



A n n u a l R e p o r t 2 0 1 9



Annual Report
2019



Table of Contents

Vision	01
Mission	02
Code of Conduct	03
Company Information	04
Board of Directors	05
Corporate Social Responsibility	09
Corporate Calendar 2019	12
Notice of 28 th Annual General Meeting	13
Financial Highlights	17
Financial Performance	18
Horizontal Analysis	20
Vertical Analysis	21
Chairman's Review	22
Directors' Report to the Shareholders	24
Statement of Compliance with the Code of Corporate Governance	45
Review Report to the Members on the Statement of Compliance	48
Auditors' Report to the Members	49
Unconsolidated Financial Statements	55
Auditors' Report to the Members on the Consolidated Financial Statements	108
Consolidated Financial Statements	113
Pattern of Shareholding	227
Form of Proxy	232

Vision

To be recognized as the premier and best performing investment company in Pakistan.



Mission

To build value for our shareholders by providing competitive returns on a sustainable basis through prudent investment decisions by employing best practices of Corporate Governance and Risk Management and conducting our business in accordance with the highest standards of ethics and legal compliance.

Code of Conduct

The success of our Company depends on adopting high ethical standards and business practices in conducting business. Every member of JSCL family is expected to review and strictly abide by the following code of conduct:

1. Transparency in conducting business and appropriate public disclosures.
2. Fairness in conducting business while striving for highest returns.
3. Protecting and preserving clients' interests.
4. Adopting principle of good corporate citizenship and striving to fulfill corporate social responsibilities.
5. Financial statements should reflect fair view of business operation and should not conceal any fact.
6. Exhibit integrity, dignity and honesty in business conduct and upholding loyalty.
7. Endeavor to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.
8. Professional communication and open environment where everyone has right to speak.
9. We value quality of work and employees' best contribution in achieving clients' and shareholders' financial goals.
10. Maintain highest level of confidentiality and privacy of data during and after employment at JSCL.
11. Avoid any business or professional activities or any beneficial interests that may result in a conflict with or be competitive with the interests of the Company.
12. Employees should not hold any position in other organization without prior approval.
13. Insider trading is strictly prohibited.
14. Avoid workplace harassment and report unethical practices immediately.
15. Treating employees equally and avoiding authority misuse.
16. Company's assets should be used effectively and proprietary information should be kept confidential.
17. Gifts and Bribery should neither be offered nor accepted except for nominal gifts with appropriate disclosure and permission.
18. Striving to provide healthy and secure environment and avoid wasting natural resources.



Company Information

Board of Directors

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

Suleman Lalani
Chief Executive Officer

Ali Raza Siddiqui
Director - Non-Executive

Shahid Hussain Jatoi
Director - Non-Executive

Muhammad Ali
Director - Non-Executive

Hina Athar Khan*
Director - Non-Executive

Saud Ahmed Mirza
Director - Independent, Non-Executive

Hasib Navaid Malik
Director - Independent, Non-Executive

Chief Financial Officer

Najmul Hoda Khan

Company Secretary

Syed Ali Hasham

Audit Committee

Saud Ahmed Mirza
Chairman

Ali Raza Siddiqui
Member

Shahid Hussain Jatoi
Member

Human Resource & Remuneration Committee

Saud Ahmed Mirza
Chairman

Chief Justice (R) Mahboob Ahmed
Member

Suleman Lalani
Member

Executive Committee

Ali Raza Siddiqui
Chairman

Shahid Hussain Jatoi
Member

Suleman Lalani
Member

External Auditors

EY Ford Rhodes
Chartered Accountants

Internal Auditors

Grant Thornton Anjum Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

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

Registered Office

20th Floor, The Center
Plot No. 28, SB - 5
Abdullah Haroon Road
Saddar, Karachi-74400
Pakistan
UAN: (+92-21) 111-574-111
Fax: (+92-21) 35632575

Website

www.js.com

* Appointed on March 02, 2020, in place of Ms. Rukhsana Shah.

Board of Directors

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

Chief Justice (R) Mahboob Ahmed was an eminent and well respected lawyer and practiced as an advocate of the High Court and the Supreme Court of Pakistan for over 20 years. He was the counsel to all statutory corporations, a number of Insurance Companies as well as large foreign and domestic companies. He graduated from the University of Punjab and completed his Bar in 1957. He then practiced at the Bar of Lahore High Court and the Supreme Court of Pakistan for 19 years and particularly deliberated on constitutional and commercial issues.

Mr. Mahboob Ahmed was then appointed as a Judge of the Lahore High Court in 1978 and became Chief Justice of the said Court in 1991. He was Chairman of the Provincial Election Authority of Punjab for eleven years and also Chairman of Insurance Reforms Commission of Pakistan. Mr. Mahboob Ahmed was Banking Judge of the Lahore High Court and the company Judge of spurious companies. The task force setup by Securities and Exchange Commission of Pakistan for framing Rules for establishment of Takaful Insurance Companies was also headed by him as its Chairman. He served as the Chief Justice of the Federal Shariat Court from 1997 to 2000. He also acted as Governor of Punjab province a number of times.

He is an active philanthropist and is President of the Muslim Education Conference, a Member of the Managing Committee of Gulab Devi Chest Hospital, a Member of Governing Body and Executive Committee of Liaquat National Hospital, Karachi, Ex-Chairman of the Board of Management Fatima Jinnah Medical College and Sir Ganga Ram Hospital, Lahore, Patron in Chief of Bu-Ali Seena Hospital, Lahore, Chairman Kulli Khan Waqf, an Educational Foundation for welfare of Industrial workers, a founding member of Heart Association of Lahore and the Pakistan Society for Cancer Control. He has also been the Chairman of the Pakistan Red Crescent Society. He is Vice Chairman of Al-Meezan Foundation (Judicial Foundation). He is also member Board of Governors of Nazria-e-Pakistan Trust and Chairman Pakistan Movement Workers Trust.

Other Directorships:

1. East West Insurance Co. Ltd. (Chairman)

Suleman Lalani Chief Executive Officer

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Limited (“JSCL”) on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he served as CFO and Company Secretary for seven years.

Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002 he joined The First MicroFinance Bank Limited as its Chief Financial Officer and Company Secretary. Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has 25 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance.

Other Directorships :

1. Al-Abbas Sugar Mills Limited
2. JS Petroleum Limited
3. Future Trust - Trustee



Ali Raza Siddiqui

Director – Non-Executive

Mr. Siddiqui is a Partner at JS Private Equity. Previously, he was an Executive Director at JS Investments Limited. Before joining JS Investments Limited, he was Assistant Vice President at AIM Investments in Houston, a wholly-owned subsidiary of INVESCO (formerly known as AMVESCAP Plc.). At AIM, Mr. Siddiqui was part of a 5-person team responsible for the management of over USD 60 billion in fixed income assets.

Mr. Siddiqui holds a Bachelor's Degree from Cornell University with double majors in Economics and Government.

Other Directorships / Trusteeships:

1. EFU General Insurance Limited
2. EFU Life Assurance Limited
3. Pakistan International Bulk Terminal Limited
4. Mahvash & Jahangir Siddiqui Foundation
5. Fakhr-e-Imdad Foundation
6. Organization for Social Development Initiatives – Trustee
7. Manzil Pakistan – Trustee

Muhammad Ali

Director – Non-Executive

Mr. Ali has over 23 years of experience and expertise in Energy & Petrochemical Sectors; holding leading roles that oversaw development, construction, operations and management of mega-size projects. He is currently heading industrial portfolio of JS Group of companies where he looks after the group's oil and gas, power generation, energy storage/handling businesses and other industrial business.

Previously he has served as CEO of Engro Vopak Terminal - Pakistan's largest bulk liquid chemical import terminal, CEO of Engro Elengy Terminal - Pakistan's first LNG terminal and CEO of Engro Powergen Qadirpur Limited - a 220 MW gas-fired IPP. He also ran Engro's New Ventures division where he developed and operated an 84MW gas-fired IPP in Nigeria, developed and installed a 50MW Wind IPP in Pakistan, and ran the feasibility for a 450MW LNG to power plant. Prior to his power generation work at Engro, he was the Manager of Strategic Planning, Contracts and Procurement at Engro Fertilizer where he was a key leadership team member that developed and brought into production a \$1.1 billion grassroots ammonia/urea plant, which at the time was the world's largest single train project of its kind.

Previously he has been a board member of the Laraib Energy (84MW Hydro power IPP), Engro Powergen (developer and majority shareholder of Sindh Engro Coal Mining Company a Thar coal mining company), Engro Powergen Thar Ltd (660MW coal IPP), GEL Nigeria (84MW Nigerian IPP) and Petroleum Institute of Pakistan.

He holds a Bachelor's degree in Electrical Engineering from University of Engineering Technology Lahore and graduated from the Advanced Management Program from INSEAD in France.

Other Directorships:

1. Hub Power Company Limited
2. Pakistan National Shipping Corporation
3. Pakistan Refinery Limited
4. JS Petroleum Limited
5. Hawa Energy Limited
6. AzCorp Entertainment (Private) Limited
7. Nova Care (Private) Limited
8. Narowal Energy Limited
9. Punjab Thermal Power (Private) Limited

Shahid Hussain Jatoi

Director – Non-Executive

Mr. Shahid Hussain Jatoi has obtained his Bachelor of Law (LLB) degree from University of Karachi. He served the Government of Pakistan for over 35 years in very senior positions in Federal Board of Revenue – Ministry of Finance and Revenue, Ministry of Production, Establishment Division, Overseas Pakistanis Division and Federal Investigation Agency – Ministry of Interior.

He has specialized expertise in Corporate Taxation, Non Residents and Double Taxation and Taxation of Financial Sector etc. Additionally, due to his long tenure at FBR as Member Administration he acquired in-depth knowledge of Service Laws / rules and has reasonable experience of formulating and implementing policies concerning HRM. He has served in FIA as Deputy Director, Economic Crime Wing for almost three years (1991-1994). He has extensive experience of investigation and detection of white collar crime which is one of his expertise. He remained posted as Counselor, Community Welfare at High Commission of Pakistan at Kuala Lumpur, Malaysia. He gained substantial knowledge and experience on international Labour laws and also on export of skilled and unskilled Pakistani labour abroad (2005-2008).

Other Directorships:

1. Al-Abbas Sugar Mills Limited
2. Service Industries Limited
3. Shezan International Limited

Saud Ahmed Mirza

Director – Independent, Non-Executive

Mr. Saud Ahmed Mirza has served as Director General Federal Investigation Agency (FIA), Additional Inspector General CID, Capital City Police Officer (CCPO) Karachi, Deputy Inspector General (DIG) CID, DIG Traffic, DIG Training, DIG Headquarters, DIG Establishment, DIG and Senior Superintendent of Police (SSP) Hyderabad and SSP Central, Karachi. He was awarded Tamgha-e-Imtiaz in 2008 and Quaid-e-Azam Police Medal in 2012. Mr. Mirza joined the police on March 23, 1979 and retired on January 31, 2014.

Mr. Mirza completed his Intermediate from Government College Peshawar in 1971, and his Bachelor's degree from the same institution in 1975. He received his Master's in Public Administration from Punjab University and a second Master's degree in Police Studies from the University of Exeter in the United Kingdom.

Hasib Navaid Malik

Director – Independent, Non-Executive

Hasib Malik has plied his trade in Pakistan, the UK and Europe and has used his expertise in Startup Design and Lean Experimentation to help validate ideas that have either saved or created millions in revenue. His most recent experience at Fluxx Ltd (Part of the Bain & Company's Network) as a Consultant allowed some of the most traditional businesses in the UK accelerate their growth by creating experiments on a shoe-string budget. As a result, Hasib has been able to advise and co-create with some of the biggest names in the UK involved in Private

Equity, Banking, Insurance, Electricity Distribution and Consumer Goods. Mr. Malik has also continued to play an integral role in the local Pakistani startup ecosystem helping startups and VCs alike in fundraising, strategy, product and advisory capacities, which has helped to institutionalize the sector.

Mr. Malik holds a Masters in Innovation and Entrepreneurship from the ESADE Business School, and a Bachelor's Degree in International Politics from City University London.

Other Directorships:

1. Adept (Private) Limited
2. Aviserv Limited

**Hina Athar Khan**

Director - Non-Executive

Ms. Hina is currently working as Head of Advisory Services at JS Bank Limited.

She is a development and public sector consultant specializing in the delivery of government and international development projects.

Most recently, Ms. Khan was engaged as Project Manager for the European Union's flagship project - Promotion of Human Rights in Pakistan.

Before that, she had served in a consulting capacity at the Prime Minister's Office for three and a half years. In the aforesaid role, she was responsible to oversee the implementation of Prime Minister's priority initiatives including foreign investment and engagement with global organizations; specifically in the energy sector.

She had also worked for DFID-UK's project on Transforming Education in Pakistan in the capacity of a Knowledge Management Specialist.

Ms. Hina holds a BSc. (Hons.) degree in Quantitative Economics and Mathematics from the University of Toronto and also has experience working in the IT sector with IBM Canada in the early years of her career.

Corporate Social Responsibility

Jahangir Siddiqui & Co. Ltd. (JSCL) is a responsible corporate citizen and strives to promote Corporate Social Responsibility (CSR) initiatives that support economic growth, social progress and environmental protection in Pakistan.

JSCL carries out its philanthropic activities in partnership with Mahvash & Jahangir Siddiqui Foundation and Future Trust.

MAHVASH & JAHANGIR SIDDIQUI FOUNDATION (MJSF)

Mahvash & Jahangir Siddiqui Foundation (MJSF) was founded in 2003. The Foundation aims to create sustainable livelihood opportunities and provide support to empower disadvantaged members of society. MJSF also partners with key international organizations including United Nations agencies, Acumen and Oxfam etc., in addition to projects directly managed by MJSF.

Following is an overview of MJSF's activities:

Education

MJSF's educational programs focus on providing support for:

- Higher education
- Mainstream education including schools for children with special needs
- Vocational training
- Specialized summer exchange programs

MJSF has provided support to leading educational institutions of Pakistan including Lahore University of Management Sciences, Karachi School for Business and Leadership, Institute of Business Administration Karachi, Progressive Education Network, JS Academy for the Deaf, Fakhr-e-Imdad Foundation and Karigar Training Institute along with having created a unique redeemable endowment fund for Sukkur Institute of Business Administration. MJSF has also provided Qarz-e-Hasna facility to various deserving students for higher studies.

Healthcare

MJSF has established "Jahangir Siddiqui Hospital" at Sehwan Sharif, Sindh which provides medical facilities to the population living in the nearby areas along with a large number of visitors due to a famous shrine in the area. MJSF has signed an agreement with Indus Hospital, for operation and maintenance of the Hospital.

MJSF believes that it is the fundamental right of every human being to receive adequate and affordable healthcare. Knowing how simple solutions can be effective for both prevention and treatment, MJSF supports provision of free healthcare to the underprivileged. This deep commitment to public health is reflected by:

- Upgrading and adding specialist wards at existing hospitals
- Developing healthcare facilities in rural areas
- Providing mobile health care and surgical services in difficult-to-access areas
- Distribution of specialized wheelchairs

MJSF is linked with numerous projects and organizations in the healthcare sector including Karachi National Hospital, National Institute of Cardiovascular Diseases, Sindh Institute of Urology and Transplantation, Indus Hospital, National Institute of Child Health and Walkabout Foundation.

MJSF initiated medical and eye camp programs in response to the critical health care needs of the rural population who are deprived of basic health care services.



Social Enterprise & Sustainable Development (SESD)

Social enterprises aim to provide services at affordable prices to low-income earners so that they may build their own assets and improve their standard of living. The SESD program funds projects that are economically productive and sustainable and which remove or reduce the need for ongoing grants.

MJSF is linked with numerous initiatives to help improve the lives of its fellow citizens by supporting organizations like Kashf Microfinance, Acumen Pakistan and its Fellows program, First Response Initiative of Pakistan, along with supporting the Magnus Kahl Seeds project to help improve the average yield of crops in the country.

Humanitarian Relief

Pakistan's geographical location and topography makes it highly susceptible to natural disasters such as monsoon flooding, landslides, droughts and earthquakes.

The Foundation has contributed with significant humanitarian assistance during the following crises:

- 2005 - Earthquake in Azad Jammu & Kashmir(AJK) and Khyber-Pakhtunkhwa Province
- 2008 - Swat Conflict and related Internally Displaced Persons crisis
- 2010 - Super Floods
- 2014 - Thar Drought crisis
- 2015 - Earthquake in Khyber Pakhtunkhwa and Gilgit-Baltistan provinces

FUTURE TRUST (FT)

Future Trust was founded in 2015. The Trust aims to improve the quality of life of the people of Pakistan by harnessing technology and providing them quality services in the field of education, healthcare, vocational training, career guidance, emotional well-being, socio-economic development and an improved environment. The following is an overview of philanthropic activities of Future Trust:

Education

FT has provided financial support to the following in the area of education:

- 'JS Academy for the Deaf' for education of children with special needs.
- 'ASD Welfare Trust' for creating awareness about Autism and related neuro-disabilities for improving educational and economic outcomes for children with learning disabilities.
- 'Karigar Training Institute' for providing technical education to the deserving students to enable them to earn livelihood.
- 'Allama Ghulam Mustafa Qasmi Chair, University of Sindh', Jamshoro for promoting educational and scholarly activities.
- 'Cadet College Hasan Abdal' for the construction of a Services Block and in the establishment of the Jahangir Siddiqui Career Counseling Center".
- 'Milestone Charitable Trust' for educational and development requirements of children with cognitive and behavioral disorders.
- 'Markaz-e-Umeed' for educational and development requirements of mentally challenged children.
- 'Pakistan China Institute', an institute imparting Chinese language to students, in meeting its establishment and operational expenses.

- Co-sponsored 'Laar Science Festival 2018' held in Badin Thatta and Sajawal districts of Sindh. The festival provided opportunity to the students to showcase their talent in science subjects.
- Co-sponsored 'Thar Education Festival' and 'Thar Educational Conference' in 2019 to provide opportunity to students to show their talent and to provide platform to the stakeholders to ponder upon educational needs of Tharparkar.
- 'Fakhr-e-Imdad Foundation' for creation of an Endowment Fund for pursuing the objectives of the Foundation on sustainable basis.
- Support to various deserving individuals for education of their children.

Healthcare

Future Trust provides funding to 'The Indus Hospital' for operation and maintenance of Jahangir Siddiqui Hospital at Sehwan Sharif, Sindh.

Future Trust supports 'Uro Gynae Clinic' for treatment of patients with urological and gynaecological disorders.

Future Trust in collaboration with MJSF, conducted medical camps in various districts of Tharparkar, Sindh and District Nowshera, Khyber Pakhtunkhawa where free diagnosis and medicines were provided to the patients.

Drought is one of the biggest factor in poor development of children and increase in death ratio in District Tharparkar Sindh. Considering the fact, Future Trust sponsored distribution of Food Baskets and medicines in various villages of District Tharparkar.

FT also supported 'Sada Welfare Foundation' in up-gradation of its blood bank at National Institute of Child Health, Karachi and 'The Patients' Behbud Society for AKUH' in providing free medical treatment to deserving patients.

FT also provided support to deserving individuals for their medical treatment.

Improvement of socio-economic conditions

Future Trust supported the "The i-Care Foundation" in its mission to improve the quality of life of underprivileged Pakistanis, by enhancing the level of philanthropic support to deserving charities.

FT in collaboration with MJSF completed the installation of deep well hand-pumps in Tharparkar, a desert area with the lowest Human Development index in Pakistan. The major source of income of a majority of the Thar villagers remains rain-fed agriculture and livestock which is vulnerable to seasonal rains. These hand pumps brings relief to those villages.

General

Future Trust, in collaboration with MJSF, sponsored distribution of winterization kits, in various areas of District Tharparkar.

FT also provides monthly support to various needy families for their livelihood.



Corporate Calendar 2019

Meetings	Date
Human Resource and Remuneration Committee	January 02, 2019
Board of Directors' Meeting	January 02, 2019
Human Resource and Remuneration Committee	March 20, 2019
Audit Committee Meeting and Board of Directors' Meeting to consider accounts of the Company for the year ended December 31, 2018	March 20, 2019
27th Annual General Meeting	April 29, 2019
Audit Committee Meeting and Board of Directors' Meeting to consider unconsolidated accounts of the Company for the quarter ended March 31, 2019	April 29, 2019
Audit Committee Meeting and Board of Directors' Meeting to consider consolidated accounts of the Company for the quarter ended March 31, 2019	June 03, 2019
Audit Committee Meeting and Board of Directors Meeting to consider accounts of the Company for the half year ended June 30, 2019	August 28, 2019
Human Resource and Remuneration Committee Meeting	October 28, 2019
Executive Committee Meeting	October 28, 2019
Audit Committee and Board of Directors' Meeting to consider accounts of the Company for the nine months period ended September 30, 2019	October 28, 2019
Extraordinary General Meeting - Election of Directors	November 25, 2019
Corporate Briefing Session	November 25, 2019
Board of Directors' Meeting	December 17, 2019

Notice of 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting (the “AGM”) of Jahangir Siddiqui & Co. Ltd. (the “Company”) will be held at the Company’s registered office located on the 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi on Thursday, May 28, 2020 at 10:30 a.m., to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited unconsolidated and consolidated financial statements of the Company for the year ended December 31, 2019, together with the Directors’ and Auditors’ Reports thereon and Chairman’s Review Report.
2. To appoint Company’s Auditors and fix their remuneration. The members are hereby notified that the Audit Committee and the Board of Directors have recommended the appointment of the retiring auditors, Messrs EY Ford Rhodes, Chartered Accountants, who being eligible have offered themselves for re-appointment.

By Order of the Board

Syed Ali Hasham
Company Secretary

Karachi: May 06, 2020

NOTES

- (i) The Company has placed the notice of general meeting and the Audited Financial Statements along with Chairman’s Review Report, Directors and Auditors Reports for the year ended 31 December 2019 on its website: www.js.com.
- (ii) The Share Transfer Books of the Company shall remain closed from May 21, 2020 to May 28, 2020 (both days inclusive) for determining the entitlement of shareholders for attending and voting at the meeting.
- (iii) Physical transfers and deposit requests under Central Depository System received at the close of business on May 20, 2020 by the Company’s Registrar i.e. CDC Share Registrar Services Limited, CDC House, 99-B, Block-B, S.M.C.H.S., main Shahrah-e-Faisal, Karachi will be treated as being in time for the purpose of attending and voting at the meeting.
- (iv) A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company. Form of proxy is enclosed.
- (v) Form of proxy, in order to be valid must be properly filled-in/executed and received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- (vi) Pursuant to the Companies (Postal Ballot) Regulations 2018, subject to the requirements of sections 143 and 144 of the Companies Act 2017, members will be allowed to exercise their right of vote through postal ballot that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.
- (vii) Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000:

A. For Attending the Meeting

- a. In view of the recent threats posed by and precautions to be taken against spread of the evolving COVID-19 pandemic, the Service General Administration and Coordination Department, Government of Sindh, vide notification No. So/(CIV)/SGA&CD/3-1/2020 dated March 14, 2020 suspended large public gatherings at



one place with immediate effect. Additionally, the Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 5 dated March 17, 2020, and Pakistan Stock Exchange Limited (PSX) through its notice Ref: PSX/N-372 dated March 19, 2020, have advised the Companies to modify their planning for conducting annual general meetings with a view to protect the well-being of their shareholders. Considering the above referred regulatory directives, the Company intends to convene this AGM electronically through Teleconferencing/Webinar with minimum number of Shareholders in person while ensuring compliance of the quorum requirement and requests the members to consolidate their attendance and vote through proxies.

- b. The Members who are willing to attend and participate in the 28th AGM of the Company can do so through teleconferencing/video link arrangement that will be provided to members after completing identification and verification formalities i.e. members are requested to provide their Name, CNIC scan (both sides), folio number, cell phone number and email address before 05:00 p.m. on and before May 26, 2020, at the following email: shareholder@js.com. The video link of meeting will be sent to the members on their email addresses.
- c. The members can also provide their comments / suggestions for discussion on the agenda items of the AGM related to the agenda items of the meeting through following means:

Whatsapp	SMS	EMAIL
+92 307 3277163	+92 307 3277163	shareholder@js.com

- d. The suggestions and comments received from shareholders shall be duly discussed in the meeting and be made part of the minutes of the meeting.
- e. In case of corporate entity, the Board of Directors' resolution/power of attorney with duly verified copy of valid CNIC and specimen signature of the representative shall be sent to the Company before the meeting.
- f. The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measures are in place for well-being of its Members.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport as may be applicable at the time of the meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
- (viii) Shareholders are requested to notify immediately of any change in their address to the Company's Registrar.
- (ix) Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of videoconference facility at least 5 days before the date of annual general meeting along with complete information necessary to enable them to access such facility.

“I/We, _____ of _____, being a member of Jahangir Siddiqui & Co. Ltd., holder of _____ ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____.”

IMPORTANT NOTICES TO SHAREHOLDERS

Computerized National Identity Card (CNIC) of Shareholders (Mandatory)

Shareholders are requested to provide if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar at the address given herein below. A legible scanned copy of the same can also be forwarded at cnic@js.com along with folio number and updated address for correspondence

Mandate for e-Dividend

Under Section 242 of the Companies Act, 2017, the listed companies are required to pay cash dividend only through electronic mode. The members are requested to provide duly filled in and signed e-dividend form available at the following link:

<http://www.js.com/index.php/investors/shareholders-information>.

Electronic Transmission of Financial Statements and Notices

Pursuant to Section 223(7) of the Companies Act, 2017, the Company is allowed to send financial statements and reports to its members electronically. In this regard, members are hereby requested to convey their respective information on the Form which is available at the Company website i.e. at the following link to ensure compliance with the above referred provision.

<http://www.js.com/index.php/investors/shareholders-information>

Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Further, it is the responsibility of the member(s) to timely update the Share Registrar of any change in his (her/its/their) registered email address at the address of Company's Share Registrar mentioned at the end of the notice.

Unclaimed Dividend/Shares

Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

Deposit of Physical Shares into CDC Account

The shareholders having physical shareholding may open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into script-less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act i.e. May 31, 2017.



Address of Share Registrar of the Company:

CDC Share Registrar Services Limited
 CDC House, 99 – B, Block ‘B’,
 S.M.C.H.S., Main Shakra-e-Faisal
 Karachi-74400.
 Tel: Customer Support Services (Toll Free) 0800-CDCPL (23275)
 Fax: (92-21) 34326053
 Email: info@cdcsrsl.com
 Website: www.cdcsrsl.com

Statement under Regulation 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The Company in its Annual General Meeting held on April 17, 2018, approved the long-term equity investment of up to PKR 1,000 million from time to time by purchase of up to 6,000,000 ordinary shares of EFU General Insurance Limited (“EFUG”), an associated company. The special resolution is valid for a period of three years from the date of approval.

PKR in million

Total Approved Investment Upto	Amount of Investment made till December 31, 2019	Reasons for not making complete investment in the specified time
1,000	132	The time period for investment has not yet elapsed. There is thus no deviation.

Material change in financial statements since date of resolution passed	December 31, 2019 (Year Ended)	December 31, 2018 (Year Ended)	December 31, 2017 (Year Ended)
a) Breakup value per share (Rupees)	96.48	96.49	104.21
b) Earnings per share (Rupees)	13.04	10.86	11.72
c) Net assets (PKR in Million)	19,296	19,298	20,841

Financial Highlights

(Based on Unconsolidated Financial Statements)

(Rupees in '000)

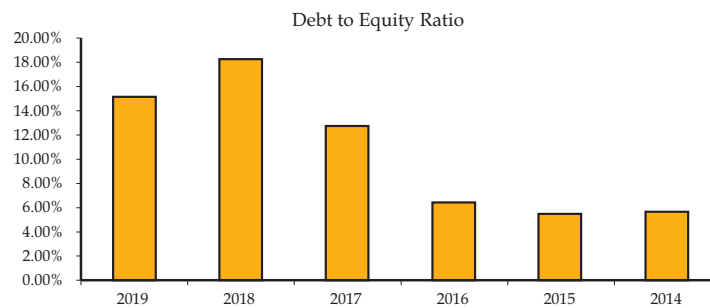
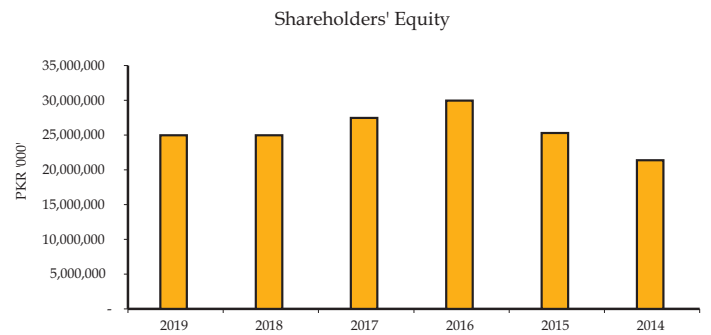
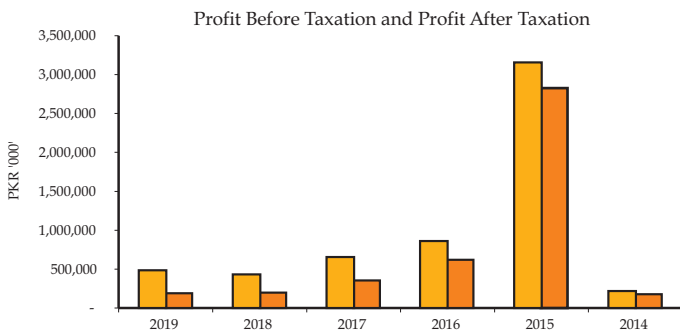
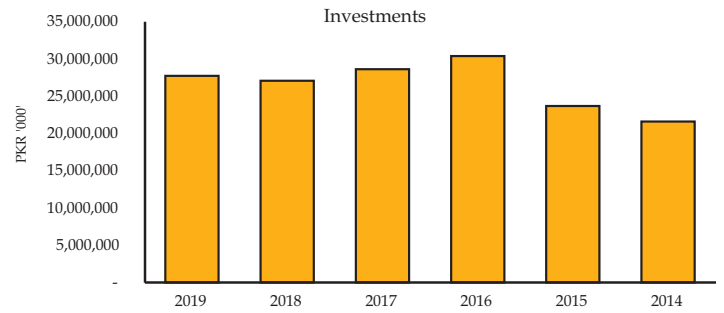
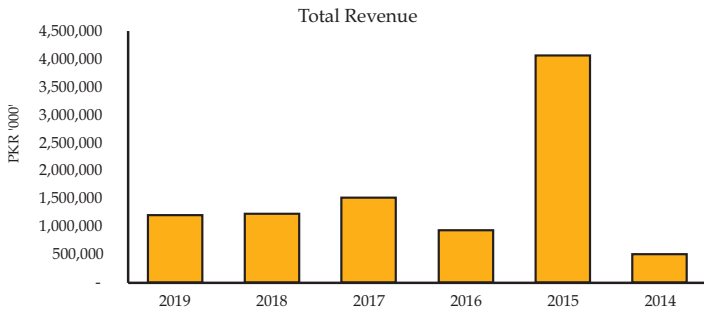
	2019	2018	2017	2016	2015	2014
Operating Results						
Total revenue	1,220,281	1,245,647	1,532,838	946,225	4,064,879	531,083
Operating and administrative expenses	210,590	225,603	232,106	265,291	241,790	123,551
Finance cost	577,100	394,729	222,357	144,682	165,065	165,239
Provision for Workers' Welfare Fund	9,837	9,005	13,607	17,750	64,376	4,645
(Reverful of) / provision for impairment	(59,269)	175,072	398,012	(351,238)	439,226	10,034
Before tax and impairment losses	422,754	616,310	1,064,768	518,502	3,593,648	237,648
Before tax from continuing operations	482,023	441,238	666,756	869,740	3,154,422	227,614
After tax from continuing operations	359,810	206,865	365,554	622,041	2,830,974	188,377
Financial Position						
Share Capital						
- Ordinary Shares	9,159,424	9,159,424	9,159,424	9,159,424	9,159,424	7,632,853
Reserves	15,868,851	14,635,087	18,360,984	20,895,106	16,142,424	13,831,048
Outstanding Ordinary Shares (in '000')	915,942	915,942	915,942	915,942	915,942	763,285
Liabilities						
Financings	3,788,448	4,343,614	3,508,603	1,945,264	1,387,421	1,215,882
Current liabilities (excluding current portion of financing)	498,116	577,280	363,253	401,426	332,450	240,786
Assets						
Property and equipment	259,532	88,192	6,284	5,346	7,520	6,656
Investments	25,641,462	25,077,952	26,688,789	27,320,985	22,325,276	22,320,615
Other non-current assets	9,608	30,307	5,535	3,823	4,542	5,447
Current Assets	3,536,245	3,518,954	4,714,043	5,233,188	4,684,381	587,851
Cash Flows						
Net cash flows from operating activities	997,179	(1,865,392)	(853,940)	(1,821,657)	175,086	(1,587,259)
Net cash flows from investing activities	(26,743)	(83,567)	(1,593)	(453)	(2,655)	1,452
Net cash flows from financing activities	(589,441)	817,536	1,552,833	551,634	1,692,946	179,274
Changes in cash and cash equivalents	380,995	(1,131,423)	697,300	(1,270,476)	1,865,377	(1,406,533)
Cash and cash equivalents - year end	677,054	296,059	1,427,482	730,182	2,000,658	135,281



Financial Performance

(Based on Unconsolidated Financial Statements)

	2019	2018	2017	2016	2015	2014	
PROFITABILITY							
Gross Yield on Earning Assets	%	4%	4%	5%	3%	15%	2%
Cost/Income ratio	%	74%	52%	31%	45%	10%	59%
Return on Capital employed	%	3%	2%	2%	3%	12%	2%
LIQUIDITY							
Current Ratio		2.28	2.24	4.66	7.56	6.14	1.04
Quick / Acid test ratio		2.20	2.18	4.46	7.09	5.62	0.39
Cash to Current Liabilities		0.15	0.19	1.41	1.05	2.62	0.24
INVESTMENT MARKET RATIOS							
Basic and Diluted Earnings per Share (Rupees)		0.39	0.23	0.40	0.68	3.36	0.23
Price to Book ratio	%	36%	50%	53%	71%	71%	48%
Dividend Yield ratio	%	0%	0%	0%	0%	0%	0%
Dividend Payout ratio	%	0%	0%	0%	0%	0%	0%
Market value per share at the end of the year (Rupees)		11.44	15.55	18.05	25.39	20.94	14.54
Average Market Price during the year		10.49	17.25	23.21	21.42	21.20	11.36
Average KSE 100 index during the year		36,064	42,154	45,622	37,617	33,649	28,975
CAPITAL STRUCTURE							
Earning assets to total assets ratio	%	99%	99%	99%	99%	98%	98%
Break up Value per Share (Rupees)		27.33	25.98	30.05	32.81	27.62	28.12
Financial Leverage Ratio	%	18%	21%	14%	8%	7%	7%
Weighted Average cost of Debt	%	14%	10%	8%	9%	13%	15%
Debt to Equity	%	15%	18%	13%	6%	5%	6%



Horizontal Analysis

(Rupees in '000)

	Year Ended 2019 VS 2018		Year Ended 2018 VS 2017		Year Ended 2017 VS 2016		Year Ended 2016 VS 2015		Year Ended 2015 VS 2014		Year Ended 2014 VS 2013	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Non Current Assets												
Property and equipment	259,532	194.28	88,192	1,303.43	6,294	17.55	5,346	(29)	7,520	13	6,656	(9)
Investment properties	1,540	(7.23)	1,660	(6.74)	1,780	(6.32)	1,800	(6)	2,020	(9)	2,192	(11)
Long term investments	25,641,462	2.25	25,077,952	(6.04)	26,688,789	(2.31)	27,320,985	22	22,325,276	0	22,320,615	90
Long term loan and advance	5,109	(80.05)	25,620	2,994.20	828	(26.01)	1,119	(36)	1,743	(30)	2,476	(99)
Long term security deposits	2,959	(2.25)	3,027	3.42	2,927	264.05	804	3	779	-	779	11
	25,910,602	2.83	25,196,451	(3.63)	26,700,608	(2.30)	27,336,154	22	22,337,338	0	22,332,718	83
Current Assets												
Loans and advances	772	(98.83)	63,995	17.80	56,024	5,323.43	1,033	(5)	1,092	6	1,030	18
Prepayment, accrued mark up and other receivable	16,369	(14.04)	19,043	(38.02)	45,365	24.25	36,510	71	21,400	39	15,378	3
Short term investments	3,177,131	4.14	3,050,820	0.60	3,032,542	(27.45)	4,179,836	83	2,284,095	2,780	79,321	(91)
Leasing	109,533	23.85	87,037	(42.98)	152,630	(46.56)	285,627	(64)	377,136	6	356,941	0
Cash and Bank Balance	232,440	(21.49)	296,059	(79.26)	1,427,482	95.50	750,182	(64)	2,000,658	1,379	135,281	(91)
	3,536,245	0.49	3,318,934	(23.35)	4,714,043	(9.92)	5,233,188	12	4,684,381	697	387,851	(79)
Total Assets	29,446,847	2.55	28,715,405	(8.59)	31,414,651	(3.53)	32,563,342	21	27,021,719	18	22,920,569	53
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Share Capital - ordinary Shares	9,159,424	-	9,159,424	-	9,159,424	-	9,159,424	-	9,159,424	20	7,632,853	-
Reserves	15,868,251	8.43	14,635,987	(20.29)	18,360,984	(12.13)	20,895,106	29	16,142,424	17	13,831,048	125
	25,028,275	5.19	23,794,311	(13.54)	27,520,408	(9.43)	30,054,530	19	25,301,848	18	21,463,901	56
Non Current Liabilities												
Long term financing	2,738,746	(18.31)	3,352,745	17.23	2,859,934	72.88	1,654,323	73	957,669	7	893,776	36
Liability against assets subject to finance lease	131,018	100.00	-	-	-	-	-	-	-	-	-	
Deferred tax liability	990	100.00	-	(100.00)	22,387	(86.19)	162,122	100	-	-	-	
	2,869,754	(18.31)	3,352,745	17.23	2,859,934	72.88	1,654,323	73	957,669	7	893,776	36
Current Liabilities												
Trade and Other Payable	294,789	(34.60)	450,749	55.70	289,498	(22.71)	374,579	27	295,612	41	209,857	38
Accrued interest markup on borrowing	179,356	41.75	126,531	71.56	73,755	174.72	26,847	(27)	36,638	18	30,929	68
Current portion of long term financing	1,049,702	5.94	990,569	52.75	648,669	122.96	290,941	(32)	430,132	34	322,106	(13)
Current maturity of liability against assets subject to finance lease	23,572	100.00	-	-	-	-	-	-	-	-	-	
	1,547,819	(1.30)	1,568,149	54.97	1,011,922	46.15	692,367	(9)	762,382	36	362,892	4
Total Equity and Liabilities	29,446,847	2.55	28,715,405	(8.59)	31,414,651	(3.53)	32,563,342	21	27,021,719	18	22,920,569	53
PROFIT AND LOSS												
Income												
Return on Investments	958,703	(5.77)	1,017,452	(6.95)	1,093,479	50.70	725,579	15	628,412	79	350,867	(21)
Gain on sale of investments	64,883	15.56	56,147	(80.34)	284,120	266.43	77,537	(98)	3,247,084	3,211	98,065	963
Income from long term loans and funds placements	41,592	(64.12)	115,918	12.16	103,350	3.71	99,656	(31)	143,530	239	42,316	(70)
Commission & Other Income	88,136	47.54	59,818	22.55	48,811	38.21	38,071	(17)	45,851	15	39,944	2
Gain / (loss) on remeasurement at fair value through profit or loss - net	66,969	(1,913.86)	(3,688)	(219.82)	3,078	(42.81)	5,382	(30,000)	(18)	(83)	(109)	(100)
	1,220,281	(2.04)	1,245,647	(18.74)	1,532,838	62.00	946,225	(77)	4,064,879	665	531,083	(17)
Expenditures												
Operating and administrative expenses	210,590	(6.63)	225,603	(2.80)	232,106	(12.51)	265,291	10	241,790	96	123,351	10
Finance cost	577,100	46.20	394,729	77.52	222,387	53.69	144,682	(12)	165,065	(0)	165,239	(10)
Provision for Workers' Welfare Fund	9,837	9.24	9,005	(33.82)	13,607	(23.34)	17,750	(72)	64,376	1,286	4,665	(92)
(Reversal of) / provision for impairment against investment in subsidiaries, associate and joint venture - net	(59,269)	(133.85)	175,072	(56.01)	398,012	(213.32)	(351,238)	(780)	439,226	4,277	10,034	(84)
	738,258	(8.22)	804,409	(7.12)	866,082	1,032.36	76,483	(92)	910,457	200	303,469	(28)
Profit before taxation	482,023	9.24	441,238	(33.82)	666,756	(23.34)	869,740	(72)	3,154,422	1,286	227,614	5
Taxation												
Current	133,735	(37.02)	212,336	0.36	211,146	33.44	158,238	(51)	325,194	729	39,237	8
Prior	(11,522)	(152.28)	22,037	(75.53)	90,056	0.67	89,461	5,024	(1,746)	(100)	-	(100)
	122,213	(47.86)	234,373	(22.19)	301,202	21.60	347,699	(23)	323,448	724	39,237	8
Net Profit for the year	359,810	73.93	206,865	(43.41)	365,554	(41.23)	622,041	(78)	2,830,974	1,493	188,377	4

Vertical Analysis

(Rupees in '000)

	2019		2018		2017		2016		2015		2014	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Non Current Assets												
Property and equipment	289,532	0.88	88,192	0.31	6,284	0.02	5,346	0.02	7,520	0.03	6,656	0.03
Investment properties	1,540	0.01	1,660	0.01	1,780	0.01	1,900	0.01	2,020	0.01	2,192	0.01
Long term investments	25,641,462	87.08	25,677,952	87.33	26,688,789	84.96	27,320,985	83.90	22,321,276	82.62	22,320,613	97.38
Long term loan and advance	5,109	0.02	25,620	0.09	828	0.00	1,139	0.00	1,743	0.01	2,476	0.01
Long term security deposits	2,959	0.01	3,027	0.01	2,927	0.01	804	0.00	779	0.00	779	0.00
	25,910,602	87.99	25,196,451	87.75	26,700,608	84.99	27,330,154	83.93	22,337,338	82.66	22,332,718	97.44
Current Assets												
Loans and Advances	772	0.00	63,993	0.23	36,024	0.18	1,033	0.00	1,092	0.00	1,030	0.00
Prepayment, accrued mark up and other receivable	16,369	0.06	19,043	0.07	45,765	0.14	36,510	0.11	21,400	0.08	15,378	0.07
Short term investments	3,177,131	10.79	3,030,820	10.82	3,032,542	9.88	4,179,836	12.84	3,284,095	8.45	79,321	0.35
Taxation - net	109,534	0.37	87,037	0.30	152,630	0.49	285,627	0.88	377,136	1.40	336,841	1.56
Cash and Bank Balance	232,440	0.79	296,059	1.03	1,427,482	4.54	790,182	2.24	2,000,658	7.40	135,281	0.59
	3,536,245	12.01	3,538,954	12.25	4,714,043	15.01	5,233,185	16.07	4,664,384	17.34	587,851	2.56
Total Assets	29,446,847	100.00	28,715,405	100.00	31,414,651	100.00	32,563,342	100.00	27,021,719	100.00	22,920,569	100.00
EQUITY AND LIABILITIES												
Share Capital and Reserves												
Share Capital - ordinary Shares	9,159,424	31.10	9,159,424	31.90	9,159,424	29.16	9,159,424	28.13	9,159,424	33.90	7,632,833	33.30
Reserves	15,886,851	53.89	14,635,087	50.97	18,360,984	58.45	20,895,106	64.17	16,142,424	59.74	13,831,048	60.34
	25,028,275	84.99	23,794,511	82.86	27,520,408	87.60	30,054,530	92.30	25,301,848	93.64	21,463,901	93.64
Non Current Liabilities												
Long term financing	2,736,746	9.30	3,352,745	11.68	2,859,094	9.10	1,654,323	5.08	937,089	3.54	893,776	3.90
Liability against assets subject to finance lease	131,018	0.44	-	-	-	-	-	-	-	-	-	
Deferred tax liability	999	0.00	-	-	22,387	0.07	162,122	0.50	-	-	-	
	2,737,763	9.30	3,352,745	11.68	2,881,481	9.10	1,816,445	5.58	937,089	3.54	893,776	3.90
Current Liabilities												
Trade and Other Payable	284,788	1.00	450,749	1.57	289,498	0.92	374,579	1.15	295,812	1.09	209,837	0.92
Accrued interest/ markup on borrowing	179,356	0.61	126,531	0.44	73,735	0.23	26,847	0.08	36,638	0.14	30,929	0.13
Current portion of long term financing	1,049,702	3.56	990,569	3.45	648,669	2.06	290,941	0.89	430,332	1.59	322,106	1.41
Current maturity of liability against assets subject to finance lease	23,922	0.08	-	-	-	-	-	-	-	-	-	
	1,547,818	5.26	1,568,149	5.46	1,011,922	3.22	692,367	2.13	762,782	2.82	562,892	2.46
Total Equity and Liabilities	29,446,847	100.00	28,715,405	100.00	31,414,651	100.00	32,563,342	100.00	27,021,719	100.00	22,920,569	100.00
PROFIT AND LOSS												
Income												
Return on investments	958,703	78.36	1,077,452	81.68	1,093,479	71.34	725,579	76.88	628,412	15.46	350,867	66.07
Gain on sale of investments	64,881	5.32	56,147	4.51	284,120	18.54	77,347	8.19	3,247,084	79.88	98,065	18.47
Income from long term loans and funds placements	41,592	3.41	115,918	9.31	103,350	6.74	99,656	10.53	143,550	3.53	42,316	7.97
Commission	-	-	-	-	-	-	-	-	1,440	0.04	3,056	0.58
Other income	88,136	7.22	59,818	4.89	48,811	3.18	38,071	4.02	44,411	1.09	36,888	6.95
Gain / (loss) on remeasurement at fair value through profit or loss - net	66,969	5.49	(3,688)	(0.30)	3,078	0.20	5,382	0.57	(18)	(0.00)	(109)	(0.02)
Total Income	1,220,281	100.00	1,245,647	100.00	1,332,838	100.00	966,225	100.00	4,064,879	100.00	531,083	100.00
Expenditures												
Operating and administrative expenses	210,590	17.25	225,603	18.11	232,106	15.14	285,291	28.04	241,790	5.95	123,551	23.26
Finance cost	577,100	47.29	394,729	31.69	222,357	14.51	144,682	15.29	165,065	4.06	165,239	31.11
Provision for Workers' Welfare Fund	9,837	0.81	9,005	0.72	15,607	0.89	17,250	1.88	64,326	1.58	4,845	0.87
(Reversal of) / provision for impairment against investment in subsidiaries, associate and joint venture - net	(59,269)	(4.86)	175,072	14.05	398,012	25.97	(351,738)	(37.12)	459,226	10.81	10,034	1.89
	78,758	6.50	804,409	64.58	866,082	56.50	76,485	8.08	910,457	22.40	303,469	57.14
Profit before taxation	482,021	39.50	441,238	35.42	666,756	43.50	869,740	91.92	3,154,422	77.60	227,614	42.86
Taxation												
Current	133,735	10.96	212,336	17.05	211,146	13.77	158,238	16.22	325,194	8.00	39,237	7.29
Prior	(11,822)	(0.94)	22,037	1.77	90,056	5.88	89,461	9.45	(1,746)	(0.04)	-	-
	122,213	10.02	234,373	18.82	301,202	19.65	247,699	26.15	323,448	7.96	39,237	7.29
Profit after tax	359,810	29.49	206,865	16.61	365,554	23.85	622,041	65.74	2,830,974	69.64	188,377	35.47



Chairman's Review

Dear Shareholders,

I am pleased to present this review report to the shareholders of Jahangir Siddiqui & Co. Ltd. ("Company" or "JSCL") on overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's objectives.

The Board of Directors ("Board") of JSCL is enriched with appropriate mix of skills, core competencies, diversity, experience and knowledge and is committed to strong corporate governance to protect the overall interests of the Company and its shareholders specially minority shareholders. The Board while exercising its powers under the law has performed its duties diligently and has managed the affairs of the Company in an effective and efficient manner with proven record of meticulous compliance of ethical values, laws and regulations.

The Chairman is a non-executive director. Further, the Board has clearly defined the respective roles and responsibilities of the Chairman and the Chief Executive Officer.

The Board has constituted highly effective Audit, Human Resource & Remuneration and Executive Committees with clear charters having adequate representation of non-executive and independent director with requisite experience and knowledge to manage the affairs of the Company. There exists a constructive relationship amongst the members of the Committees and the Board. The Company arranges orientation courses and requisite trainings for the Board members, wherever required, to enable them to perform their duties in an effective manner.

The Board has engaged Pakistan Institute of Corporate Governance ("PICG") to perform annual evaluation of the Board, its own performance and that of its members and committees. The evaluation report submitted by PICG is reviewed and discussed by the Human Resource and Remuneration Committee of the Board and the Board.

The Board has established policies that cover all essential areas of the Board's responsibility and operations of the Company.

I am pleased to report that the overall performance of the Board has been par excellence. The Board of JSCL with high level oversight on strategic planning, execution of strategies and business risks and continuous guidance has helped in effective steering of the Company by ensuring that the Company's objectives are achieved through a perfect mix of joint efforts of the management team.

Your Company's aim is to enhance qualitative long term growth through best use of resources and operational excellence leading to significant value creation for the stakeholders. I thank you for your support and continued patronage and I thank the Board and our staff for their hard work and commitment to the Company.

Chief Justice (R) Mahboob Ahmed
Chairman

March 12, 2020

چیرمین کا جائزہ

معزز حصص یافتگان،

میں جہانگیر صدیقی اینڈ کمپنی لمیٹڈ (جے ایس سی ایل) کے حصص یافتگان کو بورڈ کی مجموعی کارکردگی اور کمپنی کے مفاد کے حصول میں بورڈ کے مؤثر کردار پر جائزہ پیش کرنے میں بہت خوشی محسوس کر رہے ہوں۔

جے ایس سی ایل کے بورڈ آف ڈائریکٹرز (بورڈ) مہارتوں، بنیادی صلاحیتوں، وسیع تجربے اور علم کے مناسب مرکب کا حامل ہے اور کمپنی اور اس کے حصص یافتگان بالخصوص اقلیتی حصص یافتگان کے مفادات کے تحفظ کے لیے ایک مضبوط کارپوریٹ گورننس پر کاربند ہیں۔ بورڈ نے اختیارات کا استعمال کرتے ہوئے اپنی ذمہ داریوں کو تین دہائیوں سے انجام دیا ہے اور کمپنی کے معاملات کو اخلاقی اقدار، قوانین اور قواعد و ضوابط کی تعمیل کے ساتھ مؤثر اور منظم طریقے سے سنبھالا ہے۔

چیرمین ایک غیر ایگزیکٹو ڈائریکٹر ہے۔ مزید یہ کہ بورڈ نے چیرمین چیف ایگزیکٹو آفیسر کے متعلقہ کردار اور ذمہ داریوں کو واضح طور پر تعین کیا ہے۔

بورڈ نے کمپنی کے معاملات کو چلانے کیلئے واضح چارٹروں کے ساتھ انتہائی مؤثر آڈٹ انسانی وسائل اور معاوضے اور ایگزیکٹو کمیٹیاں تشکیل دی ہیں جن میں مطلوبہ تجربے اور علم کے حامل غیر ایگزیکٹو اور خود مختار ڈائریکٹروں کی نمائندگی ہے۔ کمیٹیوں کے ممبران اور بورڈ کے درمیان تعمیری تعلق قائم ہے کمپنی اپنے بورڈ ممبران کو اپنے فرائض کو مؤثر طریقے سے انجام دینے کیلئے ضرورت کے مطابق تعارفی کورسز اور مطلوبہ تربیت فراہم کرتی ہے۔

بورڈ نے اپنی اور اپنے ممبران اور اپنی کمیٹیوں کی کارکردگی کو جانچنے کیلئے پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کی خدمات حاصل کی ہیں۔ بورڈ اور بورڈ کی ہیومن ریسورس اینڈ ریویویشن کمیٹی نے PICG کی جاری کردہ تشخیصی رپورٹ کا جائزہ لیا اور اپنا تبادلہ خیال پیش کیا۔

بورڈ نے اپنی ذمہ داریوں اور کمپنی آپریشنز کے تمام اہم امور مد نظر رکھتے ہوئے پالیسیاں تشکیل دی ہیں۔

مجھے یہ رپورٹ کرنے میں خوشی محسوس ہو رہی ہے کہ بورڈ کی مجموعی کارکردگی نہایت ہی عمدہ رہی۔ جے ایس سی ایل کے بورڈ کی اسٹریٹجک منصوبہ بندی، حکمت عملی پر عمل درآمد اور کاروباری خطرات پر اعلیٰ درجے کی نگرانی اور بورڈ کی مسلسل رہنمائی کی وجہ سے کمپنی کی مؤثر اسٹریٹجی میں مدد ملنے کے ساتھ ساتھ اس بات کو یقینی بنایا ہے کہ کمپنی کے مقاصد کا حصول منہجیت سے ہو رہا ہے اور بورڈ کی مشن کا دعویٰ کے کامل متراز کا نتیجہ ہے۔

آپ کی کمپنی کا مقصد وسائل کے بہترین استعمال سے طویل مدتی ترقی حاصل کرنا اور بہترین آپریشنل سرگرمیوں سے حصص یافتگان کی قدر میں بہتری لانا ہے۔ میں آپ کی مسلسل حمایت کے لئے مشکور ہوں اور میں بورڈ اور ہمارے اسٹاک کی انتھک محنت اور کمپنی کے لیے مخلصانہ خدمات پیش کرنے کیلئے ان کا شکریہ ادا کرتا ہوں۔

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

کراچی، ۱۲ مارچ ۲۰۲۰



Directors' Report to the Shareholders

DIRECTORS' REPORT TO THE SHAREHOLDERS

Dear Shareholders,

We are pleased to present the Annual Report of Jahangir Siddiqui & Co. Ltd. ("the Company" or "JSCL") along with the audited unconsolidated financial statements and the audited consolidated financial statements of the Company and its subsidiaries ("the Group") and auditors' reports thereon for the year ended December 31, 2019.

THE ECONOMY

In the year 2019, Pakistan made some major improvements on the macroeconomic front. After massive devaluation of the local currency, there was finally some respite for the external account; during the year 2019, the Current Account Deficit (CAD) declined by 80% from the last year ended December 2018. Although exports remained stagnant during the year 2019, imports contracted sharply by 15%, leading to a smaller trade deficit, whereas some support for CAD was also found from 5% growth in remittances. Due to release of pressure on the external account, the country's total liquid foreign exchange reserves increased to USD 17.93 billion at the end of 2019, as compared to USD 13.76 billion at the end of last year.

Inflows from IMF along with the reduction in CAD helped the country shore up its foreign exchange reserves, as SBP's reserves jumped by 58% in 2019 to USD 11.5 billion compared to USD 7.3 billion in 2018, with significant improvement in the import cover as well. Declining twin deficits also helped in improving the risk profile of the country. This was duly recognized by Moody's, which changed the country's outlook to Stable from Negative, a testament to the significant reforms that have been implemented over the year. The country also managed to jump 28 places in the rankings on the World Bank's Ease of Doing Business Index, another indication of the efforts underway to enact reforms and take the country on to the path of sustainable growth. Moreover, the government has focused on various initiatives to improve Pakistan's exports, including renegotiation of the China-Pakistan Free Trade Agreement (CPFTA-II), which will provide duty free access (or low duties) to Pakistani products in the Chinese markets.

While the steps being taken are promising, some challenges remain, such as headline inflation which surged by 9.4 percent during 2019 compared to the previous year, leading to multiple policy rate hikes amounting to 325 basis points in the year. Considering potential energy tariff hikes to reduce the circular debt burden, it is possible that inflation might sway north of the 11-12 percent target set by the central bank for the next year, delaying any possible interest rate cuts. However, the on-going reforms are expected to bear fruit in the longer term, leading to a more stable economy.

EQUITY CAPITAL MARKETS

After negative closes in the previous two years, the KSE-100 finally witnessed a rebound during CY19 as it closed up 10% at 40,735 points. This was driven by the 42% rally witnessed from the low the index made in Aug-2019. Major reasons for the recovery were commencement of the IMF program and subsequent improvement in major macroeconomic indicators. Foreign investors also turned net buyers in the year under review. For the year 2020, considering potential economic recovery, valuations are expected to catch up and narrow the existing high discount of KSE-100 vis-à-vis regional markets.

PRINCIPAL ACTIVITIES:

JSCL is an investment company primarily in financial services and also makes long term investments in growing companies in Pakistan. In financial services, its investments cover all sectors including asset management, commercial banking, investment banking, Islamic banking, securities brokerage and insurance. JSCL also benefits from strategic long term investments in technology, transportation, and industrial sector companies. The Company has also invested in energy and infrastructural projects.

FINANCIAL PERFORMANCE:

Unconsolidated Financial Statements:

The Company reported an after tax profit of PKR 360 million for the year ended December 31, 2019 as against a profit after tax of PKR 207 million For the year ended December 31, 2019. Overall revenues for the year under review have declined to PKR 1,220 million as compared to PKR 1,246 million for the year ended December 31, 2018, owing to lesser dividend income and lower interest income. The operating and administrative expenses have slightly declined however, the finance costs have significantly increased to PKR 577 million as compared to PKR 395 million for the same period last year due to rising interest rates and borrowings. The breakup value per share as of December 31, 2019 was PKR 27.33.

Further, the Company has recorded net reversal of provision for impairment on investments of PKR 59 million due to increase in net assets of unquoted subsidiary company during the year.

	(PKR in '000)
Profit before taxation	482,023
Less: Taxation	
- Current	133,735
- Prior	(11,522)
	122,213
Profit after taxation	<u>359,810</u>

The Earnings Per Share ("EPS") of the Company for 2019 is PKR 0.39.

Consolidated Financial Statements

During the year, the Group has reported improvement in its assets base which increased to PKR 493,882 million as at December 31, 2019 from PKR 480,255 million As at December 31, 2019. The shareholders' equity was PKR 36,163 million as of the year end.

During the year, the Group reported net profit of PKR 51 million for the year ended December 31, 2019 as compared to PKR 815 million for the year ended December 31, 2018, i.e. declined by 94% mainly on account of net loss reported by JS Investments Limited couple with considerable increase in finance cost.

The total income has improved by 39% over the last year mainly on account of increase in income from long term loans and fund placements during the year under review. The administrative and other expenses have increased to PKR 12,561 million i.e. enhanced by 7% over the last year. Impairment expense has reversed by PKR 345 million. However, finance cost has significantly increased to PKR 35,009 million i.e. increased by 64% over the previous year.



