



Half Yearly Report
June 30, 2021 (Un-audited)



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Company Information

Board of Directors

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

Suleman Lalani
Chief Executive Officer

Ali Raza Siddiqui
Director - Non-Executive

Shahid Hussain Jatoi
Director - Non-Executive

Muhammad Ali
Director - Non-Executive

Hina Athar Khan
Director - Non-Executive

Saud Ahmed Mirza
Director - Independent, Non-Executive

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

Chief Financial Officer

Najmul Hoda Khan

Company Secretary

Syed Ali Hasham

Audit Committee

Saud Ahmed Mirza
Chairman

Ali Raza Siddiqui
Member

Shahid Hussain Jatoi
Member

Human Resource & Remuneration Committee

Saud Ahmed Mirza
Chairman

Chief Justice (R) Mahboob Ahmed
Member

Suleman Lalani
Member

Executive Committee

Ali Raza Siddiqui
Chairman

Shahid Hussain Jatoi
Member

Suleman Lalani
Member

External Auditors

KPMG Taseer Hadi & Co.
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block-B, S.M.C.H.S.
Main Shahrah-e-Faisal
Karachi - 74400
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Directors' Review

Dear Shareholders

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

Financial Performance

The Company has reported a net profit after tax of PKR 723.38 million for the half year ended June 30, 2021. The overall revenues for the period under review increased to PKR 1,128.37 million from the corresponding period last year mainly due to increased dividend income and realized and unrealized capital gains on equity securities.

The breakup value per share of the Company as on June 30, 2021, was PKR 38.93.

Further, after a massive cut of 625 basis points in the policy rate by the State Bank of Pakistan ("SBP") in the year 2020, SBP maintained the policy rate at 7% since then to support economic recovery. Owing to this reduction in policy rate by SBP, finance cost of the Company decreased considerably to PKR 128.19 million for the half year ended June 30, 2021, from PKR 284.34 million for the corresponding period last year.

The basic and diluted earnings per share is PKR 0.79 for the half year ended June 30, 2021.

Consolidated Financial Statements

In its consolidated financial statements, the Group has reported a net profit after tax of PKR 1,695.66 million for the half year ended June 30, 2021, as compared to a net profit after tax of PKR 757.14 million for the corresponding period last year.

The basic and diluted earnings per share is PKR 1.67 for the half year ended June 30, 2021.

Credit Rating

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

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

Class 'A' Preference Shares (by way of Rights)

Pursuant to the approval of the Board of Directors of the Company in their meeting held on March 11, 2021, and the approval of the Shareholders of the Company in the Company's Annual General Meeting held on April 28, 2021, the Securities & Exchange Commission of Pakistan (vide its letter dated May 17, 2021) also granted its approval to the Company for issuance of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory and cumulative Class 'A' Preference Shares (by way of rights in the ratio of 2:10 to the Ordinary Shares) at face value of Rs. 10 each.

By virtue of the abovementioned approvals, the Pakistan Stock Exchange Limited had also approved the schedule/timeline for the Preference Right Shares Issue and accordingly, thereof, the Unpaid Preference Rights were credited in the CDS Accounts of entitled shareholders on June 01, 2021, and, thereafter, it traded on PSX from June 07, 2021 till June 29, 2021.

Further, as per the approved schedule/timeline, the last date for acceptance / payment / renunciation of Unpaid Preference Rights was July 06, 2021. Till the date of the statement of financial position, i.e. June 30, 2021, the Company received Rs. 1.31 billion against the subscription of aforementioned Preference Rights.

Subsequent to the period end, the Board of Directors of the Company in their meeting held on July 12, 2021, has approved the allotment and issuance of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class 'A' Preference Shares. These Class 'A' Preference Shares carry a fixed cumulative preferential cash dividend out of the normal profits of the Company @ 6% per annum.

Future Outlook

The Country is currently witnessing the fourth wave of COVID and due to the resurgence of COVID cases associated with new strains of the virus both, amid still-low vaccination rates, a key downside risk to growth is probable. Whilst, the Government is monitoring the situation and following the approach of imposing smart lockdowns in virus cluster areas across the Country along with mass vaccination and immunization program. Owing to this, lockdowns across Pakistan are again being imposed causing major disruptions to economic activities. However, the Government's and the SBP's responses and reforms partially softened the pandemic's impact and helped revive the economy.

In the latest Monetary Policy Statement issued on July 27, 2021, the Monetary Policy Committee of SBP noted encouragement by the continued domestic recovery and improved inflation outlook following the recent decline in food prices and core inflation. As a result of these positive developments, growth is projected to rise from 3.9% in FY21 to 4-5% this year, and average inflation to moderate to 7-9% this year from its recent higher out-turns. However, the uncertainty created by the ongoing fourth COVID wave in Pakistan and the global spread of new variants warrants a continued emphasis on supporting the recovery through accommodative monetary policy.

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

Acknowledgement

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

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

Shahid Hussain Jatoi
Director

Suleman Lalani
Chief Executive Officer

Karachi: August 26, 2021



مذکورہ بالا منظور یوں کی بنیاد پر پاکستان اسٹاک ایکسچینج لمیٹڈ نے ترجیحی رائٹ شیئر ایبٹو کے شیڈول / ٹائم لائن کی بھی منظوری دی تھی اور اس کے مطابق غیر ادا شدہ ترجیحی رائٹ جون ۲۰۲۱ء کو حق دار حصص یافتگان کے سی ڈی ایس اکاؤنٹس میں جمع کئے گئے تھے اور جن میں اس کے بعد ۷ جون ۲۰۲۱ء سے ۲۹ جون ۲۰۲۱ء تک پی ایس ایکس پر تجارت ہوئی۔ مزید برآں منظور شدہ شیڈول / ٹائم لائن کے مطابق غیر ادا شدہ ترجیحی رائٹ کی قبولیت / ادائیگی / دستبرداری کی آخری تاریخ ۶ جولائی ۲۰۲۱ء تھی۔ ۳۰ جون ۲۰۲۱ء یعنی مالی پوزیشن کی بیان کی تاریخ تک کمپنی کو ۱۱.۳۱ ارب روپے ملے جو کہ مذکورہ بالا ترجیحی حصص کی سبسکرپشن کے حوالے سے ہیں۔

مدت کے اختتام کے بعد کمپنی کے بورڈ آف ڈائریکٹرز نے ۱۲ جولائی ۲۰۲۱ء کو ہونے والے اپنے اجلاس میں ۴۷، ۱۸۸، ۱۸۳، ۱۸۳، ۱۸۸، ۴۷ کے قابل واپسی، ووٹ نہ دینے والے، غیر شرکت دار مجموعی کلاس اے ترجیحی حصص کے تعین اور اجراء کی منظوری دی ہے۔ یہ کلاس اے ترجیحی حصص کمپنی کے عام منافع میں سے ایک مقررہ ۶ فیصد سالانہ پر مجموعی ترجیحی نقد منافع کا حقدار ہے۔

مستقبل کے امکانات

ملک اس وقت COVID-19 کی چوتھی لہر کا مشاہدہ کر رہا ہے اور وائرس کے نئی اقسام سے وابستہ کوویڈ کیسز کی دوبارہ بحالی کی وجہ سے ویکسینیشن کی کم شرح کے درمیان نمو کا ایک اہم منفی خطرہ ممکن ہے۔ جب کہ حکومت صورتحال پر نظر رکھے ہوئے ہے اور بڑے پیمانے پر ویکسینیشن اور حفاظتی ٹیکوں کے پروگرام کے ساتھ ملک بھر میں وائرس کلسٹر والے علاقوں میں اسمارٹ لاک ڈاؤن نافذ کرنے کے طریقے پر عمل پیرا ہے۔ جس کی وجہ سے پاکستان بھر میں ایک بار پھر لاک ڈاؤن نافذ کیا جا رہا ہے جس سے معاشی سرگرمیوں میں بڑی رکاوٹ پیدا ہو رہی ہے۔ تاہم حکومت اور اسٹیٹ بینک کے رعمل اور اصلاحات نے وبائی امراض کے برے اثرات کو جزوی طور پر کم کیا اور معیشت کو بحال کرنے میں مدد کی۔

