

ANNUAL  
REPORT  
2023



# CONSOLIDATING STRENGTHS

STRENGTHS  
CONSOLIDATING







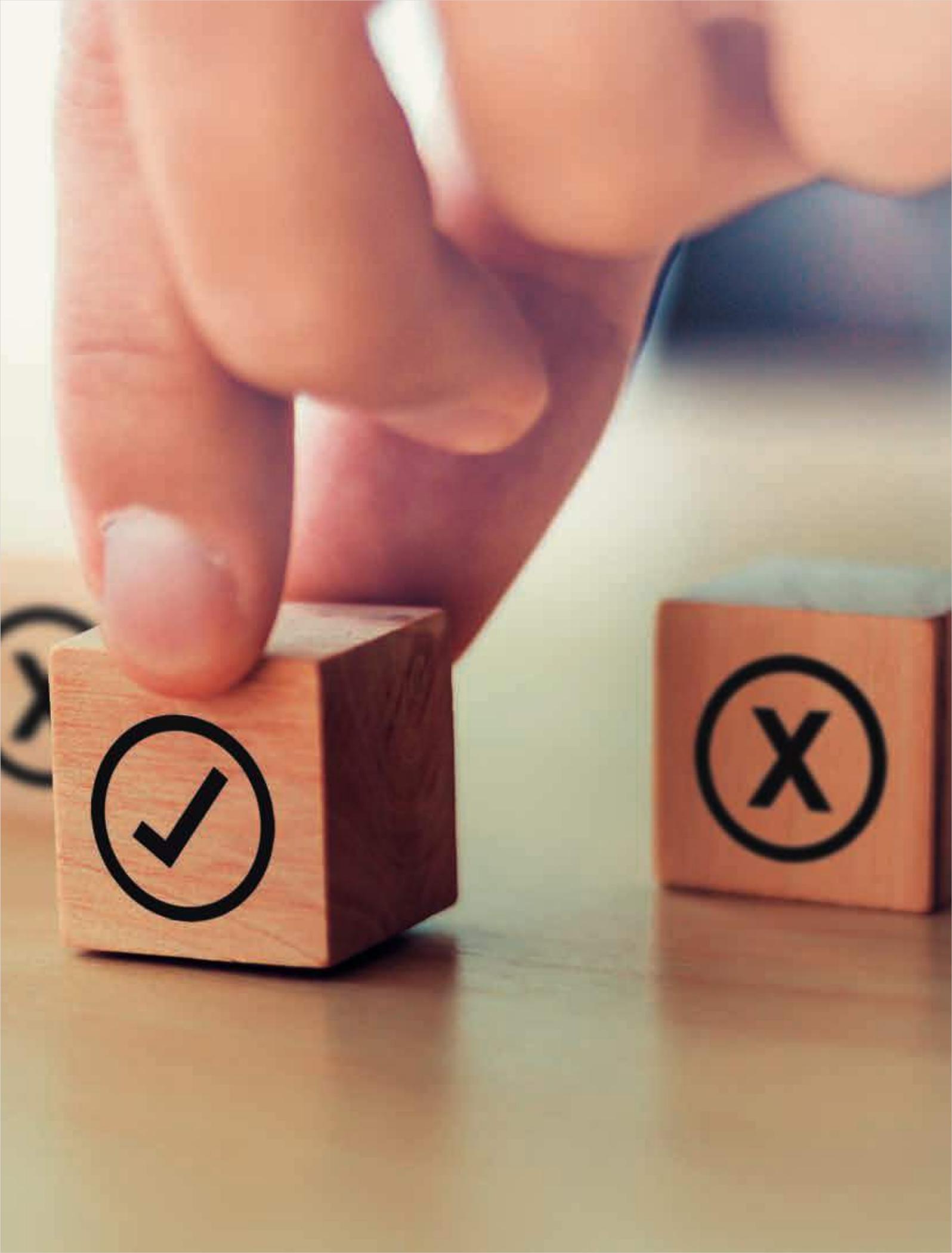
# About the Theme

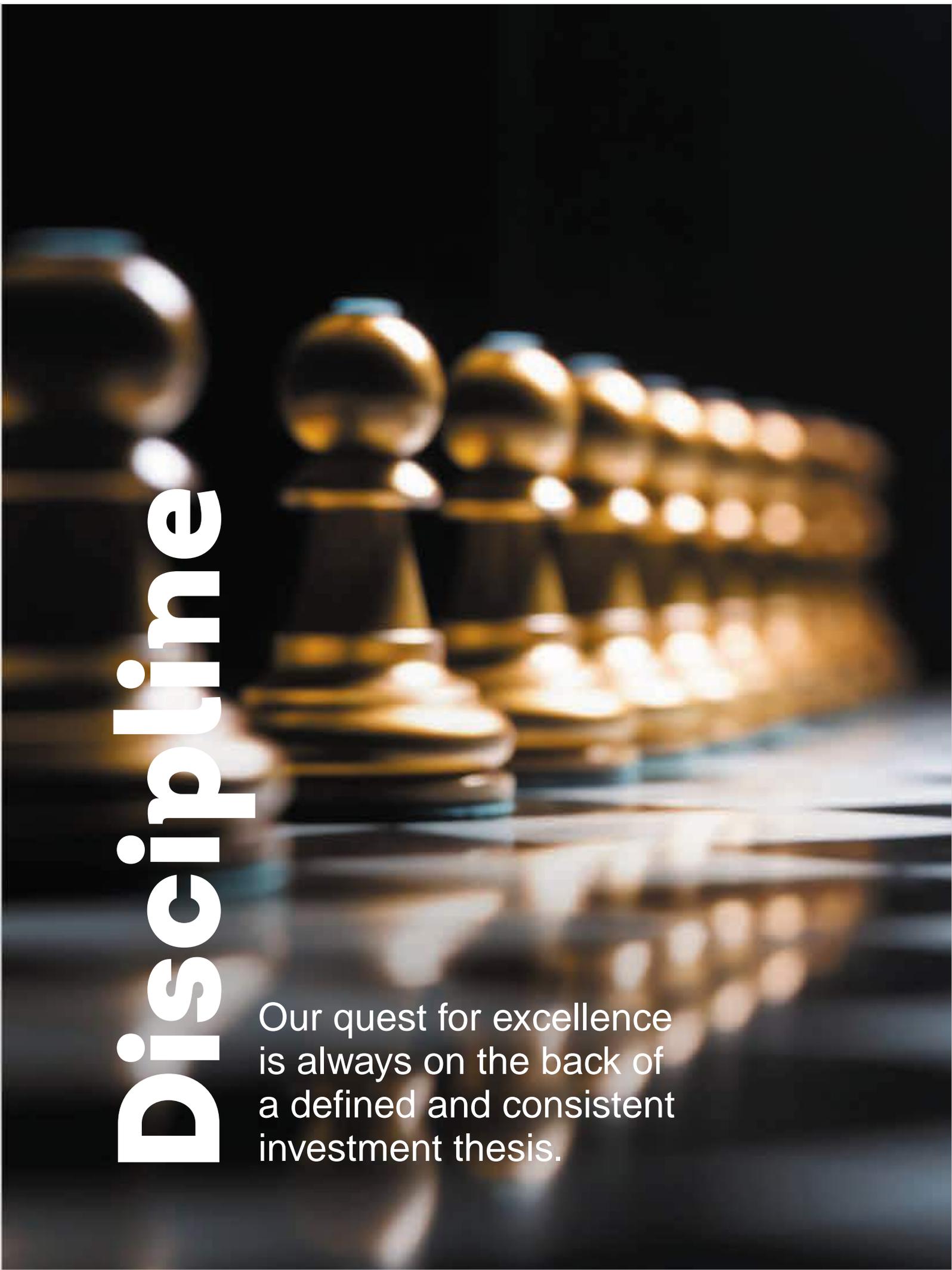
In this Annual Report, we explore the theme **“Consolidating Strengths”** underscoring the transformative significance of surpassing a trillion rupees mark in our consolidated balance sheet after the successful strategic acquisition of BankIslami, as a subsidiary of JS Bank. This theme reflects our dedication to prudent expansion, strategic diversification, and unwavering pursuit of excellence. We aim to harness synergies and leverage our collective strengths to offer unparalleled financial services.

# Integrity

We strive to always do the right thing which has led to strong trust from all our stakeholders.







# Discipline

Our quest for excellence is always on the back of a defined and consistent investment thesis.



# Entrepreneurial



We always look to identify opportunities that can broaden our outreach.





# Ownership

Our talented team work with passion and take responsibility to focus on achieving our strategic objectives.



# Community

We believe in paying back to society, through philanthropy, and to the country, through taxes.





Jahangir Siddiqui & Co. Ltd.

# Consolidating Strengths

The year 2023 witnessed a significant achievement towards the Company's goal of consolidating its strengths in the industries it operates. Jahangir Siddiqui & Co. Ltd. (JSCL) achieved a momentous strategic milestone, the successful acquisition of BankIslami Pakistan Limited, as a subsidiary of JS Bank Limited.

This landmark transaction solidified JS Group's stature as a leading player in the banking sector, driving the consolidated asset base beyond the significant milestone of a trillion rupees. This accomplishment reflects our unwavering commitment to diversification and expansion within the dynamic landscape of the financial services industry.

JS Bank, under this strategic move, secured a majority shareholding of 75.12% in BankIslami. JS Bank and BankIslami will continue to operate as separate entities, allowing them to capitalize on their respective strengths to offer a diverse range of financial solutions. Both the banks will work towards ensuring collaborative approach for sustained growth and value creation for our stakeholders, marking a significant chapter in our dedication in providing best-in-class financial services.

In essence, this strategic accomplishment not only positions JS Group as a formidable participant in Islamic banking but also exemplifies our commitment to delivering exceptional financial services.



BankIslami

BankIslami  BankIslami

BankIslami 

YOUR THUMB IS YOUR BANK

OST

YOUR THUMB IS YOUR BANK

- FAST
- SECURE
- CONVENIENT
- EFFICIENT
- ACCURATE
- RELIABLE

FUNDS TRANSFER  
BILL PAYMENTS  
CASH DEPOSIT

www.bankislami.com  
Web: [www.bankislami.com](http://www.bankislami.com)

BankIslami 

Global Leadership  
in Biometric  
technology  
in Banking

BankIslami 

Upgrade your travel experience with our  
**Titanium Debit MasterCard**  
and get free access to  
**International CIP® Lounges**



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# **Organizational Overview**



## 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.

# Corporate Information

## BOARD OF DIRECTORS

**Justice (R) Agha Rafiq  
Ahmed Khan**

Chairman - Independent

**Asad Nasir**

Chief Executive Officer

**Ali Raza Siddiqui**

Director - Non-Executive

**Lt. Gen. (R) Javed  
Mahmood Bukhari**

Director - Independent

**Rehan Hassan**

Director – Independent

**Samar Ali Shahid**

Director - Independent

**Shahid Hussain Jatoi**

Director - Non-Executive

## AUDIT COMMITTEE

**Lt. Gen. (R) Javed  
Mahmood Bukhari**

Chairman

**Ali Raza Siddiqui**

Member

**Shahid Hussain Jatoi**

Member

## HUMAN RESOURCE & REMUNERATION COMMITTEE

**Samar Ali Shahid**

Chairperson

**Ali Raza Siddiqui**

Member

**Asad Nasir**

Member

## EXECUTIVE COMMITTEE

**Ali Raza Siddiqui**

Chairman

**Asad Nasir**

Member

**Shahid Hussain Jatoi**

Member



## SENIOR MANAGEMENT

### Suleman Lalani

Group President

### Asad Nasir

Chief Executive Officer

### Najmul Hoda Khan

Chief Operating Officer

### Zahid Ullah Khan

Chief Investment Officer

### Syed Ali Hasham

Chief Financial Officer

### Muhammad Babar Din

Company Secretary

### Amin Suchwani

Head of HR & Administration

## EXTERNAL AUDITORS

KPMG Taseer Hadi & Co.

Chartered Accountants

## INTERNAL AUDITORS

Grant Thornton Anjum Rahman

Chartered Accountants

## LEGAL ADVISOR

Bawaney & Partners

## SHARE REGISTRAR

CDC Share Registrar  
Services Limited

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

## REGISTERED OFFICE

Jahangir Siddiqui & Co. Ltd.

20<sup>th</sup> 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 

## Corporate Profile

Jahangir Siddiqui & Co. Ltd. (“JSCL” or “the Company”) was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance) on May 04, 1991, as a public unquoted company.

JSCL is primarily an investment holding company having investments in Conventional and Islamic Banking, Life, Health and General Insurance, Asset Management, Investment Banking & Securities Brokerage, Petroleum and Energy, Textile, Infrastructure, Information Technology, Telecommunications, and Engineering sectors. On consolidated basis, the Company’s total assets surpasses PKR 1,200 billion.

The Company is listed on Pakistan Stock Exchange Limited having trading symbol of ‘JSCL’.

The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company, through its investments has a nationwide presence across Pakistan as well as global footprint encompassing Bahrain and Cayman Islands.



## Impeccable Credit History

JSCL's investment universe, being an investment holding company, mainly comprise of long-term strategic investments. Owing to the nature and longevity of the strategic investments, JSCL opts to meet its financing needs by raising long-term debts either in form of bank loans or issuance of Term Finance Certificates (TFCs) to meet its liquidity requirements.

JSCL's immaculate credit history can be depicted from the following table that shows that each of the TFCs issued were repaid in full and on timely basis. All the recent TFC's of the company has been assigned rating of AA+ by PACRA.

|        | Issue Date | Maturity Date | Amount<br>----- (Rs. in million) ----- | Credit Rating |
|--------|------------|---------------|--|---------------|
| TFC 1  | 18-04-03   | 18-04-08      | 500                                    | N/A           |
| TFC 2  | 20-05-04   | 20-05-14      | 500                                    | AA+           |
| TFC 3  | 21-12-04   | 20-12-09      | 500                                    | AA            |
| TFC 4  | 30-09-05   | 30-09-10      | 500                                    | AA+           |
| TFC 5  | 21-11-06   | 21-05-12      | 1,100                                  | AA            |
| TFC 6  | 04-07-07   | 04-07-13      | 1,250                                  | AA            |
| TFC 7  | 30-10-12   | 30-04-16      | 1,000                                  | AA+           |
| TFC 8  | 08-04-14   | 08-04-19      | 750                                    | AA+           |
| TFC 9  | 24-06-16   | 24-06-21      | 1,000                                  | AA+           |
| TFC 10 | 18-07-17   | 18-07-23      | 1,500                                  | AA+           |
| TFC 11 | 06-03-18   | 06-09-23      | 1,500                                  | AA+           |

## Credit Rating

The Pakistan Credit Rating Agency ("PACRA") has maintained a long term credit rating of AA (Double A) and short term rating of A1+ (A one plus) for the Company.

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

# AA

LONG TERM CREDIT RATING

# A1+

SHORT TERM CREDIT RATING

# JS Group

## Journey and Major Milestones

JS Group is a leading financial services and investment conglomerate with its headquarters located in Karachi, Pakistan.

JS Group for the purpose of this Annual Report 2023 includes Jahangir Siddiqui & Co. Ltd. as the Group's flagship holding company and its subsidiaries and sub-subsidiaries as detailed in JS Group's structure on page 28.

The Group's journey commenced in 1970, when Mr. Jahangir Siddiqui laid the cornerstone of our core financial services business, as a sole proprietorship. Since then, we've flourished into a dynamic and investment conglomerate, renowned across Pakistan for our progressive approach and unwavering commitment to excellence. Currently, JS Group stands tall with a workforce of over 10,000 dedicated individuals.

Key milestones and significant historical events of JS Group are presented on page 26.



## Our Journey

### 1991

Corporatization of JS's legacy business and incorporation of JSCL

### 1993

Joint venture with Bear Stearns and IFC

Listing on stock exchange

### 1995

Investment to form JS Investments Limited (formerly ABAMCO Limited), the first private sector Asset Management Company with founding partners IFC and Invesco PLC (previously known as AMVESCAP)

### 1999

Purchase of Citicorp Investment Bank in Pakistan and renamed to Jahangir Siddiqui Investment Bank

### 2003

Investment in Pakistan International Container Terminal Limited ("PICT")

### 2005

Joint Venture with Global Investment House to form JS Global Capital Limited

### 2005

Joint Venture with Dubai Bank and the Randeree Group to form BankIslami Pakistan Limited

### 2006

Acquisition of American Express Bank's Pakistan branches and merger with Jahangir Siddiqui Investment Bank to form JS Bank Limited

### 2008

Equity placement of USD 158 million to international investors

### 2012

Disposal of investment in PICT for PKR 3.7 billion (14x investment multiple)

### 2016

JS Bank Limited opens first international branch and celebrates its 10 year anniversary

### 2017

JS Global Capital Limited become first and only brokerage firm to issue a Commercial Paper amounting of PKR 1,000 million

## 2018

In capacity as a consultant to the issue, JS Global Capital Limited successfully carried out IPO of AGP Limited as Pakistan's largest IPO of Pharmaceutical Sector

## 2020

JS Global Capital Limited become first brokerage firm to provide market making services to Exchange Traded Funds in PSX

## 2021

In capacity of Consultant to the issue and Book Runner, JS Global Capital Limited successfully completed the single-largest, historical private sector IPO of Air Link Communication Limited amounting to PKR 6.43 billion

## 2022

JS Bank Limited launches 'Zindigi' as Pakistan's first digital product offering a complete suite of financial services.

JSCL won 1st Position in BCR Award for the Year 2021 in 'NBFIs and Mutual Fund Sector' and also won a Certificate of Merit in the category 'Financial Services Sector' of SAFA Best Presented Annual Report Awards 2021.

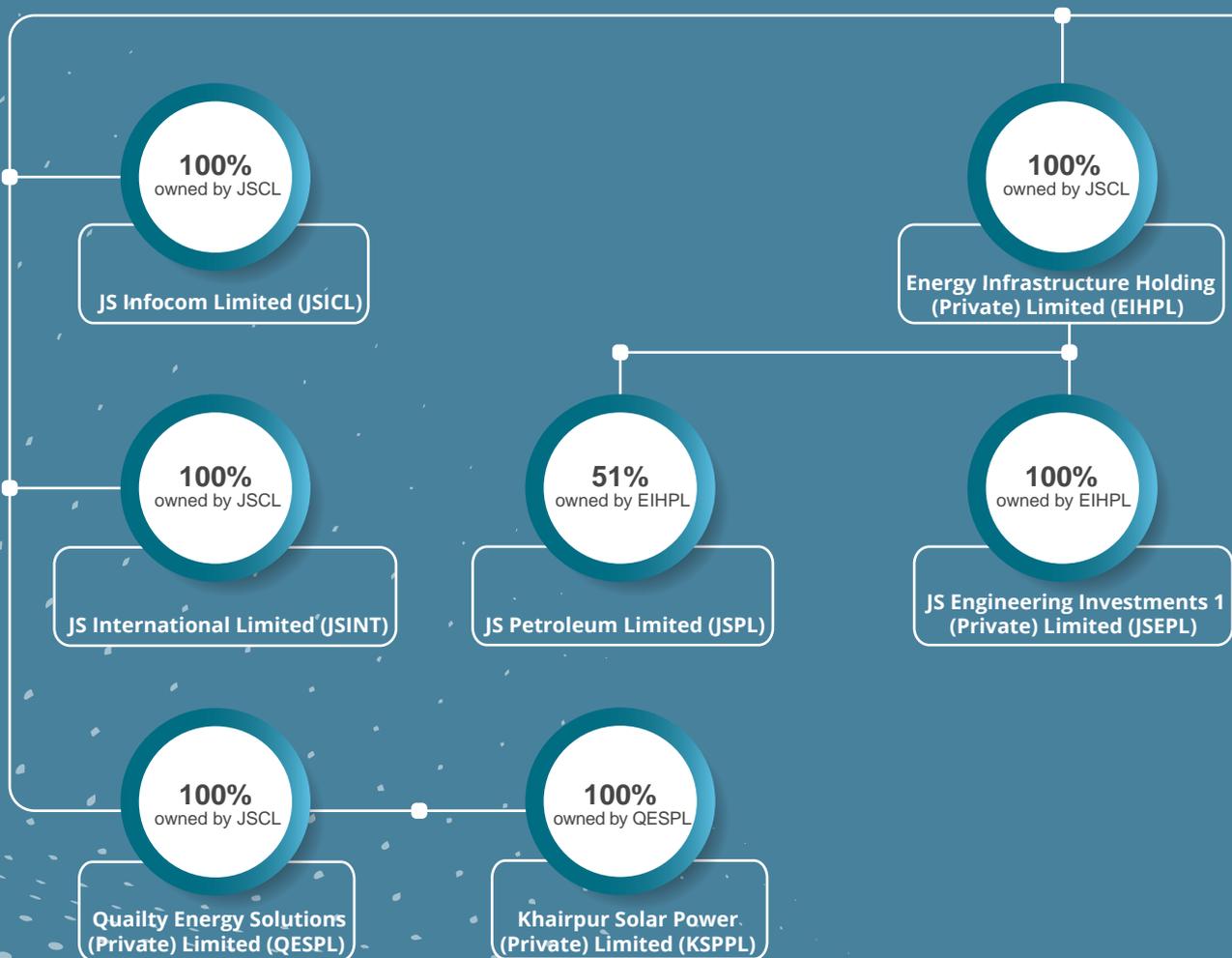
## 2023

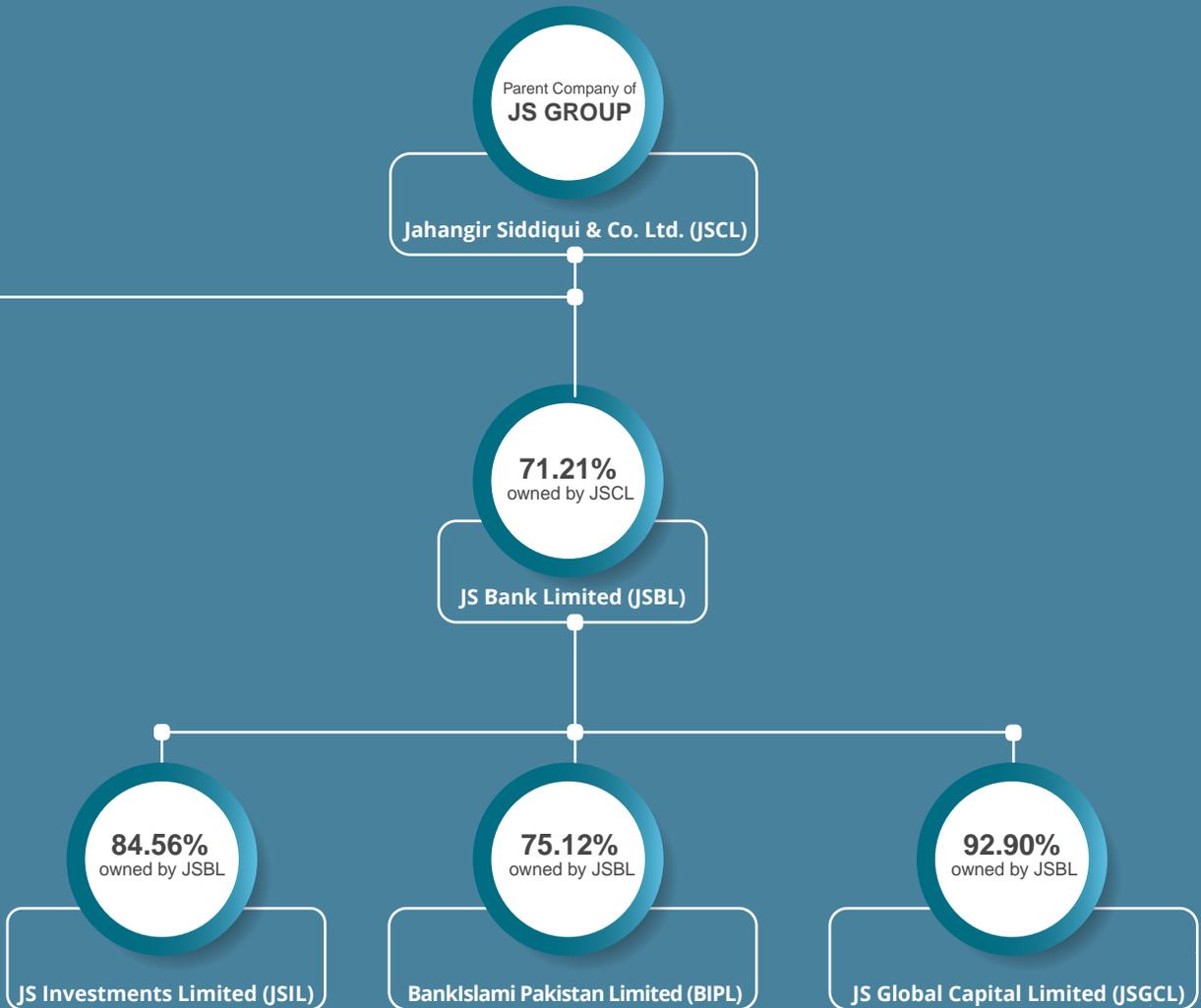
JS Bank successfully acquired a majority stake of 75.12% in BankIslami Pakistan Limited, propelling JS Group's consolidated balance sheet past PKR 1 Trillion milestone and establishing the conglomerate as a key player in Islamic banking also.

JSCL won Certificate of Merit in BCR Award for the Year 2022 in 'NBFIs and Mutual Fund Sector'.