	(PKR in '000)
Profit before taxation	405,491
Less: Taxation	
- Current	942,708
- Prior	(4,784)
- Defferred	(583,236)
	354,688
Net profit for the year	50,803
Loss attributable to non-controlling interests	(55,748)
Profit for the year attributable to ordinary shareholders	106,551

Basic and diluted earnings per share is PKR 0.12.

During the year, the effective shareholding of the Holding Company in JS Investments Limited and JS Global Capital Limited, sub-subsidiaries, has increased to 63.43% & 62.66%, respectively, on account of buy-back of shares by aforesaid sub-subsidiaries.

PERFORMANCE OF KEY INVESTMENTS

JS Bank Limited (subsidiary)

JS Bank Limited ("JSBL") is a scheduled bank, incorporated in Pakistan, engaged in commercial banking and related services.

During the year, JSBL reported profit after tax of PKR 25 million as compared to PKR 562 million for the year ended December 31, 2018.

Customer accessibility was strengthened through expansion in branch network, digital channels and branchless banking solutions. In 2019, the Bank widened its branch presence by adding 15 new branch locations and reaching 360 branches across 180 cities of Pakistan including one overseas branch in Manama, Bahrain.

JS Bank remained focused on core deposit mobilization, particularly targeting growth in low cost deposit (Current Accounts - CA). Significant growth in the CA deposits base has been augmented by focusing on affluent and mass affluent market segment, providing greater stability and strength to the Bank.

Key figures are mentioned below:

	<i>PKR in Million</i>		
	2019	2018	Growth
Deposits	369,790	321,413	15.05%
Total Assets	469,821	456,754	2.86%
Investments - net	142,568	148,690	-4.12%
Advances - net	242,944	251,991	-3.59%
Net interest / markup income	7,028	8,809	-20.22%
Profit before tax	133	905	-85.30%
Profit after tax	25	562	-95.55%

JS Bank undertook several initiatives to work towards sustainability and for contributing to the nation's green projects, one such being where the Bank pledged and planted 100,000 plants on August 14, 2019, in collaboration with WWF Pakistan.

JS Investments Limited (Sub-Subsidiary)

JS Investments Limited ("JSIL") is a public listed company incorporated in Pakistan in 1995. The company operates under the licenses of an Investment Adviser, Asset Management Company and Pension Funds Manager obtained from the Securities & Exchange Commission of Pakistan (SECP) under applicable laws. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from SECP.

JSIL reported a net loss after tax of PKR 87 million during the year ended December 31, 2019 as compared to profit after tax of PKR 42 million for the year ended December 31, 2018. The assets under management were PKR 25,031 million for the year ended December 31, 2019.

The Company, with the approval of the Company's shareholders in extraordinary general meeting held on July 24, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listed Companies (Buy Back of Shares) Regulations, 2019 bought back 18,397,562 issued, subscribed and paid-up ordinary shares of the Company at PKR 18 per share. This reduced the outstanding share capital from 80,171,818 shares to 61,774,256 shares.

JS Global Capital Limited (Sub-Subsidiary)

JS Global Capital Limited ("JSGCL") is a Trading Right Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and member of Pakistan Mercantile Exchange Limited (PMEX). The principal activities of the Company are share brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running and consultancy services.

JSGCL posted profit after tax of PKR 47 million for the year ended December 31, 2019 as compared to PKR 26 million during the year ended December 31, 2018. The operating revenue decreased to PKR 370 million during the year. Further, administrative and operating expenses of JSGCL have decreased by PKR 81 million for the year under review.

The Company, with the approval of the Company's shareholders in extraordinary general meeting held on August 20, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listed Companies (Buy Back of Shares) Regulations, 2019 bought back 7,450,000 issued, subscribed and paid-up ordinary shares of the Company at Rs. 55 per share. This reduced the outstanding share capital from 38,007,000 shares to 30,557,000 shares.

Other Subsidiaries

Following diversification strategy and to tap investment opportunities in energy and infrastructural sector, the Holding Company has capitalized Energy Infrastructure Holding (Private) Limited ("EIHPL") for onward investment in its subsidiaries namely JS Petroleum Limited and JS Fuel (Private) Limited for onward investment in LPG storage and oil marketing businesses respectively which are under development phases.

Subsequent to the year end, Competition Commission of Pakistan has accorded its pre-merger approval to EIHPL for acquisition of 100% shareholding of Quality 1 Petroleum (Private) Limited ("Q1"). Q1 is an Oil Marketing Company operating in Pakistan. The Board believes that this acquisition will prove beneficial to the Group through diversification of revenue stream.

DISTRIBUTION

The Board has not considered any distribution to shareholders for the year ended December 31, 2019 on account of further investments and committed principal redemptions of long term borrowings of the Company in 2020.



INVESTING ACTIVITIES

During the year 2019, the Company has invested PKR 214 million in BankIslami Pakistan Limited (“BIPL”), by way of subscription of right shares of PKR 10 each pursuant to the approval of the Board of Directors.

FINANCING ACTIVITIES DURING THE YEAR:

Long Term Borrowings

During the year, the Company has obtained a long term loan of PKR 500 million from a scheduled bank.

Apart from the above, the Company has redeemed/repaid PKR 1,070 million on account of repayments of outstanding TFCs and term loan.

CONTRIBUTION TO NATIONAL EXCHEQUER:

On unconsolidated and consolidated basis the Company along with its subsidiaries have contributed PKR 149 million and PKR 1,026 million respectively to the National Exchequer on account of various federal and provincial governments' levies including income tax and sales tax.

CORPORATE, GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK:

The Directors of the Company are committed to good corporate governance and confirm compliance with the corporate and financial reporting framework of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“CCG”) promulgated by the Securities and Exchange Commission of Pakistan (“SECP”) for the following:

- These financial statements present fairly the state of affairs of the Company, the results of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies as stated in the notes to the accounts have been consistently applied in preparation of financial statements except for the amendments in existing International Financial Reporting Standards (“IFRSs”) that became effective during the year and new IFRSs, if any, adopted locally by the SECP during the year. Accounting estimates are based on reasonable and prudent judgment;
- IFRSs as applicable in Pakistan and the Companies Act, 2017 as stated in the notes attached with the accounts, have been followed in preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored (the internal audit has been outsourced to M/s. Grant Thornton Anjum Rahman Chartered Accountants, a member firm of Grant Thornton International);
- The requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 set out by SECP have been adopted by the Company and are duly complied with. A Statement to this effect along with Statutory Auditors’ Review Report thereon are provided in the Annual Report.
- The Company is financially sound and is a going concern;
- There has been no material departure from the best practices of corporate governance, as detailed in the CCG;
- No material payment is outstanding on account of taxes, duties, levies and charges except as disclosed in the financial statements;
- The statement of summarized key operating and financial data of the last six years appears on Page No. 17; and,

- The Company operates an approved contributory provident fund for all its employees eligible to the scheme. The audited financial statements for the year ended June 30, 2019 indicate that the value of investments of the fund was PKR 22 million.

MANAGEMENT'S DISCLOSURE OF FINANCIAL RESPONSIBILITY AND RISK MANAGEMENT

The Company's management is responsible for preparing the financial statements and related notes contained in the Annual Report.

These financial statements and notes are prepared in accordance with approved accounting standards as applicable in Pakistan. Other financial data included in the Annual Report are consistent with the data in the financial statements.

The Company's accounting policies are integral to understanding the results reported. Accounting policies are described in detail in the notes to the financial statements. The Company's most complex accounting policies require management's judgment to ascertain the valuation of assets and liabilities. The Company has established detailed policies and control procedures that are intended to ensure that valuation methods are fair, well controlled and applied consistently.

The Board of Directors has established a system of sound internal financial controls, for achieving effectiveness and efficiency in its operations, reliable financial reporting and compliance with applicable laws and regulations. The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's financial statements, control system and the independence and performance of its internal and independent auditors. The independent outsourced Internal Audit function of the Company regularly monitors implementation of financial controls.

Year 2019 saw improvement in the performance of stock market but with significantly rising interest rates the year was overall concluded to be challenging for the Company. JSCL's financial health is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geo-political environment, commodities prices, and movements in exchange rates also impact the performance of the capital markets and hence the profitability of JSCL. Discussion on risk management is covered in detail under notes 29 and 30 to the unconsolidated financial statements.

CORPORATE AFFAIRS

The Board of Directors

During the year, election of directors was held on November 25, 2019. Names of the current members of Board of Directors are appearing in the Company Information page. The following directors served on the board during the year:

Male Members:	
Chief Justice (R) Mahboob Ahmed	Chairman, Non-Executive Director
Suleman Lalani	Chief Executive Officer
Muhammad Ali	Non-Executive Director
Ali Raza Siddiqui	Non-Executive Director
Shahid Hussain Jatoi	Non-Executive Director
Saud Ahmed Mirza	Independent, Non-Executive Director
Hasib Navaid Malik	Independent, Non-Executive Director



Female Member: Rukhsana Shah	Non-Executive Director
Outgoing Members: Khalid Imran Kalim-ur-Rahman Munawar Alam Siddiqui	Retired Resigned Resigned

At present, the Board comprises of seven non-executive directors and the Chief Executive Officer (“CEO”). The Board includes a mix of Directors with the right expertise and necessary experience required to fulfill their essential oversight roles. The Board values diversity of business skills and experience as the Directors with diverse skill set, capabilities and experience gained from different geographic and cultural background are critical in today’s competitive business environment.

The positions of the Chairman and CEO are separate in line with the Code and best governance practices.

The Board has three sub committees comprising of Audit Committee, Human Resource & Remuneration Committee and Executive Committee, which assist the Board in the performance of its functions.

Casual Vacancy

During the year 2019, casual vacancies occurred on the Board on June 17, 2019 due to resignations of Mr. Munawar Alam Siddiqui and Mr. Kalim-ur-Rahman. For filling these vacancies, the Board appointed Mr. Shahid Hussain Jatui and Mr. Suleman Lalani on July 26, 2019 and September 13, 2019, respectively, as directors of the Company.

Subsequent to the date of Statement of financial position, Ms. Rukhsana Shah has resigned as a director of the Company with effect from January 03, 2020 and Ms. Hina Athar Khan has been appointed to fill the casual vacancy with effect from March 02, 2020.

Board Meetings

Seven meetings of the Board of Directors were held during the year as mentioned in the Corporate Calendar. The attendance of Directors at Board meetings were as follows:

Name of Directors	Meetings Eligibility	Meetings Attended
Chief Justice (R) Mahboob Ahmed	Seven	Seven
Mr. Ali Raza Siddiqui	Seven	Six
Mr. Munawar Alam Siddiqui *	Four	Four
Ms. Rukhsana Shah**	One	One
Mr. Muhammad Ali	Seven	Five
Mr. Shahid Hussain Jatui***	Three	Three
Mr. Saud Ahmed Mirza	Seven	Seven
Mr. Hasib Navaid Malik**	One	One
Mr. Kalim-ur-Rahman*	Four	Three
Mr. Khalid Imran****	Six	Six
Mr. Suleman Lalani*****	Seven	Seven

- * Resigned on June 17, 2019
- ** Elected on November 25, 2019
- *** Appointed on July 26, 2019
- **** Retired on November 25, 2019
- ***** Appointed on September 13, 2019 as Director and Retired on November 25, 2019

Subsequent to the election of directors held on November 25, 2019, board sub-committees were reconstituted. The composition of board sub-committees and attendance of directors at meetings as mentioned in the Corporate Calendar was as follows:

Audit Committee

Name of Directors	Status	Audit Committee	
		Eligibility	Meeting Attended
Mr. Saud Ahmed Mirza	Chairman - Independent Director	Five	Five
Mr. Ali Raza Siddiqui	Non-Executive Director	Five	Four
Mr. Shahid Hussain Jatoi	Non-Executive Director	Two	Two
Ms. Rukhsana Shah	Non-Executive Director	-	-
Mr. Munawar Alam Siddiqui	Resigned	Three	Two

HR & Remuneration Committee

Name of Directors	Status	HR & Remuneration Committee	
		Eligibility	Meeting Attended
Mr. Saud Ahmed Mirza	Chairman - Independent Director	Three	Three
Chief Justice (R) Mahboob Ahmed	Non-Executive Director	Three	Three
Mr. Suleman Lalani	Chief Executive Officer	Three	Three
Ms. Rukhsana Shah	Non-Executive Director	-	-
Mr. Shahid Hussain Jatoi	Retired	One	One
Mr. Munawar Alam Siddiqui	Resigned	Two	Two

Executive Committee

Name of Directors	Status	Executive Committee	
		Eligibility	Meeting Attended
Mr. Ali Raza Siddiqui	Chairman - Non-Executive Director	One	-
Mr. Shahid Hussain Jatoi	Non-Executive Director	One	One
Mr. Suleman Lalani	Non-Executive Director	One	One



Directors' training program

Mr. Suleman Lalani, Mr. Ali Raza Siddiqui and Mr. Muhammad Ali, are certified from Pakistan Institute of Corporate Governance. Mr. Saud Ahmed Mirza and Mr. Shahid Hussain Jatoi are certified from the Institute of Chartered Accountants of Pakistan, Ms. Rukhsana Shah is certified from Lahore University of Management Sciences and Mr. Hasib Navaid Malik is certified from Institute of Business Administration. Further, Chief Justice (R) Mahboob Ahmed is exempt from the requirement of obtaining directors training certificate as per the exemption criteria provided in the Code.

Directors' Remuneration Policy

The Board of Directors has approved the Directors' Remuneration Policy, as required by the law. The Remuneration of Directors including the Chairman, Chief Executive Officer, Executive Directors, non-Executive and Independent Directors is fixed by the Board as per the approved policy. Directors are also entitled to be paid travelling, hotel and other expenses incurred by them to attend the meetings.

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the performance evaluation of Board is conducted by the Pakistan Institute of Corporate Governance, annually.

Disclosure of interest by Directors etc.

No trades have been carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, executives and their spouses and minor children during the period from January 01, 2019 to December 31, 2019.

POST BALANCE SHEET DATE EVENT

As disclosed in Performance of Key Investments section, Energy Infrastructure Holding (Private) Limited ("EIHPL") has obtained pre-merger approval from Competition Commission of Pakistan for acquisition of 100% shareholding of an existing Oil Marketing Company, viz: Quality 1 Petroleum (Private) Limited.

No other material events have occurred between the end of the year and the date of this report that require adjustments to the enclosed financial statements.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed at note 28 to the unconsolidated financial statements and note 48 to the consolidated financial statements for the year ended December 31, 2019.

CORPORATE SOCIAL RESPONSIBILITY

The operations of the Company do not generate significant environmental and social impacts, but the way its investee companies manage their operations may pose risks to the environment.

The Company being a responsible corporate citizen, regularly contributes towards the well-being of the under-privileged. The Company has made a provision of PKR 5 million in these financial statements towards its CSR initiative. Furthermore, during the year the Company has paid PKR 4 million to Future Trust.

Future Trust ("Trust") is a non-profit benevolent philanthropic organization, a charitable trust constituted under the Trust Act for the promotion, advancement and encouragement of education, medical and healthcare, vocations, rehabilitation, protection and improvement of the environment, self-help, microfinance, relief against poverty and general improvement of the socio-economic conditions and living standards of the people of Pakistan.

JSCL's CEO, Mr. Suleman Lalani, a member of the Board of Directors, Ms. Rukhsana Shah, and Mr. Najmul Hoda Khan, Chief Financial Officer are Trustees in Future Trust.

CREDIT RATING

The Directors are pleased to inform you that the Pakistan Credit Rating Agency (“PACRA”) has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company. Further, the ratings for the Company’s 9th, 10th and 11th TFC issues of PKR 1,000 million, PKR 1,500 million and PKR 1,500 million respectively are also maintained at AA+ (Double A plus) by PACRA.

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

AUDITORS

The current auditors, EY Ford Rhodes Chartered Accountants (a member firm of Ernst & Young Global Limited), being retired offered themselves for reappointment.

They have confirmed that the firm is fully compliant with the International Federation of Accountants’ Guidelines of Code of Ethics, as adopted by Institute of Chartered Accountants of Pakistan (ICAP) and have satisfactory rating under Quality Control Review Program of the ICAP.

On the recommendation of the Board Audit Committee, the Board of Directors recommends the appointment of EY Ford Rhodes, Chartered Accountants for the year ending December 31, 2020, at remuneration to be decided by the management, at the upcoming Annual General Meeting of the Company.

PATTERN OF SHAREHOLDING

The Statement of Pattern of Shareholding of the Company as on December 31, 2019 is annexed to this report.

FUTURE OUTLOOK

The macroeconomic scenario with factors such as higher inflation and a weakening local currency are continuing to prove burdensome for corporate profitability. At the same time, there has been some improvement in the trade deficit due to decreasing oil prices of late and additional restrictions on imports, but more needs to be done to bring about a sustainable change in Pakistan’s international trade. On the fiscal front, the government’s crackdown on tax evaders might ultimately lead to increasing the tax net and decreasing the seemingly perpetual revenue shortfall. However, this is a longer term measure and more reforms are needed to bridge the budget deficit in the short term.

The Company views that its investments, especially in banking and insurance sectors, along with energy, telecommunication, media and technology and infrastructural sectors via its subsidiaries will continue to contribute significantly and positively towards enhancing shareholders’ value.

ACKNOWLEDGEMENT

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

For and on behalf of the
Board of Directors

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Karachi: March 12, 2020

طرزِ حصص داری

31 دسمبر ۲۰۱۹ء کے اختتام پر کمپنی کی طرزِ حصص داری کی اسٹیٹمنٹ اس رپورٹ کے ساتھ منسلک ہے۔

مستقبل کے امکانات

اقتصادی اور معاشی صورتحال کے ساتھ بڑھتی ہوئی افراطِ زر اور گرتی ہوئی روپے کی قدر جیسے عوامل مسلسل رکاوٹ کا باعث ہیں دوسری طرف تیل کی قیمتوں میں کمی اور درآمد پر اضافی پابندیاں عائد ہونے کی وجہ سے تجارتی خسارے میں بہتری واقع ہوئی ہے لیکن پاکستان کے بین الاقوامی تجارت میں پائیدار تبدیلی کے لئے مزید اقدامات کی ضرورت ہے۔ مالی محاذ پر ٹیکس ناہندگان کے خلاف گورنمنٹ کا کریک ڈاؤن ٹیکس ٹیبلٹ میں اضافے کا سبب بن سکتا ہے اور بظاہر مسلسل آمدنی کی قلت کے فقدان کو کم کر سکتا ہے۔ تاہم یہ طویل مدتی اقدامات ہیں اور قلیل مدت میں بجٹ کے خسارے کو کم کرنے کیلئے مزید اصلاحات کی ضرورت ہے۔

کمپنی اس بات کی امید رکھتی ہے کہ سرمایہ کاری بالخصوص بینکنگ اور انشورنس کے شعبوں کے علاوہ توانائی، ٹیلی مواصلات، میڈیا اور ٹیکنالوجی کے شعبوں میں اپنی مکمل ملکیتی ذیلی اداروں کے ذریعے سرمایہ کاری حصص یافتگان کی ملکیت میں اضافے کا باعث ہوگی۔

قدر شناسی

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

برائے اور مخانب

بورڈ آف ڈائریکٹرز

چیف جسٹس (ریٹائرڈ) محبوب احمد

چیرمین

سلیمان لالانی

چیف ایگزیکٹو آفیسر

کراچی۔ ۱۲ مارچ ۲۰۲۰

بیلینس شیٹ کی تاریخ کے بعد کا واقعہ

جیسا کہ اہم سرمایہ کاری کی کارکردگی کے حصے میں بتایا گیا ہے کہ انرجی انفراسٹرکچر ہولڈنگ (پرائیویٹ) لمیٹڈ (EIHPL) نے ایک موجودہ آئل مارکیٹنگ کمپنی کو الٹی 1 پیپرولیم (پرائیویٹ) لمیٹڈ کے 100 فیصد حصص یا فگی کے حصول کے لئے Competition Commission of Pakistan سے ضم اہتمام کی منظوری حاصل کی ہے۔

مالی سال ختم ہونے کے بعد اور اس رپورٹ کی تاریخ کے درمیان دوسرے کوئی ہم واقعات رونما نہیں ہوئے جس کی وجہ سے ان منسلک مالی گوشواروں میں کسی ردوبدل کی ضرورت ہو۔

ریٹیلڈ پارٹی ٹرانزیکشنز

ریٹیلڈ پارٹی ٹرانزیکشنز انفرادی مالیاتی گوشواروں کے نوٹ ۲۸ اور مجموعی مالیاتی گوشواروں کے نوٹ ۲۸ میں شامل کی گئی ہیں۔

کارپوریٹ سماجی ذمہ داری

کمپنی کے کاروباری عمل سے ماحولیات اور سماج پر کوئی منفی اثر نہیں پڑتا لیکن اس کی سرمایہ کار کمپنیوں کے کاروباری عمل ماحول پر اثر انداز ہو سکتے ہیں۔

کمپنی ایک ذمہ دار کارپوریٹ شہری ہونے کی بناء پر کم مراعات یافتہ طبقے کی بحالی کی خدمات میں باقاعدگی سے شریک ہوتی ہے۔ ان مالی گوشواروں میں کمپنی نے ۵ ملین روپے CSR خدمات کی مد میں مختص کئے ہیں۔ علاوہ ازیں اس سال کے دوران کمپنی نے ۴ ملین روپے فیوچر ٹرسٹ (Future Trust) کو ادا کئے ہیں۔

فیوچر ٹرسٹ (Trust) ٹرسٹ ایکٹ (Trust Act) کے تحت قائم کردہ ایک غیر منافع بخش رفاہی ادارہ ہے۔ ایک کارخیز سے متعلق ٹرسٹ جسکا مقصد تعلیم، طبی اور صحت کی دیکھ بھال، روزگار، بحالی، تحفظ، ماحول کی بہتری، حوصلہ افزائی، مائیکرو فنانس، غر ب سے نجات اور پاکستان کے لوگوں کے سماجی اقتصادی حالات اور معیار زندگی میں بہتری کے فروغ، ترقی اور حوصلہ افزائی کے لئے کام کرنا ہے۔

جے ایس سی ایل کے سی ای او جناب سلیمان لالانی، بورڈ آف ڈائریکٹرز کی رکن محترمہ رخسانہ شاہ اور جناب نجم الہدی خان، چیف فنانشل آفیسر فیوچر ٹرسٹ میں ٹرسٹیز ہیں۔

کریڈٹ ریٹنگ

ڈائریکٹرز یہ بتاتے ہوئے مسرت محسوس کر رہے ہیں کہ پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لئے لٹویل مدتی ریٹنگ AA (Double A) اور مختصر مدتی کریڈٹ ریٹنگ A1+ (A One Plus) کو برقرار رکھا ہے۔ مزید یہ کہ PACRA نے کمپنی کے 1000 ملین روپے کے نوٹوں اور 1500 ملین روپے کے دسویں اور 1500 ملین روپے کے گیارہویں TFC (PSX پر لسٹڈ ہے) کو بھی (Double A Plus) AA+ پر برقرار رکھا ہے۔

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

آڈیٹرز

موجودہ آڈیٹرز EY فورڈ ر ہوڈز چارٹرڈ اکاؤنٹنٹس (ارنٹ اینڈ گلوبل لمیٹڈ کی ایک ممبر فرم) ریٹائر ہو رہے ہیں اور انہوں نے دوبارہ تعیناتی کے لئے رضامندی ظاہر کی ہے۔ انہوں نے یہ یقین دہانی کرائی ہے کہ اسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) کی طرف سے انہیں تسلی بخش ریٹنگ عطا کی گئی ہے اور کوڈ آف اے ٹیکسٹیکس آف انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس (IFAC) جو کہ (ICAP) نے اختیار کئے ہیں سے بھی مطابقت کی تصدیق کی ہے۔

بورڈ آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے ۳۱ دسمبر ۲۰۲۰ کو ختم ہونے والے مالی سال کیلئے EY فورڈ ر ہوڈز چارٹرڈ اکاؤنٹنٹس کی، انتظامیہ کے طے کردہ معاوضے کے تحت، بطور آڈیٹرز تعیناتی کیلئے منعقد ہونے والے سالانہ اجلاس عام میں سفارش کی ہے۔



انسانی وسائل اور معاوضے کی کمیٹی

ڈائریکٹرز کے نام	موجودہ حیثیت	میٹنگ میں شرکت کی اہلیت	میٹنگ میں شرکت
جناب سعود احمد مرزا	چیئر مین۔ خود مختار ڈائریکٹر	۳	۳
جناب جسٹس (ر) محبوب احمد	غیر ایگزیکٹو ڈائریکٹر	۳	۳
جناب سلیمان لالانی	غیر ایگزیکٹو ڈائریکٹر	۳	۳
محترمہ رخسانہ شاہ	غیر ایگزیکٹو ڈائریکٹر	-	-
جناب شاہد حسین جتوئی	ریٹائرڈ	۱	۱
جناب منور عالم صدیقی	استعفیٰ دے دیا	۲	۲

ایگزیکٹو کمیٹی

ڈائریکٹرز کے نام	موجودہ حیثیت	میٹنگ میں شرکت کی اہلیت	میٹنگ میں شرکت
جناب علی رضا صدیقی	چیئر مین۔ غیر ایگزیکٹو ڈائریکٹر	۱	-
جناب شاہد حسین جتوئی	غیر ایگزیکٹو ڈائریکٹر	۱	۱
جناب سلیمان لالانی	غیر ایگزیکٹو ڈائریکٹر	۱	۱

ڈائریکٹرز ٹریننگ پروگرام

جناب سلیمان لالانی، جناب علی رضا صدیقی اور جناب محمد علی پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس سے سند یافتہ ہیں۔ جناب سعود احمد مرزا اور جناب شاہد حسین جتوئی انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان سے سند یافتہ ہیں۔ محترمہ رخسانہ شاہ لاہور یونیورسٹی آف مینجمنٹ سائنسز سے سند یافتہ ہے اور جناب حبیب نوید ملک انسٹیٹیوٹ آف بزنس ایڈمنسٹریشن سے سند یافتہ ہیں۔ مزید یہ کہ چیف جسٹس (ر) محبوب احمد کوڈ میں فراہم کردہ چھوٹ کے معیار کے مطابق ڈائریکٹرز ٹریننگ سرٹیفکیٹ حاصل کرنے کی ضرورت سے مستثنیٰ ہے۔

ڈائریکٹرز کی معاوضہ پالیسی

قانون کے مطابق بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی معاوضہ پالیسی منظور کی ہے۔ ڈائریکٹرز جن میں چیئر مین، چیف ایگزیکٹو، نان ایگزیکٹو ڈائریکٹر اور خود مختار ڈائریکٹر شامل ہے کا معاوضہ بورڈ کی طرف سے منظور شدہ پالیسی کے مطابق مقرر کیا گیا۔ ڈائریکٹرز میٹنگ میں شرکت کیلئے ادا کردہ سفری اور دیگر اخراجات کا حقدار ہے۔

بورڈ کی تشخص

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، ۲۰۱۹ کے ضابطے پر عمل درآمد کیلئے بورڈ کی کارکردگی کی تشخص سالانہ بنیاد پر پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس انجام دیتا ہے۔

ڈائریکٹرز کے مفاد کا اعلان

ڈائریکٹرز، چیف ایگزیکٹو آفیسر، کمپنی سیکریٹری، چیف فنانشل آفیسر، دیگر ایگزیکٹو اور ان کے ازواج اور کم عمر بچوں نے یکم جنوری ۲۰۱۹ء سے ۳۱ دسمبر ۲۰۱۹ء کی مدت کے دوران کمپنی کے حصص میں کوئی خرید و فروخت نہیں کی ہے۔

بورڈ کے اجلاس

جیسا کہ کارپوریٹ کیلنڈر میں بتایا گیا ہے کہ سال کے دوران بورڈ آف ڈائریکٹرز کے سات اجلاس ہوئے۔ بورڈ کے اجلاسوں میں ڈائریکٹرز کی شرکت مندرجہ ذیل تھی:

ڈائریکٹر کا نام	میٹنگ میں شرکت کی اہلیت	میٹنگ میں شرکت
چیف جسٹس (ر) محبوب احمد	۷	۷
جناب علی رضا صدیقی	۷	۶
جناب منور عالم صدیقی*	۴	۴
محترمہ رخسانہ شاہ**	۱	۱
جناب محمد علی	۷	۵
جناب شاہد حسین جتوئی***	۳	۳
جناب سعود احمد مرزا	۷	۷
جناب حبیب نوید ملک**	۱	۱
جناب کلیم الرحمن*	۴	۳
جناب خالد عمران****	۶	۶
جناب سلیمان لالانی*****	۷	۷

* ۱۷ جون ۲۰۱۹ء کو استعفیٰ دے دیا۔

** ۲۵ نومبر ۲۰۱۹ء کو منتخب ہوئے۔

*** ۲۶ جولائی ۲۰۱۹ء کو بحیثیت ڈائریکٹر تقرر ہوئے۔

**** ۲۵ نومبر ۲۰۱۹ء کو ریٹائر ہوئے۔

***** ۱۳ ستمبر ۲۰۱۹ء کو بحیثیت ڈائریکٹر مقرر ہوئے اور ۲۵ نومبر ۲۰۱۹ء کو ریٹائر ہوئے۔

۲۵ نومبر ۲۰۱۹ء کو منعقدہ ڈائریکٹرز کے انتخاب کے بعد بورڈ کی ذیلی کمیٹیوں کی تشکیل نو کی گئی۔ بورڈ ذیلی کمیٹیوں کی تشکیل اور کارپوریٹ کیلنڈر میں مذکور میٹنگوں میں ڈائریکٹرز کی شرکت مندرجہ ذیل تھی۔

آڈٹ کمیٹی

ڈائریکٹرز کے نام	موجودہ حیثیت	میٹنگ میں شرکت کی اہلیت	میٹنگ میں شرکت
جناب سعود احمد مرزا	چیرمین۔ خود مختار ڈائریکٹر	۵	۵
جناب علی رضا صدیقی	غیر ایگزیکٹو ڈائریکٹر	۵	۴
جناب شاہد حسین جتوئی	غیر ایگزیکٹو ڈائریکٹر	۲	۲
محترمہ رخسانہ شاہ	غیر ایگزیکٹو ڈائریکٹر	-	-
جناب منور عالم صدیقی	استعفیٰ دے دیا	۳	۲



کارپوریٹ معاملات

بورڈ آف ڈائریکٹرز

سال کے دوران، ڈائریکٹرز کا انتخاب ۲۵ نومبر، ۲۰۱۹ء کو منعقد ہوا۔ بورڈ آف ڈائریکٹرز کے موجودہ ممبروں کے نام کمپنی کے انفارمیشن بیج میں آرہے ہیں۔ مندرجہ ذیل ڈائریکٹرز نے سال کے دوران بورڈ پر خدمات انجام دیں۔

مرد ممبران

چیف جسٹس (ر) محبوب احمد	چیئرمین، غیر ایگزیکٹو ڈائریکٹر
سلیمان لالانی	چیف ایگزیکٹو آفیسر
محمد علی	غیر ایگزیکٹو ڈائریکٹر
علی رضا صدیقی	غیر ایگزیکٹو ڈائریکٹر
شاہد حسین جتوئی	غیر ایگزیکٹو ڈائریکٹر
سعود احمد مرزا	خود مختار، غیر ایگزیکٹو ڈائریکٹر
حسب نوبید ملک	خود مختار، غیر ایگزیکٹو ڈائریکٹر

خاتون ممبر

رخسان شاہ	غیر ایگزیکٹو ڈائریکٹر
-----------	-----------------------

سبکدوش ہونے والے ممبران:

خالد عمران	ریٹائرڈ
کلیم الرحمن	مستعفی ہو گئے
منور عالم صدیقی	مستعفی ہو گئے

موجودہ بورڈ سات غیر ایگزیکٹو ڈائریکٹرز حضرات اور ایک چیف ایگزیکٹو پر مشتمل ہے۔ بورڈ کے ڈائریکٹرز اہل مہارت اور ضروری تجربہ رکھتے ہیں جو کمپنی کے امور کی نگرانی کیلئے لازمی ہیں۔ بورڈ کاروباری مہارت میں تنوع اور تجربے کو اہمیت دیتا ہے کیونکہ موجودہ مسابقتی کاروباری ماحول وہ میں ڈائریکٹرز بہت اہم ہیں۔ جو مختلف جغرافیائی ثقافتی ماحول سے حاصل کردہ مہارت میں تنوع، صلاحیت اور تجربہ رکھتے ہیں۔

کوڈ اور بہترین کارپوریٹ پریکٹسز کے مطابق چیئرمین اور سی ای او کی پوزیشنز الگ الگ ہیں۔

بورڈ کی تین ذیلی کمیٹیاں ہیں جو کہ آڈٹ کمیٹی، انسانی وسائل اور معاوضہ کمیٹی اور ایگزیکٹو کمیٹی پر مشتمل ہیں جو بورڈ کو اسکی ذمہ داریاں ادا کرنے میں معاونت فراہم کرتی ہیں۔

بورڈ میں عارضی اسامی

سال ۲۰۱۹ء کے دوران، جناب منور عالم صدیقی اور جناب کلیم الرحمن کے استعفیوں کی وجہ سے بورڈ میں ۱۷ جون ۲۰۱۹ء کو عارضی اسامیاں پیدا ہو گئیں۔ ان اسامیوں کو پُر کرنے کیلئے بورڈ نے جناب شاہد حسین جتوئی اور جناب سلیمان لالانی کو بالترتیب ۲۶ جولائی ۲۰۱۹ء اور ۱۳ ستمبر ۲۰۱۹ء کو کمپنی کا ڈائریکٹر مقرر کیا۔

سال ۲۰۱۹ء ختم ہونے کے بعد، محترمہ رخسان شاہ نے ۳ جنوری ۲۰۲۰ء سے کمپنی کے ڈائریکٹر کے عہدے سے استعفیٰ دے دیا ہے اور محترمہ حنا اطہر خان کو ۲ مارچ ۲۰۲۰ء سے ڈائریکٹر کے عہدے پر فائز کر لیا گیا ہے۔

- یہ مالیاتی گوشوارے کاروباری عمل درآمد کے نتائج کی پیش گوئی اور کاروباری معاملات کو شفافیت سے ظاہر کرتی ہے۔
- کمپنی کے اکاؤنٹ کی کتابیں مناسب طریقے سے مرتب کی گئی ہیں۔
- مالیاتی گوشوارے اور اکاؤنٹس کے تخمینوں میں موزوں اکاؤنٹنگ پالیسیز استعمال کی گئی ہیں سوائے ان ترامیم کے جو اس سال قابل اطلاق اور بین الاقوامی فنانسینشل رپورٹنگ اسٹینڈرڈز (IFRSs) میں مشور ہوئیں۔ اور نئے آنے والے IFRSs میں، اور جنہیں سال کے دوران مقامی طور پر SECP نے منظور کر لیا ہے۔ اکاؤنٹنگ کیلئے تخمینے معقول حد تک تجربے کی بنیاد پر ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں قابل اطلاق بین الاقوامی فنانسینشل رپورٹنگ اسٹینڈرڈز اور ایکٹ کمپنیز ۲۰۱۷ء اختیار کئے گئے ہیں۔
- اندرونی کنٹرول کے نظام کو موثر طریقے سے وضع کیا گیا اور اس پر بہتر طور پر عمل درآمد کی نگرانی کی گئی۔ اندرونی کنٹرول کے کام کو گرانٹ تھورن چارٹرڈ اکاؤنٹنٹس (رکن فرم گرانٹ تھورن انٹرنیشنل) کو سونپا گیا ہے۔
- کمپنی لیسڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز ۲۰۱۹ء جو کہ SECP کی طرف سے جاری کی گئی ہیں کو اختیار کیا ہے اور اس پر صحیح طریقے سے عمل کیا جاتا ہے۔ اسکے لئے سالانہ رپورٹ میں ایک اسٹیٹمنٹ مع آڈیٹرز کی جائزہ رپورٹ کے پیش کی گئی ہے۔
- فعال بزنس کو جاری رکھنے کیلئے کمپنی کی صلاحیت سے متعلق کوئی شبہ نہیں ہے۔
- کارپوریٹ گورننس کے بہترین ضابطہ عمل سے کچھ بھی انحراف نہیں کیا گیا ہے (جس کی تفصیلات CCG میں موجود ہیں)
- کوئی قابل ذکر واجب الادا ایسی سز، ڈیوٹی، عائد کردہ محصول اور چارجز نہیں ہیں سوائے ان کے جو مالیاتی گوشوارے میں ظاہر کی گئی ہیں۔
- گزشتہ چھ سالوں کی اہم آپریٹنگ اور فنانشل معلومات صفحہ نمبر 17 پر موجود ہیں۔
- کمپنی اپنے اہل ملازمین کو منظور کردہ پروویڈنٹ فنڈ بھی فراہم کرتی ہے۔ ۳۰ جون ۲۰۱۹ء کو ختم ہونے والے سال کے لئے آڈیٹڈ مالیاتی گوشواروں کے مطابق سرمایہ کاری کی رقم ۲۲ ملین روپے ہے۔

انتظامیہ کا مالی ذمہ داری اور رسک منیجمنٹ پر اظہار

کمپنی کی انتظامیہ سالانہ رپورٹ میں دیئے گئے مالی گوشواروں اور متعلقہ نوٹس (Notes) کی تیاری کی ذمہ دار ہے۔

یہ مالی گوشوارے اور نوٹس منظور شدہ اکاؤنٹنگ اسٹینڈرڈز جو پاکستان میں قابل اطلاق ہیں کے مطابق تیار کئے گئے ہیں۔ سالانہ رپورٹ میں دیئے گئے دیگر مالیاتی اعداد و شمار مالیاتی گوشواروں میں دیئے گئے اعداد و شمار کے مطابق ہیں۔

کمپنی کی اکاؤنٹنگ پالیسیاں رپورٹڈ نتائج کو سمجھنے کے لئے لازمی ہیں۔ اکاؤنٹنگ پالیسیاں مالی گوشواروں کے نوٹس میں تفصیل سے بیان کی گئی ہیں۔ اثاثوں اور واجبات کی قدر کے تعین میں کمپنی کی سب سے زیادہ پیچیدہ اکاؤنٹنگ پالیسیوں کیلئے انتظامیہ کے فیصلوں کی ضرورت ہوتی ہے۔ کمپنی نے اثاثوں کی مالیت کے تعین کے طریقوں کو مناسب انداز سے کنٹرول کرنے اور مسلسل استعمال کرنے کیلئے تفصیلی پالیسیاں اور کنٹرول کے طریقے کار کو قائم کیا ہے۔

ڈائریکٹرز نے انتظام میں مطلوب اور مشور کارکردگی کے حصول، قابل اعتماد مالی رپورٹنگ اور قابل اطلاق قوانین پر عمل پیرا ہونے کیلئے ایک منظم اندرونی مالیاتی کنٹرول کا نظام قائم کیا ہے۔ بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی ("BAC") ادارے کے مالیاتی گوشواروں، کنٹرول کے نظام کی سالمیت اور خود مختاری اور اسکے داخلی اور خود مختار آڈیٹرز کی کارکردگی کی نگرانی کی ذمہ دار ہے۔ خود مختار آڈٹ سوز ڈائریکٹرز آڈٹ فیکشن باقاعدگی سے مالی کنٹرول کے عمل کو مانیٹر کرتا ہے۔

سال ۲۰۱۹ء میں اسٹاک مارکیٹ کی کارکردگی میں بہتری دیکھنے میں آئی لیکن نمایاں طور پر بڑھتی ہوئی شرح سود کے ساتھ سال کے آخر میں یہ نتیجہ اخذ کیا گیا کہ یہ سال کمپنی کے لئے چیلنجنگ تھا۔ بے ایس سی ایل کی مالیاتی صحت کا انحصار ملک کی کسٹومر مارکیٹ کی مجموعی کارکردگی پر ہے جو کہ پاکستان کی مجموعی اقتصادی اور سیاسی ماحول سے اثر انداز ہوتی ہے۔ عالمی معاشی پرفورمنس، سیاسی صورتحال، اشیاء کی قیمتیں اور زیر مبادلہ کی شرح میں رد و بدل کا اثر کسٹومر مارکیٹس پر ہوتا ہے اور اس طرح کمپنی کی پرفورمنس پر بھی۔ رسک منیجمنٹ پر تفصیلی تذکرہ انفرادی مالیاتی گوشواروں کے نوٹ نمبر ۳۰ میں پیش کیا گیا ہے۔

۲۰ اگست ۲۰۱۹ء کو منعقد ہونے والے غیر معمولی اجلاس عام میں JSGCL کے حصص یافتگان کی منظوری کے مطابق اور کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۸۸ کے تحت جسے لسٹڈ کمپنیز (Buy-Back) ریگولیشنز ۲۰۱۹ء کے ساتھ پڑھا جائے، کے مطابق JSGCL کے ۲,۳۵۰,۰۰۰ حصص کو ۵۵ روپے فی حصص پر واپس خرید لیا ہے۔ اس سے JSGCL کے کل جاری کردہ عام حصص ۳۸,۰۰۰,۰۰۰ سے کم ہو کر ۳۰,۵۵۸,۰۰۰ تک ہو گئے۔

دیگر ذیلی ادارے

متنوع حکمت عملی پر عمل پیرا ہوتے ہوئے اور توانائی اور انفراسٹرکچر سیکٹر میں سرمایہ کاری کے مواقع کے حصول کیلئے ہولڈنگ کمپنی نے انرجی انفراسٹرکچر ہولڈنگ (پرائیوٹ) لمیٹڈ میں سرمایہ کاری کی ہے تاکہ وہ اپنی ذیلی کمپنیوں میں جن کے نام جے ایس پیول (پرائیوٹ) لمیٹڈ اور جے ایس پیٹرولیم لمیٹڈ ہیں تاکہ وہ بالترتیب آئل مارکنگ اور LPG اسٹوریج کے کاروباروں جوڈیولمنٹ فیز میں ہیں سرمایہ کاری کر سکے۔

سال کے اختتام کے بعد، Competition Commission of Pakistan نے کوائلیٹی 1 پیٹرولیم (پرائیوٹ) لمیٹڈ (Q1) کی 100 فیصد شیئرز ہولڈنگ کو انضمام سے قبل منظوری دے دی ہے۔ Q1 ایک آئل مارکنگ کمپنی ہے جو کہ پاکستان میں کام کر رہی ہے۔ بورڈ کا خیال ہے کہ آمدنی میں تنوع کے ذریعہ یہ سرمایہ کاری گروپ کے لئے فائدہ مند ثابت ہوگا۔

منافع کی تقسیم

۲۰۲۰ء میں مزید سرمایہ کاری اور طویل مدتی قرضوں کی ادائیگی کی ترجیحات کے پیش نظر بورڈ نے ختم شدہ سال ۲۰۱۹ء میں حصص یافتگان کیلئے منافع کی تقسیم نہ کرنے کا فیصلہ کیا ہے۔

سرمایہ کاری کی سرگرمیاں

سال ۲۰۱۹ء کے دوران کمپنی نے بورڈ آف ڈائریکٹرز کی منظوری کے بعد بینک اسلامی پاکستان لمیٹڈ (BIPL) میں ۱۰ روپے فی حصص کے حساب سے ۲۱۳ ملین روپے کی رائٹ حصص کی مد میں سرمایہ کاری کی ہے۔

سال کے دوران فنانسنگ سرگرمیاں

طویل مدتی قرضے

سال کے دوران، کمپنی نے شیڈول بینک سے 500 ملین روپے کا طویل مدتی قرض حاصل کیا ہے۔

ذکورہ بالا کے علاوہ کمپنی نے ۷۰ ملین روپے TFCs اور مدتی قرض کی ادائیگیوں کی مد میں ادا کیے ہیں۔

قومی خزانے کو ادائیگی

کمپنی نے انفرادی طور پر اور اپنی ذیلی کمپنیوں کے ہمراہ مجموعی طور پر قومی خزانے کو مختلف ۱۳۹ ملین روپے اور ۱,۰۲۶ ملین روپے وفاقی اور صوبائی محصولات کی مد میں جن میں بالترتیب انکم ٹیکس اور سیلز ٹیکس شامل ہیں کی ادائیگی کی ہے۔

کارپوریٹ گورننس اور مالیاتی رپورٹنگ فریم ورک

کمپنی کے ڈائریکٹرز اچھی کارپوریٹ گورننس کے لئے مصروف عمل ہیں اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے لسٹڈ کمپنیز کوڈ آف کارپوریٹ گورننس (ریگولیشنز ۲۰۱۹ء) کے کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے ساتھ مندرجہ ذیل معاملات کی تعمیل کی تصدیق کرتے ہیں۔

اہم اعداد و شمار درج ہیں:

----- روپے ملین -----

نمبر	۲۰۱۸	۲۰۱۹	
ڈپازٹس	۳۲۱،۴۱۳	۳۶۹،۷۹۰	۱۵.۰۵ فیصد
کل اثاثے	۴۵۶،۷۵۴	۴۶۹،۸۲۱	۲.۸۶ فیصد
خالص سرمایہ کاری	۱۴۸،۶۹۰	۱۴۲،۵۶۸	(۴.۲۱) فیصد
خالص پیچگی	۲۵۱،۹۹۱	۲۲۲،۹۴۴	(۳.۵۹) فیصد
خالص منافع / مارک اپ آمدنی	۸،۸۰۹	۷،۰۲۸	(۲۰.۲۲) فیصد
منافع قبل از ٹیکس	۹۰۵	۱۳۳	(۸۵.۳۰) فیصد
منافع بعد از ٹیکس	۵۶۲	۲۵	(۹۵.۵۵) فیصد

استحکام کی طرف اور ملک کے سبب مضمویوں میں شرکت کے لئے جے ایس بینک نے متعدد اقدامات اٹھائے، ایسا ہی ایک قدم جہاں بینک نے اگست ۲۰۱۹ کو WWF پاکستان کے تعاون سے ۱۰۰،۰۰۰ روپے لگانے کے وعدے کو پورا کیا۔

جے ایس انویسٹمنٹس لمیٹڈ (ذیلی ادارہ)

جے ایس انویسٹمنٹس لمیٹڈ (جے ایس آئی ایل) ایک پبلک لسٹیڈ کمپنی ہے جو کہ پاکستان میں ۱۹۹۵ میں قائم ہوئی۔ کمپنی قابل اطلاق قوانین کے تحت سکیورٹیز اینڈ ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) سے انویسٹمنٹ ایڈوائزری، اثاثہ منجمنٹ کمپنی اور اینیشن فنڈ منیجر کے تحت لائسنس یافتہ ہے۔ حال ہی میں جے ایس آئی ایل نے ایس ای سی پی سے پرائیویٹ ایکویٹی اور ڈسٹرکچرل فنڈ منجمنٹ سروسز لائسنس حاصل کیا ہے۔

جے ایس انویسٹمنٹس لمیٹڈ ("جے ایس آئی ایل") کے ۳۱ دسمبر ۲۰۱۹ء میں ختم ہونے والے سال کا نقصان بعد از ٹیکس ۸۷ ملین روپے رہا جبکہ ۳۱ دسمبر ۲۰۱۸ء میں منافع بعد از ٹیکس ۳۲ ملین روپے تھا۔ ۱۳ دسمبر ۲۰۱۹ء میں زیر انتظام اثاثے (AUMs) ۲۵،۰۳۱ ملین روپے رہے۔

۲۲ جولائی ۲۰۱۹ء کو منعقد ہونے والے غیر معمولی اجلاس عام میں جے ایس آئی ایل کے حصص یافتگان کی منظوری کے مطابق اور کمپنیز ایکٹ ۲۰۱۷ء کے سیکشن ۸۸ کے تحت جسے لسٹڈ کمپنیز (Buy-Back) ریگولیشنز، ۲۰۱۹ء کے ساتھ پڑھا جائے، کے مطابق جے ایس آئی ایل کے ۱۸،۳۹۷،۵۶۲ حصص کو ۱۸ روپے فی حصص پر واپس خرید لیا ہے۔ اس سے جے ایس آئی ایل کے کل جاری کردہ عام حصص ۸۰،۱۷۱،۸۱۸ سے کم ہو کر ۲۵،۰۳۱،۷۷۷ تک ہو گئے۔

جے ایس گلوبل کیپیٹل لمیٹڈ (ذیلی ادارہ)

کمپنی پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کی ٹریڈنگ رائٹ انٹرنیشنل میٹ سرٹیفکیٹ (TREC) کی حامل ہے اور پاکستان مرکزی اسٹاک ایکسچینج لمیٹڈ کی ممبر ہے۔ کمپنی کی بنیادی سرگرمیوں میں حصص کی بروکرینج، مٹی مارکیٹ کی بروکرینج، زر مبادلہ کی بروکرینج، کموڈٹی بروکرینج، ایڈوائزری انڈرائٹنگ، بک رنگ اور کنسلٹنسی سروس شامل ہیں۔

جے ایس گلوبل کیپیٹل لمیٹڈ ("JSGCL") کا ۳۱ دسمبر ۲۰۱۹ء میں ختم ہونے والے سال کا منافع بعد از ٹیکس ۲۷ ملین روپے رہا جبکہ ۳۱ دسمبر ۲۰۱۸ء کو ۲۶ ملین روپے تھا۔ سال کے دوران آپریٹنگ آمدنی کمی کے ساتھ ۷۰ ملین روپے رہی۔ علاوہ ازیں سال کے دوران انتظامی اور آپریٹنگ اخراجات میں ۸۱ ملین روپے کمی ہوئی۔



روپے ۱۰۰۰

۴۰۵،۴۹۱	قبل ٹیکسیشن منافع
	کنوٹی ٹیکسیشن
۹۴۲،۷۰۸	موجودہ سال
(۴،۷۸۴)	پچھلا سال
(۵۸۳،۲۳۶)	ملتی شدہ
۳۵۴،۶۸۸	
۵۰،۸۰۳	سال کے لئے خالص منافع
(۵۵،۷۴۸)	غیر کنٹریولنگ ڈیپٹی سے منسوب منافع
۱۰۶،۵۵۱	عام حصص یافتگان سے منسوب سال کا منافع

بیسک (Basic) اور ڈائلوٹڈ (Diluted) منافع فی حصص ۱۲ پیسے رہا۔

دوران سال ۲۰۱۹ء کمپنی کی ماتحت ذیلی کمپنیوں نے ایس انویسٹمنٹس لمیٹید اور جے ایس گلوبل کپٹیل لمیٹید میں گروپ کے موثر حصص داری بالترتیب %۶۳.۴۳ اور %۶۲.۶۶ فیصد ہوگی جس کی بنیادی وجہ مذکورہ بالا کمپنیوں کی اپنے حصص کو واپس خریدنا تھا۔

اہم سرمایہ کاری کی کارکردگی:

جے ایس بینک لمیٹڈ (ذیلی ادارہ)

جے ایس بینک لمیٹڈ (جے ایس بی ایل) پاکستان میں قائم شدہ ایک شیڈولڈ بینک ہے اور تجارتی بینکنگ اور اس سے ملحقہ سروسز سے منسلک ہے۔

سال کے دوران جے ایس بی ایل نے ۲۵ ملین روپے کا خالص منافع حاصل کیا ہے جو کہ ۳۱ دسمبر ۲۰۱۸ء کی تقابلی مدت میں ۲۲ ملین روپے تھا۔

برانچ نیٹ ورک میں اضافے، ڈیجیٹل چینلز اور برانچ لیس بینکنگ کے ذریعے کسٹمر تک رسائی کو مزید بہتر اور آسان بنایا گیا ہے۔ ۲۰۱۹ء میں ۱۵ نئی شاخیں شامل کر کے اور پاکستان کے ۱۸۰ شہروں میں ۳۶۰ شاخوں تک پہنچ گیا جس میں منامہ بحرین میں ایک بیرون ملک شاخ بھی شامل ہے۔

جے ایس بینک کی توجہ بنیادی طور پر ڈیپازٹ کے حصول پر مرکوز ہے۔ خاص طور پر کم الائٹ ڈیپازٹس (کرنٹ اکاؤنٹ، CA) میں اضافہ کرنا ہے۔ بڑے پیمانے پر افزودہ مارکیٹ طبقے پر توجہ مرکوز کر کے کرنٹ اکاؤنٹ میں نمایاں اضافہ ہوا، جس سے بینک کو زیادہ استحکام اور قوت حاصل ہوئی۔

مالیاتی کارکردگی

انفرادی مالیاتی کارکردگی:

۳۱ دسمبر ۲۰۱۹ء کو ختم شدہ سال کے دوران کمپنی نے ۳۶۰ ملین روپے کا خالص منافع حاصل کیا جبکہ ۳۱ دسمبر ۲۰۱۸ء میں خالص منافع ۲۰۷ ملین روپے تھا۔ مجموعی طور پر اس سال کی کل آمدنی کم ہو کر ۲۲۰ ملین روپے ریکارڈ کی گئی جو کہ ۳۱ دسمبر ۲۰۱۸ء میں ۲۳۶ ملین روپے تھی۔ جس کی بنیادی وجہ حصص سے ملنے والا تقسیم شدہ منافع میں کمی اور بینک دپازٹ پر حاصل ہونے والے منافع میں کمی ہے۔ اخراجات بڑھتے ہوئے شرح سود اور قرضوں کی وجہ سے نمایاں اضافے کے ساتھ ۵۷ ملین روپے رہے جو کہ پچھلے سال میں ۳۹۵ روپے تھے۔ ۱۳ دسمبر ۲۰۱۹ء کو فی حصص بریک اپ ویلیو ۳۳.۳۳ روپے تھی۔

علاوہ ازیں کمپنی نے اس سال کے دوران اپنی ذیلی کمپنیوں کے خالص اثاثوں کی مالیت میں اضافے کے باعث ۵۹ ملین روپے سے Net reversal for Impairment کو ریکارڈ کیا ہے۔

روپے ۱۰۰۰

۲۸۴،۰۲۳	منافع قبل ٹیکسیشن
۱۳۳،۷۳۵	کنوٹی ٹیکسیشن موجودہ سال
(۱۱،۵۲۲)	پچھلا سال
۱۲۲،۲۱۳	
۳۵۹،۸۱۰	منافع بعد از ٹیکس

۲۰۱۹ء میں کمپنی کا منافع فی حصص ۳۹ پیسے رہا۔

مجموعی مالیاتی گوشوارے:

رواں سال کے دوران گروپ کے مجموعی اثاثوں میں بہتری آئی جو کہ ۳۱ دسمبر ۲۰۱۸ء کو ۲۵۵،۲۵۰ ملین روپے سے بڑھ کر ۳۱ دسمبر ۲۰۱۹ء کو ۲۹۳،۸۸۲ ملین روپے ہو گئے۔ حصص یافتگان کی ایکویٹی بھی سال کے آخر میں ۳۶،۱۶۳ ملین روپے تھی۔

۳۱ دسمبر ۲۰۱۹ء کو ختم ہونے والے سال کے دوران گروپ نے ۵۱ ملین روپے کا خالص منافع حاصل کیا جو کہ ۳۱ دسمبر ۲۰۱۸ء کی تقابلی مدت میں ۸۱۵ ملین روپے تھا۔ یعنی ۹۴ فیصد کمی جسکی بنیادی وجہ جے ایس انویسٹمنٹس لمیٹڈ کے مالی نقصان کے ساتھ مالیاتی لاگت میں اضافہ ہے۔

سال کے دوران گھل آمدنی میں گزشتہ سال سے ۳۹ فیصد اضافہ ہوا ہے جس کی بنیادی وجہ طویل مدتی قرضوں اور فنڈز پلیسمنٹ سے آمدنی میں اضافہ ہے۔ انتظامی اور دیگر اخراجات اضافے کے ساتھ ۱۲،۵۶۱ ملین روپے ہو گئے۔ یعنی پچھلے سال سے ۷۶ فیصد اضافہ ہوا۔ ایمپائر مینٹ (Impairment) اخراجات ۳۲۵ ملین روپے سے کم ہو گئے۔ جو کہ پچھلے سال سے ۶۴ فیصد زیادہ رہے۔

ڈائریکٹرز کی رپورٹ

معزز حصص یافتگان،

یہ امر ہمارے لئے باعث مسرت ہے کہ ہم ۳۱ دسمبر ۲۰۱۹ کو ختم ہونے والے سال کے لئے جہانگیر صدیقی اینڈ کمپنی لمیٹڈ (JSCL) کی سالانہ رپورٹ کے ہمراہ آڈٹ شدہ انفرادی اور مجموعی مالیاتی گوشوارے مع آڈیٹرز کی رپورٹ آپ کی خدمت میں پیش کر رہے ہیں۔

معیشت:

سال ۲۰۱۹ء میں پاکستان نے کلیاتی معاشیات محاذ پر کچھ بڑی اصلاحات کیں۔ مقامی کرنسی کے بڑے پیمانے پر انحطاط کے بعد آخر کار بیرونی اکاؤنٹ میں کچھ مہلت ملی۔ سال ۲۰۱۹ء کے دوران، کرنٹ اکاؤنٹ کا خسارہ (سی اے ڈی) دسمبر ۲۰۱۸ء کو ختم ہونے والے سال کے مقابلے میں ۸۰ فیصد کم ہو گیا۔ اگرچہ سال ۲۰۱۹ء کے دوران برآمدات میں ۱۵ فیصد کمی ریکارڈ کی گئی جس کے نتیجے میں تجارتی خسارہ کم ہوا، جبکہ ترسیلات زر میں ۵ فیصد اضافے سے سی اے ڈی کے لئے کچھ مدد بھی ملی۔ بیرونی اکاؤنٹ پر دباؤ کی کمی کی وجہ سے ملک کے مانع زرمبادلہ کے ذخائر ۲۰۱۹ء کے اختتام پر بڑھ کر ۹۳.۱۷ بلین امریکی ڈالر ہو گئے، جو کہ پچھلے سال کے آخر میں ۷۶.۷۶ بلین امریکی ڈالر تھے۔

آئی ایم ایف سے ملنے والی امداد کی وجہ سے سی اے ڈی میں کمی ہوئی اور زرمبادلہ کے ذخائر میں اضافہ ہوا، اسی وجہ سے غیر ملکی زرمبادلہ کے ذخائر میں ۵۸ فیصد اضافے کے ساتھ ۱۱.۵ بلین امریکی ڈالر ہو گئے جو کہ تقابلی مدت ۲۰۱۸ء میں ۳.۳ بلین تھے، جبکہ اسے درآمدی کوریج بھی نمایاں بہتری آئی ہے۔ کم ہونے والے دونوں خساروں سے بھی ملک کے رسک پروفائل کو بہتر بنانے میں مدد ملی۔ گذشتہ سال میں گئی اصلاحات کے پیش نظر Moody's نے بھی ملک کے outlook کو منفی سے مستحکم میں تبدیل کیا۔ ملک نے عالمی بینک کے کاروبار کو آسان بنانے کی درجہ بندی میں ۲۸ درجوں کو عبور کرنے میں کامیابی حاصل کی، جو اصلاحات نافذ کرنے اور ملک کو پائیدار ترقی کی راہ پر گامزن کرنے کے لئے جاری کوششوں کا ایک اور ثبوت ہے۔

مزید یہ کہ حکومت نے پاکستان کی برآمدات میں بہتری لانے کے لئے مختلف اقدامات پر توجہ دی ہے جس میں چین پاکستان آزاد تجارتی معاہدے (سی پی ایف ٹی اے-2) کی بحالی بھی شامل ہے جو چینی منڈیوں میں پاکستانی مصنوعات کو ڈیوٹی فری رسائی (یا کم ڈیوٹی) فراہم کرے گی۔

اگرچہ کیئے جانے والے اقدامات قابل ستائش ہیں مگر کچھ چیلنجز باقی ہیں جن میں اہم افراط زر میں پچھلے سال کے مقابلے میں ۲۰۱۹ء کے دوران ۹.۴ فیصد اضافہ ہوا جس کے نتیجے میں شرح سود میں ۳۲۵ میں پوائنٹس کا اضافہ ہوا ہے۔ گروشی قرضوں کے بوجھ کو کم کرنے کے لئے توانائی کے ممکنہ نرخوں میں اضافے پر غور کرتے ہوئے یہ ممکن ہے کہ افراط زر کی شرح اگلے سال کے لئے مرکزی بینک کے طے کردہ ۱۲-۱۱ فیصد ہدف کے اور سود کی شرح میں کسی بھی ممکنہ کمی میں تاخیر ہو۔ تاہم توقع کی جا رہی ہے کہ جاری اصلاحات طویل مدت میں شرا آور ہوگی جس سے معیشت مستحکم ہوگی۔

ایکویٹی کیپیٹل مارکیٹس (Equity Capital Markets)

پچھلے دو سالوں میں منفی اختتام کے بعد، آخر کار سال ۲۰۱۹ء کے دوران کے ایس ای 100 میں تیزی نظر آئی اور وہ 10 فیصد اضافے کے ساتھ ۳۵.۷۰ پوائنٹس پر بند ہوا۔ یہ اگست ۲۰۱۹ء میں بنائے گئے کم انڈیکس سے ۴۲ فیصد ریلی ہے۔ بحالی کی بڑی وجوہات آئی ایم ایف پروگرام کا آغاز اور اس کے نتیجے میں کلیاتی معاشیات اشارے میں بہتری تھی۔ غیر ملکی سرمایہ کار جائزہ سال میں خریدار رہے۔ سال ۲۰۲۰ء کے لئے ممکنہ معاشی بحالی کے پیش نظر توقع کی جا رہی ہے کہ علاقائی منڈیوں میں کے ایس ای 100 انڈیکس کی موجودہ ڈسکاونٹ میں کمی آئے گی۔

مرکزی سرگرمیاں / کاروبار

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ (جے ایس سی ایل) بنیادی طور پر مالی خدمات کے شعبے میں ایک سرمایہ کار کمپنی ہے اور پاکستان کی ابھرتی ہوئی کمپنیز میں طویل مدتی سرمایہ کاری بھی کرتی ہے۔ مالی خدمات میں اسکی سرمایہ کاری تمام شعبہ جات پر مشتمل ہے۔ جس میں اثاثوں کی نظامت، کمرشل بینکاری، سرمایہ کاری بینکاری، اسلامک بینکاری، سیکورٹیز بروکر تاج اور ٹیکنالوجی، نقل و حمل، اور صنعتی کمپنیز میں طویل مدتی اسٹریٹیجک سرمایہ کاری شامل ہیں سے جے ایس سی ایل فائدہ اٹھاتی ہے۔ کمپنی نے توانائی اور انفراسٹرکچر کے منسوبوں میں بھی سرمایہ کاری کی ہے۔

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Jahangir Siddiqui & Co. Ltd.
For the year ended Decmeber 31, 2019

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“Code” or “Regulation”) issued by the Securities and Exchange Commission of Pakistan (“the Commission”), for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has complied with the requirements of the Regulation in the following manner:

1. The total number of directors is seven as per the following gender bifurcation:
 - a. Male: Seven (including CEO)
 - b. Female: One
2. The composition of the board is as follows:

Category	Name
Independent Director	Saud Ahmed Mirza Hasib Navaid Malik
Other Non-Executive Directors	Chief Justice (R) Mahboob Ahmed Ali Raza Siddiqui Muhammad Ali Shahid Hussain Jatoi
Executive Director	Suleman Lalani, CEO
Female Non-Executive Director	Rukhsana Shah

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
4. The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company;
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the board/shareholders as empowered by the relevant provisions of the Companies Act, 2017, (the “Act”) and these Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of total eight (including the CEO) seven directors are already certified under Directors’ Training Program (“DTP”) from recognized institution and one director is exempt from the requirements of DTP.