۲۷ جولائی ۲۰۲۱ء کو جاری کردہ زرعی پالیسی بیان میں اسٹیٹ بینک کی زرعی پالیسی کمیٹی نے مسلسل ملکی بحالی اور غذائی قیمتوں اور تیزی (core) مہنگائی میں حالیہ کمی کی وجہ سے مہنگائی کے بہتر منظر نامے کی حوصلہ افزائی کی۔ اس مثبت پیش رفت کے نتیجے میں پیش گوئی ہے کہ نومالی سال ۲۰۲۱ء میں ۳.۹ فیصد سے بڑھ کر اس سال ۵-۴ فیصد تک پہنچ جائے گی اور اوسط مہنگائی حالیہ بلند شرح سے معتدل ہو کر اس سال ۹-۷ فیصد ہو جائے گی۔ تاہم پاکستان میں کوویڈ کی جاری کردہ چوتھی لہر سے پیدا شدہ غیر یقینی کیفیت اور اس وائرس کی نئی شکلوں کے دنیا میں پھیلاؤ کے پیش نظر گنجائشی (accommodative) زرعی پالیسی کے ذریعے بحالی کو تقویت فراہم کرنے پر دستور زور دینے کی ضرورت ہے۔

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

قدر شناسی

ڈائریکٹرز ہمارے کلائنٹس اور کاروبار کے شرکاء اور داروں کی مسلسل حمایت اور سرپرستی کی بہت قدر کرتے ہیں۔ ہم اپنے ملازمین اور انتظامیہ کو ان کی لگن اور محنت کے لئے سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کو مالیاتی مارکیٹوں کو مستحکم کرنے کی کوششوں، اچھی کارپوریٹ گورننس سے متعلق رہنمائی اور سرمایہ کاروں کے مفادات کے تحفظ کے دیگر اقدامات پر بھی ان کی تعریف کرنا چاہتے ہیں۔

برائے اور منجانب
بورڈ آف ڈائریکٹرز

شاہد حسین جتوئی

ڈائریکٹر

کراچی ۲۶ اگست ۲۰۲۱ء

سلیمان لالانی
چیف ایگزیکٹو آفیسر

ڈائریکٹرز کا جائزہ

معزز حصص یافتگان

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

مالیاتی کارکردگی:

۳۰ جون ۲۰۲۱ء کو ختم ہونے والی ششماہی کے دوران کمپنی کا خالص منافع ۲۳.۳۸ ملین روپے رہا۔ مجموعی آمدنی پچھلے سال تقابلی مدت سے بڑھ کر ۱۲۸.۳۷ ملین روپے ہو گئی جس کی بنیادی وجہ ڈیویڈنڈ آمدنی میں اضافہ اور ایکویٹی سیکورٹیز کے حقیقی/غیر حقیقی منافع میں اضافہ ہے۔

۳۰ جون ۲۰۲۱ء کو فی حصص بریک اپ ویلویو ۳۸.۹۳ روپے رہی۔

مزید یہ کہ سال ۲۰۲۱ء میں اسٹیٹ بینک آف پاکستان (ایس بی پی) نے پالیسی شرح کو بڑے پیمانے پر ۶۲۵ بنیادی پوائنٹس کم کرنے کے بعد اقتصادی بحالی کی حمایت کے لئے ایس بی پی نے پالیسی شرح کو ۷ فیصد پر ابھی تک برقرار رکھا ہے۔ اسٹیٹ بینک کے ذریعے پالیسی کی شرح میں اس کمی کی وجہ سے کمپنی کی سودی لاگت ۳۰ جون ۲۰۲۱ء کو ختم ہونے والی ششماہی میں ۱۲۸.۱۹ ملین روپے رہی جو گزشتہ سال کی اسی مدت کے لئے ۲۸۴.۳۴ روپے تھی۔

۳۰ جون ۲۰۲۱ء کو ختم ہونے والی ششماہی میں کمپنی کا diluted اور basic منافع فی حصص ۰.۷۹ روپے رہا۔

مجموعی مالیاتی گوشوارے

۳۰ جون ۲۰۲۱ء کو ختم ہونے والی ششماہی کے دوران مجموعی مالیاتی گوشواروں میں گروپ نے ۶۹۵.۶۶ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ پچھلے سال کی تقابلی مدت میں ۵۷۷.۱۴ ملین روپے کا خالص منافع تھا۔

۳۰ جون ۲۰۲۱ء کو ختم ہونے والی ششماہی میں کمپنی کا diluted اور basic منافع فی حصص ۰.۶۷ روپے رہا۔

کریڈٹ ریٹنگ

پاکستان کریڈٹ ریٹنگ (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹنگ AA (Double A) اور مختصر کریڈٹ ریٹنگ A1+ (A One Plus) کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے ۱۵۰۰ ملین روپے والے دونوں دسویں اور گیارہویں TFCs کی ریٹنگ کو بھی AA+ (Double A Plus) پر برقرار رکھا ہے۔

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

کلاس اے ترجیحی حصص (استحقاق کے ذریعے)

کمپنی کے بورڈ آف ڈائریکٹرز کی ۱۱ مارچ ۲۰۲۱ء کو ہونے والی ان کی میٹنگ میں منظوری اور ۱۲ اپریل ۲۰۲۱ء کو ہونے والی کمپنی کی سالانہ جنرل میٹنگ میں کمپنی کے شیئر ہولڈرز کی منظوری کے بموجب سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے (۱۷ مئی ۲۰۲۱ء کو اپنے خط کے ذریعے) کمپنی کو ۷۷،۱۸۳،۱۸۳ الیڈ، بدلنے والے، قابل واپسی، ووٹ نہ دینے والے، غیر شراکت دار مجموعی کلاس اے ترجیحی حصص (۲:۱۰ یعنی حصص یافتگان کے پاس موجود ہر ۱۰ عام حصص کے لئے ۲ ترجیحی حصص) کے اجراء کی منظوری دی۔

Independent Auditors' Review Report to the members of Jahangir Siddiqui & Co. Ltd. Report on Review of Unconsolidated Condensed 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 June 30, 2021 and the related unconsolidated condensed interim statement of profit or loss, unconsolidated condensed interim statement of other comprehensive income, unconsolidated condensed interim statement of changes in equity, unconsolidated condensed interim statement of cash flows, and notes to the unconsolidated condensed interim financial information for the six-months period then ended (here-in-after referred to as the "unconsolidated condensed interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed 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 this unconsolidated condensed interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of unconsolidated condensed 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 as applicable in Pakistan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other Matters

The figures for the quarter ended 30 June 2021 in the unconsolidated condensed interim statement of profit or loss and unconsolidated condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

The unconsolidated condensed interim financial information of the Company for the period ended 30 June 2020 and the financial statements for the year ended 31 December 2020 were reviewed and audited by another firm of chartered accountants who had expressed an unmodified conclusion and opinion thereon dated 31 August 2020 and 31 March 2021.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Taufiq.

Date: August 27, 2021

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

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UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Unconsolidated Condensed Interim Statement of Financial Position

As at June 30, 2021

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Property and equipment	6	218,907	235,239
Investment property		1,360	1,420
Long term investments	7	27,815,824	27,613,822
Long term loans and advances		16,810	4,968
Long term security deposits		2,961	2,959
		<u>28,055,862</u>	<u>27,858,408</u>
Current Assets			
Short term loans and advances		1,430	859
Short term prepayments and other receivables		57,422	9,995
Interest accrued		4,870	6,901
Other financial assets - short term investments	8	10,171,864	6,815,188
Taxation - net		85,124	113,842
Cash and bank balances		2,096,360	179,730
		<u>12,417,070</u>	<u>7,126,515</u>
		<u>40,472,932</u>	<u>34,984,923</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital		<u>65,000,000</u>	<u>65,000,000</u>
Issued, subscribed and paid-up capital		9,159,424	9,159,424
Reserves		<u>26,496,909</u>	<u>22,245,198</u>
		35,656,333	31,404,622
Subscription against issue of preference right shares	9	1,309,027	-
Non-Current Liabilities			
Long term financing	10	1,771,964	2,169,551
Lease liability	11	122,432	127,048
Deferred tax liability		551,073	287,448
Current Liabilities			
Trade and other payables	12	258,244	314,606
Unclaimed dividend		10,538	10,538
Accrued interest on borrowings		74,283	73,501
Current portion of long term financing	10	694,463	568,175
Current maturity of lease liability	11	24,575	29,434
		<u>1,062,103</u>	<u>996,254</u>
		<u>40,472,932</u>	<u>34,984,923</u>
Contingencies and commitment	13		