# JS Group Structure

As at December 31, 2023





# JS G



**Mr. Imtiaz Gadar**



**Mr. Asad Nasir**



**Mr. Basir Shamsie**



# The Leadership of roup



**Mr. Suleman Lalani**



**Mr. Rizwan Ata**



**Ms. Iffat Z. Mankani**

From the desk of

## President & Chief Executive Officer

Seventeen years ago, JS Bank was established with a simple vision: to provide innovative and quality banking services to its customers. Since then, our unwavering commitment to this vision has been the cornerstone of our continuous growth, a reflection of the deep trust our customers place in us.

I am pleased to share our significant accomplishments in 2023, a year marked by success despite economic challenges. JS Bank achieved a historic high with a Profit before Tax of PKR 8,515 million – surpassing the profitability of

past five years combined. This remarkable performance is attributed to substantial improvements in both markup and non-markup income segments. Owing to higher interest rates and deposit optimization, Bank's Net Interest Income increased by 51% in 2023. Furthermore, as the foreign trade channeling through JS Bank's counters increased by 86%, Bank recorded a substantial increase in Income from dealing in FX. This, coupled with improved Dividend Income and Fee & Commission Income, saw our Non-Markup Income more than double in 2023.

For more information,  
please visit





A landmark development this year was the acquisition of a 67.33% stake in BankIslami Pakistan Ltd., raising our total shareholding to 75.12%. Although both banks will remain distinctive entities, we will jointly be able to serve a wider and diversified client base through a combined network of over 700 branches while fostering synergies to enhance our banking services.

2023 saw significant enhancement in the Bank's client profile as we focused on building relationships and attracting high-profile names in Pakistan's corporate world. Owing to the Bank's improved services and better prospects, we successfully onboarded some of the top local and multinational corporates of Pakistan.

Our product offerings have also seen considerable growth. Since the launch of our Credit Card campaign "Kharchon ki Problem Solved" in early 2023, there has been 32% rise in customer base and 87% increase in credit card spent. Moreover, our Employee Banking also recorded significant progress; multiple payroll mandates were signed which resulted in 18% growth in average Non-Remunerative deposits through this channel.

JS Bank's digital journey continues to make strides, with 80% of our branches now equipped for digital account opening, and a 46% increase in our digital customer base.

Our digital banking platform, Zindigi, has been a standout success. Since its inception in January 2022, Zindigi has rapidly grown to become one of Pakistan's leading fintechs, with 10 million app downloads and 4.8 million accounts opened. In 2023, Zindigi processed transactions worth PKR 150 billion, a 47% increase from the previous year. Among its innovations are AI-driven micro-lending and pioneering the full scope of Raast P2M Services. Zindigi's engagement with the entrepreneurial community, particularly through the 'Zindigi Prize', has been commendable, attracting over 5,000 startups and students from 130 universities.

We take pride in being an equal opportunity employer. This year, we increased the number of female employees by 30% and were the first in the industry to hire an all-female Universal Tellers batch, onboarding 60 women.

Going forward, country's economic outlook has slightly improved as industrial sector, particularly Large-Scale Manufacturing, has been showing signs of recovery. This coupled with expected bumper crops of rice and cotton would record a GDP growth in the range of 2-3% in Fiscal Year 2024. With JS Bank's foothold continues getting stronger in Pakistan's banking industry, I am confident that the Bank will continue to prosper in the times to come. We certainly have a visionary leadership, innovative mindset and dedicated team to achieve that.

#### Key financial figures of JSBL are as follows:

| Name of Directors    | December 31, 2023<br>PKR in million |
|----------------------|-------------------------------------|
| Total Assets         | 589,432                             |
| Total Advances – Net | 203,727                             |
| Total Deposits       | 486,283                             |
| Shareholder's Equity | 40,322                              |
| Profit after Tax     | 4,335                               |

I extend my heartfelt thanks to our shareholders, regulators, and our holding company Jahangir Siddiqui & Co. Ltd. for their unwavering trust and support in our journey.

### Mr. Basir Shamsie

President & CEO

From the desk of

## President & Chief Executive Officer

BankIslami Pakistan Limited ("BankIslami" or "Bank") was incorporated on 18 October 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah. The Bank performed resiliently, focusing on its mission of providing "Riba Free Banking Services" for nearly two decades.

I take the pleasure to state that during the year, JS Bank Limited increased its shareholding in BankIslami to 75.12%, bringing the Bank under the umbrella of JS Group, a leading investment and financial services conglomerate of the country. Sighting the evolving banking landscape, the Bank revised its Vision and Mission statements, being reproduced hereunder:

### Vision

Promoting global economic prosperity based on Islamic financial system.

### Mission

Saving Humanity from Riba by offering Shariah Compliant, customer centric, innovative financial solutions and creating value for our stakeholders, while upholding social responsibility and transparency.

For more information,  
please visit





By the grace of Allah, Bank posted PKR 11,045 million profit-after-tax during the year ended 31 Dec 2023, exhibiting the growth of 1.5 times as compared to preceding financial year. This achievement is result of Bank's comprehensive strategy focusing on CASA optimization, prudent growth in financing portfolio and expanding the investment portfolio to improve the yields. Bank's Total Deposits recorded annual growth of 25.6% with commendable increase of 20.8% and 14.3% in savings and current portfolio. The deposit growth was supported by attractive term deposit offerings, tailored products for women, establishing priority banking centers and emphasizing the cash management and employee banking relationships.

It gives me immense pleasure to announce that 2023 was the first year for BankIslami, participating in noble cause of providing banking services for Hajj Operations. Although main objective was to provide quality banking services to the people in the service of Allah, however, it resulted in deposit generation exceeding PKR 2 Billion.

The Bank strategically built its investment portfolio amid the uncertain economic scenario, which closed the investments on PKR 314 billion, higher by 74.7% as compared to Dec 2022. Increase in profitability and prudent approach towards deployment of funds resulted in significant improvement in Capital Adequacy Ratio to 23.8% on year end as compared to 17.9% for the preceding financial year. The Bank continued to deepen its corporate relationships through Cash Management and Employee Banking services.

The Bank's management remained cognizant of the evolving digital landscape in the banking sector and re-focused on upgradation of IT infrastructure including core banking system and Disaster Recovery Site, ensuring smooth services to its customers. During the year, Bank achieved 98% uptime along with 98% increase in digital transactions and 1.62 times growth in Mobile App Users. Going forward, we are looking to evaluate more agile applications enabling the better banking services as well as efficient internal processes.

It pleases me to share that, while realizing the efforts of its staff, the Bank announced ad-hoc bonus for the first time – motivating the staff to continue their untiring efforts to serve the increasing customer base. The Board and management resolves to continue recognizing the efforts of its BankIslami Family to become the "Employer of the Choice" in future.

Way forward, Bank's strategic plan outlines various goals and Key Performance Indicators (KPIs) aimed at achieving accelerated growth in the deposit base, enhancing trade business volumes, expanding cash management services, improving the credit risk profile, fostering technological innovation, extending the Bank's digital footprint, increasing the branch network, and enhancing shareholders' value. Simultaneously, the plan prioritizes the development and nurturing of human capital, reinforcement of the brand image, maintenance of a healthy capital base, and the Bank's transformation into a customer-centric Islamic institution.

#### Key financial figures of BIPL are as follows:

| Name of Directors    | December 31, 2023<br>PKR in million |
|----------------------|-------------------------------------|
| Total Assets         | 654,866                             |
| Total Advances – Net | 230,194                             |
| Total Deposits       | 522,541                             |
| Shareholder's Equity | 31,804                              |
| Profit after Tax     | 11,045                              |

I extend my heartfelt thanks to our staff, shareholders, regulators, and our Parent Bank for their unwavering trust and support in our journey.

### Mr. Rizwan Ata

President & CEO

From the desk of  
**Chief Executive Officer**

JS Global Capital Limited ('JS Global') is one of Pakistan's largest and oldest Brokerage House serving its customers exceptional service for over two decades and established itself as a pioneer in business transformation.

and opportunities, as we navigated low foreign exchange reserves, high inflation, and sharp depreciation. Despite these obstacles, JS Global demonstrated exceptional resilience and strategic agility.

I am pleased to provide an overview of our journey in 2023, a year that presented both challenges

For more information,  
please visit





The year started with economic uncertainty that took a toll on key economic indicators. However, second half witnessed a remarkable turnaround fueled by increased investor confidence from stabilization measures and reforms. As market indices climbed and trading volumes improved, JS Global successfully capitalized on these changes in addition to achieving a significant improvement in market share. Similarly, revenue streams from Investment Banking, Forex and Fixed-Income experience growth over previous year.

JS Global also established itself as a leader in the Pakistani financial services industry by becoming the benchmark in fintech and digital innovation in Pakistan equity markets. As a leading force in transforming the digital trading industry, JS Global launched a pioneering investment application in 2023. This application seamlessly integrates various platforms, offering users advanced trading features, rapid order execution, customizable workspaces, comprehensive research, technical analysis tools, and instant market insights across desktop, mobile, and web environments.

We also secured a pivotal role in launching the nation's first-ever Exchange Traded Fund (ETF) under

the SECP Regulatory Sandbox Guidelines, owing to JS Global's expertise and track record in digitization. This milestone marked the first ETF introduction by a brokerage house.

Our commitment to excel was further recognized through several prestigious awards received in 2023. These include Best Equity Salesperson, Best Equity Research Analyst, Runner Up for Best Equity Brokerage House and Best Equity Research Report from CFA Society Pakistan. Additionally, Asia Money awarded JS Global four accolades, while ICAP and ICMAP recognized us for the 'Best Corporate and Sustainability Reports for the Year 2022.' We were also named among Top Commodity Broker Karachi by the Pakistan Mercantile Exchange, a testament to our expertise in commodity trading.

While Pakistan is expected to remain in a consolidation phase and future performance of the stock market is closely tied to the macroeconomic and political stability, the Board and management is continuously evolving its strategic thinking with a view to further drive its market share and find new avenues for growth.

#### Key financial figures of JSGCL are as follows:

| Name of Directors    | December 31, 2023<br>PKR in million |
|----------------------|-------------------------------------|
| Total Assets         | 6,251                               |
| Total Advances – Net | 68                                  |
| Total Deposits       | 30                                  |
| Shareholder's Equity | 2,452                               |
| Profit after Tax     | 187                                 |

We extend our sincere gratitude to our dedicated employees, valued clients, Chairman, Board of Directors, and shareholders for their unwavering support and trust. Their collaboration and commitment have been instrumental in achieving our goals and delivering value in a challenging yet rewarding business environment.

### Mr. Imtiaz Gadar

Chief Executive Officer

From the desk of

## Chief Executive Officer



I am pleased to present an overview of JS Investments Limited's (JSIL) performance for 2023. Despite encountering several challenges throughout the year, the Company has achieved some significant milestones.

### PRINCIPAL ACTIVITIES

JS Investments Limited (JSIL), established in 1995, is Pakistan's oldest private-sector Asset Management Company. The Company is registered with the Securities and Exchange Commission of Pakistan (SECP). It is regulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. JSIL is a Mutual Fund Association of Pakistan (MUFAP) member and is listed on the Pakistan Stock Exchange Limited.

The Company is licensed to provide the following services to individual and institutional customers;

- Asset Management Services
- Investment Advisory
- Voluntary Pension Scheme Management
- Private Equity and Venture Capital Fund Management Services
- REIT Management Services

### MAJOR DEVELOPMENTS IN 2023

**Assets under Management (AUMs):**  
The net assets under management of JSIL as of December 31, 2023, were Rs. 87.3 billion (including Specially Managed Accounts – SMAs) and Rs. 66.6 billion (excluding SMAs). Comparing it with last year's AUMs of Rs 44 billion, the AUMs have increased by 98%.

**Performance of Funds under Management:**  
Our funds are the top-performing funds in four categories. JS Money Market Fund – JSMMF is the highest returning money market fund of CY23 with a return of 22.41%, whereas JS Microfinance Sector Fund is at the top of the chart with a return of 23.81% where the average peer group posted returns of 20.7%. In addition, JSMFETF posted returns of 83%, where the average return of stock funds was 48%, and KSE-30 yielded 59% returns to the investors. Moreover, Our Fund of Fund was also the highest, with returns at 46% against the average peer group return of 33.35%.

### Key Financial Highlights:

We reported a profit after tax of Rs 310 million (EPS of PKR 5.02) for CY2023, which is an improvement of PKR 459 million from the losses in the same period last year, i.e., CY2022 (LAT: -Rs 149 million).

Shareholders' Equity improved by Rs 0.31 billion to Rs 1.67 billion on December 31, 2023.

For more information,  
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### New Products and Services:

We introduced the following products during the year;

- JS Islamic Premium Fund – With a focus on ethical and socially responsible investments, the fund seeks to provide investors a unique avenue for financial growth while contributing to the economic development of Sharia-compliant businesses. The current Fund Size of JS Islamic Premium Fund is Rs. 0.53 billion.
- JS KPK Pension Fund (Conventional & Islamic) – One of the strategic moves was to launch JS KPK Pension Funds (for the employees of the KPK Government). JSIL is among the top 6 asset management companies in terms of enrollment and among the top 4 in terms of growth in the past two months.
- JS Fixed Term Munafa Plans – The IPO of JS Fixed Term Munafa Fund – Plan 1 & Plan 2 started on Dec 26 and ended on Jan 8, 2024, and the funds accumulated Rs 4 bn on close.
- JS VPS Portal – We successfully launched the JS Voluntary Pension Scheme (VPS) Portal for both Corporations and Individuals.
- JS Wealth Center – We introduced the JS Investments Wealth Centre at the DHA Phase 8 Branch in Dec 2023. In a world that is rapidly embracing digitalization, we have reimagined the branch experience to bring specialized services. Our new Wealth Centre seamlessly blends top-notch service with cutting-edge investment solutions.

### Digitalization;

- We have channelized the seamless digital account opening portal for Individual investors for opening Sahulat Sarmayakari as well as Regular Accounts
- The online account opening portal has also become live for the Voluntary Pension Scheme.
- We have set up an online WhatsApp bot to ensure

the provision of services to the customers 24/7. This WhatsApp bot is available in English as well as Urdu language.

- Online portal for SMAs will now provide ready access to the investors of their portfolio, enabling them to make informed decisions.

### Future Outlook

We have outperformed our two-year AUM growth targets and are on track to reach Rs 75 billion by year-end, with a goal of Rs 80 billion. The increase in interest rates, contrary to the banking sector, is not likely to hinder our progress due to the presence of funds in other asset classes, especially stock funds, which typically benefit from such economic environments. However, looming regulatory changes regarding tax arbitrage present a significant concern as they may reduce AUMs across the industry.

To address this, our strategy involves financial re-engineering and a shift in focus toward Real Estate Investment Trusts (REITs) and Private Equity funds. These adjustments aim to diversify our product mix and capitalize on market segments less affected by the anticipated changes. By expanding our offerings in these areas, we're positioning ourselves to compensate for any potential AUM decline due to the tax arbitrage issue and establish a more resilient and adaptable business model that can withstand various market cycles and regulatory environments.

Product innovation remains a cornerstone of our strategy. Our introduction of smart beta ETFs, microfinance funds, and income funds has successfully attracted diverse investment inflows and built a robust track record. These efforts are paralleled by our continuous alignment of operational practices with our forward-looking strategic imperatives, particularly emphasizing digital transformation and process automation.

### Key financial figures of JSIL Ltd are as follows:

| Name of Directors    | December 31, 2023<br>PKR in million |
|----------------------|-------------------------------------|
| Total Assets         | 2,122                               |
| Total Advances – Net | 6                                   |
| Total Deposits       | 148                                 |
| Shareholder's Equity | 1665                                |
| Profit after Tax     | 310                                 |

In conclusion, JS Investments remains steadfast in our commitment to steering through market challenges and embracing innovative solutions, ensuring we remain at the forefront of the asset management industry and deliver on our promise of sustained growth and strategic market leadership.

### Ms. Iffat Z. Mankani

Chief Executive Officer

## Other Subsidiaries

### JS Infocom Limited (JSICL)

JSICL was incorporated on August 25, 2003, as a public limited unlisted company under the repealed Companies Ordinance, 1984, now Companies Act 2017. JSICL's principal purpose is to undertake and invest in telecommunication, media and technology service businesses.

Key financial figures of JSICL are as follows:

| PKR in million       |       |
|----------------------|-------|
| December 31, 2023    |       |
| Total Assets         | 2,058 |
| Total Liabilities    | 0.69  |
| Shareholder's Equity | 2,057 |
| Profit after Tax     | 31    |

### JS Petroleum Limited (JSPL)

JSPL was incorporated under the repealed Companies Ordinance, 1984, now Companies Act 2017, on October 09, 2017, as a private limited company and was subsequently converted to public unlisted company. The principal business activity of the Company will be to invest in and undertake Oil and Gas storage facility business.

Key financial figures of JSPL are as follows:

| PKR in million       |      |
|----------------------|------|
| December 31, 2023    |      |
| Total Assets         | 514  |
| Total Liabilities    | 28   |
| Shareholder's Equity | 486  |
| Loss after Tax       | (35) |

### Energy Infrastructure Holding (Private) Limited (EIHPL)

EIHPL was incorporated under the repealed Companies Ordinance, 1984, now Companies Act 2017, on April 15, 2008 as a Private Limited Company. EIHPL's principal purpose is to undertake and invest in energy, petroleum and infrastructure projects.

Key financial figures of EIHPL are as follows:

| PKR in million       |       |
|----------------------|-------|
| December 31, 2023    |       |
| Total Assets         | 3,886 |
| Total Liabilities    | 23    |
| Shareholder's Equity | 3,863 |
| Profit after Tax     | 90    |

### JS Engineering Investments 1 (Private) Limited (JSEPL)

JSEPL was incorporated under the Companies Act, 2017, on November 23, 2017, as a private limited company. The principal activities of JSEPL will be to invest in engineering and automotive sectors. JSEPL is currently pursuing investment opportunities.

Key financial figures of JSEPL are as follows:

| PKR in million       |      |
|----------------------|------|
| December 31, 2023    |      |
| Total Assets         | 3.96 |
| Total Liabilities    | 0.53 |
| Shareholder's Equity | 3.43 |
| Profit after Tax     | 0.07 |



### Quality Energy Solution (Private) Limited (QESPL)

QESPL was incorporated under the repealed Companies Ordinance, 1984, now Companies Act 2017, on May 09, 2016 as a private limited company. The principal activities of QESPL are to undertake investments in power entities, listed or otherwise in Pakistan or elsewhere in the world.

**Key financial figures of QESPL are as follows:**

| PKR in million       |       |
|----------------------|-------|
| December 31, 2023    |       |
| Total Assets         | 30.15 |
| Total Liabilities    | 0.57  |
| Shareholder's Equity | 29.58 |
| Profit after Tax     | 3.18  |

### Khairpur Solar Power (Private) Limited (KSPPL)

KSPPL was incorporated under the repealed Companies Ordinance, 1984, now Companies Act 2017, on May 05, 2016, as a private limited company. The principal activities of KSPPL is to invest in power generation and renewable energy projects.

**Key financial figures of KSPPL are as follows:**

| PKR in million       |       |
|----------------------|-------|
| December 31, 2023    |       |
| Total Assets         | 15.32 |
| Total Liabilities    | 0.84  |
| Shareholder's Equity | 14.48 |
| Profit after Tax     | 1.47  |

### JS International Limited (JSINT)

JSINT was incorporated in Cayman Islands B.W.I. on July 14, 2005. The primary objective for which JSINTL was 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. JSINT is having inoperative status as of the date of Statement of Financial Position.

# Corporate Calendar 2023

**16th  
FEBRUARY  
2023**

Human Resource and  
Remuneration  
Committee Meeting

**16th  
FEBRUARY  
2023**

Audit Committee and  
Board of Directors'  
Meeting

**13th  
MARCH  
2023**

Audit Committee and  
Board of Directors'  
Meeting to consider  
accounts of the Company  
for the year ended  
December 31, 2022

**16th  
MARCH  
2023**

Extraordinary  
General Meeting

**27th  
APRIL  
2023**

31st Annual  
General Meeting

**27th  
APRIL  
2023**

Audit Committee and  
Board of Directors'  
Meeting to consider  
accounts of the  
Company for the quarter  
ended March 31, 2023

**25th  
MAY  
2023**

Extraordinary  
General Meeting

**24th  
AUGUST  
2023**

Audit Committee and  
Board of Directors'  
Meeting to consider  
accounts of the Company  
for the half yearly ended  
June 30, 2023

**26th  
OCTOBER  
2023**

Audit Committee and  
Board of Directors'  
Meeting to consider  
accounts of the  
Company for the nine  
months period ended  
September 30, 2023

**26th  
DECEMBER  
2023**

Human Resource  
and Remuneration  
Committee Meeting

**26th  
DECEMBER  
2023**

Board of  
Directors' Meeting  
to approve Annual  
Budget

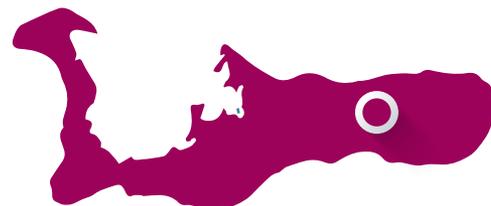
**27th  
DECEMBER  
2023**

Corporate Briefing  
Session

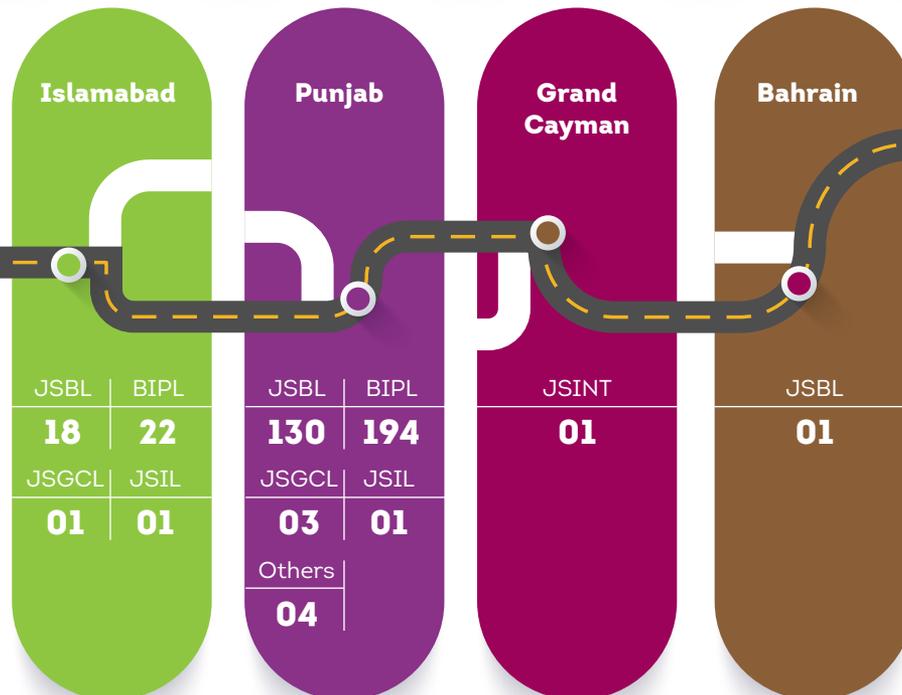
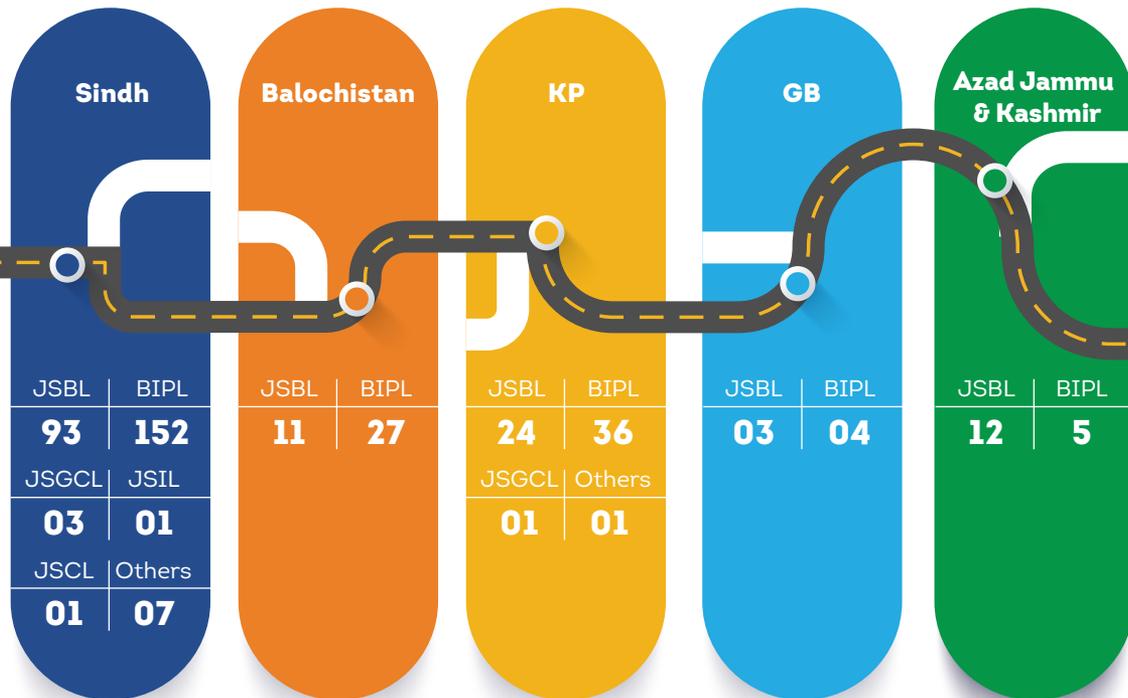
# Geographical Presence



**Bahrain**



**Grand Cayman**



Jahangir Siddiqui & Co. Ltd. (JSCL)  
 JS Bank Limited (JSBL)  
 BankIslami Pakistan Limited (BIPL)

JS Global Capital Limited (JSGCL)  
 JS Investments Limited (JSIL)  
 JS International Limited (JSINT)





# Governance

# Chairman's Review



“

I would like to congratulate the shareholders of JSCL on successful completion of the acquisition of BankIslami Pakistan Limited (“BIPL”) by JS Bank Limited (“JSBL”) a subsidiary of JSCL, marking a significant milestone in our journey towards diversification. The acquisition of BIPL represents a strategic move and will enable the JS Group to further consolidate and strengthen its position in the financial services space of Pakistan.