10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

Committees	Members
Audit Committee	<ol style="list-style-type: none">1. Mr. Saud Ahmed Mirza (Chairman)2. Mr. Ali Raza Siddiqui3. Mr. Munawar Alam Siddiqui *4. Mr. Shahid Hussain Jatoi **5. Ms. Rukhsana Shah
Human Resource & Remuneration Committee	<ol style="list-style-type: none">1. Mr. Saud Ahmed Mirza (Chairman)2. Chief Justice (R) Mahboob Ahmed3. Mr. Munawar Alam Siddiqui *4. Mr. Suleman Lalani5. Ms. Rukhsana Shah
Executive Committee	<ol style="list-style-type: none">1. Mr. Ali Raza Siddiqui (Chairman)2. Mr. Munawar Alam Siddiqui *3. Mr. Suleman Lalani4. Mr. Shahid Hussain Jatoi **

* Resigned on June 17, 2019

** Appointed on July 26, 2019

13. The terms of references of aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committees were as per following:
 - a. Audit Committee (quarterly) - four meetings of the Committee were held during the year;
 - b. Human Resource & Remuneration Committee (yearly) - two meetings of the Committee were held during the year;
 - c. Executive Committee (on need basis) - one meeting of the Committee was held during the year;
15. The Board has outsourced the internal audit function to M/s Grant Thornton Anjum Rahman, Chartered Accountants (a member firm of Grant Thornton International) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative

(spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

Regulation 6: The Board of the Company comprises of seven elected directors and one-third works out to be 2.33. Presently, two (2) independent directors were elected by the shareholders in terms of Section 166 of the Companies Act, 2017, which have requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently as per laws and regulations under which, hereby, fulfill the requirements; not warrant the appointment of a third independent director.

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

CHIEF JUSTICE (R) MAHBOOB AHMED
Chairman

Karachi: March 12, 2020

To the members of Jahangir Siddiqui & Co. Ltd.

Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Jahangir Siddiqui & Co. Ltd (the Company) for the year ended 31 December 2019 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Regulations as applicable to the Company for the year ended 31 December 2019.

EY Ford Rhodes
Chartered Accountants

Date: March 31, 2020

Place: Karachi

INDEPENDENT AUDITORS' REPORT

To the members of Jahangir Siddiqui & Co. Ltd.

Report on the Audit of unconsolidated Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the Company), which comprise the statement of financial position as at 31 December 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
1. First time adoption of IFRS 9 and IFRS 16 (notes 2.5.2 and 2.5.1)	
<p>Effective 01 January 2019, the Company has adopted following new accounting standards:</p> <ul style="list-style-type: none"> - IFRS 9 'Financial Instruments; which addresses the classification, measurement, recognition and de-recognition of financial instruments and introduces a new impairment model for financial assets which requires the Company to make provision using expected credit loss (ECL) approach as against the incurred loss model previously applied by the Company, and measurement of Company's unquoted investments at fair value. - IFRS 16 'Leases' (IFRS 16); which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model with corresponding recognition of right-of-use asset (ROU). Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17 'Leases' i.e. operating and finance leases. For lessees all leases will be classified as finance leases only. <p>We have considered the first time application of IFRS 9 and IFRS 16 and valuation of investments as a key audit matter due to significance of the change in accounting methodology, involvement of significant estimates and judgments resulting adjustments in opening retained earnings, presentation and incremental quantitative and qualitative disclosures.</p>	<p>Our key audit procedures amongst others, includes:</p> <ul style="list-style-type: none"> - reviewed management's process for compliance with the requirements of IFRS 9; - evaluated key decisions made by the Company with respect to accounting policies, estimates and judgements in relation to adoption of IFRS 9 and assessed its appropriateness based on our understanding of the Company's business and its operations; - reviewed impairment models for determining ECL and fair valuation model for valuation of unquoted equity investment, prepared by the management. As part of the review, we tested key inputs in the models and assessed the reasonableness of assumptions used by the management. <p>Our audit procedures to review the application of IFRS 16, amongst others, included the following;</p> <ul style="list-style-type: none"> - Review of managements' impact assessment of all operating lease contracts with lessor in light of application of the new standard. Our assessment included; - Considered the completeness, by testing the reconciliation to the Company's operating lease commitments (if any) and by inspecting terms; - Inspecting terms for a sample of operating lease contracts to determine whether the same are in scope of IFRS 16 and are also subject to recognition exemption under IFRS 16 for short-term and low value leases. We also reviewed contracts to identify whether it is a lease contract, and if so its various component, lease term, extended period, company historical experience, rental amount, payment terms, lease modifications terms, etc.; - Reviewed discount rate used by the Company to determine the present value of lease obligation and right of use ROU; - Reviewed and checked the period considered for depreciating ROU;

1. First time adoption of IFRS 9 and IFRS 16 (notes 2.5.2 and 2.5.1)

- Tested calculation of PV of liability and ROU and its related finance cost and depreciation charge for the period; and
- We further tested the adjustments made in opening retained earnings as of 01 January 2019, where applicable as part of the transition process based on the differences identified.

We also assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.

Information Other than the Financial Statements and Auditors' Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants

Place: Karachi

Date: March 31, 2020

Unconsolidated Financial Statements

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

ASSETS	Note	2019 ----- (Rupees in '000) -----	2018
Non-Current Assets			
Property and equipment	4	259,532	88,192
Investment property	5	1,540	1,660
Long term investments	6	25,641,462	25,077,952
Long term loans and advances	7	5,109	25,620
Long term security deposits		2,959	3,027
		<u>25,910,602</u>	<u>25,196,451</u>
Current Assets			
Short term loans and advances	8	772	65,995
Short term prepayments and other receivables	9	13,810	8,020
Interest accrued	10	2,559	11,023
Other financial assets - Short term investments	11	3,177,131	3,050,820
Taxation - net		109,533	87,037
Cash and bank balances	12	232,440	296,059
		<u>3,536,245</u>	<u>3,518,954</u>
		<u>29,446,847</u>	<u>28,715,405</u>
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Share Capital			
Authorised capital	13	65,000,000	65,000,000
Issued, subscribed and paid-up share capital	13	9,159,424	9,159,424
Reserves		15,868,851	14,635,087
		<u>25,028,275</u>	<u>23,794,511</u>
Non-Current Liabilities			
Long term financing	14	2,738,746	3,352,745
Liability against assets subject to finance lease	15	131,018	-
Deferred tax liability	16	990	-
Current Liabilities			
Trade and other payables	17	284,245	440,206
Unclaimed dividend		10,543	10,543
Accrued interest on borrowings		179,356	126,531
Current portion of long term financing	14	1,049,702	990,869
Current maturity of liability against assets subject to finance lease	15	23,972	-
		<u>1,547,818</u>	<u>1,568,149</u>
		<u>29,446,847</u>	<u>28,715,405</u>
Contingencies and Commitment	18		

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended December 31, 2019

	Note	2019 ----- (Rupees in '000) -----	2018
INCOME			
Return on investments	19	958,703	1,017,452
Gain on sale of investments - net	20	64,881	56,147
Income from long term loans and fund placements	21	41,592	115,918
Other income	22	88,136	59,818
Gain / (loss) on remeasurement of investments at fair value through profit or loss - net		66,969	(3,688)
		1,220,281	1,245,647
EXPENDITURE			
Operating and administrative expenses	23	210,590	225,603
Finance cost	24	577,100	394,729
Provision for Sindh Workers' Welfare Fund		9,837	9,005
(Reversal of) / provision for impairment - net	6.1.3	(59,269)	175,072
		738,258	804,409
PROFIT BEFORE TAXATION		482,023	441,238
Taxation	25		
Current		133,735	212,336
Prior		(11,522)	22,037
		122,213	234,373
PROFIT FOR THE YEAR		359,810	206,865
EARNINGS PER SHARE - basic and diluted			
	26	0.39	0.23

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
PROFIT FOR THE YEAR	359,810	206,865
OTHER COMPREHENSIVE INCOME / (LOSS):		
Items that will not be reclassified to statement of profit or loss subsequently		
Unrealised gain on revaluation of investments at fair value through OCI during the year - net of deferred tax	709,179	-
Items that may be reclassified subsequently to statement of profit or loss		
Fair value loss on available-for-sale investments during the year - net of deferred tax	-	(3,872,349)
Reclassification adjustments relating to available-for-sale investments disposed off during the year - net	-	(60,413)
	-	(3,932,762)
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE YEAR	1,068,989	(3,725,897)

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2019

	Reserves					Sub-total	Total
	Issued, subscribed and paid-up share capital	Ordinary share premium	Unrealised gain/ (loss) on revaluation of investments at fair value through OCI	Revenue reserve Un-appropriated profit			
	(Rupees in '000)						
Balance as at January 01, 2018	9,159,424	4,497,894	11,736,221	2,126,869	18,360,984	27,520,408	
Profit for the year	-	-	-	206,865	206,865	206,865	
Other comprehensive loss	-	-	(3,932,762)	-	(3,932,762)	(3,932,762)	
Total comprehensive (loss) / income	-	-	(3,932,762)	206,865	(3,725,897)	(3,725,897)	
Balance as at December 31, 2018	9,159,424	4,497,894	7,803,459	2,333,734	14,635,087	23,794,511	
Impact of initial application of IFRS 9 (notes 2.5.2.1 & 2.5.2.2)	-	-	211,321	(46,546)	164,775	164,775	
Adjusted balance as at January 01, 2019	9,159,424	4,497,894	8,014,780	2,287,188	14,799,862	23,959,286	
Profit for the year	-	-	-	359,810	359,810	359,810	
Other comprehensive income	-	-	709,179	-	709,179	709,179	
Total comprehensive income	-	-	709,179	359,810	1,068,989	1,068,989	
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	(267,648)	267,648	-	-	
Balance as at December 31, 2019	9,159,424	4,497,894	8,456,311	2,914,646	15,868,851	25,028,275	

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

UNCONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2019

	2019	2018
Note	----- (Rupees in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation for the year	482,023	441,238
Adjustment for non cash charges and other items:		
Depreciation	30,548	2,296
Gain on sale of property and equipment	(1,156)	(517)
Interest income	(41,592)	(115,918)
(Gain) / loss on remeasurement of investments at fair value through profit or loss - net	(66,969)	3,688
(Reversal of) / provision for impairment - net	(59,269)	175,072
Dividend income	(870,756)	(1,016,958)
Finance cost	577,100	394,729
	(432,094)	(557,608)
Operating profit / (loss) before working capital changes	49,929	(116,370)
Decrease / (increase) in operating assets:		
Short term loans and advances	65,223	(9,971)
Short term prepayments and other receivables	(26,643)	24,768
Long term loans, advance and security deposits	20,579	(24,892)
	59,159	(10,095)
(Decrease) / increase in trade and other payables	(155,961)	161,252
	(46,873)	34,787
Investments - net	755,975	(2,541,350)
Dividend received	873,399	1,019,601
Finance cost paid	(490,669)	(324,479)
Taxes paid	(144,709)	(168,780)
Interest income received	50,056	114,829
Net cash generated from / (used in) operating activities	997,179	(1,865,392)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(27,903)	(84,517)
Proceeds from sale of property and equipment	1,160	950
Net cash used in investing activities	(26,743)	(83,567)
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates - net of proceeds from issuance	(756,251)	1,005,036
Long term loan obtained from / (repaid to) bank - net	185,930	(187,500)
Payment for liabilities against assets subject to finance lease	(19,120)	-
Net cash (used in) / generated from financing activities	(589,441)	817,536
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	380,995	(1,131,423)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	296,059	1,427,482
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	677,054	296,059

27

The annexed notes 1 to 34 form an integral part of these financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 04, 1991 as a public unquoted company. The Company is presently listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 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 PREPERATION

2.1 Statement of Compliance

These unconsolidated financial statements have 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 Finance Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

These financial statements are unconsolidated financial statements of the Company in which investments in subsidiaries and associates (if any) are stated at cost less impairment, if any, and have not been accounted for on the basis of reported results and net assets of the investees.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and at fair value through other comprehensive income which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the functional and presentation currency of the Company and rounded off to rupees in thousands.

2.4 Significant accounting estimates and judgments

The preparation of financial statements in conformity with the approved accounting standards as applicable in Pakistan 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.

In the process of applying the Company's accounting policies, management has made the following estimates and judgments which are significant to the financial statements:

- (a) determining the residual values and useful lives of property and equipment (notes 3.1 and 4);
- (b) classification of investments (notes 3.3, 6 and 11);

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- (c) determining the fair values of unquoted investments carried at fair value through other comprehensive income (note 31);
- (d) leases (note 2.5.1);
- (e) recognition of taxation and deferred tax (notes 3.7 and 25); and
- (f) impairment of financial assets (notes 3.4.4, 3.18 and 6.1.3).

2.5 The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year

Standard or Interpretation

IFRS 9 - Financial Instruments: Classification and Measurement

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

Improvements to Accounting Standards Issued by the IASB in December 2017

IFRS 3 Business Combinations - Previously held Interests in a joint operation

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these unconsolidated financial statements except for IFRS 9 and IFRS 16. The impact of adoption of IFRS 9 and IFRS 16 are described below:

2.5.1 IFRS 16 Leases

During the current year, the Company have adopted IFRS 16 as prescribed by SECP for the periods beginning on or after January 01, 2019.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its head office. Before the adoption of IFRS 16, the Company classified its lease (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under trade deposits, short term prepayments and other receivables, respectively.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	January 01, 2019 (Rupees in '000)
Increase in RoU asset	173,869
Decrease in prepayments	(18,210)
Increase in total assets	155,659
Increase in lease liability against asset subject to finance lease	(155,659)
Increase in net assets	<u><u>-</u></u>

The Company also applied the available practical expedients wherein it:

- Relied on its assessment of whether lease is onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The lease liabilities as at January 01, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

	January 01, 2019 (Rupees in '000)
Operating lease commitments as at December 31, 2018	23,370
Weighted average incremental borrowing rate as at January 01, 2019	12.09%
Discounted operating lease commitments as at January 01, 2019	<u>21,071</u>
Add: Lease payments relating to renewal periods not included in operating lease commitments as at December 31, 2018	<u>134,588</u>
Lease liabilities as January 01, 2019	<u><u>155,659</u></u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

2.5.2 IFRS 9 Financial Instruments

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after January 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9, with the initial application date of January 01, 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP).

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on January 01, 2019. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Company's financial assets and financial liabilities as at January 01, 2019:

Financial assets

January 01, 2019	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification	IFRS 9 Measurement
----- (Rupees in '000) -----				
Equity investments (Other related parties - long term investments)	Available for sale	8,788,389	Fair value through other comprehensive income	8,788,389
Equity investments (Other investments - long term investments)	Available for sale	5,599,676	Fair value through other comprehensive income	5,599,676
Equity investments	Held for trading	86,313	Fair value through profit or loss	86,313
Equity investments - unquoted securities	Available for sale (at cost)	270,600	Fair value through other comprehensive income (Note 2.5.2.1)	435,376
Equity investments (Other financial assets - short term investments)	Available for sale	2,273,517	Fair value through other comprehensive income	2,273,517
Equity investments (Other financial assets - short term investments)	Available for sale	390,990	Fair value through profit or loss (Note 2.5.2.2)	390,990



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Financial assets

January 01, 2019	IAS 39	IAS 39	IFRS 9	IFRS 9
	Classification	Measurement	Classification	Measurement
----- (Rupees in '000) -----				
Debt investments	Held to maturity	300,000	Amortised Cost	300,000
Loans and advances	Loans and receivables	94,909	Amortised Cost	94,909
Interest Accrued	Loans and receivables	11,023	Amortised Cost	11,023
Cash and cash equivalents	Loans and receivables	296,059	Amortised Cost	296,059

2.5.2.1 The Company has elected to classify its non-trading equity securities at fair value through other comprehensive income. The fair value of such investment is Rs. 435.376 (cost of Rs. 270.600) million as result of fair value exercise carried out by the management of the Company upon adoption of IFRS 9. Accordingly, the unrealised gain as at January 01, 2019 has been adjusted by Rs. 164.77 million.

2.5.2.2 The Company has elected to classify its trading equity securities at fair value through profit or loss. Accordingly, the unrealised loss as at January 01, 2019 amounting to Rs. 46.55 million have been transferred to unappropriated profit at the beginning of the period.

Financial liabilities

Financial liabilities continue to be carried at amortised cost.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses (ECLs) on all of its debt securities and trade and other receivables, either on a 12-month or lifetime basis. The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets and concluded that ECL on such instruments is not significantly different from existing provision held.

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 14 - Regulatory Deferral Accounts	July 01, 2019
IFRS 3 - Definition of a Business (Amendments)	January 01, 2020
IAS 1 / IAS 8 - Definition of Material (Amendments)	January 01, 2020
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its other comprehensive income or Joint Venture (Amendment)	Not yet finalized

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

These are stated at costs less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to the statement of profit or loss by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 4 to the financial statements. Depreciation is charged on additions from the month in which asset is put to use on disposals up to the month immediately preceding the disposal.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each date of statement of financial position.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. The carrying amount of the asset replaced is derecognized.

Gains and losses on disposal of fixed assets, if any, are taken to statement of profit or loss.

3.2 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes).

These are stated at cost including transaction costs less accumulated depreciation and accumulated impairment, if any. Depreciation is charged to statement of profit or loss by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. Depreciation is charged from the month in which asset is put to use and on disposals up to the month immediately preceding the disposal.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Investment properties are derecognized when either they are disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to / from investment property when, and only when, there is change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party.

3.3 Investments in subsidiaries, associates and joint ventures

A subsidiary is an entity over which the Company has control. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

In addition, control is also established when the Company directly or indirectly holds more than fifty percent of the voting securities or otherwise has power to elect more than fifty percent of the directors of the investee.

A joint venture is a contractual arrangement where the Company has joint control over the economic activities undertaken with the other venturers.

Associates are entities in which the Company has significant influence and which are neither a subsidiary nor a joint venture. The Company determines the significant influence by reference to its extent of voting interest in the investee company and other relevant factors which indicate the Company's ability to participate in the financial and operating policy decisions of the investee company.

Investments in subsidiaries, associates and joint ventures, other than those classified as held for sale, are accounted for under the cost method in these separate financial statements. In accordance with the requirements of IAS 27 'Separate Financial Statements', such investments are carried in the statement of financial position at cost less any impairment in value. Impairment is charged to the statement of profit or loss.

The Company reassesses, at each date of statement of financial position, whether or not it has control, significant influence or joint control over the investee.

Investments in subsidiaries, associates and joint ventures classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

3.4 IFRS 9 Financial Instruments - Policy applicable from January 01, 2019

During the current year, the Company has adopted IFRS 9 Financial Instruments. See note 2.5.2 for an explanation of the impact. Comparative figures For the year ended December 31, 2019 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

3.4.1 Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

3.4.2 Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be at Fair Value through Profit or Loss if:

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- (ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- (iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in the statement of profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to the statement of profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit or loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Company elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Gains and losses on these equity instruments are never recycled to statement of profit or loss. Dividends are recognised in the statement of profit or loss as return on investments when the right of the payment has been established, except when the Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

3.4.3 De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

3.4.4 Impairment of financial assets

The Company holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

3.4.5 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments - Policy applicable for the year ended or before December 31, 2018

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss when the conditions prescribed in IAS 39 are met.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains or losses recognised directly in the statement of profit or loss. Transaction costs are charged to the statement of profit or loss account when incurred.

Available for sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments for which active market does not exist) with any resulting gains or losses being taken directly to statement of comprehensive income until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to the statement of profit or loss.

Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortized cost. Impairment in value, if any, is taken to the statement of profit or loss.

Premiums and discounts on investments are amortized using the effective interest rate method and taken to the statement of profit or loss from investments.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Impairment of Financial assets

The Company assesses at each date of statement of financial position that whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (an incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. In case of quoted equity securities, impairment is assessed based on significant or prolonged decline in market prices of securities.

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss recognized in the statement of profit or loss, the impairment loss is reversed, with the amount of reversal recognized in the statement of profit or loss.

Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow from the financial assets expires or is transferred. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to the statement of profit or loss.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.5 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

3.6 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

3.7 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The tax charge as calculated above is compared with alternate corporate tax under Section 113C of the Income Tax Ordinance, 2001, and whichever is higher is provided in the financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Deferred

Deferred tax is calculated using the balance sheet liability method on all temporary differences at the balance sheet date, between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable profits will be available against which the deductible temporary differences and unused tax losses can be utilised.

The carrying amount of all deferred tax assets is reviewed at each date of statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted at the date of statement of financial position.

3.8 Revenue recognition

- (a) Income from Term Finance Certificates (TFCs), government securities, reverse repurchase transactions and loans and advances are recognised at rate of return implicit in the instrument / arrangement on a time proportion basis.
- (b) Profit on bank deposits and rental income is recognised at effective yield on time proportionate basis.
- (c) Dividend income on equity investments is recognised when the right to receive the same is established.
- (d) Capital gains or losses on sale of investments are recognised in the period in which they arise.

3.9 Long term finances and loans

All long term finances and loans are initially recognized at cost (net of transaction costs) being the fair value of consideration received together with the associated transaction costs. Subsequently, these are carried at amortized cost using effective interest rate method.

Transaction costs relating to long term finance are being amortised over the period of agreement using the effective interest rate method.

3.10 IFRS 16 Leases - Policy applicable from January 01, 2019

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

• Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased assets at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- **Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- **Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- **Significant judgement in determining the lease term of contracts with renewal options**

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under its lease agreement to lease the asset for additional terms of more than one year. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for lease of head office due to the significance of this asset to its operations. This lease has a short non-cancellable period (i.e., eleven months) and there will be a significant negative effect on operations if a replacement is not readily available.

3.11 Trade debts and other receivables

Trade and other receivables are carried at cost, which is the fair value of the consideration to be received, less provision for doubtful debts. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

3.12 Trade date accounting

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

3.13 Derivative financial instruments

Derivative instruments held by the Company generally comprise future contracts in the capital markets. These are stated at fair value at the balance sheet date. The fair value of the derivative is equivalent to the unrealized gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities in the statement of financial position. The resultant gains and losses are recognized in the statement of profit or loss. Derivative financial instrument contracts entered into by the Company do not meet the hedging criteria as defined by IFRS 9. Consequently hedge accounting is not being applied by the Company.

The fair value of unquoted derivatives, if any, is determined by discounting cash flows using appropriate interest rates applicable to the underlying asset.

3.14 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid.

3.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand, term deposits, bank balances, net of bank overdrafts repayable on demand, if any.

3.16 Staff retirement benefits

Defined contribution plan

The Company operates an approved funded contributory provident fund scheme for all its employees eligible to the scheme. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 10% per annum of basic pay.

Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn pay.

3.17 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the date of statement of financial position. Gains and losses on translation are taken to the statement of profit or loss. Non-monetary assets and liabilities, denominated in foreign currency that are measured at fair value are translated using exchange rate at the date the fair values are determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

3.18 Impairment of Non-financial assets and investments in subsidiaries and associates

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and value in use. Where



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation method is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may not longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

3.19 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.20 Dividend and appropriation to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

4. PROPERTY AND EQUIPMENT	Note	2019	2018
		----- (Rupees in '000) -----	
Operating assets - Owned	4.1	103,792	5,696
Right-of-use asset	4.2	154,562	-
Capital work-in-progress	4.3	1,178	82,496
		<u>259,532</u>	<u>88,192</u>

4.1 Operating assets - Owned

	COST			Rate	ACCUMULATED DEPRECIATION			WRITTEN
	As at	As at	As at		For the	As at	As at	
	January 01, 2019	December 31, 2019	January 01, 2019		year/ (on disposals)	December 31, 2019	December 31, 2019	
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Leasehold improvements	18,372	88,786	88,786	10	18,372	6,659	6,659	82,127
		(18,372)				(18,372)		
Office equipment	23,577	7,987	11,815	25	23,181	1,754	5,186	6,629
		(19,749)				(19,749)		
Office furniture and fixtures	15,743	11,008	14,281	10	15,736	785	4,055	10,226
		(12,470)				(12,466)		
Motor vehicles	11,247	1,440	12,687	20	5,954	1,923	7,877	4,810
		-				-		
	<u>68,939</u>	<u>109,221</u>	<u>127,569</u>		<u>63,243</u>	<u>11,121</u>	<u>23,777</u>	<u>103,792</u>
		<u>(50,591)</u>				<u>(50,587)</u>		

	COST			Rate	ACCUMULATED DEPRECIATION			WRITTEN
	As at	As at	As at		For the	As at	As at	
	January 01, 2018	December 31, 2018	January 01, 2018		year/ (on disposals)	December 31, 2018	December 31, 2018	
	----- (Rupees in '000) -----			%	----- (Rupees in '000) -----			
Leasehold improvements	18,372	-	18,372	33	18,372	-	18,372	-
Office equipment	23,389	188	23,577	25	22,971	210	23,181	396
		-				-		
Office furniture and fixtures	15,743	-	15,743	10	15,706	30	15,736	7
Motor vehicles	9,389	2,897	11,247	20	4,624	1,936	5,954	5,293
		(1,039)				(606)		
	<u>66,893</u>	<u>3,085</u>	<u>68,939</u>		<u>61,673</u>	<u>2,176</u>	<u>63,243</u>	<u>5,696</u>
		<u>(1,039)</u>				<u>(606)</u>		

4.1.1 No disposal of fixed assets having written down value exceeding Rs.500,000 were made during the year.

4.2 Right-of-use assets	2019	2018
	----- (Rupees in '000) -----	
As at January 01	173,869	-
Depreciation expense	(19,307)	-
As at December 31	<u>154,562</u>	<u>-</u>



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 4.3 This represents advances paid to various suppliers and contractors for leasehold improvements for office premises. The additions and transfers during the year amounted to Rs. 11.87 (2018: Rs.84.40) million and Rs.92.95 (2018: Rs.2.97) million, respectively.

5. INVESTMENT PROPERTY

	COST		Rate	ACCUMULATED DEPRECIATION		WRITTEN		
	As at	As at		As at	As at	DOWN VALUE		
	January 01, 2019	Additions/ (disposals) December 31, 2019		January 01, 2019	For the year December 31, 2019	December 31, 2019		
	----- (Rupees in '000) -----		%	----- (Rupees in '000) -----				
Office premises	14,999	-	14,999	5	13,339	120	13,459	1,540

	COST		Rate	ACCUMULATED DEPRECIATION		WRITTEN		
	As at	As at		As at	As at	DOWN VALUE		
	January 01, 2018	Additions/ (disposals) December 31, 2018		January 01, 2018	For the year December 31, 2018	December 31, 2018		
	----- (Rupees in '000) -----		%	----- (Rupees in '000) -----				
Office premises	14,999	-	14,999	5	13,219	120	13,339	1,660

- 5.1 The fair value of the investment property aggregating to Rs. 116.44 million was arrived at on the basis of the valuation carried out by KG Traders (Pvt.) Limited, an independent valuer on January 14, 2020, but was not incorporated in the books of accounts as the Company applies cost model for accounting for investment property. The valuation was arrived at by reference to market values and realizable values, which are determined on the basis of market intelligence, year of construction and present physical condition and location.

- 5.2 The details of investment property are as follows:

Description	Address and location	Total Area in Sq. Ft.
Islamabad building	Office No. 413, 4th Floor, Islamabad Stock Exchange Tower, 55-B, Jinnah Avenue, Islamabad	1,331
Lahore building	2nd Floor, Associated House, 7-Egerten Road, Lahore	7,466

6. LONG TERM INVESTMENTS	Note	2019	2018
		----- (Rupees in '000) -----	
Investments in related parties			
Subsidiaries - at cost	6.1	10,478,556	10,419,287
Other related parties - 'at fair value through OCI'	6.2	9,306,685	-
Other related parties - available for sale	6.2	-	8,795,889
		19,785,241	19,215,176
Other investments	6.3	5,856,221	5,862,776
	6.4	25,641,462	25,077,952

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

6.1 Subsidiaries - at cost

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

Number of shares		Note	Activity	Holding		2019	2018
2019	2018			2019	2018		
				%	%	----- (Rupees in '000) -----	
Quoted							
973,307,324 *	973,307,324		Commercial Banking	75.02	75.02	6,127,149	6,127,149
		JS Bank Limited					
		Market value Rs. 5,255.86 (December 31, 2018: Rs. 7,173.28) million					
Un-quoted							
173,736,297	173,736,297	6.1.1	Telecom Media & Technology	100.00	100.00	1,708,490	1,708,490
		JS Infocom Limited					
		Net assets value Rs. 628.04 (December 31, 2018: Rs. 569.97) million based on audited financial statements for the year ended December 31, 2019 Less: Impairment				(1,080,451)	(1,138,517)
						628,039	569,973
10,000	10,000		Investment services	100.00	100.00	294,882	294,882
		JS International Limited					
		Ordinary Shares of US\$ 1/- each having negative equity balance of Rs. 1.8 (September 30, 2018: Rs. (1.4)) million based on audited financial statements for the year ended September 30, 2019 Less: Impairment				(294,882)	(294,882)
370,000,000	370,000,000		Energy Petroleum & Infrastructure	100.00	100.00	3,700,000	3,700,000
		Energy Infrastructure Holding (Private) Limited					
		Net assets value Rs. 4,128.05 (December 31, 2018: Rs. 3,827.80) million based on audited financial statements for the year ended December 31, 2019					
3,000,000	3,000,000	6.1.2	Renewable Energy	100.00	100.00	30,000	30,000
		Quality Energy Solutions (Private) Limited					
		Net assets value Rs. 23.37 (December 31, 2018: Rs. 22.17) million based on audited financial statements for the year ended December 31, 2019 Less: Impairment				(6,632)	(7,835)
						23,368	22,165
						10,478,556	10,419,287

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



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

6.1.1 The net assets of JS Infocom Limited mainly comprise of listed equity securities. Due to improvement in market conditions at the reporting date, the net assets of JS Infocom Limited have increased resulting in reversal of impairment amounting to Rs. 58.07 million.

6.1.2 The net assets of Quality Energy Solutions (Private) Limited mainly comprise of bank deposits and debt securities. Due to interest income on bank deposits and debt securities, net assets value (NAV) increased at the reporting date. Therefore, reversal in provision of impairment of Rs. 1.20 million is recognized during the year.

	2019	2018
	----- (Rupees in '000) -----	
6.1.3 (Reversal of) / provision for impairment - net		
Opening balance	1,441,234	1,266,162
Charge for the year	-	176,135
Reversal for the year	(59,269)	(1,063)
	(59,269)	175,072
Closing balance	1,381,965	1,441,234

6.2 Other related parties

At fair value through OCI

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

Number of shares		Activity	Holding		2019	2018
2019	2018		2019	2018		
			%	%	----- (Rupees in '000) -----	
Quoted - at fair value (note 6.2.1)						
42,191,152	-	EFU General Insurance Limited	21.10	-	4,653,684	-
20,047,708	-	EFU Life Assurance Limited	20.05	-	4,642,448	-
Un-quoted - at fair value (note 6.2.1)						
750,000	-	EFU Services (Private) Limited	37.50	-	10,553	-
					9,306,685	-

Available-for-sale

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

Number of shares		Activity	Holding		2019	2018
2019	2018		2019	2018		
			%	%	----- (Rupees in '000) -----	
Quoted - at fair value (note 6.2.1)						
-	42,191,152	EFU General Insurance Limited	-	21.10	-	4,219,115
-	20,047,708	EFU Life Assurance Limited	-	20.05	-	4,569,274
Un-quoted - at cost (note 6.2.1)						
-	750,000	EFU Services (Private) Limited	-	37.50	-	7,500
Net assets value on December 31, 2018: Rs.47.47 million based on audited financial statements for the year ended June 30, 2018					-	8,795,889

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

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

6.2.2 Included herein are equity securities having average cost of Rs. 1,286.75 (2018: Rs. 1,330.98) million and having market value of Rs. 4,124.68 (2018: Rs. 4,228.52) million pledged with trustee of Term Finance Certificates issued by the Company.

6.2.3 Movement in categories from last year is due to the adoption of IFRS-9 during the year by the Company. Refer note 2.5.2 and 3.4 for details.

6.3 Other investments

At fair value through OCI

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

<u>Number of shares</u>				2019	2018
2019	2018		Note	(Rupees in '000)	(Rupees in '000)
<u>Quoted - at fair value</u>					
235,684,306	-	BankIslami Pakistan Limited	6.2.1	2,613,739	-
89,690,363	-	Azgard Nine Limited		1,122,026	-
153,406,638	-	Pakistan International Bulk Terminal Limited		1,658,326	-
11,622,000	-	Hum Network Limited (Ordinary Shares of Re.1 each)		37,307	-
<u>Un-quoted - at fair value</u>					
2,399,454	-	Security General Insurance Company Limited		424,823	-
				5,856,221	-

Available-for-sale

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

<u>Number of shares</u>				2019	2018
2019	2018			(Rupees in '000)	(Rupees in '000)
<u>Quoted - at fair value</u>					
-	214,258,460	BankIslami Pakistan Limited		-	2,571,102
-	112,157,863	Azgard Nine Limited		-	1,295,423
-	153,730,638	Pakistan International Bulk Terminal Limited		-	1,664,903
-	*1,260,953	Pakistan Stock Exchange Limited (PSX)		-	17,111
-	11,622,000	Hum Network Limited (Ordinary Shares of Re.1 each)		-	51,137
<u>Un-quoted - at cost</u>					
-	2,399,454	Security General Insurance Company Limited		-	263,100
Net assets value on December 31, 2018:					
Rs. 354.19 million based on audited financial statements					
For the year ended December 31, 2019					
				-	5,862,776

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



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 6.3.1 Included herein are equity securities having average cost of Rs. 849.24 (2018: Rs. 1,024.25) million and having market value of Rs. 945.28 (2018: Rs. 1,150.29) million pledged with trustee of Term Finance Certificates issued by the Company and with a Bank against Term Loans obtained by the Company.
- 6.3.2 Movement in categories from last year is due to the adoption of IFRS-9 during the year by the Company. Refer note 2.5.2 and 3.4 for details.
- 6.4 Subsequent to the year end, the Pakistan Stock Exchange witnessed a sharp decline in the prices of equity shares. This has resulted in decline in the value of Company's investments as well with a corresponding decline in the reserve namely 'unrealized gain on revaluation of investments at fair value through OCI'. However, such decline has no significant impact on the equity of the Company.

7. LONG TERM LOANS AND ADVANCES	Note	2019 ----- (Rupees in '000) -----	2018
Loans - secured and considered good			
Due from:			
Executives	7.1	-	24,934
Other employees		5,759	1,999
		<u>5,759</u>	<u>26,933</u>
Current maturity of long term loans		(650)	(1,313)
		<u>5,109</u>	<u>25,620</u>
7.1 Reconciliation of the carrying amount of loan to executives			
Opening balance		24,934	540
Disbursements		-	25,000
Repayments		(24,934)	(606)
		<u>-</u>	<u>24,934</u>
8. SHORT TERM LOANS AND ADVANCES			
Current maturity of long term loans	7	650	1,313
Advances to employess - unsecured		122	53
Loan to subsidiary	8.1	-	45,000
Advance for investment (subsription against right shares)		-	19,629
		<u>772</u>	<u>65,995</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

8.1 This was a short term loan to JS Infocom Limited, a wholly owned subsidiary of the Company. It was priced on a mark-up rate of 6 months KIBOR plus 175 basis points per annum or the borrowing cost of the Company, whichever was higher. Outstanding balance of the loan along with markup was repaid by JS Infocom Limited, during the year.

		2019	2018
		----- (Rupees in '000) -----	
9. SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES	Note		
Prepayments		9,886	7,753
Other Receivables		3,924	267
		<u>13,810</u>	<u>8,020</u>
10. INTEREST ACCRUED			
Interest accrued on:			
Bank deposits		2,559	7,539
Loan to subsidiary	8.1	-	2,199
Term finance certificates		-	1,285
		<u>2,559</u>	<u>11,023</u>
11. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS			
Available for sale			
Listed equity securities		-	2,664,507
Assets at fair value through OCI			
Listed equity securities		2,572,782	-
Assets at fair value through profit or loss			
Listed equity securities		159,735	86,313
Held to maturity			
Term Finance Certificates - Unlisted	11.1	-	300,000
At amortized cost			
Government Securities	11.2	444,614	-
	6.4 & 11.3	<u>3,177,131</u>	<u>3,050,820</u>



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

11.1 This represented investments in AA- rated, secured and privately placed term finance certificates of TPL Corp Limited - TFCs (2nd Issue), having face value of Rs. 100,000 per certificate and carried profit at the rate of 3 month KIBOR + 1.50% per annum. These TFCs were matured during the year.

11.2 Government Securities - Amortized Cost

Name of security	Issue Date	Face Value			Balances as at December 31, 2019	
		As at Jan 01, 2019	Purchased during the year	Sold/ matured during the year	As at December 31, 2019	Carrying Value
		(Rupees in '000)				
Treasury Bills						
Market Treasury Bills - 3 months	24-Oct-19	-	150,000	-	149,207	149,207
Market Treasury Bills - 3 months	7-Nov-19	-	150,000	-	148,477	148,477
Market Treasury Bills - 3 months	5-Dec-19	-	150,000	-	146,930	146,930
Total as at December 31, 2019						444,614
Total as at December 31, 2018						-

11.3 Included herein are equity securities having average cost of Rs. 1,287.66 (2018: Rs. 2,054.13) million and having market value of Rs. 1,180.54 (2018: Rs. 1,744.77) million pledged with trustee of Term Finance Certificates issued by the Company and with a Bank against Term Loans obtained by the Company. Also included herein are Government securities having amortized cost of Rs. 246.67 (2018: Rs. Nil) million and having face value of Rs. 250.00 (2018: Rs. Nil) million.

11.4 Movement in categories from last year is due to the adoption of IFRS-9 during the year by the Company. Refer note 2.5.2 and 3.4 for details.

12. CASH AND BANK BALANCES	Note	2019	2018
		(Rupees in '000)	
Cash in hand		38	38
Cash at bank in:			
Current accounts	12.1	403	388
Savings accounts	12.2	231,999	295,633
		232,440	296,059

12.1 Included herein is a sum of Rs. 0.02 (2018: Rs. 0.02) million representing amount placed with JS Bank Limited, a subsidiary company.

12.2 These carry mark-up ranging between 5.61% to 12.10% (2018: 3.8% to 9.50%) per annum. Included herein is a sum of Rs. 225.10 (2018: Rs. 295.10) million representing amount placed with JS Bank Limited, a subsidiary company.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

13. SHARE CAPITAL

13.1 Authorised capital

2019	2018		2019	2018
----- (Number of shares) -----			----- (Rupees in '000) -----	
6,000,000,000	6,000,000,000	Ordinary shares of Rs. 10 each	60,000,000	60,000,000
500,000,000	500,000,000	Preference shares of Rs. 10 each	5,000,000	5,000,000
6,500,000,000	6,500,000,000		65,000,000	65,000,000

13.2 Issued, subscribed and paid-up capital

2019	2018		2019	2018
----- (Number of shares) -----			----- (Rupees in '000) -----	
		Ordinary shares of Rs.10 each:		
		Fully paid in cash		
205,072,990	205,072,990	Opening balance	2,050,730	2,050,730
-	-	Issued during the year	-	-
205,072,990	205,072,990		2,050,730	2,050,730
710,869,398	710,869,398	Fully paid bonus shares	7,108,694	7,108,694
915,942,388	915,942,388		9,159,424	9,159,424

13.2.1 There is only one class of ordinary shares issued.

13.2.2 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

14. LONG TERM FINANCING	Note	2019	2018
		----- (Rupees in '000) -----	
Term Finance Certificates (TFCs)			
Eighth issue - listed on Pakistan Stock Exchange Limited		-	131,167
Ninth issue - Privately Placed	14.1	373,211	620,712
Tenth issue - Privately Placed	14.2	1,118,015	1,487,805
Eleventh issue - listed on Pakistan Stock Exchange Limited	14.3	1,488,534	1,483,873
		2,979,760	3,723,557
Term Loan			
Term Loan 1	14.4	-	186,899
Term Loan 2	14.5	310,057	433,158
Term Loan 3	14.6	498,631	-
		3,788,448	4,343,614
Less: Current portion shown under current liabilities		1,049,702	990,869
		2,738,746	3,352,745



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 14.1** The mark-up on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 165 basis points per annum. These TFCs have tenure of five years i.e. 2016-2021, including a grace period of twelve (12) months, with a call option exercisable by the Company at any time on a coupon date during the tenure of these TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in eight (8) equal semi-annual installments starting from the 18th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having market value of Rs. 638.70 (2018: Rs. 990.83) million to secure the outstanding principal with 35% margin. In event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.
- 14.2** The mark-up on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum. These TFCs have tenure of five years i.e. 2017-2022, including a grace period of twelve (12) months, with a call option exercisable by the Company at any time on a coupon date during the tenure of these TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in eight (08) equal semi-annual installments starting from 18th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having market value of Rs. 1,788.44 (2018: Rs. 2,415.22) million to secure the outstanding principal with 35% margin. In event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.
- 14.3** The mark-up on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum. These TFCs have tenure of five years i.e. 2018-2023 including a grace period of twenty four (24) months, with a call option exercisable by the Company at any time on a coupon date during the tenure of these TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in six (06) equal semi-annual installments starting from 30th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,427.68 (2018: Rs. 2,412.61) million to secure the outstanding principal with 35% margin. In event of any sale and repurchase of pledged securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be deposited in a specified bank account. The proceeds were utilized for business expansion via investments and to meet working capital requirements.

Also included herein, is an amount of Rs. 24 million payable to related parties.

- 14.4** During the year, the outstanding balance along with the accrued mark-up against this loan was fully repaid by the Company before due date.
- 14.5** The mark-up on this term loan is payable semi-annually, based on the six month KIBOR average rate plus 100 basis points per annum. This loan has a tenure of five years i.e. 2017-2022, including a grace period of twelve (12) months. The principal is payable in eight (08) equal semi-annual installments starting from 18th month of the drawdown date. This loan is secured by pledge of marketable securities having market value of Rs. 629.35 (2018: Rs. 690.05) million with margin ranging from 30% to 40%.
- 14.6** During the year, the Company obtained new term loan of Rs. 500 million from a scheduled bank. The mark-up on this term loan is payable semi-annually, based on the six months KIBOR average rate plus 150 basis points per annum. This loan has a tenure of five years i.e. 2019-2024 including a grace period of twelve (12) months. The principal is payable in eight (08) equal semi-annual installments starting from 18th month of the drawdown date. This loan is secured by pledge of marketable securities having market value of Rs. 1,012.96 (2018: Nil) million with margin ranging from 7.5% to 50%.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

		2019	2018
	Note	----- (Rupees in '000) -----	
15. LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASE			
As at January 01	2.5.1	155,659	-
Interest expense		18,451	-
Payments		(19,120)	-
As at December 31		154,990	-
Less: Current Maturity		(23,972)	-
		131,018	-

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

16. DEFERRED TAX LIABILITY

	Opening	Charge / (reversal) to profit and loss account	Reversal to surplus on revaluation of investments / OCI	Closing
	----- (Rupees in '000) -----			
2019				
Taxable temporary differences on:				
Revaluation on investments classified at fair value through OCI	-	-	990	990
2018				
Taxable temporary differences on:				
Revaluation on investments classified as available-for-sale investments	22,387	-	(22,387)	-

16.1 The Company has not recorded deferred tax assets in view of uncertainty about the availability of taxable profits in the future against which such losses can be utilized. The amount of deferred tax asset not recognized in these financial statements amounts to Rs. 34.24 (2018: Rs. 89.13) million.

		2019	2018
	Note	----- (Rupees in '000) -----	
17. TRADE AND OTHER PAYABLES			
Payable against purchase of shares		80,310	194,775
Accrued liabilities		77,179	74,942
Provision for Workers' Welfare Fund - Sindh		119,220	109,383
Provision for Workers' Welfare Fund - Federal	17.1	-	60,191
Security deposits	17.2	1,471	-
Other liabilities		6,065	915
	17.3	284,245	440,206



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 17.1** The Company, based on the opinion of the tax advisor has reversed the aggregate provision against the WWF liability under the WWF Ordinance, 1971, amounting to Rs. 60.19 million.
- 17.2** This represents security deposits from related parties in respect of sub-lease of office premises. These security deposits are kept in separate bank account in terms of section 217 of the Companies Act, 2017, and are not utilized for the purpose of the business.
- 17.3** Includes payable to various related parties amounting to Rs. 86.78 (2018: Rs. 198.78) million.

18. CONTINGENCIES AND COMMITMENT

18.1 Contingencies

- 18.1.1** The Commissioner Inland Revenue-Appeals (CIR-Appeals) deleted the additions made as per orders passed under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) eliminating the resulting tax liability and restored the return versions for the tax years 2008 and 2009. The tax department filed appeals before the Appellate Tribunal Inland Revenue (ATIR) against the orders of CIR-Appeals. The ATIR also decided the subject matter in respect of tax years 2008 and 2009 in favour of the Company. However, appeal effect orders passed by the department in respect of aforesaid tax years resulted in refund of Rs.11.02 million for the tax year 2009. Rectification applications for both the years were filed with the ACIR to allow appeal effect in accordance with the orders passed by the appellate forums. The rectification application for the tax year 2008 was rejected by the ACIR on the contention that another amended order under section 122(5A) as discussed below is in field and previous order is no more in the field. Against the rejection, appeal was filed with the CIR-Appeals. CIR-Appeals decided the appeal vide order dated no. 354 dated December 28, 2015 holding that this office has already passed the appellate order vide order no. 157 dated December 22, 2015 against the order of the ADCIR under section 122(5A) of the Ordinance dated August 5, 2013.

For the tax year 2009, the rectification application was deemed to have been given the due effect and the rectifications applied for deemed to have been rectified due to operation of law by virtue of section 221 (3) of the Ordinance.

For both the years, the department has filed references before the Sindh High Court. The references are pending.

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

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

18.1.3 The ACIR passed an order under section 122(5A) of the Ordinance in respect of tax year 2010 and created a demand of Rs.63.49 million. Against the order, the Company filed rectification application on various grounds including credit for taxes of Rs.54.10 million which was not given by the ACIR. After the rectification, the demand was reduced to Rs.9.64 million. The Company also preferred appeal before the CIR-Appeals who confirmed the order of the ACIR. Aggrieved by the order of the CIR-Appeals, the Company preferred appeal before the ATIR. The ATIR heard the appeal on November 20, 2015 and remanded the case back to the department for denovo consideration i.e. for fresh proceedings because of the lack of thorough consideration of the relevant facts and circumstances as well as the business of the Company by the ACIR and the CIR-Appeals.

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

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

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

18.1.5 The Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2015 and raised the demand for Rs. 12.744 million. Against the said order, the Company has filed rectification application on the ground of chargeability of WWF. The Company has also filed appeal before the CIR-Appeals.

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the Company. Hence no provision for liability in this respect has been made in these financial statements.

	2019	2018
18.2 Commitments	----- (Rupees in '000) -----	
Commitment in respect of Future purchase transactions of listed equity securities	<u> - </u>	<u> 90,711 </u>



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

19. RETURN ON INVESTMENTS	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Mark-up / interest income from:			
At amortized cost			
Term Finance Certificates - Unlisted		28,581	494
Government securities		59,366	-
		87,947	494
Dividend income on:			
Investments in subsidiary	19.1	23,419	174,450
Financial assets at fair value through profit or loss account		2,534	7,255
Financial assets at fair value through OCI	19.2	844,803	835,253
		870,756	1,016,958
		958,703	1,017,452

19.1 This represents dividend income on preference shares from JS Bank Limited, subsidiary of the Company.

19.2 This includes dividend income from various related parties amounting to Rs. 769.31 (2018: Rs. 720.75) million.

20. GAIN ON SALE OF INVESTMENTS - NET	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Financial assets at fair value through profit or loss		64,881	(4,266)
Available for sale investments		-	60,413
		64,881	56,147

21. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS

Return / interest on:

Bank balances - saving account		36,412	110,623
Loan to subsidiary		2,708	4,326
Loans to employees		2,472	298
Term deposit receipts		-	671
	21.1	41,592	115,918

21.1 This includes transactions with related parties amounting to Rs. 40.06 (2018: Rs. 115.14) million.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

22. OTHER INCOME	Note	2019 ----- (Rupees in '000) -----	2018
Financial assets:			
(Loss) / gain on remeasurement of derivatives through profit or loss		(3,675)	3,675
Non-financial assets:			
Gain on sale of property and equipment		1,156	517
Rental income		30,450	50,865
Reversal of provision for Workers' Welfare Fund - Federal	17.1	60,191	-
Others		14	4,761
		88,136	59,818
23. OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries and benefits	23.1 - 23.3	73,599	61,188
Telephone, fax and postage		278	244
Vehicle running and maintenance		2,140	1,733
Directors' Fee		4,925	4,650
Utilities		1,434	1,440
Newspapers and periodicals		12	39
Conveyance and travelling		4,951	3,256
Repairs and maintenance		6,237	3,064
Computer expenses		3,176	1,206
Auditors' remuneration	23.4	3,990	2,436
Royalty fee	23.5	15,000	13,725
Consultancy fee		2,198	1,907
Advisory fee	23.6	6,000	19,720
Legal and professional charges		3,071	10,711
Printing and stationery		1,613	1,502
Rent, rates and taxes		12,124	60,537
Insurance		2,849	2,572
Entertainment		153	140
Advertisement		1,585	1,305
Depreciation	23.7	30,548	2,296
Fees and subscription		26,814	24,147
Donations	23.8	5,000	4,000
Brokerage and commission expense		903	1,115
Clearing fees		1,271	2,195
Office security		719	475
		210,590	225,603

23.1 Salaries and benefits include Rs. 3.40 (2018: Rs. 2.94) million in respect of employee retirement benefits.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
23.2 Number of employees at the end of the year	21	23
Average number of employees during the year	23	23

23.3 The Company's staff retirement benefits include provident fund - a defined contribution plan. The Company has established a separate provident fund. The information related to the provident fund as at its year ended June 30, 2019 based on annual financial statements of the fund audited by another firm of chartered accountants is as follows:

	June 30, 2019	June 30, 2018
Number of employees / members	23	23
Size of provident fund (Rupees in '000) - (total assets)	38,092	46,114
Cost of investments made (Rupees in '000)	24,229	20,304
Percentage of investment made	64%	44%
Fair value of investments (Rupees in '000)	22,421	19,561
Breakup of investment - at fair value:		
- Term finance certificates		
Amount of investment (Rupees in '000)	927	10,306
Percentage of size of investment	2%	22%
- Balance in listed equity securities		
Amount of investment (Rupees in '000)	4,864	9,256
Percentage of size of investment	13%	20%
- Balance in Government Securities		
Amount of investment (Rupees in '000)	16,630	-
Percentage of size of investment	44%	0%
- Balances in scheduled banks		
Amount of investment (Rupees in '000)	12,457	25,293
Percentage of size of investment	33%	55%

Investments out of the Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose. Securities and Exchange Commission of Pakistan "SECP" has promulgated new regulations, namely, "the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018" (the "Regulations") in the month of June 2018. The Regulations were further amended vide SRO 856(I)/2019 dated July 25, 2019 allowing the investments to be reduced gradually and to be brought in conformity with the provisions of these regulations within three years from the date of commencement of these Regulations i.e. by June 2021.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
23.4 Auditors' remuneration		
Annual audit fee	1,700	1,500
Half-yearly review fee	350	300
Certifications and other services	1,289	260
Out of pocket expenses	355	211
Others	296	165
	<u>3,990</u>	<u>2,436</u>

23.5 This represents royalty paid to Mr. Jahangir Siddiqui (controlling person of the Company), on account of use of part of Company's name under an agreement dated April 21, 2004 and addendum dated March 20, 2018. His registered address is D-185, Block 5, Clifton, Karachi.

23.6 This includes amounts paid to individuals for advisory services rendered in terms of their respective duly approved advisory agreements.

		2019	2018
	Note	----- (Rupees in '000) -----	
23.7 Depreciation			
Operating assets	4	11,121	2,176
Right-of-use asset	4.2	19,307	-
Investment property	5	120	120
		<u>30,548</u>	<u>2,296</u>

23.8 This represents donation to Future Trust (related party), wherein Mr. Suleman Lalani and Mr. Najmul Hoda Khan (2018: Mr. Suleman Lalani, Mr. Kalim-ur-Rahman, Mr. Ali Raza Siddiqui, Mr. Hasan Shahid and Mr. Najmul Hoda Khan) are trustees who are Chief Executive Officer and Chief Financial Officer, respectively, of the Company. The registered offices of the donee i.e. Future Trust is located at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi.