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
INCOME					
		----- (Rupees in '000) -----			
Return on investments	14	833,212	598,207	338,980	135,680
Gain / (loss) on sale of investments - net	15	213,682	(12,082)	168,304	(12,630)
Income from long term loans and fund placements	16	16,192	13,629	12,395	8,061
Other income		73,429	12,340	3,094	5,936
(Loss) / gain on remeasurement of investments at fair value through profit or loss - net		(8,147)	(3,510)	(217,632)	15,672
		<u>1,128,368</u>	<u>608,584</u>	<u>305,141</u>	<u>152,719</u>
EXPENDITURE					
Operating and administrative expenses		110,715	90,597	55,857	51,409
Finance cost		128,196	284,336	63,709	136,551
Provision for Sindh Workers' Welfare Fund		17,797	6,232	3,715	5,414
Reversal of impairment - net		(379)	(77,923)	(151)	(305,932)
		<u>256,329</u>	<u>303,242</u>	<u>123,130</u>	<u>(112,558)</u>
PROFIT BEFORE TAXATION		<u>872,039</u>	<u>305,342</u>	<u>182,011</u>	<u>265,277</u>
Taxation					
Current		157,364	88,298	82,137	18,907
Deferred		(8,708)	-	(31,131)	-
		<u>148,656</u>	<u>88,298</u>	<u>51,006</u>	<u>18,907</u>
PROFIT FOR THE PERIOD		<u>723,383</u>	<u>217,044</u>	<u>131,005</u>	<u>246,370</u>
EARNINGS PER SHARE					
		----- (Rupees) -----			
Basic and diluted	17	<u>0.79</u>	<u>0.24</u>	<u>0.14</u>	<u>0.27</u>

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Rupees in '000) -----			
PROFIT FOR THE PERIOD	723,383	217,044	131,005	246,370
OTHER COMPREHENSIVE INCOME / (LOSS):				
Items that will not be reclassified subsequently to statement of profit or loss				
Unrealised gain / (loss) on revaluation of investments at fair value through OCI during the period - net of deferred tax	3,528,328	(1,145,462)	525,360	2,748,080
Total comprehensive income / (loss) for the period	<u>4,251,711</u>	<u>(928,418)</u>	<u>656,365</u>	<u>2,994,450</u>

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	Reserves				Sub-total	Total
	Issued, subscribed and paid-up capital	Ordinary share premium	Unrealised gain / (loss) on revaluation of investments at fair value through OCI - net	Revenue reserve Unappropriated profit		
----- (Rupees in '000) -----						
Balance as at December 31, 2019 (audited)	9,159,424	4,497,894	8,456,311	2,914,646	15,868,851	25,028,275
Profit for the period	-	-	-	217,044	217,044	217,044
Other comprehensive loss	-	-	(1,145,462)	-	(1,145,462)	(1,145,462)
Total comprehensive loss	-	-	(1,145,462)	217,044	(928,418)	(928,418)
Reclassification of net revaluation loss on equity instruments upon derecognition	-	-	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
Balance as at December 31, 2020 (audited)	9,159,424	4,497,894	13,447,957	4,299,347	22,245,198	31,404,622
Profit for the period	-	-	-	723,383	723,383	723,383
Other comprehensive income	-	-	3,528,328	-	3,528,328	3,528,328
Total comprehensive income	-	-	3,528,328	723,383	4,251,711	4,251,711
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	(18,093)	18,093	-	-
Balance as at June 30, 2021 (un-audited)	9,159,424	4,497,894	16,958,192	5,040,823	26,496,909	35,656,333

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	June 30, 2021	June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the period	872,039	305,342
Adjustment for non cash charges and other items:		
Depreciation	17,436	16,603
Gain on sale of property and equipment	(1,012)	(1,156)
Interest income	(16,192)	(28,843)
Loss on remeasurement of investments at fair value through profit or loss - net	8,147	3,510
Reversal of impairment - net	(379)	(77,923)
Dividend income	(830,084)	(582,993)
Gain on remeasurement of derivatives through profit or loss	(59,839)	-
Finance cost	128,196	284,336
	<u>(753,727)</u>	<u>(386,466)</u>
Operating gain / (loss) before working capital changes	118,312	(81,124)
(Increase) / decrease in current assets:		
Short term loans and advances	(571)	(27)
Short term prepayments and other receivables	(47,360)	(934)
Long term loans, advances and security deposits	(11,844)	134
	<u>(59,775)</u>	<u>(827)</u>
Increase / (decrease) in trade and other payables	3,477	(73,225)
	<u>62,014</u>	<u>(155,176)</u>
Investments - net	(61,831)	139,351
Dividend received	830,017	582,993
Finance cost paid	(115,343)	(291,828)
Taxes paid	(128,646)	(92,395)
Interest income received	18,225	31,583
	<u>604,436</u>	<u>214,528</u>
Net cash generated from operating activities	604,436	214,528
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,044)	(5,880)
Proceeds from sale of property and equipment	1,012	3,209
Net cash used in investing activities	(32)	(2,671)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from subscription against issue of preference right shares	1,309,027	-
Redemption of term finance certificates	(212,500)	(312,500)
Long term loan repaid to bank - net	(62,500)	(62,500)
Short term borrowing	-	180,000
Payment against lease liability	(17,846)	(4,249)
Net cash generated from / (used in) financing activities	1,016,181	(199,249)
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,620,585	12,608
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	475,775	669,064
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,096,360	681,672

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

1. THE COMPANY AND ITS OPERATIONS

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

2. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

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

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

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

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

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

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. SIGNIFICANT ACCOUNTING POLICIES

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

3.1 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, 2021, but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these unconsolidated condensed interim financial information.

3.1.1 Standards, interpretations and amendments to published approved Accounting Standards that are not yet effective

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

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

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

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

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

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



Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

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

3.1.2 Annual Improvements to IFRS Standards 2018-2020

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

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

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

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

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

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

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

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

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

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

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

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

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

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

4. FINANCIAL RISK MANAGEMENT

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6. PROPERTY AND EQUIPMENT			
Operating assets - Owned	6.1	97,990	104,391
Right-of-use asset	6.2	120,917	130,132
Capital work-in-progress		-	716
		<u>218,907</u>	<u>235,239</u>
6.1 Operating assets - Owned			
Opening written down value		104,391	103,792
Addition during the period		1,760	18,559
Disposal during the period		-	(3,086)
Depreciation for the period		(8,161)	(14,874)
		<u>97,990</u>	<u>104,391</u>
6.2 Right-of-use asset			
Opening balance		130,132	154,562
Depreciation expense		(9,215)	(19,118)
Adjustment relating to lease modification		-	(5,312)
Closing balance		<u>120,917</u>	<u>130,132</u>
7. LONG TERM INVESTMENTS			
Investments in related parties			
Subsidiaries - at cost	7.1	11,560,471	11,560,092
Associate - 'at fair value through OCI'	7.2	2,649,092	2,830,569
Other related parties - 'at fair value through OCI'	7.3	9,044,557	9,263,863
		<u>23,254,120</u>	<u>23,654,524</u>
Other investments - 'at fair value through OCI'	7.4	4,561,704	3,959,298
		<u>27,815,824</u>	<u>27,613,822</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

7.1 Subsidiaries - at cost

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

Number of shares		Note	Activity	Holding		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
June 30, 2021 (Un-audited)	December 31, 2020 (Audited)			June 30, 2021 (Un-audited)	December 31, 2020 (Audited)				
Quoted									
973,307,324*	973,307,324		JS Bank Limited	Commercial Banking	75.02	75.02	6,127,149	6,127,149	
Market value Rs. 5,557.58 (December 31, 2020: Rs. 6,248.63) million									
Un-quoted									
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. 5,031.81 (December 31, 2020: Rs. 4,699.22) million based on unaudited financial statements for the half year ended June 30, 2021									
173,736,297	173,736,297		JS Infocom Limited	Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490	
Net assets value Rs. 3,516.38 (December 31, 2020: Rs. 1,964.00) million based on unaudited financial statements for the half year ended June 30, 2021 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. 1.8 (September 30, 2020: Rs. (1.8)) million based on unaudited financial statements for the half year ended March 31, 2021 Less: Impairment									
							(294,882)	(294,882)	
3,000,000	3,000,000	7.1.1	Quality Energy Solutions (Private) Limited	Renewable Energy	100.00	100.00	30,000	30,000	
Net assets value Rs. 24.83 (December 31, 2020: Rs. 24.45) million based on unaudited financial statements for the half year ended June 30, 2021 Less: Impairment									
							(5,168)	(5,547)	
							24,832	24,453	
							11,560,471	11,560,092	

* 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, 2021 (Un-audited)

7.1.1 The net assets of Quality Energy Solutions (Private) Limited mainly comprise of bank deposits and debt securities. Due to interest income on bank deposits and debt securities, net assets value (NAV) increased at the reporting date. Therefore, reversal in provision of impairment of Rs. 0.38 million is recognized during the period.