”



## 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.

To begin with, I would like to congratulate the shareholders of JSCL on successful completion of the acquisition of BankIslami Pakistan Limited (“BIPL”) by JS Bank Limited (“JSBL”) a subsidiary of JSCL, marking a significant milestone in our journey towards diversification. The acquisition of BIPL represents a strategic move and will enable the JS Group to further consolidate and strengthen its position in the financial services space of Pakistan.

I take immense pleasure in presenting that, with this consolidation of BIPL, the consolidated asset base of JSCL has crossed PKR 1 trillion mark. The integration and consolidation of strengths will not only create synergies but also unlock numerous economic benefits for all stakeholders involved.

Regarding the composition of Board of Directors (“Board”) of JSCL, I would like to mention here that the Board 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 meticulous compliance of ethical values, laws and regulations.

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 directors 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, wherever required, to enable the directors to perform their duties in an effective manner.

The Board had engaged Grant Thornton Anjum Rahman (“GTAR”) to perform annual evaluation of the Board, its own performance and that of its members and committees. The evaluation report submitted by GTAR was reviewed and discussed by the Human Resource and Remuneration Committee of the Board and the Board.

Moreover, the Board has also 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.

Justice (R) Agha Rafiq Ahmed Khan  
**Chairman**

March 07, 2024

بورڈ نے انتہائی موثر آڈٹ، انسانی وسائل و معاوضہ اور ایگزیکٹو کمیٹیاں تشکیل دی ہیں کہ جن میں ضروری تجربہ اور علم کے حامل نان ایگزیکٹو اور آزاد ڈائریکٹرز کو مناسب نمائندگی دی گئی ہے تاکہ کمپنی کے معاملات احسن انداز سے چل سکیں۔ کمیٹیوں کے ممبران اور بورڈ کے مابین ایک تعمیری تعلق موجود ہے۔ کمپنی نے جہاں ضروری ہو وہاں پر تعارفی کورسز اور درکار تربیت کا اہتمام کیا ہے تاکہ ڈائریکٹرز اپنے فرائض موثر انداز میں انجام دے سکیں۔

بورڈ نے اپنی اور اپنے ممبران اور کمیٹیوں کی سالانہ تشخیص کیلئے گرانٹ تھورنٹن انجمن (GTAR) کی خدمات حاصل کی ہیں۔ GTAR کی پیش کردہ رپورٹ کا جائزہ لیا گیا اور اس پر بورڈ کی انسانی وسائل و معاوضہ کمیٹی اور بورڈ نے بحث کی۔

مزید یہ کہ بورڈ نے ایسی پالیسیاں تشکیل دی ہیں جو کہ بورڈ کی ذمہ داری اور کمپنی کے تمام بنیادی شعبوں کا احاطہ کرتی ہیں۔

میں بخوشی مطلع کرتا ہوں کہ بورڈ کی مجموعی کارکردگی بہترین پائی گئی۔ JSCL کے بورڈ نے کلیدی منصوبہ بندی، حکمت عملیوں کی تشکیل اور کاروباری خطرات کی نگرانی میں اعلیٰ سطح کا کردار ادا کیا اور کمپنی کے مقاصد کے حصول کو یقینی بنانے میں انتظامی ٹیم کی مربوط مشترکہ کوششوں سے کمپنی کی موثر سمت بندی میں مسلسل رہنمائی فراہم کی۔

آپ کی کمپنی کا عزم ہے کہ وسائل کے بہتر استعمال کے ذریعے طویل مدتی نمو اور کاروباری فوقیت حاصل ہو جسے متعلقین کے لئے قدر پیدا کی جاسکے۔ میں بورڈ کی مسلسل سرپرستی اور تعاون پر اور ہمارے اسٹاف کی انتھک محنت اور کمپنی کے لئے ان کے عزم پر ان کا انتہائی مشکور ہوں۔



جسٹس (ریٹائرڈ) آغا رفیق احمد خان

چیرمین

07 مارچ 2024

## چیرمین کا جائزہ

معزز حصص یافتگان،

میں جہانگیر صدیقی اینڈ کمپنی لمیٹڈ ("کمپنی" یا "JSCL") کے حصص یافتگان کو بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں بورڈ کے موثر کردار پر جائزہ پیش کرنے میں بہت خوشی محسوس کر رہا ہوں۔

شروعات میں، میں JSCL کے حصص یافتگان کو JSCL کے ذیلی ادارے جے ایس بینک لمیٹڈ ("JSBL") کے ذریعے بینک اسلامی پاکستان لمیٹڈ ("BIPL") کے حصول کی کامیابی پر مبارکباد پیش کرنا چاہتا ہوں، یہ تنوع کی طرف ہمارے سفر میں ایک اہم سنگ میل کی نشاندہی کرتا ہے۔ BIPL کا حصول جے ایس گروپ کے لیے ایک اسٹریٹجک اقدام کی نمائندگی کرتا ہے، جس سے ہمیں پاکستان کی مالیاتی خدمات کے میدان میں اپنی ساخت کو مزید مستحکم اور مضبوط بنانے میں مدد ملے گی۔

مجھے یہ اعلان کرتے ہوئے خوشی ہو رہی ہے کہ BIPL کے انضمام کے ساتھ، JSCL کے مجموعی اثاثوں کی بنیاد 1 کھرب روپے سے تجاوز کر گئی ہے۔ طاقتوں کا یہ انضمام اور مضبوطی نہ صرف ہم آہنگی پیدا کرے گا بلکہ اس میں شامل تمام شراکت داروں کے لیے بے شمار اقتصادی فوائد کی راہ بھی ہموار کرے گا۔

JSCL کے بورڈ آف ڈائریکٹرز (بورڈ) کی تشکیل کے بارے میں، میں یہاں یہ بتانا چاہوں گا کہ بورڈ مہارتوں، بنیادی صلاحیتوں، تنوع، وسیع تجربے اور علم کے مناسب مرکب کے حامل ہیں اور کمپنی اور اس کے حصص یافتگان خاص طور پر اقلیتی حصص یافتگان کے مجموعی مفادات کے تحفظ کے لئے مضبوط ادارتی نظم و ضبط کے لئے کوشاں ہیں۔ بورڈ نے اپنے اختیارات استعمال کرتے ہوئے اپنے فرائض کو سرگرمی سے انجام دیا اور کمپنی کے معاملات کو موثر اور منظم انداز میں چلایا جس میں اخلاقی قدروں، قوانین اور قواعد و ضوابط کی پاسداری کی گئی۔

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

# 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 ("the Group") and auditors' reports thereon for the year ended December 31, 2023.

## THE ECONOMY

During 1HCY2023, the domestic economy was deeply involved in a multitude of fiscal and monetary imbalances, mainly involving completion of International Monetary Fund's 9th Review of Extended Fund Facility (IMF-EFF), political instability, a fragile external account balance due to lack of meaningful capital inflows, and a rapidly growing fiscal deficit position.

Extensive measures were undertaken to ensure completion of IMF-EFF Review which involved among others, imposition of Mini-Budget introducing PKR 170 billion worth of additional taxes, enhancement in Policy Rate by 600 basis points to 22 percent, upward adjustments in energy tariffs, application of administrative management on imports, placement of market-based exchange rate mechanism, and presentation of Federal Budget 2024 in-line with IMF recommendations. The 1st and 2nd round impacts of these consolidation measures compounded by the depreciation of the Pakistani Rupee led to elevated inflation readings of 30.93 percent, during the period under review (inflation stood at 19.72 percent during the same period last year).

However, these numerous adjustments proved insufficient towards successful completion of the 9th Review of IMF-EFF, which expired on June 30, 2023. Nonetheless, these efforts proved invaluable towards materialization of a USD 3.0 billion Nine-Month Standby Agreement with the IMF (IMF-SBA), paving the way towards initial disbursement of USD 1.2 billion, under the SBA. Following Executive Board approval, the Country received USD 3.0 billion from bilateral sources as well. These disbursements helped the Country's Foreign Exchange Reserves to reach USD 12.67 billion by December 2023, representing an increase of USD 1.8 billion from the end of CY22.

Similarly, tighter management of imports (USD 57.11 billion in CY23 compared to USD 76.43 billion in CY22; a decrease of 25.27 percent) led to Current Account Surplus of USD 0.56 billion in CY23; a stark contrast to USD 12 billion Current Account Deficit recorded during the previous year. The shoring up of foreign exchange reserves, administrative actions taken in currency exchange and import markets, and a crackdown on smuggling over the Western borders during 2HCY2023 provided stability to the Pakistani Rupee, which stood at PKR 281.86/USD by the end of period under review, as compared to PKR 285.99/USD by the end of June'23. Despite these stabilization measures, the local currency depreciated by 24.48 percent (PKR 55.43/-) during CY23.

## EQUITY CAPITAL MARKETS

During the year, KSE-100 Index closed at 62,451 level; posting phenomenal growth of 54.50 percent and representing the best year for equities after CY2009. Adjusted for PKR devaluation, the KSE-100 Index improved by 24.12 percent over the year.

Materialization of Standby Agreement with IMF helped improve investor sentiment in 2HCY2023, as IMF disbursements and foreign assistance from bilateral sources improved external account position. Buoyed by these developments, the KSE-100 index touched an all-time high of 67,093 points with substantial increase in average daily value (PKR 10.07 billion as compared to PKR 6.94 billion in CY22) and traded volume (322 million shares as compared to 229 million shares). Foreign investors turned into net buyers after three years with a total investment of USD 73.51 million.

## PRINCIPAL ACTIVITIES:

JSCL is an investment company primarily focused on financial services and also makes long term investments in growing companies in Pakistan. The financial services footprint covers all sectors including asset management, conventional banking, Islamic banking, investment banking, securities brokerage and all aspects of insurance. JSCL also benefits from strategic long-term investments in various technology, infrastructural, energy and industrial sector companies.



## FINANCIAL PERFORMANCE:

### Unconsolidated Financial Statements:

The Company reported a profit after tax of PKR 291 million for the year ended December 31, 2023, compared to PKR 345 million for the year ended December 31, 2022. Overall revenues for the year have increased to PKR 1,571 million as compared to PKR 1,384 million for the year ended December 31, 2022, owing to increase in return on investment mainly due to increase in interest rates and dividend income. Operating expenses were PKR 336 million compared to PKR 288 million for the corresponding period last year, increased by 17%.

During the year, the Company has fully paid the principal and accrued interest to Term finance certificate holders on maturity. Therefore, the finance costs, have decreased to PKR 118 million as compared to PKR 246 million for the same period last year. The breakup value per share as of December 31, 2023 was PKR 33.96.

| (PKR in '000')               |                |
|------------------------------|----------------|
| Profit before taxation       | 1,097,861      |
| Less: Taxation               |                |
| - Current                    | 699,675        |
| - Prior                      | 109,268        |
| - Deferred                   | (1,896)        |
|                              | 807,047        |
| <b>Profit after taxation</b> | <b>290,814</b> |

The Basic Earnings per Share ("EPS") of the Company for 2023 is PKR 0.32 per share, whereas, the Diluted Earnings per Share is PKR 0.30 per share.

### Consolidated Financial Statements

During the year, the Group has reported an improvement in its assets base which increased to PKR 1,245,048 million as at December 31, 2023, from PKR 646,325 million as at December 31, 2022, this includes additions made to the consolidated assets from the acquisition of BankIslami Pakistan Limited by JS Bank Limited. The shareholders' equity was PKR 75,189 million as of the year end.

During the year, the Group reported a profit after tax of PKR 11,590 million for the year ended December

31, 2023, as compared to PKR 2,373 million for the year ended December 31, 2022.

Total income has increased by 86.81% over the last year mainly on account of increase in interest/profit earned and increase in gain from disposal of equity securities and government securities during the year. The administrative and other expenses have increased to PKR 37,283 million, this includes post-acquisition figures of BIPL, i.e., by 93% over the last year.

| (PKR in '000')   |                  |
|--|------------------|
| Profit before taxation   | 20,447,822       |
| Less: Taxation   |                  |
| - Current  | 9,032,083        |
| - Prior  | 76,509           |
| - Deferred   | (190,551)        |
|  | 8,918,041        |
| Profit after taxation  | 11,529,781       |
| Profit after taxation for the year from discontinued operations  | 60,114           |
| Profit for the year  | 11,589,895       |
| Less: Profit attributable to non-controlling interests           | 2,966,835        |
| <b>Profit for the year attributable to ordinary shareholders</b> | <b>8,623,060</b> |

The Basic Earnings per Share ("EPS") from continuing and discontinued operations for the year ended December 31, 2023, is PKR 9.41 per share, whereas, the Diluted Earnings per Share is PKR 8.14 per share.

## PERFORMANCE OF KEY INVESTMENTS

### JS Bank Limited (subsidiary)

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

The Bank reported a profit before tax of PKR 8,515 million (profit after tax of PKR 4,335 million) for the year ended December 31, 2023, as compared to a profit before tax of PKR 2,131 million (profit after tax of PKR 965 million) in the prior year. The Earnings per Share (EPS) stand at PKR 2.75 per share (December 31, 2022: PKR 0.74).

The Bank's revenue reported total mark-up earned of PKR 92,087 million compared to PKR 72,047 million from the corresponding period last year, i.e., an increase of 28%. Whereas, total mark-up expensed also increased to PKR 69,678 million compared to PKR 57,191 million, i.e., an increase by 22%. Therefore, Net mark-up / interest income was 51% higher than the corresponding period last year and

closed at PKR 22,409 million. Non-markup income stood at PKR 12,205 million, i.e., an increase of 130% from the corresponding period last year.

Operating expenses were PKR 23,042 million compared to PKR 16,749 million for the corresponding period last year, increased by 38%.

**Key figures are mentioned below:**

----- PKR in Million -----

|  | 2023    | 2022    | Growth /<br>(Decline) |
|--|---------|---------|-----------------------|
| Deposits                                     | 486,283 | 464,132 | 5%                    |
| Total Assets                                 | 589,432 | 616,715 | (4)%                  |
| Investments – net                            | 287,479 | 303,465 | (5)%                  |
| Advances – net                               | 203,727 | 231,101 | (12)%                 |
| Net mark-up/ interest income                 | 22,409  | 14,856  | 51%                   |
| Profit before tax                            | 8,515   | 2,131   | 300%                  |
| Profit after tax                             | 4,335   | 965     | 349%                  |
| Earnings Per Share (Basic and Diluted) – PKR | 2.75    | 0.74    | 272%                  |

**BankIslami Pakistan Limited (Sub-Subsidiary) \***

BankIslami Pakistan Limited ("BIPL") was incorporated in Pakistan as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah. The Bank is principally engaged in corporate, commercial, consumer, and retail banking and investment activities.

BIPL's revenue reported total mark-up earned of PKR 92,756 million compared to PKR 46,345 million from the

corresponding period last year, i.e., an increase of 100%. Whereas, total mark-up expensed also increased to PKR 52,573 million compared to PKR 25,943 million, i.e., an increase by 103%. Therefore, Net mark-up /spread income was 97% higher than the corresponding period last year and closed at PKR 40,184 million. Non-markup income stood at PKR 3,311 million, i.e., a decrease of 8% from the corresponding period last year.

Operating expenses were PKR 16,160 million compared to PKR 11,773 million for the corresponding period last year, increased by 37%.

**Key figures are mentioned below:**

----- PKR in Million -----

|  | 2023    | 2022    | Growth /<br>(Decline) |
|--|---------|---------|-----------------------|
| Deposits                                     | 522,541 | 415,912 | 26%                   |
| Total Assets                                 | 654,866 | 487,239 | 34%                   |
| Investments – net                            | 314,084 | 179,741 | 75%                   |
| Financing and related assets – net           | 230,194 | 201,328 | 14%                   |
| Net mark-up/ spread income                   | 40,184  | 20,402  | 97%                   |
| Profit before tax                            | 20,523  | 8,228   | 149%                  |
| Profit after tax                             | 11,045  | 4,444   | 149%                  |
| Earnings Per Share (Basic and Diluted) – PKR | 9.9622  | 4.0043  | 149%                  |

\*The acquisition transaction of BIPL by JSBL was completed during the year. Accordingly, BIPL is consolidated as a subsidiary in the consolidated financial statements of the Company as of December 31, 2023. Further, the Consolidated Profit or Loss Account of the Group includes post-acquisition share of BIPL's results.



### 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 shares brokerage, money market brokerage, forex brokerage, commodity brokerage, advisory, underwriting, book running and consultancy services.

JSGCL posted a profit after tax of PKR 187 million for the year ended December 31, 2023, as compared to PKR 76 million during the year ended December 31, 2022. The operating revenue increased to PKR 762 million i.e., an increase of 58% as compared to prior year, mainly due to increase in brokerage income by 57% as market sentiment improved following the IMF announcement which led to improved activity at the bourse. Further, administrative and operating expenses of JSGCL have increased by 28% for the year, resulting in total administrative and operating expenses of PKR 901 million.

### JS Investments Limited (Sub-Subsidiary)

JS Investments Limited (“JSIL”) 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. JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from SECP.

JSIL reported a profit after tax of PKR 310.02 million during the year ended December 31, 2023, as compared to loss after tax of PKR 149.05 million for the year ended December 31, 2022. The assets under management were PKR 87.23 billion for the year ended December 31, 2023.

### INVESTING ACTIVITIES

During the year 2023, the Company invested PKR 521 million in other long-term investments. Further, in order to meet working capital requirements, the Company disinvested its various equity investments having aggregate fair value amounting to PKR 5,825 million.

The Company, pursuant to receipt of all requisite corporate and regulatory approvals, subscribed 165,462,245 Right Shares as per its entitlement at par

value of Rs. 10/- and additional 54,715,645 Right Shares which remained unsubscribed by the general public shareholders of JS Bank Limited (“JSBL”).

Furthermore, pursuant to Share Purchase Agreement (“SPA”) signed between JSCL and JSBL and after obtention of all corporate and regulatory approvals, the Company transferred its total shareholding in BIPL to JSBL against fresh issue of JSBL’s ordinary shares in the specified ratio. The investment in shares of BIPL had a fair value amounting to PKR 5,444 million as per SPA on the date of transfer to JSBL.

Accordingly, the resultant takeover process of BIPL by JSBL was completed and BIPL is consolidated as a subsidiary in the consolidated financial statements of the Company as of December 31, 2023.

### FINANCING ACTIVITIES DURING THE YEAR:

During the year under review, the outstanding Term Finance Certificates (“TFCs”) have matured. Accordingly, the Company fully paid PKR 939 million, including accrued interest, on account of final repayment to TFC holders.

### DISTRIBUTION

#### 1. To Preference Shareholders

The preference shareholders, as per the term sheet of the preference shares, are entitled to a fixed cumulative dividend of 6% per annum. Therefore, the Board has recommended the same preferred dividend for the preference shareholders for the approval of the general meeting.

#### 2. To Ordinary Shareholders

During the year, the Board has declared an interim cash dividend of Rs. 0.60 per share (6%) for the Ordinary Shareholders of the Company which has already been paid.

### CONTRIBUTION TO NATIONAL EXCHEQUER:

On unconsolidated and consolidated basis, the Company and the Company along with its subsidiaries have contributed PKR 646.37 million and PKR 13,007.53 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 of Compliance to this effect along with Statutory Auditors’ Review Report thereon is 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. 170; 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, 2023, indicate that the value of investments of the fund was PKR 53 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.



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 note 32 to the unconsolidated financial statements.

## CORPORATE AFFAIRS

### The Board of Directors

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:

#### Members:

Justice (R) Agha Rafiq Ahmed Khan  
Asad Nasir  
Ali Raza Siddiqui  
Lt. Gen. (R) Javed Mahmood Bukhari  
Rehan Hassan\*  
Shahid Hussain Jatoi  
Samar Ali Shahid\*\*

Chairman, Independent Director  
Chief Executive Officer  
Non-Executive Director  
Independent Director  
Independent Director  
Non-Executive Director  
Independent Director

#### Outgoing Member:

Suleman Lalani\*\*\*

Executive Director

\* Appointed on July 03, 2023

\*\* Female Member

\*\*\* Resigned on April 04, 2023

At present, the Board comprises of six non-executive directors – out of which four are independent, and one executive director who is also the Chief Executive Officer (“CEO”) of the Company. 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 skillset, 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 2023, casual vacancy was filled by the Board through circular resolution circulated on June 27, 2023, Mr. Rehan Hassan was appointed as an Independent Director with effect from July 03, 2023 till the date of next Election of Directors.

### 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 was as follows:

| Name of Directors                  | Meetings Eligibility | Meetings Attended |
|------------------------------------|----------------------|-------------------|
| Justice (R) Agha Rafiq Ahmed Khan  | Seven                | Seven             |
| Mr. Ali Raza Siddiqui              | Seven                | Seven             |
| Lt. Gen. (R) Javed Mahmood Bukhari | Seven                | Seven             |
| Mr. Rehan Hassan**                 | Three                | Two               |
| Ms. Samar Ali Shahid               | Seven                | Six               |
| Mr. Shahid Hussain Jatoi           | Seven                | Seven             |
| Mr. Suleman Lalani*                | Three                | Three             |
| Mr. Asad Nasir                     | Seven                | Seven             |

\* Resigned on April 04, 2023

\*\* Appointed on July 03, 2023

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                          | Eligibility | Meetings Attended |
|------------------------------------|---------------------------------|-------------|-------------------|
| Lt. Gen. (R) Javed Mahmood Bukhari | Chairman – Independent Director | Five        | Five              |
| Mr. Ali Raza Siddiqui              | Non-Executive Director          | Five        | Five              |
| Mr. Shahid Hussain Jatoi           | Non-Executive Director          | Five        | Five              |

#### HR & Remuneration Committee

| Name of Directors     | Status                            | Eligibility | Meetings Attended |
|-----------------------|-----------------------------------|-------------|-------------------|
| Ms. Samar Ali Shahid  | Chairperson- Independent Director | Two         | Two               |
| Mr. Ali Raza Siddiqui | Non-Executive Director            | Two         | Two               |
| Mr. Asad Nasir        | Chief Executive Officer           | Two         | Two               |

#### Executive Committee

| Name of Directors        | Status                            | Eligibility | Meetings Attended |
|--------------------------|-----------------------------------|-------------|-------------------|
| Mr. Ali Raza Siddiqui    | Chairman - Non-Executive Director | One         | One               |
| Mr. Shahid Hussain Jatoi | Non-Executive Director            | One         | One               |
| Mr. Asad Nasir           | Chief Executive Officer           | One         | One               |



### Director's Training Program

Mr. Ali Raza Siddiqui, Lt. Gen. (R) Javed Mahmood Bukhari, and Mr. Asad Nasir are certified from Pakistan Institute of Corporate Governance ("PICG"), whereas, Mr. Shahid Hussain Jatoi is certified from the Institute of Chartered Accountants of Pakistan.

Further during the year 2023, Ms. Samar Ali Shahid has obtained certification of Director's Training Program from PICG.

### 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. The non-executive Directors, including Independent Directors, are entitled to PKR 200,000/- per meeting as Director's fee and the Chairman of the Board is entitled to PKR 50,000/- per meeting for services as Chairman of the Board in addition to Director's fee. Directors are also entitled to be paid travelling, hotel and other expenses incurred by them to attend the meetings.

Further, the Executive Directors' remuneration, including the Chief Executive Officer's remuneration, has been duly fixed by the Board. For detailed breakdown, please refer to note 31 to the Unconsolidated Financial Statements and note 52 to the Consolidated Financial Statements.

### Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the performance evaluation of Board was conducted by the Grant Thornton Anjum Rahman, Chartered Accountants, a member firm of Grant Thornton International).

### RELATED PARTY TRANSACTIONS

Related party transactions are disclosed at note 30 to the unconsolidated financial statements and note 51

to the consolidated financial statements for the year ended December 31, 2023.

### CORPORATE SOCIAL RESPONSIBILITY

The operations of the Company do not generate significant environmental 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. During the year, the Company has made a contribution of PKR 5 million in these financial statements towards its CSR initiative 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 Chief Operating Officer, Mr. Najmul Hoda Khan, is an honorary trustee in Future Trust.

### CREDIT RATING

The Pakistan Credit Rating Agency ("PACRA") has maintained a long-term credit rating of AA (Double A) and short-term rating of A1+ (A one plus) for the Company.

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, KPMG Taseer Hadi & Co., Chartered Accountants, ("KPMG"), being retired offer themselves for reappointment.