	2019	2018
	----- (Rupees in '000) -----	
24. FINANCE COST		
Mark-up on:		
Long term financing - Term Finance Certificates (TFCs)	434,061	320,653
Long term loans	109,405	56,126
Lease	18,451	-
	<u>561,917</u>	<u>376,779</u>
Amortization of transaction costs on TFCs and long term loans	15,155	17,474
Bank charges	28	476
	<u>577,100</u>	<u>394,729</u>



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
25. TAXATION		
25.1 Reconciliation of tax charge for the year		
Profit before taxation	482,023	441,238
Tax at the applicable tax rate of 29% (2018: 29%)	139,787	127,959
Tax effect of income under FTR and differential in tax rates	(140,722)	(155,505)
Tax effect of amount relating to prior year	(11,522)	22,037
Tax charge on permanent differences	151,592	197,987
Tax charge on temporary differences	(21,471)	(101)
Rebate on donation paid	-	(2,030)
Super Tax u/s 4B	-	21,964
Tax on undistributed profits u/s 5A	-	22,062
Others	4,549	-
	<u>122,213</u>	<u>234,373</u>

	2019	2018
	----- (Rupees in '000) -----	
26. BASIC AND DILUTED EARNINGS PER SHARE		
Profit after taxation attributable to Ordinary shareholders	359,810	206,865
	----- (Numbers in '000) -----	
Weighted average number of Ordinary shares outstanding during the year	915,942	915,942
	----- (Rupees) -----	
Earnings per share:		
Basic and diluted	<u>0.39</u>	<u>0.23</u>

	2019	2018
	----- (Rupees in '000) -----	
27. CASH AND CASH EQUIVALENTS		
Cash and bank balances	232,440	296,059
Government securities	444,614	-
	<u>677,054</u>	<u>296,059</u>

28. RELATED PARTY TRANSACTIONS

28.1 Following are the names of associated companies, related parties and associated undertakings with whom the Company had entered into transactions or had agreements in place during the year:

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Name of Related parties	Direct Shareholding	Relationship
JS Bank Limited	75.02%	Subsidiary Company
JS Global Capital Limited	N/A	Sub-subsidiary Company
JS Investments Limited	N/A	Sub-subsidiary Company
JS Infocom Limited	100.00%	Subsidiary Company
Energy Infrastructure Holding (Private) Limited	100.00%	Subsidiary Company
Quality Energy Solutions (Private) Limited	100.00%	Subsidiary Company
Khairpur Solar Power (Private) Limited	N/A	Sub-subsidiary Company
EFU General Insurance Limited	21.10%	Common Directorship
EFU Life Assurance Limited	20.05%	Common Directorship
EFU Services (Private) Limited	37.50%	Others
Allianz EFU Health Insurance Limited	N/A	Others
Future Trust	N/A	Common Directorship
Mahvash & Jahangir Siddiqui Foundation	N/A	Common Directorship
JS Lands (Private) Limited	N/A	Common Substantial Shareholder
Jahangir Siddiqui & Sons Ltd	N/A	Common Substantial Shareholder
JS Private Equity Management (Pvt.) Ltd	N/A	Common Substantial Shareholder
Jahangir Siddiqui & Co. Ltd. - Staff Provident Fund	N/A	Post-employment Benefit Fund
JS Bank Limited - Staff Provident Fund	N/A	Post-employment Benefit Fund of Subsidiary Company
JS Global Capital Limited - Staff Provident Fund	N/A	Post-employment Benefit Fund of Sub- Subsidiary Company
Mr. Jahangir Siddiqui	N/A	Controlling Person
Mr. Ali Raza Siddiqui	N/A	Key Management Person
Mr. Suleman Lalani	N/A	Key Management Person
Chief Justice (R) Mahboob Ahmed	N/A	Key Management Person
Mr. Saud Ahmed Mirza	N/A	Key Management Person
Mr. Shahid Hussain Jatoi	N/A	Key Management Person
Ms. Rukhsana Shah	N/A	Key Management Person
Mr. Hasib Navaid Malik	N/A	Key Management Person

28.2 Related parties comprise of subsidiaries, sub-subsidiaries, associates, post-employment benefit funds, directors and key management personnel (including their associates). The Company carries out transactions with related parties at agreed terms. Amount due from and to these related parties are shown under receivables and payables and the remuneration of Directors, Chief Executive and Executives are disclosed in note 29. The names, relationships and transactions with subsidiaries, associated entities not mentioned elsewhere in these unconsolidated financial statements are as follows:



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
TRANSACTIONS		
Subsidiary and Sub-subsidiary Companies		
Brokerage expense	860	1,139
Bank charges paid	17	1,530
Dividend received	23,419	174,450
Investment in Term Deposit Receipts	-	500,000
Maturity of Term Deposit Receipts	-	500,000
Capital gain tax paid for onward submission to NCCPL	113	1,677
Capital gain tax refund through NCCPL	113	262
Capital gain tax tariff paid	40	30
Principal redemptions made against TFCs issued by the Company	5,250	9,000
Mark-up paid on TFCs issued by the Company	2,890	1,592
Market maker fee paid	565	552
Rent income received	16,240	50,660
Subscription of right shares of Rs. 10 each	-	1,700,000
Advisory and arrangement fee paid	-	12,343
Profit received on deposits accounts	40,502	111,982
Profit received on term deposit receipts	-	671
Reimbursement of expenses to the Company	17,018	34,071
Reimbursement of expenses by the Company	133	5,024
Loan repaid including interest	49,907	13,790
Refund on cancellation of guarantee issued	-	810
Purchase of government securities	1,605,975	-
Sale of government securities	1,100,000	-
	----- (No. of shares / units) -----	
Right shares received	-	170,000,000
Ordinary shares received against conversion of Ordinary Shares	-	218,062,317
Fund managed by Sub-Subsidiary Company		
	2019	2018
	----- (Rupees in '000) -----	
Purchase of Units	-	200,000
Redemption of Units	-	200,588

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
Common Directorship		
Rent income received	5,151	-
Reimbursement of expenses to the Company	919	-
Dividend income	769,306	720,752
Donation paid	4,000	7,000
Insurance premium paid	4,277	2,581
Insurance refund / cancellation	65	-
Security deposit received	468	-
Common Substantial Shareholder		
Rent income received	11,033	-
Reimbursement of expenses to the Company	2,171	-
Reimbursement of expenses by the Company	5,045	-
Rent expense	41,378	-
Security deposit received	1,003	-
Post-employment Benefit Funds		
Principal redemptions made against TFCs issued by the Company	9,975	17,100
Mark-up paid on TFCs issued by the Company	535	2,257
Investment in TFCs issued by the Company	-	24,000
Contribution to staff provident fund	6,795	5,875
Controlling Person		
Advisory fee paid	6,000	6,000
Royalty paid	15,000	13,725
Key Management Personnel		
Interest on long term loans	1,944	204
Loan and advances repaid	24,933	906
Loans and advances disbursed	-	25,000
Reimbursement of expenses to directors	10,719	1,274
BALANCES		
Subsidiary and Sub-subsidiary Companies		
Mark-up payable on TFCs issued by the Company	1,188	860
Mark-up receivable on loan issued by the Company	-	2,199
Outstanding principal of loan issued by the Company	-	45,000
Outstanding principal of TFCs issued by the Company	24,000	29,250
Payable against purchase of equity securities	80,310	199,037
Profit receivable on deposit accounts	2,437	7,534
Receivable against expenses incurred on their behalf	2,397	177
Rent Receivable	300	-
Unearned Rent	344	-
Cash at bank accounts	225,121	295,124



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
Common Directorship		
Donation Payable	5,000	4,000
Receivable against expenses incurred on their behalf	17	-
Security deposit	468	-
Unearned Rent	468	-
Common Substantial Shareholder		
Receivable against expenses incurred on their behalf	127	-
Rent payable	-	4,047
Security deposit	1,003	-
Unearned Rent	1,003	-
Post-employment Benefit Funds		
Mark-up payable on TFCs issued by the Company	-	250
Outstanding principal of TFCs issued by the Company	-	9,976
Key Management Personnel		
Loans and advances	-	24,933

29. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including certain benefits to director, chief executive and executives of the Company is as follows:

	Director		Chief Executive		Executives	
	2019	2018	2019	2018	2019	2018
	----- (Rupees in '000) -----					
Managerial remuneration	-	-	26,000	24,479	17,909	16,080
House rent allowance	-	-	-	-	5,244	4,396
Utilities allowance	-	-	-	-	548	538
Advisory fee	-	-	-	-	-	-
Contribution to provident fund	-	-	1,350	1,198	1,311	1,142
Medical	-	-	1,350	1,198	808	568
Reimbursable expenses	10,670	1,221	49	53	135	144
	10,670	1,221	28,749	26,928	25,955	22,868
Number of persons	10	8	1	1	3	4

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 29.1 The Company also provides certain executives with Company maintained cars.
- 29.2 Managerial remuneration includes Rs. 17.30 (2018: Rs. 17.59) million charged in the statement of profit or loss in respect of bonus to chief executive and executives of the Company.
- 29.3 The Company has paid Rs. 5.18 (2018: Rs. 4.65) million to directors as fee for directors meeting. Directors are not entitled to any remuneration except meeting fee.

30. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Company's net assets or a reduction in the profits available for dividends.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Executive Committee, ultimately responsible for the management of risk associated with the Company's activities, risk management guidelines and other internal guidelines for the management and assessment of the aforesaid financial risks.

30.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, cash and bank balances and derivative financial instruments.

The following discussion includes sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Company's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

The sensitivity has been prepared for the year ended December 31, 2019 and December 31, 2018 using the amounts of financial assets and liabilities held as at those dates of statement of financial position.

30.1.1 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates.

The Company has financial instruments with both fixed and floating interest rates as specifically disclosed in the respective notes. The Company while dealing in financial instruments negotiates attractive interest rates, which reduces the interest rate price risk.

The Company's interest rate exposure on financial instruments is disclosed as follows:



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Sensitivity analysis for variable rate instruments

Presently, the Company holds interest bearing bank balances (savings accounts), short term investments (government securities), term finance certificates and term loans that expose the Company to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on December 31, 2019 with all other variables held constant, the net assets and income of the Company for the year would change as follows:

	December 31, 2019			
	Carrying Amount	Increase / (decrease) in basis points	Effect on profit before tax	Effect on other comprehensive income before tax
	(Rupees in '000)		(Rupees in '000)	
Bank Deposits - Asset	232,440	100	2,324	-
		(100)	(2,324)	-
Short term investments - Asset	444,614	100	4,446	-
		(100)	(4,446)	-
Term Finance Certificates - Liability	2,979,760	100	29,798	-
		(100)	(29,798)	-
Long Term Loan - Liability	808,688	100	8,087	-
		(100)	(8,087)	-
	December 31, 2018			
	Carrying Amount	Increase / (decrease) in basis points	Effect on profit before tax	Effect on other comprehensive income before tax
	(Rupees in '000)		(Rupees in '000)	
Bank Deposits - Asset	295,633	100	2,956	-
		(100)	(2,956)	-
Loan to subsidiary - Asset	45,000	100	450	-
		(100)	(450)	-
Term Finance Certificates - Asset	300,000	100	3,000	-
		(100)	(3,000)	-
Term Finance Certificates - Liability	3,723,557	100	37,236	-
		(100)	(37,236)	-
Long Term Loan - Liability	620,057	100	6,201	-
		(100)	(6,201)	-

30.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's net investments in foreign subsidiaries.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

30.1.3 Equity price risk

Equity price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Company's equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Company's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

Fair value sensitivity analysis

The following table summarizes the Company's equity price risk as of December 31, 2019 and December 31, 2018. It shows the effects of an estimated increase of 5% in the equity market prices as on those dates. A decrease of 5% in the fair values of the equity securities would affect profit and equity of the Company in a similar but opposite manner.

	Fair Value (Rupees in '000)	Price change	Effect on profit before tax (Rupees in '000)	Effect on other comprehensive income before tax (Rupees in '000)
December 31, 2019	8,588,738	5% change	7,987	421,450
December 31, 2018	17,138,885	5% change	4,316	852,629

30.2 Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Company might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Company's financial liabilities. The contractual maturities of these liabilities at the year end have been determined on the basis of the remaining period at the date of statement of financial position to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which the liabilities will be realised / settled.

	December 31, 2019			
	Carrying amount	Contractual cash flows	Up to one year	Over one year to five years
	(Rupees in '000)			
Financial liabilities				
Financing	3,788,448	3,812,500	1,062,500	2,750,000
Liability against assets subject to finance lease	154,990	238,568	28,787	209,781
Trade and other payables	162,801	162,801	162,801	-
Accrued interest / mark-up on borrowings	179,356	179,356	179,356	-
	4,285,595	4,393,225	1,433,444	2,959,781



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	December 31, 2018			
	Carrying amount	Contractual cash flows	Up to one year	Over one year to five years
	----- (Rupees in '000) -----			
Financial liabilities				
Financing	4,343,614	4,381,250	1,006,250	3,375,000
Trade and other payables	270,632	270,632	270,632	-
Accrued interest / mark-up on borrowings	126,531	126,531	126,531	-
	<u>4,740,777</u>	<u>4,778,413</u>	<u>1,403,413</u>	<u>3,375,000</u>

30.3 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties and continually assessing the credit worthiness of the same.

Concentration of credit risk and credit exposure of the financial instruments

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicate the relative sensitivity of a Company's performance to developments affecting a particular industry.

The Company is exposed to credit risk on trade debts, loans, funds placements and certain advances. The Company seeks to minimise its credit risk exposure through having exposures only to customers considered creditworthy by obtaining adequate collateral. The following analysis summarizes the Company's maximum exposure to credit risk:

	2019	2018
	----- (Rupees in '000) -----	
Loans and advances	5,881	91,615
Long term security deposits	2,959	3,027
Interest accrued and other receivables	6,483	11,290
Cash and bank balances	232,440	296,059

The analysis below summarises the credit quality of the Company's liquid portfolio as on December 31, 2019:

Bank balances and term deposits rating by Rating Category	2019	2018
AAA	0.16%	0.02%
A1+ to A+	99.84%	99.98%
	<u>100.00%</u>	<u>100.00%</u>

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Collaterals held and other credit enhancements, and their financial effect

The Company holds collateral against the loans it gives to the employees. The table below sets out the principal type of collateral held against different types of loans.

Type of credit exposure	Percentage of exposure that is subject to collateral requirements		Principal type of collateral held
	2019	2018	
Loans to employees			
House loans	100%	100%	Mortgage on property purchased
Other loans	100%	100%	Cheque equivalent to the amount of loan disbursed in favour of the Company.

30.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibility;
- requirements for the reconciliation and monitoring of transactions;
- compliance with regulatory and other legal requirements;
- documentation of controls and procedures;
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;
- ethical and business standards; and
- risk mitigation, including insurance where this is effective.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and fund placements. Capital signifies equity as shown in the statement of financial position plus net debt.

The gearing ratios as at December 31, 2019 and December 31, 2018 were as follows:

	2019	2018
	----- (Rupees in '000) -----	
Long term financing	3,788,448	4,343,614
Liability against assets subject to finance lease	154,990	-
Trade and other payables	214,478	255,974
Accrued interest / mark-up on borrowings	179,356	126,531
Total debt	4,337,272	4,726,119
Less: cash and bank balances	232,440	296,059
Net debt	4,104,832	4,430,060
Share Capital	9,159,424	9,159,424
Reserves	15,868,851	14,635,087
Equity	25,028,275	23,794,511
Capital	29,133,107	28,224,571
Gearing ratio	14.09%	15.70%

The Company finances its investment portfolio through equity, financing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk. The decrease in the gearing ratio during the year ended resulted primarily from the fact that the Company made repayments of outstanding Term Finance Certificates and Bank Loans aggregating to Rs. 1,070.25 million. On the other hand, the Company has, during the year, only obtained a Bank Loan amounting to Rs. 500 million.

31. FAIR VALUE MEASUREMENTS

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.

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

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)

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Investments at fair value through OCI				
Listed equity securities	17,300,312	-	-	17,300,312
Unquoted equity securities*	-	-	435,376	435,376
Investments at fair value through profit or loss				
Listed equity securities	159,735	-	-	159,735
	<u>17,460,047</u>	<u>-</u>	<u>435,376</u>	<u>17,895,423</u>
December 31, 2018				
	Level 1	Level 2	Level 3	Total
----- (Rupees in '000) -----				
Available for sale investments				
Listed equity securities	17,052,572	-	-	17,052,572
Investments at fair value through profit or loss - held for trading				
Listed equity securities	86,313	-	-	86,313
	<u>17,138,885</u>	<u>-</u>	<u>-</u>	<u>17,138,885</u>

* As at December 31, 2019, the Company's long term investments in unquoted securities of EFU Services (Private) Limited and Security General Insurance Company Limited (see note 6) 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.

31.1 During the year ended December 31, 2019, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

32. CORRESPONDING FIGURES

Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation, in the current year. However, there are no material reclassification / re-arrangement to report.

33. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 12, 2020 by the Board of Directors of the Company.

34. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

This page is left blank intentionally

Consolidated Financial Statements

This page is left blank intentionally

INDEPENDENT AUDITORS' REPORT

To the members of Jahangir Siddiqui & Co. Ltd.

Opinion

We have audited the annexed consolidated financial statements of Jahangir Siddiqui & Co. Ltd. (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matter	How the matter was addressed in our audit
1. Provision against non-performing credit exposure (note 16.2)	
<p>The Group's credit portfolios include loans and advances, and non-funded credit facilities. The credit portfolio is spread across various domestic branches and overseas operation.</p> <p>As per the Group's accounting policy, the Group determines provisions against non-performing financing exposures in accordance with the requirements of Prudential Regulations of State Bank of Pakistan (SBP) in respect of potential credit losses in the portfolio. The Prudential Regulations require specific provisioning against loan losses on the basis of an age based criteria which should be supplemented by a subjective evaluation of Group's credit portfolio. The determination of loan loss provision against certain vulnerable corporate financing, therefore, involve use of management judgment, on a case to case basis, taking into account factors such as the economic and business conditions, borrowers repayment behaviors and realizability of collateral held by the Group.</p> <p>In view of the significance of this area in terms of its impact on the consolidated financial statements and the level of involvement of management's judgment, we identified adequacy and completeness of loan loss provision as a significant area of audit judgment and a key audit matter.</p>	<p>We applied a range of audit procedures including the following:</p> <ul style="list-style-type: none"> - We tested Group's compliance of Prudential Regulations relating to the identification and classification of non-performing loans into various categories including an analysis of downgrading of the classified loans and declassification from non-performing to regular; - We re-computed on test basis, the provision calculated by the Group, to check compliance with the Prudential Regulations. We also reviewed, on a sample basis, the underlying independent valuations of the collaterals used against the outstanding exposures to calculate the amount of provision; - We also tested internal controls over the approval, recording and monitoring of loans and advances. In addition, we selected a representative sample of borrowers from the financing portfolios and other loans kept by the Group in the watch list category and performed credit assessments. Our procedures includes review of credit documentation, repayment trends and ageing reports, borrowers financial statements to assess its financial condition, collateral held by the Group and litigation status, if any; and - We also reviewed the adequacy of disclosures made in the accompanying consolidated financial statements regarding non-performing loans and provisions in terms of the requirements of Prudential Regulation and applicable reporting framework.

Key audit matter	How the matter was addressed in our audit
<p>2. First time adoption of IFRS 9 and IFRS 16 (notes 3.1.2 and 3.1.1)</p>	
<p>Effective 01 January 2019, the Group has adopted following new accounting standards:</p> <ul style="list-style-type: none"> - IFRS 9 'Financial Instruments; which addresses the classification, measurement, recognition and de-recognition of financial instruments and introduces a new impairment model for financial assets which requires the Group to make provision using expected credit loss (ECL) approach as against the incurred loss model previously applied by the Group, and measurement of Group's unquoted investments at fair value. - IFRS 16 'Leases' (IFRS 16); which sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model with corresponding recognition of right-of-use asset (ROU). Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17 'Leases' i.e. operating and finance leases. For lessees all leases will be classified as finance leases only. <p>We have considered the first time application of IFRS 9 and IFRS 16 and valuation of investments as a key audit matter due to significance of the change in accounting methodology, involvement of significant estimates and judgments resulting adjustments in opening retained earnings, presentation and incremental quantitative and qualitative disclosures.</p>	<p>Our key audit procedures amongst others, includes:</p> <ul style="list-style-type: none"> - reviewed management's process for compliance with the requirements of IFRS 9; - evaluated key decisions made by the Group with respect to accounting policies, estimates and judgements in relation to adoption of IFRS 9 and assessed its appropriateness based on our understanding of the Group's business and its operations; - reviewed impairment models for determining ECL and fair valuation model for valuation of unquoted equity investment, prepared by the management. As part of the review, we tested key inputs in the models and assessed the reasonableness of assumptions used by the management. <p>Our audit procedures to review the application of IFRS 16, amongst others, included the following;</p> <ul style="list-style-type: none"> - Review of managements' impact assessment of all operating lease contracts with lessor in light of application of the new standard. Our assessment included; - Considered the completeness, by testing the reconciliation to the Group's operating lease commitments (if any) and by inspecting terms; - Inspecting terms for a sample of operating lease contracts to determine whether the same are in scope of IFRS 16 and are also subject to recognition exemption under IFRS 16 for short-term and low value leases. We also reviewed contracts to identify whether it is a lease contract, and if so its various component, lease term, extended period, Group's historical experience, rental amount, payment terms, lease modifications terms, etc.; <p>Reviewed discount rate used by the Group to determine the present value of lease obligation and right of use ROU;</p> <ul style="list-style-type: none"> - Reviewed and checked the period considered for depreciating ROU; - Tested calculation of PV of liability and ROU and its related finance cost and depreciation charge for the period; and

Key audit matter	How the matter was addressed in our audit
2. First time adoption of IFRS 9 and IFRS 16 (notes 3.1.2 and 3.1.1)	
	<ul style="list-style-type: none"> - We further tested the adjustments made in opening retained earnings as of 01 January 2019, where applicable as part of the transition process based on the differences identified. <p>We also assessed the adequacy and appropriateness of disclosures for compliance with the requirements of applicable financial reporting framework.</p>

Information Other than the Consolidated and Unconsolidated Financial Statements and Auditors' Reports thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated and unconsolidated financial statements and our auditors' reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide to the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants

Place: Karachi

Date: March 31, 2020

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2019

ASSETS	Note	2019 ----- (Rupees in '000) -----	2018
Non-current assets			
Property and equipment	7	10,131,782	6,369,826
Intangible assets	8	839,406	742,938
Investment property	9	1,540	1,660
Long term investments	10	71,195,640	68,397,461
Long term loans, advances, prepayments and other receivables	11	86,756,481	103,001,493
Assets repossessed	12	1,088,682	91,421
Long term deposits		21,381	22,242
Deferred tax asset	13	1,006,908	1,303,083
		171,041,820	179,930,124
Current assets			
Short term investments	14	93,364,833	101,853,479
Trade debts	15	750,421	1,184,680
Loans and advances	16	156,603,553	149,338,563
Accrued mark-up	17	8,824,961	5,746,955
Short-term prepayments, deposits and other receivables	18	5,602,529	5,886,291
Other financial assets - fund placements	19	30,320,540	1,937,347
Taxation - net		924,949	1,253,057
Cash and bank balances	20	26,074,326	33,124,776
		322,466,112	300,325,148
Assets held for sale	21	374,000	-
		493,881,932	480,255,272
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	22	9,159,424	9,159,424
Reserves	23	21,598,023	18,946,154
Equity attributable to equity holders of the parent		30,757,447	28,105,578
Non-controlling interests		5,405,258	6,009,183
Total equity		36,162,705	34,114,761
Non-current liabilities			
Long term financing	24	10,207,546	10,823,545
Liabilities against assets subject to finance lease	25	3,592,921	34,635
Long-term deposits and other accounts	26	9,911,600	1,663,233
Long term borrowings	27	4,535,252	2,109,327
Deferred liability - employee benefit	43	151,881	102,494
		28,399,200	14,733,234
Current liabilities			
Trade and other payables	28	14,764,464	15,536,365
Unclaimed dividend		21,072	21,072
Dividend payable		38,149	-
Accrued interest / mark-up on borrowings	29	4,340,342	2,860,545
Current portion of long term borrowings	27	50,186,015	94,449,336
Current deposits and current portion of long term liabilities	30	359,969,985	318,539,959
		429,320,027	431,407,277
		493,881,932	480,255,272
Contingencies and commitments	31		

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



CONSOLIDATED STATEMENT OF PROFIT OR LOSS ACCOUNT

For the year ended December 31, 2019

	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Income			
Return on investments	32	10,990,620	11,263,071
Loss on sale of investments - net	33	(609,268)	(1,136,320)
Income from long term loans and fund placements	34	31,968,656	19,940,898
Fee, commission and brokerage	35	3,434,703	3,322,029
Gain / (loss) on remeasurement of investments at fair value through profit or loss - net		144,654	(72,246)
Other income	36	1,709,083	944,360
		47,638,448	34,261,792
Expenditure			
Administrative and other expenses	37	12,561,352	11,757,180
Finance cost	38	35,009,105	21,362,121
Provision for Sindh Workers' Welfare Fund		13,196	(153,421)
Reversal of impairment on investments - net	39	(345,300)	(220,511)
		47,238,353	32,745,369
Share of profit from associate		5,396	6,674
Profit before tax		405,491	1,523,097
Taxation	40		
- Current		942,708	771,795
- Prior		(4,784)	26,945
- Deferred		(583,236)	(90,440)
		354,688	708,300
PROFIT FOR THE YEAR		50,803	814,797
Attributable to:			
Equity holders of the parent		106,551	639,367
Non-controlling interests		(55,748)	175,430
		50,803	814,797
EARNINGS PER SHARE			
Basic and diluted	41	0.12	0.70

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2019

	2019	2018
Note	----- (Rupees in '000) -----	
PROFIT FOR THE YEAR	50,803	814,797
OTHER COMPREHENSIVE INCOME / (LOSS)		
Items that will not be reclassified to statement of profit or loss subsequently		
Actuarial (losses) / gains on defined benefit plan	(17,091)	27,062
Related tax	6,009	(9,472)
	(11,082)	17,590
Unrealised gain on revaluation of investments at fair value through OCI during the year - net of deferred tax	943,800	-
	932,718	17,590
Items that may be reclassified subsequently to statement of profit or loss		
Fair value gain / (loss) on revaluation of available-for-sale investments during the year - net	1,662,976	(8,235,110)
Reclassification adjustments relating to available-for-sale investments disposed off during the year - net	-	1,135,455
	1,662,976	(7,099,655)
Exchange difference on translation of net assets in foreign branches of a subsidiary	32,571	58,715
	1,695,547	(7,040,940)
Total comprehensive income / (loss) for the year	2,679,068	(6,208,553)
Attributable to:		
Equity holders of the parent	2,439,518	(5,733,421)
Non-controlling interests	239,550	(475,132)
	2,679,068	(6,208,553)

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended December 31, 2019

	Attributable to ordinary equity holders of the parent								
	Reserves								
	Issued, subscribed and paid-up share capital	Ordinary share premium	Foreign exchange translation reserve	Unrealised gain/ (loss) on revaluation of available-for sale/ fair value through other comprehensive income investments -net	Statutory	Revenue		Non-controlling interests	Total
						Unappropriated profit/ (accumulated loss)	Sub-total		
(Rupees in '000)									
Balance as at January 01, 2018	9,159,424	4,497,894	11,679	12,029,151	1,076,558	6,915,910	33,690,616	6,393,248	40,083,864
Total comprehensive income / (loss) for the year									
Profit for year	-	-	-	-	-	639,367	639,367	175,430	814,797
Other comprehensive income / (loss)	-	-	58,715	(6,444,699)	-	13,196	(6,372,788)	(650,562)	(7,023,350)
Total comprehensive income / (loss) for the year	-	-	58,715	(6,444,699)	-	652,563	(5,733,421)	(475,132)	(6,208,553)
Transfer to statutory reserve	-	-	-	-	84,373	(84,373)	-	-	-
Transaction with owners recognized directly in equity									
Adjustment related to conversion of preference shares	-	-	-	-	-	139,815	139,815	(139,815)	-
Proceeds from issue of Right shares by subsidiary	-	-	-	-	-	-	-	245,000	245,000
Adjustment related to change in ownership of subsidiary	-	-	-	-	-	8,568	8,568	(8,568)	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(5,550)	(5,550)
Balance as at December 31, 2018	9,159,424	4,497,894	70,394	5,584,452	1,160,931	7,632,483	28,105,578	6,009,183	34,114,761
Impact of initial application of IFRS 9 (note 3.1.2)	-	-	-	(13,728)	-	35,790	22,062	111,424	133,486
Adjusted balance as at January 01, 2019	9,159,424	4,497,894	70,394	5,570,724	1,160,931	7,668,273	28,127,640	6,120,607	34,248,247
Total comprehensive income / (loss) for the year									
Profit / (loss) for the year	-	-	-	-	-	106,551	106,551	(55,748)	50,803
Other comprehensive income / (loss) for the year	-	-	32,571	2,308,710	-	(8,314)	2,332,967	295,298	2,628,265
Total comprehensive income / (loss) for the year	-	-	32,571	2,308,710	-	98,237	2,439,518	239,550	2,679,068
Transfer to statutory reserve	-	-	-	-	3,699	(3,699)	-	-	-
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(38,894)	(38,894)
Buy-back of shares by sub-subsidiaries (notes 1.2.1 and 1.2.2)	-	-	-	-	-	-	-	(931,195)	(931,195)
Surplus arisen on buy back of shares by sub-subsidiaries	-	-	-	-	-	190,289	190,289	-	190,289
Proceeds from issue of Right shares by subsidiary	-	-	-	-	-	-	-	15,190	15,190
Reclassification of net revaluation gain on equity instrument upon derecognition	-	-	-	(268,434)	-	268,434	-	-	-
Balance as at December 31, 2019	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

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended December 31, 2019

	2019	2018
	(Rupees in '000)	(Rupees in '000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	405,491	1,523,097
Non-cash adjustments to reconcile profit before tax to net cash flows		
Depreciation	1,838,525	728,610
Amortisation of intangible assets	98,928	75,637
Gain on sale of property and equipment	(494,836)	(122,116)
Charge for defined benefit plan	134,712	-
(Gain) / loss on remeasurement of investments at fair value through profit or loss - net	(144,654)	72,246
Provision for doubtful debts, loans and advances	253,370	498,506
Impairment of TRE Certificate	3,227	-
Effect of translation of net investment in foreign branches of a subsidiary	32,571	58,715
Reversal of impairment on investments - net	(345,300)	(220,511)
Finance cost	35,009,105	21,362,121
	36,385,648	22,453,208
Operating profit before working capital changes	36,791,139	23,976,305
(Increase) / decrease in operating assets :		
Loans and advances	(7,515,860)	(29,489,721)
Trade debts	349,874	(493,951)
Long term loans, advances, prepayments and other receivables	16,243,373	(39,171,380)
Other financial assets - fund placements	(28,383,193)	1,178,851
Prepayments, deposits, accrued mark-up and other receivables	(3,052,624)	(5,559,595)
	(22,358,430)	(73,535,796)
Increase / (decrease) in operating liabilities:		
Trade and other payables	(771,901)	4,117,452
Deposits and other accounts	48,796,132	33,331,064
Borrowings	(1,983,606)	6,663,052
Net cash generated from / (used in) operations	60,473,334	(5,447,923)
Finance cost paid	(32,914,435)	(20,690,872)
Gratuity paid	(102,416)	(45,562)
Taxes paid	(603,807)	(1,449,142)
Dividend paid (including non-controlling interests)	(745)	(2,663)
Net cash generated from / (used in) operating activities	26,851,931	(27,636,162)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(1,586,558)	(1,793,718)
Intangible assets acquired	(198,623)	(404,942)
Proceeds from sale of property and equipment	1,745,079	154,198
Paid to Non-Controlling Interests against buy back of shares by a subsidiary	(740,906)	-
(Acquisition of) / proceeds from disposal of assets repossessed	(1,371,261)	16,868
Proceeds from issuance of right shares by Subsidiary Company	15,190	245,000
Investments - net	9,803,715	15,515,652
Net cash generated from investing activities	7,666,636	13,733,058
CASH FLOWS FROM FINANCING ACTIVITIES		
Redemption of term finance certificates - net of proceeds from issuance	(753,001)	3,491,697
Long term loan obtained from bank - net of repayments	185,930	(186,721)
Repayment of lease liability	(1,148,156)	-
Securities (purchased) / sold under repurchase agreements - net	(40,242,137)	25,035,935
Net cash (used in) / generated from financing activities	(41,957,364)	28,340,911
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(7,438,797)	14,437,807
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	32,623,147	18,185,340
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	25,184,350	32,623,147

42

The annexed notes from 1 to 55 form an integral part of these consolidated financial statements.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

1. THE GROUP AND ITS OPERATIONS

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

The Holding Company was incorporated under the repealed Companies Ordinance, 1984 on May 04, 1991 as a public unquoted company. The Holding Company is presently listed on Pakistan Stock Exchange Limited. The registered office of the Holding Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan. The principal activities of the Holding Company are trading of securities, maintaining strategic investments, etc.

The Branch network of the group is disclosed in Annexure II to these financial statements.

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 a line by line basis. All material inter company balances, transactions and resulting unrealised profits / losses have been eliminated:

Subsidiary Companies	Note	Holding (including indirect holding)	
		December 31, 2019 %	December 31, 2018 %
JS Bank Limited (JSBL)	1.2.4	75.02	75.02
JS Investments Limited (JSIL) (Sub-subsidiary)	1.2.1 & 1.2.5	63.43	48.88
JS Global Capital Limited (JSGCL) (Sub-subsidiary)	1.2.2 & 1.2.6	62.66	50.38
JS Infocom Limited	1.2.7	100.00	100.00
JS International Limited	1.2.8	100.00	100.00
JS ABAMCO Commodities Limited (Sub-subsidiary)	1.2.1 & 1.2.9	63.43	48.88
Energy Infrastructure Holding (Private) Limited	1.2.10	100.00	100.00
Quality Energy Solutions (Private) Limited	1.2.11	100.00	100.00
Khairpur Solar Power (Private) Limited (Sub-subsidiary)	1.2.12	100.00	100.00
JS Petroleum Limited (Sub-subsidiary)	1.2.3 & 1.2.13	51.00	51.00

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Subsidiary Companies	Note	Holding (including indirect holding)	
		December 31, 2019	December 31, 2018
		%	%
JS Fuel (Private) Limited (Sub-subsidiary)	1.2.14	100.00	100.00
JS Engineering Investments 1 (Private) Limited (Sub-subsidiary)	1.2.15	100.00	100.00

1.2.1 During the year, JS Investments Limited, a sub-subsidiary of the Holding Company, bought back 18,397,562 shares from its shareholders which resulted in an increase in effective shareholding of the Holding Company to 63.43% from 48.88%. Pursuant to this, effective shareholding of the Holding Company in JS ABAMCO Commodities Limited has also increased in the same proportion.

1.2.2 During the year, JS Global Capital Limited, a sub-subsidiary of the Holding Company, bought back 7,450,000 shares from its shareholders which resulted in an increase in effective shareholding of the Holding Company to 62.66% from 50.38%.

1.2.3 The shareholders of the JS Petroleum Limited in their meeting held on February 22, 2019, have approved to change the status of the Company from "Private Limited" to "Public Limited". Further, the shareholders have also appointed six directors of the Company and resolved to increase the authorized capital to PKR 1,100 million divided into 60,000,000 ordinary shares and 50,000,000 Preference Shares of Rs. 10/- each.

1.2.4 JS Bank Limited

JS Bank Limited (JSBL) was incorporated on March 15, 2006 as a public limited company under the repealed Companies Ordinance, 1984. The Subsidiary is engaged in conducting banking business and related services permissible under the Banking Companies Ordinance, 1962. Its shares are listed on the Pakistan Stock Exchange Limited. The registered office of JSBL is situated at Shaheen Commercial Complex, Dr. Ziauddin Ahmed Road, Karachi and it operates with 359 (2018: 344) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (2018: One).

1.2.5 JS Investments Limited

JS Investments Limited (JSIL) is a public listed company incorporated in Pakistan on February 22, 1995 under the repealed Companies Ordinance, 1984. The Subsidiary was listed on Pakistan Stock Exchange Limited on April 24, 2007. The registered office of the Company has been changed to 19th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited.

The Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations). JSIL also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

JSIL is an asset management company and pension fund manager for the following:

Open end:

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2
- JS Islamic Hybrid Fund of Funds - 3
- JS Islamic Dedicated Equity Fund

Private Equity & Venture Capital Fund:

- JS Motion Picture Fund

Pension funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2.6 JS Global Capital Limited (JSGCL)

JS Global Capital Limited (JSGCL) was incorporated as a private limited Company on June 28, 2000. Subsequently, JSGCL obtained listing on Pakistan Stock Exchange Limited on February 07, 2005. JSGCL is a trading right entitlement certificate holder of Pakistan Stock Exchange Limited and member of Pakistan Mercantile Exchange Limited. The principal activities of JSGCL are share brokerage, money market, forex and commodity brokerage, advisory, underwriting, book running and consultancy services. Other activities include investment in a mix of listed and unlisted equity and debt securities and reverse repurchase transactions. The registered office of JSGCL has been changed to 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited.

1.2.7 JS Infocom Limited

JS Infocom Limited (JS Infocom) was incorporated on August 25, 2003 as a public limited unlisted Company under the repealed Companies Ordinance, 1984. The registered office of JS Infocom has been changed to 20th Floor, The Centre, Abdullah Haroon Road, Saddar, Karachi. JS Infocom is established to undertake telecommunication, media and technology business or invest in companies engaged in providing telecommunication, media and technology services.

1.2.8 JS International Limited

JS International Limited was incorporated in Cayman Islands B.W.I. on July 14, 2005. The primary objective for which the Company has been established includes inward investment from non-resident Pakistanis and international institutional investors, financial advisory services to Pakistani companies expanding overseas and to foreign companies interested in investing or setting up joint ventures in Pakistan.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

1.2.9 JS ABAMCO Commodities Limited

JS ABAMCO Commodities Limited (the Company) was incorporated in Pakistan as a public limited company on September 25, 2007 under the repealed Companies Ordinance, 1984 and is a wholly owned subsidiary of JS Investments Limited (the Company). The principal object of the Company is to carry out business in commodity market and related brokerage, advisory and consultancy services. The registered office of the Company has been changed to 19th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company has not commenced its core operations of commodity, brokerage and related advisory services up to the date of statement of financial position. The Company is a subsidiary of JS Investments Limited.

1.2.10 Energy Infrastructure Holding (Private) Limited

Energy Infrastructure Holding (Private) Limited (the Company) was incorporated under the repealed Companies Ordinance, 1984 on April 15, 2008 as a Private Limited Company. The registered office and geographical location of the Company has been shifted to 20th Floor, The Centre, Plot No. 28, SB-5, Saddar, Karachi. The principal activities of the Company are to invest in energy, petroleum and infrastructure projects.

1.2.11 Quality Energy Solutions (Private) Limited

Quality Energy Solutions (Private) Limited was incorporated under the repealed Companies Ordinance, 1984 on May 09, 2016 as a Private Limited Company. The registered office and geographical location of the Company has been shifted to 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Company are to undertake investments in power entities, listed or otherwise in Pakistan or elsewhere in the world.

1.2.12 Khairpur Solar Power (Private) Limited

Khairpur Solar Power (Private) Limited was incorporated under the repealed Companies Ordinance, 1984 on May 05, 2016 as a Private Limited Company. The registered office and geographical location of the Company has been shifted to 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal activities of Company will be to develop, design, construct, build, own, operate, maintain and acquire solar energy project, coal fired power generation complexes and thermal, hydel, renewable energy and wind energy projects, carry on the business of electricity generation, transmission, sale and distribution services and maintain housing, transportation, communication and utility lines and other requisite logistic facilities for the construction, operation and maintenance of power plants. The Company is a wholly owned subsidiary of Quality Energy Solutions (Pvt.) Ltd.

1.2.13 JS Petroleum Limited

JS Petroleum Limited was incorporated under the repealed Companies Ordinance, 1984 on October 09, 2017 as a Private Limited Company and was subsequently converted to Public Unlisted Company. The registered office and geographical location of the Company has been shifted to 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal business activity of the Company will be to invest in and undertake Oil and Gas storage facility business. The Company is a subsidiary of Energy Infrastructure Holding (Private) Limited.

1.2.14 JS Fuel (Private) Limited

JS Fuel (Private) Limited was incorporated under the Companies Act, 1984 on November 24, 2017 as a Private Limited Company. The registered office and geographical location of the Company has been shifted to 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal business activity of the Company is to conduct and to invest in oil marketing business. The Company is a wholly owned subsidiary of Energy Infrastructure Holding (Private) Limited.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

1.2.15 JS Engineering Investments 1 (Private) Limited

JS Engineering Investments 1 (Private) Limited was incorporated under the Companies Act, 2017 on November 23, 2017 as a Private Limited Company. The registered office and geographical location of the Company has been shifted to 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Company will be to invest in engineering and automotive sectors. The Company is currently pursuing investment opportunities. The Company is a wholly owned subsidiary of Energy Infrastructure Holding (Private) Limited.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have 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 Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017 have been followed.

IFRS 10 "Consolidated Financial Statements" was made applicable from period beginning on or after January 01, 2015 vide S.R.O 633(I)/2014 dated July 10, 2014 by the Securities and Exchange Commission of Pakistan (SECP). However, SECP has directed that the requirements of consolidation under section 237 of the repealed Companies Ordinance 1984 and IFRS-10 "Consolidated Financial Statements" is not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016. Accordingly, the requirements of these standards have not been considered in the preparation of these consolidated financial statements.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss and at fair value through other comprehensive income / available for sale investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the functional and presentation currency of the Company and rounded off to rupees in thousands.

3. The Holding Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year

Standard or Interpretation

IFRS 9 - Financial Instruments: Classification and Measurement

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Improvements to Accounting Standards Issued by the IASB

IFRS 3 Business Combinations - Previously held Interests in a joint operation

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on these consolidated financial statements except for IFRS 9 and IFRS 16. The impact of adoption of IFRS 9 and IFRS 16 are described below:

3.1.1 IFRS 16 Leases

During the current year, the Group has adopted IFRS 16 as prescribed by SECP for the periods beginning on or after January 01, 2019.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group has lease contracts for its head office and branches. Before the adoption of IFRS 16, the Group classified its lease (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in the statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Group initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Group elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	January 01, 2019 (Rupees in '000)
Increase in RoU asset	5,241,945
Decrease in prepayments	(339,144)
Increase in total assets	4,902,801
Increase in lease liability against asset subject to finance lease	(4,902,801)
Increase in net assets	<u><u>-</u></u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

The Group also applied the available practical expedients wherein it:

- Relied on its assessment of whether lease is onerous immediately before the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The lease liabilities as at January 01, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

	January 01, 2019 (Rupees in '000)
Operating lease commitments as at December 31, 2018	6,676,354
Weighted average incremental borrowing rate as at January 01, 2019	<u>12.09% to 12.87%</u>
Discounted operating lease commitments as at January 01, 2019	4,243,017
 Add: Lease payments relating to renewal periods not included in operating lease commitments as at December 31, 2018	 <u>659,784</u>
Lease liabilities as January 01, 2019	<u><u>4,902,801</u></u>

3.1.2 IFRS 9 Financial Instruments

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after January 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company, except the Subsidiary Bank, has applied IFRS 9, with the initial application date of January 01, 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP).

Through S.R.O. 229 (I)/2019 dated February 14, 2019, the SECP has deferred the applicability of the IFRS 9 'Financial Instruments' for all companies required to prepare their financial statements in accordance with the requirements of IFRS for reporting period/year ending on or after June 30, 2019 (earlier application is permitted). However, SBP has extended the effective date of applicability of IFRS 9 to annual periods beginning on or after January 01, 2021 vide SBP BPRD Circular No. 4 dated October 23, 2019. Therefore, the Bank has not considered the impact of IFRS 9 for its Pakistan operations in these unconsolidated financial statements.

Further, the Bank considers that as the Prudential Regulations and other SBP directives currently provide the accounting framework for the measurement and valuation of investments and provision against non performing loans and advances, the implementation of IFRS 9 may require changes in the regulatory regime and for this SBP would issue guidance and instruction on the application of IFRS 9 for the banking sector of Pakistan.

(a) Classification and measurement

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on January 01, 2019. However, the Group except Subsidiary Bank has chosen to take advantage of the option not to restate comparatives. Therefore, the 2018 figures are presented and measured under IAS 39. The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for the Group except Subsidiary Bank's financial assets and financial liabilities as at January 01, 2019:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Financial assets

January 01, 2019	IAS 39 Classification	IAS 39 Measurement	IFRS 9 Classification	IFRS 9 Measurement
	----- (Rupees in '000) -----			
Equity investments (Other related parties - long term investments)	Available for sale	8,788,389	Fair value through other comprehensive income	8,788,389
Equity investments (Other investments - long term investments)	Available for sale	6,817,167	Fair value through other comprehensive income	6,817,167
Equity investments	Held for trading	1,219,341	Fair value through profit or loss	1,219,341
Equity investments - unquoted securities	Available for sale (at cost)	270,600	Fair value through other comprehensive income (Note 3.1.2.1)	435,376
Equity investments (Other financial assets - short term investments)	Available for sale	3,403,350	Fair value through other comprehensive income	3,403,350
Equity investments (Other financial assets - short term investments)	Available for sale	1,548,445	Fair value through profit or loss (Note 3.1.2.2)	1,548,445
Debt investments	Held to maturity	300,000	Amortised Cost	300,000
Loans and advances	Loans and receivables	384,060	Amortised Cost	355,657
Interest Accrued	Loans and receivables	43,430	Amortised Cost	41,424
Trade debts	Loans and receivables	1,085,990	Amortised Cost	1,080,022
Other receivables - related parties	Loans and receivables	1,252	Amortised Cost	1,252
Receivable against margin finance	Loans and receivables	297,727	Amortised Cost	297,727
Loans and advances - considered good	Loans and receivables	11,019	Amortised Cost	11,019
Short-term deposits	Loans and receivables	126,175	Amortised Cost	126,175



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Financial assets

January 01, 2019	IAS 39 Classification	IAS 39 Measurement (Rupees in '000)	IFRS 9 Classification	IFRS 9 Measurement
Other receivables	Loans and receivables	56,945	Amortised Cost	49,253
Cash and cash equivalents	Loans and receivables	1,989,191	Amortised Cost	1,989,191

3.1.2.1 The Group except Subsidiary Bank has elected to classify its non-trading equity securities at fair value through other comprehensive income. The fair value of such investment is Rs.435.376 (cost of Rs.270.600) million as result of fair value exercise carried out by the management of the Company upon adoption of IFRS 9. Accordingly, the unrealised gain as at January 01, 2019 has been adjusted by Rs.164.77 million.

3.1.2.2 The Group except Subsidiary Bank has elected to classify its trading equity securities at fair value through profit or loss. Accordingly, the unrealised loss as at 01 January, 2019 amounting to Rs. 46.55 million have been transferred to unappropriated profit at the beginning of the period.

Financial liabilities

January 01, 2019	IAS 39 Classification	IAS 39 Measurement (Rupees in '000)	IFRS 9 Classification	IFRS 9 Measurement
Creditors, accrued expenses and other liabilities	Other financial liabilities	2,189,566	Amortised cost	2,189,566
Unclaimed dividend	Other financial liabilities	3,362	Amortised cost	3,362
Trade and other payables	Other financial liabilities	18,684	Amortised cost	18,684

(b) Impairment

IFRS 9 requires the Group except Subsidiary Bank to record expected credit losses (ECLs) on all of its debt securities and trade and other receivables, either on a 12-month or lifetime basis. The management has made an assessment of impairment under expected credit loss model of IFRS 9 for financial assets and concluded that ECL on such instruments is not significantly different from existing provision held.

The adoption of IFRS 9 on the Group except Subsidiary Bank has resulted in following:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	(Rupees in '000)
Consolidated Reserves	
As at December 31, 2018	7,632,483
IFRS 9 impact:	
Decrease due to impairment charge against trade debts	(3,739)
Decrease due to impairment charge against short-term prepayments, deposits and other receivables	(4,819)
Decrease due to impairment charge against short-term loans and advances	(28,403)
Decrease due to impairment charge against accrued mark-up	(2,006)
Increase due to transfer of unrealised appreciation on 'available-for-sale' investments	110,004
Decrease due to transfer of unrealised revaluation on 'available-for-sale' investments	(46,546)
Related tax impact	11,299
	35,790
As at January 01, 2019 - adjusted	7,668,273
Non-Controlling Interest	
As at December 31, 2018	6,009,183
IFRS 9 impact:	
Decrease due to impairment charge against trade debts	(2,228)
Decrease due to impairment charge against short-term prepayments, deposits and other receivables	(2,872)
Increase due to transfer of unrealised appreciation on 'available-for-sale' investments	115,045
Related tax impact	1,479
	111,424
As at January 01, 2019 - adjusted	6,120,607
Unrealised gain / (loss) on revaluation of available-for-sale / fair value through other comprehensive income investments - net	
As at December 31, 2018	5,584,452
IFRS 9 impact:	
Increase due to transfer of unrealised appreciation on 'available-for-sale' investments at cost	211,321
Increase due to transfer of unrealised appreciation on 'available-for-sale' investments	(225,049)
	(13,728)
As at January 01, 2019 - adjusted	5,570,724
Trade debts	
As at December 31, 2018	1,184,680
IFRS 9 impact:	
Decrease due to impairment charge against trade debts	(5,967)
As at January 01, 2019 - adjusted	1,178,713



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(Rupees in '000)

Short-term prepayments, deposits and other receivables

As at December 31, 2018	5,886,291
IFRS 9 impact:	
Decrease due to impairment charge against short-term prepayments, deposits and other receivables	(7,691)
As at January 01, 2019 - adjusted	<u>5,878,600</u>

Short-term loans and advances

As at December 31, 2018	149,338,563
IFRS 9 impact:	
Decrease due to impairment charge against short-term loans and advances	(28,403)
As at January 01, 2019 - adjusted	<u>149,310,160</u>

Accrued mark-up

As at December 31, 2018	5,746,955
IFRS 9 impact:	
Decrease due to impairment charge against accrued mark-up	(2,006)
As at January 01, 2019 - adjusted	<u>5,744,949</u>

Deferred tax asset

As at December 31, 2018	1,303,083
IFRS 9 impact:	
Deferred tax income on impairment charge against trade debts	1,731
Deferred tax income on impairment charge against short-term prepayments, deposits and other receivables	2,230
Deferred tax income on impairment charge against loans and advances	8,236
Deferred tax income on impairment charge against accrued interest	581
	12,778
As at January 01, 2019 - adjusted	<u>1,315,861</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

3.2 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

	Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	July 01, 2019
IFRS 3 - Definition of a Business (Amendments)	January 01, 2020
IAS 1 / IAS 8 - Definition of Material (Amendments)	January 01, 2020
IFRS 10 - Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized

The IASB has also issued the revised Conceptual Framework for Financial Reporting (the Conceptual Framework) in March 2018 which is effective for annual periods beginning on or after January 01, 2020 for preparers of financial statements who develop accounting policies based on the Conceptual Framework. The revised Conceptual Framework is not a standard, and none of the concepts override those in any standard or any requirements in a standard. The purpose of the Conceptual Framework is to assist IASB in developing standards, to help preparers develop consistent accounting policies if there is no applicable standard in place and to assist all parties to understand and interpret the standards.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2021

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group'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 year in which the estimate is revised and in any future years affected.

In the process of applying the Group's accounting policies, management has made the following estimates and judgments which are significant to the consolidated financial statements:

- (a) determining the residual values and useful lives of property and equipment and intangibles (notes 6.1, 6.2, 7.1 and 8);
- (b) classification of investments (notes 6.6, 10 and 14);
- (c) recognition of taxation and deferred tax (notes 6.10 and 40);
- (d) accounting for post employment benefits (note 6.17);
- (e) impairment of financial assets (notes 6.6 and 39).
- (f) leases (note 6.5);



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- (g) fair value of un-quoted equity securities (note 47.3); and
- (h) provision against non performing loans (note 6.28);

5. BASIS OF CONSOLIDATION

- The consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies together - "the Group".
- Subsidiary companies are fully consolidated from the date on which control is obtained and are excluded from consolidation from the date of when control is lost.
- The financial statements of the subsidiary companies are prepared for the same reporting year (except for JS International Limited whose audited financial statements as at September 30 have been considered) as the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of subsidiary companies have been consolidated on a line by line basis.
- Non-controlling interests in equity of the subsidiary companies are measured at proportionate share of net assets of the acquiree as of the acquisition date.
- Material intra-group balances and transactions have been eliminated.

6. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

6.1 Property and equipment

These are stated at costs less accumulated depreciation and accumulated impairment, if any. Cost comprises acquisition and other directly attributable costs. Depreciation is charged to the statement of profit or loss by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life at the rates specified in note 7.1 to the financial statements. Depreciation is charged on additions from the month in which asset is put to use on disposals up to the month immediately preceding the disposal.

The asset's residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each date of statement of financial position.

An item of fixed assets is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and its cost can be reliably measured. The carrying amount of the asset replaced is derecognized.

Gains and losses on disposal of fixed assets, if any, are taken to the statement of profit or loss.

Capital work-in-progress is stated at cost less impairment losses, if any. These are transferred to specified assets as and when assets are available for use.

6.2 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rates specified in note 8 to these financial statements. Amortization is

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each date of statement of financial position.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Group. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each date of statement of financial position or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit or loss when the asset is derecognized.

6.3 Investment property

Investment property is property held to earn rentals and / or for capital appreciation (including property under construction for such purposes).

These are stated at cost including transaction costs less accumulated depreciation and accumulated impairment, if any. Depreciation is charged to the statement of profit or loss by applying the straight-line method whereby the cost of an asset is written-off over its estimated useful life. Depreciation is charged from the month in which asset is put to use and on disposals up to the month immediately preceding the disposal.

Investment property is derecognized when either it is disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains and losses on the retirement or disposal of an investment property are recognized in the statement of profit or loss in the year of retirement or disposal.

Transfers are made to / from investment property when, and only when, there is change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party.

6.4 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

6.5 IFRS 16 Leases - Policy applicable from January 01, 2019

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

- **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets include the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

certain to obtain ownership of the leased assets at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

- **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

- **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

- **Significant judgement in determining the lease term of contracts with renewal options**

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under its lease agreement to lease the asset for additional terms of more than one year. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for lease of head office due to the significance of this asset to its operations. This lease has a short non-cancellable period (i.e., eleven months) and there will be a significant negative effect on operations if a replacement is not readily available.

6.6 Investments

The management of the Group Companies (the Company, subsidiaries and sub-subsidiaries) determine the appropriate classification of investments at the time of purchase or increase in and classifies / reclassifies its investment as subsidiaries, associates and joint ventures, at fair value through profit or loss, fair value through other comprehensive income and at amortized cost.

All investments are initially recognized at cost, being the fair value of the consideration given including transaction costs associated with the investment except in the case of investments at fair value through profit or loss where transaction costs are charged to the statement of profit or loss when incurred.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Subsidiaries, associates and joint arrangements

A subsidiary is an entity over which the Group has control. Control is achieved when the Group:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

In addition, control is also established when the Group directly or indirectly holds more than fifty percent of the voting securities or otherwise has power to elect more than fifty percent of the directors of the investee.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but has not control or joint control over those policies.

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group reassesses, at each date of statement of financial position, whether or not it has control, significant influence or joint control over the investee.

Investments in subsidiaries are consolidated on a line by line basis. Investments in associates and joint ventures, other than those classified as held for sale, are accounted for under the equity method in these consolidated financial statements. Under equity method, investments are carried at cost, plus post-acquisition changes in the Group's share of net assets of the entity, less any impairment in value. The statement of profit or loss reflects the Group's share of the results of its associates and joint ventures.

Investments in subsidiaries, associates and joint ventures classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

IFRS 9 Financial Instruments - Policy applicable from January 01, 2019 (except on Subsidiary Bank)

During the current year, the Group (except Subsidiary Bank) has adopted IFRS 9 Financial Instruments. See note 3.1.2 for an explanation of the impact. Comparative figures for the year ended December 31, 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Holding Company recognises due to counterparties when funds reach the Group.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Classification

In accordance with IFRS 9, the Group (except for subsidiary bank) classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be at Fair Value through Profit or Loss if:

- (i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term, or
- (ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking, or
- (iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Holding Company classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- The entity's business model for managing the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured at fair value through other comprehensive income (FVOCI)

a) Debt instruments at FVOCI

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in the statement of profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to the statement of profit or loss. Debt instruments are subject to impairment under Expected Credit Loss model. The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to the statement of profit or loss. The accumulated loss recognised in OCI is recycled to the statement of profit or loss upon de-recognition of the assets.

b) Equity instruments at FVOCI

Upon initial recognition, the Group (except for subsidiary bank) elects to classify irrevocably its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The Holding Company's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. Such classification is determined on an instrument by instrument basis.

Gains and losses on these equity instruments are never recycled to the statement of profit or loss. Dividends are recognised in the statement of profit or loss as return on investments when the right of the payment has been established, except when the Holding Company benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Financial assets measured at amortised cost

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at fair value through profit or loss

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding, or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell, or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured at fair value through profit or loss, if any.

De-recognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Group has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Holding Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Holding Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. The Holding Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Group holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables. Therefore, the Holding Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Holding Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial instruments - Policy applicable for the year ended or before December 31, 2018

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit and loss after meeting conditions as stated in IAS 39.

Investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair value with any resulting gains or losses recognized directly in the statement of profit or loss. Transaction costs are charged to the statement of profit or loss when incurred.

Available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available for sale. After initial recognition, these are stated at fair values (except for unquoted investments for which active market does not exist) with any resulting gains or losses being taken directly to statement of comprehensive income until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to the statement of profit or loss.

Held to maturity

Investments with fixed or determinable payments and fixed maturity where management has both the positive intent and ability to hold to maturity are classified as held to maturity and are stated at amortized cost. Impairment in value, if any, is taken to the statement of profit or loss.

Premium and discount on investments are amortized using the effective interest rate method and taken to the statement of profit or loss from investments.

Impairment of Financial assets

The Group assesses at each date of statement of financial position that whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (an incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. In case of quoted equity securities, impairment is assessed based on significant or prolonged decline in market prices of securities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss recognized in the statement of profit or loss, the impairment loss is reversed, with the amount of reversal recognized in the statement of profit or loss.

6.7 Derivative financial instruments

Derivative instruments held by the Group generally comprise future contracts in the capital markets. These are stated at fair value at the date of statement of financial position. The fair value of the derivative is equivalent to the unrealized gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities in the statement of financial position. The resultant gains and losses are recognized in the statement of profit or loss.

The fair value of unquoted derivatives, if any, is determined by discounting cash flows using appropriate interest rates applicable to the underlying asset.

6.8 Securities sold under repurchase / purchased under resale agreements

The Group enters into transactions of repos and reverse repos at contracted rates for a specified period of time as under:

(a) Repurchase agreement borrowings

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognised in the statement of financial position and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as liabilities. The difference between sale and repurchase price is treated as mark-up / interest expense using the effective yield method.

(b) Repurchase agreement lendings

Investments purchased under agreement to resell at a specified future date (reverse repos) are not recognised in the statement of financial position. Amounts paid under these agreements are included in fund placements. The difference between purchase and realise price is treated as mark-up/return/interest earned and accrued over the period of the reverse repo agreement using effective yield method.

6.9 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made.

Provision against identified non-funded losses is recognised when intimated and reasonable certainty exists for the Group to settle the obligation. The loss is charged to the statement profit or loss net of expected recovery.

6.10 Taxation

Current

The charge for current taxation is based on taxable income at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any. The tax charge as calculated above is compared with alternate corporate tax under Section 113C of the Income Tax Ordinance, 2001, and whichever is higher is provided in the financial statements.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Deferred

Deferred tax is calculated using the balance sheet liability method on all temporary differences at the date of statement of financial position, between the tax base of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses to the extent that it is probable that the deductible temporary differences will reverse in the future and sufficient taxable profits and taxable temporary differences will be available against which the deductible temporary differences and unused tax losses can be utilized.