7.2 Associate

At fair value through OCI

These are ordinary shares of Rs.10/- each.

Number of shares			June 30,	December 31,
June 30,	December 31,		2021	2020
(Un-audited)	(Audited)		(Un-audited)	(Audited)
			----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>		
235,684,306*	235,684,306	BankIslami Pakistan Limited	2,649,092	2,830,569

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

7.3 Other related parties

At fair value through OCI

These shares are Ordinary shares of Rs. 10 each.

Number of shares			Holding		June 30,	December 31,
June 30,	December 31,	Activity	June 30,	December 31,	2021	2020
(Un-audited)	(Audited)		(Un-audited)	(Audited)	(Un-audited)	(Audited)
			%	%	----- (Rupees in '000) -----	
		<u>Quoted - at fair value</u>				
42,191,152	42,191,152	EFU General Insurance Limited	21.10	21.10	4,893,752	5,062,938
20,047,708	20,047,708	EFU Life Assurance Limited	20.05	20.05	4,140,252	4,190,372
		<u>Un-quoted - at fair value</u>				
750,000	750,000	EFU Services (Private) Limited	37.50	37.50	10,553	10,553
					9,044,557	9,263,863

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

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

7.3.2 Included herein are equity securities having average cost of Rs. 985.39 (December 31, 2020: Rs. 966.07) million and having market value of Rs. 3,258.48 (December 31, 2020: Rs. 3,219.38) million pledged with trustee of Term Finance Certificates issued by the Company.

7.4 Other investments

At fair value through OCI

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

Number of shares			June 30, 2021 (Un-audited)	December 31, 2020 (Audited)		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
		Note			(Rupees in '000)		
<u>Quoted - at fair value</u>							
120,657,363	120,657,363					4,089,078	3,443,561
3,001,500	11,600,000	7.4.1				24,072	63,104
<u>Un-quoted - at fair value</u>							
2,399,454	2,399,454					448,554	452,633
						4,561,704	3,959,298

7.4.1 The Company has disposed of part of its investments in Hum Network Limited having fair value amounting to Rs. 69.59 million and has recorded realized gain on these securities amounting to Rs. 62.73 million in this unconsolidated condensed interim financial information in order to meet its working capital requirements.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
Note	(Rupees in '000)	
8. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS		
Assets at fair value through OCI		
Listed equity securities	9,341,399	5,039,165
Assets at fair value through profit or loss		
Listed equity securities	830,465	1,479,978
At amortized cost		
Government Securities	-	296,045
8.1	10,171,864	6,815,188

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

8.1 Included herein are equity securities having average cost of Rs. 604.36 (December 31, 2020: Rs. 756.05) million and having market value of Rs. 1,375.75 (December 31, 2020: Rs. 1,342.11) million and government securities having amortized cost of Rs. Nil (December 31, 2020: Rs. 98.68) million and having face value of Rs. Nil (December 31, 2020: Rs. 100 million) pledged with trustee of Term Finance Certificates issued by the Company and with Bank against Term Loans obtained by the Company.

9. SUBSCRIPTION AGAINST ISSUE OF PREFERENCE RIGHT SHARES

Pursuant to the approval of the Board of Directors of the Company in their meeting held on March 11, 2021, and the approval of the Shareholders of the Company in the Company's Annual General Meeting held on April 28, 2021, the Securities & Exchange Commission of Pakistan (vide its letter dated May 17, 2021) also granted its approval to the Company for issuance of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory and cumulative Class 'A' Preference Shares (by way of rights in the ratio of 2:10 to the Ordinary Shares) at face value of Rs. 10 each.

By virtue of the abovementioned approvals, the Pakistan Stock Exchange Limited ("the PSX") had also approved the schedule/timeline for the Preference Right Shares Issue and accordingly, thereof, the Unpaid Preference Rights were credited in the CDS Accounts of entitled shareholders on June 01, 2021, and, thereafter, it traded on the PSX from June 07, 2021 till June 29, 2021. Further, as per the approved schedule/timeline, the last date for acceptance / payment / renunciation of Unpaid Preference Rights was July 06, 2021.

Till the date of statement of financial position, i.e. June 30, 2021, the Company received Rs. 1,309.03 million against the subscription of aforementioned Preference Rights.

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
10. LONG TERM FINANCING			
Term Finance Certificates (TFCs)			
Ninth issue - Privately Placed		-	124,682
Tenth issue - Privately Placed		710,011	746,350
Eleventh issue - listed on Pakistan Stock Exchange Limited		1,195,186	1,243,452
	10.1 & 10.2	<u>1,905,197</u>	<u>2,114,484</u>
Term Loans			
Term Loan 2	10.3	186,668	248,745
Term Loan 3	10.3	374,562	374,497
		<u>2,466,427</u>	<u>2,737,726</u>
Less: Current portion shown under current liability		<u>694,463</u>	<u>568,175</u>
		<u><u>1,771,964</u></u>	<u><u>2,169,551</u></u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

- 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. 3,510.39 (December 31, 2020: Rs. 3,499.37) million to secure the outstanding principal with 35% margin. TFC 10 is repayable by July 2023 and TFC 11 is repayable by September 2023.
- 10.2 Also included herein, is an amount of Rs. 19.20 (December 31, 2020: Rs. 20) million payable to related parties.
- 10.3 These loans are secured by pledge of marketable securities having market value of Rs. 1,123.84 (December 31, 2020: Rs. 1,215.19) million with margin ranging from 30% to 50%. Term Loan 2 is repayable by December 2022 and Term Loan 3 is repayable by March 2025.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
11. LEASE LIABILITY		
Opening balance	156,482	154,990
Interest expense	8,371	17,746
Payments	(17,846)	(10,942)
Adjustment relating to lease modification	-	(5,312)
Closing balance	<u>147,007</u>	<u>156,482</u>
Less: Current Maturity	<u>(24,575)</u>	<u>(29,434)</u>
	<u><u>122,432</u></u>	<u><u>127,048</u></u>

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

12. TRADE AND OTHER PAYABLES

This includes payable against Sindh Workers' Welfare Fund (WWF) amounting to Rs. 164.37 (December 31, 2020: Rs. 146.57) million.

13. CONTINGENCIES AND COMMITMENTS

13.1 CONTINGENCIES

There were no material changes in the status of contingencies as reported in the annual unconsolidated financial statements for the year ended December 31, 2020.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
13.2 Commitment		
Commitment in respect of future sale transactions of listed equity securities	<u>847,394</u>	<u>789,820</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 31, 2021 (Un-audited)

14. RETURN ON INVESTMENTS

This includes dividend income on investments in related parties aggregating to Rs. 535.91 (June 30, 2020: Rs. 535.91) million.

	June 30, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
15. GAIN ON SALE OF INVESTMENTS - net		
Gain / (loss) on sale of investments in financial assets:		
At fair value through profit or loss	213,690	(12,082)
At amortized cost	(8)	-
	<u>213,682</u>	<u>(12,082)</u>

16. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

This includes interest of Rs. 15.11 (June 30, 2020: Rs. 12.70) million on bank balances maintained with a related party (JS Bank Limited).