KPMG 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 KPMG Taseer Hadi & Co., Chartered Accountants for the year ending December 31, 2024, 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, 2023, is annexed to this report.

## **FUTURE OUTLOOK**

After conclusion of General Elections, held on February 08, 2024, and successful formation of a democratic political government, the newly elected economic leadership shall be responsible for successful completion of the second review of IMF-SBA, which shall unlock final tranche of USD 1.1 billion and conclude the SBA on a positive note. Moreover, taking into account the fragile external account position, it is expected that the country shall enter into another medium to long term IMF program to alleviate external account concerns and to solidify structural reforms undertaken during the interim setup.

Receding inflationary pressure is expected to prove to be a major trigger for the commencement of monetary easing in 2HCY2024. Although, with the expected initialization of a fresh IMF program, inflationary concerns could resurface as the new program is expected to focus on fiscal consolidation that shall dampen purchasing power on account of curtailed public sector demand and the necessity of additional taxation measures. Furthermore, stability of exchange rate and other exogenous variables (oil and commodity prices, global conflicts, and precarious foreign relations) are also vital for a smooth road to economic recovery.

Significant efforts to impose and administer fiscal and structural reforms to tackle socioeconomic challenges and sustenance of fiscal and monetary disciplinary measures are required to be prioritized, and if, otherwise, not materially implemented and enforced shall continue to hinder sustainable economic growth in all shapes and forms including periodic economic shocks.

The Company's investments in banking, insurance, technology, textile, and chemicals are resilient enough to withstand and successfully navigate through any necessary adjustment process as implemented by the government, contributing positively towards Pakistan's economy and Shareholders' value.

## **ACKNOWLEDGEMENT**

The Directors greatly value the continued support and patronage of our clients and business partners. We also 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**



**Shahid Hussain Jatoi**  
Director



**Asad Nasir**  
Chief Executive Officer

Karachi: March 07, 2024

سماجی و اقتصادی چیلنجوں سے نمٹنے اور مالیاتی اور مالیاتی نظم و ضبط کو برقرار رکھنے کے لیے مالیاتی اور ساختی اصلاحات نافذ کرنے اور ان کے انتظام کے لیے اہم کوششیں ضروری ہیں۔ ان اصلاحات کو ترجیح دینا بہت ضروری ہے، اور ان کو مؤثر طریقے سے نافذ کرنے اور نافذ کرنے میں ناکامی پائیدار اقتصادی ترقی کی راہ میں رکاوٹ بنے گی اور معیشت کو وقتاً فوقتاً معاشی مسائل سے دوچار کر دے گی۔

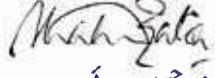
بینکنگ، انشورنس، ٹیکنالوجی، ٹیکسٹائل اور کیمیکل کے شعبوں میں کمپنی کی سرمایہ کاری اتنی مضبوط ہے کہ حکومت کی طرف سے نافذ کردہ کسی بھی ضروری ایڈجسٹمنٹ کے عمل کو برداشت کرنے اور کامیابی کے بہتر سمت کا تعین کر سکتی ہے۔ توقع ہے کہ یہ سرمایہ کاری پاکستان کی معیشت میں مثبت کردار ادا کرے گی اور حصص یافتگان کی قدر میں اضافہ کرے گی۔

### قدر شناسی:

ڈائریکٹرز اپنے کلائنٹس اور کاروباری شراکت داروں کے مسلسل تعاون اور سرپرستی کی انتہائی قدر کرتے ہیں۔ ہم اپنے ملازمین اور انتظامیہ کے عزم اور انتھک محنت اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی کیپیٹل مارکیٹس کو مستحکم کرنے، اچھے ادارتی نظم و ضبط پر رہنمائی فراہم کرنے اور سرمایہ کاروں کے حقوق کے تحفظ کے لئے دیگر اقدامات کرنے پر داد و تحسین پیش کرتے ہیں۔

برائے و منجانب بورڈ آف ڈائریکٹرز

  
اسد ناصر  
چیف ایگزیکٹو آفیسر

  
شاہد حسین چٹوٹی  
ڈائریکٹر

کراچی: 07 مارچ 2024

## آڈیٹرز:

موجودہ آڈیٹرز، KPMG تاثیر بادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس (KPMG) سبکدوش ہو چکے ہیں جنہوں نے اپنی دوبارہ تقرری کی پیشکش کی ہے۔

انہوں نے تصدیق کی ہے کہ وہ انٹرنیشنل فیڈریشن آف اکاؤنٹنٹس کے ضابطہ اخلاق کے رہنما اصولوں کے مکمل پاسدار ہیں جسے انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان (ICAP) نے اختیار کیا ہے اور انہیں ICAP کے کوالٹی کنٹرول ریویو پروگرام میں تسلی بخش ریٹنگ حاصل ہے۔

بورڈ کی آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے KPMG تاثیر بادی اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی سال 31 دسمبر 2024 کے لئے انتظامیہ کے طے کردہ معاوضہ پر تقرری کی سفارش کی ہے جس کی منظوری آنے والے سالانہ اجلاس عام میں لی جائے گی۔

## طرز حصص داری:

31 دسمبر 2023 کو کمپنی کی طرز حصص داری کی ساخت رپورٹ کے ساتھ منسلک ہے۔

## مستقبل کے امکانات:

08 فروری 2024 کو ہونے والے عام انتخابات کے اختتام اور ایک جمہوری سیاسی حکومت کی کامیاب تشکیل کے بعد، منتخب اقتصادی قیادت IMF-SBA کے دوسرے جائزے کی کامیابی کی تکمیل کی ذمہ دار ہوگی، یہ تکمیل 1.1 بلین امریکی ڈالر کی آخری قسط کو کھول دے گی اور SBA کو ایک مثبت نوٹ پر ختم کرے گی۔ مزید برآں، بیرونی کھاتوں کی نازک حالت پر غور کرتے ہوئے، یہ توقع کی جاتی ہے کہ ملک بیرونی کھاتوں کے خدشات کو دور کرنے اور عبوری سیٹ اپ کے دوران کی گئی ساختی اصلاحات کو مستحکم کرنے کے لیے ایک اور درمیانی سے طویل مدتی IMF پروگرام میں داخل ہوگا۔

توقع ہے کہ افراط زر کے دباؤ میں کمی سال 2024 کی دوسری ششماہی میں مالیاتی نرمی کے آغاز کے لیے ایک اہم محرک کے طور پر کام کرے گی۔ تاہم، نئے IMF پروگرام کے متوقع آغاز کے ساتھ، افراط زر کے خدشات دوبارہ سراٹھا سکتے ہیں، نئے پروگرام میں مالیاتی استحکام پر توجہ مرکوز کرنے کی توقع ہے، جو پبلک سیلٹر کی طلب میں کمی اور ٹیکس کے اضافی اقدامات کی ضرورت کی وجہ سے قوت خرید کو کم کر سکتا ہے۔ مزید برآں، شرح مبادلہ کا استحکام اور دیگر خارجی متغیرات جیسے تیل اور اجناس کی قیمتیں، عالمی تنازعات، اور غیر یقینی خارجی تعلقات بھی اقتصادی بحالی کے لیے ایک ہموار راستے کو یقینی بنانے کے لیے اہم ہیں۔

مزید برآں، چیف ایگزیکٹو آفیسر سمیت ایگزیکٹو ڈائریکٹرز کا معاوضہ بورڈ کی طرف سے مقرر کیا گیا ہے۔ تفصیلی معلومات کے لیے، براہ کرم انفرادی مالیاتی گوشواروں کا نوٹ 31 اور مجموعی مالیاتی گوشواروں کا نوٹ 52 ملاحظہ کریں۔

### بورڈ کی تخصیص:

لسڈ کمپینرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی پاسداری کرتے ہوئے بورڈ کی کارکردگی کی تخصیص گرانٹ تھورنٹن انجمن رحمن، چارٹرڈ اکاؤنٹنٹس نے کی جو کہ گرانٹ تھورنٹن انٹرنیشنل کی ایک ممبر فرم ہے۔

### ماحقہ فریقین کے ساتھ سودے

ماحقہ فریقین کے ساتھ سودے سال ختمہ 31 دسمبر 2023 کے انفرادی مالیاتی گوشواروں کے نوٹ 30 اور مجموعی مالیاتی گوشواروں کے نوٹ 51 میں منکشف کئے گئے ہیں۔

### اداراتی سماجی ذمہ داری:

کمپنی کے کاروباری عمل سے کوئی قابل ذکر ماحولیاتی اثرات مرتب نہیں ہوتے تاہم جن کمپنیوں میں سرمایہ کاری کی گئی ہے وہ جس انداز سے کام کرتی ہیں وہ ماحولیات کے لئے خطرہ ہو سکتی ہیں۔

کمپنی ایک ذمہ دار اداراتی شہری کی حیثیت سے باقاعدگی سے پسماندہ لوگوں کی بہبود میں معاونت کرتی ہے۔ سال کے دوران کمپنی نے اپنے CSR ذمہ داری کے تحت ان مالیاتی گوشواروں میں 5 ملین روپے کا عطیہ فیوچر ٹرسٹ کو دیا ہے۔

فیوچر ٹرسٹ (ٹرسٹ) ایک غیر منافع بخش رفاہی ادارہ ہے، ایک خیراتی ٹرسٹ جو کہ ٹرسٹ ایکٹ کے تحت قائم ہوا جس کا مقصد تعلیم، صحت و طبی نگہداشت، بحالی، تحفظ کو پروانا چڑھانا، ترقی دینا اور حوصلہ افزائی کرنا ہے اور ماحولیات میں بہتری، مائیکروفنانس، غربت کے خلاف ریلیف اور پاکستان کے لوگوں کی سماجی معاشی حالت اور معیار زندگی میں عمومی بہتری لانا ہے۔ JSCL کے چیف آپریٹنگ آفیسر جناب نجم الہدیٰ خان فیوچر ٹرسٹ کے ایک ٹرسٹی ہیں۔

### کریڈٹ ریٹنگ:

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے کمپنی کے لئے طویل مدتی کریڈٹ ریٹنگ AA (ڈبل A) اور مختصر مدتی ریٹنگ A1+ (اے ون پلس) پر برقرار رکھی ہے۔

ان ریٹنگز سے کریڈٹ رسک میں نقصان کی انتہائی کم توقع، مالیاتی وعدوں کی بروقت ادائیگی کی مضبوط صلاحیت اور خطرات کو جذب کرنے کی مستحکم گنجائش کی عکاسی ہوتی ہے۔

## انسانی وسائل اور معاوضے کی کمیٹی:

| ڈائریکٹرز کے نام    | موجودہ حیثیت              | میٹنگ میں شرکت کی اہلیت | میٹنگ میں شرکت |
|---------------------|---------------------------|-------------------------|----------------|
| محترمہ ثمر علی شاہد | چیئر پرسن - آزاد ڈائریکٹر | دو                      | دو             |
| جناب علی رضا صدیقی  | غیر ایگزیکٹو ڈائریکٹر     | دو                      | دو             |
| جناب اسد ناصر       | چیف ایگزیکٹو آفیسر        | دو                      | دو             |

## انسانی وسائل اور معاوضے کی کمیٹی:

| ڈائریکٹرز کے نام     | موجودہ حیثیت                     | میٹنگ میں شرکت کی اہلیت | میٹنگ میں شرکت |
|----------------------|----------------------------------|-------------------------|----------------|
| جناب علی رضا صدیقی   | چیئر مین - غیر ایگزیکٹو ڈائریکٹر | ایک                     | ایک            |
| جناب شاہد حسین چٹوٹی | غیر ایگزیکٹو ڈائریکٹر            | ایک                     | ایک            |
| جناب اسد ناصر        | چیف ایگزیکٹو آفیسر               | ایک                     | ایک            |

## ڈائریکٹرز ٹریننگ پروگرام:

جناب علی رضا صدیقی، لیفٹیننٹ جنرل (ریٹائرڈ) جاوید محمود بخاری اور جناب اسد ناصر پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) سے سند یافتہ ہیں جبکہ جناب شاہد حسین چٹوٹی انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس آف پاکستان سے سند یافتہ ہیں۔

مزید یہ کہ سال 2023 کے دوران، محترمہ ثمر علی شاہد نے PICG سے ڈائریکٹرز ٹریننگ پروگرام کی سند حاصل کی۔

## ڈائریکٹرز کی معاوضہ پالیسی

قانون کے مطابق بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کے معاوضے کی پالیسی کی منظوری دی ہے۔ ڈائریکٹرز جن میں چیئر مین، چیف ایگزیکٹو، نان ایگزیکٹو ڈائریکٹرز اور خود مختار ڈائریکٹرز شامل ہیں کا معاوضہ بورڈ کی طرف سے منظور شدہ پالیسی کے مطابق مقرر کیا گیا۔ غیر ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز، ڈائریکٹرز کی فیس کے طور پر فی اجلاس 200,000 روپے کے حقدار ہیں۔ مزید برآں، بورڈ کے چیئر مین ڈائریکٹرز کی فیس کے علاوہ، بورڈ کے چیئر مین کے طور پر خدمات کے لیے 50,000 فی اجلاس کے حقدار ہیں۔ ڈائریکٹرز سفر، ہوٹل اور اجلاسوں میں شرکت کے لیے کیے گئے دیگر اخراجات کی ادائیگی کے حقدار ہیں۔

## بورڈ کے اجلاس:

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

| ڈائریکٹرز کے نام                          | میٹنگ میں شرکت کی اہلیت | میٹنگ میں شرکت |
|---|-------------------------|----------------|
| جسٹس (ریٹائرڈ) آغا رفیق احمد خان          | سات                     | سات            |
| جناب علی رضا صدیقی                        | سات                     | سات            |
| لیفٹیننٹ جنرل (ریٹائرڈ) جاوید محمود بخاری | سات                     | سات            |
| جناب ریحان حسن **                         | تین                     | دو             |
| محترمہ شمر علی شاہد                       | سات                     | چھ             |
| جناب شاہد حسین جتوئی                      | سات                     | سات            |
| جناب سلیمان لالانی *                      | تین                     | تین            |
| جناب اسد ناصر                             | سات                     | سات            |

\* 104 اپریل 2023 کو مستعفی ہوئے۔

\*\* 03 جولائی 2023 کو تقرر ہوا۔

جیسا کہ کارپوریٹ کلینڈر میں بتایا گیا ہے کہ بورڈ کی ذیلی کمیٹیوں کی تشکیل اور اجلاس میں ڈائریکٹرز کی حاضری درج ذیل ہے:

## آڈٹ کمیٹی:

| ڈائریکٹرز کے نام                          | موجودہ حیثیت                     | میٹنگ میں شرکت کی اہلیت | میٹنگ میں شرکت |
|---|----------------------------------|-------------------------|----------------|
| لیفٹیننٹ جنرل (ریٹائرڈ) جاوید محمود بخاری | چیئر مین - غیر ایگزیکٹو ڈائریکٹر | پانچ                    | پانچ           |
| جناب علی رضا صدیقی                        | غیر ایگزیکٹو ڈائریکٹر            | پانچ                    | پانچ           |
| جناب شاہد حسین جتوئی                      | غیر ایگزیکٹو ڈائریکٹر            | پانچ                    | پانچ           |

خدمات انجام دیں:

### ممبران

|                         |   |
|-------------------------|---|
| چیئر مین، آزاد ڈائریکٹر | جسٹس (ریٹائرڈ) آغا رفیق احمد خان          |
| چیف ایگزیکٹو آفیسر      | اسد ناصر                                  |
| غیر ایگزیکٹو ڈائریکٹر   | علی رضا صدیقی                             |
| آزاد ڈائریکٹر           | لیفٹیننٹ جنرل (ریٹائرڈ) جاوید محمود بخاری |
| آزاد ڈائریکٹر           | ریحان حسن*                                |
| غیر ایگزیکٹو ڈائریکٹر   | شاہد حسین چٹوٹی                           |
| آزاد ڈائریکٹر           | شمر علی شاہد**                            |

### سبکدوش ہونے والے ممبر:

|                   |                                   |
|-------------------|-----------------------------------|
| ایگزیکٹو ڈائریکٹر | سلیمان لالانی***                  |
|                   | * 03 جولائی 2023 کو تفر رہوا۔     |
|                   | ** خاتون ممبر۔                    |
|                   | *** 10 اپریل 2023 کو مستعفی ہوئے۔ |

موجودہ بورڈ چھ غیر ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں چار آزاد اور ایک ایگزیکٹو ڈائریکٹر بشمول کمپنی کے چیف ایگزیکٹو آفیسر (CEO) شامل ہیں۔ 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 میں وہ ڈائریکٹرز بہت اہم ہیں جو مختلف جغرافیائی ثقافتی ماحول سے حاصل کردہ مہارت میں تنوع، صلاحیت اور تجربہ رکھتے ہیں۔

ضابطہ اور نظم و ضبط کے بہترین طور طریقوں کے مطابق چیئر مین اور چیف ایگزیکٹو آفیسر کے عہدے علیحدہ علیحدہ ہیں۔

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

بورڈ میں عارضی اسامی:

سال 2023 کے دوران، بورڈ نے 27 جون 2023 کو سرکلر قرار داد کے ذریعے بورڈ کی جانب سے عارضی آسامی کو پُر کیا اور ڈائریکٹرز کے اگلے انتخابات کی تاریخ تک جناب ریحان حسن کا بطور آزاد ڈائریکٹر تقرر کیا۔

## مالیاتی ذمہ داری اور خطرات کے انتظام سے متعلق انتظامیہ کا اظہار:

کمپنی کی انتظامیہ مالیاتی گوشواروں اور سالانہ رپورٹ میں ملحقہ نوٹس کی تیاری کی ذمہ دار ہے۔

یہ مالی گوشوارے اور نوٹس منظور شدہ اکاؤنٹنگ معیارات جو پاکستان میں لاگو ہیں، ان کو ملحوظ خاطر رکھتے ہوئے تیار کئے گئے ہیں۔ دیگر مالیاتی اعداد و شمار جو کہ سالانہ رپورٹ میں شامل کئے گئے ہیں وہ مالیاتی گوشواروں کے اعداد و شمار سے مطابقت رکھتے ہیں۔

کمپنی کی اکاؤنٹنگ پالیسیاں رپورٹ کئے گئے نتائج کو سمجھنے کے لئے لازمی ہیں۔ اکاؤنٹنگ پالیسیوں کی تفصیل سے وضاحت مالیاتی گوشواروں میں کی گئی ہے۔ اثاثوں اور واجبات کی مالیت کی تشخیص کے لئے کمپنی کی انتہائی پیچیدہ اکاؤنٹنگ پالیسیوں کو انتظامیہ کے فیصلوں کی ضرورت ہوتی ہے۔ کمپنی نے مفصل پالیسیاں اور کنٹرول کے طریقہ کار وضع کئے ہیں تاکہ اثاثوں کی مالیت کے تعین کے طریقہ کار شفاف، اچھے منضبط اور تسلسل سے لاگو ہو سکیں۔

بورڈ آف ڈائریکٹرز نے اندرونی مالیاتی کنٹرول کا مضبوط نظام قائم کیا ہے تاکہ کاروباری افعال میں اثر پذیری اور استعداد، قابل اعتماد مالیاتی رپورٹنگ اور لاگو قوانین و ضوابط کی پاسداری ہو سکے۔ بورڈ آف ڈائریکٹرز کی آڈٹ کمیٹی کمپنی کے مالیاتی گوشواروں، کنٹرول کے نظام کی سالمیت اور خود مختاری اور اس کے اندرونی اور بیرونی آڈیٹرز کی کارکردگی کی نگرانی کرتی ہے۔ کمپنی کا آزاد آڈٹ سروس اندرونی آڈٹ فنکشن باقاعدگی سے مالیاتی کنٹرول کے نفاذ کی نگرانی کرتا ہے۔

JSCL کا مالیاتی استحکام ملک میں کیپیٹل مارکیٹ کی کارکردگی سے جڑا ہوا ہے جو کہ پاکستان کے مجموعی معاشی اور سیاسی ماحول پر اثر انداز ہوتا ہے۔ عالمی معاشی کارکردگی، جغرافیائی سیاسی ماحول، اشیائے صرف کی قیمتیں اور مبادلہ کے نرخ میں اونچ نیچ بھی کیپیٹل مارکیٹ کی کارکردگی پر اثر انداز ہوتی ہے اور اس طرح JSCL کی منافع کاری پر بھی۔ خطرات کے انتظام پر بحث کا تفصیلی طور پر انفرادی مالیاتی گوشواروں کے نوٹ 32 میں احاطہ کیا گیا ہے۔

## کارپوریٹ معاملات:

### بورڈ آف ڈائریکٹرز

بورڈ آف ڈائریکٹرز کے موجودہ ممبران کے نام کمپنی کی معلومات کے صفحے پر دیئے گئے ہیں۔ دوران سال بورڈ میں درج ذیل ڈائریکٹرز نے

## ادارتی نظم و ضبط اور مالیاتی رپورٹنگ کا فریم ورک

کمپنی کے ڈائریکٹرز اچھے نظم و ضبط کے گوشاں ہیں اور تصدیق کرتے ہیں کہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کے نافذ کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 (CCG) کی درج ذیل میں پاسداری کی گئی ہے:

- ☆ یہ مالیاتی گوشوارے کمپنی کے معاملات، اس کے کاروباری نتائج، کیش فلوا اور ایکویٹی میں تبدیلیوں کو شفافیت کے ساتھ پیش کرتے ہیں۔
- ☆ کمپنی کے حسابات کی کتابیں مناسب انداز میں رکھی گئی ہیں۔
- ☆ مناسب اکاؤنٹنگ پالیسیوں جیسا کہ اکاؤنٹس کے نوٹس میں بیان کیا گیا ہے مالی بیانات کی تیاری میں مستقل طور پر لاگو کیا گیا ہے سوائے موجودہ بین الاقوامی مالیاتی رپورٹنگ کے معیارات (IFRSs) میں ان ترامیم کے جو سال کے دوران مؤثر ہوئیں اور نئے IFRSs، اگر کوئی ہیں، کو اپنایا گیا ہے جو مقامی طور پر SECP کی جانب سے نافذ العمل کئے گئے ہیں۔ حسابی تخمینے معقول اور دانشمندانہ فیصلے پر مبنی ہوتے ہیں۔
- ☆ مالیاتی گوشواروں کی تیاری میں IFRSs جو پاکستان میں لاگو ہیں اور کمپنیز ایکٹ 2017 کو ملحوظ خاطر رکھا گیا ہے، جن کی وضاحت مالیاتی گوشواروں کے ساتھ منسلک نوٹس میں کی گئی ہیں۔
- ☆ اندرونی نگرانی کا نظام مضبوط ہے اور مؤثر انداز میں نافذ العمل ہے اور اس کی نگرانی کی جاتی ہے۔ اندرونی آڈٹ کی ذمہ داری بیرونی طور پر میسرز گرانٹ تھورنٹن انجم رحمن، چارٹرڈ اکاؤنٹنٹس کو دی گئی ہے (رکن فرم گرانٹ تھورنٹن انٹرنیشنل کی ایک ممبر فرم ہے)۔
- ☆ SECP کے مرتب کردہ لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کو کمپنی نے اختیار کیا ہے اور ان کی باضابطہ پاسداری کی جاتی ہے۔ اس سلسلے میں پاسداری کا بیان بمع آڈیٹرز کی جائزہ رپورٹ سالانہ رپورٹ کے ساتھ فراہم کی گئی ہے۔
- ☆ کمپنی مالیاتی طور پر مستحکم ہے اور چلتا ہوا ادارہ ہے۔
- ☆ CCG میں دیئے گئے ادارتی نظم و ضبط کے بہترین طور طریقوں سے کوئی بھی بڑا انحراف نہیں کیا گیا۔
- ☆ ٹیکسوں، ڈیوٹیوں، محصولات اور اخراجات کی مد میں ادائیگی واجب الادا نہیں تھی سوائے جنہیں مالیاتی گوشواروں میں ظاہر کیا گیا ہے۔
- ☆ گذشتہ چھ سالوں کے مختصراً ہم کاروباری اور مالیاتی اعداد و شمار صفحہ نمبر 170 پر شامل کئے گئے ہیں۔
- ☆ کمپنی ایک منظور شدہ معاہدتی پروویڈنٹ فنڈ اسکیم اپنے تمام اہل ملازمین کے لئے رکھتی ہے۔ ان کے سالانہ تختمہ 30 جون 2023 آڈٹ شدہ مالیاتی گوشواروں سے ظاہر ہوتا ہے کہ فنڈ سے کی گئی سرمایہ کاریوں کی مالیت 53 ملین روپے ہے۔

کمپنی نے تمام ضروری کارپوریٹ اور ریگولیٹری منظور یوں کی وصولی کے بعد، 10 روپے کی مساوی قیمت پر 165,462,245 رائٹ شیئرز اور اس کے علاوہ 54,715,645 رائٹ شیئرز جو بے ایس بینک لمیٹڈ (JSBL) کے عام پبلک حصص یافتگان کے ذریعہ سبسکرائب نہیں کیے گئے تھے کو سبسکرائب کیا۔

مزید برآں، JSCL اور JSBL کے درمیان دستخط شدہ حصص کی خریداری کے معاہدے ("SPA") کے مطابق، اور تمام کارپوریٹ اور ریگولیٹری منظور یوں حاصل کرنے کے بعد، کمپنی نے BIPL میں اپنی کل شیئر ہولڈنگ JSBL کو مخصوص تناسب میں JSBL کے عام حصص کے تازہ اجراء کے سلسلے میں منتقل کر دی۔ JSBL کو منتقلی کی تاریخ پر SPA کے مطابق BIPL کے حصص میں سرمایہ کاری کی مناسب قیمت 5,444 ملین روپے تھی۔