The carrying amount of all deferred tax assets is reviewed at each date of statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted at the date of statement of financial position.

Deferred tax, if any, on revaluation of investments is recognised as an adjustment to surplus / (deficit) arising on revaluation in accordance with the requirements of IAS-12 "Income Taxes".

6.11 Revenue recognition

- (a) Mark-up / return / interest income on loans and advances and investments is recognised on accrual basis using effective interest method. Mark-up / return / interest income on non-performing loans and advances and investments is recognised on receipt basis.
- (b) Income / return on Term Finance Certificates (TFCs), government securities, reverse repurchase transactions, certificate of deposits and loans and advances is recognised at rate of return implicit in the instrument / arrangement on a time proportion basis.
- (c) Dividend income on equity investments is recognised, when the Group's right to receive the same is established.
- (d) Capital gains or losses on sale of investments are recognised in the period in which they arise.
- (e) Commission is recognised as income at the time of affecting the transaction to which it relates. Fees are recognised when earned.
- (f) Brokerage, consultancy, management and advisory fee, commission on foreign exchange dealings and government securities, etc. are recognised as and when earned.
- (g) Rental income from investment properties, commission on portfolio trading services and return on bank deposits is recognised as services are rendered.
- (h) Trusteeship fee is recognized on an accrual basis in proportion to the provision of service.
- (i) Financing method is used in accounting for income from lease financing. Under this method, the unearned lease income (excess of the sum of total lease rentals and estimated residual value over the cost of leased assets) is deferred and taken to income over the term of the lease period so as to produce a constant periodic rate of return on the outstanding net investment in lease.
- (j) Gains / losses on termination of lease contracts, documentation charges, front-end fees and other lease income are recognized as income on receipt basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

(k) Underwriting commission is recognized when the agreement is executed. Take-up commission is recognized at the time the commitment is fulfilled.

(l) Return on National Saving Certificates is accounted for using the effective interest rate method.

6.12 Long term finances, loans and advances

All long term finances and loans are initially recognized at cost (net of transaction costs) being the fair value of consideration received together with the associated transaction costs. Subsequently, these are carried at amortized cost using effective interest rate method.

Transaction costs relating to long term finances and loans are being amortized over the period of agreement using the effective interest rate method.

6.13 Trade debts and other receivables

Trade and other receivables are carried at cost, which is the fair value of the consideration to be received, less provision for doubtful debts. A provision for impairment in trade debts and other receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to original terms of receivables. Trade debts and other receivables considered irrecoverable are written off.

6.14 Trade and other payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid.

6.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, demand deposits and short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand, cheques in hand, term deposits, bank balances, net of bank overdrafts repayable on demand, if any.

6.16 Segment reporting

Segment results are reported to Board of Directors of the Holding Company (being chief operating decision making authority) and include items that are directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, tax assets and liabilities and common Company's expenses.

The Group's reportable segments under IFRS-8 are disclosed in note 50.

6.17 Staff retirement benefits

Defined contribution plan

The Holding Company and its certain subsidiaries operate an approved funded contributory provident fund scheme for all its employees eligible to the scheme. Equal monthly contributions are made by the group and the employees to the fund at the rates defined below of basic salary. Contribution by the Group is charged to the statement of profit or loss.

- The Holding Company	10.00%
- JS Bank Limited (the subsidiary)	7.10%
- JS Global Capital Limited (the sub-subsidiary)	7.33%
- JS Investment Limited (the sub-subsidiary)	7.33%



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Defined benefit plan

JS Bank Limited (a subsidiary Company) operates an approved funded gratuity scheme covering all its eligible employees who have completed minimum qualifying period. An actuarial valuation of defined benefit scheme is conducted at the end of every year or on occurrence of any significant change. The most recent valuation in this regard was carried out as at December 31, 2019, using the projected unit credit actuarial valuation method. Under this method cost of providing for gratuity is charged to the statement of profit or loss so as to spread the cost over the service lives of the employees in accordance with the actuarial valuation. Past-service costs are recognised immediately in the statement of profit or loss and actuarial gains and losses are recognised immediately in other comprehensive income.

6.18 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual right to the cash flow from the financial assets expires or is transferred. All financial liabilities are derecognized at the time when they are extinguished that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gains or losses on derecognition of financial assets and financial liabilities are taken to the statement of profit or loss.

6.19 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is only offset and the net amount is reported in the statement of financial position when there is a legal enforceable right to set off the recognized amount and the Group intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

Trade date accounting

All "regular way" purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Group commits to purchase or sell an asset. Regular way purchases or sales of financial assets are those, the contract for which requires delivery of assets within the time frame generally established by regulation or convention in the market.

6.20 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the date of statement of financial position. Gains and losses on translation are taken to statement of profit or loss. Non-monetary assets and liabilities, denominated in foreign currency that are measured at fair value are translated using exchange rate at the date the fair values are determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

6.21 Foreign operations

The assets and liabilities of foreign branches are translated to Rupees at exchange rates prevailing at the date of statement of financial position. The results of foreign operations are translated to Rupees at the average rate of exchange for the year.

6.22 Impairment

Non-financial assets and investments in associates and joint ventures

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

is the higher of an asset's or cash generating unit's (CGU) fair value less costs to sell and value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of the money and the risks specific to the asset. In determining the fair value less costs to sell, an appropriate valuation method is used.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may not longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit or loss.

6.23 Business combination

Acquisition of business not under common control

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

Acquisition of business under common control

Acquisition of business under common control is accounted for under 'pooling of interest method'. The assets and liabilities of the combining businesses for the period in which the combination occurs are merged on the date of combination at their respective book values. Appropriate adjustments are made to the book values to reflect application of consistent accounting policies in the combining businesses. Any difference between the amount of net assets merged and consideration transferred in form of cash or other assets are adjusted against equity.

6.24 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Group are not treated as the assets of the Group and accordingly are not included in these consolidated financial statements.

6.25 Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

6.26 Borrowings / deposits and their cost

Borrowing / deposit costs are recognised as an expense in the period in which these are incurred to the extent that they are not directly attributable to the acquisition of or construction of qualifying assets. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) is capitalised as part of the cost of the asset.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

6.27 Dividend and other appropriations to reserves

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.

6.28 Provision against non performing loans

The subsidiary bank reviews its loan portfolio to assess amount of non-performing loans and advances and provision required there-against. While assessing this requirement various factors including the delinquency in the account, financial position of the borrowers, the value of securities and the requirements of the Prudential Regulations are considered. For portfolio impairment / provision on consumer advances, the Bank follows requirements set out in Prudential Regulations.

7. PROPERTY AND EQUIPMENT	Note	2019	2018
		----- (Rupees in '000) -----	
Operating fixed assets	7.1	5,308,343	5,554,252
Right-of-use asset	7.2	4,271,231	-
Capital work-in-progress	7.3	552,208	815,574
		<u>10,131,782</u>	<u>6,369,826</u>

7.1 Operating fixed assets

	Cost			Depreciation rate per-annum %	Accumulated depreciation		Written down value	
	As at January 01, 2019	Additions/ (disposals)	As at December 31, 2019		As at January 01, 2019	For the year / (on disposal)	As at December 31, 2019	As at December 31, 2019
	----- (Rupees in '000) -----				----- (Rupees in '000) -----			
Office premises - leasehold	2,253,546	41,929 (427,044)	1,868,431	1.0 - 20	322,631	41,780 (53,044)	311,367	1,557,064
Land - freehold	357,747	27,164 -	384,911	-	-	-	-	384,911
Land - leasehold	245,166	5,415 -	250,581	2	6,819	4,953 -	11,772	238,809
Leasehold improvements	1,304,991	637,030 (28,754)	1,913,267	10 - 33	622,104	146,980 (25,001)	744,083	1,169,184
Office equipment	3,095,234	626,457 (185,195)	3,536,496	12.5 - 33	1,879,648	412,465 (176,349)	2,115,764	1,420,732
Office furniture and fixtures	627,456	126,809 (37,399)	716,866	10 - 20	335,142	63,460 (36,250)	362,352	354,514
Motor vehicles	1,220,681	355,182 (1,296,936)	278,927	20	384,225	162,023 (450,450)	95,798	183,129
	<u>9,104,821</u>	<u>1,819,986 (1,975,328)</u>	<u>8,949,479</u>		<u>3,550,569</u>	<u>831,661 (741,094)</u>	<u>3,641,136</u>	<u>5,308,343</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	Cost			Depreciation Rate Per-annum %	Accumulated depreciation		Written down value	
	As at January 01, 2018	Additions/ (disposals) (Rupees in '000)	As at December 31, 2018		As at January 01, 2018	For the year/ (on disposal)	As at December 31, 2018	As at December 31, 2018
Office premises - leasehold	2,166,876	63,510 23,160	2,253,546	1.0 - 20	277,380	43,638 1,613	322,631	1,930,915
Land - freehold	202,696	155,051	357,747	-	-	-	-	357,747
Land - leasehold	227,970	17,196	245,166	2	-	4,404 2,415	6,819	238,347
Leasehold improvements	1,189,326	186,211 (70,546)	1,304,991	10 - 33	568,466	114,537 (60,899)	622,104	682,887
Office equipment	2,731,489	413,222 (49,477)	3,095,234	12.5 - 33	1,581,235	342,845 (44,432)	1,879,648	1,215,586
Office furniture and fixtures	568,148	74,646 (15,338)	627,456	10 - 20	296,338	53,644 (14,840)	335,142	292,314
Motor vehicles	997,509	430,939 (207,767)	1,220,681	20	386,545	169,422 (171,742)	384,225	836,456
	8,084,014	1,340,775 (319,968)	9,104,821		3,109,964	728,490 (287,885)	3,550,569	5,554,252

7.1.1 Details of disposal of fixed assets having written down value exceeding Rs. 500,000 each are given in Annexure I to these consolidated financial statements.

7.1.2 The details of immovable property of the group are as follows:

JS Fuel (Private) Limited

- Chak no.202, RB, Faisalabad, Maoza Taragarh

0.729

JS Petroleum Limited

- Port Qasim, Bin Qasim Town, District Malir, Karachi

15

Energy Infrastructure Holding (Private) Limited

- HUB Tehsil, District Lasbella, Balochistan

137

JS Bank Limited

- Plot No. 201, Situated at Upper Mall, Lahore

0.875

- Plot # 06, Survey # 362/10 (in compound of Bungalow 55 & 55/1), situated at Haider Road, Rawalpindi

0.014

- Situated at Plot No. 21, Collage Road, F-7, Markaz, Islamabad

0.186

- Land situated at House No. 65 Near Foreign Affair Office Shadman II, Lahore

0.103



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	Total area of land in Acres
- Hut No. 182, Old Survey No. 87, Hawks Bay Beach, Karachi	0.041
- Office No, 84,85 & 86, On second floor project known as " Pakistan/Karachi Stock Exchange", situated at Land Bearing no. 3/2 and 3/2/1, Street No. RY-3, in the area of railway Quarters, I.I. Chundrighar Road, Karachi	0.016
- Bahria Heights III, Phase IV, Bahria Town, Bearing Khasra # 3508, Situated at Mouza Kotha Kalan, Rawalpindi	0.052
- Property on Plot No. G-3, 23th floor, Inclusive of 8 parking space & along with 1/87 undivided share of main Plot building known as "OCEAN OWER", Block no. 9, K.D.A, Scheme No. 5. Kehkashan. Clifton Karachi	0.225
- Commercial Land Bearing Showroom No 3, Ground Floor, along with 3 reserved car parking space in project known as " AL-TIJARAH CENTRE", With 0.554% undivided share in Plot No. 32-1-A, situated in Block No. 6, Pakistan Employee Co-operative Housing Society, Karachi	0.048
- Property Shop Bearing Premises No. 6 & on Ground Floor, Project known as "AL-HABIB ARCADE", Situated at on Sub Plot No. G-3/X-II/A, Three Sword, Main Clifton Road,	0.021
- Commercial property ground & first floor bearing Plot No. 21/1, Survey Sheet No. BR-5, Tenure Govt. H/1, Situated at Lakshmi Das Street, Bunder Quarters, Karachi	0.013
- Property Shop bearing premises No. G-1, G-66 on ground floor and F-1, F-2 & F-3 at first floor, project known as "THE CENTRE", situated at plot no. 28, SB-5. Saddar Bazaar, Karachi.	0.043
- Shop No. S-01, Ground Floor, Building known as "RABIA HEIGHTS" Constructed on bearing Plot No. GRW-315, situated at Lawrence Road, Garden West Quarters, Karachi	0.032
- Project Known as "JS BANK LIMITED DIVINE MEGA II BRANCH" situated at office no.2, divine mega II plaza opposite Honda Point, New Air port Road, Tehsil Cantt, District Lahore.	0.033
- Main Plot 55-B, Building known as "ISE TOWER" property office No. 414, 4th floor, ISE TOWER, Main Jinnah Avenue, Blue Area, Islamabad.	0.031
- Shop No. G-1, Ground Floor, Hamza Heights, on Plot No. A-11, Survey sheet No. 35-P/1, Survey No. 5, Union Commercial Area Block 7 & 8, Karachi Co-operative Housing Societies Limited. Karachi	0.034
- Plot No. 88, Sector D, Iqbal Blvd DHA Phase II, Islamabad	0.021
- Office No. 714-717 and 718 to 727, 7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi	0.633

	2019	2018
	----- (Rupees in '000) -----	
7.2 Right-of-use assets		
As at January 01	5,241,945	-
Additions	52,040	-
Depreciation expense	(1,006,744)	-
Deletion	(16,010)	-
As at December 31	4,271,231	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

7.3 Capital work-in-progress	2019	2018
	----- (Rupees in '000) -----	
Advances to suppliers against:		
Civil works	325,351	669,961
Advance for purchase of land	203,570	90,829
Office equipment	22,719	-
Furniture and fixture	290	14,456
Acquisition of software and equipment	278	22,153
Vehicles	-	18,175
	552,208	815,574

8. INTANGIBLE ASSETS

Owned intangible asset	732,150	657,667
Capital work-in-progress	107,256	85,271
	839,406	742,938

8.1 Owned intangible asset

Note	Cost			Rate per-annum %	Accumulated amortization / impairment			Written down value
	As at January 01, 2019	Additions / (disposals / adjustments) (Rupees in '000)	As at December 31, 2019		As at January 01, 2019	For the year / impairment / adjustments (Rupees in '000)	As at December 31, 2019	As at December 31, 2019
Software	1,064,007	176,638	1,240,645	20 - 33.33	417,067	98,261	515,328	725,317
Non-compete fee	126,683	-	126,683	33.33	126,683	-	126,683	-
Technical know how	150,000	-	150,000	100	150,000	-	150,000	-
Trading Right Entitlement Certificate (TREC)	5,755	(3,227)	2,528	-	28	-	28	2,500
Membership card - Pakistan Mercantile Exchange Limited	3,500	-	3,500	-	-	-	-	3,500
Provisional license	2,000	-	2,000	-	500	667	1,167	833
	1,351,945	176,638 - (3,227)	1,525,356		694,278	98,928 -	793,206	732,150



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Note	Cost			Rate per-annum %	Accumulated amortization / impairment			Written down value
	As at January 01, 2018	Additions / (disposals / adjustments)	As at December 31, 2018		As at January 01, 2018	For the year / impairment / (adjustments)	As at December 31, 2018	As at December 31, 2018
	(Rupees in '000)				(Rupees in '000)			
Software	746,336	317,671	1,064,007	20 - 33.33	341,930	75,137	417,067	646,940
Non-compete fee	126,683	-	126,683	33.33	126,683	-	126,683	-
Technical know how	150,000	-	150,000	100	150,000	-	150,000	-
Trading right entitlement certificate (TREC)	8.1 5,755	-	5,755	-	28	-	28	5,727
Membership card - Pakistan Mercantile Exchange Limited	3,500	-	3,500	-	-	-	-	3,500
Provisional license	.2 -	2,000	2,000	-	-	500	500	1,500
	<u>1,032,274</u>	<u>319,671</u>	<u>1,351,945</u>		<u>618,641</u>	<u>75,637</u>	<u>694,278</u>	<u>657,667</u>
		-				-		

8.1.1 This represents TREC received from PSX in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. The Company has also received shares of PSX after completion of the demutualization process.

8.1.2 This represents the amount paid to Oil and Gas Regulation Authority (OGRA) to acquire a provisional license valid for three years for the construction of oil storage facility.

9. INVESTMENT PROPERTY

Note	Cost			Rate %	Accumulated depreciation			Written down value
	As at January 01, 2019	Additions / (disposals)	As at December 31, 2019		As at January 01, 2019	For the period	As at December 31, 2019	As at December 31, 2019
	(Rupees in '000)				(Rupees in '000)			
Office premises - leasehold	9.1 <u>14,999</u>	<u>-</u>	<u>14,999</u>	5	<u>13,339</u>	<u>120</u>	<u>13,459</u>	<u>1,540</u>

Note	Cost			Rate %	Accumulated depreciation			Written down value
	As at January 01, 2018	Additions / (disposals)	As at December 31, 2018		As at January 01, 2018	For the period	As at December 31, 2018	As at December 31, 2018
	(Rupees in '000)				(Rupees in '000)			
Office premises - leasehold	9.1 <u>14,999</u>	<u>-</u>	<u>14,999</u>	5	<u>13,219</u>	<u>120</u>	<u>13,339</u>	<u>1,660</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

9.1 The fair value of the investment property aggregating to Rs.116.44 million and forced sale value aggregating to Rs. 104.80 million was arrived at on the basis of the valuation carried out by KG Traders (Pvt.) Limited, an independent valuer on January 14, 2020, but was not incorporated in the books of accounts as the Company applies cost model for accounting for investment property. The valuation was arrived at by reference to market values and realizable values, which are determined on the basis of market intelligence, year of construction and present physical condition and location.

9.2 The details of investment property are as follows:

Description	Address and location	Total Area in Sq. Ft.
Islamabad building	Office No. 413, 4th Floor, Islamabad Stock Exchange Tower, 55-B, Jinnah Avenue, Islamabad	1,331
Lahore building	2nd Floor, Associated House, 7-Egerten Road, Lahore	7,466

	Note	December 31, 2019	December 31, 2018
		----- (Rupees in '000) -----	
10. LONG TERM INVESTMENTS			
Related parties			
Investment in joint venture	10.1	-	-
Investment in associate	10.2	213,386	186,674
Other related parties - available for sale	10.3	-	9,871,381
Other related parties - at fair value through OCI	10.3	10,496,449	-
		10,709,835	10,058,055
Other investments	10.4	59,910,805	57,784,406
Advance for investment		575,000	555,000
	10.5	71,195,640	68,397,461
10.1 Investment in joint venture			
Gujranwala Energy Limited (GEL) - 50% holding		69,997,792	69,997,792
Provision for impairment		(69,997,792)	(69,997,792)
		-	-

10.1.1 Energy Infrastructure Holding (Private) Limited, a subsidiary company, has discontinued recognizing its share of further loss of Rs. 5,432,088 as it exceeds its interest in the joint venture.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	December 31, 2019	December 31, 2018
	----- (Rupees in '000) -----	
10.2 Investment in associate		
Carrying value / cost of investment	186,674	180,000
Cost of investment - acquired during the year	21,239	-
Share of profit from associate	5,473	6,674
	<u>213,386</u>	<u>186,674</u>

10.3 Other related parties - at fair value through OCI

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

Number of shares			Business Activity	Holding		2019	2018
2019	2018			2019	2018		
				%	%	----- (Rupees in '000) -----	
Quoted at fair value							
51,926,071	-	EFU General Insurance Limited	General Insurance	25.96	-	5,843,448	-
20,047,708	-	EFU Life Assurance Limited	Life Insurance	20.05	-	4,642,448	-
Unquoted at fair value							
750,000	-	EFU Services (Private) Limited	Investment Company	37.50	-	10,553	-
						<u>10,496,449</u>	<u>-</u>

Other related parties - Available for sale

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

Number of shares			Business Activity	Holding		2019	2018
2019	2018			2019	2018		
				%	%	----- (Rupees in '000) -----	
Quoted at fair value							
-	51,926,071	EFU General Insurance Limited	General Insurance	-	25.96	-	5,294,607
-	20,047,708	EFU Life Assurance Limited	Life Insurance	-	20.05	-	4,569,274
Un-quoted at cost							
-	750,000	EFU Services (Private) Limited	Investment Company	-	37.50	-	7,500
						<u>-</u>	<u>9,871,381</u>

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

10.3.2 Included herein are equity securities having average cost of Rs. 1,286.75 (2018: Rs. 1,330.98) million and having market value of Rs. 4,124.68 (2018: Rs. 4,228.52) million pledged with trustee of Term Finance Certificates issued by the Holding Company.

10.3.3 Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Group except Subsidiary Bank. Refer note 3.1.2 for detailed policy notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

10.4 Other investments

At fair value through OCI

Number of shares / units			2019	2018
2019	2018		----- (Rupees in '000) -----	
Equity securities				
<u>Quoted - at fair value</u>				
235,684,306	-	BankIslami Pakistan Limited	2,613,739	-
89,690,363	-	Azgard Nine Limited	1,122,026	-
153,406,638	-	Pakistan International Bulk Terminal Limited	1,658,326	-
2,202,953	-	Pakistan Stock Exchange Limited	27,493	-
11,622,000	-	Hum Network Limited (Ordinary Shares of Re.1 each)	37,307	-
<u>Un-Quoted - at fair value</u>				
2,399,454	-	Security General Insurance Company Limited	424,823	-
			5,883,714	-

Available for sale

Number of shares / units			2019	2018
2019	2018		----- (Rupees in '000) -----	
Equity securities				
<u>Quoted - at fair value</u>				
-	214,258,460*	BankIslami Pakistan Limited	-	2,571,102
-	112,157,863	Azgard Nine Limited	-	1,295,423
-	159,080,638	Pakistan International Bulk Terminal Limited	-	1,664,903
-	3,805,906	Pakistan Stock Exchange Limited	-	47,005
-	11,622,000	Hum Network Limited (Ordinary Shares of Re.1 each)	-	51,137
<u>Un-Quoted - at cost</u>				
-	2,399,454	Security General Insurance Company Limited	-	263,100
1,213,841	1,213,841	ISE Tower REIT Management Limited (formerly Islamabad Stock Exchange Ltd.)	11,000	11,000
6	6	Society for Worldwide Interbank Financial Telecommunication (SWIFT)	2,406	2,406
-	200,000	Bykea Technology (Private) Limited	-	100,000
			13,406	6,006,076

Privately placed term finance certificates (PPTFC) unquoted (at cost)

Agritech Limited			
PPTFC - 3rd Issue		89,928	89,928
PPTFC - 5th Issue		509,875	509,875
		599,803	599,803
Provision for impairment		(599,803)	(599,803)
		-	-
Term Finance / Sukuk Certificates			
- quoted		384,182	528,301
- unquoted - stated at cost		2,303,615	590,955
US Dollar Bonds		-	5,778,367
Government securities		19,907,501	21,801,421
		22,595,298	28,699,044
Held to maturity			
Government securities		31,350,782	22,982,181
Term Finance / Sukuk Certificates		96,672	114,005
Less: Current maturity of term finance certificates		(29,067)	(16,900)
		59,910,805	57,784,406

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 10.4.1** Included herein are equity securities having average cost of Rs. 849.24 (2018: Rs. 1,024.25) million and having market value of Rs. 945.28 (2018: Rs. 1,150.29) million pledged with trustee of Term Finance Certificates issued by the Holding Company and with banks against Term Loans obtained by the Holding Company.
- 10.4.2** Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Group except Subsidiary Bank. Refer note 3.1.2 for detailed policy notes.
- 10.4.3** Details of non-wholly owned subsidiaries that have material non-controlling interests to the Group

The table below shows Non-Wholly owned subsidiaries that have material non-controlling interests to the group based on quantum of NCI.

Name of Subsidiary	Note	Ownership interests held by non controlling interests	
		2019	2018
JS Bank Limited (JSBL)		24.98%	24.98%
JS Global Capital Limited (JSGCL) (Sub-subsidiary)	1.2.2	37.34%	49.62%
JS Investments Limited (JSIL) (Sub-subsidiary)	1.2.1	36.57%	51.12%
JS Petroleum Limited (JSPL) (Sub-subsidiary)		49.00%	49.00%

The following is summarized financial information for material subsidiaries and sub-subsidiaries of Holding Company, prepared in accordance with approved accounting standards as applicable in Pakistan, modified for differences in group accounting policies. The information is before inter-company eliminations with other companies in the group.

	JSBL		JSGCL		JSIL		JSPL	
	2019	2018	2019	2018	2019	2018	2019	2018
	(Rupees in '000)							
Total income	45,537,903	32,137,867	718,541	757,765	408,539	432,700	1,589	1,495
Profit / (loss) after tax	66,543	583,934	47,248	25,637	(83,940)	50,896	(38,900)	(21,500)
Profit attributable to NCI	16,623	151,176	18,383	13,256	(73,758)	25,387	(19,061)	(4,410)
Other comprehensive loss	1,684,833	(2,025,498)	(2,649)	(18,653)	-	(236,053)	-	-
Total comprehensive (loss) / income	1,751,376	(1,441,564)	44,599	6,984	(83,940)	(185,157)	(38,900)	(21,500)
Comprehensive (loss) / income attributable to NCI	437,494	(354,794)	15,991	4,000	(73,758)	(95,283)	(19,061)	(4,410)
Current assets	315,550,375	291,204,807	3,274,942	4,314,907	1,422,896	1,892,395	23,952	39,546
Non-current assets	153,143,552	163,795,268	816,913	525,140	638,935	369,440	446,908	441,226
Total Assets	468,693,927	455,000,075	4,091,855	4,840,047	2,061,831	2,261,835	470,860	480,772
Current liabilities	431,966,683	431,876,523	1,630,848	2,231,646	482,330	250,415	5,247	7,258
Non-current liabilities	20,520,856	8,644,376	227,454	-	264,908	34,635	-	-
Total Liabilities	452,487,539	440,520,899	1,858,302	2,231,646	747,238	285,050	5,247	7,258
Net Assets	16,206,388	14,479,176	2,233,553	2,608,401	1,314,593	1,976,785	465,613	473,514
Net Assets attributable to NCI	3,803,963	3,375,351	898,590	1,463,170	453,599	902,889	228,152	232,022
Cash flow from operating activities	(28,904,883)	(37,583,483)	(308,598)	612,966	(158,745)	(51,761)	(28,622)	(265,874)
Cash flow from investing activities	22,775,192	49,674,338	427,747	(719,825)	522,027	63,019	(10,654)	(220,074)
Cash flow from financing activities	(1,032,961)	2,318,000	(487,693)	(70)	(372,856)	(3,779)	31,000	499,999
Net increase in cash and cash equivalents	(7,162,652)	14,408,855	(368,544)	(106,929)	(9,574)	7,479	(8,276)	14,051
Dividends paid to NCI during the year	(38,149)	-	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

10.5 Subsequent to the year end, the Pakistan Stock Exchange witnessed a sharp decline in the prices of equity shares. This has resulted in decline in the value of Company's investments as well with a corresponding decline in the reserve namely 'unrealized gain on revaluation of investments at fair value through OCI'. However, such decline has no significant impact on the equity of the Company.

11. LONG TERM LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES	Note	2019 ----- (Rupees in '000) -----	2018
Long-term loans - considered good			
Secured			
Due from:			
Executives	11.1	3,379,578	2,890,980
Employees		16,375	12,977
		3,395,953	2,903,957
Loans advanced by subsidiary bank	11.2	75,269,711	88,551,823
Net investment in finance lease by subsidiary bank	11.3	15,083,107	18,446,181
Long term prepayments		2,559	2,953
Long-term advances - considered good, unsecured			
Advances - unsecured & considered good			
against purchase of office		2,500	2,500
against a room at Pakistan Mercantile Exchange Limited (PMEX)		2,500	2,500
		93,756,330	109,909,914
Current maturity of long term loans and receivables		(6,999,849)	(6,908,421)
	11.4	86,756,481	103,001,493
11.1 Reconciliation of the carrying amount of loans to executives			
Balance at the beginning of the year		2,890,980	2,337,284
Disbursement		1,691,005	1,203,335
Repayments		(1,202,407)	(649,639)
Balance at the end of the year		3,379,578	2,890,980
11.2 These carry mark-up ranging from 4% to 27% (2018: 4% to 22.46%) per annum. These also include secured lendings to various financial institutions having maturity date till July 02, 2024.			



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

11.3 Particulars of net investment in finance lease

	2019			
	Not later than one year	Later than one and less than five years	Over five years	Total
	----- Rupees in '000 -----			
Lease rentals receivable	6,860,218	6,637,949	3,527	13,501,694
Guaranteed residual value	1,599,605	2,538,848	10,783	4,149,236
Minimum lease payments	8,459,823	9,176,797	14,310	17,650,930
Finance charges for future periods	(1,468,867)	(1,098,697)	(259)	(2,567,823)
Present value of minimum lease payments	6,990,956	8,078,100	14,051	15,083,107

	2018			
	Not later than one year	Later than one and less than five years	Over five years	Total
	----- Rupees in '000 -----			
Lease rentals receivable	7,137,126	9,082,944	138,766	16,358,836
Guaranteed residual value	1,008,255	3,552,926	7,138	4,568,319
Minimum lease payments	8,145,381	12,635,870	145,904	20,927,155
Finance charges for future periods	(1,246,019)	(1,229,811)	(5,144)	(2,480,974)
Present value of minimum lease payments	6,899,362	11,406,059	140,760	18,446,181

11.4 This includes following various loans due from respective related parties:

Name of Related Parties	Nature of Relationship	Maturity date	Interest rate	Purpose of loan	Particulars of security held	Maximum amount due at end of any month	2019	2018
							----- (Rupees in '000) -----	
J SPE Management Ltd.	Other related parties	24/Oct/23	3 MONTH KIBOR+ 300 BPS	To Purchase Non-Commercial Vehicles for the Company	HPA & LEASE	9,944	9,078	7,934
Mr. Munawar Alam Siddiqui	Key management personnel	25/Dec/21	1 year KIBOR + 500 BPS	Auto Consumer	HPA over Vehicle	1,307	-	1,400
Mr. Khalil Ur Rehman	Key management personnel	25/Mar/21	5.00%	Personal Loan	Clean Facility / Provident Fund	42	-	62
Mr. Kashan Zafar	Key management personnel	25/May/21	5.00%	Personal Loan	Clean Facility / Provident Fund	134	115	191
Mr. Kamran Jaffer	Key management personnel	25/Jun/21	5.00%	Vehicle Loan	HPA over Vehicle	4,545	-	6,374
Mr. Kamran Jaffer	Key management personnel	25/Jan/22	5.00%	Personal Loan	Clean Facility / Provident Fund	-	-	4,189
Balance c/f.							9,193	20,150

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Name of Related Parties	Nature of Relationship	Maturity date	Interest rate	Purpose of loan	Particulars of security held	Maximum amount due at end of any month	2019	2018
							(Rupees in '000)	
Balance b/f.							9,193	20,150
Mr. Muhammad Kamran Nasir	Key management personnel	10/Mar/22	3 MONTH KIBOR+ 200 BPS	For Purchase Vehicle for own use Land Cruiser Model Zx-2012 4600 CC	HPA & LEASE	11,764	10,901	12,605
Mr. Ali Pesnani	Key management personnel	25/Jul/22	5.00%	Vehicle Loan	HPA over Vehicle	1,463	1,342	1,817
Mr. Ashraf Shahzad Ahmed	Key management personnel	25/Apr/23	5.00%	Vehicle Loan	HPA over Vehicle	1,041	-	1,236
Mr. Muhammad Faisal Asghar	Key management personnel	25/Jun/23	5.00%	Vehicle Loan	HPA over Vehicle Secured Against	2,219	2,084	2,615
Mr. Ashraf Shahzad Ahmed	Key management personnel	25/Jul/24	4.00%	House Loan	Mortgages Secured Against	1,480	1,410	1,685
Mr. Adnan Zakaria	Key management personnel	25/Sep/27	4.00%	House Loan	Mortgages Secured Against	15,705	-	16,936
Syed Tauqir Haider Rizvi	Key management personnel	25/Dec/27	4.00%	House Loan	Mortgages Secured Against	-	-	24,776
Siraj Ali Mithani	Key management personnel	25/Apr/20	4.00%	House Loan	Mortgages Secured Against	10	-	3,008
Syed Tauqir Haider Rizvi	Key management personnel	25/Dec/27	4.00%	House Loan	Mortgages Secured Against	76,382	76,382	-
Mr. Basir Shamsie	Key management personnel	25/Mar/30	4.00%	House Loan	Mortgages Secured Against	26,021	25,520	27,495
Mr. Kamran Jaffer	Key management personnel	25/May/30	4.00%	House Loan	Mortgages Secured Against	22,338	-	23,579
Mr. Kamran Jaffer	Key management personnel	25/May/30	4.00%	House Loan	Mortgages Secured Against	78,428	78,428	-
Mr. Muhammad Faisal Asghar	Key management personnel	25/Aug/30	4.00%	House Loan	Mortgages Secured Against	37,386	36,700	39,405
Mr. Muhammad Yousuf Amanuallah	Key management personnel	25/Sep/33	4.00%	House Loan	Mortgages Secured Against	80,827	79,746	84,011
Mr. Muhammad Faisal	Key management personnel	25/Sep/36	4.00%	House Loan	Mortgages Secured Against	49,217	48,709	50,712
Mr. Imran Haleem Shaikh	Key management personnel	25/Aug/37	4.00%	House Loan	Mortgages Secured Against	45,897	45,456	36,089
Mr. Babbar Wajid	Key management personnel	25/Jul/38	4.00%	House Loan	Mortgages Secured Against	32,645	32,353	33,504
Mr. Ali Pesnani	Key management personnel	25/Jan/39	4.00%	House Loan	Mortgages Secured Against	38,823	38,488	39,807
Mr. Soofi Saifullah Akber	Key management personnel	25/Nov/39	4.00%	House Loan	Mortgages Secured Against	10,698	10,611	10,953
Mr. Khurram Shaikh	Key management personnel	25/Apr/41	4.00%	House Loan	Mortgages Secured Against	30,725	-	31,388
Mr. Hasan Shahid	Key management personnel	30/Nov/33	6 months T-bill Rate	House Loan	Mortgages Secured Against	24,865	-	24,934
							497,323	486,705



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

12. ASSETS REPOSSESSED

This represents property acquired by subsidiary bank under satisfaction of claims against which non-performing loan was reduced and specific provision have been reversed. Market value of non-banking assets acquired in satisfaction of claims is Rs. 1,182.43 (2018: Rs. 185.29) million. In accordance with the Holding Company's policy, these assets are recorded at cost.

13. DEFERRED TAXATION	2019	2018
	----- (Rupees in '000) -----	
Taxable temporary difference:		
Property and equipment	(165,764)	(225,855)
Unrealized gain on trading and derivative instruments	(5,088)	(78,810)
Accelerated depreciation for tax purposes	-	(6,884)
Surplus on revaluation of investments	-	-
Liability against assets subject to finance lease - net	(84,622)	-
Unused tax losses	(24,352)	-
Provision for Workers' Welfare Fund	(3,144)	-
Deductible temporary differences:		
Surplus on revaluation of investments	335,217	1,150,889
Provision against investments, loans and other assets	950,862	365,254
Unused tax losses	-	61,399
Unrealized loss on trading and derivative instruments	1,218	17,442
Intangible assets	2,218	2,244
Provision for donation	-	187
Provision for Workers' Welfare Fund	-	17,217
Accelerated depreciation for tax purposes	363	-
	1,006,908	1,303,083

13.1 The Holding Company has not recorded deferred tax assets in view of uncertainty about the availability of taxable profits in the future against which such losses can be utilized. The amount of deferred tax asset not recognized in these financial statements amounts to Rs. 34.24 (2018: Rs. 89.13) million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

14. SHORT TERM INVESTMENTS	Note	2019 ----- (Rupees in '000) -----	2018
Financial assets at fair value through profit or loss / held for trading			
Listed equity securities			
- Related parties		115,785	113,960
- Others		646,920	1,080,125
Government securities		55,598,469	41,368,514
Term Finance Certificates - quoted		125,000	128,106
Mutual funds			
- Related parties		1,678,841	378,944
- Others		-	-
		58,165,015	43,069,649
Available for sale			
Equity securities			
- quoted	14.1	1,965,753	6,338,670
- unquoted - stated at cost		-	-
- unquoted preference shares - stated at cost		27,733	-
Term Finance / Sukuk Certificates			
- quoted		156,121	151,320
- unquoted - stated at cost		119,577	255,018
US Dollar Bonds		-	90,015
Government securities		27,111,872	30,739,701
Mutual funds - related parties		-	1,157,455
		29,381,056	38,732,179
Financial assets at fair value through OCI			
Equity securities			
- quoted	14.1	3,786,625	-
Held to maturity / At amortised cost:			
Government securities		2,003,070	19,734,751
Term Finance Certificates - Unlisted		-	300,000
Current maturity of term finance certificates		29,067	16,900
Advance against subscription of sukuk certificates		-	-
	10.5 & 14.2	93,364,833	101,853,479



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 14.1** This includes investments in equity securities of related parties having a market value of Rs. 970.77 (2018: Rs. 768.29) million.
- 14.2** Included herein are equity securities having average cost of Rs. 1,287.66 (2018: Rs. 2,054.13) million and having market value of Rs. 1,180.54 (2018: Rs. 1,744.77) million pledged with trustee of Term Finance Certificates issued by the Holding Company and with Banks against Term Loans obtained by the Holding Company. Also included herein are Government securities having amortized cost of Rs. 246.62 (2018: Rs. Nil) million and having face value of Rs. 250.00 (2018: Rs. Nil) million.
- 14.3** Movement in categories from last year is due to the adoption of IFRS-9 during the period by the Group except Subsidiary Bank. Refer note 3.1.2 for detailed policy notes.

15. TRADE DEBTS	Note	2019	2018
----- (Rupees in '000) -----			
Unsecured considered good			
Receivable against margin finance (purchase of shares)		234,711	297,727
Debtors for purchase of shares on behalf of clients		459,764	832,450
Trade debts for advisory and other services		2,801	6,890
Forex and fixed income commission receivable		7,887	5,688
Commodity		45,258	41,925
		750,421	1,184,680
Considered doubtful		409,286	403,318
		1,159,707	1,587,998
Provision for doubtful debts	15.1	(409,286)	(403,318)
		750,421	1,184,680
15.1 Provision for doubtful debts			
Opening balance as at January 01		403,318	403,318
Impact of adoption of IFRS-9		5,968	-
Opening balance as at January 01 - Adjusted		409,286	403,318
Charged during the year		-	-
Reversed during the year		-	-
		-	-
Closing balance as at December 31		409,286	403,318

- 15.1.1** Included herein is a sum of Rs. 215.397 (2018: Rs. 326.567) million receivable from related parties.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

		2019	2018
	Note	----- (Rupees in '000) -----	
16. LOANS AND ADVANCES			
Current maturity of long term loans	11	6,999,849	6,908,421
Term loans advanced by subsidiary bank - considered good	16.1	142,377,703	136,979,004
Term loans advanced by subsidiary bank - considered doubtful	16.2	10,353,164	8,309,467
		152,730,867	145,288,471
Provisions against non-performing loans		(3,508,627)	(3,156,296)
		149,222,240	142,132,175
Advances - considered good			
Unsecured			
Against issue of right shares		2,280	32,204
Quality 1 Petroleum (Private) Limited	16.3	344,940	260,000
Contractor and suppliers		27,824	1,835
Staff	16.4	6,420	3,928
		381,464	297,967
		156,603,553	149,338,563

16.1 These carry mark-up ranging from 0.20% to 26.59% (2018: 5% to 27%) per annum and are secured by pledge of shares of listed companies, property of the borrowers and hypothecation of assets.

	2019	2018
	----- (Rupees in '000) -----	
16.2 Term loans advanced by subsidiary bank - considered doubtful		
Opening balance	8,309,467	2,739,313
(Reversal) / charge for the year - net of reversals	2,043,697	5,570,154
Closing balance	10,353,164	8,309,467

16.3 This represents short term loan amounting to Rs. 344.94 (2018: Rs. 260) million granted to Quality 1 Petroleum (Private) Limited by Energy Infrastructure Holding (Private) Limited (a subsidiary), as per the agreement dated July 01, 2018 which carries mark-up at the rate of 3 Months KIBOR plus three percent per annum. Maturity date of the loan is December 31, 2020. Impact of ECL on this loan under IFRS 9 is calculated to be Rs. 28.40 (2018: Rs. Nil) million.

16.4 The advances are provided to executives and other employees to meet personal expenses. In addition, advances are also given to executives against their salaries. These advances are recovered through deduction from salaries.

16.5 This includes following various loans due from respective related parties:



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

16.5 This includes following various loans due from respective related parties:

Name of Related Parties	Nature of Relationship	Maturity date	Interest rate	Purpose of loan	Particulars of security held	Maximum amount due at end of any month		
						2019	2018	(Rupees in '000)
Excel Labs (Pvt) Ltd.	Other related parties	31/Mar/20	13.15%	To meet working capital requirements of the business	Hypothecation on Current & Fixed Asset	13,262	-	6,998
Syed Imtiaz Bokhari	Key management personnel	25/Jul/19	4.00%	House loan	Secured against mortgages	-	-	1,280
Jahangir Siddiqui & Sons (Pvt) Ltd.	Other related parties	31/Dec/19	1 Months KIBOR + 2%	To meet working capital requirements	Pledge of Shares in company name / or 3rd party Secured Against Mortgages	320,387	-	349,155
Jahangir Siddiqui Securities Services Ltd.	Other related parties	31/Dec/19	1 Months KIBOR+ 2%	To meet working capital requirements	Pledge of Shares in company name / or 3rd party	346,823	31,203	349,732
Mr. Siraj Ali Mithani	Key management personnel	31/Jul/19	11.01%	Running finance	Lien over PF balance Pledge of investment in JSIL & UBL Funds	735	422	1,655
Syed Imtiaz Bokhari	Key management personnel	25/Aug/19	5.00%	Personal loan	Clean Facility / Provident Fund	-	-	352
Imran Haleem Shaikh	Key management personnel	25/Feb/20	5.00%	Personal loan	Clean Facility / Provident Fund	275	111	755
Excel Labs Pvt Ltd	Other related parties	31/Mar/20	13.15%	To meet working capital requirements of the business	Hypothecation on Current & Fixed Asset	13,262	24,375	28,377
Siraj Ali Mithani	Key management personnel	25/Apr/20	5.00%	Personal loan	Clean Facility / Provident Fund	508	292	1,141
Anjum Amin Siddiqui	Key management personnel	25/Jul/20	5.00%	Personal loan	Clean Facility / Provident Fund	214	151	399
Jahangir Siddiqui Securities Services Ltd.	Other related parties	10/Dec/20	13.05%	For investment in capital markets & other ventures	Pledge of shares in company name or 3rd party	346,823	-	80,000
						56,554	819,844	

17. ACCRUED MARK-UP

	2019	2018
	----- (Rupees in '000) -----	
Loans and advances	6,309,315	4,217,439
Bank deposits	20,449	19,923
Government securities	2,384,241	1,419,214
Term Finance Certificates	112,962	90,379
	8,826,967	5,746,955
Less: Allowance for ECL on accrued interest	(2,006)	-
	8,824,961	5,746,955

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

		2019	2018
	Note	----- (Rupees in '000) -----	
18. SHORT-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES			
Deposits		547,759	131,303
Prepayments		500,005	1,438,706
Dividend receivable		-	-
Other receivables			
- Remuneration from related parties	18.1	229,193	187,881
- Others		4,349,274	4,128,401
		4,578,467	4,316,282
Less: Provision		(23,702)	-
		<u>5,602,529</u>	<u>5,886,291</u>

18.1 This includes Rs. 123.07 (2018: Rs. 112.83) million balances due from funds under management of subsidiary company. This primarily represent accrual of management fee, sales tax and federal excise duty. Management fee is received within next month from the date of accrual.

		2019	2018
	Note	----- (Rupees in '000) -----	
19. OTHER FINANCIAL ASSETS - FUND PLACEMENTS			
Securities purchased under resale agreement			
Secured and considered good			
Government securities	19.1	30,037,915	-
Lending to Financial Institutions - secured		-	182,742
Call money lending - unsecured, considered good	19.2	283,887	1,758,917
Less: General provision under IFRS 9	19.3	(1,262)	(4,312)
		<u>30,320,540</u>	<u>1,937,347</u>

19.1 These are secured short-term lendings to various financial institutions, carrying mark-up rate from 12.00% to 13.60% (2018: Nil) per annum. These are collateralized by Market Treasury Bills and Pakistan Investment Bonds.

19.2 These represent unsecured call money lendings to financial institutions carrying interest at the rates ranging from 2.50% to 4.52% (2018: 2.85% to 8.06%) per annum. These will mature between January 30, 2020 and September 22, 2020 (2018: January 24, 2019 and September 23, 2019).

19.3 This represents general provision held under IFRS 9 by Bahrain branch of the subsidiary Bank.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

20.	CASH AND BANK BALANCES	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
	Cash in hand		6,613,488	4,909,790
	Cash at bank in:			
	Current accounts			
	- local currency		15,728,125	24,134,932
	- foreign currency		1,150,615	1,519,847
			16,878,740	25,654,779
	Deposit accounts			
	- local currency		15,452	41,108
	- foreign currency		2,566,646	2,519,099
		20.1	2,582,098	2,560,207
	Term Deposit Receipts		-	-
			26,074,326	33,124,776

20.1 These carry mark-up ranging between 5.61% to 13.70% (2018: 3.80% to 9.50%) per annum.

21. ASSETS HELD FOR SALE

In 2019, the Board of Directors of the subsidiary Bank accorded its in-principle approval and authorised the management to explore the possibility to sell a property located at 13th floor of Ocean Tower, plot No. G-3, Khayaban-e-Iqbal, Block 9, KDA Scheme No. 5, Clifton Karachi, Pakistan ("Property"). Accordingly, the subsidiary bank located a buyer and entered into an agreement to sell the Property subject to completion of certain legal formalities, after which a formal conveyance deed will be executed with the buyer. As per the terms of the agreement, the subsidiary bank has received ten percent of the agreed sale proceed as an advance token money and remaining payment is expected to be received at the time of final execution of the transaction when the legal formalities are complete. The subsidiary bank has initiated the necessary legal proceedings which are expected to be completed subsequent to the year end, accordingly, the property is classified as non-current asset held for sale.

Immediately before the classification of the property as a held for sale, the Property was revalued resulting in a revaluation deficit of Rs. 123.32 million which has accordingly been adjusted in the carrying amount of the property. Following the classification as held for sale, no impairment loss was recognised as fair value less cost to sell of the property exceeds its carrying value.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

22 SHARE CAPITAL

22.1 Authorised capital

2019	2018		2019	2018
----- Number of shares -----			----- (Rupees in '000) -----	
6,000,000,000	6,000,000,000	Ordinary shares of Rs.10 each	60,000,000	60,000,000
500,000,000	500,000,000	Preference shares of Rs.10 each	5,000,000	5,000,000
<u>6,500,000,000</u>	<u>6,500,000,000</u>		<u>65,000,000</u>	<u>65,000,000</u>

22.2 Issued, subscribed and paid-up capital

2019	2018		2019	2018
----- Number of shares -----			----- (Rupees in '000) -----	
Ordinary shares of Rs.10 each:				
205,072,990	205,072,990	Fully paid in cash	2,050,730	2,050,730
710,869,398	710,869,398	Fully paid bonus shares	7,108,694	7,108,694
<u>915,942,388</u>	<u>915,942,388</u>		<u>9,159,424</u>	<u>9,159,424</u>

22.3 There is only one class of ordinary shares issued by the Holding Company.

22.4 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding in the Holding Company.

23. RESERVES

	2019	2018
	----- (Rupees in '000) -----	
Revenue reserves		
Unappropriated profit	8,221,534	7,632,483
Other reserves		
Premium on the issue of ordinary shares	4,497,894	4,497,894
Foreign exchange translation reserve	102,965	70,394
Unrealised gain on revaluation of available for sale investments - net	7,611,000	5,584,452
Statutory reserve	1,164,630	1,160,931
	<u>13,376,489</u>	<u>11,313,671</u>
	<u>21,598,023</u>	<u>18,946,154</u>

23.1 The amounts above, reflect the effect of deferred taxation wherever applicable. Refer note 13.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

24. LONG TERM FINANCING	Note	2019 ----- (Rupees in '000) -----	2018
Term Finance Certificates	24.1	9,584,404	10,450,938
Term loan	24.2	623,142	372,607
		10,207,546	10,823,545
24.1 Term Finance Certificates (TFCs)			
Secured			
Eighth issue - listed on Pakistan Stock Exchange Limited		-	125,917
Ninth issue - Privately Placed	24.1.1	373,211	620,712
Tenth issue - Privately Placed	24.1.2	1,118,015	1,487,805
Eleventh issue - listed on Pakistan Stock Exchange Limited	24.1.3	1,464,534	1,459,873
		2,955,760	3,694,307
Unsecured			
Privately Placed Term Finance Certificates First Issue	24.1.4	2,996,400	2,997,600
Privately Placed Term Finance Certificates Second Issue	24.1.5	1,998,400	1,999,200
Privately Placed Term Finance Certificates Third Issue	24.1.6	2,500,000	2,500,000
		10,450,560	11,191,107
Less: Current portion shown under current liability		866,156	740,169
		9,584,404	10,450,938

24.1.1 The mark-up on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 165 basis points per annum. These TFCs have tenure of five years i.e. 2016-2021, including a grace period of twelve (12) months, with a call option exercisable by the Company at any time on a coupon date during the tenure of these TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in eight (8) equal semi-annual installments starting from the 18th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having market value of Rs. 638.70 (2018: Rs. 990.83) million to secure the outstanding principal with 35% margin. In event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

24.1.2 The mark-up on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum. These TFCs have tenure of five years i.e. 2017-2022, including a grace period of twelve (12) months, with a call option exercisable by the Company at any time on a coupon date during the tenure of these TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in eight (08) equal semi-annual installments starting from 18th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having market value of Rs. 1,788.44 (2018: Rs. 2,415.22) million to secure the outstanding principal with 35% margin. In event of any sale and repurchase of marketable securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

24.1.3 The mark-up on these TFCs is payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum. These TFCs have tenure of five years i.e. 2018-2023 including a grace period of twenty four (24) months, with a call option exercisable by the Company at any time on a coupon date during the tenure of these TFCs by giving a 30 days notice at a premium of 0.25% of the outstanding face value. The instrument is structured to redeem the principal in six (06) equal semi-annual installments starting from 30th month of the Issue Date. These TFCs are secured against lien over a designated account with the Central Depository Company of Pakistan Limited. The account contains marketable securities having a market value of Rs. 2,427.68 (2018: Rs. 2,412.61) million to secure the outstanding principal with 35% margin. In event of any sale and repurchase of pledged securities, the trustee will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be deposited in a specified bank account. The proceeds were utilized for business expansion via investments and to meet working capital requirements.

24.1.4 In 2016, the Bank has issued Rs.3 billion of rated, privately placed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 120 of the Companies Ordinance, 1984 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose: To contribute toward the Bank's Tier II Capital for complying with the Capital Adequacy Ratio requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.

Issue date December 14, 2016

Tenor: Up to Seven years from the Issue date.

Maturity Date: December 14, 2023

Rating A + (Single A Plus)

Profit Rate: Floating rate of return at Base rate + 1.4 percent per annum;
Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.

Profit Payment: Semi-annual

Redemption: The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.

Security: The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.

Call Option: Exercisable in part or in full on or after the 10th redemption, subject to SBP's approval.

Lock-in-clause: Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.

Loss absorbency clause: Upon the occurrence of a Point of Non-Viability event as defined by SBP's Basel III Capital Rule vide BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger as declared by SBP of the non-viability event as declared by SBP, subject to a cap of 467,836,257 shares.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

24.1.5 In 2017, the Bank has issued Rs.2 billion of rated, privately placed and listed, unsecured and subordinated term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66 of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier II Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 29, 2017
Tenor:	Up to Seven years from the Issue date.
Maturity Date:	December 29, 2024
Rating	A + (Single A Plus)
Profit Rate:	Floating rate of return at Base rate + 1.4 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annual
Redemption:	The instrument is structured to redeem 0.24% of the Issue amount during the first six years after the Issue date and the remaining Issue amount of 99.76% in two equal semi-annual installments of 49.88% each in the last year.
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other indebtedness of the Bank.
Call Option:	Exercisable in part or in full on or after the 10th redemption, with prior approval of SBP.
Lock-in-clause:	Principal and profit will be payable subject to compliance with MCR or CAR set by SBP.
Loss absorbency clause:	Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, SBP may at its option, fully and permanently convert the TFCs into common shares of the Bank and/or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Face Value of the TFCs' divided by market value per share of the Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 319,982,544 shares.

24.1.6 During the current year, the Bank has issued Rs.2.5 billion of rated, privately placed, unsecured, subordinated, perpetual and non-cumulative term finance certificates ("TFCs" or "the Issue") as an instrument of redeemable capital under Section 66(1) of the Companies Act, 2017 and as outlined by State Bank of Pakistan, SBP, under the BPRD circular No. 06 dated August 15, 2013 (the "Circular") and Basel III guidelines. Summary of terms and conditions of the Issue are:

Purpose:	To contribute toward the Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Bank's business operations as permitted by its Memorandum & Articles of Association.
Issue date	December 31, 2018

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Maturity Date:	Perpetual
Rating	A (Single A)
Profit Rate:	Floating rate of return at Base rate + 2.25 percent per annum; Base rate is defined as the average six months KIBOR prevailing on the Base Rate setting date. The Base Rate will be set for the first time on the last working day prior to the Issue Date and subsequently on the immediately preceding business day before the start of each six monthly period.
Profit payment:	Semi-annually on a non-cumulative basis
Redemption:	Not applicable
Security:	The Issue is unsecured and subordinated as to payment of Principal and profit to all other claims except common shares.
Call Option:	Exercisable in part or in full at a par value on or after five years from the issue date, with prior approval of SBP. The Bank shall not exercise the call option unless the called instrument is replaced with capital of same or better quality.
Lock-in-clause:	Payment of profit will be made from current year's earning and subject to compliance with MCR or CAR set by SBP.

Loss absorbency clause:

Pre-Specified Trigger ("PST") Upon the occurrence of a Pre-Specified Trigger as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013,, which stipulates that if an Issuer's Common Equity Tier 1 ("CET 1") ratio falls to or below 6.625% of Risk Weighted Assets ("RWA"), the Issuer will have full discretion to determine the amount of TFCs to be permanently converted into common shares or written off, subject to SBP regulations / instructions, and the cap specified below. The Bank will be able to exercise this discretion subject to:

- If and when Bank's CET 1 reaches the loss absorption trigger point, the aggregate amount of Additional Tier-1 capital to be converted must at least be the amount sufficient to immediately return the CET 1 ratio to above 6.625% of total RWA (if possible);
- The converted amount should not exceed the amount needed to bring the CET 1 ratio to 8.5% of RWA (i.e. minimum CET 1 of 6.0% plus capital conservation buffer of 2.5%); and
- In case, conversion of Additional Tier-1 capital Instrument is not possible following the trigger event, the amount of the Instrument must be written off in the accounts resulting in increase in CET 1 of the Issuer.

Point of Non-Viability ("PONV") Upon the occurrence of a Point of Non-Viability event as defined under SBP BPRD Circular # 6 of 2013 dated August 15, 2013, which stipulates that SBP may, at its option, fully and permanently convert the TFCs into common shares of the Issuer and / or have them immediately written off (either partially or in full). Number of shares to be issued to TFC holders at the time of conversion will be equal to the 'Outstanding Value of the TFCs' divided by market value per share of the Issuer's common / ordinary share on the date of the PONV trigger event as declared by SBP, subject to the cap specified below:

The PONV trigger event is the earlier of:

- A decision made by SBP that a conversion or temporary / permanent write-off is necessary without which the Issuer would become non-viable;



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- The decision to make a public sector injection of capital, or equivalent support, without which the Issuer would have become non-viable, as determined by SBP; and
- The maximum number of shares to be issued to TFC holders at the Pre-Specified Trigger and / or Point of Non Viability (or otherwise as directed by SBP) will be subject to a specified cap of 329,595,476 ordinary shares, or such other number as may be agreed to in consultation with SBP.

24.2 Term loan	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Secured			
Term loan 1	24.2.1	-	186,899
Term loan 2	24.2.2	310,057	433,158
Term loan 2	24.2.3	498,631	-
		<u>808,688</u>	<u>620,057</u>
Less: Current portion shown under current liability		<u>185,546</u>	<u>247,450</u>
		<u><u>623,142</u></u>	<u><u>372,607</u></u>

24.2.1 During the year, the outstanding balance along with the accrued mark-up against this loan was fully repaid by the Holding Company before due date.

24.2.2 The mark-up on this term loan is payable semi-annually, based on the six month KIBOR average rate plus 100 basis points per annum. This loan has a tenure of five years i.e. 2017-2022, including a grace period of twelve (12) months. The principal is payable in eight (08) equal semi-annual installments starting from 18th month of the drawdown date. This loan is secured by pledge of marketable securities having market value of Rs. 629.35 (2018: Rs. 690.05) million with margin ranging from 30% to 40%.

24.2.3 During the year, the Company obtained new term loan of Rs. 500 million from a scheduled bank. The mark-up on this term loan is payable semi-annually, based on the six months KIBOR average rate plus 150 basis points per annum. This loan has a tenure of five years i.e. 2019-2024 including a grace period of twelve (12) months. The principal is payable in eight (08) equal semi-annual installments starting from 18th month of the drawdown date. This loan is secured by pledge of marketable securities having market value of Rs. 1,012.96 (2018: Nil) million with margin ranging from 7.5% to 50%.

25. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE	Note	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
As at January 01	25.1	34,635	3,508
Add: Impact of IFRS 16	3.1.1	4,902,801	-
Addition		86,944	41,389
Interest expense		564,892	3,327
Deletion		(18,229)	-
Payments		<u>(1,148,156)</u>	<u>(1,802)</u>
As at December 31		4,422,887	46,422
Current maturity shown under current liabilities		<u>(829,966)</u>	<u>(11,787)</u>
		<u><u>3,592,921</u></u>	<u><u>34,635</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

25.1 The liability against asset subject to finance lease represents the lease entered into with a Modaraba for 32 different vehicles (2018: 34 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2018: KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20%) per annum. JS Investments Limited shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

26. LONG-TERM DEPOSITS AND OTHER ACCOUNTS	Note	2019 ----- (Rupees in '000) -----	2018
Customers			
Fixed deposits	26.1	176,012,691	130,237,595
Savings deposits	26.1	74,551,527	61,811,651
Current accounts - Non-remunerative		76,754,260	77,145,850
Margin accounts	26.1	5,471,020	3,571,392
		332,789,498	272,766,488
Financial Institutions			
Fixed deposits	26.1	20,900,829	15,676,631
Savings deposits	26.1	13,450,440	29,900,556
Current accounts - Non-remunerative		859,151	860,111
		35,210,420	46,437,298
	26.2	367,999,918	319,203,786
Current maturity		(358,088,318)	(317,540,553)
		9,911,600	1,663,233

26.1 These carry mark-up ranging from 0.75% to 15.60% (2018: 0.75% to 11.00%) per annum.

26.2 Included herein is a sum of Rs.8,696.04 (2018: Rs.9,756.09) million deposited in the subsidiary Bank by various related parties.