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
17. BASIC AND DILUTED EARNINGS PER SHARE				
Profit after taxation attributable to ordinary shareholders	<u>723,383</u>	<u>217,044</u>	<u>131,005</u>	<u>246,370</u>
	----- (Numbers in '000) -----			
Weighted average number of ordinary shares outstanding during the period	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>
	----- (Rupees) -----			
Earnings per share:				
- Basic and diluted	<u>0.79</u>	<u>0.24</u>	<u>0.14</u>	<u>0.27</u>

	June 30, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
18. CASH AND CASH EQUIVALENTS		
Cash and bank balances	2,096,360	485,927
Government securities	-	195,745
	<u>2,096,360</u>	<u>681,672</u>

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

19. RELATED PARTY TRANSACTIONS

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

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

	June 30, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Brokerage expense paid	7,604	1,045
Bank charges paid	-	6
Capital gain tax paid for onward submission to NCCPL	-	1
Capital gain tax tariff paid	60	-
Mark-up paid on TFCs issued by the Company	858	1,846
Rent income received	2,384	1,632
Profit received on deposit accounts	17,119	11,245
Reimbursement of expenses by the Company	-	4,767
Reimbursement of expenses to the Company	24,050	1
Principal redemptions made against TFCs issued by the Company	800	-
Purchase of government securities	-	292,150
Sale of government securities	-	200,000
Common Directorship		
Rent income received	5,680	5,409
Reimbursement of expenses to the Company	788	592
Reimbursement of expenses by the Company	21	-
Dividend received	535,911	535,911
Donation paid	10,000	-
Insurance premium paid	2,542	787
Insurance claim received	495	-
Security deposit repaid	-	468
Security deposit received	-	492

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

	June 30, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Common Substantial Shareholder		
Rent income received	9,979	9,504
Reimbursement of expenses to the Company	2,016	1,284
Reimbursement of expenses by the Company	4,213	3,567
Rental paid against lease liability	17,846	4,249
Post-employment Benefit Funds		
Contribution to staff provident fund	3,121	2,997
Controlling Person		
Short term loan received	-	180,000
Advisory fee paid	3,000	3,000
Royalty paid	7,500	7,500
Key Management Personnel		
Remuneration paid to Chief Executive Officer	23,079	20,754
Fee paid to directors for attending directors / committee meetings	2,600	2,350
Remuneration paid to executives	9,546	8,249
Long term loan disbursed to executives	13,000	-
Interest received on long term loans to executives	648	-
Loan and advances repayments from executives	427	-
Reimbursement of expenses to CEO and executives	153	-
Reimbursement of expenses to directors	-	191
	June 30, 2021	December 31, 2020
	(Un-audited) (Audited)	
	----- (Rupees in '000) -----	
BALANCES		
Subsidiary and Sub-subsidiary Companies		
Mark-up payable on TFCs issued by the Company	557	554
Outstanding principal of TFCs issued by the Company	19,200	20,000
Payable against purchase of equity shares	6,343	19,985
Profit receivable on deposit accounts	4,817	6,830
Receivable against expenses incurred on their behalf	49	4
Commission payable against bankers to the right issue	389	-
Rent receivable	150	225
Unearned rent	370	370
Cash at bank accounts	2,086,630	166,128

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
Common Directorship		
Donation payable	10,000	10,000
Receivable against expenses incurred on their behalf	10	-
Prepaid insurance	1,236	135
Insurance premium payable	136	-
Insurance claim receivable	36	-
Security deposit	492	492
Unearned rent	2,582	-
Common Substantial Shareholder		
Receivable against expenses incurred on their behalf	23	90
Security deposit	1,003	1,003
Unearned rent	3,344	-
Key Management Personnel		
Loans and advances	16,635	-

20. 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, 2021 (Un-audited)

	June 30, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
Financial Assets				
Investments at fair value through OCI				
Listed equity securities	25,137,645	-	-	25,137,645
Unquoted equity securities*	-	-	459,107	459,107
Investments at fair value through profit or loss				
Listed equity securities	830,465	-	-	830,465
Derivative asset	8,740	-	-	8,740
	<u>25,976,850</u>	<u>-</u>	<u>459,107</u>	<u>26,435,957</u>
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Audited) -----			
	----- (Rupees in '000) -----			
Financial Assets				
Investments at fair value through OCI				
Listed equity securities	17,799,140	-	-	17,799,140
Unquoted equity securities*	-	-	463,186	463,186
Investments at fair value through profit or loss				
Listed equity securities	1,479,978	-	-	1,479,978
	<u>19,279,118</u>	<u>-</u>	<u>463,186</u>	<u>19,742,304</u>
Financial liability				
Derivative liability	<u>51,098</u>	<u>-</u>	<u>-</u>	<u>51,098</u>

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

21. GENERAL

21.1 Subsequent to the period end, the Board of Directors of the Company in their meeting held on July 12, 2021, has approved the allotment and issuance of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class 'A' Preference Shares. These Class 'A' Preference Shares carry a fixed cumulative preferential cash dividend out of the normal profits of the Company @ 6% per annum.

Notes to the Unconsolidated Condensed Interim Financial Statements

For the Half Year Ended June 30, 2021 (Un-audited)

21.2 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.

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

22. DATE OF AUTHORISATION

These unconsolidated condensed interim financial information were authorised for issue by the Board of Directors in their meeting held on August 26, 2021.

Shahid Hussain Jatoi
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION

Consolidated Condensed Interim Statement of Financial Position

As at June 30, 2021

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
ASSETS			
Non-Current Assets			
Property and equipment	6	10,007,504	9,166,138
Intangible assets	7	2,166,274	2,081,951
Investment property		1,360	1,420
Long term investments	8	111,202,347	51,059,294
Long term loans, advances, prepayments and other receivables		79,499,113	74,523,608
Assets repossessed		1,408,362	1,176,143
Long term deposits		18,782	19,814
Deferred asset - employee benefit		203,226	312,881
		204,506,968	138,341,249
Current Assets			
Short term investments	9	158,618,748	176,870,548
Trade debts		1,187,222	1,544,570
Loans and advances		165,897,466	174,837,323
Accrued markup		8,030,500	6,970,349
Short-term prepayments, deposits, and other receivables		8,028,452	8,045,919
Other financial assets - fund placements		6,101,838	23,239,672
Taxation - net		643,398	415,517
Cash and bank balances		37,157,180	31,769,714
		385,664,804	423,693,612
Assets held for sale	10	568,342	543,590
		590,740,114	562,578,451
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital		9,159,424	9,159,424
Reserves		37,849,899	30,126,580
Equity attributable to equity holders of the parent		47,009,323	39,286,004
Non-controlling interests		6,478,012	6,303,035
Total equity		53,487,335	45,589,039
Subscription against issue of preference right shares	11	1,309,027	-
Non-Current Liabilities			
Long term financing		9,193,142	9,590,919
Lease liability		2,751,113	2,346,348
Long term deposits and other accounts		9,927,378	5,511,678
Long term borrowings		13,970,629	17,329,408
Deferred tax liability		1,637,613	555,514
		37,479,875	35,333,867
Current Liabilities			
Trade and other payables		20,943,243	20,281,505
Unclaimed dividend		23,098	23,297
Accrued interest / mark-up on borrowings		2,715,571	3,136,977
Current portion of long term borrowings		38,867,012	31,202,004
Current deposits and current portion of long term liabilities	12	435,914,953	427,011,762
		498,463,877	481,655,545
		590,740,114	562,578,451
Contingencies and Commitments	13		

