available for sale investments				
Equity securities	21,212,804	-	-	21,212,804
	21,212,804	-	-	21,212,804

	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	(Audited)			
	(Rupees in '000)			
Available for sale investments				
Equity securities	20,553,294	-	-	20,553,294
Fair value through profit or loss - held for trading				
Equity securities	3,078	-	-	3,078
	20,556,372	-	-	20,556,372

20. DATE OF AUTHORISATION

These unconsolidated condensed interim financial information were authorised for issue by the Board of Directors in their meeting held on August 28, 2018.

21. GENERAL

21.1 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.

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Hasan Shahid
Chief Financial Officer



CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2018

		June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	Note	(Rupees in '000)	
ASSETS			
Non-Current Assets			
Property and equipment	6	5,927,731	5,295,290
Intangible assets	7	511,400	413,633
Investment property		1,720	1,780
Long term investments	8	128,082,286	158,713,491
Long term loans, advances, prepayments and other receivables		33,100,670	63,828,073
Assets repossessed		107,746	108,289
Long term deposits		22,242	21,782
Deferred taxation		563,760	35,203
		168,317,555	228,417,541
Current Assets			
Short term investments	9	43,068,660	35,181,773
Trade debts		1,249,216	889,766
Loans and advances		196,301,387	120,349,848
Accrued markup		4,793,256	4,136,443
Short-term prepayments, deposits, and other receivables		2,376,027	1,738,171
Other financial assets - fund placements		1,761,260	3,116,199
Taxation - net		1,221,389	612,284
Cash and bank balances		22,778,726	18,384,336
		273,549,921	184,408,820
		441,867,476	412,826,361
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share capital		9,159,424	9,159,424
Reserves		25,564,170	24,531,192
Equity attributable to equity holders' of the parent		34,723,594	33,690,616
Non-controlling interests		6,271,706	6,393,248
Total equity		40,995,300	40,083,864
Non-Current Liabilities			
Long term financing	10	8,753,830	7,849,234
Liabilities against assets subject to finance lease		37,624	3,508
Long term deposits and other accounts		2,963,603	2,870,044
Deferred liability - employee benefit		84,109	175,118
		11,839,166	10,897,904
Current Liabilities			
Trade and other payables		13,463,268	11,437,098
Accrued interest / mark-up on borrowings		1,879,621	2,202,331
Short term borrowings		67,606,161	64,557,043
Current deposits and current portion of long term liabilities	11	306,083,960	283,648,121
		389,033,010	361,844,593
		441,867,476	412,826,361
Contingencies and Commitments			
	12		

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

Hasan Shahid
Chief Financial Officer



Consolidated Condensed Interim Profit and Loss Account

For the Half Year Ended June 30, 2018 (Un-audited)

		Half Year Ended		Quarter Ended	
		June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	Note	(Rupees in '000)			
Income					
Return on investments		6,196,941	5,271,218	3,225,379	3,061,329
Gain on sale of investments - net		104,465	721,751	(1,406)	385,878
Income from long term loans and fund placements		8,639,349	4,148,134	4,690,376	2,352,187
Fee, commission and brokerage		1,695,875	1,558,585	698,585	888,607
Other income		532,766	287,674	273,742	144,158
Gain on remeasurement of investments through profit and loss - held for trading - net		40,207	40,156	37,729	(495,762)
		17,209,603	12,027,518	8,924,405	6,336,397
Expenditure					
Administrative and other expenses		5,783,523	4,398,351	2,867,958	2,069,831
Finance cost		9,700,022	5,830,981	4,880,042	3,134,529
Workers' Welfare Fund		36,579	35,327	19,164	15,856
(Reversal of) / provision for impairment on investments - net		(31,653)	4,543	(31,653)	4,543
		15,488,471	10,269,202	7,735,511	5,224,759
Share of profit from associate		4,186	-	4,186	-
Profit before taxation		1,725,318	1,758,316	1,193,080	1,111,638
Taxation					
- Current		652,889	427,868	427,337	309,345
- Prior	13	36,919	239,660	29,477	239,660
- Deferred		(22,548)	(1,319)	(28,383)	(97,208)
		667,260	666,209	428,431	451,797
PROFIT FOR THE PERIOD		1,058,058	1,092,107	764,649	659,841
Attributable to:					
Equity holders' of the parent		868,955	929,089	682,220	614,188
Non-controlling interests		189,103	163,018	82,429	45,653
		1,058,058	1,092,107	764,649	659,841
EARNINGS PER SHARE	14	(Rupees)			
Basic and diluted		0.95	1.01	0.74	0.67