27. LONG TERM BORROWINGS	Note	2019 ----- (Rupees in '000) -----	2018
Securities sold under repurchase agreements secured against			
Government securities:			
from State Bank of Pakistan	27.1	16,849,097	12,609,714
from financial institutions	27.2	12,746,732	57,228,252
Borrowings from State Bank of Pakistan under:			
Export refinancing scheme (ERF)	27.3	17,792,778	15,329,309
Long-Term Finance Facility (LTFF)	27.4	1,877,760	1,055,928
Financing Facility for Storage of Agricultural Produce (FFSAP)	27.5	300,440	121,922
		19,970,978	16,507,159
Borrowing from banks / NBFCs - unsecured	27.6	3,193,332	10,213,538
Borrowings from financial institutions - Refinancing facility for mortgage loans	27.7	1,961,128	-
		54,721,267	96,558,663
Less: Current maturity		(50,186,015)	(94,449,336)
		4,535,252	2,109,327



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- 27.1** This represents borrowing against Pakistan Investment Bonds (2018: Market Treasury Bills and Pakistan Investment Bonds) carrying mark-up at the rate of 13.32% (2018: 10.18%) per annum and will be matured on January 03, 2020 (2018: January 04, 2019). The cost and market value of securities given as collateral of amounting to Rs. 17,484.926 million (2018: Rs. 12,905.687 million) and Rs. 16,805.697 million (2018: Rs. 12,634.148 million) respectively.
- 27.2** This represents borrowing against Market Treasury Bills, Pakistan Investment Bonds and Bai Muajjal (2018: Market Treasury Bills, Pakistan Investment Bonds, Bai Muajjal and Foreign Currency Bonds) carrying mark-up at the rates ranging from 12.70% to 13.19% (2018: 3.30% to 10.36%) per annum and will be matured between January 02, 2020 and March 26, 2020 (2018: January 02, 2019 and April 19, 2019). The cost and market value of securities given as collateral of amounting to Rs. 9,200.503 million (2018: Rs. 59,362.211 million) and Rs. 9,122.620 million (2018: Rs. 56,756.947 million) respectively.
- 27.3** The Subsidiary Bank has entered into agreement with the SBP for extending export finance to customers. As per the terms of the agreement, the Subsidiary Bank has granted SBP the right to recover the outstanding amount from the Subsidiary Bank at the date of maturity of finances by directly debiting the current account maintained by the Bank with SBP. These borrowings are repayable on a quarterly basis and to be matured between January 02, 2020 and February 08, 2027 (2018: January 02, 2019 and February 08, 2027). These carry mark-up at the rate from 1% to 3% (2018: 1% to 4.50%) per annum.
- 27.4** These borrowings have been obtained from the SBP for providing financing facilities to exporters for adoption of new technologies and modernization of their plant and machinery. These borrowings will mature between November 30, 2020 and August 08, 2029 (2018: November 30, 2020 and November 30, 2028). These carry mark-up at rates ranging from 2.00% to 3.50% (2018: 2.00% to 3.50%) per annum.
- 27.5** These borrowings have been obtained from SBP under “Financing Facility for Storage of Agricultural Produce (FFSAP)” to encourage Private Sector to establish Silos, Warehouses and Cold Storages. These borrowings will mature between May 09, 2020 and May 14, 2026 (2018: May 09, 2020 and July 23, 2025) and carry mark-up at the rate ranging from 2.00% to 2.50% (2018: 2% to 2.50%) per annum.
- 27.6** This includes Rs. 2,303.36 (2018: 8,323.29) million representing call money borrowings from financial institutions which will be matured between January 16, 2020 and June 16, 2020 (2018: January 02, 2019 and February 28, 2019), carrying interest at the rates ranging from 2.65% to 3.61% (2018: 0.90% to 10.30%) per annum.
- This also includes Rs. 252.98 (2017: Nil) million representing running finance facility maintained with Allied Bank Limited by a subsidiary company. It carries interest at the rate of 3 months KIBOR plus 2% per annum.
- 27.7** The Subsidiary Bank has entered into agreement with the Pakistan Mortgage Refinance Company Limited (PMRC) for extending housing finance facilities to the Bank's customers on the agreed terms and conditions. The borrowing carries mark-up rate of 3 years PKRV less 100bps and will be matured on February 28, 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

28. TRADE AND OTHER PAYABLES	Note	2019	2018
		----- (Rupees in '000) -----	
Creditor for sale of shares on behalf of clients		1,384,491	2,040,824
Accrued expenses		651,229	908,997
Bills payable		3,804,491	3,521,346
		5,840,211	6,471,167
Other liabilities			
Security deposits		4,184,954	4,603,198
Provision for Workers' Welfare Fund - Federal	28.1	-	132,470
Provision for Workers' Welfare Fund - Sindh		222,690	209,494
Others		4,516,609	4,120,036
		8,924,253	9,065,198
		14,764,464	15,536,365

28.1 The group except subsidiary Bank, based on the discussions with the tax advisor in the light of the above facts has reversed the aggregate provision against the WWF liability under the WWF Ordinance, 1971. Subsidiary Bank reversed the provision last year.

29. ACCRUED INTEREST / MARK-UP ON BORROWINGS	Note	2019	2018
		----- (Rupees in '000) -----	
Long term financing		722,185	992,181
Deposits		3,618,157	1,868,364
		4,340,342	2,860,545

30. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES

Term finance certificates	24.1	866,156	740,169
Term loan	24.2	185,546	247,450
Deposits and other accounts	26	358,088,318	317,540,553
Liabilities against finance lease	25	829,965	11,787
		359,969,985	318,539,959



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

31. CONTINGENCIES AND COMMITMENTS

31.1 Contingencies

- In respect of Holding Company

- a) The Commissioner Inland Revenue-Appeals (CIR-Appeals) deleted the additions made as per orders passed under section 122(5A) of the Income Tax Ordinance, 2001 (the Ordinance) eliminating the resulting tax liability and restored the return versions for the tax years 2008 and 2009. The tax department filed appeals before the Appellate Tribunal Inland Revenue (ATIR) against the orders of CIR-Appeals. The ATIR also decided the subject matter in respect of tax years 2008 and 2009 in favour of the Company. However, appeal effect orders passed by the department in respect of aforesaid tax years resulted in refund of Rs.11.02 million for the tax year 2009. Rectification applications for both the years were filed with the ACIR to allow appeal effect in accordance with the orders passed by the appellate forums. The rectification application for the tax year 2008 was rejected by the ACIR on the contention that another amended order under section 122(5A) as discussed below is in field and previous order is no more in the field. Against the rejection, appeal was filed with the CIR-Appeals. CIR-Appeals decided the appeal vide order dated no. 354 dated December 28, 2015 holding that this office has already passed the appellate order vide order no. 157 dated December 22, 2015 against the order of the ADCIR under section 122(5A) of the Ordinance dated August 5, 2013.

For the tax year 2009, the rectification application was deemed to have been given the due effect and the rectifications applied for deemed to have been rectified due to operation of law by virtue of section 221 (3) of the Ordinance.

For both the years, the department has filed references before the Sindh High Court. The references are pending.

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

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

- c) The ACIR passed an order under section 122(5A) of the Ordinance in respect of tax year 2010 and created a demand of Rs. 63.49 million. Against the order, the Company filed rectification application on various grounds including credit for taxes of Rs. 54.10 million which was not given by the ACIR. After the rectification, the demand was reduced to Rs. 9.64 million. The Company also preferred appeal before the CIR-Appeals who confirmed the order of the ACIR. Aggrieved by the order of the CIR-Appeals, the Company preferred appeal before the ATIR. The ATIR heard the appeal on November 20, 2015 and remanded the case back to the department for denovo consideration i.e. for fresh proceedings because of the lack of thorough consideration of the relevant facts and circumstances as well as the business of the Company by the ACIR and the CIR-Appeals.

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

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

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

- e) The Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ACIR) passed an order under section 122(5A) of the Income Tax Ordinance, 2001 for the tax year 2015 and raised the demand for Rs. 12.744 million. Against the said order, the Company has filed rectification application on the ground of chargeability of WWF. The Company has also filed appeal before the CIR-Appeals.

The management, based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the company. Hence no provision for liability in this respect has been made in these financial statements.

- In respect of JSIL

- a) In respect of the appeals filed by the Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of above said order of CIR (Appeals) for tax year 2006 and 2009, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenses. The ATIR vide order dated April 20, 2017 deleted the additions on proration of expenses for tax year 2006 however, confirmed the CIR(A)'s order whereby CIR(A) remanded back / set-aside the issue of apportionment of expenses.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 deleted the additions of tax amortization of management rights and remand back the issues of disallowed provisions and \ advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax year 2006 and 2009 whereby demands for these tax years were reduced at Rs. 77.33 million and Rs. 59.93 million respectively. As the allocation of expenditure in the said appeal effect orders were not made according to actual incurrence of expenditure to the various sources of income, therefore, the Company again filed appeals before the CIR (Appeals) against the said orders.

In respect of second appeal filed by the Company before CIR (Appeals) against appeal effect orders for tax year 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

The CIR (Appeals) also rectified the order passed by his predecessor for tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs. 29 million. The tax authorities have filed



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

an appeal before ATIR against said order of CIR (Appeals) in respect of deletion of addition regarding the portion of capital gain included in dividend. The ATIR vide order dated December 07, 2016 set-aside with the direction that the ACIR should examine the issue in the light of FBR Circular letter dated September 10, 2002.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs. 40 million against which Company filed appeal before the CIR(A). The DCIR considered our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs. 36.904 million. The CIR(A) vide order dated May 6, 2019 partly considered our submissions put before him. Company submitted appeal before the ATIR against the order of the CIR(A).

The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 and reduce the refund claimed of Rs. 8.499 million to Rs. 3.102 million for the tax year 2012. The learned CIR (Appeal) vide order dated May 06, 2019 was confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. Company submitted appeal before the ATIR against the order of the CIR(A).

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

- In respect of JSGCL

- a) Except for tax year 2009, 2014, 2015, 2016, 2017 and 2018 income tax assessments have been filed and are deemed to have been assessed under the Income Tax Ordinance, 2001 (the Ordinance) unless selected by taxation authorities for audit purposes.
- b) For tax year 2009, an ITRA no. 07/2013 was filed by the Commissioner Inland Revenue against an order passed by the Learned Appellate Tribunal Inland Revenue (ATIR) in ITA no. 923/KB/2011 dated August 28, 2012 which was related to the apportionment of expenses, allowability of expenses and claiming of tax deducted at source aggregating to Rs. 61.16 million. However, the same is pending for decision before the Sindh High Court (SHC).
- c) For tax year 2014, an amended assessment order dated April 28, 2016, has been passed under section 122 (5A) of the Ordinance by the Additional Commissioner Inland Revenue (ACIR). Through said order, the ACIR raised demand amounting to Rs. 20.081 million. The Company has filed rectification application identifying various errors / details not considered by the ACIR and requested ACIR to rectify the same. In addition to that, the Company has also filed an appeal to the Commissioner Inland Revenue Appeals (CIR-A) which is pending. The Company has also obtained stay against recovery of demand from SHC till the decision of CIR-A.
- d) For tax year 2015, an order dated November 23, 2016 was passed under section 4B of the Ordinance by the Deputy Commissioner Inland Revenue (DCIR). Through said order, an income of Rs.810.584 million was computed under section 4B of the Ordinance and resultant demand of super tax of Rs. 24.318 million was raised. An appeal was filed against the above order before CIR-A on December 01, 2016 identifying various errors / details not considered. The CIR-A, has confirmed DCIR's order vide his order dated May 30, 2017. In pursuance of the order of CIR-A, the Company has filed appeal before ATIR along with application for stay against recovery of demand. The appeal before ATIR has been heard and order is reserved whilst ATIR vide order dated July 18, 2017 has granted stay for 60 days and subsequently the said stay was further extended vide various orders by ATIR. Subsequently,

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

recovery of aforesaid tax demand has now been stayed by the Hon'able SHC through C.P No 4915 of 2018 vide order dated June 28, 2018 with direction to the Department not to enforce recovery of tax demand till the decision of ATIR.

- e) For tax year 2016 and 2017, notices dated December 27, 2016 and January 03, 2018 were issued under section 4B of the Ordinance by the DCIR. In the said notices the DCIR has contended that the Company is liable to pay Super Tax amounting to Rs. 24.483 million and Rs. 19.490 million on 'income' of Rs. 816.122 million and Rs. 649.676 million for Tax Years 2016 and 2017, respectively. The Company has challenged both notices through writ petition before SHC on constitutional grounds wherein the SHC has, vide its orders dated January 16, 2017 and January 11, 2018 for Tax Years 2016 and 2017 respectively, has stated that no coercive action shall be taken against the Company. The DCIR passed the orders under section 4B vide order dated April 23, 2018 and May 04, 2018 for tax years 2016 and 2017 respectively to levy Super tax of above mentioned amounts under the view that SHC has not restrained the department from passing the orders. In pursuance of the said orders, Company filed appeals which confirmed by CIR-A vide its order dated October 12, 2018 for both years. The Company has filed appeals before Appellant Tribunal Inland Revenue (ATIR) against the orders of CIR-A. Meanwhile, the Company paid 50% of tax demand of both tax years to maintain the above suits in light of judgment of Hon'able Supreme Court of Pakistan (Civil Appeals No. 1171/2017 and other connected appeals) wherein, the pending suits are declared to be entertained on the condition that a minimum of 50% of tax demand is deposited with tax authorities during the pendency of appeal. During the year the appeal has been heard before ATIR and is reserved for order.

For tax year 2018, a notice under section 4B of the Ordinance by the DCIR dated December 7, 2018 was issued, contending that the Company is liable to pay Super Tax amounting to Rs. 45.211 million on 'income' of Rs. 1,507.039 million. The Company has challenged the notice on constitutional grounds before SHC through C.P. No. 8670 of 2018. The SHC, vide its order dated December 14, 2018, has stated that no coercive action shall be taken against the Company.

- f) For tax year 2016, an amended assessment order has been passed under section 122(5A) of the Ordinance by the Additional Commissioner Inland Revenue (ACIR). Through the said order, the ACIR raised demand amounting to Rs. 241.217 million. Upon appeal filed, CIR-A confirmed the ACIR's order vide its order dated December 12, 2017. In pursuance of the order of CIR-A, the Company has filed appeal before ATIR. During the year ATIR has decided the matter has annulled CIRAs action on confirming disallowances made in the order passed by ACIR dated November 02, 2017, with directions to CIRA to pass speaking and reasoned order after providing due opportunity of being heard. As a result, the likely assessment position after appeal effect of ATIR's order under section 124 of the Ordinance is that only tax demand on account of undistributed reserves is outstanding, which has also been stayed by SHC vide interim order in CP No. 0-2343 of 2019 dated April 09, 2019.

Furthermore, during the year a rectification application has been filed for erroneously considered share premium reserves while computing excess reserves under section 5A of the Ordinance by the ACIR, in its order dated November 02, 2017. As a result of which tax demand under section 5A would be reduced to Rs. 7,523,230.

- g) For tax year 2017, an amended assessment order has been passed under section 122(5A) of the Ordinance by the ACIR. Through the said order, the ACIR raised a demand amounting to Rs. 17.649 million. The Company has filed an appeal before CIR-A which has been heard, however, no order has been passed till date. The total tax demand was partially stayed by the order of SHC vide CP No. 5431 of 2017 dated August 16, 2017, while the remaining liability was adjusted from the available refunds as declared in the return for tax year 2017.
- h) For tax year 2017, a show-cause notice under section 161/205 of the Ordinance has been issued by tax authority. Through the said order, the Company was alleged for non-deduction of tax under section 150 of the Ordinance on payment made to shareholders in respect of buy back of shares. The said notice has been challenged before Sindh High Court (SHC) through legal counsel of the Company and SHC has prohibited tax department from passing any order without its permission. On the directions of



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

court, detailed reply to show-cause notice has also been submitted vide our letter dated January 26, 2018. Tax authorities have issued a subsequent notice dated March 6, 2018, requesting to provide certain factual details which have also been submitted vide our letter dated March 16, 2018.

- i) During 2013, the Company received a show cause notice from the Sindh Revenue Board (SRB) under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed reducing the demand to Rs. 9.86 million along with default surcharge. The Company filed an appeal before the CIR-A and after being decided against the Company, it subsequently filed an appeal before Appellate Tribunal SRB. During the year 2014, the Company paid an amount of Rs. 7.15 million in respect of the abovementioned liability before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption from application of penalty and 75% of default surcharge. Appellate Tribunal SRB vide order dated November 29, 2017 decided the issue of Sindh Sales Tax (SST) in favor of the Company. However, the issue of SST on advisory and consultancy services and commission earned on purchase/sale of mutual funds have been remanded back whilst the issue relating to SST on commission on foreign exchange dealing, services rendered outside Sindh and levy of default surcharge and penalty have been decided against the Company. The Company has filed a reference application before SHC in respect of the issues decided against the Company and remanded back.

During 2014, the Company also received another show cause notice from SRB under section 47 of the Sindh Sales Tax on Services Act, 2011. Subsequently, an order was passed raising a tax demand amounting to Rs. 10.77 million. The Company has filed an appeal against the order with CIR-A which is pending. Further, in respect of the same, rectification application has also been filed with the department. The Company and other stock brokers have also filed petition with the SHC and has been granted interim stay against recovery of demand. However, the Company has paid an amount of Rs. 9.24 million before June 25, 2014 under the notification SRB 3-4/8/2014 to avail the exemption of penalty and 75% of default surcharge.

Furthermore, for fiscal year 2014 and 2015, SRB alleged short payment of SST vide Notice dated February 02, 2017. The Company has submitted all the required details in response to the notice and no order in this respect has been passed.

- j) Tax department has issued show cause notice dated June 08, 2015 confronting (alleged) non payment of Federal Excise Duty (FED) on Company's services under Federal Excise Act, 2005 and subsequently issued an order raising a demand amounting to Rs. 78.003 million for tax year 2010 to tax year 2013. The Company filed a rectification appeal, in addition, to filing an appeal in the SHC, through Stockbroker Association (of which the Company is also the member) against aforementioned order on the grounds that after 18th amendment to the Constitution, the services that were previously subjected to FED under the federal laws are now subject to the provincial sales tax and the Company has accordingly discharged its tax obligation. The SHC initially, stayed Federal Board of Revenue from demanding sales tax on services from stockbrokers and subsequently, disposed of the order in Company's favor. However, CIR-A on the matter of appeal filed by the Company issued an order in favor of the department vide its order dated January 31, 2017. In pursuance of the order of CIR-A the Company has filed an appeal before Appellate Tribunal SRB along with application for stay of demand which was granted initially for 30 days and was subsequently extended vide various orders. Appellate Tribunal SRB has decided the matter vide order dated December 20, 2017, received by us on April 09, 2018, whereby ATIR decided that FED is applicable only on the commission earned from trading of shares and no other type of commission comes under the ambit of FED. With this opinion, ATIR has remanded back the issue related to pre amendment era. For post amendment era, ATIR has relied upon the decision of SHC (stated above) and declared the charge of FED after July 01, 2011 null and void.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- In respect of JSBL

- Income Tax

The income tax returns filed were under Section 114 of the Income Tax Ordinance, 2001 for the tax years 2007 through 2019. These returns filed were deemed to have been assessed in terms the provisions prevailing under income tax laws as applicable in Pakistan. However, the Officers of Inland Revenue Services (OIR) conducted the proceedings for making certain amendments in the deemed assessments for tax years 2008 to 2017. This was done by taking recourse of conducting tax audit or alternatively a direct amendment in the assessment contending that certain matters in the deemed assessments were not admissible as not conforming to the law and prejudiced the interest of revenue.

Based on the amended assessments in tax year 2008 to tax year 2017, the department had made certain dis-allowances of expenses and tax deductible claims besides creating minimum tax and Workers' Welfare Fund liabilities in the tax years 2010, 2011 & 2012 and tax years 2009, 2012 & 2013 respectively.

In respect of WWF, the Supreme Court of Pakistan has held in Judgement, PLD 2017 SC 28, that the amendments made in the WWF Ordinance through Finance Act, 2006 and 2008 were illegal and without lawful authority i.e. the banks do not fall into definition of Industrial Undertaking and thus, not liable to pay WWF. Therefore based on this, the Bank's contention is mandated and it is likely that its pending appeals in this will be decided favorably. The Bank has obtained appeal effect orders of respective years except 2013 and resultantly no demand is payable in this respect.

As a consequence of introduction of Sindh Workers' Welfare Fund Act, the Bank is required to pay WWF to Sindh Revenue Board effective from tax year 2015. The Bank has filed petition before the Honourable High Court of Sindh to contest applicability of SWWF in its case and stay has been granted against recovery of SWWF.

In respect of minimum tax, the Commissioner Inland Revenue-Appeals (the CIRA) has not accepted the Bank's contentions of gross loss position and also decided that non-mark-up income is the fall in the definition of turnover including capital gains and dividend income. As result the demand of Rs. 38.907 million has been payable. The Bank is contesting the matter in further appeals before Appellate Tribunal Inland Revenue (ATIR) which are pending for hearing.

For tax year 2008-2017, the Bank has not accepted the amendments of Rs. 6.27 billion and have filed appeals before the Commissioner Inland Revenue-Appeals (the CIRA).

CIRA has admitted the contention of the Bank in case of tax year 2008 that the amended order is barred by time and decided that any addition made in impugned order is annulled and not required to be further adjudicated. However, the department has filed an appeal against the decision of CIRA in ATIR which has been partly heard.

With regard to appeals filed for tax year 2009 to 2017, the CIRA has decided the appeals accepting the Bank's contentions in respect of significant issues, and certain disallowance including amortization claim of goodwill have been decided in favor of department in all tax years. However, the Bank and the tax department are contesting the matters in further appeals before Appellate Tribunal Inland Revenue (ATIR) which are being heard.

During the year, the tax department has passed appeal effect/rectification orders and allowed deleted and set-aside issues in the light of CIR(A) orders for tax year 2008 to 2014. As a result of these orders, the Bank's taxable losses has increased to Rs. 3.464 billion and reduced the demand of Rs. 1.212 billion in relevant tax years after adjustment of these losses.

Further for the tax year 2013, the ATIR has decided appeal filed by tax department in respect of calculating the amount of provisions against advances as allowable under Rule 1(c) of Seventh Schedule to the Income Tax Ordinance, 2001 and has maintained the CIRA decision that the allowability of provision for advances to be calculated at 1% of gross amount of advances as against the tax department contention that the same is to be calculated on net advances after deducting the amount of provisions created and allowed against advances.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

The matter of allowability of amortization relating to goodwill is contentious issue, therefore based on the opinion of lawyer there are arguments available to contend that goodwill on merger is a tax claimable deduction. Especially in the recent decision given by the High Court of Sindh in the case of merger of other bank in Pakistan where the court has ruled favorably that goodwill generated in merger is 'intangible' and amortization relating to goodwill is allowable deduction.

The Bank has not been accepting levy of Super Tax and has been contesting the matter in high court and other appellate forums.

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

- Withholding tax monitoring

Withholding tax monitoring was initiated against the Bank for tax year 2014-2019. Orders in respect of tax years 2014, 2015 and 2017 has been passed against which appeals have been filed before the CIR(A). CIR(A) has remanded back the matters for rectification in respect of tax years 2014 and 2015 against which rectified orders has been passed and demands have been rectified. Appeal for tax year 2017 has been heard and reserved for order. In respect of tax year 2018 and 2019, proceedings are pending.

- Sales tax

The Bank as a registered person under Sindh Sales Tax on Services Act, 2011 has been issued a Sales Tax Order from the Sindh Revenue Board (SRB) creating a demand of Rs.48.838 million (besides Rs.4.440 million is charged as penalty) against the 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, Rebates from foreign correspondent Banks, and FX gain on remittance by Western Union) on total amounting to Rs.277.488 million for the tax periods July 2011 to December 2013. An appeal was filed before Commissioner (Appeals) Sindh Revenue Board, CA-SRB against the decision of AC-SRB which was decided in favor of the tax department except tax imposed on FX gain on remittance by Western Union. Thereafter, both the Bank and AC-SRB filed appeals before the Appellate Tribunal SRB against the decision of CA-SRB. Through its Order dated April 18, 2019, the Appellate Tribunal SRB quashed the demand raised by deciding the Bank's appeal in the Bank's favour and dismissing the AC-SRB's appeal. The Bank and tax department have filed appeals before Appellate Tribunal which are pending for hearing.

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

- Azad Jammu & Kashmir Operations

The Bank has commenced operations in Azad Jammu & Kashmir from tax year 2009 and has filed returns for the tax years 2009 to 2018 with the tax authorities of such region. The Commissioner has issued notices for amendment of assessment under section 122 of the Income Tax Ordinance, 2001 (as adopted in AJK Region) for the tax year 2011 to 2017. All assessments orders are rectified and no additional demand has been raised.

31.1.1 Transaction-related Contingent Liabilities

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

	2019	2018
	----- (Rupees in '000) -----	
i) Financial guarantees	2,464,411	3,552,003
ii) Performance guarantees	21,483,841	19,549,043
iii) Other guarantees	21,702,551	18,015,474
	<u>45,650,803</u>	<u>41,116,520</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

31.1.1.1 Included herein the outstanding guarantees of Rs. 14.217 million (2018: Rs. 19.201 million) of related parties.

31.2 Commitments	Note	2019	2018
		----- (Rupees in '000) -----	
Documentary credits and short-term trade-related transactions			
- letters of credit	31.2.1	<u>13,965,258</u>	<u>14,957,752</u>
Commitments in respect of:			
Forward exchange contracts:			
- Purchase	31.2.2	<u>33,104,108</u>	<u>21,521,180</u>
- Sale	31.2.2	<u>22,007,258</u>	<u>13,106,262</u>
Undrawn formal standby facilities, credit lines and other commitments to lend	31.2.3	<u>72,183</u>	<u>284,137</u>
Other Commitments			
Forward commitments in respect of purchase of securities		<u>-</u>	<u>300,182</u>
Forward commitments in respect of sale of securities		<u>493,103</u>	<u>2,497,568</u>
Commitments in respect of capital expenditure		<u>220,771</u>	<u>255,955</u>
Bank Guarantee from a commercial bank in favor of NCCPL		<u>400,000</u>	<u>400,000</u>
Interest rate swaps		<u>4,199,350</u>	<u>3,992,763</u>
Options		<u>499,622</u>	<u>2,631,433</u>
Outstanding settlements against margin financing contracts - net		<u>5,305</u>	<u>12,348</u>

31.2.1 Included herein the outstanding letter of credits of Rs. 44.368 (December 31, 2018: Rs. 44.016) million of related parties.

31.2.2 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.

31.2.3 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.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
32. RETURN ON INVESTMENTS		
Mark-up/ interest income from:		
At fair value through profit or loss/ held for trading		
Government securities	648,624	957,194
Term Finance Certificates	16,828	-
	665,452	957,194
Available for sale		
Term Finance / Sukuk Certificates	603,264	148,168
Government securities	5,785,796	6,173,265
	6,389,060	6,321,433
Held to maturity/ At amortised cost		
Government securities	2,706,356	2,792,827
Term Finance / Sukuk Certificates	42,160	9,360
	9,803,028	10,080,814
Dividend income on:		
At fair value through profit or loss	117,292	100,072
Available for sale investments / at fair value through other comprehensive income	1,070,300	1,082,185
	1,187,592	1,182,257
	10,990,620	11,263,071
33. LOSS ON SALE OF INVESTMENTS - net		
At fair value through profit or loss/ held for trading	808,025	(864)
Available for sale		
Listed equity securities	(325,685)	(254,842)
Term finance certificates	(19)	-
Sukuk certificates	150	3,965
Government securities	(1,091,986)	(1,060,562)
Mutual funds	247	175,983
	(609,268)	(1,136,320)
34. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS		
Interest on loans to staff	2,476	473
Interest on loans and advances	30,990,850	19,782,397
Interest on deposits with financial institutions	116,400	21,051
Return on reverse repurchase transactions of Government securities	858,930	136,977
	31,968,656	19,940,898

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

35. FEE, COMMISSION AND BROKERAGE	Note	2019 ----- (Rupees in '000) -----	2018 -----
Consultancy and advisory fee		37,682	403,284
Commission income		2,869,000	2,333,710
Remuneration from funds under management	35.1	198,773	195,074
Brokerage income		326,614	385,501
Other services		2,634	4,460
		3,434,703	3,322,029

35.1 Remuneration from funds under management

Open-end funds

JS Value Fund	14,650	23,537
JS Growth Fund	32,811	47,659
Unit Trust of Pakistan	25,116	32,443
JS Income Fund	14,113	21,791
JS Islamic Fund	14,089	27,262
JS Fund of Funds	696	1,565
JS Islamic Hybrid Fund of Funds	96	-
JS Islamic Hybrid Fund of Funds - 2	72,628	14,081
JS Islamic Hybrid Fund of Funds - 3	6,084	-
JS Pension Savings Fund	5,001	6,003
JS Islamic Pension Savings Fund	2,742	3,648
JS Islamic Income Fund	5,061	4,402
JS Large Cap Fund	12,490	17,572
JS Capital Protected Fund V	-	1,399
JS Motion Picture Fund	273	-
JS Islamic Dedicated Equity Fund	11,143	16,571
JS Cash Fund	7,611	2,501
	224,603	220,434
Less: Sales tax	(25,830)	(25,360)
	198,773	195,074

35.1.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the subsidiary management company / investment advisor of the Fund is entitled to an accrued remuneration the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. An Asset Management Company shall be entitled to an accrued remuneration that has been verified by the trustee and is paid in arrears. During the year ended December 31, 2019 the subsidiary company has charged management fee at the rates ranging from 0.00% to 2.00% (2018: 0.00% to 2.00%).

35.1.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2019 amounts to Rs.23.37 (2018: Rs.20.38) billion.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

36. OTHER INCOME	2019	2018
Note	(Rupees in '000)	
Gain on sale of property and equipment	494,836	122,116
Rental income	10,353	2,311
Liabilities written back	6,206	18,781
Return on cash margin on future contracts	10,793	4,119
Gain on remeasurement of future equity derivatives - net	43,536	213,672
Income under margin financing	45,586	55,060
Income from dealing in foreign currency	963,208	522,207
Reversal of provision for Workers' Welfare Fund - Federal	132,470	-
Other income	2,095	6,094
	<u>1,709,083</u>	<u>944,360</u>
37. ADMINISTRATIVE AND OTHER EXPENSES		
Salaries and benefits	37.1 6,011,616	5,652,248
Telephone, fax, telegram and postage	322,319	295,022
Vehicle running	22,957	36,235
Directors' meeting fee	20,550	21,758
Utilities	21,101	19,063
Newspapers and periodicals	401	598
Conveyance and travelling	145,802	103,750
Repairs and maintenance	963,172	806,018
Computer expenses	37,551	25,849
Auditors' remuneration	37.2 19,361	25,340
Royalty fee	37.3 45,000	41,225
Consultancy fee	74,685	47,152
Advisory fee	37.4 34,618	20,358
Legal and professional charges	160,063	168,533
Printing and stationery	278,164	211,122
Rent, rates and taxes	412,764	1,575,872
Insurance	227,301	107,048
Entertainment	65,435	40,867
Advertisement	318,029	367,310
Office supplies	2,527	4,896
Depreciation	37.5 1,838,525	728,610
Amortisation of intangible assets	8 98,928	75,637
Provision against non-performing loans, advances and receivables	253,370	458,699
Fees and subscription	312,798	196,254
Branding expense	11,143	29,542
Donations	37.6 7,809	26,592
Brokerage and commission expense	29,503	41,428
Clearing fees	160,441	161,045
Impairment against TREC - PSX	3,227	-
Office security	369,379	345,555
SBP penalties and other charges	137,643	16,203
Others	155,170	107,351
	<u>12,561,352</u>	<u>11,757,180</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

37.1 Details of Provident Funds

Description	JSCL		JSBL		JSIL		JSGCL	
	2019	2018	2019	2018	2019	2018	2019	2018
	Audited		Un-audited		Audited			
	(Rupees in '000)							
Number of employees	23	23	3,902	2,726	102	103	163	195
Size of provident fund	38,092	46,114	1,813,129	1,428,729	12,839	15,428	100,790	89,386
Cost of investments made	24,229	20,304	1,041,224	513,180	2,215	1,716	1,501	2,283
Fair value of investments	22,421	19,562	1,058,573	492,688	2,417	2,134	1,501	2,285
Percentage of investments made at cost	64%	44%	57%	36%	17%	11%	1%	3%

Break-up of investments at cost / market value:

Term finance certificates and Sukuk

Amount of investments	927	10,306	145,774	171,268	-	-	917	1,701
Percentage of size of investments	2%	22%	8%	12%	0%	0%	1%	2%

National Saving Schemes:

Amount of investments	-	-	-	-	-	-	584	584
Percentage of size of investments	0%	-	0%	0%	0%	0%	1%	1%

Listed securities:

Amount of investments	4,864	9,256	14,428	35,852	2,417	2,134	-	-
Percentage of size of investments	13%	20%	1%	3%	19%	14%	0%	0%

Government Securities:

Amount of investment	16,630	-	808,007	198,604	-	-	-	-
Percentage of size of investments	44%	0%	45%	14%	0%	0%	0%	0%

Balance in scheduled banks:

Amount of investment	12,457	25,293	754,557	999,258	11,806	14,022	97,480	85,362
Percentage of size of investments	33%	55%	42%	70%	92%	91%	97%	95%

Balance in Mutual Funds:

Amount of investment	-	-	90,364	86,964	-	-	-	-
Percentage of size of investments	0%	-	5%	6%	0%	0%	0%	0%

Investments out of the Provident Fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose. Securities and Exchange Commission of Pakistan "SECP" has promulgated new regulations, namely, "the Employees Contributory Funds (Investment in Listed Securities) Regulations, 2018" (the "Regulations") in the month of June 2018. Compliance with the Regulations is allowed to be made within a year from the date of commencement.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

37.2 Auditors' remuneration

	EY Ford Rhodes		Other	2019	2018
	Holding company	Subsidiary companies	Auditors Subsidiary companies		
----- (Rupees in '000) -----					
Annual audit fee	1,700	5,744	110	7,554	6,498
Half-yearly review fee	350	1,219	-	1,569	1,383
Other certifications and services	1,289	5,707	-	6,996	13,586
	3,339	12,670	110	16,119	21,467
Out of pocket expenses	355	1,782	10	2,147	2,159
Sindh Sales Tax	296	799	-	1,095	1,714
	3,990	15,251	120	19,361	25,340

37.3 This represents royalty paid to Mr. Jahangir Siddiqui, a related party, on account of use of part of Company's name under agreements approved by the Board of Directors of the respective Companies.

37.4 Represents amount paid / payable to individuals including Mr. Jahangir Siddiqui for advisory services rendered in terms of their respective agreements duly approved by the Board of Directors of the respective Companies.

37.5 Depreciation	Note	2019	2018
		----- (Rupees in '000) -----	
Operating assets	7.1	831,661	728,490
Right-of-use asset		1,006,744	-
Investment property	9	120	120
		1,838,525	728,610

37.6 This represents donation to Future Trust (related party), wherein below mentioned persons are trustees / key management personnel. The registered offices of the donee i.e. Future Trust is located at 20th Floor, The Centre, Saddar, Karachi.

Name of Trustee	Relationship
- Mr. Suleman Lalani	Chief Executive Officer of the Holding Company
- Ms. Rukhsana Shah	Director of the Holding Company
- Mr. Kalim-ur-Rahman	Director of the subsidiary Bank
- Mr. Hasan Shahid	Director of a subsidiary company
- Mr. Najmul Hoda Khan	Chief Financial Officer of the Holding Company
- Mr. Tariq Usman Bhatti	Key management personnel of a subsidiary company

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

38. FINANCE COST	2019	2018
	----- (Rupees in '000) -----	
Mark-up on:		
Short term running finance	267	-
Long term financing	1,460,072	318,764
Borrowing from banks / NBFCs	1,913,597	1,169,125
Deposits	28,204,687	14,872,365
Repurchase transactions of securities	2,810,910	4,975,964
Mark-up on finance lease	599,718	3,284
	34,989,251	21,339,502
Commission expense of bank guarantee	4,632	4,635
Amortisation of transaction costs	15,155	17,474
Bank charges	67	510
	35,009,105	21,362,121

39. REVERSAL OF IMPAIRMENT ON INVESTMENTS - net		
Available for sale investments	(345,300)	(220,511)
	(345,300)	(220,511)

40. TAXATION

	2019			2018		
	Current	Prior	Deferred	Current	Prior	Deferred
	----- (Rupees in '000) -----					
Jahangir Siddiqui & Co. Ltd.	133,735	(11,522)	-	212,336	22,037	-
JS Investments Limited	24,984	2,666	-	27,165	(5,234)	(3,594)
JS Infocom Limited	2,049	-	-	1,379	50	-
Energy Infrastructure Holding (Pvt) Ltd.	28,117	(6,948)	-	29,714	(258)	-
JS Global Capital Limited	44,114	11,049	4,877	59,423	9,617	4,159
JS Abamco Commodities Limited	696	-	139	521	-	157
JS Bank Limited	708,542	-	(588,252)	440,917	699	(91,162)
Quality Energy Solutions (Pvt.) Ltd.	240	(29)	-	171	17	-
Khairpur Solar Power (Pvt.) Ltd.	231	-	-	169	17	-
	942,708	(4,784)	(583,236)	771,795	26,945	(90,440)
Total Taxation			354,688			708,300



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
41. EARNINGS PER SHARE		
Attributable to equity holders' of the parent:		
Profit after taxation attributable to Ordinary shareholders	<u>106,551</u>	<u>639,367</u>
	----- (Numbers in '000) -----	
Number of Ordinary shares outstanding during the year	<u>915,942</u>	<u>915,942</u>
Earnings per share:		
	----- (Rupees) -----	
Basic	<u>0.12</u>	<u>0.70</u>

41.1 Diluted earnings per share has not been presented as the Holding Company does not have any convertible instruments in issue as at December 31, 2019 and December 31, 2018.

	2019	2018
	----- (Rupees in '000) -----	
42. CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>26,074,326</u>	<u>33,124,776</u>
Borrowing from bank / NBFCs	<u>(889,976)</u>	<u>(501,629)</u>
	<u>25,184,350</u>	<u>32,623,147</u>

43. DEFERRED LIABILITY - EMPLOYEE BENEFIT

43.1 General description

JS Bank (the subsidiary) operates a recognized gratuity fund for all employees who opted for the new staff retirement benefit scheme introduced by the management with effect from January 01, 2007.

The defined benefit is administered by a separate fund that is legally separate from the Bank. The plan is governed by the trust deed dated September 01, 2007. The trustees of the gratuity fund are composed of representatives from employers. The trustees of the gratuity fund are required by the trust deed to act in the interest of the fund and of all relevant stakeholders in the scheme, i.e. active employees, inactive employees, retirees and employers. The trustees of the gratuity fund are responsible for the investment policy with regard to the assets of the fund.

43.2 The plan in Pakistan typically exposes the Bank to actuarial risks such as: salary risk, discount rate risk, mortality risk and investment risk defined as follow:

- Salary increase risk:

The risk that the final salary at the time of cessation of services is greater than assumed. Since the benefit is calculated on the final salary (which will closely reflect inflation and other macroeconomic factors), the benefit amount increases as salary increases.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

- **Discount rate risk**

The discount rate is based on the yield on government bonds. If the market yield of bonds varies, the discount rate would vary in the same manner and would affect the present value of obligation and fair value of assets.

- **Demographic Risks**

- **Withdrawal risk:**

The risk of actual withdrawals experience is different from assumed withdrawal probability. The significance of the withdrawal risk varies with the age, service and the entitled benefits of the beneficiary.

- **Longevity risk**

The risk that the actual mortality experience is different than the assumed mortality. This effect is more pronounced in schemes where the age and service distribution is on the higher side.

- **Investment risk**

This is the risk that the assets are underperforming and are not sufficient to meet the liabilities.

43.3 Number of employees under the schemes

The number of employees covered under defined benefit scheme is 3,595 (2018: 3,522).

43.4 Principal actuarial assumptions

Principal actuarial assumptions at the end of the reporting period expressed as weighted averages. The actuarial valuations were carried out on December 31, 2019 based on the Projected Unit Credit Method, using the following significant assumptions:

		2019	2018
Valuation discount rate for year end obligation	per annum	11.75%	13.75%
Valuation discount rate for interest cost for the year	per annum	13.75%	9.50%
Expected return on plan assets	per annum	11.75%	13.75%
Future salary increase rate			
- upto one years	per annum	8.00%	10.50%
- from two to three years	per annum	10.00%	10.50%
- more than three years	per annum	11.75%	13.75%
Effective duration of the discounted future cash flows	years	10	10
Normal retirement age	years	60	60
Withdrawal rates		Moderate	Moderate
Mortality rates		SLIC 2001-2005, Setback 1 Year	SLIC 2001-2005, Setback 1 Year

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

43.5 Movement in defined benefit obligations, fair value of plan assets and their components

	Defined benefit obligations		Fair value of plan assets		Net defined benefit liability (asset)	
	2019	2018	2019	2018	2019	2018
	(Rupees in '000)					
Balance as at January 01,	649,062	548,530	546,568	373,412	102,494	175,118
Included in profit or loss						
Current service cost	125,676	119,060	-	-	125,676	119,060
Past service cost	2,113	2,525	-	-	2,113	2,525
Interest cost / income	87,892	51,168	80,969	43,197	6,923	7,971
	215,681	172,753	80,969	43,197	134,712	129,556
Included in other comprehensive income						
Actuarial gains / losses arising from:						
- financial assumptions	(8,792)	(127,462)	(18,005)	(25,329)	9,213	(102,133)
- Experience adjustments	7,956	75,071	-	-	7,956	75,071
	(836)	(52,391)	(18,005)	(25,329)	17,169	(27,062)
Others movements						
Contribution made during the year	-	-	102,494	175,118	(102,494)	(175,118)
Benefits paid during the year	(19,695)	(19,830)	(19,695)	(19,830)	-	-
	(19,695)	(19,830)	82,799	155,288	(102,494)	(175,118)
Balance as at December 31,	844,212	649,062	692,331	546,568	151,881	102,494

43.6 The composition of the plan assets at the end of the reporting period for each category, are as follows:

	Cost		Fair value of plan assets			
	2019	2018	2019	2018	2019	2018
Note	(Rupees in '000)		Percentage			
Cash and cash equivalent	171,000	245,411	171,000	245,411	24.6%	44.7%
Government Securities	519,162	315,000	509,776	304,063	73.4%	55.3%
Ordinary shares of listed companies	14,929	-	13,346	-	1.9%	0.0%
43.6.1	705,091	560,411	694,122	549,474	100%	100%

43.6.1 This represents investments held in Pakistan Investment Bonds (PIBs), Term Finance Certificates (TFCs) and ordinary shares of listed companies. The fair values of these securities are determined based on quoted market prices in active markets.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

43.7 Maturity profile

43.7.1 Expected maturity analysis of undiscounted defined benefit obligation for the gratuity fund is as follows:

	Up to one year	Over 1-2 years	Over 2- 5 years	Over 6-10 years	Over 10 and above	Total
	(Rupees in '000)					
Balance as at						
December 31, 2019	37,261	44,550	217,395	901,479	14,564,443	15,765,128
December 31, 2018	27,055	38,929	184,327	848,062	18,055,928	19,154,301

43.8 Sensitivity analysis

43.8.1 Significant actuarial assumptions for the determination of the defined obligation are discount rate, and expected rate of salary increase. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant:

Particulars	Rate	Present value of defined	Fair value of any plan assets	Net defined benefit liability
		(Rupees in '000)		
Current results	-	844,212	692,331	151,881
Discount rate				
1% Increase	12.75%	768,104	692,331	75,773
1% Decrease	10.75%	931,799	692,331	239,468
Salary Rate				
1% Increase	12.75%	933,130	692,331	240,799
1% Decrease	10.75%	765,579	692,331	73,248
Withdrawal rate				
10% Increase	Moderate + one year	822,373	692,331	130,042
10% Decrease	Moderate - one year	867,979	692,331	175,648
Mortality rate				
One year age set back	Adjusted SLIC 2001-05 - one year	843,784	692,331	151,453
One year age set forward	Adjusted SLIC 2001-05 + one year	844,669	692,331	152,338

Furthermore in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as applied in calculating the defined benefit obligation liability recognised in this unconsolidated statement of financial position.

43.9 Maturity profile

The weighted average duration of the defined benefit obligation works out to 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

43.10 Experience Adjustments

The remeasurement gains / (losses) arise due to actual experience varying from the actuarial assumptions for the year:

Particulars	2019	2018	2017	2016	2015
	(Rupees in '000)				
Defined benefit obligation	844,212	649,062	550,729	367,635	235,572
Fair value of plan assets	(692,331)	(546,568)	(375,611)	(249,327)	(171,567)
Net defined benefit liability	151,881	102,494	175,118	118,308	64,005
Remeasurement gain / (loss) on obligation	(836)	(52,391)	75,269	56,598	12,774
Remeasurement gain / (loss) on plan assets	18,005	25,329	10,273	393	(3,104)
Other comprehensive income	17,169	(27,062)	85,542	56,991	9,670

43.11 The average duration of the benefit obligation at December 31, 2019 is within one year.

43.12 The Bank contributes to the gratuity fund as per actuarial's expected charge for the next financial year. Based on actuarial advice and management estimates, the charge in respect of defined benefit obligation for the next one year works out to be Rs. 157.616 million. The amount of re-measurements to be recognised in other comprehensive income for year ending December 31, 2020 will be worked out as at the next valuation.

44. FINANCIAL INSTRUMENTS BY CATEGORY

	2019			Total
	Loans and receivables / at amortised cost	Assets at fair value through profit and loss / held for trading	Available for sale / at fair value through other comprehensive income	
(Rupees in '000)				
ASSETS				
Long term investments	31,418,387	-	39,563,867	70,982,254
Loans, advances, deposits and other receivables	233,900,837	-	-	233,900,837
Net investment in finance lease	15,083,107	-	-	15,083,107
Short term investments	2,032,137	58,165,015	33,167,681	93,364,833
Trade debts	750,421	-	-	750,421
Fund placements	30,320,540	-	-	30,320,540
Accrued mark-up	8,824,961	-	-	8,824,961
Cash and bank balances	26,074,326	-	-	26,074,326
	348,404,716	58,165,015	72,731,548	479,301,279
LIABILITIES				
Financing liabilities	-	-	11,981,433	11,981,433
Liabilities against assets subject to finance lease	-	-	4,422,887	4,422,887
Deposits and other accounts	-	-	371,618,075	371,618,075
Trade and other payables	1,384,491	-	13,157,283	14,541,774
Borrowings	-	-	54,721,267	54,721,267
	1,384,491	-	455,900,945	457,285,436

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2018			Total
	Loans and receivables	Assets at fair value through profit and loss (Rupees in '000)	Available for sale	
ASSETS				
Long term investments	23,079,286	-	45,131,501	68,210,787
Loans, advances, deposits and other receivables	239,802,408	-	-	239,802,408
Net investment in finance lease	18,446,181	-	-	18,446,181
Short term investments	20,051,651	43,069,649	38,732,179	101,853,479
Trade debts	1,184,680	-	-	1,184,680
Fund placements	1,937,347	-	-	1,937,347
Accrued mark-up	5,746,955	-	-	5,746,955
Cash and bank balances	33,124,776	-	-	33,124,776
	343,373,284	43,069,649	83,863,680	470,306,613
		Fair value through profit or loss	At Amortized Cost	Total
		----- (Rupees in '000) -----		
LIABILITIES				
Financing liabilities		-	5,749,570	5,749,570
Deposits and other accounts		-	319,203,786	319,203,786
Trade and other payables		2,040,824	13,495,541	15,536,365
Borrowings		-	96,558,663	96,558,663
		2,040,824	435,007,560	437,048,384

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks: market risk (comprising currency risk, interest rate risk, and other price risk), liquidity risk and credit risk that could result in a reduction in the Group's net assets or a reduction in the profits available for dividends.

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Executive Committee, ultimately responsible for the management of risk associated with the Group's activities, have established Statement of Investment and Operating Policy (SIOP), risk management guidelines and other internal guidelines for the management and assessment of the aforesaid financial risks.

45.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Market prices comprise three types of risk: interest rate risk, currency risk and other price risk, such as equity risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments at fair value through profit and loss, available for sale investments, fund placements and derivative financial instruments.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

The following discussion includes sensitivity analysis that is intended to illustrate the sensitivity to changes in market variables on the Group's financial instruments and show the impact on profit or loss and shareholders' equity, where applicable.

The sensitivity has been prepared for the year ended December 31, 2019 and December 31, 2018 respectively using the amounts of financial assets and liabilities held as at those dates of statement of financial position.

45.1.1 Interest rate risk exposure

Interest rate risk is the risk that the fair value or future cashflows of financial instruments will fluctuate because of changes in market interest rates.

The Group has financial instruments with both fixed and floating interest rates as specifically disclosed in the respective notes. The Group while dealing in financial instruments negotiates attractive fixed interest rates, which reduce the interest rate price risk.

The Group's interest rate exposure on financial instruments is disclosed as follows.

Sensitivity analysis for variable rate instruments

Presently, the Group holds interest rate bearing bank deposits, government securities, term finance certificates, loans and advances to customers and financial institutions and sukus that expose the Group to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on December 31, 2019, with all other variables held constant, the net assets and income of the Group for the year would change as follows:

	Increase / (decrease) in basis points	Effect on profit before tax ----- (Rupees in '000) -----	Effect on other comprehensive income
2019			
Assets	100	1,891,629	-
	(100)	(1,891,629)	-
Liabilities	100	385,388	-
	(100)	(385,388)	-
2018			
Assets	100	3,931,313	-
	(100)	(3,931,313)	-
Liabilities	100	193,373	-
	(100)	(193,373)	-

Sensitivity analysis for fixed rate instruments

As at December 31, 2019 the Group holds Pakistan Investment Bonds and Market Treasury Bills which are classified in both categories, i.e. fair value through profit or loss / held for trading and fair value through OCI / available for sale exposing the Group to fair value interest rate risks, respectively. In case of 100 basis points increase / decrease in KIBOR on December 31, 2019, with all other variables held constant, the comprehensive income of the Group for the year would change as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

December 31, 2019	Increase / (decrease) in basis points	Effect on profit before tax ----- (Rupees in '000) -----	Effect on other comprehensive income
Assets	100	(881,207)	-
	(100)	881,207	-
December 31, 2018			
Assets	100	(2,861,905)	-
	(100)	2,861,905	-

45.1.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's net investments in foreign subsidiaries and to foreign exchange bank accounts.

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rates, with all other variables held constant, of the Group's profit after tax (due to changes in the fair value of monetary assets and liabilities) and the Group's equity (due to changes in the fair value of foreign subsidiary).

December 31, 2019	Change in foreign currency rate (Percentage)	Effect on profit before tax ----- (Rs. in million) -----	Effect on other comprehensive income
	2.50%	360	-
	(2.50%)	(360)	-
December 31, 2018			
	2.50%	(5,186)	-
	(2.50%)	5,186	-

45.1.3 Equity price risk

Equity price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The Group's quoted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification. Reports on the equity portfolio are submitted to the Group's Board of Directors on a regular basis. The Board of Directors review and approve all equity investment decisions.

The following table summarizes the Group's equity price risk as of December 31, 2019 and December 31, 2018. It shows the effects of an estimated increase of 5% in the equity market prices as on those dates. A decrease of 5% in the fair values of the quoted securities would effect profit and equity of the Group in a similar but opposite manner.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	Fair Value	Price change	Effect on profit before tax	Effect on other comprehensive income
	Rs. in million		(Rs. in million)	
December 31, 2019	24,574,087	5% increase	122,077	1,106,627
December 31, 2018	23,026,206	5% increase	59,704	1,091,606

45.2 Liquidity risk

Liquidity risk is defined as the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises because of the possibility that the Group might be unable to meet its payment obligations when they fall due under normal circumstances. To guard against the risk, the Group has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the Group's financial liabilities. The contractual maturities of liabilities at the year-end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Financial liabilities not having a contractual maturity are assumed to mature on the expected date on which the liabilities will be settled.

	2019					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years or more
	(Rupees in '000)					
Financial liabilities						
Long term financing	3,764,448	3,812,500	375,000	687,500	1,250,000	1,500,000
Liability subject to finance lease	4,422,887	4,648,198	401,025	458,334	835,785	2,953,054
Deposits and other accounts	367,999,918	367,999,918	283,947,033	74,141,285	6,673,436	3,238,164
Trade and other payables	14,541,774	14,541,774	11,082,583	618,756	1,165,486	1,674,949
Sub-ordinated loans	7,494,800	7,494,800	600	1,400	2,000	7,490,800
Accrued interest / mark-up	4,340,342	4,340,342	4,340,342	-	-	-
Borrowings	54,721,267	54,721,267	49,992,444	193,571	207,839	4,327,413
	<u>457,285,436</u>	<u>457,558,799</u>	<u>350,139,027</u>	<u>76,100,846</u>	<u>10,134,546</u>	<u>21,184,380</u>
	2018					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years or more
	(Rupees in '000)					
Financial liabilities						
Long term financing	4,343,614	4,381,250	568,750	437,500	1,062,500	2,312,500
Liability subject to finance lease	46,422	46,422	5,893	5,894	11,783	22,852
Deposits and other accounts	321,413,263	321,413,263	289,085,791	30,664,239	1,187,357	475,876
Trade and other payables	15,145,139	15,145,139	11,101,381	484,408	1,288,951	2,270,399
Sub-ordinated loans	7,496,800	7,496,800	1,000	1,000	2,000	7,492,800
Accrued interest / mark-up	2,860,545	2,860,545	2,860,545	-	-	-
Borrowings	100,078,587	100,078,587	97,827,731	141,529	29,827	2,079,500
	<u>451,384,370</u>	<u>451,422,006</u>	<u>401,451,091</u>	<u>31,734,570</u>	<u>3,582,418</u>	<u>14,653,927</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

45.3 Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the credit worthiness of the same.

45.3.1 Analysis of credit quality

The table below shows the credit quality by class of asset for all financial assets exposed to credit risk. Government debt securities have been excluded as these carry zero percent credit risk.

December 31, 2019	Neither past due nor impaired			Past due but not impaired	Individually impaired	Total
	High grade	Standard grade	Sub-standard grade			
----- (Rupees in '000) -----						
Cash and bank balances	25,611,490	-	-	-	-	25,611,490
Due from banks	377,344	85,492	-	-	-	462,836
Cash collateral on securities borrowed and reverse repurchase agreements	30,037,915	282,625	-	-	-	30,320,540
Financial assets at fair value through profit or loss / held for trading	55,598,469	2,566,546	-	-	-	58,165,015
Loans and advances						
Corporate lending	20,274,836	123,184,329	15,577,397	1,584,770	4,383,461	165,004,793
Agriculture	2,121,126	2,948,279	904	1,437	206,566	5,278,312
Medium Enterprise Lending	11,822,233	14,637,094	2,047,928	63,018	984,417	29,554,690
Small business lending	8,248,268	4,287,626	259,274	11,760	596,161	13,403,089
Banks	5,544,565	242,210	45,403	438,411	-	6,270,589
Consumer lending	1,524,306	5,589,138	724,091	13,841	38,478	7,889,854
Residential mortgages	1,398,115	8,997,694	973,784	-	804,138	12,173,731
Employees and contractors	3,784,976	-	-	-	-	3,784,976
Trade debts	234,711	106,424	-	409,286	-	750,421
Accrued mark-up	2,515,646	6,309,315	-	-	-	8,824,961
Financial investments available for sale						
Government securities	47,019,373	-	-	-	-	47,019,373
Quoted - other debt securities	540,303	-	-	-	-	540,303
Unquoted - debt securities	1,751,190	1,069,786	-	-	(370,051)	2,450,925
Equity investments	-	2,115,748	-	-	(136,589)	1,979,159
Financial assets at fair value through OCI						
Equity investments	-	20,166,788	-	-	-	20,166,788
Financial investments held to maturity / at amortised cost						
Government securities	33,353,852	-	-	-	-	33,353,852
	<u>251,758,718</u>	<u>192,589,094</u>	<u>19,628,781</u>	<u>2,522,523</u>	<u>6,506,581</u>	<u>473,005,697</u>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

December 31, 2018	Neither past due nor impaired					Total
	High grade	Standard grade	Sub-standard grade	Past due but not impaired	Individually impaired	
----- (Rupees in '000) -----						
Cash and bank balances	32,156,201	-	-	-	-	32,156,201
Due from banks	788,564	180,011	-	-	-	968,575
Cash collateral on securities borrowed and reverse repurchase agreements	182,631	1,754,716	-	-	-	1,937,347
Financial assets at fair value through profit or loss	43,069,649	-	-	-	-	43,069,649
Loans and advances						
Corporate lending	16,695,478	137,428,439	11,103,368	-	4,380,472	169,607,757
Agriculture	1,192,932	3,050,877	-	-	72,451	4,316,260
Medium Enterprise Lending	11,504,108	21,611,082	372,763	-	308,768	33,796,721
Small business lending	7,111,388	6,739,062	62,696	-	129,663	14,042,809
Banks	4,989,726	2,711,163	-	-	-	7,700,889
Consumer lending	2,257,556	5,413,447	794,102	118,434	57,160	8,640,699
Residential mortgages	4,848,101	5,152,994	639,382	13,499	371,065	11,025,041
Employees and contractors	3,209,877	-	-	-	-	3,209,877
Trade debts	297,727	483,635	-	403,318	-	1,184,680
Accrued mark-up	1,529,516	4,217,439	-	-	-	5,746,955
Financial investments available for sale						
Government securities	52,541,122	-	-	-	-	52,541,122
Quoted - other debt securities	1,080,838	5,467,165	-	-	-	6,548,003
Unquoted - debt securities	845,973	-	-	-	-	845,973
Equity investments	-	21,874,370	-	-	341,757	22,216,127
Financial investments held - to - maturity						
Government securities	42,716,932	-	-	-	-	42,716,932
	<u>227,018,319</u>	<u>216,084,400</u>	<u>12,972,311</u>	<u>535,251</u>	<u>5,661,336</u>	<u>462,271,617</u>

45.3.2 Concentration of credit risk

The Group monitors concentration of credit risk by sector and geographic locations. An analysis of concentration of credit risk from loans and advances and investments is given below:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	Loans and advances		Trade debts		Investment debt securities	
	2019	2018	2019	2018	2019	2018
----- (Rupees in '000) -----						
Segment by class of business						
Mining and quarrying	159,069	56,973	-	-	-	-
Agri finance	5,285,334	4,260,641	-	-	-	-
Brokerage	6,929,558	4,846,099	-	-	-	-
Cement	2,958,936	1,606,779	-	-	-	-
Textile and glass	23,589,038	28,264,018	-	-	-	65,022
Chemical and pharmaceuticals	7,632,870	8,337,182	-	-	108,333	149,860
Fertilizer and pesticides	4,446,138	3,811,120	-	-	-	143,094
Automobile and transportation equipment	3,854,727	4,582,078	-	-	-	-
Tyre, rubber and plastic	2,290,289	2,442,392	-	-	-	-
Electronics and electrical appliances	237,458	260,812	-	-	-	-
Construction and real estate	9,299,382	7,265,975	-	-	-	-
Power and water, oil and gas	32,359,447	31,236,480	-	-	534,660	887,576
Metal and steel	8,824,579	10,075,944	-	-	-	-
Paper / board / furniture	1,506,878	1,462,601	-	-	-	-
Food / confectionery / beverages	32,353,949	34,521,566	-	-	-	-
Trust and non-profit organisations	475,240	478,904	-	-	-	-
Transport, storage and communication	40,575,801	48,599,175	-	-	699,733	158,712
Financial	2,110,683	2,194,635	85,054	273,990	520,174	6,493,402
Insurance and security	176,116	169,843	26,939	326,374	-	-
Engineering, IT and other services	7,723,010	5,591,012	-	-	-	-
Sugar	2,609,984	2,819,626	-	-	-	-
Individuals	31,545,108	33,034,338	619,527	584,269	-	-
Wholesale and retail trade	10,671,924	13,490,993	-	-	-	-
Others	9,253,143	6,088,559	18,901	47	1,350,000	412,003
	246,868,661	255,497,745	750,421	1,184,680	3,212,900	8,309,669
Segment by geographic location						
In Pakistan	243,116,375	253,624,102	750,421	1,184,680	3,212,900	8,309,669
Outside Pakistan	3,752,286	1,873,643	-	-	-	-
	246,868,661	255,497,745	750,421	1,184,680	3,212,900	8,309,669

45.3.3 Trading assets

The table below sets out the credit quality of trading debt securities. The analysis is based on PACRA and JCRVIS ratings where applicable:

	2019	2018
----- (Rupees in '000) -----		
Mutual Funds		
Rated AA- to AA+	1,678,841	1,536,399
	1,678,841	1,536,399
Debt Securities		
Term Finance Certificates-listed	761,975	807,727
Rated AA- to AA+	2,423,192	845,973
	3,185,167	1,653,700



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

45.3.4 Collaterals held and other credit enhancements, and their financial effect

The group holds collateral against its certain exposures. The table below sets out the principal type of collateral held against different types of financial assets:

Type of credit exposure	Percentage of exposure that is subject to collateral requirements		Principle type of collateral held
	2019	2018	
Loans and advances to banks			
Call money lendings	-	-	None
Lending to financial institutions	100%	100%	Property / Stock
Repurchase agreement lendings	100%	100%	Government Securities
Loans and advances to retail customers			
Running, cash, etc. finances	100%	100%	Cash / Property / Stock / Gold
Term loan	100%	100%	Cash / Property / Stock / Gold
Trade loans	100%	100%	Cash / Stock
House and personal loans	100%	100%	Property
Auto loans	100%	100%	Mortgage of vehicles
Loans and advances to corporate customers			
Advances to corporate customers	100%	100%	Mortgage on fixed assets and lien on liquid assets

46. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt is calculated as total loans and borrowings including any finance cost thereon, trade and other payables, less cash and bank balances and fund placements. Capital signifies equity as shown in the statement of financial position plus net debt.