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	Note	Half Year Ended		Quarter Ended	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
(Rupees in '000)					
INCOME					
Return on investments		9,539,049	9,367,150	4,685,889	4,595,153
Gain on sale of investments - net		248,110	797,747	157,885	702,631
Income from long term loans and fund placements		10,609,729	15,818,856	5,266,601	7,058,561
Fee, commission and brokerage		2,189,113	2,083,496	1,152,985	1,060,241
Other income		770,839	515,615	291,726	254,631
(Loss) / gain on remeasurement of investments through profit or loss - net		(57,228)	(135,652)	(244,233)	116,970
		<u>23,299,612</u>	<u>28,447,212</u>	<u>11,310,853</u>	<u>13,788,187</u>
EXPENDITURE					
Administrative and other expenses		8,169,459	7,334,195	4,449,526	3,958,562
Finance cost		13,171,447	19,516,631	6,290,594	9,001,362
Provision for Sindh Workers' Welfare Fund		43,775	19,952	13,000	12,767
(Reversal of) / provision for impairment on investments - net		(278,237)	31,466	(53,307)	14,898
		<u>21,106,444</u>	<u>26,902,244</u>	<u>10,699,813</u>	<u>12,987,589</u>
SHARE OF PROFIT / (LOSS) FROM ASSOCIATES		<u>257,442</u>	<u>(11,592)</u>	<u>170,445</u>	<u>2,795</u>
PROFIT BEFORE TAXATION		<u>2,450,610</u>	<u>1,533,376</u>	<u>781,485</u>	<u>803,393</u>
Taxation					
- Current		708,318	214,767	186,457	(125,246)
- Deferred		46,636	561,470	98,807	536,977
		<u>754,954</u>	<u>776,237</u>	<u>285,264</u>	<u>411,731</u>
PROFIT FOR THE PERIOD		<u><u>1,695,656</u></u>	<u><u>757,139</u></u>	<u><u>496,221</u></u>	<u><u>391,662</u></u>
Attributable to:					
Equity holders of the parent		1,525,338	588,648	445,924	225,494
Non-controlling interests		170,318	168,491	50,297	166,168
		<u>1,695,656</u>	<u>757,139</u>	<u>496,221</u>	<u>391,662</u>
EARNINGS PER SHARE					
(Rupees)					
Basic and diluted	14	<u>1.67</u>	<u>0.64</u>	<u>0.49</u>	<u>0.24</u>

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	(Rupees in '000)			
PROFIT FOR THE PERIOD	1,695,656	757,139	496,221	391,662
OTHER COMPREHENSIVE INCOME / (LOSS)				
Items that will not be reclassified subsequently to statement of profit or loss				
Actuarial gain on defined benefit plan - net of tax	135	-	135	-
Related tax	(39)	-	(39)	-
	96	-	96	-
Unrealised gain / (loss) on revaluation of investments at fair value through OCI disposed off during the period - net	5,384,727	(1,154,360)	1,090,343	3,474,972
	5,384,823	(1,154,360)	1,090,439	3,474,972
Items that may be reclassified subsequently to statement of profit or loss				
Fair value gain on revaluation of available for sale investments during the period - net	988,067	1,997,796	403,276	1,706,140
Exchange difference of translation of net assets in foreign branches of a subsidiary	(7,451)	37,432	20,043	10,073
Share of other comprehensive income from associates accounted for using equity method	58,401	-	25,997	-
	1,039,017	2,035,228	449,316	1,716,213
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	8,119,496	1,638,007	2,035,976	5,582,847
Attributable to:				
Equity holders of the parent	7,697,374	971,812	1,878,586	4,991,560
Non-controlling interests	422,122	666,195	157,390	591,287
	8,119,496	1,638,007	2,035,976	5,582,847

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT								TOTAL
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Reserves		Statutory	Revenue reserve Unappropriated profit / (accumulated loss)	Sub-total	
Unrealised gain / (loss) on revaluation of available for sale / fair value through other comprehensive income investments - net									
	(Rupees in '000)								
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	-	-	37,432	345,732	-	-	383,164	497,704	880,868
Total comprehensive income for the period	-	-	37,432	345,732	-	588,648	971,812	666,195	1,638,007
Transfer to statutory reserves	-	-	-	-	128,483	(128,483)	-	-	-
Reclassification of net revaluation loss on equity instrument upon derecognition	-	-	-	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
Balance as at December 31, 2020 (audited)	9,159,424	4,497,894	114,450	14,442,174	1,337,185	9,734,877	39,286,004	6,303,035	45,589,039
Profit for the period	-	-	-	-	-	1,525,338	1,525,338	170,318	1,695,656
Other comprehensive (loss) / income	-	-	(7,451)	6,179,391	-	96	6,172,036	251,804	6,423,840
Total comprehensive (loss) / income for the period	-	-	(7,451)	6,179,391	-	1,525,434	7,697,374	422,122	8,119,496
Transfer to statutory reserves	-	-	-	-	85,522	(85,522)	-	-	-
Buy-Back of shares by sub-subsidiary (note 1.2.1)	-	-	-	-	-	-	-	(272,321)	(272,321)
Surplus arisen on buy-back of shares by sub-subsidiary	-	-	-	-	-	25,945	25,945	-	25,945
Proceeds from issue of Right shares by sub-subsidiary	-	-	-	-	-	-	-	25,176	25,176
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	-	(23,255)	-	23,255	-	-	-
Balance as at June 30, 2021 (un-audited)	9,159,424	4,497,894	106,999	20,598,310	1,422,707	11,223,989	47,009,323	6,478,012	53,487,335

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

	June 30, 2021	June 30, 2020
CASH FLOWS FROM OPERATING ACTIVITIES	Note ----- (Rupees in '000) -----	
Profit before taxation	2,450,610	1,533,376
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation	897,274	1,050,541
Amortisation on intangible assets	63,581	57,510
(Gain) / loss on sale of property and equipment	(9,806)	46,181
Charge for defined benefit plan	113,185	(44,321)
Loss on remeasurement of investments at fair value through profit or loss - net	57,228	135,652
Gain on remeasurement of derivatives at fair value through profit or loss	(59,839)	-
Share of (profit) / loss from associate	(257,442)	11,592
Provision for doubtful debts, loans and advances	1,112,176	299,510
(Reversal of) / provision for impairment on investments - net	(278,237)	31,466
Effect of translation of net investment in foreign branches	(7,452)	37,432
Finance cost	13,171,447	19,516,631
	<u>14,802,115</u>	<u>21,142,194</u>
Operating profit before working capital changes	17,252,725	22,675,570
Decrease / (Increase) in operating assets:		
Loans and advances	7,827,681	(2,761,260)
Trade debts	357,348	166,559
Long term loans, advances, prepayments, deposits and other receivables	(4,974,473)	4,016,101
Other financial assets - fund placements	17,137,834	20,343,089
Prepayments, deposits, accrued mark-up and other receivables	(1,381,828)	(1,557,820)
	18,966,562	20,206,669
Increase / (Decrease) in operating liabilities:		
Trade and other payables	721,577	1,350,477
Deposits and other accounts	13,126,153	35,654,560
Borrowings	8,787,042	2,430,265
Net cash generated from operations	58,854,059	82,317,541
Finance cost paid	(13,372,764)	(18,175,222)
Gratuity paid	(3,530)	-
Taxes paid	(936,198)	(166,365)
Dividend paid (including non-controlling interests)	(199)	(35,722)
Net cash generated from operating activities	44,541,368	63,940,232
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(598,396)	(1,002,191)
Intangible assets acquired	(147,904)	(1,084,613)
Proceeds from sale of property and equipment	1,894	244,615
Paid to Non-Controlling Interests against buy back of shares by a subsidiary	(246,376)	-
(Acquisition) / proceeds from disposal of assets repossessed	(232,219)	4,476
Proceeds from issuance of right shares by sub-subsiidiary company	25,176	-
Investments purchased - net	(33,946,048)	(33,618,686)
Net cash used in investing activities	(35,143,873)	(35,456,399)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates	(212,690)	(1,428,447)
Long term loan (repaid to) / obtained from bank	(62,500)	1,058,855
Proceeds from subscription against issue of right shares of Parent Company	1,309,027	-
Repayment of lease liability	(563,053)	(610,453)
Securities purchased under repurchase agreements - net	(4,782,712)	(19,394,703)
Net cash used in financing activities	(4,311,928)	(20,374,748)
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,085,567	8,109,085
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	31,583,144	25,184,350
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	36,668,711	33,293,435

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

Shahid Hussain Jatoi
Director

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, 2021 (Un-audited)

1. THE GROUP AND ITS OPERATIONS

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

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

1.2 Composition of the Group

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

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

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

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

	Balances as at March 31, 2021 (Rupees in '000)
CURRENT ASSETS	
Advance income tax - net	744
Other financial assets - investments	67,779
Bank balances	448
TOTAL ASSETS	68,971
CURRENT LIABILITIES	
Accrued and other liabilities	1,934
TOTAL LIABILITIES	1,934
NET ASSETS	67,037
REPRESENTED BY:	
Share Capital	37,500
Amalgamation reserve	29,537
	67,037

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

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

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



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

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

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

2.5 Basis of measurement

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

2.6 Functional and presentation currency

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

3. ACCOUNTING POLICIES

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

3.1 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, 2021 but are considered not to be relevant or do not have any significant effect on the Holding Company's operations and therefore not detailed in these consolidated condensed interim financial information.