چنانچہ JSBL کے ذریعے BIPL کے حصول کا عمل مکمل ہو گیا، اور BIPL کو 31 دسمبر 2023 تک کمپنی کے مالیاتی گوشواروں میں ایک ذیلی ادارے کے طور پر شامل کیا گیا ہے۔

### دوران سال مالی سرگرمیاں:

زیر جائزہ سال کے دوران کمپنی نے بقایا TFCs اور قرضہ کی ادائیگی کی مد میں 939 ملین روپے کی ادائیگی کی ہے۔

### منافع کی تقسیم:

#### ۱۔ ترجیحی حصص یافتگان کیلئے:

ترجیحی حصص یافتگان، ترجیحی حصص کی ٹرم شیٹ کے مطابق، سالانہ 6 فیصد کے ایک مقررہ مجموعی منافع کے حقدار ہیں۔ لہذا بورڈ نے اجلاس عام کی منظوری کے لیے ترجیحی حصص یافتگان کے لیے وہی ترجیحی منافع تجویز کیا ہے۔

#### ۲۔ عام حصص یافتگان کیلئے:

دوران سال، بورڈ نے کمپنی کے عام حصص یافتگان کے لیے 0.60 روپے فی حصص (6 فیصد) کے عبوری نقد منافع کا اعلان کیا تھا جو کہ ادا کیا جا چکا ہے۔

### قومی خزانے کو ادائیگی:

مجموعی اور انفرادی بنیاد پر کمپنی بمع اس کی ذیلی کمپنیوں نے مختلف وفاقی اور صوبائی سرکاری محصولات بشمول انکم ٹیکس اور سیلز ٹیکس کی مد میں بالترتیب 646.37 ملین روپے اور 13,007.53 ملین روپے کی ادائیگی کی ہے۔

\*JSBL کے ذریعہ BIPL کا حصول سال کے دوران مکمل ہوا۔ نتیجتاً، BIPL کو 31 دسمبر 2023 تک کمپنی کے مجموعی مالیاتی گوشواروں میں ایک ذیلی ادارے کے طور پر شامل کیا گیا ہے۔ مزید برآں، گروپ کے مجموعی منافع یا خسارہ کے اکاؤنٹ میں BIPL کے نتائج کے حصول کے بعد کے نتائج کا حصہ شامل ہے۔

### جے ایس گلوبل کیپیٹل لمیٹڈ (ذیلی ادارہ)

جے ایس گلوبل کیپیٹل لمیٹڈ (JSGCL) پاکستان اسٹاک ایکسچینج لمیٹڈ (PSX) کی ایک ٹریڈنگ رائٹ انٹرنیشنل سٹریٹجیکس (TREC) ہولڈر اور پاکستان مرکٹس لمیٹڈ (PMEX) کی ممبر ہے۔ کمپنی کی بنیادی سرگرمیاں حصص کی بروکریج، منی مارکیٹ بروکریج، فوریکس بروکریج، اشیائے صرف کی بروکریج، مشاورت، ذمہ نویسی، بک رنگ اور مشاورت خدمات پر مشتمل ہیں۔

جے ایس گلوبل کیپیٹل لمیٹڈ (JSGCL) کا 31 دسمبر 2023 میں ختم ہونے والے سال کا منافع بعد از ٹیکس 187 ملین روپے رہا جبکہ 31 دسمبر 2022 کو 76 ملین روپے تھا۔ دوران سال آپریٹنگ آمدنی 762 ملین روپے تک ہو گئی یعنی گذشتہ سال کے مقابلے میں 58 فیصد کا اضافہ ہوا۔ یہ اضافہ بنیادی طور پر IMF کے اعلان کے بعد مارکیٹ میں بہتری آنے سے ہوا جو کہ بروکریج کی آمدنی میں 57 فیصد اضافے کی وجہ سے ہوا، جس کی وجہ سے اسٹاک ایکسچینج کی سرگرمیوں میں اضافہ ہوا۔ علاوہ ازیں دوران سال JSGCL کے انتظامی اور آپریٹنگ اخراجات میں 28 فیصد اضافہ ہوا، جس کے نتیجے میں 901 ملین روپے کے مجموعی انتظامی اور آپریٹنگ اخراجات ہوئے۔

### جے ایس انوسٹمنٹس لمیٹڈ (ذیلی ادارہ):

جے ایس انوسٹمنٹس لمیٹڈ (JSIL) قابل اطلاق قوانین کے تحت سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے انوسٹمنٹ ایڈوائزری، اثاثہ مینجمنٹ کمپنی اور پنشن فنڈ مینجر کے تحت لائسنس یافتہ ہے۔ JSIL نے SECP سے پرائیویٹ ایکویٹی اور وینچر کیپیٹل فنڈ مینجمنٹ سروسز لائسنس بھی حاصل کئے ہیں۔

JSIL کے 31 دسمبر 2023 کو ختم ہونے والے سال کا بعد از ٹیکس منافع 310.02 ملین روپے رہا جبکہ 31 دسمبر 2022 میں بعد از ٹیکس خسارہ 149.05 ملین روپے تھا۔ 31 دسمبر 2023 میں زیر انتظام اثاثے 87.23 ملین روپے رہے۔

### سرمایہ کاری سرگرمیاں:

سال 2023 کے دوران کمپنی نے 521 ملین روپے کی طویل مدتی سرمایہ کاری کی، جس کی منظوری بورڈ آف ڈائریکٹرز نے دی تھی۔ مزید برآں، رواں کھاتے کی ضروریات کو پورا کرنے کے لیے، کمپنی نے مختلف حصصی سرمایہ کاریوں کو فروخت کیا جن کی مجموعی لاگت 5,825 ملین روپے ہے۔



## بینک اسلامی پاکستان لمیٹڈ (ذیلی ادارہ)\*

بینک اسلامی پاکستان لمیٹڈ ("BIPL") پاکستان میں ایک پبلک لمیٹڈ کمپنی کے طور پر معرض وجود میں آیا۔ اس کا مقصد اسلامی کمرشل بینک کا کاروبار اسلامی شریعت کے اصولوں کے مطابق چلانا ہے۔

بینک بنیادی طور پر کارپوریٹ، کمرشل، کنزیومر اور ریٹیل بینکنگ کے ساتھ ساتھ سرمایہ کاری کی سرگرمیوں میں مصروف عمل ہے۔

BIPL نے گزشتہ سال کی اسی مدت میں 46,345 ملین روپے کے مقابلے میں 92,756 ملین روپے کی کل آمدنی رپورٹ کی، جو کہ 100 فیصد اضافہ ہے۔ دریں اثنا، کل مارک اپ اخراجات بھی 25,943 ملین روپے کے مقابلے میں 52,573 ملین روپے تک بڑھ گئے، جو 103 فیصد کا اضافہ ہے۔ اس کے نتیجے میں، خالص مارک اپ/اسپیڈ آمدنی گزشتہ سال کی اسی مدت کے مقابلے میں 97 فیصد زیادہ تھی، جو کہ 40,184 ملین روپے پر بند ہوئی۔ نان مارک اپ آمدنی 3,311 ملین روپے رہی جو گزشتہ سال کی اسی مدت کے مقابلے میں 8 فیصد کم ہے۔

انتظامی اخراجات 16,160 ملین روپے رہے جو کہ گزشتہ سال کی اسی مدت کے 11,773 ملین روپے کے مقابلے میں 37 فیصد زیادہ تھے۔

روپے بلین میں

اہم اعداد و شمار درج ذیل ہیں:

| شرح نمو/ (کمی) | 2022    | 2023    |                                      |
|----------------|---------|---------|--------------------------------------|
| 26%            | 415,912 | 522,541 | ڈپازٹس                               |
| 34%            | 487,239 | 654,866 | کل اثاثے                             |
| 75%            | 179,741 | 314,084 | خالص سرمایہ کاری                     |
| 14%            | 201,328 | 230,194 | فنانسنگ اور متعلقہ اثاثے۔ خالص       |
| 97%            | 20,402  | 40,184  | خالص منافع/اسپیڈ آمدنی               |
| 149%           | 8,228   | 20,523  | منافع قبل از ٹیکس                    |
| 149%           | 4,444   | 11,045  | منافع بعد از ٹیکس                    |
| 149%           | 4.0043  | 9.9622  | فی حصص آمدنی (بنیادی اور رقیقت) روپے |

اہم سرمایہ کاری کی کارکردگی:

جے ایس بینک لمیٹڈ (ذیلی بینک):

جے ایس بینک لمیٹڈ ("JSBL" یا "بینک") پاکستان میں قائم شدہ ایک شیڈولڈ بینک ہے اور تجارتی بینکنگ اور اس سے ملحقہ خدمات فراہم کرتا ہے۔

31 دسمبر 2023 کو ختم ہونے والے سال پر بینک کا قبل از ٹیکس منافع 8,515 ملین روپے (بعد از ٹیکس منافع 4,335 ملین روپے) رہا جبکہ گذشتہ سال کی اسی مدت کے دوران قبل از ٹیکس منافع 2,131 ملین روپے (بعد از ٹیکس منافع 965 ملین روپے) تھا۔ فی حصص آمدنی (EPS) 2.75 فی حصص رہی (31 دسمبر 2022 کو 0.74 روپے)۔

بینک نے کل مارک اپ آمدنی 92,087 ملین روپے حاصل کی جبکہ گذشتہ سال کی اسی مدت کی آمدنی 72,047 ملین روپے رہی جس میں 28 فیصد کا اضافہ ہوا۔ جبکہ کل مارک اپ اخراجات بھی 57,191 ملین روپے کے مقابلے میں 69,678 ملین روپے تک بڑھ گئے یعنی 22 فیصد کا اضافہ ہوا۔ لہذا گذشتہ سال کی اسی مدت کے مقابلے میں خالص مارک اپ/سودی آمدنی 51 فیصد زیادہ تھی اور 22,409 ملین روپے پر بند ہوئی۔ نان مارک اپ آمدنی 12,205 ملین روپے رہی، یعنی گذشتہ سال کی اسی مدت سے 130 فیصد زیادہ ہے۔

انتظامی اخراجات 23,042 ملین روپے رہے جو کہ گذشتہ سال کی اسی مدت کے دوران 16,749 ملین روپے تھے جس میں 38 فیصد کا اضافہ ہوا۔

روپے ملین میں

اہم اعداد و شمار درج ذیل ہیں:

| شرح نمو/ (کمی) | 2022    | 2023    |                                      |
|----------------|---------|---------|--------------------------------------|
| 5%             | 464,132 | 486,283 | ڈپازٹس                               |
| (4)%           | 616,715 | 589,432 | کل اثاثے                             |
| (5)%           | 303,465 | 287,479 | خالص سرمایہ کاری                     |
| (12)%          | 231,101 | 203,727 | خالص قرضے                            |
| 51%            | 14,856  | 22,409  | خالص منافع/ مارک اپ آمدنی            |
| 300%           | 2,131   | 8,515   | منافع قبل از ٹیکس                    |
| 349%           | 965     | 4,335   | منافع بعد از ٹیکس                    |
| 272%           | 0.74    | 2.75    | فی حصص آمدنی (بنیادی اور رقیقت) روپے |

31 دسمبر 2023 کو ختم ہونے والے سال کے دوران گروپ نے 11,590 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ 31 دسمبر 2022 کی اسی مدت کے دوران 2,373 ملین روپے تھا۔

دوران سال کل آمدنی میں گزشتہ سال سے 86.81 فیصد اضافہ ہوا ہے جس کی بنیادی وجہ سرمایہ کاری سے ہونے والی آمدنی میں اضافہ کے ساتھ ساتھ ایکویٹی سکیورٹیز کی فروخت سے حاصل ہونے والے منافع میں اضافہ ہے۔ انتظامی اور دیگر اخراجات اضافے کے ساتھ 37,283 ملین روپے ہو گئے جس میں BIPL کے حصول کے بعد کے اعداد و شمار بھی شامل ہیں، جو گزشتہ سال کے مقابلے میں 93 فیصد اضافے کی نمائندگی کرتے ہیں۔

(روپے '000 میں)

20,447,822

9,032,083

76,509

(190,551)

8,918,041

11,529,781

60,114

11,589,895

2,966,835

8,623,060

منافع قبل از ٹیکس

کٹوتی: ٹیکس

موجودہ سال

گزشتہ سال

ملتی شدہ

منافع بعد از ٹیکس

سال کیلئے منقطع آپریشنز کا بعد از ٹیکس منافع

سال کا منافع

کٹوتی: اقلیتی حصص یافتگان سے منسوب منافع

عام حصص یافتگان سے منسوب سال کا منافع

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے جاری اور منقطع افعال سے فی حصص بنیادی آمدنی ("EPS") 9.41 روپے رہی جبکہ، رفیق آمدنی فی حصص 8.14 روپے رہی۔

## مالیاتی کارکردگی:

### انفرادی مالیاتی گوشوارے:

31 دسمبر 2023 کو ختم ہونے والے سال کے لیے کمپنی نے 291 ملین روپے کا بعد از ٹیکس منافع حاصل کیا جو کہ 31 دسمبر 2022 کو ختم ہونے والے سال کے لیے 345 ملین روپے تھا۔ سال 2023 کیلئے مجموعی آمدنی 1,571 ملین روپے رہی جو کہ سال 2022 کو 1,384 ملین روپے کے مقابلے میں زیادہ تھی جس کی اہم وجہ سرمایہ کاری سے حاصل ہونے والے منافع میں اضافہ تھا، جس کی بنیادی وجہ شرح سود اور ڈیویڈنڈ کی آمدنی میں اضافہ ہے۔ عملی اور انتظامی اخراجات 336 ملین روپے رہے جو کہ گذشتہ سال کی اسی مدت کے لئے 288 ملین روپے تھے جو کہ 17 فیصد اضافے کی نمائندگی کرتا ہے۔

دوران سال، کمپنی نے ٹرم فنانس سرٹیفکیٹ ہولڈرز کو میچورٹی پر اصل اور جمع شدہ سود کی مکمل ادائیگی کی۔ نتیجے کے طور پر مالیاتی اخراجات کم ہو کر 118 ملین روپے ہو گئے جو کہ گذشتہ سال کی اسی مدت میں 246 ملین روپے تھے۔ 31 دسمبر 2023 تک فی حصص بریک اپ ویلیو 33.96 روپے رہی۔

(روپے '000 میں)

|           |                   |
|-----------|-------------------|
| 1,097,861 | منافع قبل از ٹیکس |
|           | کٹوتی: ٹیکس       |
| 699,675   | موجودہ سال        |
| 109,268   | گذشتہ سال         |
| (1,896)   | ملتوی شدہ         |
| 807,047   |                   |
| 290,814   | منافع بعد از ٹیکس |

سال 2023 کے لیے کمپنی کی فی حصص بنیادی آمدنی (EPS) 0.32 روپے فی حصص رہی جبکہ رقیق آمدنی 0.30 روپے فی حصص رہی۔

### مجموعی مالیاتی گوشوارے:

دوران سال گروپ کے مجموعی اثاثوں میں بہتری آئی جو کہ 31 دسمبر 2022 کو 646,325 ملین روپے سے بڑھ کر 31 دسمبر 2023 کو 1,245,048 ملین روپے ہو گئے، اس میں جے ایس بینک لمیٹڈ کی طرف سے بینک اسلامی پاکستان لمیٹڈ کے حصول سے جمع شدہ اثاثے بھی شامل ہیں۔ حصص یافتگان کی ایکویٹی بھی سال کے آخر میں 75,189 ملین روپے رہی۔

اسی طرح، درآمدات کا سخت انتظام (2022 کے 76.43 بلین امریکی ڈالر کے مقابلے میں سال 2023 میں 57.11 بلین امریکی ڈالر تھی جو 25.27 فیصد کی کمی کو ظاہر کرتی ہے)، سال 2023 میں 0.56 بلین امریکی ڈالر کرنٹ اکاؤنٹ سرپلس کا باعث بنا، یہ گذشتہ سال کے دوران ریکارڈ کیے گئے 12 بلین امریکی ڈالر کے کرنٹ اکاؤنٹ خسارے کے بالکل برعکس تھا۔ زرمبادلہ کے ذخائر میں اضافہ، کرنسی ایکچینج اور درآمدی منڈیوں میں نافذ کئے گئے انتظامی اقدامات اور سال 2023 کے دوسری سہ ماہی کے دوران مغربی سرحدوں سے اسمگلنگ کے خلاف کریک ڈاؤن نے پاکستانی روپے کو مستحکم کرنے میں اہم کردار ادا کیا جو کہ جون 2023 کے اختتام پر 285.99 روپے فی امریکی ڈالر کے مقابلے میں زیر جائزہ مدت 281.86 روپے فی امریکی ڈالر رہا۔ ان مستحکم اقدامات کے باوجود سال 2023 کے دوران کرنسی کی قدر میں 24.48 فیصد (55.43 روپے کے برابر) کی کمی ہوئی۔

### ایکیویٹی کیپٹل مارکیٹس:

زیر جائزہ سال کے دوران KSE-100 انڈیکس 62,451 کی سطح پر بند ہوا، جو کہ 54.50 فیصد کا غیر معمولی اضافہ تھا۔ یہ کارکردگی سال 2009 کے بعد ایکویٹی کے لیے بہترین سال کی نمائندگی کرتی ہے۔ روپے کی قدر میں کمی کے باعث KSE-100 انڈیکس میں سال بھر میں 24.12 فیصد اضافہ ہوا۔

IMF کے ساتھ اسٹینڈ بائی معاہدے کی تکمیل نے سال 2023 کی دوسری ششماہی میں سرمایہ کاروں کے جذبات کو بڑھانے میں اہم کردار ادا کیا۔ دو طرفہ ذرائع سے غیر ملکی امداد کے ساتھ IMF کی جانب سے دی جانے والی رقوم نے بیرونی کھاتوں کی ساخت کو بہتر بنانے میں اہم کردار ادا کیا۔ ان پیش رفتوں سے KSE-100 انڈیکس 67,093 پوائنٹس کی اب تک کی بلند ترین سطح کو چھو گیا، جس کے ساتھ یومیہ تجارتی اوسط قدر (2022 میں 6.94 بلین روپے کے مقابلے میں 10.07 بلین روپے) اور تجارتی حجم (322 بلین حصص کے مقابلے میں 229 بلین حصص) میں خاطر خواہ اضافہ ہو گیا۔ غیر ملکی سرمایہ کار تین سال بعد 73.51 بلین امریکی ڈالر کی کل سرمایہ کاری کے ساتھ خالص خریدار بن گئے۔

### بنیادی سرگرمیاں:

JSCL ایک سرمایہ کار کمپنی ہے جو بنیادی طور پر مالیاتی خدمات فراہم کرنے والی کمپنیوں میں سرمایہ کاری کرتی ہے اور پاکستان میں ترقی پذیر کمپنیوں میں طویل مدتی سرمایہ کاری بھی کرتی ہے۔ مالیاتی خدمات کے تمام شعبہ جات بشمول اثاثوں کا انتظام، تجارتی بینکنگ، سرمایہ کاری بینکنگ، اسلامک بینکنگ، سیکورٹیز کی بروکریج اور بیمہ شامل ہیں۔ JSCL ٹیکنالوجی اور صنعتی شعبہ کی کمپنیوں میں کلیدی طویل مدتی سرمایہ کاری سے مستفید ہوتی ہے۔

## ڈائریکٹرز رپورٹ برائے حصص یافتگان:

### معزز حصص یافتگان.

ہم جہانگیر صدیقی اینڈ کمپنی لمیٹڈ ("کمپنی" یا "JSCL") کی سالانہ رپورٹ کے ساتھ آڈٹ شدہ انفرادی مالیاتی گوشوارے اور کمپنی کے آڈٹ شدہ مجموعی مالیاتی گوشوارے (گروپ) اور ان پر آڈیٹرز کی رپورٹ برائے سال ختمہ 31 دسمبر 2023 پیش کرتے ہوئے مسرت محسوس کر رہے ہیں۔

### معیشت:

سال 2023 کی پہلی ششماہی کے دوران، ملکی معیشت بے شمار مالی اور مالیاتی عدم توازن میں مبتلا رہی، جن میں بنیادی طور پر بین الاقوامی مالیاتی فنڈ کے توسیعی فنڈ کی سہولت (IMF-EFF) کے نوٹس جائزے کی تکمیل، سیاسی عدم استحکام، بیرونی سرمائے کی آمد میں کمی کے نتیجے میں بیرونی کھاتوں کا بیلنس، اور تیزی سے بڑھتے ہوئے مالیاتی خسارے کی ساخت جیسے چیلنجز شامل تھے۔

IMF-EFF جائزہ کی تکمیل کو یقینی بنانے کے لیے اہم اقدامات کئے گئے جن میں منی بجٹ کا نفاذ، 170 بلین روپے کے اضافی ٹیکسوں کا نفاذ، پالیسی ریٹ کو 600 بیسس پوائنٹس سے بڑھا کر 22 فیصد کرنا، توانائی کے نرخوں کو اوپر کی طرف ایڈجسٹ کرنا، درآمدات پر انتظامی کنٹرول لاگو کرنا، مارکیٹ پر مبنی ایکٹیو ریٹ کا طریقہ کار نافذ کرنا، اور IMF کی سفارشات کے مطابق وفاقی بجٹ 2024 پیش کرنا، شامل تھے۔ ان مستحکم اقدامات کے پہلے اور دوسرے مرحلے کے اثرات کے نتیجے میں پاکستانی روپے کی قدر میں کمی ہوئی اور زیر جائزہ مدت کے دوران افراط زر کی شرح میں 30.93 فیصد اضافہ ہوا۔ یہ اضافہ گزشتہ سال کی اسی مدت کے دوران ریکارڈ کی گئی افراط زر کی شرح 19.72 فیصد سے نمایاں اضافہ ہے۔

تاہم یہ تمام اقدامات IMF-EFF کے نوٹس جائزے کی کامیاب تکمیل کیلئے ناکافی تھے جس کی میعاد 30 جون 2023 کو ختم ہو گئی تھی۔ اس کے باوجود یہ کوششیں IMF کے ساتھ 3.0 بلین امریکی ڈالر کے نو ماہ کے اسٹینڈ بائی ایگریمنٹ (SBA) کے حصول میں انمول ثابت ہوئیں جس نے SBA کے تحت 1.2 بلین امریکی ڈالر کی ابتدائی ادائیگی کی راہ ہموار کی۔ ایگزیکٹو بورڈ کی منظوری کے بعد ملک کو دو طرفہ ذرائع سے 3.0 بلین امریکی ڈالر بھی موصول ہوئے۔ ان ادائیگیوں نے ملک کے زرمبادلہ کے ذخائر کو بڑھانے میں اہم کردار ادا کیا جو دسمبر 2023 تک بڑھ کر 12.67 بلین امریکی ڈالر تک پہنچ گئے۔ جو مالی سال 2022 کے اختتام سے اب تک 1.8 بلین امریکی ڈالر کے اضافے کو ظاہر کرتا ہے۔







# **Board of Directors**



**Sitting  
Left to Right**

**Ms. Samar Ali Shahid**  
Independent Director

**Justice (R) Agha Rafiq Ahmed Khan**  
Chairman



**Standing  
Left to Right**

**Mr. Shahid Hussain Jatoi**  
Non-Executive Director

**Mr. Ali Raza Siddiqui**  
Non-Executive Director

**Mr. Rehan Hassan**  
Independent Director



**Justice (R) Agha Rafiq Ahmed Khan**  
Chairman – Independent Director

Justice (R) Agha Rafiq Ahmed Khan is a Senior Advocate in the Supreme Court of Pakistan. He has more than 40 years of judicial experience on various positions in Judiciary of Pakistan. He lastly served as 12th Chief Justice of the Federal Shariat Court of Pakistan from 2009-2014.

He did his Bachelor of Laws (LLB) from University of Sindh and was awarded with the Honoris Causa Doctorate of Law Degree by the University of Sindh. He is the first ever Judge in Pakistan to receive this degree.



### Mr. Ali Raza Siddiqui

Non-Executive Director

Mr. Ali Raza Siddiqui is Non-Executive Director at JSCL. 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:

1. EFU General Insurance Limited
2. EFU Life Assurance Limited
3. EFU Services (Private) Limited
4. Mahvash & Jahangir Siddiqui Foundation
5. Fakh-e- Imdad Foundation
6. Organization for Social Development Initiatives – Trustee
7. Manzil Pakistan – Trustee



### Mr. Shahid Hussain Jatoti

Non-Executive Director

Mr. Shahid Hussain Jatoti 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 expertise in Corporate Taxation, International Taxation, Personal Income Taxation and Taxation of Financial Sector. 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 expertises. He remained posted as Counselor, Community Welfare at High Commission of Pakistan at Kuala Lumpur, Malaysia. He gained substantial 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



**Lt. Gen. (R) Javed Mahmood Bukhari**

Independent Director

Lt. Gen. (R) Javed Mahmood Bukhari held various instructional, administrative, supervisory and staff assignments.

He has done Masters in Defense Technology, War Studies and Art and Science of Warfare from the most prestigious universities within the country and abroad. He has also done BE in Civil Engineering from Military College of Engineering Risalpur.

Apart from his ample academic experience, he held multiple command and staff appointments, which, inter alia, included Command of a Corps and as Director General Frontier Works Organisation.