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

Hasan Shahid
Chief Financial Officer

Consolidated Condensed Interim Statement of Comprehensive Income

For the Half Year Ended June 30, 2018 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Rupees in '000)			
PROFIT FOR THE PERIOD	1,058,058	1,092,107	764,649	659,841
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that may not be reclassified to profit and loss account	-	-	-	-
Items that may be reclassified subsequently to profit and loss account:				
Fair value loss on revaluation of available for sale investments during the period - net of deferred tax	(146,686)	(452,264)	(1,228,431)	(3,054,170)
Reclassification adjustments relating to available for sale investments disposed off during the period - net	(95,684)	(345,345)	(16,875)	(227,442)
	(242,370)	(797,609)	(1,245,306)	(3,281,612)
Exchange difference of translation of net assets of foreign subsidiaries	31,298	21	18,670	(347)
Total items that may be reclassified subsequently to profit and loss account	(211,072)	(797,588)	(1,226,636)	(3,281,959)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	846,986	294,519	(461,987)	(2,622,118)
Attributable to:				
Equity holders' of the parent	885,937	261,542	(316,344)	(2,534,060)
Non-controlling interests	(38,951)	32,977	(145,643)	(88,058)
	846,986	294,519	(461,987)	(2,622,118)

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

Hasan Shahid
Chief Financial Officer



Consolidated Condensed Interim Statement of Changes in Equity

For the Half Year Ended June 30, 2018 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS' OF THE PARENT							Non-controlling interests	TOTAL
	Reserves								
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Unrealised gain on revaluation of available for sale investments - net	Statutory	Revenue reserve			
						Unappropriated profit			
(Rupees in '000)									
Balance as at December 31, 2016 (audited)	9,159,424	4,497,894	(557)	16,386,998	939,500	5,694,026	36,677,285	6,681,610	43,358,895
Profit for the period	-	-	-	-	-	929,089	929,089	163,018	1,092,107
Other comprehensive income / (loss)	-	-	21	(667,568)	-	-	(667,547)	(130,041)	(797,588)
Total comprehensive income / (loss) for the period	-	-	21	(667,568)	-	929,089	261,542	32,977	294,519
Transfer to statutory reserves	-	-	-	-	40,019	(40,019)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(19,519)	(19,519)
Balance as at June 30, 2017 (un-audited)	9,159,424	4,497,894	(536)	15,719,430	979,519	6,583,096	36,938,827	6,695,068	43,633,895
Balance as at December 31, 2017 (audited)	9,159,424	4,497,894	11,679	12,029,151	1,076,558	6,915,910	33,690,616	6,393,248	40,083,864
Profit for the period	-	-	-	-	-	868,955	868,955	189,103	1,058,058
Other comprehensive income / (loss)	-	-	31,298	(14,316)	-	-	16,982	(228,054)	(211,072)
Total comprehensive income / (loss) for the period	-	-	31,298	(14,316)	-	868,955	885,937	(38,951)	846,986
Transfer to statutory reserve	-	-	-	-	102,672	(102,672)	-	-	-
Adjustment related to conversion of preference shares	-	-	-	-	-	144,399	144,399	(144,399)	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,550)	(5,550)
Proceeds from issue of Right shares by subsidiary	-	-	-	-	-	-	-	70,000	70,000
Adjustment related to change in ownership of subsidiary	-	-	-	-	-	2,642	2,642	(2,642)	-
Balance as at June 30, 2018 (un-audited)	9,159,424	4,497,894	42,977	12,014,835	1,179,230	7,829,234	34,723,594	6,271,706	40,995,300

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

Hasan Shahid
Chief Financial Officer

Consolidated Condensed Interim Cash Flow Statement

For the Half Year Ended June 30, 2018 (Un-audited)