During the year ended December 31, 2019, the Group's strategy was to maintain leveraged gearing. The gearing ratios as at December 31, 2019 was as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
Long term financing	11,259,248	3,881,206
Liability against assets subject to finance lease	4,422,887	46,422
Deposits and other accounts	367,999,918	319,203,786
Trade and other payables	14,764,464	15,536,365
Accrued interest / mark-up on borrowings	4,340,342	2,860,545
Short term borrowings	54,721,267	96,558,663
Total debt	457,508,126	438,086,987
Cash and bank balances	26,074,326	33,124,776
Fund placements	30,320,540	1,937,347
	56,394,866	35,062,123
Net debt	401,113,260	403,024,864
Share capital	9,159,424	9,159,424
Reserves	21,598,023	18,946,154
Equity	30,757,447	28,105,578
Capital	431,870,707	431,130,442
Gearing ratio	93%	93%

The Group finances its operations through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise risk.

47. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

Fair value hierarchy

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

- **Level 1** Quoted prices in active markets for identical assets or liabilities.
- **Level 2** Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) and;



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

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

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

	2019			Total
	Level 1	Level 2	Level 3	
----- (Rupees in '000) -----				
<u>On balance sheet financial instruments</u>				
At fair value through profit or loss				
Open end mutual funds	-	1,678,841	-	1,678,841
Term finance certificates	-	125,000	-	125,000
Listed equity securities	762,705	-	-	762,705
Government Securities	-	55,598,469	-	55,598,469
At fair value through OCI				
Listed equity securities	19,731,412	-	-	19,731,412
Unlisted equity investments	-	-	435,376	435,376
Available-for-sale investments				
Listed equity securities	1,965,753	-	-	1,965,753
Sukuk and term finance certificates	-	540,303	2,423,192	2,963,495
Government securities	-	47,019,373	-	47,019,373
	22,459,870	104,961,986	2,858,568	130,280,424
<u>Off balance sheet financial instruments</u>				
Forward exchange contracts				
Purchase	-	32,885,546	-	32,885,546
Sale	-	21,722,741	-	21,722,741
Forward government securities				
Purchase	-	499,818	-	499,818
Sale	-	-	-	-
Cross currency swaps (notional principal)	-	-	-	-
Options (notional principal)	-	5,765,969	-	5,765,969

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2018			
	Level 1	Level 2	Level 3	Total
	(Rupees in '000)			
On balance sheet financial instruments				
At fair value through profit or loss				
Open end mutual funds	-	378,944	-	378,944
Term finance certificates	-	128,106	-	128,106
Listed equity securities	1,194,085	-	-	1,194,085
Government Securities	-	41,368,514	-	41,368,514
Available-for-sale investments				
Open end mutual funds	-	1,157,455	-	1,157,455
Listed equity securities	21,832,121	-	-	21,832,121
Unlisted equity investments	-	-	384,006	384,006
Sukuk and term finance certificates	-	679,621	845,973	1,525,594
Government securities	-	52,541,122	-	52,541,122
Foreign currency bond (US\$)	-	5,868,382	-	5,868,382
	23,026,206	102,122,144	1,229,979	126,378,329
Off balance sheet financial instruments				
Forward exchange contracts				
Purchase	-	21,946,624	-	21,946,624
Sale	-	13,319,774	-	13,319,774
Forward government securities				
Purchase	-	209,530	-	209,530
Sale	-	1,494,554	-	1,494,554
Cross currency swaps (notional principal)	-	5,254,792	-	5,254,792
Options (notional principal)	-	2,627,781	-	2,627,781

47.2 Valuation techniques used in determination of fair values within level 2

Item	Valuation approach and input used
Units of mutual funds	Fair values of investments in units of mutual funds are determined based on redemption prices disclosed at the Mutual Funds Association of Pakistan (MUFAP) as at the close of the business days.
Pakistan Investment Bonds / Market Treasury Bills	Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV rates (Reuters page).
Term Finance Certificates and Bonds	Investments in debt securities (comprising Term Finance Certificates, Bonds and any other security issued by a company or a body corporate for the purpose of raising funds in the form of redeemable capital) are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the SECP.
Derivatives	The fair values of derivatives which are not quoted in active markets are determined by using valuation techniques. The valuation techniques take into account the relevant underlying parameters including foreign currency involved, interest rates, yield curves, volatilities, contracts duration, etc.



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

47.3 As at December 31, 2019, the Company's long term investments in unquoted securities of EFU Services (Private) Limited and Security General Insurance Company Limited (see note 10) 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.

47.4 During the year ended December 31, 2019, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

48. RELATED PARTY TRANSACTIONS

48.1 Following are the names of associated companies, related parties and associated undertakings with whom the group had entered into transactions or had agreements in place during the year:

Name of Related parties	Percentage of shareholding	Relationship
EFU General Insurance Limited	29.55%	Common Directorship
EFU Life Assurance Limited	21.32%	Common Directorship
EFU Services (Private) Limited	37.50%	Others
Allianz EFU Health Insurance Limited	N/A	Others
Future Trust	N/A	Common Directorship
Mahvash & Jahangir Siddiqui Foundation	N/A	Common Directorship
Fakhr-e-Imdad Foundation	N/A	Common Directorship
Jahangir Siddiqui Private Equity	N/A	Common Directorship
JS Lands (Private) Limited	N/A	Common Substantial Shareholder
JS Growth Fund	N/A	Fund managed by Subsidiary
JS Value Fund	N/A	Fund managed by Subsidiary
Unit Trust of Pakistan	N/A	Fund managed by Subsidiary
JS Income Fund	N/A	Fund managed by Subsidiary
JS Islamic Fund	N/A	Fund managed by Subsidiary
JS Fund of Funds	N/A	Fund managed by Subsidiary
JS Islamic Income Fund	N/A	Fund managed by Subsidiary
JS Cash Fund	N/A	Fund managed by Subsidiary
JS Large Cap Fund	N/A	Fund managed by Subsidiary
JS Islamic Hybrid Fund of Funds	N/A	Fund managed by Subsidiary
JS Islamic Hybrid Fund of Funds - 2	N/A	Fund managed by Subsidiary
JS Islamic Hybrid Fund of Funds - 3	N/A	Fund managed by Subsidiary
JS Islamic Dedicated Equity Fund	N/A	Fund managed by Subsidiary
JS Pension Savings Fund	N/A	Fund managed by Subsidiary
JS Islamic Pension Savings Fund	N/A	Fund managed by Subsidiary
JS Aggressive Income Fund	N/A	Fund managed by Subsidiary
JS Principal Secure Fund I	N/A	Fund managed by Subsidiary
JS Principal Secure Fund II	N/A	Fund managed by Subsidiary

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Name of Related parties	Percentage of shareholding	Relationship
JS Capital Protected Fund V	N/A	Fund managed by Subsidiary
JS Motion Picture Fund	N/A	Fund managed by Subsidiary
Jahangir Siddiqui & Co. Ltd. - Staff Provident Fund	N/A	Post-employment Benefit Fund
JS Bank Limited - Staff Provident Fund	N/A	Post-employment Benefit Fund
JS Bank Limited - Staff Gratuity Fund	N/A	Post-employment Benefit Fund
JS Global Capital Limited - Staff Provident Fund	N/A	Post-employment Benefit Fund of Sub-Subsidiary Company
ABAMCO Limited Staff Provident Fund	N/A	Post-employment Benefit Fund of Sub-Subsidiary Company
EFU General Insurance Limited (Employees Gratuity Fund)	N/A	Post-employment Benefit Fund of Group Company
EFU General Insurance Limited (Officer Pension Fund)	N/A	Post-employment Benefit Fund of Group Company
EFU General Insurance Limited (Employees Provident Fund)	N/A	Post-employment Benefit Fund of Group Company
EFU Life Assurance Ltd (Employees Provident Fund)	N/A	Post-employment Benefit Fund of Group Company
EFU Life Assurance Ltd (Employees Pension Fund)	N/A	Post-employment Benefit Fund of Group Company
Allianz EFU Health Insurance Limited (Employee Provident Fund)	N/A	Post-employment Benefit Fund of Group Company
EFU Life Assurance Limited (Window Takaful Operations)	N/A	Common Directorship
EFU General Insurance Limited (Window Takaful Operations)	N/A	Common Directorship
Excel Labs (Pvt) Ltd.	N/A	Common Directorship
Mr. Jahangir Siddiqui	43.13%	Controlling Person of the group
Jahangir Siddiqui Securities Services Limited	13.31%	Common Substantial Shareholder
Jahangir Siddiqui & Sons Limited	14.10%	Common Substantial Shareholder
Mr. Ali Raza Siddiqui	0.00%	Key Management Person of the group
Mr. Ali Jahangir Siddiqui	0.00%	Key Management Person of the group
Mr. Suleman Lalani	0.04%	Key Management Person of the group
Chief Justice (R) Mahboob Ahmed	0.04%	Key Management Person of the group
Mr. Shahid Hussain Jatoi	0.00%	Key Management Person of the group
Mr. Muhammad Ali	0.00%	Key Management Person of the group



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

Name of Related parties	Percentage of shareholding	Relationship
Ms. Hina Athar Khan	0.00%	Key Management Person of the group
Mr. Hasib Navaid Malik	0.00%	Key Management Person of the group
Mr. Saud Ahmed Mirza	0.00%	Key Management Person of the group
Mr. Khalil ur Rehman	0.00%	Key Management Person of the group
Mr. Muhammad Kamran Nasir	0.00%	Key Management Person of the group
Mr. Adil Matcheswala	0.00%	Key Management Person of the group
Mr. Rizwan Khan	0.00%	Key Management Person of the group
Mr. Ashraf Nawabi	0.00%	Key Management Person of the group
Mr. Junaid Mirza	0.00%	Key Management Person of the group
Mr. Basir Shamsie	0.00%	Key Management Person of the group
Mr. Kamran Jaffer	0.00%	Key Management Person of the group
Mr. Imran Ali Khan Soomro	0.00%	Key Management Person of the group
Mr. Raja Abdullah	0.00%	Key Management Person of the group
Mr. Muhammad Yousuf Amanuallah	0.00%	Key Management Person of the group
Mr. Aamir Ali	0.00%	Key Management Person of the group
Mr. Muhammad Kamran Mirza	0.00%	Key Management Person of the group
Syed Imtiaz Bokhari	0.00%	Key Management Person of the group
Mr. Adnan Zakaria	0.00%	Key Management Person of the group
Mr. Imran Haleem Shaikh	0.00%	Key Management Person of the group
Mr. Ashraf Shahzad Ahmed	0.00%	Key Management Person of the group
Mr. Syed Tauqir Haider Rizvi	0.00%	Key Management Person of the group
Mr. Muhammad Faisal	0.00%	Key Management Person of the group
Mr. Babbar Wajid	0.00%	Key Management Person of the group
Mr. Siraj Ali Mithani	0.00%	Key Management Person of the group
Mr. Kashan Zafar	0.00%	Key Management Person of the group
Mr. Muhammad Faisal Asghar	0.00%	Key Management Person of the group
Mr. Ali Pesnani	0.00%	Key Management Person of the group
Mr. Khurram Shaikh	0.00%	Key Management Person of the group
Mr. Fasih Ur Rehman	0.00%	Key Management Person of the group
Mr. Anjum Amin Siddiqui	0.00%	Key Management Person of the group
Mr. Soofi Saifullah Akber	0.00%	Key Management Person of the group
Mr. Rafiq Ghulam Hussain	0.00%	Key Management Person of the group
Mr. Asim Qamar Siddiqui	0.00%	Key Management Person of the group
Syed Asad Mustafa Shafqat	0.00%	Key Management Person of the group
Mr. Mamoon Hameed Farooqi	0.00%	Key Management Person of the group
Syed Tauqir Haider Rizvi	0.00%	Key Management Person of the group
Mr. Shahid Ali Khan	0.00%	Key Management Person of the group
Mr. Zubair Jabbar	0.00%	Key Management Person of the group
Mr. Zaheer Masood	0.00%	Key Management Person of the group

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

48.2 Related parties comprise of subsidiaries, companies with common directors, associated companies, directors and key management personnel. The Group in the normal course of business carries out transactions with various related parties. Amount due from and to these related parties are shown under receivables and payables, reverse repos are shown under fund placements and the remuneration of chief executive and executives are disclosed in note 49. The relationship and transactions with the related parties are given below:

TRANSACTIONS	2019	2018
	----- (Rupees in '000) -----	
Common Directorship:		
Remuneration paid	343,874	303,378
Dividend income	853,975	763,413
Rent Income	9,104	14,894
Brokerage / commission / service income	350,852	428,081
Insurance claim received / Refund / Cancelled	8,101	18,314
Insurance premium paid	349,369	309,566
Expenses incurred on behalf of related parties	5,851	6,109
Reimbursement of expenses by related parties	2,970	4,270
Interest / mark-up expense	1,383,816	742,792
Donation paid during the year	4,745	7,000
Letter of credit	58,585	57,641
Loans and advances disbursed	5,086,823	6,894,300
Loans and advances repaid	6,320,068	6,351,154
Deposits in banks accounts	235,460,531	160,708,700
Withdrawals from bank accounts	236,784,614	159,396,796
Interest / mark-up earned	322,478	282,622
Rent expense	2,596	-
Security deposit Received	468	-
Borrowings received from related parties	174,209,491	280,850,000
Borrowings repaid to related parties	179,009,491	280,050,000
Fund managed by Subsidiary Company:		
Purchase of shares / units	3,502,098	2,960,326
Redemption of units	3,789,379	3,153,991
Remuneration of management fee	198,795	195,074
Dividend income	25,904	3,882
Reimbursement of expenses from funds	37,912	37,259
Other expenses incurred on behalf of funds	46,374	42,243
Commission income	9,058	4,320
Gain / (loss) on sale of securities - net	155,288	1,617
Post-employment Benefit Fund:		
Contribution to staff provident fund trust	374,267	336,221
Investment in TFCs issued by the Company	-	24,000
Principal redemption against TFCs	9,976	17,100
Interest / mark-up paid	535	2,257
Expenses incurred on behalf of related parties	121	1,524
Reimbursement of expenses by related parties	121	1,598



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
Controlling Person:		
Royalty paid	45,000	41,225
Advisory fee paid	21,000	61,500
Common Substantial Shareholder:		
Subscription of Right Shares	-	175,000
Insurance premium paid	20,206	9,929
Insurance claim received	1,900	5,376
Rent expense	141,272	33,387
Rent Income	11,033	-
Security deposit Received	1,003	-
Reimbursement of expenses by the Company	23,183	-
Reimbursement of expenses to the Company	2,171	-
Key Management Personnel:		
Reimbursement of expenses to directors	11,959	2,479
Interest on long term loans to executives	17,002	27,729
Interest / mark-up expense	6,536	5,797
Deposits in banks accounts	1,598,346	2,160,277
Withdrawals from bank accounts	1,587,803	2,172,451
Commission income	368	339
Brokerage income	215	269
Remuneration to key management personnel	184,326	265,747
Fee paid to directors for attending director / committee meetings	19,750	17,111
Loans and advances disbursed	336,859	353,466
Loans and advances repaid	157,869	292,553
Purchase of vehicle	-	7,223
Disposal of fixed asset	30,483	869
Preference dividend paid	161	-
Other Related Parties:		
Purchase of Sukuk / TFCs	20,000	72,610
Sale of Sukuk / TFCs	6,087,800	445,280
Investment in TFCs issued by the Holding company	-	9,000
Dividend income	125,133	119,902
Interest / mark-up earned	5,870,864	-
Brokerage expense	454	-
Amount received against subscription of right shares	15,190	245,000
Loans and advances disbursed	50,000	260,000
Preference dividend paid	38	1,479

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

BALANCES	2019 ----- (Rupees in '000) -----	2018 ----- (Rupees in '000) -----
Common Directorship:		
Advances	1,946,481	2,821,605
Borrowings	-	4,800,000
Deposits	8,622,201	9,652,833
Rent receivable	2,866	2,513
Unearned rent	468	-
Security deposit	704	-
Receivable against expenses incurred on behalf of companies	1,871	3,001
Donation payable	5,000	4,000
Subordinated loans	789,668	289,784
Interest payable on deposits	286,949	42,582
Interest payable on subordinated loans	2,098	1,441
Interest receivable	49,640	72,735
Receivable against bancassurance / bancatakaful	67,952	74,935
Common Substantial Shareholder:		
Rent payable	-	10,117
Receivable against expenses incurred on behalf of companies	369	-
Security deposit	1,003	-
Unearned rent	1,003	-
Payable against expenses incurred by companies	716	-
Post-employment Benefit Fund:		
Principal outstanding of TFCs issued by the company	-	9,975
Mark-up payable on TFCs issued by the company	-	250
Subordinated loans	99,920	99,960
Interest payable on subordinated loans	122	100
Payable to defined benefit plan	147,885	102,494
Other Related Parties:		
Advances and Loans	922,500	555,000
Trade debts	133,528	126,548
Trade payable	778	20,888
Other receivables	16,230	7,776
Security deposit	3,035	3,035
Provision against other assets	2,438	2,438
Prepaid insurance	97,806	3,468
Provision for diminution in value of investments	65,022	65,022
Investments	-	1,964,110
Interest receivable on loans	38,705	-
Interest payable on borrowings	-	1,355



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

	2019	2018
	----- (Rupees in '000) -----	
Funds managed by Subsidiary Company:		
Payable to funds under management	3,011	365
Receivable from funds under management	145,495	126,783
Key management personnel:		
Advances	596,257	455,798
Deposits	84,037	103,258
Loans and advances payable	11,357	29,479
Trade debts	712	751
Trade payable	4,820	908
Interest mark-up accrued	521	853
Interest payable on deposits	114	339

49. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVES AND EXECUTIVES

The aggregate amount charged in the accounts for remuneration, including certain benefits to directors, chief executives and executives of the Group is as follows:

	Directors		Chief Executives		Executives	
	2019	2018	2019	2018	2019	2018
	----- (Rupees in '000) -----					
Managerial remuneration	-	-	107,366	105,372	901,535	1,635,532
House rent allowance	-	-	1,581	1,472	5,244	4,396
Utilities allowance	-	-	175	164	9,879	11,208
Car allowance	-	-	667	-	60,438	126,600
Sub-brokerage, commission and performance bonus	-	-	24,000	47,349	16,513	265,668
Advisory and consultancy fee	-	-	-	-	-	-
Retirement benefits	-	-	9,090	9,324	99,226	221,808
Medical	-	-	6,592	7,029	69,897	146,138
Reimbursable expenses	10,708	-	380	33	7,410	8,632
Fee for attending meetings	20,800	21,758	-	-	-	-
	<u>31,508</u>	<u>21,758</u>	<u>149,851</u>	<u>170,743</u>	<u>1,170,142</u>	<u>2,419,982</u>
Number of persons	<u>18</u>	<u>19</u>	<u>5</u>	<u>6</u>	<u>188</u>	<u>604</u>

49.1 The Group also provides certain Chief Executives and Executives with Group maintained cars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

50. OPERATING SEGMENT INFORMATION

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

Capital market and brokerage	Principally engaged in trading of equity securities, maintaining 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 and information technology, underwriting and consultancy services, research and corporate finance and power generation.

The following tables present revenue and profit information for the Group's operating segments for the year ended December 31, 2019 and 2018 respectively.

	Capital market and brokerage	Banking	Investment advisor / assets manager	Energy, infrastructure and petroleum	Others	Total segments	Adjustments and eliminations	Consolidated
(Rupees in '000)								
Year ended December 31, 2019								
Revenue								
Segment revenues	1,938,822	45,543,299	408,539	214,523	20,493	48,125,676	(481,832)	47,643,844
Inter-segment revenues	(220,149)	(217,949)	(10,052)	(28,070)	(5,612)	(481,832)	481,832	-
Total revenue	1,718,673	45,325,350	398,487	186,453	14,881	47,643,844	-	47,643,844
Results								
Profit for the year	186,909	(151,406)	(93,992)	(80,201)	6,782	(131,908)	182,711	50,803

	Capital market and brokerage	Banking	Investment advisor / assets manager	Energy, infrastructure and petroleum	Others	Total segments	Adjustments and eliminations	Consolidated
(Rupees in '000)								
Year ended December 31, 2018								
Revenue								
Segment revenues	2,003,412	32,144,541	432,700	189,614	13,625	34,783,892	(515,426)	34,268,466
Inter-segment revenues	(423,068)	(40,004)	(8,958)	(40,904)	(2,492)	(515,426)	515,426	-
Total revenue	1,580,344	32,104,537	423,742	148,710	11,133	34,268,466	-	34,268,466
Results								
Profit for the year	(190,566)	543,930	41,938	(92,758)	3,523	306,067	508,730	814,797



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

The following tables present assets and liabilities information for the Group's operating segments for the year ended December 31, 2019 and 2018 respectively.

	Capital market and brokerage	Banking	Investment advisor / assets manager	Energy, infrastructure and petroleum	Others	Total segments	Adjustments and eliminations	Consolidated
	----- (Rupees in '000) -----							
Assets								
December 31, 2019	33,537,712	468,693,927	2,061,831	5,369,971	736,123	510,399,564	(16,517,632)	493,881,932
December 31, 2018	33,555,452	456,128,494	2,261,835	4,756,220	714,323	497,416,324	(17,161,052)	480,255,272
Liabilities								
December 31, 2019	6,275,884	452,487,539	747,238	386,419	6,106	459,903,186	(2,183,959)	457,719,227
December 31, 2018	7,152,540	441,649,318	285,050	28,281	52,901	449,168,090	(3,027,579)	446,140,511

2019 2018
----- (Rupees in '000) -----

51. GEOGRAPHIC INFORMATION

Revenues from external customers

Pakistan	47,638,448	34,261,792
----------	------------	------------

Non-current assets

Pakistan	10,972,728	7,114,424
----------	------------	-----------

Non-current assets consist of property and equipment, investment properties, intangible assets and membership cards and rooms.

52. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

52.1 Subsequent to the year end, Energy Infrastructure Holding (Private) Limited ("EIHPL"), a wholly owned subsidiary of the Holding Company has applied to Competition Commission of Pakistan ("CCP") for pre-merger approval for acquisition of 100% shareholding of Quality 1 Petroleum (Private) Limited. In turn, CCP has accorded its approval to EIHPL for aforesaid acquisition.

52.2 Subsequent to the year end, the Board of Directors of JS Global Capital Limited, in their meeting held on February 20, 2020:

Gave an in-principal approval to the management of the Company to start the negotiation process for the acquisition of certain properties (including the leasehold premises) from a related party, subject to the fair market valuation as determined by the independent valuer and compliance with regulatory requirements. The estimated cost of the subject properties as estimated by the management is Rs. 800 million; and

Authorized the management of the Company to conduct detailed due diligence, work out share value and appoint an advisor / consultant for the purpose to participate in the process of acquisition of upto 77.12% of the total issued paid up share capital of BIPL Securities Limited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

53. RECLASSIFICATIONS

53.1 Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation, in the current year. However, there are no material reclassification / re-arrangement to report. Following major reclassification has been made.

Reclassified from component	Reclassified to component	2018 ---- (Rupees) ----
Short-term prepayments, deposits and other receivables	Long term loans, advances, prepayments and other receivables	<u>2,500,000</u>

54. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on March 12, 2020 by the Board of Directors of the Holding Company.

55. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Chief Justice (R) Mahboob Ahmed
Chairman

Suleman Lalani
Chief Executive Officer

Najmul Hoda Khan
Chief Financial Officer

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE I

Details of disposal of fixed assets having written down value exceeding Rs. 500,000 each (refer note 7.1.1)

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Vehicles							
Honda Civic	2,388	1,831	557	1,828	1,271	Sale	Sh M Kamal
Honda Civic	1,809	1,025	784	1,720	936	Sale	Carfirst Augmentech
Honda Civic	2,174	1,377	797	1,960	1,163	Sale	Numeri Abrar
Honda Civic	2,363	614	1,749	2,552	803	Sale	Usman Shahid
Honda Civic	2,363	449	1,914	2,420	506	Sale	Usman Shahid
Honda Civic	2,388	1,711	677	2,075	1,398	Sale	Maaz Saleem
Honda Civic	1,809	470	1,339	2,215	876	Sale	Nadeem Kiani
Honda Civic	2,164	1,623	541	2,275	1,734	Sale	Shahid Ali Khan
Honda Civic	2,363	591	1,772	2,655	883	Sale	Mr.Janam Abid
Honda Civic	6,000	1,140	4,860	8,613	3,753	Sale	Sohail Haroon
Honda Civic	2,413	507	1,906	2,670	764	Sale	Augmentech Business Pvt
Honda Civic	2,413	507	1,906	2,822	916	Sale	Faisal Motors
Honda Civic	2,413	507	1,906	2,750	844	Sale	Faisal Motors
Honda Civic	2,413	507	1,906	2,761	855	Sale	M. Faisal Usman
Honda Civic	2,513	452	2,061	2,817	756	Sale	Ali Raza Kazmi
Honda Civic	2,513	452	2,061	2,787	726	Sale	Ali Raza Kazmi
Honda Civic	2,763	359	2,404	3,085	681	Sale	Kashan Zafar
Honda Civic	2,838	369	2,469	3,026	557	Sale	Adnan Ahmed Bhatti
Honda Civic	2,613	340	2,273	2,800	527	Sale	Adeel Raza Khan
Honda Civic	2,763	387	2,376	3,165	789	Sale	Faisal Hameed
Honda Civic	2,714	326	2,388	2,800	412	Sale	Faisal Motors
Honda Civic	2,513	452	2,061	2,676	615	Sale	Zafar Iqbal Zahid
Honda Civic	2,513	452	2,061	2,852	791	Sale	Akbar Sultan
Honda Civic	2,663	479	2,184	3,100	916	Sale	Rafiq Ghulam Hussain
Honda Civic	2,663	479	2,184	3,050	866	Sale	M. Jahangir Khan
Honda Civic	2,511	678	1,833	2,825	992	Sale	Augmentech Business Solution
Honda Civic	2,361	543	1,818	2,649	831	Sale	Riaz Ahmed Khan
Honda Civic	2,511	452	2,059	2,800	741	Sale	Khawar Hussain Kiyani
Honda Civic	2,611	339	2,272	2,782	510	Sale	Usman Anwar Butt
Honda Civic	3,213	193	3,020	2,901	(119)	Sale	Bakhtiar Ali Khan
Honda Civic	3,594	108	3,486	3,380	(106)	Sale	Taimur Asad Cheema
Honda Civic	2,363	1,497	866	2,430	1,564	Sale	Muhammad Faheem Khan
Honda Civic	2,363	1,378	985	2,507	1,522	Sale	Faisal Motors
Honda Civic	2,363	756	1,607	2,511	904	Sale	Augmentech Business Solu
Honda Civic	2,363	756	1,607	2,627	1,020	Sale	Ali Raza Kazmi
Honda Civic	2,588	828	1,760	2,800	1,041	Sale	Faisal Motors
Honda Civic	2,588	828	1,760	2,865	1,106	Sale	Aizaz Masood Sahito
Honda Civic	2,363	756	1,607	2,503	896	Sale	Ashraf Shahzad
Honda Civic	2,513	704	1,809	2,755	946	Sale	Aizaz Masood Sahito
Honda Civic	1,819	509	1,310	2,112	802	Sale	Muhammad Kashif Ali
Honda Civic	1,819	509	1,310	1,901	591	Sale	Faisal Hameed
Honda Civic	2,363	662	1,701	2,610	909	Sale	Nabeel Elahi
Honda Civic	2,363	662	1,701	2,607	906	Sale	Ali Raza Kazmi
Honda Civic	2,363	709	1,654	2,657	1,003	Sale	Sidra Nadeem
Honda Civic	2,363	614	1,749	2,661	913	Sale	Zulfiqar Ali Abedi
Honda Civic	2,363	614	1,749	2,653	904	Sale	Augmentech Business Solu
Honda Civic	2,363	614	1,749	2,600	851	Sale	Faisal Motors
Honda Civic	2,363	567	1,796	2,615	819	Sale	S. Hafeezuddin
Honda Civic	2,363	567	1,796	2,543	747	Sale	Faraz Mahmood
Honda Civic	2,513	578	1,935	2,917	982	Sale	Ali Raza Kazmi
Honda Civic	2,363	543	1,820	2,750	930	Sale	Faisal Motors
Honda Civic	2,363	496	1,867	2,450	583	Sale	Faisal Hameed
Honda Civic	2,513	528	1,985	2,703	718	Sale	Shahzad Ahmed Khan
Honda Civic	3,214	193	3,021	3,087	66	Sale	Ahmer Manzoor Qadir
Honda Civic	3,214	193	3,021	3,045	24	Sale	Faisal Motors
Honda Civic	3,214	193	3,021	3,035	14	Sale	Faisal Motors
Honda Civic	3,214	193	3,021	2,972	(49)	Sale	Abdul Ghaffar
Honda Civic	3,489	209	3,279	3,556	277	Sale	Yameen Ghani
Honda Civic	2,353	659	1,694	2,670	976	Sale	Adnan Naseer
Honda Civic	2,578	490	2,088	3,262	1,174	Sale	Syed Imtiaz Bokhari
Balance c/f	154,414	37,526	116,888	167,215	50,327		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019 ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	154,414	37,526	116,888	167,215	50,327		
Honda Civic	2,353	565	1,788	2,639	851	Sale	M. Shehzad Anwar
Honda Civic	2,353	494	1,859	2,766	907	Sale	Rehman Fakhar
Honda Civic	2,603	338	2,265	2,748	483	Sale	Omer Shahzad Younus
Honda Civic	2,353	541	1,812	2,650	838	Sale	Imtiaz Mahmood
Honda Civic	2,753	358	2,395	3,281	885	Sale	M. Shoaib Khalid
Honda Civic	2,503	451	2,052	2,680	628	Sale	M. Sohail Zafar
Honda Civic	2,503	451	2,052	2,714	662	Sale	Irfan Abbas Zaidi
Honda Civic	2,503	451	2,052	2,726	674	Sale	Kashif Qureshi
Honda Civic	3,479	209	3,270	3,507	237	Sale	Shireen Raza
Honda Civic	3,479	209	3,270	3,371	101	Sale	Augmentech Business Solu
Honda Civic	3,204	192	3,012	3,061	49	Sale	Kashif Ijaz Khan
Honda Civic	3,489	209	3,279	3,626	347	Sale	Adnan Ahmed Bhatti
Honda Civic	3,214	193	3,021	2,930	(91)	Sale	Faisal Motors
Honda Civic	3,214	193	3,021	3,225	204	Sale	Faisal Motors
Honda Civic	3,214	193	3,021	3,087	66	Sale	Shahid Ahmed Siddiqui
Honda Civic	3,489	209	3,279	3,751	472	Sale	Adnan Ahmed Bhatti
Honda Civic	3,489	209	3,279	3,706	427	Sale	Yawar Arif Herekar
Honda Civic	3,214	193	3,021	2,958	(63)	Sale	Zubair Jabbar
Honda Civic	3,489	209	3,279	3,606	327	Sale	M. Azim Afridi
Honda Civic	2,513	452	2,061	2,951	890	Sale	Ahmad Nadeem Butt
Honda Civic	2,513	452	2,061	2,886	825	Sale	Zar Khan
Honda Civic	2,513	452	2,061	2,730	669	Sale	Shayan Sohail Nasir
Honda Civic	2,663	479	2,184	3,100	916	Sale	Kamil Yaqoob
Honda Civic	3,489	209	3,279	3,656	377	Sale	Tahir Ali Sheikh
Honda Civic	3,214	193	3,021	3,025	4	Sale	Amjad Khowaja
Honda Civic	3,214	193	3,021	2,951	(70)	Sale	Syed M. Jawad
Honda Civic	3,214	193	3,021	3,150	129	Sale	Saba Saleem
Honda Civic	2,503	651	1,852	2,853	1,001	Sale	M. Mehfooz Ul-Bari
Honda Civic	2,503	851	1,652	2,702	1,050	Sale	Aman Ullah
Honda Civic	3,517	106	3,411	3,000	(411)	Sale	M. Salueh Memon
Honda Civic	3,505	70	3,435	3,300	(135)	Sale	Najeeb Ahmed
Honda Civic	2,361	756	1,605	2,575	970	Sale	Augmentech Business Solu
Honda Civic	3,487	244	3,243	3,600	357	Sale	Noman Khan
Honda Civic	3,515	70	3,445	3,025	(420)	Sale	M. Asif Abbasi
Honda Civic	2,363	756	1,607	2,725	1,118	Sale	Hassan Raza Qari
Honda Civic	2,513	528	1,985	2,796	811	Sale	Ali Raza Kazmi
Honda Civic	2,363	496	1,867	2,701	834	Sale	Syed Asad Ali Rizvi
Honda Civic	2,361	543	1,818	2,624	806	Sale	Maqbool Ausaf Muneh
Honda Civic	2,561	512	2,049	3,225	1,176	Sale	Kashif Ahmed Noor
Honda Civic	2,613	340	2,273	2,700	427	Sale	Faisal Motors
Honda Civic	2,363	614	1,749	2,610	861	Sale	Akhter Hussain
Honda Civic	3,214	193	3,021	2,835	(186)	Sale	Akhter Hussain
Honda Civic	3,517	176	3,341	3,050	(291)	Sale	Fahad Shaikh
Honda Civic	2,363	756	1,607	2,610	1,003	Sale	Hamood Ur Rehman Rajput
Honda Civic	2,503	576	1,927	2,865	938	Sale	Noman Azhar
Honda Civic	2,363	614	1,749	2,500	751	Sale	Faisal Motors
Honda Civic	2,513	452	2,061	2,995	934	Sale	Emran Pathan
Honda Civic	2,513	427	2,086	2,660	574	Sale	Faisal Motors
Honda Civic	2,503	676	1,827	2,670	843	Sale	M. Sohail Sarfaraz
Honda Civic	2,503	451	2,052	2,755	703	Sale	Prof. Majid Ali
Honda Civic	3,204	192	3,012	3,011	(1)	Sale	Faisal Ashraf Rajpoot
Honda Civic	3,204	192	3,012	3,106	94	Sale	Zafar Shahid Jafari
Honda Civic	3,204	192	3,012	3,051	39	Sale	Javed Mumtaz
Honda Civic	2,353	753	1,600	2,756	1,156	Sale	Sajid Javed
Honda Civic	2,513	528	1,985	2,925	940	Sale	Zahis Qadri
Honda Civic	2,363	496	1,867	2,590	723	Sale	Akhter Hussain
Honda Civic	2,406	1,805	602	2,250	1,649	Sale	Faisal Motors
Toyota Corolla	1,828	1,310	518	1,735	1,217	Sale	Sultan Hassan
Toyota Corolla	1,828	1,310	518	1,720	1,202	Sale	Sultan Hassan
Toyota Corolla	1,863	931	931	1,827	896	Sale	Wajaht Saeed
Toyota Corolla	1,843	1,105	737	1,776	1,038	Sale	Mir Muslehuddin
Toyota Corolla	1,864	373	1,491	1,811	320	Sale	Adnan Ahmed
Balance c/f	325,633	66,061	259,572	344,630	85,058		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	325,633	66,061	259,572	344,630	85,058		
Toyota Corolla	1,864	391	1,473	2,100	627	Sale	M. Umer
Toyota Corolla	1,828	1,249	579	1,910	1,331	Sale	Syed Khalid Hussain
Toyota Corolla	1,863	1,055	807	2,000	1,193	Sale	Zulfiqar Gaya
Toyota Corolla	1,863	1,024	838	2,010	1,172	Sale	Maaz Saleem
Toyota Corolla	1,863	1,086	776	1,865	1,089	Sale	Carfist Augmentech B Solution
Toyota Corolla	2,198	1,245	952	2,175	1,223	Sale	Adnan Bashir
Toyota Corolla	2,173	1,412	760	2,350	1,590	Sale	Shaheen Akhter
Toyota Corolla	1,863	993	869	1,840	971	Sale	Sultan Hassan Khan
Toyota Corolla	1,843	1,198	645	1,925	1,280	Sale	M Kamal Ahmed
Toyota Corolla	1,864	522	1,342	2,108	766	Sale	Nadeem Afzal
Toyota Corolla	1,864	503	1,361	2,050	689	Sale	Carfist-Augmentec B.
Toyota Corolla	1,863	577	1,285	2,280	995	Sale	Nadeem Kiani
Toyota Corolla	1,863	1,211	652	1,850	1,198	Insurance	Insurance Claim
Toyota Corolla	2,554	511	2,043	3,126	1,083	Sale	Anjum Amin Siddiqui
Toyota Corolla	2,029	386	1,643	2,480	837	Sale	Faisal Motors
Toyota Corolla	2,029	386	1,643	2,406	763	Sale	M. Faheem Hanif
Toyota Corolla	2,029	386	1,643	2,460	817	Sale	Faisal Motors
Toyota Corolla	2,129	362	1,767	2,365	598	Sale	Faisal Motors
Toyota Corolla	2,129	362	1,767	2,511	744	Sale	Fouzia Mughal
Toyota Corolla	2,129	341	1,788	2,356	568	Sale	M. Rahman Shariff
Toyota Corolla	2,129	341	1,788	2,400	612	Sale	Faisal Motors
Toyota Corolla	2,129	341	1,788	2,515	727	Sale	Faisal Motors
Toyota Corolla	2,129	341	1,788	2,485	697	Sale	Faisal Motors
Toyota Corolla	2,129	319	1,810	2,456	646	Sale	Shakil Ahmed
Toyota Corolla	2,129	341	1,788	2,456	668	Sale	Muhammad Bilal
Toyota Corolla	2,129	341	1,788	2,451	663	Sale	Faisal Ali Khan
Toyota Corolla	2,519	378	2,141	2,806	665	Sale	Rehan Ali Khan
Toyota Corolla	2,229	334	1,895	2,451	556	Sale	Kamran Naz
Toyota Corolla	2,229	334	1,895	2,426	531	Sale	Ali Raza Kazmi
Toyota Corolla	2,229	334	1,895	2,505	610	Sale	Faisal Motors
Toyota Corolla	2,229	334	1,895	2,427	532	Sale	Kashif Amin Mandvia
Toyota Corolla	2,229	334	1,895	2,507	612	Sale	Awais Ahmed Laghari
Toyota Corolla	2,229	290	1,939	2,426	487	Sale	Amir Jamil
Toyota Corolla	2,613	340	2,273	2,841	567	Sale	Muhammad Mateen Farooq
Toyota Corolla	2,229	290	1,939	2,457	518	Sale	Raj Kumar
Toyota Corolla	2,229	290	1,939	2,456	517	Sale	Suleman Nazir
Toyota Corolla	2,304	276	2,028	2,606	578	Sale	Muhammad Azim Afridi
Toyota Corolla	2,379	238	2,141	2,726	585	Sale	Muhammad Azim Afridi
Toyota Corolla	2,129	383	1,746	2,400	654	Sale	Huzaifa Hunani
Toyota Corolla	2,129	319	1,810	2,381	571	Sale	Ali Raza Kazmi
Toyota Corolla	2,129	362	1,767	2,427	660	Sale	Muhammad Farooq Khan
Toyota Corolla	1,863	1,273	590	2,075	1,485	Sale	Ejaz Hussain
Toyota Corolla	1,863	1,242	621	2,165	1,544	Sale	Zeeshan Wajid Chaudhry
Toyota Corolla	1,863	1,211	652	1,871	1,219	Sale	S. Musarat Hussain Shah
Toyota Corolla	1,863	1,211	652	1,901	1,249	Sale	Pirzada Shahid Azhar Quddusi
Toyota Corolla	1,864	541	1,323	2,276	953	Sale	Mati Ullah Khan
Toyota Corolla	2,406	120	2,286	2,676	390	Sale	Syed Naim Ahmed
Toyota Corolla	4,000	2,800	1,200	5,310	4,110	Sale	Imran Soomro
Toyota Corolla	2,198	1,538	659	2,168	1,509	Sale	Safia Minhaj
Toyota Corolla	2,323	1,626	697	2,355	1,658	Sale	Faisal Motors
Toyota Corolla	1,863	1,304	559	2,150	1,591	Sale	Sohail Haroon
Toyota Corolla	2,198	1,502	696	2,319	1,623	Sale	Tahir Jamil
Toyota Corolla	1,863	1,242	621	2,050	1,429	Sale	Sohail Haroon
Toyota Corolla	1,863	1,242	621	2,075	1,454	Sale	Sajjad Hussain
Toyota Corolla	1,863	1,242	621	2,008	1,387	Sale	Faisal Motors
Toyota Corolla	1,863	1,242	621	2,111	1,490	Sale	Faisal Motors
Toyota Corolla	1,863	1,211	652	2,100	1,448	Sale	Adnan Arshad
Toyota Corolla	1,863	1,211	652	2,075	1,423	Sale	Atif Ali Khan

Balance c/f	447,751	109,874	337,876	481,087	143,211
--------------------	----------------	----------------	----------------	----------------	----------------