In recognition of his meritorious services, he has been awarded with Sword of Honour and Hilal-i-Imtiaz (Military).

**Other Directorships:**

1. N-Ovative Health Technology (Private) Limited –Chairman
2. National University of Sciences and Technology (NUST) – Rector



**Mr. Rehan Hassan**

Independent Director

Mr. Rehan Hassan is a Founder and CEO of SRH Inc Management Limited since 2017.

He is a corporate executive turned entrepreneur with a proven record of developing and managing large scale, complex business enterprises across multiple countries and has 20 years telecom management experience in networks build, launch and operations.

Mr. Hassan holds a degree in General Engineering from the UK and Executive Education from Columbia.

In 2019, he has been awarded with prestigious civilian award of “Sitara-e-Imtiaz” by the President of Pakistan and awarded with an Honorary Doctorate from The University of Bolton in 2022.

**Other Directorships :**

1. SRH Inc Management Limited – Founder and CEO



### Ms. Samar Ali Shahid

Independent Director

Ms. Samar Ali Shahid works as a freelance media consultant. She has been involved in various aspects of media over the last 2 decades, from working as a news producer to formulating media outreach strategies & analysis. Ms. Shahid's experiences both locally and abroad have given her an incisive perspective within the workings of global media. She has worked as a segment producer for CNN and Bloomberg in London and acted as a media consultant to the World Economic Forum (WEF)'s media wing.

Ms. Shahid is a Chevening scholar and graduated from the School of Oriental and African Studies (SOAS), University of London with a Post Graduate degree in Global Media and Post-National Communications. As an entrepreneur, she set up sustainable organic farming methods in Malir, Sindh. She has currently partnered with local organisations to advance flood relief efforts in Sindh and Baluchistan.



### Mr. Asad Nasir

Chief Executive Office

Mr. Asad Nasir is the Chief Executive Officer of Jahangir Siddiqui & Co. Ltd.

He has overall more than 20 years of diversified financial services experience including Private Equity, Corporate Finance Advisory, Capital Market Advisory, Transaction Services and Audit. Prior to joining JSCL, he was Group Head, Ecosystem Development and Sustainable Finance at JS Bank Limited where he had been overseeing a number of strategic projects in the digital banking and green financial services space.

Before that he had served as the Chief Investment Officer for JS Private Equity and the Pakistan Catalyst Fund, a USD 50 million private equity fund which included USAID in its investors. He had also served as Head, Corporate Finance at JS Global Capital, a leading Pakistani securities brokerage and investment banking firm where he had advised some of Pakistan's leading companies on fundraising, mergers and acquisitions and corporate restructurings.

Mr. Nasir had commenced his professional career with Deloitte UK, working as part of the audit & assurance and corporate finance teams. He is an FCA with the Institute of Chartered Accountant in England and Wales and holds a BSc. (Hons.) in Accounting from the University of Hull.

#### Other Directorships:

1. TRG Pakistan Limited
2. JS Petroleum Limited
3. JS International Limited
4. Mahvash & Jahangir Siddiqui Foundation
5. Knowledge Platform (Private) Limited

# Board Committees

## Board Audit Committee

Lt. Gen. (R) Javed Mahmood Bukhari (Chairman) – Independent Director  
Mr. Shahid Hussain Jatoi – Non-Executive Director  
Mr. Ali Raza Siddiqui – Non-Executive Director

### Salient features of its Term of References

The Board Audit Committee (“BAC”) is responsible for determination of appropriate measures for safeguarding the Company’s assets; review of quarterly, half-yearly and annual financial statements including consolidated financial statements; review of management letter issued by external auditors and management’s response thereto; facilitating the external audit and discussion with external auditors of major observations arising from interim and annual audits and any matter that the auditors may wish to highlight; review and implementation of the scope and extent of internal audit plan; review of internal audit strategy; consideration of major findings, internal investigations of activities characterized by fraud, corruption and abuse of power and management’s response thereto; ascertaining that the internal control systems are adequate and effective; determination of compliance with relevant statutory requirements; instituting special projects, value for money studies or other investigations on any matter; monitoring compliance with the best practices of corporate governance and identification of significant violations, thereof; recommend to the Board the appointment/removal of external auditors, audit fees and other relevant matters; review effectiveness of whistle blowing procedures; ensure effectiveness of overall management of compliance and consideration of any other issue or matter as may be assigned by the Board of Directors.

## Board Human Resource and Remuneration Committee

Ms. Samar Ali Shahid (Chairperson) – Independent Director  
Mr. Ali Raza Siddiqui – Non-Executive Director  
Mr. Asad Nasir – Chief Executive Officer

### Salient features of its Term of References

The Board Human Resources and Remuneration Committee (“BHRRC”) discharges the Board’s responsibilities relating to the human resource functions of the Company’s executives. BHRRC reviews and recommends Human Resource policies to the Board of Directors including but not limited to remuneration practices, the selection, evaluation, compensation (including retirement benefits), succession planning as well as the recommendation of structure of compensation package of CEO, CFO, Company Secretary and other Key Executives who report directly to CEO along with ensuring implementation of the same. The BHRRC shall annually review and approve corporate goals and objectives relevant to CEO’s compensation, evaluate the CEO’s performance in light of those goals and objectives, and approve the CEO’s compensation level based on this evaluation, subject to any employment contract that may be in effect. The BHRRC is also responsible for undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant.



## Board Executive Committee

Mr. Ali Raza Siddiqui (Chairman) – Non-Executive Director  
Mr. Shahid Hussain Jatoi – Non-Executive Director  
Mr. Asad Nasir – Chief Executive Officer

### Salient features of its Term of References

The Board Executive Committee (“BEC”) is responsible to evaluate and recommend to the Board the approval of new lines of business, major additions/ deletions in trading portfolio, changes in investment portfolio dynamics, and new transactions in accordance with the Risk Management Guidelines and other internal guidelines; to regularly review financial performance of the Company and its significant investments in comparison with the annual budget; and to implement budget as reviewed and approved by the Board of Directors. The BEC will review the Company’s adherence to the Policy Statement and make recommendations to the Board for any changes, if needed.

### Dates and Attendance of Board Committees during 2023

The names of the members of aforementioned Board Committees along with their attendance in Board Committee Meetings held during the year are included in the Directors’ Report.

# Roles and Responsibilities

## Role and Responsibilities of the Board of Directors

The Board of Directors (“the Board”) is involved in strategic level decision making to establish and review the strategies and medium to long-term goals of the Company. The Board is also entrusted with the role of overseeing the business and affairs of the Company in light of emerging risks and opportunities. The Management of the Company is responsible for managing day-to-day business affairs in an effective and ethical manner and in conformity with the strategies and goals approved by the Board and to identify and manage the principal risks and opportunities which could impact the Company in the course of carrying out its business. It is also the responsibility of the Management, with the oversight of the Board and its sub-committees, to produce financial statements that fairly present the financial conditions and results of operations of the Company in accordance with applicable accounting standards and to make timely disclosures to investors as required under regulatory requirements.

## Role and Responsibilities of the Chairman

The Chairman of the Board (“the Chairman”) being responsible for leadership of the Board, ensures that the Board plays an effective role in fulfilling all its responsibilities and, therefore, ensures that all Board members, when taking up office, are fully briefed on the terms of their appointment, and on their duties and responsibilities. The Chairman ensures that the Company keeps true to its long-term vision. The role also involves the following:

- Representing the views of the Board to the general public/shareholders;
- To ensure that the Board meets at regular intervals throughout the year;
- To set agenda of the meeting of the Board and ensure that reasonable time is available for discussion of the same;
- To ensure that the minutes of meetings accurately records the decisions taken and,

where appropriate, the views of individual Board members;

- To ensure that the formal policy statements reflect corporate philosophy and to provide operational guidance to the Board;
- To ensure that the Board discharges its role effectively in line with regulatory requirements.

## Role and Responsibilities of the Chief Executive Officer

The Chief Executive Officer (“CEO”) of Jahangir Siddiqui & Co. Ltd. (“the Company” or “JSCL”) is responsible for effectively managing the overall operations in order to meet profit and volume objectives as per the annual business plan. It is the CEO’s responsibility to organize and implement an adequate plan for controlling operations including profit planning, forecast, expense budgets, setting cost standards, saving opportunities and capital investment. In order to ensure the effective adherence to the laid down plans, the CEO must implement necessary controls and procedures.

The CEO should inculcate the philosophy that quality is the integrative and self-evident organizational truth. The CEO must ensure that the vision of the entire organization is aligned to the voice of the stakeholders, both external and internal.

It is the responsibility of the CEO and the management to encourage creativity and innovation so that the organization maintains a recognized industry leader and provides a high-level motivational environment for its team members. The CEO should initiate and encourage the development of dynamic spirit and image of integrity, creativity, progressiveness, discipline, and aggressiveness. Setting an example, CEO should display high standard of honesty and forthrightness in all relationships, monitor the ethics and activities of management as to set an example for the rest of the team members. It is CEO’s primary responsibility to provide guidance and direction to team members in their strive towards personal and professional development.



### Specific Responsibilities

- Ensure that JSCL's corporate Mission is clearly communicated to the operational management of the Company in writing.
- Formulate proposals relating to JSCL's business strategy and present the same to the Board of Directors for guidance and approval.
- Provide guidance and direction to departmental heads in the development of an annual business plan.
- Formulate policy recommendation for the development of infrastructure, facilities and business expansions/ diversification and present the same to the Board of Directors for approval.
- Review the annual capital and revenue budgets and present the same to the Board of Directors, for review and approval.
- Review and monitor the financial performance of the Company.
- Initiates new investments and joint venture projects and whenever considered necessary issues specific instructions on a case-to-case basis for presenting them to the board of directors.
- Reviews corporate objectives and policies from time to time in light of changes in the competitive environment.
- Formulate proposals for the reduction or closure of particular business segments or part thereof, keeping in view internal and external factors affecting the overall business strategy of JSCL.
- Provides constant and effective leadership and direction to the departmental heads.
- Work toward achieving the adequacy and soundness of the financial structure of the Company.
- Establish benchmarks in all the operational and non-operational areas.
- Coordinate and direct all product/service publicity and corporate public relation programs of the Company.
- Develop and supervise, improvements in the product/ services being offered.
- Supervise development of authority and responsibility for both management and staff positions.
- Establish and maintain personal contacts with key internal and external stakeholders.
- Review all internal and external customer activities in every function to ensure customer satisfaction.
- Establish professional relationships with companies and financial institutions.
- Establish formal mechanism to overlook performance of investee companies.
- To apply for and obtain all such concessions, sanctions powers and authorities from any Government, municipal or local authority as may be desirable for carrying on or enlarging or extending the operations of the Company.
- To appoint, promote, determine powers and duties and fix salaries, emoluments or remuneration of employees in accordance with the salary scales and grant increment, bonus and loans as per the Company policy and procedures.
- To represent or nominate representative of the Company in various foundations, organizations, trusts of which our Company is a member or is for any other reason entitled to nominate a representative.

# Report of the Board Audit Committee

The Board Audit Committee (“BAC”) of Jahangir Siddiqui & Co. Ltd. (“JSCL” or “the Company”) comprises of three non-executive directors having vast experience and knowledge of finance and accounting. The Chairman of BAC is an independent director.

BAC has been proactively focusing on effectiveness of internal controls, risk management, compliance and governance processes in accordance with the requirements of Code of Corporate Governance and Terms of Reference (“ToRs”) of BAC duly approved by the Board of Directors. During the year 2023, five BAC meetings were held and following major activities were performed by BAC in accordance with its approved ToRs.

- BAC reviewed quarterly, half yearly and annual financial statements of the Company including the consolidated financial statements of the Group and recommended the same for approval of the Board.
- BAC reviewed management letters issued by the external auditors, management's response and their compliance status and held discussions with external auditors on major observations. BAC also recommended the appointment of external auditors and their fees to the Board.
- BAC reviewed related party transactions and recommended the same for Board's approval.
- 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. BAC reviewed and approved the audit plan, scope and extent of the work to be performed by internal audit (IAD). BAC also reviewed adequacy of resources as per the scope.
- BAC reviewed significant findings of internal audit along with monitoring of its timely compliance. BAC also reviewed the whistle blowing mechanism.
- There were no cases related to fraud & forgery and whistle blowing reported, during the year.
- As part of the overall performance evaluation of the Board of Directors conducted by an external consultant, assessment of BAC was also conducted in compliance with Code of Corporate Governance. The assessment report was also presented to the Board.
- BAC reviewed statement on internal control system and recommended the same for endorsement by the Board.
- BAC also held separate meetings with external auditor and internal auditor without the CFO and the management in line with the Code of Corporate Governance.



**Lt. Gen. (R) Javed Mahmood Bukhari**  
Chairman – BAC

Dated: March 07, 2024  
Place: Karachi



# Statement of Internal Controls

## Statement of Management's Responsibility

The Management of Jahangir Siddiqui & Co. Ltd. ("JSCL" or "the Company") is responsible to establish and maintain an adequate and effective system of internal controls with the main objective of ensuring effectiveness and efficiency of operations, reliability of financial reporting, safeguarding of assets and compliance with applicable laws and regulations.

## Management Evaluation of Effectiveness of the Company's Internal Control System

Concerted and integrated efforts are made by each function of the Company to improve the Control Environment at all levels through continuous reviewing and streamlining of procedures to prevent and rectify control deficiencies. Each department/function, under the supervision of the senior executive management, is entrusted with the responsibility to oversee rectification of control deficiencies identified by either of the internal audit, external auditors and/or regulators. Based on the observations and weaknesses identified by internal auditors and/or external auditors, management is continuously introducing improvements in internal control system to ensure elimination of such weaknesses to the maximum possible extent.

As a continuous process, JSCL formulates/update and review several key policies and procedures for its business. While formulating such policies clear lines of authority and responsibility have been established in order to ascertain accountability and maintain an effective internal control system.

Internal Audit function of the Company has been outsourced 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. The scope of Internal Auditors includes assessment of the adequacy and effectiveness of the internal control system across the Company, and ensure compliance with prescribed policies and procedures. All significant findings of Internal Auditors are periodically reported to the Board Audit Committee.

The Company's internal control system is designed to mitigate, rather than to eliminate the risk of failure to achieve the business objectives, and can only provide reasonable but not absolute assurance against material misstatements or losses. Moreover, projection of current evaluations with respect to its effectiveness for future periods is subject to a limitation that controls may become inadequate due to changes in control environment. However, it is an ongoing process that includes identification, evaluation and mitigation of significant risks faced by the Company.

Based on the results of the ongoing evaluation of internal controls carried out during the year, the Management considers that in general, JSCL's existing internal control system is adequately designed, operating effectively, and monitored consistently. Nevertheless, the management continuously endeavours to further strengthen the internal control system of the Company for an improved control environment.

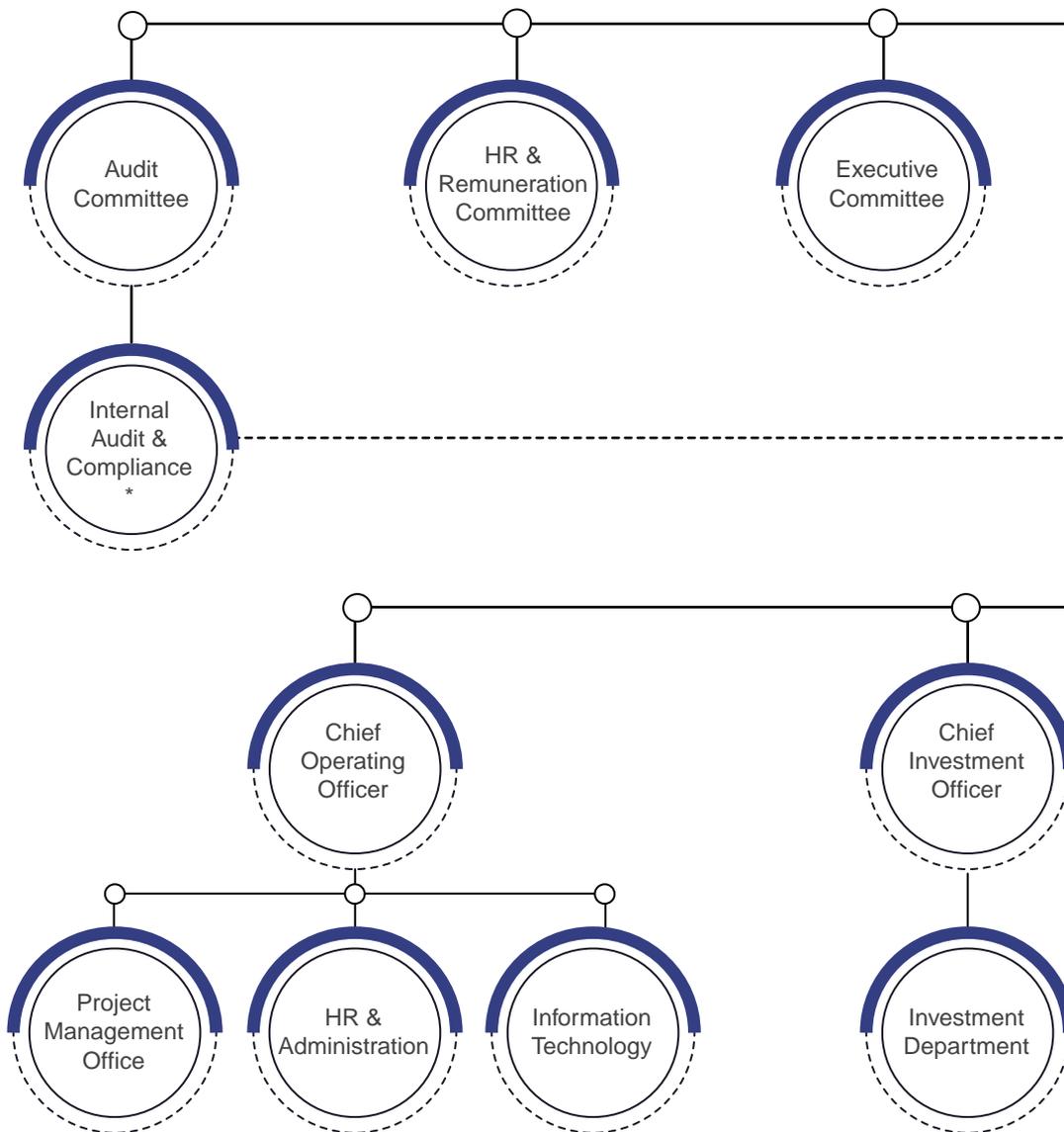
The Board of Directors duly endorses above management's evaluation of the internal control system.

## For and on behalf of the Board

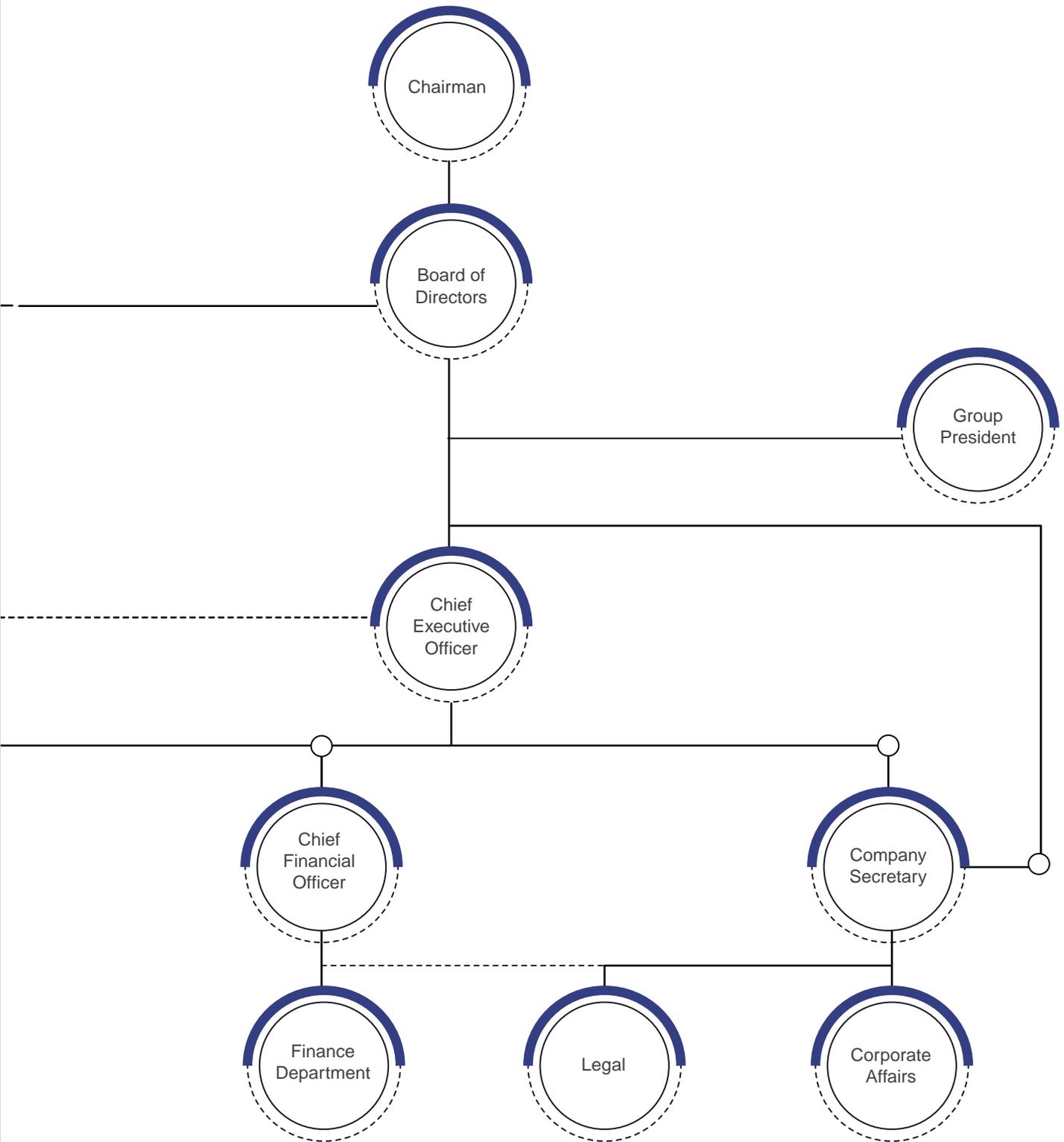
**Asad Nasir**  
Chief Executive Officer

Dated: March 07, 2024  
Place: Karachi

# Organizational Structure



\* Outsourced to Grant Thornton Anjum Rahman, Chartered Accountants.







**Senior  
Management Team**



**Left to Right**

**Syed Ali Hasham**  
Chief Financial Officer

**Mr. Najmul Hoda Khan**  
Chief Operating Officer

**Mr. Asad Nasir**  
Chief Executive Officer



**Mr. Suleman Lalani**  
Group President

**Mr. Amin Suchwani**  
Head of HR and Administration

**Mr. Muhammad Babar Din**  
Company Secretary

**Mr. Zahid Ullah Khan**  
Chief Investment Officer



### Mr. Suleman Lalani

Group President

Mr. Suleman Lalani is presently the Group President.

Before his elevation to the position of Group President, he was serving as Vice Chairman of JSCL. Mr. Lalani has also served JSCL as its Chief Executive Officer for more than a decade. Prior to joining JSCL, he has served in the capacities of the Executive Director Finance & Operations and Company Secretary and Chief Financial Officer and Company Secretary for seven years, in JS Investments Limited.

Mr. Lalani started his career with JSCL in 1992, where he worked for over eight years. In 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 where he worked for three years.

Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has more than 30 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.

#### Directorships:

1. JS Investments Limited - Chairman
2. BankIslami Pakistan Limited - Chairman
3. Al-Abbas Sugar Mills Limited
4. TRG Pakistan Limited



### Mr. Asad Nasir

Chief Executive Office

Mr. Asad Nasir is the Chief Executive Officer of Jahangir Siddiqui & Co. Ltd.

He has overall more than 20 years of diversified financial services experience including Private Equity, Corporate Finance Advisory, Capital Market Advisory, Transaction Services and Audit. Prior to joining JSCL, he was Group Head, Ecosystem Development and Sustainable Finance at JS Bank Limited where he had been overseeing a number of strategic projects in the digital banking and green financial services space.

Before that he had served as the Chief Investment Officer for JS Private Equity and the Pakistan Catalyst Fund, a USD 50 million private equity fund which included USAID in its investors. He had also served as Head, Corporate Finance at JS Global Capital, a leading Pakistani securities brokerage and investment banking firm where he had advised some of Pakistan's leading companies on fundraising, mergers and acquisitions and corporate restructurings.

Mr. Nasir had commenced his professional career with Deloitte UK, working as part of the audit & assurance and corporate finance teams. He is an FCA with the Institute of Chartered Accountant in England and Wales and holds a BSc. (Hons.) in Accounting from the University of Hull.

#### Directorships:

1. TRG Pakistan Limited
2. JS Petroleum Limited
3. JS International Limited
4. Mahvash & Jahangir Siddiqui Foundation
5. Knowledge Platform (Private) Limited

**Mr. Najmul Hoda Khan**

Chief Operating Officer

Mr. Najmul Hoda Khan is serving as Chief Operating Officer (COO) of JSCL. Prior to his appointment as COO, he served as Chief Financial Officer of the Company for five years till 2023. Before joining JSCL, Mr. Khan served as Manager Finance and Company Secretary of Singer Pakistan Limited. Previously, Mr. Khan had been associated with the Audit and Assurance department of Deloitte and worked in Pakistan and UAE.