Note	June 30, 2018	June 30, 2017
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,725,318	1,758,316
Adjustments for non cash charges and other items:		
Depreciation	359,437	315,262
Amortisation on intangible assets	35,264	30,308
Gain on sale of property and equipment	(58,180)	(17,594)
Provision for doubtful debts, loans and advances	123,867	78,638
Charge for defined benefit plan	84,109	41,771
Provision for impairment of investment - net	(31,653)	4,543
Effect of translation of net investment in foreign branches	31,298	-
Gain on remeasurement of investments	(40,207)	(40,156)
through profit or loss - held for trading - net		
Finance cost	9,700,022	5,830,981
	10,203,957	6,243,753
Operating profit before working capital changes	11,929,275	8,002,069
(Increase) / decrease in operating assets :		
Trade debts	(359,450)	(197,984)
Loans and advances	(76,075,406)	(258,400)
Long term loans, advances, prepayments, deposits and other receivables	30,726,943	(33,195,288)
Fund placements	1,354,939	8,373,886
Deposits, prepayments, accrued mark-up and other receivables	(1,294,669)	(1,610,056)
	(45,647,643)	(26,887,842)
Increase in operating liabilities:		
Trade and other payables	2,026,170	4,053,347
Deposits and other accounts	22,229,047	34,426,692
Net cash (used in) / generated from operations	(9,463,151)	19,594,266
Interest / mark-up paid	(10,012,225)	(5,942,900)
Gratuity paid	(175,118)	(75,516)
Taxes paid	(1,298,913)	(615,011)
Dividend paid (including non-controlling interests)	(5,550)	(19,518)
Net cash (used in) / generated from operating activities	(20,954,957)	12,941,321
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(971,455)	(616,135)
Intangible assets acquired	(133,031)	(65,197)
Proceeds from sale of property and equipment	81,522	31,963
Proceeds from assets repossessed	543	163
Proceeds from issuance of right shares by subsidiary company	70,000	-
Investments disposed off / (acquired)	22,067,799	(45,606,289)
Net cash generated from / (used in) investing activities	21,115,378	(46,255,495)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of term finance certificates - net of redemption	939,162	(72,456)
Long term loan obtained - net of repayment to bank	245,689	430,232
Securities sold under repurchase agreements	5,489,069	31,573,448
Net cash generated from financing activities	6,673,920	31,931,245
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	6,834,341	(1,382,929)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	(1,370,676)	7,423,626
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	5,463,665	6,040,697

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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

Hasan Shahid
Chief Financial Officer



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

1. THE GROUP AND ITS OPERATIONS

- 1.1** Jahangir Siddiqui & Co. Ltd. (the Holding Company) and its subsidiary companies (together the Group) are involved in trading of securities, managing strategic investments, investment advisory, asset management, agency telecommunication, commercial banking and other businesses. The Group is mainly operating in Pakistan but also provides services in 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 of the Holding Company is situated at 6th Floor, Faysal House, Main Shahra-e-Faisal, Karachi. The principal activities of the Holding Company are managing strategic investments, trading of securities, consultancy services, etc.

1.2 Composition of the Group

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

Subsidiary Companies	Nature of Business	Note	Date of Acquisition	Effective Holding	
				June 30, 2018	December 31, 2017
JS Bank Limited (JSBL)	Commercial Banking	1.2.1	December 30, 2006	75.02%	70.42%
JS Investments Limited (JSIL) (Sub-subsidiary)	Investment Advisor and Asset Manager	1.2.1	November 1, 2012	48.88%	45.88%
JS Global Capital Limited (Sub-subsidiary)	Brokerage, advisory and consultancy services	1.2.1	December 21, 2011	50.38%	47.29%
JS ABAMCO Commodities Limited (Sub-subsidiary)	Commodity brokerage	1.2.1	November 1, 2012	48.88%	45.88%
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 (Private) Limited (Sub-subsidiary)	Oil and Gas Storage	1.2.2	October 9, 2017	78.47%	100.00%
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%

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

- 1.2.1 Pursuant to the conversion of preference shares issued by JS Bank Limited (a subsidiary) into ordinary shares, shareholding of the Holding Company has increased in this subsidiary. Accordingly, the effective shareholding of the Holding Company in its sub-subsidiaries have also increased.
- 1.2.2 The shareholding in JS Petroleum (Private) Limited (JSPPL) has diluted due to introduction of other shareholders by way of subscription of unsubscribed right shares of JSPPL.