3.1.1 Standards, interpretations and amendments to published approved Accounting Standards that are not yet effective

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

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

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

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

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

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

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

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

3.1.2 Annual Improvements to IFRS Standards 2018-2020

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

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

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

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

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

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



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

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

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

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

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

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

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

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

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

4. FINANCIAL RISK MANAGEMENT

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

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

5. SIGNIFICANT ACCOUNTING JUDGEMENT AND ESTIMATES

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
6. PROPERTY AND EQUIPMENT	Note	----- (Rupees in '000) -----	
Operating assets - owned	6.1	5,729,576	5,666,880
Right-of-use asset	6.2	3,152,235	2,793,095
Capital work-in-progress		1,125,693	706,163
		<u>10,007,504</u>	<u>9,166,138</u>
6.1 Movement in operating assets - owned			
Book value at beginning of the period		5,666,880	5,450,074
Cost of additions / transfers from CWIP / adjustments during the period	6.1.1	471,773	1,767,680
Book value of assets written back / (disposed off) during the period	6.1.2	7,912	(760,505)
Depreciation charge for the period		(416,989)	(790,369)
Book value at end of the period		<u>5,729,576</u>	<u>5,666,880</u>
6.1.1 Details of additions / adjustments during the period			
Office premises - leasehold		-	802,730
Land - freehold		-	143,200
Plant and machinery		-	132,711
Leasehold improvements		155,218	190,950
Office equipment		285,584	386,237
Filling station signages		-	26,372
Fuel Dispenser and other equipments		-	17,511
Office furniture and fixtures		19,550	50,568
Motor vehicle		11,421	17,401
		<u>471,773</u>	<u>1,767,680</u>
6.1.2 Book value of assets written back / (disposed off) during the period			
Office premises - leasehold		-	(545,287)
Leasehold improvements		(1,991)	(114,797)
Office equipment		12,572	(59,039)
Office furniture		1,078	(18,805)
Motor vehicle		(3,747)	(22,577)
		<u>7,912</u>	<u>(760,505)</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
6.2 Right-of-use asset			
Opening		2,793,095	4,271,231
Additions		822,884	73,593
Depreciation expense		(463,744)	(979,953)
Deletion		-	(571,776)
Closing		<u>3,152,235</u>	<u>2,793,095</u>

7. INTANGIBLE ASSETS

Opening written down value		828,025	732,150
Addition during the period		148,513	214,812
Disposal during the period		(1,000)	-
Amortization for the period		(63,581)	(118,937)
		<u>911,957</u>	<u>828,025</u>
Goodwill - Quality 1 Petroleum (Private) Limited	7.1	1,040,614	1,040,614
Capital work-in-progress		213,703	213,312
		<u>2,166,274</u>	<u>2,081,951</u>

7.1 This represents goodwill recognised on the acquisition of Quality 1 Petroleum (Private) Limited (Q1P) (sub-subsidiary) by Energy Infrastructure Holding (Private) Limited (EIHPL) (a wholly owned subsidiary of the Holding Company). Since the management of the Group was in the process of carrying out the detailed exercise for the identification and valuation of assets acquired and liabilities assumed including goodwill and other intangible asset (if any), therefore, the provisional values were reported in respect of the above acquisition in the consolidated financial statements of the Group for the year ended Dec 31, 2020, as allowed under IFRS-3 "Business Combination".

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
8. LONG TERM INVESTMENTS			
Investment in associates	8.1	2,547,429	2,231,586
Related parties:			
- At fair value through OCI		10,295,697	10,558,257
Other investments			
- Available for sale		52,681,896	11,559,583
- Held to maturity		41,044,517	22,650,895
- At fair value through OCI		4,632,808	4,058,973
		<u>111,202,347</u>	<u>51,059,294</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
8.1 Investment in associates	Note	----- (Rupees in '000) -----	
Carrying value / cost of investment		2,231,586	213,386
Addition		-	1,926,302
Share of profit from associates		257,442	62,612
Share of other comprehensive gain of an associate - net of tax		58,401	29,286
		<u>2,547,429</u>	<u>2,231,586</u>

9. SHORT TERM INVESTMENTS

Assets at fair value through profit or loss		19,972,172	28,457,633
Available for sale		124,134,996	126,864,330
Assets at fair value through OCI		14,085,515	7,793,837
Held to maturity		426,065	13,458,703
At amortised cost		-	296,045
	9.1	<u>158,618,758</u>	<u>176,870,548</u>

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

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

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

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

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



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

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

11. SUBSCRIPTION AGAINST ISSUE OF PREFERENCE RIGHT SHARES

Pursuant to the approval of the Board of Directors of the Holding Company in their meeting held on March 11, 2021, and the approval of its Shareholders in its Annual General Meeting held on April 28, 2021, the Securities & Exchange Commission of Pakistan (vide its letter dated May 17, 2021) also granted its approval to the Holding Company for issuance of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory and cumulative Class 'A' Preference Shares (by way of rights in the ratio of 2:10 to the Ordinary Shares) at face value of Rs. 10 each.

By virtue of the abovementioned approvals, the Pakistan Stock Exchange Limited ("the PSX") had also approved the schedule/timeline for the Preference Right Shares Issue and accordingly, thereof, the Unpaid Preference Rights were credited in the CDS Accounts of entitled shareholders on June 01, 2021, and, thereafter, it traded on the PSX from June 07, 2021 till June 29, 2021. Further, as per the approved schedule/timeline, the last date for acceptance / payment / renunciation of Unpaid Preference Rights was July 06, 2021.

Till the date of statement of financial position, i.e. June 30, 2021, the Holding Company received Rs. 1,309.03 million against the subscription of aforementioned Preference Rights.

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
12. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES		
Long term financing - Term finance certificates	634,749	446,234
Long term loans	61,714	123,941
Deposits and other accounts	434,418,966	425,708,513
Lease liabilities	799,524	733,074
	435,914,953	427,011,762

13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There were no material changes in the status of contingencies as reported in the annual consolidated financial statements for the year ended December 31, 2020 except as disclosed below.

In respect of JS Bank Limited

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

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

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

Sales tax

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

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

13.2 Transaction-related Contingent Liabilities

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

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
- Financial guarantees		2,017,915	1,024,422
- Performance guarantees		26,600,083	36,678,881
- Other guarantees		22,241,512	21,076,291
	13.2.1	<u>50,859,510</u>	<u>58,779,594</u>

13.2.1 Included herein the outstanding guarantees of Rs. 18.63 million (December 31, 2020: Rs. 29.05 million) of related parties.

		June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	Note	----- (Rupees in '000) -----	
13.3 Commitments			
Documentary credits and short-term trade-related transactions			
letters of credit	13.3.1	<u>23,947,250</u>	<u>21,111,360</u>
Commitments in respect of:			
Forward exchange contracts:			
- Purchase	13.3.2	<u>23,247,624</u>	<u>23,137,733</u>
- Sale	13.3.2	<u>14,885,151</u>	<u>15,040,529</u>
- Undrawn formal standby facilities, credit lines and other commitments to lend	13.3.3	<u>627,990</u>	<u>384,230</u>



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

	June 30, 2021 (Un-audited)	December 31, 2020 (Audited)
	----- (Rupees in '000) -----	
Other Commitments		
Forward sale transactions of listed equity securities	<u>871,998</u>	<u>990,872</u>
Commitments in respect of capital expenditure	<u>1,231,007</u>	<u>257,875</u>
Bank Guarantee from a commercial bank in favor of NCCPL	<u>400,000</u>	<u>400,000</u>
Interest rate swaps	<u>1,318,394</u>	<u>2,353,648</u>
Options	<u>4,783,293</u>	<u>3,007,906</u>
Outstanding settlements against margin financing contracts - net	<u>41,301</u>	<u>58,805</u>

13.3.1 Included herein the outstanding letter of credits of Rs. 332.22 (December 31, 2020: Rs. 86.54) million of related parties.