Mr. Khan is a Fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and Fellow member of Pakistan Institute of Public Finance Accountants (PIPFA) and also holds a Master's degree in Economics. He has more than sixteen years of vast experience in the fields of finance, treasury, taxation, auditing, internal control evaluation, compliance and secretarial matters.

He has also completed Corporate Governance Leadership Skills (CGLS) – Director Education Program from Pakistan Institute of Corporate Governance (PICG).

**Directorships:**

1. Sitara Chemical Industries Limited
2. JS Petroleum Limited
3. Quality Energy Solutions (Private) Limited
4. Khairpur Solar Power (Private) Limited
5. Future Trust – Managing Trustee

**Mr. Zahid Ullah Khan**

Chief Investment Officer

Mr. Zahid Ullah Khan has over 16 years of experience in investment valuation. Prior to joining Jahangir Siddiqui & Co. Ltd. as Chief Investment Officer, Mr. Khan served as Chief Investment Officer at JS Investments Limited, since 2016. Earlier, he joined JS Bank Limited in 2012, where he served as a Senior Vice President for the bank's risk management function and later moved on to Corporate and Commercial Credit.

Mr. Khan started his career with ABAMCO Limited (now JS Investments Limited) in 2004 as a research analyst where he later served as a Fund Manager.

Mr. Khan holds a Masters' degree in Business Administration from Lahore University of Management Sciences, a Masters' degree in Economics from Lahore University of Management Sciences, and a Masters' degree in Finance from London Business School. He has completed his certification under the Directors' Training Program (DTP) from the Institute of Chartered Accountants of Pakistan (ICAP).

**Directorships:**

1. Shahtaj Sugar Mills Limited
2. JS Petroleum Limited



### Syed Ali Hasham

Chief Financial Officer

Mr. Hasham is presently JSCL's Chief Financial Officer. He has been with JSCL since 2017 and during this tenure he worked on various roles and assumed varied responsibilities. Previously, Mr. Hasham had been associated with the Audit and Assurance department of Deloitte and worked in Pakistan and Qatar. During his association with Deloitte, his areas of experience were financial services, retail and aviation sectors.

Mr. Hasham has an overall experience of more than a decade in the fields of finance, taxation, auditing, internal control evaluation, and corporate affairs.

Mr. Hasham is an associate member of the Institute of Chartered Accountants of Pakistan (ICAP) and holds a Bachelor degree in Commerce from University of Karachi. He also has completed Corporate Governance Leadership Skills (CGLS) – Director Education Program from Pakistan Institute of Corporate Governance (PICG).

#### Directorships:

1. BankIslami Pakistan Limited
2. JS Infocom Limited
3. JS Engineering Investments 1 (Private) Limited
4. Mahvash and Jahangir Siddiqui Foundation



### Mr. Muhammad Babar Din

Company Secretary

Muhammad Babar din is an associate member of the Institute of Cost and Management Accountants of Pakistan (ICMAP) and also holds a Bachelor degree in Commerce from SALU Khairpur. He has more than 16 years of work experience in Financial Institutions with core strengths in financial reporting, managerial reporting, treasury back office, International accounting standards (IAS) and International financial reporting standards (IFRS). He started his career from JS Investments Limited specializing in Fund Accounting, System Development and Work flow streamlining. He was also associated with AWT Investments Limited in the capacity of Unit Head Finance and Operations and later as Head of Operations and Investor Services. He Joined Jahangir Siddiqui & Co. Ltd. in February 2018.

#### Directorships:

1. JS Petroleum Limited
2. JS Infocom Limited
3. Energy Infrastructure Holding (Private) Limited
4. Quality Energy Solutions (Private) Limited
5. Khairpur Solar Power (Private) Limited
6. JS Engineering Investments 1 (Private) Limited
7. Future Trust – General Secretary

**Mr. Amin Suchwani**

Head of HR and Administration

Mr. Amin Suchwani accumulating more than 12 years of valuable experience in Human Resources and Administration is presently serving as the Head of the Human Resource and Administration Department at the Company. His expertise lies in the development and implementation of essential HR systems and policies.

Mr. Suchwani is a Certified Human Resources professional from NED University, bringing wealth of knowledge to the table, particularly excelling in compensation management functions, with a specialization in terminal benefits. His creditable track record includes the establishment of strategic HR functions from their initiation, aligning them seamlessly with organizational objectives. Mr. Suchwani is adept at implementing people strategies that contribute to the overall success of the Company.

# Our People



At Jahangir Siddiqui & Co. Ltd (JSCL), our commitment to excellence extends beyond financial success; it encompasses the nurturing of our people and the fostering of a vibrant organizational culture. Since its inception in 1991 by Mr. Jahangir Siddiqui, we have grown into a beacon of trust and excellence in financial services and investments. Our workplace thrives on core values, including integrity, emphasizing honesty and ethical behavior; innovation, fostering a culture of creativity and forward-thinking to drive organizational growth; and collaboration, highlighting teamwork and open communication for a supportive environment where diverse perspectives contribute to shared success and common goals.

We invest in our people through mentorship programs, training initiatives, and leadership development, ensuring they reach their full potential.

Our commitment to diversity and inclusivity ensures every voice is heard, fostering a culture where unique talents are celebrated, and every team member feels valued. We are dedicated to promoting gender equality, with a specific emphasis on fostering inclusivity for women in the workplace.

# and Culture



We strive to create an environment where women and minorities have equal opportunities, representation, and support, empowering them to thrive and contribute to the success of our organization. Additionally, we as JS Group prioritize the inclusion of differently-abled individuals, striving to create accessible spaces that enable their full participation within our diverse and supportive workplace.

Beyond our corporate endeavors, JSCL is dedicated to making a positive impact on society through philanthropic initiatives and community outreach programs. Whether it is supporting education, healthcare, or environmental conservation, we strive to be responsible corporate citizens, making a difference wherever we go.

Looking ahead, our focus remains on nurturing a workforce that is not only skilled but also compassionate, ethical, and driving our continued growth and success. Together, we are poised to consolidate our strengths and shape a brighter future for JSCL, its employees, stakeholders and the communities we serve.

# Best Corporate Governance Practices

There is always a robust and palpable link between a company's governance and rapid decision-making that is associated with its improved performance. Therefore, having clearly defined policies and processes along with a board of directors and a senior management level who maintain the compliance culture directly supports the enhanced and swift decision-making resulting into superior performance.

The Best Corporate Governance Practices are embedded in JSCL's ethos and are also translated into its Corporate Mission which states as follows:

*"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."*

JSCL has a sound system in place to ensure that it is fully compliant with all legal and regulatory requirements. The Company Secretary's Office ensures that all the relevant legal and regulatory requirements are complied with within the given deadlines. JSCL's Best Corporate Governance Practices include the following:

## Composition of a Strong and Qualified Board of Directors:

The Board of JSCL is well conversant and has expertise relevant to the business, is qualified and competent, and has strong ethics and integrity, diverse backgrounds and skill sets. Moreover, as per the regulatory requirement, the Board performance is evaluated annually by an external consultant.

## JSCL's Board comprises of seven elected directors including the CEO:

| Category                       | Names of Directors   |
|--------------------------------|--|
| <b>Independent Directors</b>   | Justice (R) Agha Rafiq Ahmed Khan - Chairman<br>Lt. Gen. (R) Javed Mahmood Bukhari<br>Mr. Rehan Hassan<br>Ms. Samar Ali Shahid |
| <b>Non-Executive Directors</b> | Mr. Ali Raza Siddiqui<br>Mr. Shahid Hussain Jatoi  |
| <b>Executive Directors</b>     | Mr. Asad Nasir – CEO   |

## Other attributes of the Board:

- Directors' and Senior Management Profiles and their Involvement / Engagement in other Companies have been incorporated in the profile section.
- Diversity in the Board with reference to their competencies, requisite knowledge & skills, and experience can be ascertained through the Directors' profiles.
- The Board currently has four (4) Independent Directors who meet the criteria of independence under Companies Act, 2017.



- Ms. Samar Ali Shahid is the female Director on the Board.
- At present the Board has six non-executive directors (out of which four are independent) and one executive director who is also the Chief Executive Officer of the Company.

#### **Delineation of Roles and Responsibilities:**

The Board has established clear lines containing the roles and responsibilities for the Directors, Chairman and CEO. Further, the Chairman issues a letter to all directors at the start of their term explaining their roles and responsibilities as defined under corporate laws. Brief about the roles and responsibilities are provided on page 88.

#### **Emphasis on Integrity and Ethical Dealing by the Board:**

The Directors declare conflicts of interest and refrain from voting on matters in which they have an interest. JSCL has adopted a Code of Conduct that sets out the requirements and inculcates high ethical standards throughout the organization in its conduct and business practices. It has also adopted a Whistle-blowing policy. Highlights of the Code of Conduct and Whistle-blowing policy are presented on page 108.

#### **Formation of Various Board Committees:**

The Board has constituted various committees, namely Board Audit Committee, Board Human Resources and Remuneration Committee, Board Executive Committee to manage the relevant areas and to give their recommendations to the Board. The TORs of these Committees are approved by the Board of Directors.

#### **Governance of Risk and internal controls:**

The Board has established its sub-committees who regularly monitor the efficacy of internal controls and identify and assess the risks including financial, operational, reputational, environmental and legal risks.

Further, to enhance credibility of internal controls and systems by an external oversight, 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.

#### **Payment of Directors' Remuneration:**

As per Policy of Director's Remuneration, the Board of Directors shall, from time to time, fix remuneration of the Directors including the Chairman, Non-Executive Directors and Independent Directors for attending the meetings. The remuneration for Chief Executive Officer is also fixed by the Board of Directors after its due process of appraisal against approved KPIs.

#### **Directors Training Program - DTP**

Out of total seven (including the CEO), five directors are already certified under Directors' Training Program ("DTP") from recognized institution. The remaining two (2) Directors will undertake DTP during the current year as required under the Listed Companies (Code of Corporate Governance) Regulations, 2019.

Further, five executives (including the CEO) of the senior management team of JSCL are also certified under the Directors' Training Program from recognized institution.

### Orientation and Training of Directors

JSCL places dedicated focus on regular orientations for its Directors regarding updates in law/regulations. Further, the Board is regularly updated about any change in applicable laws and financial reporting standards, etc.

Moreover, the Board members of JSCL are experienced and are qualified professionals who bring a diverse range of professional and technical expertise to the company.

### Security Clearance of Foreign Directors:

Currently there are no foreign directors on the Board of JSCL. However, security clearance of Foreign Directors, if any, is carried out by the Regulators as per law / regulatory requirements, as their appointment is subject to clearance by the Regulators.

### Details of Board Meetings held outside Pakistan

A total of seven meetings of the Board were held during the year 2023, and all were held in Pakistan.

### Performance Evaluation of the Board of Directors

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Board has put a formal and effective mechanism for its annual evaluation. The performance evaluation of the Board as a whole, its sub-committees and that of the individual board members was conducted by an external independent consultant viz: Grant Thornton Anjum Rahman, Chartered Accountants (a member firm of Grant Thornton International) to ensure transparency.

### Performance Review of the Chief Executive Officer

The Chief Executive Officer (“CEO”) is responsible for supervising, leading and effectively managing the strategic and overall affairs of the Company. As the leader of JSCL and the executor of strategies approved by the Board, the CEO is evaluated on parameters such as financial performance and profitability, budget allocation and utilization of resources, organizational expansion, sustainability of investments, credit ratings and inculcation of the desired organizational culture which is conducive to professional and ethical excellence. The CEO’s performance is monitored continuously and discussed periodically by the Board and its sub-committee responsible for evaluating the performance of the CEO.

## Other Matters Related to Corporate Governance

### Governance Practices Exceeding Legal Requirements:

The Board of Directors, as a whole and on individual basis, ensures meticulous compliance of applicable laws, rules & regulations and, therefore, adheres to provide information and disclosures above the minimum regulatory requirements. The Management also regularly updates the Board with the latest developments in regulatory environment and maintains stringent control over regulatory compliance, through designated resources.



JSCL firmly believes in transparency and providing complete disclosures to all stake holders. This Annual Report contains additional information and disclosures that are beyond the requirement of law.

#### **Presence of the Chairman of Audit Committee at the AGM**

The Chairman of the Audit Committee attends the Annual General Meeting (AGM) and this is duly recorded in the minutes of AGM.

#### **Human Resources Management Policies including Succession Planning and Diversity:**

Human Resources Policies are approved by the Board of Directors of JSCL on the recommendation of Human Resources & Remuneration Committee of Board in order to provide clear and definitive directions on Human Resource related matters.

Through the process of succession planning the Board of JSCL ensures that our employees are developed to fill vacant posts within the Company. Their knowledge, skills, and abilities are developed and they are prepared for advancement or promotion into ever more challenging roles. JSCL's team of professionals is its pride.

The Board firmly believes that the diverse mix of gender, knowledge, expertise and skill sets of the members/employees enhances the effectiveness of JSCL. Therefore, JSCL embraces and encourages employees with a diverse mix of age, ethnicity, language, socio-economic status and other characteristics that make its employees unique.

#### **Investors' relationship and grievances:**

JSCL believes that relations with investors are vital for the financial lifeline and substantial growth of the Company. Relations with investors also reflect on the goodwill of JSCL. It is, therefore, imperative to place an efficient and effective mechanism for providing services to the investors and to redress their grievances in accordance with law.

The Company has accordingly provided on its website, the necessary information about the Company, the directors, auditors, independent share registrars, and the financial data for the current period and for the last six years.

The Company Secretary of JSCL is the primary contact on behalf of the Company to whom the investors can contact to redress their grievances and resolve their issues.

The management endeavors to investigate and resolve all the complaints and queries of the investors to their utmost satisfaction. An investor who is not satisfied can also approach the Securities & Exchange Commission of Pakistan (SECP) complaint cell through interactive link provided on our website.

#### **Our investor grievance policy is broadly based on the following principles:**

- Investors contacting in person, telephone, fax or email are received and their complaints are dealt in timely manner.
- Each and every investor is treated fairly at all the times.
- Prompt, efficient and fair treatment is given to all the complaints and queries of the investors.

# Policies, Guidelines and Code Of Conduct

## 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:

- 01 Transparency in conducting business and appropriate public disclosures.
- 02 Fairness in conducting business while striving for highest returns.
- 03 Protecting and preserving clients' interests.
- 04 Adopting principle of good corporate citizenship and striving to fulfill corporate social responsibilities.
- 05 Financial statements should reflect fair view of business operation and should not conceal any fact.
- 06 Exhibit integrity, dignity and honesty in business conduct and upholding loyalty.
- 07 Endeavor to hire the best people, motivate them, reward them and encourage them to innovate. We are a meritocracy and an equal opportunity employer.
- 08 Professional communication and open environment where everyone has right to speak.
- 09 We value quality of work and employees' best contribution in achieving clients' and shareholder's 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.



## Whistle blowing

This Whistle Blower Policy is designed to encourage all the employees of Jahangir Siddiqui & Co. Ltd. to report any suspected or actual misconduct, unethical, unlawful or inappropriate events without any reprisal

- Employees are encouraged to report immediately any suspected or actual misconduct, unethical behavior or unlawful activity to his / her ultimate supervisor or the head of department.
- If the whistle blower is afraid or reluctant that the ultimate supervisor or the head of department will not act on the matter or the action taken by the supervisor / head of department is not satisfactory, the whistle blower shall report the matter to the head of HR, or the CEO or directly to the Board's Audit Committee.
- The whistle blower shall report the matter in writing to the person who will acknowledge the same. The Company recognizes that the disclosure made by the whistle blower may contain highly confidential and sensitive information which may require further investigation. Further, the Company needs to ascertain that the whistle blower has lodged the complaint in good faith. Therefore, anonymous reports of alleged wrongdoing shall not be investigated unless supported by strong documented evidence.
- Identity of the whistle blower shall be kept confidential by the person receiving the complaint and by the investigators unless required by any law enforcement agency.
- The person receiving the complaint shall immediately initiate the investigation into the matter reported and shall complete the investigation within seven working days of the lodging of complaint.
- The investigation report shall be made within three working days of the completion of the investigation and the report shall be forwarded to the Board's Audit Committee.
- The Board's Audit Committee has the overall responsibility for monitoring and reviewing the operation of this Policy. Any recommendation for action resulting from investigations into complaints lies with the Audit Committee.
- Whistle blower shall not be reprimanded for any suspected activity unless it is proved that the matter was reported with an aim to damage the reputation of other personnel or the organization.
- The Company shall take strict disciplinary action against person who tries to take revenge from the whistle blower for reporting any incident of wrongdoing.

## Guidelines and policy related to Related Party Transactions

The Company has adopted an approved policy for related party transactions to ensure that the approval and reporting of related party transactions are in compliance with the Applicable Laws including approved accounting standards as applicable in Pakistan.

Any Board member or any Officer (whether directly or indirectly due to any interest of his/her relative i.e. spouse, siblings and lineal ascendants and descendants) of the Company who has any interest in a related party transaction shall disclose the nature and extent of his/her interest and shall refrain from discussion, participating and voting on the approval of such transaction at the Committee/Board level. In case of material personal interest he/she shall not be present at the board meeting while that matter is being considered.

Details of all related parties transactions, along with basis of relationship describing common directorship and percentage of shareholding are presented at note 30 to the unconsolidated financial statements and note 51 to the consolidated financial statements for the year ended December 31, 2023.

Further, all the contracts or arrangements with the related parties are in either ordinary course of business on an arm's length basis or at agreed terms.

## Guidelines for Safety of Records of the Company

The Company abides by the requirement of Section 220 of the Companies Act, 2017, for the maintenance of books of accounts. Therefore, the Company has implemented a comprehensive plan for maintenance of its physical and electronic data.

The Company maintains a proper record room at its Head Office for safe custody of the various physical documents; where the records are stacked on pre-numbered racks. All records along with rack number have been entered in the system from where any record can be traced by entering the particular of record required. In addition to this, the Company has also engaged and outsourced record management to a company for safe keeping of its older records.

For timely recovery of its soft data on the servers, on-site and remote Data Recovery (DR) site is also available with the Company.



# IT Governance and Cyber Security

The Company places a strong emphasis on maintaining robust technology governance. IT is a key aspect of the JSCL's corporate governance framework as well as of our major investee companies. We have placed strong focus on calibrating our technology strategic objectives with the overall long term business strategy.

The Company and our major investee companies have developed IT governance frameworks to evaluate the use and need of technology in achieving our strategic business objectives. The frameworks cover the monitoring and compliance to all policies set in place for this purpose. The Company and our major investee companies place high focus on adopting and implementing global best in class standards/best practices to achieve satisfactory technology governance.

The Company and our investee companies have set in place detailed enterprise technology governance frameworks which allow them to serve their customers, manage all forms of technology-based risks & threats as well as develop innovative products and services to address a technologically advanced customer base. The technology governance frameworks in place work remain agile and work as a continuous activity rather than a stagnant set of policies due to the ever-changing technology environment.

Further, the Board of Directors govern IT through frequent evaluations of the need and use of IT, including strategies, proposals and other arrangements (internal, external, or both). They also monitor the performance of IT against plans and business objectives and that the use of IT conforms to internal policies and conforms to external obligations (regulatory, legislation, common law, contractual).

## IT Governance Policy outlines the following:

**01**

Maximizing return on technology investment with controlled spending.

**02**

Safeguarding of Company's critical data.

**03**

Development and up-gradation of different modules to provide reliable, efficient and timely information.

**04**

Improving user awareness on IT security to detect and prevent vulnerabilities.

**05**

Ensuring compatibility, integration and avoidance of redundancy.



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 37131900, Fax +92 (21) 35685095

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Jahangir Siddiqui & Co. Ltd.

### Review Report on the Statement of Compliance contained in 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 2023 in accordance with the requirements of regulation No. 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 a part of our audit of the 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 require 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.

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 requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2023.

Date: 28 March 2024

Karachi

UDIN: CR202310106iGuh6FT0L

  
KPMG Taseer Hadi & Co.  
Chartered Accountants



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

**Jahangir Siddiqui & Co. Ltd.**  
**For the Year Ended December 31, 2023**

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Code” or “the 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 elected directors is seven as per the following gender bifurcation:
  - a. Male: Six (including CEO)
  - b. Female: One
2. The composition of the board is as follows:

| Category                      | Name of Directors   |
|-------------------------------|---|
| Independent Directors         | Justice (R) Agha Rafiq Ahmed Khan<br>Lt. Gen. (R) Javed Mahmood Bukhari<br>Samar Ali Shahid<br>Rehan Hassan** |
| Other Non-Executive Directors | Ali Raza Siddiqui<br>Shahid Hussain Jatoi   |
| Executive Director            | Suleman Lalani*<br>Asad Nasir, CEO  |

\* Resigned on April 04, 2023

\*\* Appointed on July 03, 2023

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
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 seven (including the CEO) five directors are already certified under Directors’ Training Program (“DTP”) from recognized institution;
10. There were no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit, during the year. The Board has approved 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                         | Lt. Gen. (R) Javed Mahmood Bukhari (Chairman)<br>Mr. Ali Raza Siddiqui<br>Mr. Shahid Hussain Jatoi |
| Human Resource & Remuneration Committee | Ms. Samar Ali Shahid (Chairperson)<br>Mr. Ali Raza Siddiqui<br>Mr. Asad Nasir                      |
| Executive Committee                     | Mr. Ali Raza Siddiqui (Chairman)<br>Mr. Asad Nasir<br>Mr. Shahid Hussain Jatoi                     |

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 – five meetings of the Committee were held during the year;
  - b) Human Resource & Remuneration Committee – two meetings of the Committee were held during the year;
  - c) Executive Committee – 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; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

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

**JUSTICE (R) AGHA RAFIQ AHMED KHAN**

Chairman  
Karachi: March 07, 2024





# **Environmental, Social and Governance Reporting**

# Environmental Social Governance (ESG) Strategy

As a trusted partner in financial services and investment excellence, JSCL is committed to fostering positive change in the social fabric of Pakistan and contributing to Pakistan's economic progress while upholding the highest standards of corporate responsibility.

This document provides JSCL's ESG strategy and its impact on stakeholders and the broader community in which JSCL operates. The ESG strategy aims to define how JSCL integrates ESG considerations into its business practices, aligning with our vision of being recognized as the premier investment company in Pakistan.

## ENVIRONMENTAL AND SOCIAL INITIATIVES

JSCL, through its subsidiaries and donee philanthropic organizations, is dedicated to actively contributing towards Environmental and Social Initiatives. In addition to the direct initiatives, as per its Corporate Social Responsibility (CSR) policy, JSCL shall continue to support philanthropic organizations working on the Environmental and Social Initiatives aligned with focused Sustainable Development Goals (SDGs), thus paving the way for a more sustainable future.

- **Environmental stewardship:** JSCL will remain dedicated to promoting the responsible use of resources and the preservation of our natural environment. Through initiatives focused on renewable energy adoption, clean water access, infrastructure resilience, and proactive climate change mitigation efforts, we strive to minimize our ecological footprint and contribute to a healthier planet.

JSCL, along with its subsidiaries and through donee organizations, shall remain committed to continue its endeavor to foster environmental sustainability for present and future generations and address the following SDG goals:

- Clean Water and Sanitation
  - Affordable and Clean Energy
  - Industry, Innovation, and Infrastructure
  - Sustainable Cities and Communities
  - Responsible Consumption and Production
  - Climate Action
  - Life on Land
- **Social responsibility:** JSCL's commitment to social responsibility remains steadfast, guiding our efforts to create a positive societal impact. Through an array of initiatives encompassing healthcare accessibility, education particularly for persons with different abilities, vocational trainings leading to employment, gender equality, food security, and fostering diversity and inclusion we are poised to empower communities and foster social equity.

JSCL shall continue and enhance its efforts in this space to achieve following SDGs directly as well as through its subsidiaries and support to the philanthropic organizations working on these SDGs:



- No Poverty
- Zero Hunger
- Good Health and Well-being
- Quality Education
- Gender Equality
- Decent Work and Economic Growth
- Reduced Inequalities

Our ESG strategy aims to address pressing social challenges and cultivate a more inclusive and prosperous society. As we continue to advance these initiatives, we envision a future where every individual has the opportunity to thrive and contribute for a brighter tomorrow.

## GOVERNANCE EXCELLENCE

JSCL stands committed to upholding the highest standards of corporate governance, integrity, and transparency in all aspects of our operations. As we pave the way forward, our governance framework remains pivotal in ensuring accountability, ethical conduct, and the creation of long-term value for our shareholders and stakeholders. JSCL will continue its excellence in the following aspects of Governance:

- **Transparency and Disclosure:** JSCL will continue its unwavering commitment to transparent communication and disclosure practices. By providing stakeholders with timely and accurate information about our operations, performance, and risks, we bolster trust and confidence among our stakeholders while upholding the principles of accountability.
- **Risk Management:** JSCL will strengthen its robust risk management processes to identify, assess, and mitigate risks associated with ESG threats. This includes conducting risk assessments and implementing measures to mitigate ESG-related risks, monitoring and reporting on ESG-related risks as well as their potential impact on business operations.
- **Ethics and Compliance:** Our dedication to promoting a culture of ethics and compliance will remain steadfast in the future. By establishing robust code of conduct, providing ongoing ethics training, and implementing mechanisms for reporting ethical concerns, JSCL ensures compliance with laws and regulations while safeguarding individuals who report misconduct.
- **Board Oversight:** JSCL's Board of Directors will continue to provide vigilant oversight and strategic guidance to ensure alignment with legal requirements, industry standards, and stakeholder expectations. By setting strategic direction, overseeing risk management, and ensuring compliance with regulatory requirements, the Board plays a crucial role in driving sustainable business practices.
- **Stakeholder Engagement:** JSCL will enhance its stakeholder engagement efforts to better understand their needs, concerns, and expectations. By establishing effective communication channels, conducting regular consultations, and incorporating stakeholder feedback into our ESG strategies, we ensure inclusivity and responsiveness in our decision-making processes.