2. BASIS OF PREPARATION

This consolidated condensed interim financial information is un-audited and are 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 consolidated financial statements for the year December 31, 2017.

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

2.1 Statement of compliance

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

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

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have 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 unconsolidated annual financial statements of the Company as at December 31, 2017.

IFRS10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by the Securities and Exchange Commission of Pakistan (SECP). However, SECP has directed that the requirements of consolidation under section 228 of the Companies Act, 2017 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this consolidated condensed interim financial information are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2017 other than described below:

3.1 New / Revised Standards, Interpretations and Amendments

The Holding Company has adopted the following standards and amendment to IFRSs which became effective for the current period:



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

Standard or Interpretation

IFRS 2 Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)

IAS 28 Investments in Associates and Joint Ventures: Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice (Amendment)

IAS 40 Investment Property: Transfers of Investment Property (Amendments)

IFRIC 22 Foreign Currency Transactions and Advance Consideration

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

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies are consistent with those disclosed in the annual consolidated financial statements of the Company for the year ended December 31, 2017.

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of consolidated condensed interim financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The significant judgments made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2017.

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT		
Opening written down value	4,974,050	4,071,073
Addition during the period	447,884	1,580,187
Disposal during the period	(25,697)	(22,858)
Depreciation for the period	(359,437)	(654,352)
	<u>5,036,800</u>	<u>4,974,050</u>
Capital work-in-progress	890,931	321,240
	<u>5,927,731</u>	<u>5,295,290</u>
7. INTANGIBLE ASSETS		
Opening written down value	413,633	318,084
Addition during the period	133,031	160,022
Amortization for the period	(35,264)	(64,473)
	<u>511,400</u>	<u>413,633</u>

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

	Note	June 30, 2018 (Un-audited) ----- (Rupees in '000) -----	December 31, 2017 (Audited) -----
8. LONG TERM INVESTMENTS			
Investment in associate	8.1	184,186	-
Related parties:			
- Available for sale		18,041,557	16,663,585
Other investments			
- Available for sale		76,595,436	100,626,421
- Held to maturity		33,261,107	41,398,485
Advance against investment		-	25,000
		<u>128,082,286</u>	<u>158,713,491</u>
8.1 Investment in associate			
Cost of investment		180,000	-
Share of profit from associate		4,186	-
		<u>184,186</u>	<u>-</u>

During the period, JS Bank Limited (a subsidiary) has invested in the shares of Omar Jibran Engineering Industries Limited, a public unlisted company (9.6% shareholding). The Group has classified the investment as associate on account of significant influence exercised by the Bank over the investee company.

	Note	June 30, 2018 (Un-audited) ----- (Rupees in '000) -----	December 31, 2017 (Audited) -----
9. SHORT TERM INVESTMENTS			
Assets at fair value through profit or loss		6,159,089	9,351,066
Available for sale	9.1	29,067,316	25,778,707
Held to maturity		7,842,255	-
Advance against investment		-	52,000
		<u>43,068,660</u>	<u>35,181,773</u>

9.1 This includes investments in equity securities of related parties having market value of Rs. 4,689 million (December 31, 2017: Rs. 5,067 million).

10. LONG TERM FINANCING

During the period, the Holding Company issued privately placed Term Finance Certificate (TFC) of Rs. 1,500 million. The mark-up on this TFC is payable semi-annually, based on the six months KIBOR average rate plus 140 basis points per annum. This TFC has tenure of five years i.e. 2018-2023 including a grace period of twenty four (24) months. The principal is payable in six (06) equal semi-annual installments starting from 30th month of the drawdown date. This TFC is secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,582.85 million to secure the outstanding principal with 35% margin. The Holding Company shall procure the listing of the TFC within 180 (one



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

hundred and eighty) days of the Issue Date. The application for listing filed with Pakistan Stock Exchange under newly promulgated "Listing of Debt Market Securities Issued to Qualified Institutional Buyers (QIBs) through Private Placement rules" is pending for approval.