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	447,751	109,874	337,876	481,087	143,211		
Toyota Corolla	1,863	1,211	652	2,000	1,348	Sale	Muhammad Ashfaq
Toyota Corolla	1,863	1,118	745	2,100	1,355	Sale	Roy D'Costa
Toyota Corolla	1,864	541	1,323	2,080	757	Sale	Faisal Motors
Toyota Corolla	1,864	541	1,323	2,100	777	Sale	Faisal Motors
Toyota Corolla	1,864	541	1,323	2,100	777	Sale	Arshad Jamil
Toyota Corolla	1,864	541	1,323	2,103	780	Sale	Fasih-Ur-Rehman
Toyota Corolla	1,864	541	1,323	2,156	833	Sale	Kiran Aftab Khan
Toyota Corolla	1,864	541	1,323	2,051	728	Sale	Faisal Hameed
Toyota Corolla	1,864	541	1,323	2,256	933	Sale	Faraz Ahmed
Toyota Corolla	1,864	541	1,323	2,305	982	Sale	Noman Hassan Khan
Toyota Corolla	1,864	503	1,361	2,050	689	Sale	Muhammad Siddiq
Toyota Corolla	1,969	453	1,516	2,325	809	Sale	Muhammad Altaf
Toyota Corolla	2,379	143	2,236	2,726	490	Sale	Sheeraz Habib
Toyota Corolla	2,379	143	2,236	2,676	440	Sale	Muhammad Ghufuran
Toyota Corolla	2,379	143	2,236	2,740	504	Sale	Muhammad Umer
Toyota Corolla	2,379	143	2,236	2,656	420	Sale	Shahid Hussain
Toyota Corolla	2,855	57	2,798	2,756	(42)	Sale	Muhammad Azim Afridi
Toyota Corolla	1,864	541	1,323	1,981	658	Sale	Augmentech Business Solu
Toyota Corolla	1,864	541	1,323	1,998	675	Sale	Sajid Zia
Toyota Corolla	1,864	485	1,379	2,111	732	Sale	Muhammad Akhtar
Toyota Corolla	1,864	541	1,323	2,132	808	Sale	M. Mumtaz Zafar
Toyota Corolla	1,864	541	1,323	2,155	832	Sale	Kamran Hayee
Toyota Corolla	1,864	541	1,323	2,152	829	Sale	Syed Muhammad Jamil
Toyota Corolla	1,863	1,180	683	2,162	1,479	Sale	Janbaz Rasool
Toyota Corolla	1,864	503	1,361	2,153	792	Sale	Mohd. Naeem Shareef
Toyota Corolla	1,864	503	1,361	2,041	680	Sale	Augmentech Business Solu
Toyota Corolla	2,129	341	1,788	2,437	649	Sale	Muhammad Salman
Toyota Corolla	2,129	341	1,788	2,480	692	Sale	Khuram Imtiaz
Toyota Corolla	2,883	144	2,739	2,726	(13)	Sale	Ahsan Athar
Toyota Corolla	1,863	1,118	745	2,068	1,323	Sale	Augmentech Business Solu
Toyota Corolla	1,969	473	1,496	2,281	785	Sale	Ashi Safder
Toyota Corolla	1,969	473	1,496	2,450	954	Sale	Zubair Asad
Toyota Corolla	2,229	290	1,939	2,377	438	Sale	Syed Fawad Ali Zaidi
Toyota Corolla	2,379	238	2,141	2,681	540	Sale	Faisal Haroon
Toyota Corolla	1,863	577	1,285	2,061	776	Sale	Mujeeb Tariq
Toyota Corolla	1,969	413	1,556	2,281	725	Sale	Augmentech Business Solu
Toyota Corolla	2,229	290	1,939	2,520	581	Sale	Mian Shahid Munawar
Toyota Corolla	1,843	1,320	522	2,095	1,573	Sale	Shahid Zaidi
Toyota Corolla	1,843	1,290	553	2,081	1,528	Sale	Retian Syed M. Talha
Toyota Corolla	2,029	406	1,623	2,530	906	Sale	Kashif Ali
Toyota Corolla	1,863	1,242	621	1,951	1,330	Sale	Augmentech Business Solu
Toyota Corolla	1,864	559	1,305	2,269	964	Sale	Asad Naveed Ashraf
Toyota Corolla	1,864	559	1,305	2,073	768	Sale	Dilawer Khan
Toyota Corolla	2,457	147	2,309	2,724	415	Sale	Syed Hasan Akif
Toyota Corolla	1,863	1,242	621	1,993	1,372	Sale	Augmentech Business Solu
Toyota Corolla	1,863	1,211	652	2,003	1,351	Sale	Javed Ahmed
Toyota Corolla	1,864	541	1,323	2,276	952	Sale	Muhammad Ilyas
Toyota Corolla	2,379	143	2,236	2,701	465	Sale	Nizar Ali
Toyota Corolla	2,029	386	1,643	2,515	872	Sale	Shahrukh Khan
Toyota Corolla	2,129	383	1,746	2,601	855	Sale	Toyota Western Motors
Toyota Corolla	2,129	319	1,810	2,656	846	Sale	Zohaib Ahmed Shaikh
Toyota Corolla	2,129	341	1,788	2,401	613	Sale	Muhammad Asghar
Toyota Corolla	2,129	341	1,788	2,275	487	Sale	Noman Hassan Khan
Toyota Corolla	2,229	290	1,939	2,460	521	Sale	Adeel Shah Rashdi
Toyota Corolla	2,229	290	1,939	2,585	646	Sale	Uzma Naz
Toyota Corolla	2,379	167	2,212	2,703	491	Sale	Tahir Ali Sheikh
Toyota Corolla	5,000	300	4,700	5,638	938	Sale	Ali Pesnani
Toyota Corolla	1,863	1,149	714	2,082	1,368	Sale	Nasir Iqbal Rana
Toyota Corolla	1,863	1,149	714	2,025	1,311	Sale	Augmentech Business Solu
Toyota Corolla	1,864	559	1,305	2,125	820	Sale	Augmentech Business Solu
Balance c/f	572,676	142,512	430,164	622,274	192,110		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	572,676	142,512	430,164	622,274	192,110		
Toyota Corolla	1,864	541	1,323	2,415	1,092	Sale	Yaseer Hayat
Toyota Corolla	1,969	453	1,516	2,350	834	Sale	Asfandyar Yar Awan
Toyota Corolla	2,198	1,502	696	2,236	1,540	Sale	Mubashir Ahmed Shah
Toyota Corolla	1,809	1,206	603	1,788	1,185	Sale	Agha Mansoor Munir
Toyota Corolla	2,198	1,465	733	2,305	1,573	Sale	Muhammad Faisal
Toyota Corolla	1,863	1,242	621	2,175	1,554	Sale	M.Rizwan Haroon
Toyota Corolla	1,863	577	1,285	2,077	792	Sale	Shayan Sohail Nasir
Toyota Corolla	1,864	503	1,361	2,023	662	Sale	Brig. Saqib Rasheed
Toyota Corolla	1,969	453	1,516	2,386	870	Sale	Badar Uddin Abro
Toyota Corolla	2,029	406	1,623	2,606	983	Sale	Shahid Jiwani
Toyota Corolla	2,129	341	1,788	2,610	822	Sale	Basharat Ali
Toyota Corolla	2,229	290	1,939	2,510	571	Sale	Muhammad Jaffar
Toyota Corolla	1,864	541	1,323	2,175	852	Sale	Farah Deeba
Toyota Corolla	2,129	341	1,788	2,450	662	Sale	Faisal Motors
Toyota Corolla	2,129	341	1,788	2,410	622	Sale	Noman Hasan Khan
Toyota Corolla	2,229	290	1,939	2,512	573	Sale	Shahzad Ali Qureshi
Toyota Corolla	2,619	340	2,279	2,605	326	Sale	Faisal Hameed
Toyota Corolla	2,379	143	2,236	2,556	320	Sale	M. Azim Afridi
Toyota Corolla	2,444	122	2,322	2,702	381	Sale	Mustajab-Ur-Rab Khan
Toyota Corolla	2,855	114	2,741	2,714	(27)	Sale	Abdul Karim Mirza
Toyota Corolla	2,855	57	2,798	2,720	(78)	Sale	Mehak Ali
Toyota Corolla	2,855	57	2,798	2,715	(83)	Sale	Abdul Basit Siddiqui
Toyota Corolla	1,863	1,149	714	2,105	1,391	Sale	M. Jahangir Khan
Toyota Corolla	1,864	541	1,323	2,300	977	Sale	Adnan Bashir
Toyota Corolla	2,198	1,282	916	2,318	1,402	Sale	Haroon Jamil
Toyota Corolla	2,379	143	2,236	2,690	454	Sale	Syed Izzat Hussain
Toyota Corolla	3,284	197	3,087	3,200	113	Sale	Ramez Akhtar Bachani
Toyota Corolla	2,855	57	2,798	2,735	(63)	Sale	Trilok Singh
Toyota Corolla	2,855	114	2,741	2,855	114	Insurance	Insurance Claim
Toyota Corolla	1,863	1,211	652	1,900	1,248	Insurance	Insurance Claim
Toyota Corolla	1,864	541	1,323	2,140	817	Sale	Abdul Khaliq Soomro
Toyota Corolla	1,969	473	1,496	2,471	975	Sale	Muzaffar Shah
Toyota Corolla	2,029	406	1,623	2,602	979	Sale	Muhammad Naveed
Toyota Corolla	2,406	144	2,262	2,710	448	Sale	Majid Mushtaq Qureshi
Toyota Corolla	2,457	147	2,309	2,725	416	Sale	Waseem Akhter
Toyota Corolla	1,863	1,149	714	2,135	1,421	Sale	Adnan Azhar
Toyota Corolla	1,864	541	1,323	2,230	907	Sale	Sajid Mehmood
Toyota Corolla	1,969	473	1,496	2,425	929	Sale	Faisal Motors
Toyota Corolla	2,129	341	1,788	2,750	962	Sale	M. Nadir Khan
Toyota Corolla	1,863	577	1,285	2,275	990	Sale	Sikandar Maqbol Alam
Toyota Corolla	2,229	290	1,939	2,665	726	Sale	Ali Hasnain Gardezi
Toyota Corolla	2,229	290	1,939	2,580	641	Sale	Khurram Imtiaz
Toyota Corolla	2,029	406	1,623	2,315	692	Sale	Aftab Sikander
Toyota Corolla	1,863	1,273	590	2,135	1,545	Sale	Sheikh Mujeeb Ullah
Toyota Corolla	2,383	1,588	794	2,350	1,556	Sale	Farhan Makhdoom Khan
Toyota Corolla	2,457	147	2,309	2,715	406	Sale	Syed Wazir Hussain
Toyota Corolla	2,457	147	2,309	2,701	392	Sale	Syed Shams-Ul-Munir
Toyota Corolla	2,457	147	2,309	2,621	311	Sale	Muhammad Umer
Toyota Corolla	1,864	541	1,323	2,375	1,052	Sale	Khuram Shahzad Butt
Toyota Corolla	1,864	541	1,323	2,190	867	Sale	Muhammad Younus Chohan
Toyota Corolla	1,864	541	1,323	2,175	852	Sale	Tamheed Dastgir
Toyota Corolla	2,129	362	1,767	2,575	808	Sale	Farrukh Shujaat
Toyota Corolla	1,863	1,149	714	2,175	1,461	Sale	Shahid Baig
Toyota Corolla	1,863	1,242	621	2,010	1,389	Sale	Faisal Hameed
Toyota Corolla	2,379	143	2,236	2,600	364	Sale	Faisal Hameed
Toyota Hilux Revo	4,000	720	3,280	5,650	2,370	Sale	Shahzad Ahmed Khan
Audi	4,000	960	3,040	4,800	1,760	Sale	Yasir Zafar
Suzuki Cultus	1,129	260	869	928	58	Sale	Muhammad Islam Khan
Suzuki Cultus	1,391	292	1,099	1,325	226	Sale	Carfirst Augmentech
Suzuki Cultus	1,124	281	843	1,000	157	Insurance	Insurance Claim
Balance c/f	704,158	174,636	529,522	769,764	240,243		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019 ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
----- Rupees in '000 -----							
Balance b/f	704,158	174,636	529,522	769,764	240,243		
Suzuki Cultus	1,129	294	835	950	115	Insurance	Insurance Claim
Suzuki Cultus	1,391	223	1,168	1,386	218	Sale	Faisal Hameed
Suzuki Cultus	1,391	348	1,043	1,365	322	Sale	Syed Riaz Ahmed
Suzuki Cultus	725	196	529	700	171	Insurance	Insurance Claim
Suzuki Cultus	1,391	278	1,113	1,437	324	Sale	Zeeshan Ahmed Khan
Suzuki Cultus	1,391	264	1,127	1,451	324	Sale	M. Munir Quadri
Suzuki Cultus	1,391	264	1,127	1,600	473	Sale	Ziauddin
Suzuki Cultus	1,391	236	1,155	1,525	370	Sale	Azhar Ali Bhutto
Suzuki Cultus	1,391	223	1,168	1,515	347	Sale	Imran Ali
Suzuki Cultus	1,391	236	1,155	1,615	460	Sale	Waqas Shaikh
Suzuki Cultus	1,391	236	1,155	1,391	236	Sale	Shahid Mehmod Abbasi
Suzuki Cultus	1,391	223	1,168	1,517	349	Sale	Muhammad Majid
Suzuki Cultus	1,391	223	1,168	1,545	377	Sale	Zoheb Bhatti
Suzuki Cultus	1,391	223	1,168	1,439	270	Sale	Dilawar Khan
Suzuki Cultus	1,391	223	1,168	1,655	487	Sale	Shayan Sohail Nasir
Suzuki Cultus	1,391	-	1,391	1,566	175	Sale	Haris Hameed
Suzuki Cultus	1,391	209	1,182	1,634	452	Sale	Muneeb Imtiaz
Suzuki Cultus	1,391	209	1,182	1,608	426	Sale	Zeeshan M Rafique
Suzuki Cultus	1,421	185	1,236	1,456	220	Sale	M.Azeem Afridi
Suzuki Cultus	1,531	138	1,393	1,660	267	Sale	Usman Shahid
Suzuki Cultus	1,531	107	1,424	1,657	234	Sale	Noor Ul Haq Qureshi
Suzuki Cultus	1,531	107	1,424	1,570	146	Sale	Sohail Haroon
Suzuki Cultus	1,531	107	1,424	1,650	226	Sale	Zubair Hussain Siddiqui
Suzuki Cultus	1,391	417	974	1,393	419	Sale	Syed Kamran Arif
Suzuki Cultus	1,391	403	988	1,390	402	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	403	988	1,050	62	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	376	1,015	1,290	274	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	403	988	1,385	397	Sale	Mohammad Shahzad
Suzuki Cultus	1,391	376	1,015	1,405	389	Sale	Fakhr Alam
Suzuki Cultus	1,391	320	1,071	1,378	307	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	320	1,071	1,303	232	Sale	Azfar Nadeem
Suzuki Cultus	1,391	278	1,113	1,508	395	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	223	1,168	1,494	325	Sale	Muhammad Afraz Javed
Suzuki Cultus	1,391	223	1,168	1,485	317	Sale	Mubashir Mobin
Suzuki Cultus	1,391	223	1,168	1,512	343	Sale	Malik Adnan Ali Zaigham
Suzuki Cultus	1,391	223	1,168	1,495	326	Sale	Kamran Rashid
Suzuki Cultus	1,391	223	1,168	1,504	335	Sale	Kaleem Khan
Suzuki Cultus	1,391	223	1,168	1,523	354	Sale	Zeeshan Zeb Khan
Suzuki Cultus	1,391	236	1,155	1,435	280	Sale	Muhammad Shafiq
Suzuki Cultus	1,461	190	1,271	1,481	209	Sale	Nasir Abbas
Suzuki Cultus	1,531	122	1,409	1,589	180	Sale	Zoniya Gul Dar
Suzuki Cultus	1,855	93	1,762	1,631	(131)	Sale	Muhammad Imran Siddiqui
Suzuki Cultus	1,129	361	768	1,050	282	Sale	Ghulam Raza
Suzuki Cultus	1,129	361	768	1,015	247	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	417	974	1,500	526	Sale	Agha Asadullah
Suzuki Cultus	1,391	417	974	1,475	501	Sale	Huzaifa Hunani
Suzuki Cultus	1,391	417	974	1,375	401	Sale	Mohammad Mazhar
Suzuki Cultus	1,391	376	1,015	1,410	394	Sale	Syed Gul Muhammad Shah
Suzuki Cultus	1,391	376	1,015	1,084	69	Sale	Tassarwar Hussain
Suzuki Cultus	1,391	362	1,029	1,433	404	Sale	Mehboob Ali
Suzuki Cultus	1,391	376	1,015	1,316	301	Sale	Zahid Hameed Khan
Suzuki Cultus	1,391	376	1,015	1,500	485	Sale	Umair Nizam Shaikh
Suzuki Cultus	1,391	376	1,015	1,350	335	Sale	Muhammad Shakeel Aslam
Suzuki Cultus	1,391	376	1,015	1,400	385	Sale	Faisal Hameed
Suzuki Cultus	1,391	334	1,057	1,350	293	Sale	Usman Shahid
Suzuki Cultus	1,391	320	1,071	1,470	399	Sale	Sohail Haroon
Suzuki Cultus	1,391	292	1,099	1,535	437	Sale	Salman Fateh Ali
Suzuki Cultus	1,855	74	1,781	1,700	(81)	Sale	Sohail Haroon
Suzuki Cultus	1,391	334	1,057	1,495	438	Sale	Saqib Mushtaq
Suzuki Cultus	1,391	403	988	1,487	499	Sale	Masudahmed
Suzuki Cultus	1,391	376	1,015	1,530	515	Sale	Malik Azeem Shahbaz
Suzuki Cultus	1,391	223	1,168	1,642	474	Sale	Khuram Imtiaz
Balance c/f	790,676	191,604	599,071	859,018	259,947		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	790,676	191,604	599,071	859,018	259,947		
Suzuki Cultus	1,391	223	1,168	1,421	253	Sale	Sajid Mushtaq
Suzuki Cultus	1,391	223	1,168	1,544	376	Sale	Tuheed Khan
Suzuki Cultus	1,391	223	1,168	1,600	432	Sale	Muhammad Jehengir
Suzuki Cultus	1,855	56	1,799	1,762	(37)	Sale	Ahmad Raza
Suzuki Cultus	1,129	350	779	1,088	309	Sale	Ghulam Hussain
Suzuki Cultus	1,461	190	1,271	1,584	313	Sale	Muhammad Sharif
Suzuki Cultus	1,391	223	1,168	1,640	472	Sale	M. Junaid Aslam
Suzuki Cultus	1,391	209	1,182	1,617	435	Sale	Qasim Iqbal
Suzuki Cultus	1,391	209	1,182	1,561	378	Sale	Ehsan Ul Haq Ehsan
Suzuki Cultus	1,391	320	1,071	1,405	334	Sale	M. Tayyab Nawaz
Suzuki Cultus	1,461	190	1,271	1,561	289	Sale	Amir Abbas
Suzuki Cultus	1,461	190	1,271	1,531	259	Sale	Muhammad Naeem Iqbal
Suzuki Cultus	1,124	348	776	1,083	307	Sale	Adil Maqsood
Suzuki Cultus	1,391	278	1,113	1,515	402	Sale	Adnan Naseer Ahmed
Suzuki Cultus	1,391	278	1,113	1,597	484	Sale	Syed Faseeh Hassan
Suzuki Cultus	1,551	93	1,458	1,725	267	Sale	Ali Mesum
Suzuki Cultus	1,551	93	1,458	1,831	373	Sale	Farhan Makhdoom
Suzuki Cultus	1,551	93	1,458	1,771	313	Sale	Shahzad Hussain
Suzuki Cultus	1,551	93	1,458	1,738	280	Sale	Ghulam Rasool
Suzuki Cultus	1,551	93	1,458	1,811	353	Sale	Tehseen Ahmed
Suzuki Cultus	1,551	93	1,458	1,635	177	Sale	Haroon Ejaz
Suzuki Cultus	1,391	403	988	1,520	532	Sale	Adnan Naseer Ahmed
Suzuki Cultus	1,551	93	1,458	1,756	298	Sale	Shahzada Farrukh
Suzuki Cultus	1,551	93	1,458	1,676	218	Sale	Mubarak Ali
Suzuki Cultus	1,551	93	1,458	1,744	286	Sale	Ms. Mudassar Rana
Suzuki Cultus	1,551	93	1,458	1,721	263	Sale	Shahid Yaqoob
Suzuki Cultus	1,586	95	1,491	1,635	144	Sale	Adnan Naseer Ahmed
Suzuki Cultus	1,586	63	1,523	1,761	238	Sale	Malik Masroor Alam
Suzuki Cultus	1,551	109	1,442	1,654	211	Sale	Syed Zohair Alam Zaidi
Suzuki Cultus	1,551	109	1,442	1,588	146	Sale	Ramesh Kumar
Suzuki Cultus	1,551	109	1,442	1,626	184	Sale	M. Azim Afridi
Suzuki Cultus	1,551	109	1,442	1,678	236	Sale	Karim Qurban Ali
Suzuki Cultus	1,551	93	1,458	1,680	222	Sale	Mushtaq Ahmad
Suzuki Cultus	1,551	109	1,442	1,700	258	Sale	Sohail Haroon
Suzuki Cultus	1,551	109	1,442	1,660	218	Sale	Wasim Mirza
Suzuki Cultus	1,391	236	1,155	1,575	420	Sale	Naresh Kumar Chugani
Suzuki Cultus	1,391	236	1,155	1,371	216	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	236	1,155	1,625	470	Sale	Amin Khowaja
Suzuki Cultus	1,391	223	1,168	1,405	237	Sale	Augmentech Business Solu
Suzuki Cultus	1,421	227	1,194	1,546	352	Sale	Shadman Khawaja
Suzuki Cultus	1,421	227	1,194	1,551	357	Sale	M. Azim Afridi
Suzuki Cultus	1,421	199	1,222	1,556	334	Sale	M. Azim Afridi
Suzuki Cultus	1,421	185	1,236	1,620	384	Sale	Toyota Western Motors
Suzuki Cultus	1,855	74	1,781	1,675	(106)	Sale	Mushtaque Ali
Suzuki Cultus	1,124	360	764	1,103	339	Sale	Naveed Akhtar
Suzuki Cultus	1,855	37	1,818	1,811	(7)	Sale	Bashir Ahmad
Suzuki Cultus	1,855	19	1,836	1,790	(46)	Sale	Mubashir Mustafa
Suzuki Cultus	1,124	348	776	1,062	286	Sale	Nasir Iqbal Rana
Suzuki Cultus	1,391	403	988	1,400	412	Sale	Adil Rasheed Khan
Suzuki Cultus	1,391	376	1,015	1,401	386	Sale	Noor Ullah
Suzuki Cultus	1,391	376	1,015	1,400	385	Sale	Rahad Ullah Khan
Suzuki Cultus	1,391	362	1,029	1,395	366	Sale	Shahzad Ali
Suzuki Cultus	1,391	362	1,029	1,395	366	Sale	Zahid Mehmood
Suzuki Cultus	1,391	236	1,155	1,525	370	Sale	Shahid Ali
Suzuki Cultus	1,391	209	1,182	1,555	372	Sale	Ihsan-Ul-Haq
Suzuki Cultus	1,391	209	1,182	1,460	277	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	209	1,182	1,575	393	Sale	M. Naveed Khan
Suzuki Cultus	1,551	31	1,520	1,675	155	Sale	Noor Hussain Khattak
Suzuki Cultus	1,124	360	764	1,176	412	Sale	M. Azim Afridi
Suzuki Cultus	1,124	360	764	1,061	297	Sale	Augmentech Business Solu
Suzuki Cultus	1,124	360	764	1,050	286	Sale	M. Azim Afridi
Suzuki Cultus	1,391	403	988	1,425	437	Sale	Augmentech Business Solu
Balance c/f	880,510	204,211	676,298	954,617	278,318		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019 ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	880,510	204,211	676,298	954,617	278,318		
Suzuki Cultus	1,391	417	974	1,402	428	Sale	Syed M. Ali Zaidi
Suzuki Cultus	1,391	403	988	1,475	487	Sale	Hasan Feroz
Suzuki Cultus	1,391	376	1,015	1,350	335	Sale	M. Azim Afridi
Suzuki Cultus	1,391	376	1,015	1,281	266	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	334	1,057	1,425	368	Sale	M.Waseem Abbas
Suzuki Cultus	1,391	334	1,057	1,305	248	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	334	1,057	1,515	458	Sale	Waqas Raza
Suzuki Cultus	1,391	320	1,071	1,326	255	Sale	M. Azim Afridi
Suzuki Cultus	1,391	292	1,099	1,525	426	Sale	Mohsin Khan
Suzuki Cultus	1,391	292	1,099	1,305	206	Sale	Khurram Ur Rehman
Suzuki Cultus	1,391	278	1,113	1,485	372	Sale	Zohaib Genda
Suzuki Cultus	1,391	264	1,127	1,452	325	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	223	1,168	1,570	402	Sale	Aftab Alam
Suzuki Cultus	1,391	223	1,168	1,590	422	Sale	Khurram Imtiaz
Suzuki Cultus	1,391	223	1,168	1,685	517	Sale	Zulfiqar Ali Khan
Suzuki Cultus	1,855	93	1,762	1,741	(21)	Sale	Khuram Shahzad
Suzuki Cultus	1,855	93	1,762	1,640	(123)	Sale	Shahzada M. Nauman
Suzuki Cultus	1,391	403	988	1,347	359	Sale	Sher Khan
Suzuki Cultus	1,888	57	1,832	1,675	(157)	Sale	Adil Rashid
Suzuki Cultus	1,888	57	1,832	1,678	(154)	Sale	Asif Jahangir
Suzuki Cultus	1,855	37	1,818	1,675	(143)	Sale	Jamal Anwer
Suzuki Cultus	1,129	350	779	1,075	296	Sale	Haji Imtiaz Ali -
Suzuki Cultus	1,391	209	1,182	1,605	423	Sale	M.Ali Wasi Uddin
Suzuki Cultus	1,421	185	1,236	1,435	199	Sale	M. Azim Afridi
Suzuki Cultus	1,421	185	1,236	1,569	333	Sale	Syed Haider Ali
Suzuki Cultus	1,461	190	1,271	1,579	308	Sale	Muhammad Ahmad
Suzuki Cultus	1,531	122	1,409	1,750	341	Sale	Noor Ali Kasmani
Suzuki Cultus	1,391	320	1,071	1,500	429	Sale	Zafar Iqbal
Suzuki Cultus	1,351	392	959	1,461	502	Sale	Aftab Alam
Suzuki Cultus	1,391	223	1,168	1,500	332	Sale	Darshina
Suzuki Cultus	1,391	223	1,168	1,280	112	Insurance	Insurance Claim
Suzuki Cultus	1,551	93	1,458	1,640	182	Sale	Wajid Hussain
Suzuki Cultus	1,391	376	1,015	1,400	385	Sale	Dharamdas
Suzuki Cultus	1,551	109	1,442	1,595	153	Sale	Usman Shahid
Suzuki Cultus	1,391	431	960	1,500	540	Sale	Asif Iqbal Ali
Suzuki Cultus	1,391	236	1,155	1,556	401	Sale	M.Azim Afridi
Suzuki Cultus	1,371	397	973	1,250	277	Sale	Faisal Hameed
Suzuki Cultus	1,391	403	988	1,250	262	Sale	Faisal Hameed
Suzuki Cultus	1,391	334	1,057	1,250	193	Sale	Faisal Hameed
Suzuki Cultus	1,391	292	1,099	1,400	301	Sale	Faisal Hameed
Suzuki Cultus	1,391	278	1,113	1,490	377	Sale	Faisal Hameed
Suzuki Cultus	1,391	236	1,155	1,599	444	Sale	Shahzad Arshad Malik
Suzuki Cultus	1,391	223	1,168	1,490	322	Sale	Faisal Hameed
Suzuki Cultus	1,391	223	1,168	1,490	322	Sale	Faisal Hameed
Suzuki Cultus	1,855	56	1,799	1,617	(182)	Sale	Hamza Khalil
Suzuki Cultus	1,391	292	1,099	1,695	596	Sale	M. Haider Altaf
Suzuki Cultus	1,391	278	1,113	1,531	418	Sale	Subtain Khalid
Suzuki Cultus	1,391	209	1,182	1,500	318	Sale	M. Azim Afridi
Suzuki Cultus	1,461	190	1,271	1,675	404	Sale	Tahir Hussain Shah
Suzuki Cultus	1,531	107	1,424	1,675	251	Sale	Zia Abbas Naqvi
Suzuki Cultus	1,551	93	1,458	1,775	317	Sale	Zulfiqar Ahmed
Suzuki Cultus	1,461	190	1,271	1,589	318	Sale	Mirza Irfan Baig
Suzuki Cultus	1,461	190	1,271	1,685	414	Sale	Rizwan Rashid Durani
Suzuki Cultus	1,551	93	1,458	1,826	368	Sale	Maqsood Ahmed Khan
Suzuki Cultus	1,391	362	1,029	1,411	381	Sale	Ghulam Yaseen Azad
Suzuki Cultus	1,391	403	988	1,550	562	Sale	Iftikhar Hussain
Suzuki Cultus	1,888	57	1,832	1,850	18	Sale	M. Kazim
Suzuki Cultus	1,129	361	768	950	182	Sale	M.Siddiq
Suzuki Cultus	1,391	417	974	1,400	426	Sale	Syed Sajjad Imam
Suzuki Cultus	1,391	417	974	1,320	346	Sale	Tahir Majeed
Suzuki Cultus	1,391	292	1,099	1,575	476	Sale	Kamran Ahmed
Suzuki Cultus	1,391	223	1,168	1,405	237	Sale	Tahir Majeed
Balance c/f	970,775	219,897	750,878	1,047,755	296,877		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE I

Particulars	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain	Mode of disposal	Buyers' particulars and relationship with Group (if any)
Balance b/f	970,775	219,897	750,878	1,047,755	296,877		
Suzuki Cultus	1,129	361	768	1,105	337	Sale	Naveed Akhtar
Suzuki Cultus	1,391	292	1,099	1,475	376	Sale	Augmentech Business Solu
Suzuki Cultus	1,391	292	1,099	1,576	477	Sale	Shahzad Akhtar-
Suzuki Cultus	1,461	190	1,271	1,545	274	Sale	Naghman Malik
Suzuki Cultus	1,124	348	776	1,250	474	Sale	Asif Mehmood Khan
Suzuki Cultus	1,391	320	1,071	1,421	349	Sale	M Saad Tasneem-
Suzuki Cultus	1,391	320	1,071	1,525	454	Sale	M.Waseem
Suzuki Cultus	1,461	190	1,271	1,561	289	Sale	Kamal Mahmood
Suzuki Cultus	1,531	122	1,409	1,690	281	Sale	Khurram Imtiaz
Suzuki Cultus	1,461	190	1,271	1,571	299	Sale	Farooq Ahmed
Suzuki Cultus	1,531	122	1,409	1,656	247	Sale	Muhammad Asif
Suzuki Cultus	1,551	93	1,458	1,795	337	Sale	M. Usman Shafi
Suzuki Cultus	1,551	93	1,458	1,710	252	Sale	Shahzad Rauf
Suzuki Cultus	1,551	93	1,458	1,795	337	Sale	Farakh Shahzad Ahmed
Suzuki Cultus	1,551	93	1,458	1,715	257	Sale	Abdul Rauf
Suzuki Cultus	1,551	93	1,458	1,685	227	Sale	Farhan Anwar
Suzuki Cultus	1,551	93	1,458	1,715	257	Sale	Muhammad Rizwan
Suzuki Cultus	1,391	403	988	1,345	357	Sale	Muhammad Imran
Suzuki Cultus	1,391	403	988	1,325	337	Sale	Haider Anjum-
Suzuki Cultus	1,391	250	1,141	1,531	390	Sale	Sajid Mehmood
Suzuki Cultus	1,391	250	1,141	1,541	400	Sale	Jamil Ahmed
Suzuki Cultus	1,551	93	1,458	1,821	363	Sale	Nadeem Ashraf
Suzuki Cultus	1,586	95	1,491	1,688	197	Sale	Muhammad Tariq
Suzuki Cultus	1,391	376	1,015	1,567	552	Sale	Razi Ul Hasnain
Suzuki Cultus	1,391	376	1,015	1,401	386	Sale	M.Adnan Nazir
Suzuki Cultus	1,391	223	1,168	1,471	303	Sale	Jamal Rashid Khawaja
Suzuki Cultus	1,391	223	1,168	1,660	492	Sale	Bilal Ahmed Virk
Suzuki Cultus	1,551	93	1,458	1,650	192	Sale	Nasir Iqbal Rana
Suzuki Cultus	1,391	362	1,029	1,360	331	Sale	M. Islam Khan
Suzuki Cultus	1,551	109	1,442	1,732	290	Sale	Khalid Aziz
Suzuki Cultus	1,531	107	1,424	1,550	126	Sale	Faisal Hameed
Toyota Fortuner	5,257	1,367	3,890	7,400	3,510	Sale	Muhammad Yousuf
Toyota Hilux Vigo	4,021	965	3,056	3,465	409	Sale	M.Faisal Asghar
Suzuki Cultus Vxr	1,145	372	773	976	203	Sale	Muhammad Arsalan Khan
Honda City	1,922	192	1,730	1,910	180	Sale	Automotive Brokerage Services
Motor Car	1,719	831	888	2,026	1,138	Sale	Mr. Kashif Naeem
Toyota Vigo	2,513	402	2,111	3,250	1,139	Sale	Zahair Amir Ali
	1,032,209	230,695	801,514	1,115,211	313,697		
Aggregate of other vehicles in own use with individual book value not exceeding Rs. 500,000	264,727	219,755	44,972	124,240	79,268	Negotiation	Various
	1,296,936	450,450	846,486	1,239,451	392,965		
Electrical, office and computer equipment							
Communication Equipment	1,299	487	812	607	(205)	Insurance	EFU General Insurance Limited
Office Machines and Equipments	789	238	551	-	(551)	Replaced	Replaced with new ATM
Office Machines and Equipments	1,180	590	590	630	40	Negotiation	JS Investments Ltd
	3,268	1,316	1,953	1,237	(715)		
Aggregate of other items of fixed assets in own use with individual book value not exceeding Rs. 500,000	248,080	236,284	11,795	114,382	102,586	Negotiation	Various
Total	1,548,284	688,050	860,234	1,355,070	494,836		

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

The branch network of the Group is disclosed hereunder:

JS Bank Limited:

SINDH

Karachi

Shaheen Complex Branch

Tel: 111 - 572 - 265

021-32272569-80

Karachi Stock Exchange Branch

Tel: 021 - 3246 2851 - 4

S.I.T.E. Branch

Tel: 021 - 3255 0080 - 4

Khy-e-Ittehad, DHA Phase II Ext,
Branch

Tel: 021 - 35313811 - 4

Park Towers Clifton Branch

Tel: 021 - 35832011 - 9

Teen Talwar Branch

Tel: 021 - 35834127

021-35836974

Gulshan-e-Iqbal Branch

Tel: 021 - 34829055 - 60

Shahrah-e-Faisal Branch

Tel: 021 - 34373240 - 4

North Nazimabad Branch

Tel: 021 - 36721010 - 2

Gulistan-e-Jauhar Branch

Tel: 021 - 34662002 - 5

Safoora Goth Branch

Tel: 021 - 34661805 - 9

Jheel Park Branch

Tel: 021 - 34544831 - 5

Nazimabad Branch

Tel: 021 - 36612325

Korangi Industrial Area Branch

Tel: 021 - 35055826

021-35052773

Zamzama Branch

Tel: 021 - 35295224 - 5

F.B Area Branch

Tel: 021 - 36316229

Khy-e-Shahbaz, DHA Phase VI Branch

Tel: 021 - 35243415 - 9

Gulshan Chowrangi Branch

Tel: 021 - 34833290 - 3

Dhoraji Branch

Tel: 021 - 34946280 - 2

Shah Faisal Colony Branch

Tel: 021 - 34686191 - 4

Islamia College Branch

Tel: 021 - 34924021 - 4

M.A. Jinnah Road Branch

Tel: 021 - 32742006 - 8

Lucky Star Branch

Tel: 021 - 35622431 - 9

Gulshan-e-Hadeed Branch

Tel: 021 - 34715201 - 3

Cloth Market Branch

Tel: 021 - 3246 4042 - 8

Hawks Bay Branch

Tel: 021 - 3235 4060 - 3

Garden West Branch

Tel: 021 - 3224 0093 - 7

Timber Market Branch

Tel: 021 - 32763079

Abul Hasan Isphahani Road Branch

Tel: 021 - 3469 354 - 9

Jodia Bazar Branch

Tel: 021 - 3243 5304 - 6

New Challi Branch

Tel: 021 - 3260 210 - 3

North Napier Branch

Tel: 021- 32467791 - 94

Electronic Market Branch

Tel: 021 - 32700430 - 33

Urdu Bazar Branch

Tel: 021- 3260 3075 - 77

Bahadarabad Branch

Tel: 021 - 3492 2802 - 05

Sohrab Goth Branch

Tel: 021 - 3469 0612 - 17

North Karachi Industrial Area Branch

Tel: 021 - 36962910 - 11

UP Morr Branch

Tel: 021 - 3694 8010 - 15

Orangi Town Branch

Karachi

Tel: 021 - 3669 7927 - 30

IBA City Campus Branch

Tel: 021 - 3229 4811 - 13

26th Street DHA Phase V Branch

Tel: 021 - 3505 5826

Landhi Branch

Tel: 021 - 3504 6923 - 25

Progressive Centre,
Shahrah-e-Faisal Branch

Tel: 021 - 34324682 - 5

Khy -e- Bokhari I

DHA Phase IV Branch

Tel: 021 - 3534 0353 - 60

Korangi Road, DHA Phase I Branch

Tel: 021 - 35803541

Hyderi Market Branch

Tel: 021 - 3667 7904

Shershah Branch

Tel: 021-32581013-17

Malir Cantt Branch

Tel: 021-3449 0225-27/29

Ocean Mall Branch

Tel: 021-3516 601-02

Regal Chowk Saddar Branch

Tel: 021-3563 0591-99

Marriott Road Branch

Tel: 021 - 32469609 - 11

The Center Saddar Branch

Tel: 021-35165560-7

DHA Phase 8 Branch

Tel: 0345-8211949-51



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

Bohra Pir Branch Tel: 021-32713124-7	DHA Branch Tel: 022-2108078	Sultanabad Branch Tel: 0233 - 500498
Khadda Market DHA Phase V Branch Tel: 021-35242401-4	Anaj Mandi Branch Tel: 022-2638802 - 3	Tando Allahyar Branch Tel: 0223 - 892001 - 4
Delhi Colony Branch Tel: 021-35168645 - 6	Latifabad No: 6 Branch Tel: 022-3411521-6	Chambar Branch Tel: 0223 - 897033 - 35
Papoosh Nagar Branch Tel: 021- 36700071-3	Kohsar Society Branch Tel: 022-3400914	Moro Branch Tel: 0242 - 413200 - 3
Boat Basin Branch Tel: 35177900-07	Sukkur	Kunri Branch Tel: 0238 - 558163 - 6
New Sabzi Mandi Branch Tel: 0345-8211641-43	Shaheed Gunj Branch Tel: 071 - 5627481 - 2	Tando Mohammad Khan Branch Tel: 022 - 3340617 - 8
Clifton Block-2 Branch Tel: +92 213 5177909	Society Branch Tel: 071 - 5633826	Digri Branch Tel: 023 - 3870305 - 7
Chase Shaheed-e-Millat Road Branch Tel: 021-34370270-71	Military Road Branch Tel: 071 - 5630830 - 31	Sehwan Sharif Branch Tel: 025 - 4620305 - 7
Fishries Branch Karachi Tel: 021-32384011-14	Sanghar	Ghotki Branch Tel: 072 - 3600484 - 85
Garden East Branch Tel: 021-32244281- 82 - 83	Sanghar Branch Tel: 0235 - 800162 - 5	Kandhkot Branch Kashmore Tel: 072 - 2573048
Soldier Bazar Branch Tel: 021 - 32244531- 32 - 33	Chak 41 Jamrao Branch Tel: 0345-8211961 0345-8211971	Shikarpur Branch Tel: 0726540374-75
Ibrahim Hyderi	Jamshoro Branch Tel: 022 - 3878101 -4	Shahdadkot Branch Tel: 074 - 4013160
Hyderabad	Mirpurkhas Branch Tel: 0233 - 876001-4	Shahdadpur Branch Tel: 0235 - 84317475
Saddar Branch Tel: 022 - 2730925 - 7	Kot Ghulam Muhammad Branch Tel: 0233 866242-4	Mithi Branch Tel: 0232 - 261651
Latifabad Branch Tel: 022 - 3817971 - 4	Pano Aqil Branch Tel: 071 - 5690403	Tando Adam Branch Tel: 0235 - 571880 - 81
Cloth Market Branch Tel: 022 - 26182700 - 13	Larkana Branch Tel: 074 - 405 8603 - 5	Mehar Branch Tel: 025 - 4730186
Qasimabad Branch Tel: 022 - 2652191	Khairpur Branch Tel: 024 - 3715316 - 8	Dadu Branch Tel: 025 - 471160102
Citizen Colony Branch Tel: 022 - 2100892 - 95	Maatli Branch Badin Tel: 029 - 7841514	Jacobabad Branch Tel: 0722 - 652677
SITE Branch Tel: 022 - 3885192	Nawabshah Branch Tel: 024 - 4330 561 - 4	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019 ANNEXURE II

Badin Branch
Tel: 0297 - 861201

Gawadar Branch
Tel: 086-4210246

Wapda Town Branch
Tel: 042 - 35211557 - 64

Tando Jam Branch
Tel: 022 - 2765612 - 14

Dukki Branch
Tel: 0824-666172

M.M. Alam Road Branch
Tel: 042 - 35778721 - 30

Thatta Branch
Tel: 029 - 8550934

Khanozai Branch
Tel: 082-6427207

Model Town Branch
Tel: 042 - 35915614 - 8

Umerkot Branch
Tel: 0238 - 570157 - 59

Muslim Bagh Qilla Saifullah
Balochistan, Zhob
Tel: 082-3669335 - 36

Circular Road Branch
Tel: 042 -37379325 - 8

Sheikh Berkiyo Branch
Tel: 0335 - 2929824 - 23

Loralai Branch
Tel: 0824-410102-03 -04

Brandreth Road Branch
Tel: 042 - 37381316 - 9

Behar Colony Kotri Branch
Tel: 022 - 3871401 - 03 - 06

Khuzdar Branch
Tel: 0848550336

DHA T-Block Branch
Tel: 042 - 35707651 - 9

Bhiria City Branch
Tel: 0242 - 432131 - 35

Ormara Branch
Tel: 0863310140,
144,143,142&147

Shah Alam Market Branch
Tel: 042 - 37375734 - 7

Khipro Branch
Tel: 0235879073-6

Zhob Branch

Cavalry Branch
Tel: 042 - 366 10282 - 4

Dharki Branch Ghotki
Tel: 072-3641290

Choharmal Branch

Raiwind Road Branch
Tel: 042 - 529 1247 - 8

Kashmore Branch Kandhkot
Tel: 072-257770 - 07

Turbat Branch

Urdu Bazar Branch
Tel: 042 - 37115918

Golarchi Branch Badin
Tel: 0297-853253 - 57

PUNJAB

Lahore

Badami Bagh Branch
Tel: 042 - 37946853

Naushehro Feroz Branch
Tel: 022-3400914

Upper Mall Branch
Tel: 042 - 111 - 572 - 265

Bahria Town Branch
Tel: 042 - 35976212

Mirpur Mathelo
Tel: 0723-663315/0723-663313

Allama Iqbal Town Branch
Tel: 042 - 35434253 - 5

Ichra Bazar Branch
Tel: 042 - 37428406

BALUCHISTAN

Cantt Branch Quetta
Tel: 081-2863301

Azam Cloth Market Branch
Tel: 042 - 37671195 - 6

Shahdara Branch
Tel: 0423 - 7931903-5

M.A. Jinnah Road Branch
Tel: 081 - 286 5501 - 4

Shadman Branch
Tel: 042 - 37503701 - 8

Shadbagh Branch
Tel: 042 - 37604549-51

Zarghoon Road Branch
Tel: 081 - 2472985

College Road Township Branch
Tel: 042 - 35117491 - 94

DHA Phase VI Branch
Tel: 042 - 37180747

Dera Murad Jamali Branch Nairabad
Tel: 0838-710266

Devine Mega Mall Branch
Tel: 042 - 35700081 - 85

Johar Town Branch
Tel: 042 - 35241084-90

Usta Muhammad Branch Jafarabad
Tel: 083-8612421/23

Bhagbanpura Branch
Tel: 042 - 36858873 - 74

Zarar Shaheed Raod Branch
Tel: 042 - 36639902-05

Choubergly Branch
Tel: 042 - 37362981 - 8

DHA Z - Block Branch
Tel: 042 - 35692957 -59



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

Ferozepur Road Branch
Tel: 042 - 35402151-3

The Mall Branch
Tel: 042 - 36285673 - 7

Gulberg Branch
Tel: 042-35771036-38

Mughalpura Branch
Tel: 042-36533818-822

Gulshan Ravi Branch
Tel: 042-35464541- 43

Timber Market Ravi Road Branch
Tel: 042-37721924-7

New Garden Town Branch
Tel: 042-35940463-7

Walton Road Branch
Tel: 042-36677204 - 06

PECO Road Branch
Tel: 042 35203014

Mcleod Road
Tel: 042-36311176

Sunder Industrial Estate
Tel: 0311-0013425/6

Valancia Society
Tel: 042-35226045

Daroghawala
Tel: 042-36858872

State Life Employees
Housing Scheme
Tel: 042-354741631

Gujranwala

G.T. Road Branch
Tel: 055 - 3257363
055 - 3257365
055 - 3257617

Bank Square Branch
Tel: 055 - 4234401 - 3

Sheikhupura Road Branch
Tel: 055 -4233854 - 57

Muridke Branch
Tel: 042 - 37951054 - 7

Kamoki Branch
Tel: 055-6810282-83-85

Ghakkhar Mandi Branch
Tel: 055-3882556-59
055-3882561

Wazirabad Branch
Tel: 055 - 6605841 - 4

Ali Pur Chatta Branch
Tel: 0556-333220
0556-333151-3

Wapda Town Branch
Tel: 055-4285573-75

Faisalabad

Grain Market Branch
Tel: 041 - 2633382 - 84

Karkhana Bazar Branch
Tel: 041 - 2624501 - 3

Liaqat Road Branch
Tel: 041 - 241 2263 - 65

Satiana Road Branch
Tel: 041-8556381-85

Gulistan Colony Branch
Tel: 041-8785791-5

Ghulam Mohammad Branch
Tel: 041-2692192-94

Jaranwala
Tel: 041-4313037

Multan

Abdali Road Branch
Tel: 061 - 4574496

Vehari Road Branch
Tel: 061 - 6241101 - 02

Bosan Road Branch
Tel: 061 - 6223416

Mouza Gajju Hatta Branch
Tel: 061-4396046-9

Wapda Town Phase 1 Branch
Tel: 061-6524733-38

Sialkot

Aziz Shaheed Road Branch
Tel: 052 - 427 2351 - 4

Shahab Pura Branch
Tel: 052 - 4242681

Paris Road Sialkot
Tel: 052-4269535/6

Kashmir Road Branch

Nekapura Branch
Tel: 052-3543582-4

Daska Branch
Tel: 052 - 6610461 - 4

Ugoki Branch
Tel: 052 - 3513952

Kasur

Kasur Branch
Tel: 049 - 276158 -4

Agrow Kasur Branch
Tel: 049 - 2771308 - 9

Allahabad Theeng Morr Branch
Tel: 049 - 2016310
049 - 2016312

Pattoki Branch
Tel: 049-4424053/4

Sheikhupura

Sheikhupura Branch
Tel: 056 - 3810273 - 6

Agrow Sheikhupura Branch
Tel: 056 - 3035790

Agrow Warburton Branch
Tel: 056 - 2794065 - 8

Nankana Sahab Branch
Tel: 056 - 2877503 - 4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

Sahiwal	Haroonabad Branch Tel: 063 - 2250614 - 15	Mouza parhar Sharqi Kot Addu Branch Tel: 066-2240146-49
Sahiwal Branch Tel: 040 - 422 2733 - 5	Chishtian Branch Tel: 063 - 2023490	Muza argarh Branch Tel: 066 - 2424691 - 2
Chichawatni Branch Tel: 040 - 5481792	Rahim Yar Khan Branch Tel: 068 - 5879511 - 4	Mouza Ghalwan Ali Pur Muza argarh Tel: 066-2700126
Chak No. 89 Branch Tel: 040-4550409-10-11-16	Chak 72 NP Rahim Yar Khan Tel: 068-5708069-74	Vehari Branch Tel: 067-3360715 - 8
Pak Pattan	Sadiqabad Branch Tel: 068 - 5803933 - 38	Burewala Branch Tel: 067 - 3351359
Pak Pattan Branch Tel: 0457- 352591 - 4	Mouza Kachi Jamal Branch Khanpur Tel: 0685577190-195	Ludan Road, Burewala Branch
Ada Noor Pur Branch Tel: 0457 - 419629	Narowal Branch Tel: 054 - 2411271 - 73	Gagoo Mandi Branch Tel: 067 - 3501071 - 76
Qaboola Branch Tel: 0457-851248-51	Jehlum Branch Tel: 054 - 4611840 - 3	Sargodha Branch Tel: 048 - 3768286 - 90
Dinga Branch Tel: 0537 - 401368	Chakwal Branch Tel: 054 - 3554317	DG Khan Branch Tel: 064 - 2470954
Gulyana Branch Tel: 0537-588460-64	Rabwa Branch Tel: 047 - 6214042 - 5	Jauharabad Branch Tel: 045 - 4723319 - 20 - 22
Kharian Branch Tel: 0537 - 534211	Jhang Branch Tel: 047 -7652941 - 43	Hafizabad Branch Tel: 0547 - 526407 - 10
Lala Musa Branch Tel: 0537 - 519656 - 8	Chiniot Branch Tel: 047 - 6332713 - 14	Sambrial Branch Tel: 0526 - 524105
Dipalpur Branch Tel: 044 - 454 2246 - 9	Hasilpur Branch Tel: 062 - 2441305 - 8	Bhakkar Branch Tel: 0453 - 510407- 409
Okara Branch Tel: 044 - 252872 - 30	Bhawalpur Branch Tel: 062 - 2889176 - 78	Arifwala Branch Tel: 0457- 835 477 - 81
Gojra Branch Tel: 046 - 3513637	Gujrat Branch Tel: 053 - 353 8091 - 4	Jalalpur Jattan Branch Tel: 05827 - 404389-91
Pirmahal Branch Tel: 046 - 3367406 - 7	Kacheri Chowk Branch Tel: 053 - 3600583	Mandi Bahauddin Branch Tel: 0546 - 509452 -3
Toba Tek Singh Branch Tel: 046 - 2512052 - 5	Khanewal Branch Tel: 065 - 2557491 - 3	Lodhran Branch Tel: 0608 - 361892 - 93
Layyah Branch Tel: 060 - 6415045	Mian Chunnoo Branch Tel: 065 - 2661282 - 85	Bhawalnagar Branch Tel: 063 - 2279434 - 38
Chah Chand Wala Branch Jampur Tel: 0604567122		



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

Mandi Faizabad Branch Tel: 0423 - 7931903 - 5	Falcon Complex Branch 0311-1279501-505-512	E-11 Markaz Branch Tel: 051 - 2304993
Gohad Pur Branch Tel: 0524 - 265499 - 98	RCCI industrial Estate, Rawat Branch Tel: 03458210861-71	F-11 Markaz Tel: 051-2103404-6
Mouza Fadda Tel: 067-3370165-67	Taxila Branch Tel: 051 - 4535315	G - 15 Markaz Branch Tel: 051-2160240-41
Tounsa Sharif Branch	Lalazar Rawalpindi Cantt Rawalpindi Tel: 051-5122064-5	G - 13 Markaz Branch Tel: 051-2301378-9
Dahranwala Branch		Tarlai Branch Tel: 051-2241860-4-66
Rawalpindi		
Satellite Town Branch Tel: 051 - 4842984 - 6	GHQ Rawalpindi Tel: 051-5202344	Barakahu Branch Tel: 051-2165032-7
Bank Road Branch Tel: 051 - 5120731 - 5	Chaklala Scheme III Branch Tel: 051-5766277 / 278 / 279	Gulberg green Islamabad Tel: 0310-5998931
Raja Bazar Branch Tel: 051 - 5778560 - 3	Islamabad	
Bahria Town Branch Tel: 051 - 5731351 - 4	Blue Area Branch Tel: 051 - 111 - 572 - 265	B-17 Islamabad Tel: 051-5443519
Saidpur Road Branch Tel: 051 - 5768049	I-9 Markaz Branch Tel: 051 - 4431296 - 8	Talangan Chakwal Tel: 054-366257374
Peshawar Road Branch Tel: 051 - 5492873 - 4	F-8 Markaz Branch Tel: 051 - 2818296 - 8	Attock Branch Tel: 0572 - 610500
Bahria Town Phase VII Branch Tel: 051 - 5154891-4	F-7 Markaz Branch Tel: 051 - 2608402 - 5	Dina Branch Tel: 054 - 4634273 - 5
AECHS Tel: 051 - 5497012 - 15	I-8 Markaz Branch Tel: 051 - 4864523 - 6	Liaqat Shaeed Road
Chakri Road Branch Tel: 051-5129024	F-10 Markaz Tel: 051 - 2112957 - 58	Bhalwal Tel: 048-6642745/9
Range Road Branch Tel: 051-5128871 051-5128875	PWD/DHA Ph-2 Branch Tel: 051 - 5170584 -5	G-8 Markaz
Kurri Road Branch Tel: 051-4930342-43-45	Islamabad Stock Exchange Branch Tel: 051 - 2894407 - 10	KHYBER PAKHTOONKHWA
Khayaban-e-Sir Syed Branch Tel: 051-4832091-94	DHA Phase II Branch Tel: 051 - 4358882	Peshawar
Wah Cantt Branch Tel: 051 - 4256022	Khanna Pul Branch Tel: 051 - 4478006 - 07	Cantt Branch Tel: 091 - 5279981
	G-11 Markaz Branch Tel: 051 - 2830601	University Road Branch Tel: 091 - 5711572 - 5
		Karkhano Bazar Branch Tel: 091 - 5893134 - 7

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

G.T Road Branch
Tel: 091 -2593901 -4

Dabgari Gardens Branch
Tel: 091 -2591422 -7

Grain Market Branch
Tel: 091-2590673-8

Shakus Branch
Tel: 091-5602382/83/85

Naz Cinema

Topi Branch
Tel: 0938 - 272003 - 4

Bafa Branch Mansehra
Tel: 0997 - 5110024 -6

Mansehra Branch
Tel: 0997-301882-84

Mardan Branch
Tel: 0937 - 873445 - 873452

D I Khan Branch
Tel: 0966 - 733216 -19

Mingora Branch
Tel: 0946 - 711740 - 43

Abbottabad Branch
Tel: 099 - 233 1491 - 4

Saleh Khana Branch
Tel: 0923 - 651113 - 17

Timergara Branch
Tel: 0945 - 821921

Haripur Branch
Tel: 0995 - 627370

Bannu Branch
Tel: 0928-6601673

Nowshera Branch
Tel: 092-3612004

Mattani Changan
Thordar Branch
Tel: 093-8537567

Chahkdarah
Malakand Agency
Tel: 094-5703335 - 336 - 337

Dara Adam Khel
Tel: 092-22810187

Dir Upper
Tel: 0944-880192

Shaidu, Nowshera
Tel: 0923-510013-14

Dir Charsadda

Ring Road Branch

Parachinar Branch

Ghallanai Branch

**AZAD JAMMU &
KASHMIR (AJK)**

Chaksawari Branch
Tel: 05827 - 454790

Mirpur Branch
Tel: 05827 - 437281 - 4

Jatlan Branch
Tel: 05827 - 404388

Dadyal Branch
Tel: 0586 - 3044668 - 70

Naarr Branch
Tel: 05826 - 420784 - 85

Muza arabad Branch
Tel: 05822 - 929765 - 7

Kotli Branch
Tel: 05826 - 448228 -30

Khui Ratta Branch
Tel: 05826 - 414906 -7

Shensa Branch
Tel: 05826 - 422779 - 422300

Rawalakot Branch
Tel: 05824 - 445961 - 63

Charroi Branch
05826-415474-76

Hattian Muza arabad Branch
Tel: 058-22424011-14

Seri Branch
Tel: 058-26 -432731-4

Chitral Branch
Tel: 0943-413027-29

Bagh Branch
Tel: 0346-5449449

GILGIT BALTISTAN

Gilgit Branch
Tel: 0581-150615 - 7

Chilas Branch
Tel: 05812-450658

Skardu
Tel: 0581-5457306/306

International Branch

Bahrain Branch
Tel: 00973 - 17104603



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2019

ANNEXURE II

JS Investments Limited

Karachi (Branch Office)

Plot No. 16-C, Phase-I, Near Nadra Mega Centre, DHA, Karachi

Lahore (Branch Office)

1st Floor, Block C, Abul Hassan Isfahani Road, Faisal Town, Lahore

Islamabad (Branch Office)

Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad

JS Global Capital Limited

Karachi (Branch Offices)

Stock Exchange Branch

Room No. 634, 6th Floor, Stock Exchange Building, Stock Exchange Road.

Gulshan-e-Iqbal Branch

Suite No. 607-A, 6th Floor, Al Ameen Towers, Plot No E-2, Block 10, Gulshan-e- Iqbal, Main NIPA.

Hyderabad (Branch Office)

Address: Shop No. 20, Ground Floor, Auto Bhan Towers, Auto Bhan Road, Unit No. 3, Latifabad.

Islamabad (Branch Office)

Room No. 413, 4th Floor, ISE Towers, 55-B, Jinnah Avenue.

Faisalabad (Branch Office)

Office no G-04, Ground Floor, Mezan Executive Tower Plot No 4, Liaquat Road.

Lahore (Branch Office)

Plot No. 434-G/1, MA Johar Town.

Multan (Branch Office)

Office No. 608-A, Sixth Floor, The United Mall, Plot No. 74, Abdali Road.

Peshawar (Branch Office)

First Floor, State life Building No. 34, The Mall Road, Peshawar Cantt.

Pattern of Shareholding

As of December 31, 2019

Categories of Shareholders	Shareholders	Shares Held	Percentage
Directors and their spouse(s) and minor children			
MR. ALI RAZA SIDDIQUI	1	16,496	0.00
MR. SAUD AHMED MIRZA	1	120	0.00
MR. SULEMAN LALANI	1	359,315	0.04
MS. RUKHSANA SHAH	1	122,130	0.01
MR. MAHBOOB AHMED	1	378,926	0.04
MS. NASEEM MAHBOOB	1	282,878	0.03
MS. AMBREEN JATOI	1	90,000	0.01
MR. SHAHID HUSSAIN JATOI	1	1,000	0.00
MR. HASIB NAVAIK MALIK	1	1	0.00
MR. MUHAMMAD ALI	1	1,000	0.00
Associated Companies, undertakings and related parties			
EFU GENERAL INSURANCE LIMITED	1	19,711,876	2.15
EFU LIFE ASSURANCE LTD	1	8,564,242	0.94
ALLIANZ EFU HEALTH INSURANCE LIMITED	1	178,614	0.02
Mr. JAHANGIR SIDDIQUI	1	395,076,100	43.13
JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED	1	121,932,200	13.31
JAHANGIR SIDDIQUI & SONS LIMITED	1	129,162,546	14.10
EFU SERVICES (PRIVATE) LTD.	1	113,446	0.01
THE EASTERN EXPRESS COMPANY (PRIVATE) LIMITED	1	9,648,500	1.05
Executives	2	11	0.00
Public Sector Companies and Corporations	2	1,938,884	0.21
Banks, development finance institutions, non-banking finance companies, insurance companies, takaful, modarabas and pension funds	10	544,204	0.06
Mutual Funds			
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	6,046,500	0.66
CDC - TRUSTEE NIT-EQUITY MARKET OPPORTUNITY FUND	1	840,000	0.09
CDC - TRUSTEE NATIONAL INVESTMENT (UNIT) TRUST	1	575,441	0.06
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1	2,165,000	0.24
General Public			
a. Local	7309	95,286,861	10.40
b. Foreign	3	75,748	0.01
Foreign Companies	6	55,975,796	6.11
Others	105	66,854,553	7.30
Totals	7459	915,942,388	100.00

Share holders holding 5% or more	Shares Held	Percentage
Mr. JAHANGIR SIDDIQUI	395,076,100	43.13
JAHANGIR SIDDIQUI & SONS LIMITED	129,162,546	14.10
JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED	121,932,200	13.31
SAJ CAPITAL MANAGEMENT LTD	52,139,195	5.69



Pattern of Shareholding

As of December 31, 2019

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1046	1	to	100	29,982
1315	101	to	500	499,665
1082	501	to	1000	981,575
2183	1001	to	5000	5,895,756
670	5001	to	10000	5,303,560
256	10001	to	15000	3,242,933
149	15001	to	20000	2,737,201
142	20001	to	25000	3,337,258
79	25001	to	30000	2,265,652
31	30001	to	35000	1,029,615
44	35001	to	40000	1,686,040
32	40001	to	45000	1,374,595
69	45001	to	50000	3,404,244
17	50001	to	55000	892,368
23	55001	to	60000	1,348,536
16	60001	to	65000	1,014,909
18	65001	to	70000	1,226,315
15	70001	to	75000	1,093,765
9	75001	to	80000	700,318
6	80001	to	85000	500,961
8	85001	to	90000	709,792
8	90001	to	95000	737,246
27	95001	to	100000	2,690,500
8	100001	to	105000	819,894
8	105001	to	110000	864,540
7	110001	to	115000	790,823
9	115001	to	120000	1,069,750
5	120001	to	125000	618,630
3	125001	to	130000	387,260
2	130001	to	135000	268,902
2	135001	to	140000	279,365
5	140001	to	145000	713,679
6	145001	to	150000	898,923
2	150001	to	155000	304,840
3	155001	to	160000	473,220
1	160001	to	165000	161,000
3	165001	to	170000	502,644
3	170001	to	175000	518,763
3	175001	to	180000	538,614
1	180001	to	185000	182,000

Pattern of Shareholding

As of December 31, 2019

No. of Shareholders	Shareholdings' Slab			Total Shares Held
3	190001	to	195000	576,467
17	195001	to	200000	3,392,477
3	200001	to	205000	602,989
7	205001	to	210000	1,460,943
3	210001	to	215000	638,303
2	215001	to	220000	440,000
3	220001	to	225000	668,937
1	225001	to	230000	227,400
1	230001	to	235000	231,932
2	235001	to	240000	480,000
7	245001	to	250000	1,741,477
1	255001	to	260000	257,974
1	260001	to	265000	265,000
2	265001	to	270000	532,992
2	270001	to	275000	545,752
3	280001	to	285000	846,878
2	290001	to	295000	590,000
3	295001	to	300000	896,000
1	310001	to	315000	312,000
4	320001	to	325000	1,295,300
1	335001	to	340000	336,000
1	340001	to	345000	343,660
1	345001	to	350000	350,000
1	350001	to	355000	350,500
3	355001	to	360000	1,072,386
2	360001	to	365000	724,900
1	370001	to	375000	375,000
2	375001	to	380000	754,426
2	395001	to	400000	800,000
2	400001	to	405000	802,660
1	405001	to	410000	410,000
1	415001	to	420000	418,500
1	425001	to	430000	430,000
1	440001	to	445000	442,532
1	465001	to	470000	468,000
1	470001	to	475000	472,602
1	475001	to	480000	480,000
4	495001	to	500000	2,000,000
2	500001	to	505000	1,002,000
1	505001	to	510000	510,000
1	510001	to	515000	512,000



Pattern of Shareholding

As of December 31, 2019

No. of Shareholders	Shareholdings' Slab			Total Shares Held
1	540001	to	545000	544,500
2	545001	to	550000	1,100,000
1	555001	to	560000	559,210
1	575001	to	580000	575,441
2	595001	to	600000	1,200,000
1	605001	to	610000	610,000
1	610001	to	615000	610,022
1	625001	to	630000	627,500
2	655001	to	660000	1,316,000
1	695001	to	700000	700,000
1	725001	to	730000	730,000
1	785001	to	790000	788,830
1	795001	to	800000	800,000
1	835001	to	840000	840,000
1	905001	to	910000	908,000
1	915001	to	920000	915,500
1	1015001	to	1020000	1,016,000
1	1135001	to	1140000	1,140,000
1	1210001	to	1215000	1,214,500
2	1325001	to	1330000	2,657,596
1	1400001	to	1405000	1,400,500
1	1930001	to	1935000	1,934,560
1	2015001	to	2020000	2,017,450
1	2160001	to	2165000	2,165,000
1	2315001	to	2320000	2,316,000
1	2490001	to	2495000	2,493,500
1	2510001	to	2515000	2,514,000
1	3145001	to	3150000	3,149,500
1	4635001	to	4640000	4,640,000
1	6045001	to	6050000	6,046,500
1	7440001	to	7445000	7,444,000
1	8560001	to	8565000	8,564,242
1	9645001	to	9650000	9,648,500
1	19710001	to	19715000	19,711,876
1	20385001	to	20390000	20,388,500
1	23190001	to	23195000	23,191,500
1	52135001	to	52140000	52,139,195
1	121930001	to	121935000	121,932,200
1	129160001	to	129165000	129,162,546
1	395075001	to	395080000	395,076,100
7459				915,942,388

This page is left blank intentionally

Form of Proxy

28th Annual General Meeting

The Company Secretary
Jahangir Siddiqui & Co. Ltd.
20th Floor, The Centre Plot No. 28,
SB-5, Abdullah Haroon Road
Saddar, Karachi- 74400, Pakistan

I/We _____ of _____ being member(s) of Jahangir Siddiqui & Co. Ltd. holding _____ ordinary shares as per Registered Folio No /CDC A/c. No. (for members who have shares in CDS) _____ hereby appoint Mr. / Mrs. / Ms. _____ of _____ (Folio. No./ CDC A/c No.) _____ or failing him/her Mr. / Mrs. / Ms. _____ of _____ (Folio. No./ CDC A/c No.) _____ being member of the Company, as my / our proxy to attend, act and vote for me / us and on my / our behalf at the 28th Annual General Meeting of the Company to be held on Thursday, May 28, 2020 and /or any adjournment thereof.

As witness my / our hand / seal this _____ day of May, 2020.

Signed by _____

In the presence of

Witness:

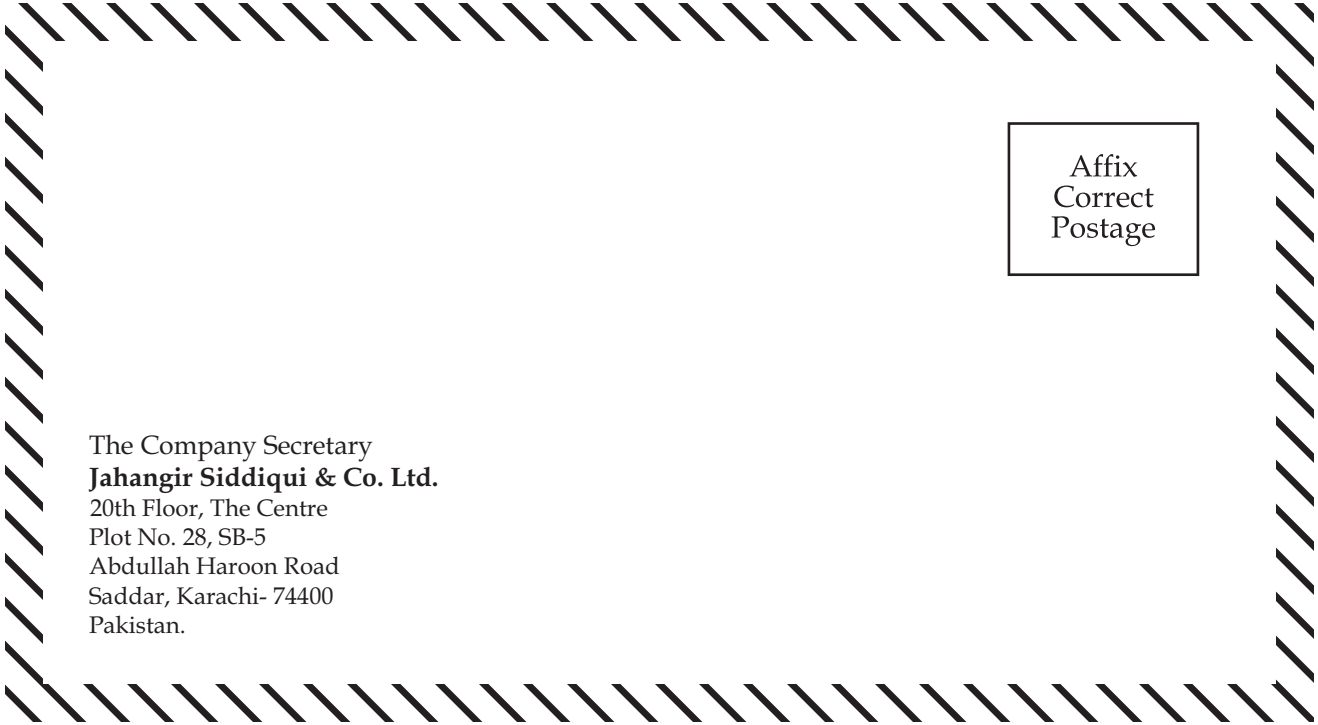
1. Name: _____
Signature: _____
Address: _____
CNIC or Passport No.: _____
2. Name: _____
Signature: _____
Address: _____
CNIC or Passport No.: _____

Signature

The Signature should agree with the specimen registered with Company.

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
2. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, not less than 48 hours before the time of holding meeting.
3. No Person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
4. If member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
5. Beneficial Owner of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxy are required to produce their original Computerized National Identity Card or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature shall be submitted along with proxy form.



Affix
Correct
Postage

The Company Secretary
Jahangir Siddiqui & Co. Ltd.
20th Floor, The Centre
Plot No. 28, SB-5
Abdullah Haroon Road
Saddar, Karachi- 74400
Pakistan.

اہم نوٹ:

- 1- کمپنی کا کوئی ممبر کسی دوسرے ممبر کو اپنی جگہ اجلاس میں حاضر ہونے، حصہ لینے اور ووٹ دینے کیلئے عوضی مقرر کر سکتا ہے۔
- 2- باقاعدہ مکمل اور دستخط شدہ پراکسی فارم اجلاس عام کے انعقاد سے کم از کم ۲۸ گھنٹے قبل کمپنی کے دفتر بمقام جہانگیر صدیقی اینڈ کمپنی لمیٹڈ، ۲۰ فلور، دی سینٹر، پلاٹ نمبر ۲۸، SB-۵، عبداللہ بارون روڈ، صدر، کراچی۔ ۷۴۴۰۰، پاکستان پر موصول ہو جانا چاہئیں۔
- 3- ایسا کوئی شخص بطور عوضی اجلاس میں شریک نہیں ہو سکتا جو کمپنی کا ممبر نہ ہو، ماسوائے کوئی کارپوریشن کسی غیر ممبر کو اپنا عوضی مقرر کر سکتی ہے
- 4- اگر کوئی ممبر ایک سے زائد عوضی مقرر کرتا ہے اور ایک سے زائد عوضی فارم کمپنی کو موصول ہوتے ہیں تو ایسے تمام فارم منسوخ تصور کئے جائیں گے۔
- 5- فزیکل حصص کے مالکان اور سی ڈی سی میں رجسٹرڈ حصص کے مالکان اور/یا ان کے عوضی کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ شناختی مقاصد کیلئے پیش کرنا ہوگا۔ باقاعدہ مکمل اور دستخط شدہ پراکسی فارم بینک میں مقررہ وقت پر جمع کروا دیا جائے، جس پر دو گواہوں کے دستخط، نام، پتہ، کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر درج ہو۔ اس کے ہمراہ بینیفیشل مالک اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل بھی منسلک ہونا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نمونے کے دستخط جمع کروائی جائے (اگر پہلے سے پراکسی فارم کے ہمراہ جمع نہیں کروائی گئی)

درست نکت چپ کائیں

کمپنی سیکریٹری
جہانگیر صدیقی اینڈ کمپنی لمیٹڈ
۲۰ فلور، دی سینٹر، پلاٹ نمبر ۲۸، SB-۵،
عبداللہ بارون روڈ، صدر، کراچی۔ ۷۴۴۰۰، پاکستان

A n n u a l R e p o r t 2 0 1 9



Jahangir Siddiqui & Co. Ltd.

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