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

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

	Half Year Ended		Quarter Ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- (Un-audited) -----			
	----- (Rupees in '000) -----			
14. BASIC AND DILUTED EARNINGS / PER SHARE				
Profit after taxation attributable to equity holders of the parent	<u>1,525,338</u>	<u>588,648</u>	<u>445,924</u>	<u>225,494</u>
	----- (Number in '000) -----			
Weighted average number of Ordinary shares outstanding during the period	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>	<u>915,942</u>
Earnings per share:	----- (Rupees) -----			
Basic and Diluted	<u>1.67</u>	<u>0.64</u>	<u>0.49</u>	<u>0.24</u>

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

	June 30, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
15. CASH AND CASH EQUIVALENTS		
Cash and bank balances	37,157,180	33,904,457
Overdrawn nostro accounts	(488,469)	(611,022)
	<u>36,668,711</u>	<u>33,293,435</u>

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, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Dividend received	683,116	690,712
Brokerage / commission / service income	38,006	114,778
Purchase of money market instruments	2,896,977	13,307,066
Sale / Maturity of money market instruments	43,624,659	40,240,810
Letter of credits (Contingencies and Commitments)	332,220	40,823
Letter of guarantees (Contingencies and Commitments)	18,629	24,125
Rental income	15,659	14,913
Rent Expense	32,644	23,159
Interest / markup earned	90,830	39,380
Interest / markup paid	387,914	312,148
Purchase of Term Finance Certificate	-	202,089
Royalty paid	15,000	15,000
Advisory fee paid	14,000	10,500
Insurance premium paid	367,646	368,937
Insurance claim received	3,081	2,793
Investments matured / disposed off in funds under management - at cost	1,637,419	400,354
Investments made in funds under management	1,514,617	1,225,000
Purchase of shares	-	1,184,279
Sale of shares	645,230	-
Remuneration and commission income from funds	79,277	120,320
Commission income	77,081	25,527



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

	June 30, 2021	June 30, 2020
	----- (Un-audited) -----	
	----- (Rupees in '000) -----	
Donation paid	10,000	-
Contribution to provident fund	139,821	127,801
Contribution to gratuity fund	111,551	107,560
Loan repayment from executives / others	475,980	124,644
Interest received on long term loans to executives	19,610	32,688
Loan disbursed to executives / others	116,593	289,993
Security deposit received	-	492
Security deposit repaid	-	468
Reimbursement to CEO & Executives	153	-
Reimbursement of expenses to company	46,075	72,887
Reimbursement of expenses by Company	53,923	50,485
Reimbursement of expenses to directors	-	3,225
Short term loan received	517,624	180,000
Remuneration paid to Chief Executive Officer	81,200	98,731
Fee paid to directors for attending directors / committee meetings	11,707	11,615
Sale of Sukuk/ Ijara Sukuk	581,080	8,986,684
Purchase of Sukuk / Ijara Sukuk	392,255	14,899,710
Remuneration to key management personnel	2,011,065	2,315,119

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, 2021 (Un-audited)

The following tables present revenue and profit information for the Group's operating segments for the half year ended June 30, 2021 and 2020 respectively.

	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, Infrastructure and Petroleum	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	(Rupees in '000)							
Half year ended June 30, 2021								
Revenue								
Segment revenues	2,023,376	21,144,993	64,982	321,638	98,658	23,653,647	(96,593)	23,557,054
Inter-segment revenues	(53,192)	(9,573)	(1,073)	(28,691)	(4,064)	(96,593)	96,593	-
Total revenue	1,970,184	21,135,420	63,909	292,947	94,594	23,557,054	-	23,557,054
Results								
Net profit for the period	1,142,056	591,109	(142,542)	(54,787)	75,090	1,610,926	84,730	1,695,656
Half year ended June 30, 2020								
Revenue								
Segment revenues	982,522	27,313,874	30,334	205,091	13,940	28,545,761	(110,141)	28,435,620
Inter-segment revenues	(69,642)	(15,069)	(3,613)	(16,373)	(5,444)	(110,141)	110,141	-
Total revenue	912,880	27,298,805	26,721	188,718	8,496	28,435,620	-	28,435,620
Results								
Net profit for the period	208,784	847,942	(181,999)	(150,814)	4,725	728,638	28,501	757,139
The following tables present assets and liabilities information for the Group's operating segments for the half year ended June 30, 2021 and year ended December 31, 2020 respectively.								
	Capital Market & Brokerage	Banking	Investment Advisor/ Assets Manager	Energy, Infrastructure and Petroleum	Others	TOTAL SEGMENTS	ADJUSTMENTS AND ELIMINATIONS	CONSOLIDATED
	(Rupees in '000)							
Assets								
June 30, 2021	44,884,841	553,995,918	1,559,686	7,288,369	3,559,332	611,288,146	(20,548,032)	590,740,114
December 31, 2020	40,368,043	530,877,243	1,721,582	8,600,755	2,078,840	583,646,463	(21,068,012)	562,578,451
Liabilities								
June 30, 2021	5,830,883	532,869,203	403,559	2,112,224	3,850	541,219,719	(5,275,967)	535,943,752
December 31, 2020	6,407,940	511,331,774	453,522	2,907,683	7,259	521,108,178	(4,118,766)	516,989,412



Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

18. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

IFRS 13 requires the Group 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, 2021 (Un-audited)

Level 1	Level 2	Level 3	Total
Rupees in '000			

On balance sheet financial instruments

At fair value through profit or loss

Open End Mutual Funds	-	1,491,836	-	1,491,836
Listed equity securities	965,924	-	-	965,924
Government Securities	-	17,514,412	-	17,514,412
Derivative asset	8,740	-	-	8,740

At fair value through OCI

Listed equity securities	28,532,958	-	-	28,532,958
Unquoted equity securities *	-	-	459,106	459,106
Sukuk and term finance certificates	-	21,956	-	21,956

Available for sale investments

Listed equity securities	5,627,894	-	-	5,627,894
Open End Mutual Funds	625,258	-	-	625,258
Sukuk and term finance certificates	-	1,404,535	-	1,404,535
Foreign currency bond (US\$)	-	4,884,702	-	4,884,702
Government Securities	-	162,224,111	-	162,224,111
	35,760,774	187,541,552	459,106	223,761,432

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)

	As at June 30, 2021 (Un-audited)			
	Level 1	Level 2	Level 3	Total
----- Rupees in '000 -----				
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	23,399,759	-	23,399,759
Sale	-	14,922,020	-	14,922,020
Interest rate swaps				
Purchase	-	704,110	-	704,110
Sale	-	707,734	-	707,734
Options				
Purchase	-	530,421	-	530,421
Sale	-	4,262,447	-	4,262,447

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

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

Notes to the Consolidated Condensed Interim Financial Information

For the Half Year Ended June 30, 2021 (Un-audited)



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

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

19. DATE OF AUTHORISATION FOR ISSUE

This consolidated condensed interim financial information was authorised for issue by the Board of Directors of the Holding Company in its meeting held on August 26, 2021.

20. GENERAL

20.1 Subsequent to the period end, the Board of Directors of the Holding Company in their meeting held on July 12, 2021, has approved the allotment and issuance of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class 'A' Preference Shares. These Class 'A' Preference Shares carries a fixed cumulative preferential cash dividend out of the normal profits of the Holding Company @ 6% per annum.

20.2 Subsequent to the period end, the Board of Directors of JS Global Capital Limited (JSGCL) (sub-subsidiary), in their meeting held on August 21, 2021, recommended and approved an interim cash dividend at Rs. 10 per share i.e. 100% (December 31, 2020: Nil) amounting to Rs. 274.77 million (December 31, 2020: Nil).

20.3 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.

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

Shahid Hussain Jatoi
Director

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

Half Yearly Report June 30, 2021 (Un-audited)



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