	June 30, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
11. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES		
Long term financing - Term finance certificates	687,815	460,037
Long term loans	246,866	183,882
Deposits and other accounts	230,687,761	212,805,572
Current accounts - Non-remunerative	74,450,405	70,197,106
Liabilities against assets subject to finance lease	11,113	1,524
	306,083,960	283,648,121

12. CONTINGENCIES AND COMMITMENTS

12.1 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, 2017, except for the following:

In respect of Holding Company

- a) Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2014 and raised the demand for Rs. 50.77 million. Against the said order, the Holding Company has filed rectification application on various grounds including the adjustment of brought forward losses and credit of taxes amounting to Rs. 16.015 million. After the rectification is given the due effect, refund of Rs. 16.015 million will be arising. The Holding Company has also filed appeal before the CIR-Appeals. The Holding Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Holding Company.
- b) Subsequent to the period end, the Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2015 and raised the demand for Rs. 12.744 million. Against the said order, the Holding Company has filed rectification application on the ground of chargeability of WWF. The Company has also filed appeal before the CIR-Appeals. The Holding Company, based on the discussion with its tax advisor is confident that the appeal would be decided in favour of the Holding Company.

In respect of JS Bank Limited

- a) During the period, the Additional Commissioner Inland Revenue (ACIR) has allowed the appeal effects of tax years 2008-2013, in the light of appeal orders given by Commissioner Inland Revenue - Appeals (the CIRA), as a result thereof effect of certain significant issues have been allowed (i.e. accrued markup income, repair and maintenance expense, provision against advances under Rule 1(c) of seventh schedule of the Income Tax Ordinance, 2001, dividend income and partial reliefs given in reversal of provision against advances and contract wages). Appeal effect of certain issues (amortisation of Goodwill and interest on concessional loan to employees) for which appeals of the tax department are pending at higher appellate forums are kept pending and will be decided on outcome of such department appeals. Appeal effect order is pending in respect of tax year 2014 and 2015.

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

For tax year 2008, ACIR has allowed the appeal effect after consideration of the CIRA decision that assessment in the year had become barred by time limitation and hence additions or disallowances made through the first amendment order had not legal effect. As a result of passing of appeal effect order, the income and tax liability have been reverted to position as per the return filed.

For tax year 2010-2013, the Bank has not accepted the appeal effects in which benefits are not allowed on the direction of the CIRA and filed further appeals with CIRA, where they are pending for hearing and decision.

The management of Bank is confident that the appeals filed above and which are already pending at Appellate Tribunal on matters where relief has not been allowed at CIRA level will be decided in the Bank's favor and accordingly no demand for payment would arise.

12.2 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, 2018 (Un-audited)	December 31, 2017 (Audited)
	----- (Rupees in '000) -----	
- Government	30,721,495	31,008,823
- Banking companies and other financial institutions	6,305,043	5,532,988
- Others	5,813,293	8,477,789
	<u>42,839,831</u>	<u>45,019,600</u>

12.3 Other Contingencies

Trade related contingent liabilities documentary credits	<u>21,483,396</u>	<u>21,558,098</u>
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12.4 Commitments

Commitments in respect of:

Forward exchange contracts:

- Purchase	<u>15,104,657</u>	<u>6,689,099</u>
- Sale	<u>12,289,466</u>	<u>4,960,361</u>
Forward commitments to extend credit	<u>1,357,014</u>	<u>21,398,301</u>

Other Commitments

Forward commitments in respect of purchase of securities	<u>258,005</u>	<u>1,496,072</u>
Forward commitments in respect of sale of securities	<u>1,098,222</u>	<u>719,515</u>
Commitments in respect of capital expenditure	<u>229,650</u>	<u>94,975</u>
Bank Guarantee from a commercial bank in favor NCCPL expiring on May 31, 2019	<u>400,000</u>	<u>400,000</u>
Cross currency swaps	<u>4,940,680</u>	<u>4,223,400</u>
Options	<u>2,988,506</u>	<u>2,421,402</u>
Outstanding settlements against margin financing contracts - net	<u>47,977</u>	<u>4,529</u>



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

13. This includes Rs. 38.71 million as charge for super tax in respect of tax year 2018 levied through enactment of Finance Act, 2018 ("Act") which became applicable from July 01, 2018. Since the Company follows special tax year, therefore super tax payable under section 4B of the Income Tax Ordinance, 2001 (Ordinance), for the year ended December 31, 2017 (tax year 2018) is recognised during the period.

Also included herein is a net reversal of Rs. 1.79 million due to the decrease in tax rate on undistributed profits for the tax year 2018 brought through enactment of the Finance Act 2018. Since the Group follows special tax year, therefore, tax on undistributed profits for the year ended December 31, 2017 (tax year 2018) is adjusted during the period. The Holding Company and its listed subsidiaries other than the Bank has filed a constitutional petition against applicability of section 5A of the Ordinance and stay has been granted by the Honorable High Court of Sindh.

	Half Year Ended		Quarter Ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Un-audited)			
	(Rupees in '000)			
14. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation attributable to equity holders' of the parent:	868,955	929,089	682,220	614,188
	(Number in '000)			
Weighted average number of Ordinary shares outstanding during the period	915,942	915,942	915,942	915,942
Earnings per share:	(Rupees)			
Basic and Diluted	0.95	1.01	0.74	0.67

	June 30, 2018	June 30, 2017
	(Un-audited)	
	(Rupees in '000)	
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	22,778,726	21,015,207
Borrowings from banks / NBFCs	(17,315,061)	(14,974,510)
	5,463,665	6,040,697

16. RELATED PARTY TRANSACTIONS

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

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

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

	June 30, 2018	June 30, 2017
	----- (Un-audited) -----	----- (Un-audited) -----
	----- (Rupees in '000) -----	----- (Rupees in '000) -----
Dividend received	571,313	701,129
Brokerage / commission / service income	14,674	16,367
Purchase of money market instruments	12,827,480	837,532
Sale of money market instruments	112,064,846	14,747,400
Letter of credits	109,633	103,753
Letter of guarantees	15,000	-
Foreign exchange purchases transaction	1,416,821	4,819,673
Foreign exchange sale transaction	1,769,526	6,500,073
Rental income	7,906	7,767
Interest / markup paid	1,074	1,550
Principal redemptions made against TFCs	-	5,700
Royalty paid	13,725	9,950
Advisory fee paid	27,000	27,500
Insurance premium paid	256,588	181,512
Insurance claim received	7,789	12,837
Investments disposed off in funds under management - at cost	531,638	419,708
Investments made in funds under management	451,638	352,512
Remuneration and commission income from funds	95,019	104,011
Commission income	160,132	67,530
Donation paid	7,000	-
Contribution to provident fund	102,940	77,941
Contribution to gratuity fund	175,118	118,308
Preference dividend paid	1,479	1,479
Loan repayment from executives / others	2,349	1,674
Interest received on long term loans to executives	11	11
Loan disbursed to executives / others	-	350
Reimbursement of expenses	17,931	-
Reimbursement of expenses to directors	781	1,650
Remuneration paid to Chief Executive Officer	16,592	15,993
Advisory fee paid to Directors	-	2,693
Fee paid to directors for attending directors / committee meetings	9,325	10,339
Sale of Sukuk/ Ijara Sukuk	112,576	-
Remuneration to key management personnel	383,167	321,560
	----- (Number) -----	----- (Number) -----
Sale of shares	-	3,286,500
Right shares subscribed	-	24,963,339



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

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

The following tables present revenue and profit information for the Group's operating segments for the half year ended June 30, 2018 and 2017 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	(Rupees in '000)						
Half year ended June 30, 2018							
Revenue							
Segment revenues	1,354,973	15,870,267	201,919	158,429	17,585,588	(371,799)	17,213,789
Inter-segment revenues	(267,524)	(79,629)	(2,579)	(22,067)	(371,799)	371,799	-
Total revenue	1,087,449	15,790,638	199,340	136,362	17,213,789	-	17,213,789
Results							
Net profit for the period	199,245	616,104	12,789	17,999	846,137	211,921	1,058,058
Half year ended June 30, 2017							
Revenue							
Segment revenues	1,723,810	10,238,416	213,198	137,575	12,312,999	(285,481)	12,027,518
Inter-segment revenues	(252,944)	(33,007)	2,614	(2,144)	(285,481)	285,481	-
Total revenue	1,470,866	10,205,409	215,812	135,431	12,027,518	-	12,027,518
Results							
Net profit for the period	519,936	251,138	33,910	109,801	914,785	177,322	1,092,107

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

The following tables present assets and liabilities information for the Group's operating segments for the half year ended June 30, 2018 and year ended December 31, 2017 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
Assets	(Rupees in '000)						
June 30, 2018	37,947,524	412,793,471	2,384,452	5,163,332	458,288,779	(16,985,063)	441,303,716
December 31, 2017	35,051,644	387,645,128	2,336,549	4,751,703	429,785,024	(16,993,866)	412,791,158
Liabilities							
June 30, 2018	6,630,106	396,973,041	197,282	173,857	403,974,286	(3,665,870)	400,308,416
December 31, 2017	4,929,819	371,451,686	171,730	969,679	377,522,914	(4,815,620)	372,707,294

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.

The fair value of quoted securities other than those classified as held to maturity, is based on quoted market price. Fair value of fixed term loans, other assets, other liabilities and fixed term deposits cannot be calculated with sufficient reliability due to absence of current and active market for assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Group's accounting policy.

In the opinion of the management, the fair value of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are either short term in nature or in the case of customer loans and deposits are frequently repriced.

Fair value hierarchy

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

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

- 18.1** The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable.



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

	As at June 30, 2018			
	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	125,684	-	-	125,684
Sukuk and term finance certificates	-	116,642	-	116,642
Listed equity securities	1,246,801	-	-	1,246,801
Government Securities	-	4,669,962	-	4,669,962
	1,372,485	4,786,604	-	6,159,089
Available for sale investments				
Open end Mutual Funds	1,811,874	-	-	1,811,874
Listed equity securities	27,603,212	-	-	27,603,212
Sukuk and term finance certificates	-	-	1,299,334	1,299,334
Foreign currency bond (US\$)	-	7,483,926	-	7,483,926
Government Securities	-	85,130,058	-	85,130,058
	29,415,086	92,613,983	1,299,334	123,328,403
Held to maturity				
Government Securities	-	41,188,929	-	41,188,929
	30,787,571	138,589,517	1,299,334	170,676,422
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	15,450,873	-	15,450,873
Sale	-	12,509,974	-	12,509,974
Forward government securities - Purchase	-	258,417	-	258,417
Cross currency swaps (notional principal)	-	5,690,832	-	5,690,832
Options (notional principal)	-	3,002,639	-	3,002,639

Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

	As at December 31, 2017			
	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	-	426,250	-	426,250
Term Finance Certificates	-	3,428	-	3,428
Listed equity securities	452,237	-	-	452,237
Government Securities	-	8,469,151	-	8,469,151
	452,237	8,898,829	-	9,351,066
Available for sale investments				
Open end Mutual Funds	-	1,728,711	-	1,728,711
Listed equity securities	26,791,173	-	-	26,791,173
Unlisted equity investments	-	-	309,006	309,006
Sukuk and term finance certificates	-	-	1,991,715	1,991,715
Government Securities	-	107,922,470	-	107,922,470
Foreign currency bond (US\$)	-	4,350,638	-	4,350,638
	26,791,173	114,001,819	2,300,721	143,093,713
Held to maturity				
Government securities	-	41,398,485	-	41,398,485
	27,243,410	164,299,133	2,300,721	193,843,264
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	6,851,332	-	6,851,332
Sale	-	5,061,071	-	5,061,071
Forward government securities				
Purchase	-	1,495,823	-	1,495,823
Sale	-	116,000	-	116,000
Cross currency swaps (notional principal)	-	4,489,958	-	4,489,958
Options (notional principal)	-	2,426,276	-	2,426,276



Notes to the Consolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2018 (Un-audited)

19. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Holding Company in its meeting held on August 28, 2018.

20. GENERAL

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

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

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive

Hasan Shahid
Chief Financial Officer

Half Yearly Report June 30, 2018 (Un-audited)



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