ESG initiatives have a profound impact on stakeholders and the broader community, fostering a culture of responsibility and sustainability. Through environmental stewardship, social responsibility and governance excellence, JSCL aims to create long-term value for shareholders while promoting equality, protecting the environment, and improving societal welfare. By integrating ESG principles into our business strategies and aligning with the Sustainable Development Goals, JSCL demonstrates its commitment to responsible corporate citizenship, driving positive change and contributing to build a more sustainable future for all.





# Corporate Social Responsibility

**Jahangir Siddiqui & Co. Ltd. (JSCL) has consistently demonstrated its commitment as a socially responsible corporate entity. The company adheres to a philanthropic policy, dedicating 2% of its profit after tax towards Corporate Social Responsibility (CSR) initiatives.**

Aligned with the Sustainable Development Goals (SDGs) of Pakistan, JSCL and its subsidiaries under the umbrella of JS Group and philanthropic organizations including Future Trust (FT), Mahvash and Jahangir Siddiqui Foundation (MJSF), and Fakhr-e-Imdad Foundation (FIF), actively engage in benevolent initiatives.

These non-profit organizations are established to promote education, healthcare, environmental protection, vocational training, rehabilitation, self-help, microfinance, and sustainable development, with a focus on uplifting socio-economic conditions in Pakistan. Both FT and FIF hold certifications from the Pakistan Centre for Philanthropy (PCP), underscoring their commitment to ethical and impactful philanthropy.

These initiatives not only contribute to the well-being of communities but also align with Environmental, Social, and Governance (ESG) principles, reflecting JS Group's holistic approach to responsible business practices.



## Jahangir Siddiqui Hospital, Sehwan

Future Trust continued its collaboration with Indus Hospital and Health Network for providing free diagnostic and health services to underprivileged population through Jahangir Siddiqui Hospital, Sehwan. Services include outpatient's department, EPI Enrolments, mental health screening, blood test, family planning counselling, ECG, ultrasound, X-Rays and provision of free medicines. With the collaboration of Indus Hospital team, Jahangir Siddiqui Hospital is creating an impact on vulnerable communities of the neighborhood.

During 2023, almost 29,000 patients were provided free medicine and other additional services at the hospital. Additionally, 3,826 sessions of Community Engagements for raising health awareness were also conducted.



## “Jahangir Siddiqui Hospital, Ghareebo ka Sahara”



“ During a visit to Village Talti, a health worker encountered Nazeera, a 45-year-old woman facing severe physical and mental fatigue due to family and personal issues. With seven children and a husband who occasionally brings income, they often slept hungry. Recognizing the impact on her mental health, our community health worker advised her to seek a check-up. Nazeera, along with her family, visited Jahangir Siddiqui Hospital, where the doctor identified severe headaches as a result of mental and emotional pressure. She was referred to mental health counseling, and ongoing sessions have significantly aided her ”

**Dr Hiba Ashraf,  
Director, Primary Care Program,  
Indus Hospital & Health Network**

In a village where mental health discussions are taboo, JS Hospital is pioneering change by providing crucial counseling services, breaking down societal barriers, and fostering awareness. Through confidential counseling, the institution addresses psychological well-being, challenges misconceptions, and creates an open space for mental health conversations. JS Hospital's efforts catalyze a transformative shift, encouraging residents to seek support and fostering a community valuing holistic well-being.



During September 2022, devastating floods hit Bagh-e-Yousuf area of Sehwan, severely damaging Jahangir Siddiqui Hospital (JS Hospital). Submerged for about two months, the hospital resumed operations in January 2023. However, comprehensive repair and rehabilitation of the hospital was required. Future Trust initiated the repair work with the OPD block being prioritized due to its high utilization. The rehabilitation of OPD Block has been completed during the year.



### JS Academy for the Deaf

Future Trust is a major donor of JS Academy for the Deaf. JS Academy's aim is to provide education to the deaf and hearing-impaired children to read, write & communicate in their own Sign Language. The Academy is providing education to hearing-impaired children from Nursery to Graduation since 2004 and has achieved a very high ranking in providing quality education to both deaf boys and girls. During the year 2023, 162 students were enrolled at the Academy. The Academy also provides employment opportunity and conducive work environment to the individuals who have themselves completed their education from the Academy.



## “From Student to Teacher: A Tale of Empowerment and Continuity”

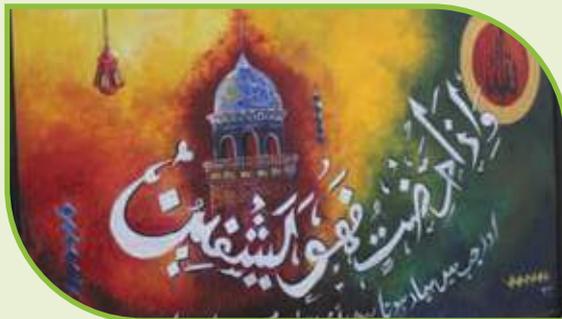


**Ambreen Naz**



“In the silence of challenges, I found my voice; as a teacher, I empower others to discover theirs. Together, we create a symphony of resilience at JS Academy for the Deaf,”

In the halls of JS Academy for the Deaf, Miss Ambreen Naz, a dedicated teacher, unfolds a unique tale of continuity and inspiration. Overcoming her own challenges as a deaf student. Miss Ambreen now imparts knowledge to the next generation, fostering resilience and empowerment. Her journey from student to teacher adds a special dimension to her role, serving as a beacon of hope and illustrating that determination can overcome obstacles in the realm of education. Miss Ambreen's presence in JS Academy for the Deaf showcases the transformative impact of individuals who return to give back, creating a nurturing environment where shared experiences become powerful tools for growth.





### Fakhr-e-Imdad Foundation

Fakhr-e-Imdad Foundation (FIF) is another philanthropic arm of JS Group. FIF was established in May 2000 as Non-Profit Organization. The principal activity of the Organization is to provide quality education, Vocational Training and I.T Training in the rural areas of the country. The educational institutes of FIF are located at marginalized areas of Mirwah Gorchani, Mandranwala and Tando Ghulam Ali, Sindh. During the year, Future Trust has supported FIF through Endowment Fund for generating income on sustainable basis



### Jahangir Siddiqui Auditorium, IBA City campus, Karachi

Institute of Business Administration (IBA) is one of the oldest business school and continues to consistently provide high quality education to students from Pakistan and abroad. As part of supporting this initiative, Mahvash and Jahangir Siddiqui Foundation has constructed a state-of-the-art auditorium complex at IBA city campus to further facilitate the learning experience of the future role models and the best available talent being taught at this prestigious organization.



### Dost Foundation Pakistan

Dost Foundation Pakistan (DFP) primarily operates within the Gilgit Baltistan region of Pakistan and headquartered in Skardu. It aims to improve literacy by providing education in remote areas of Skardu. DFP is currently operating 10 schools with 820 students. It also runs a vocational school that helps the underprivileged to train and earn income at the same time. Future Trust is one of the major donors of DFP.





### Karigar Training Institute

**“Give a man a fish and you feed him for a day, teach a man how to fish and you feed him for a life time.”**

Future Trust strives to eliminate poverty by extending support to less privileged youth of society to become economically independent by acquisition of specialized vocational skills through Karigar Training Institute (KTI). The training programs at KTI are tailored in response to growing demand in both local and international markets for such skilled workers. The students are enrolled for four months training at the institute, followed by two-months internship in

workshops/industries for on-job training in motorcycle repair work, air-conditioning/refrigeration, plumbing and electrical trades.



### Gender Equality Initiatives

JS Group actively promotes gender equality, with JS Bank maintaining 19% women in its workforce. The bank is committed to elevating women's representation at various levels, aiming for a 20% female workforce by 2024. Equipped with employee-friendly policies, such as parental leaves, childcare allowances, medical insurance for employees and their dependents, JS Bank fosters an inclusive culture. The bank supports female students through internships, with 16 onboarded this year. Project Uraan, initiated in 2021, provides career opportunities for persons with disabilities, with 35 currently employed. With accessible infrastructure and specialized training, JS Bank is dedicated to inclusivity, featuring 8 model branches for persons with disabilities. The Hum Qadam program sensitizes employees, aiming for full coverage by 2024, and a Women Financial Services Team enhances products for women customers. JS Bank's commitment extends to leadership development, speed mentoring, networking programs, and specialized financial solutions like JS Khud Mukhtar and JS Her CA/SA, focusing on women's empowerment and financial stability.



### Installation of Solar Energy systems

JS Group continues to increase its reliance on clean energy and overall promote the use of clean renewable energy products. In this regard, JS Bank has powered its 113 branches using solar energy. JS Group's dedication to sustainability is evident in its reusable event materials, emphasizing a commitment to minimize environmental impact while celebrating milestones and initiatives.

During 2023, Future Trust has solarized the JS Academy for the Deaf. The implementation of this solar system is in line with our dedication to sustainability and environmental stewardship. Utilizing solar power will substantially reduce our carbon emissions and lessen dependence on non-renewable energy sources. Additionally, solar energy will lead to substantial reductions in electricity expenses, generating long-term savings that can be directed towards educational initiatives and infrastructure. Furthermore, the solar system will function as an educational resource, enabling students to gain insights into renewable energy, sustainability, and the significance of energy conservation.



### Autism Spectrum Disorder Welfare Trust

In response to the increasing reports of autism in Pakistan, Future Trust supports the Autism Spectrum Disorder Welfare Trust (ASDWT) to raise awareness and promote acceptance, support, and inclusion for individuals with Autism and related neuro-disabilities. ASDWT conducts workshops, seminars, and outreach programs to educate and train parents, teachers, professionals, and others in identifying and managing Autism. Over the past year, 3,019 individuals directly benefited from ASDWT's activities, with continuous funding from Future Trust and MJSF since its inception.





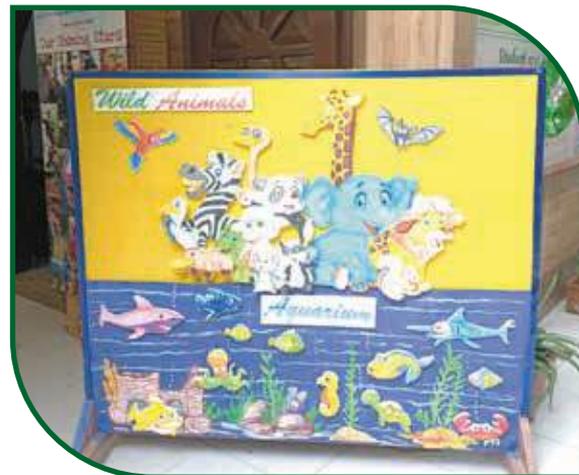
### Acumen Pakistan

Future Trust collaborated with Acumen Fund Pakistan to support a leadership program for individuals driving social change in various sectors and regions in Pakistan. The initiative provided selected individuals with knowledge and practical wisdom for positive societal impact. Additionally, Acumen Pakistan launched the Pakistan Agriculture Accelerator program, empowering agri-enterprises to build and scale sustainable food systems.



### Milestone Charitable Trust

In Pakistan, approximately 3.28 million people have disabilities, but there are only 531 special schools and around 200 NGOs providing education for them. Since 1998, Milestone Charitable Trust has operated a school for children with cognitive and behavioral disorders, catering to conditions like Autism, Down Syndrome, Cerebral Palsy, and delayed milestones. Using personalized curriculum, group activities, and individual therapy, the school aims to overcome academic, emotional, and behavioral challenges in a supportive environment. With 22 students enrolled last year, most from underprivileged backgrounds, Future Trust has consistently supported Milestone Charitable Trust.





## "Nurturing Abilities, Inspiring Futures: Bakhtawar's Triumph at Milestone Charitable Trust"



**Bakhtawar**



“Bakhtawar is an exceptionally courageous and wise individual. She actively engages herself in various situations, showcasing a proactive attitude.”

**Bakhtawar's  
Teacher**

In the uplifting halls of Milestone Charitable Trust, a beacon of inspiration shines brightly in the form of Bakhtawar Abdul Aziz, a young girl with Down Syndrome who is making remarkable strides in her educational journey. Her boundless enthusiasm creates a joyful atmosphere, supported by Milestone's dedicated staff with specialized training. The nurturing environment caters to Bakhtawar's unique needs, fostering academic, social, and emotional growth.

With a tailored curriculum accommodating diverse learning styles, Bakhtawar flourishes, showcasing the transformative potential of specialized education for students with Down Syndrome. Her progress exemplifies the belief that, with the right environment and support, individuals of different abilities can achieve meaningful milestones in their educational journey.



### Uro Gynae Clinic

Future Trust has been supporting Uro Gynae Clinic since its inception. It was established to treat patients with urological and gynecological ailments. Free of cost consultations, operative procedures, diagnostic facilities and medicines are provided to the under privileged population of Pakistan at the Clinic. During the year 2023, 856 patients were provided consultation and treatment at the clinic.



### Provision of Free Meals to the Underprivileged

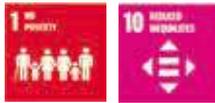
Future Trust is providing daily free of cost lunch for the underprivileged security and janitorial staff. This initiative aims to address the daily lunch needs of the underprivileged members of the society. Due to the high inflation rate, these security and janitorial staff find it challenging to afford daily lunch expenses, leading to skipped meals and potential impact on their health. The goal is to ensure that these underprivileged staff receive nutritious and satisfying meals, enhancing their overall health and productivity.



### Ration Distribution

In 2020, heavy rainfall in District Tharparkar led to significant losses in crops and livestock, with lightning incidents causing fatalities. A locust attack further damaged crops, affecting 80% of the agricultural area. The closure of local markets due to COVID-19 added to the challenges faced by the Thari population. Future Trust responded by distributing 2,000 ration bags in fourteen villages across Taluka Mithi, Taluka Diplo, Taluka Islamkot, and Taluka Nagar Parkar, providing relief to the most vulnerable families.





### Income Support to Needy Individuals

Income inequalities is on the rise with the richest 10 percent earning up to 40 percent of the global income. Future Trust provided financial support to various under privileged and needy individuals with the aim to support in their livelihood.



### Medical Support to Individuals

The Trust also provided financial support to various deserving and needy individuals for their medical treatment. During the year, Future Trust has supported 12 individuals in their treatments and major surgeries at various renowned hospitals including Aga Khan University Hospital.



### Educational Support to Individuals

Future Trust offers financial assistance to low-income individuals by reimbursing educational expenses for their children. Specifically, the program covers the costs associated with the education of up to two children per eligible family. Over the course of the year, the Trust has extended its support to a total of 61 students, ensuring that they have access to the educational resources they need to thrive. This initiative serves as a vital means of promoting equal opportunities for children from economically disadvantaged backgrounds, empowering them to pursue their academic goals without financial barriers.



### Basant Hall Children's Library

The Basant Hall was established in 1901 in Hyderabad, Sindh. Endowment Fund Trust (EFT) is conducting conservation work on this historical building so that it can serve as arts and cultural complex. The building serves as community center with no commercial use. For this purpose, a children's library is established with the aim of providing access to information, literacy, cultural development and recreational programs. The library provides material both in physical as well as digital format. Future Trust has supported the EFT in digitalization of the library.





### Anjuman Kashana-e-Atfal-o-Naunihal

The Trust supported Anjuman Kashana-e-Atfal o-Naunihal for the installation of Solar Power System. It is providing shelter for the orphan, abandoned and unclaimed girls, where these girls are being educated in reputable schools and colleges, and also being taught some basic life skills. At present, the institute is providing shelter to 125 girls with the ages ranging between 6-24 years. The institute has also made arrangements for placement of 800 abandoned babies, so far, with respectable families all over the world.



### Installation of Hand pumps in Tharparkar

Tharparkar is one of the most impoverished districts of Sindh, Pakistan, with the highest infant and child mortality rate in the country. For every 1,000 children born 45 to 50 do not survive or 90 to 100 dies within their first five years of birth. One of the reasons of these deaths is lack of clean water, which causes malnourishment in pregnant women coupled with poor post-natal care at many hospitals. MJSF and Future Trust joined hands for the provision of clean water to the people of Tharparkar. In this regard, 256 hand pumps were installed with a small cemented pond at different villages of Tharparkar.





### Jerrycan Water Purifiers Distribution for Flood Victims

In 2022, floods in Sindh caused widespread devastation, damaging infrastructure and disrupting basic services. Contaminated floodwaters increased the risk of waterborne diseases, posing health threats, especially to vulnerable groups. In response, Future Trust took a humanitarian approach, deciding to distribute Jerrycans (water purifiers) in heavily affected District Mirpurkhas, providing a sustainable, long-term solution for clean drinking water needs.



### Support for Entrepreneurial Endeavors

Future Trust is proud to stand alongside individuals like Ms. Rubina, who embody strength and perseverance in overcoming life's challenges. Recognizing her determination to provide for her family despite facing health limitations, we are honored to offer financial assistance for the establishment of a small shop for her son. This support reflects our commitment to fostering economic empowerment and resilience within communities. We believe that by investing in Ms. Rubina's vision, we not only alleviate immediate financial burdens but also sow the seeds for sustainable growth and prosperity. Together, we look forward to support more deserving individual for their economic empowerment.



### Institute of Contemporary Studies

During the year, Future Trust has supported Institute of Contemporary Studies (ICS). ICS, established 24 years ago, manages institutes specializing in health sciences and skill-based training across Pakistan. The National Excellence Institute in Islamabad, accredited by the Pakistan Nursing Council and the Punjab Medical Faculty, offers diverse education in pharmacy, nursing, physics, chemistry, physiotherapy, and psychology. Additionally, ICS operates the College of International Skills Development (CISD) with 30 campuses nationwide, providing training in IT, artificial intelligence, data sciences, culinary arts, fashion design, English language, and other fields.



### Patients' Behbud Society for Aga Khan University Hospital

The Patients' Behbud Society for Aga Khan University Hospital (PBS) is registered as an independent, charitable society engaged in collecting and disbursing zakat and donations, in order to help mustehiq patients receive high quality medical treatment at the Aga Khan University Hospital (AKUH), its clinics and medical centers. Future Trust has been continuously supporting PBS for last many years.



### Sindh Institute of Urology and Transplantation (SIUT)

Future Trust continued its support to The Sindh Institute of Urology and Transplantation (SIUT). SIUT is regarded as one of the premier Institutes in the world that provides Free of Cost treatment of Urological and Nephrological ailments, Oncological treatments, treatments of Hepatic and Gastrointestinal diseases, and Organ Transplantation facilities to the general public. Free OPD treatment is provided to patients at SIUT.



### PinkDetect

PinkDetect and Future Trust collaborated for an inaugural event in an underprivileged community at Agra Taj Colony, Karachi area, impacting 120 women aged 19-65 with support from Aga Khan University Hospital's medical students. Sessions assessed breast health knowledge and provided interactive education, while personalized consultations with on-site physicians addressed taboos. Attendees received complimentary vital checks, prescribed supplements, and access to onsite pharmacy services, emphasizing holistic healthcare. Future Trust is also working with PinkDetect on a mobile app for breast cancer awareness and diagnosis, with a prototype under development.



### Green Office Initiative

JS Bank Limited, a subsidiary of JSCL, achieved the distinction of being the first commercial bank in Pakistan to receive certification from the World-Wide Fund for Nature (WWF Pakistan) for its Green Office Initiative. This initiative focuses on minimizing greenhouse gas emissions and reducing the ecological footprint in the workplace. Through measures like reducing electricity consumption and paper waste, the Bank fulfilled all requirements outlined by WWF and attained Green Office certification.

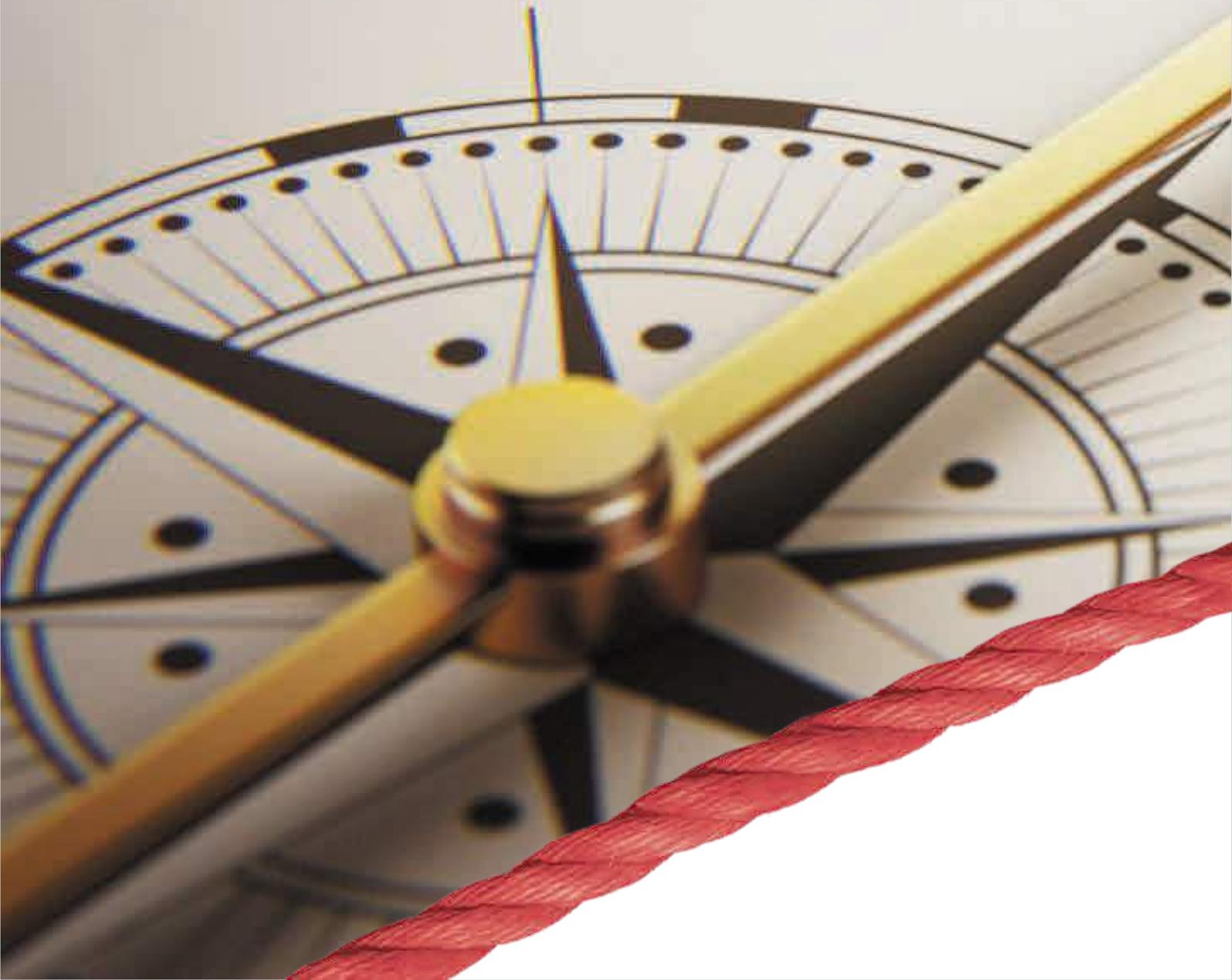
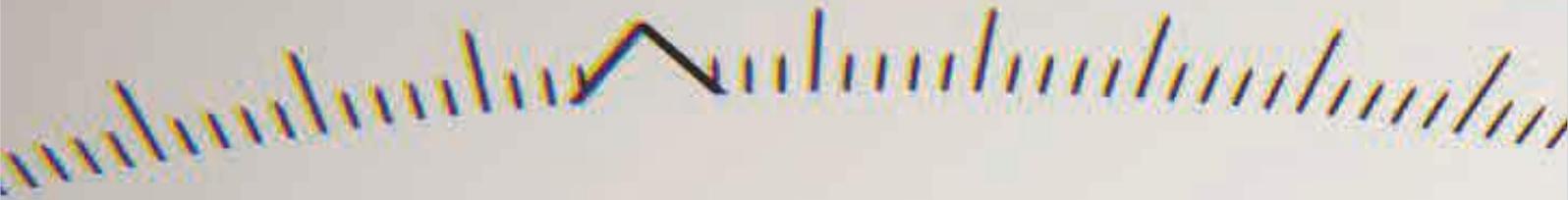


### Digitization of Board Papers

JS Group embraced the digitization of Board papers, marking a forward-thinking shift towards digital transformation in corporate governance. This innovative initiative not only streamlines the preparation and dissemination of meeting materials, enhancing efficiency and accessibility for Board of Directors, but also significantly reduces the company's environmental footprint by eliminating the need for paper-based documents. Moreover, the adoption of digital board papers underscores JS Group's commitment to leveraging technology for secure, efficient, and sustainable business practices.

The shift away from paper-based documents aligns with global efforts to combat climate change, highlighting the company's modern approach to corporate governance while addressing the broader environmental challenges, particularly the mitigation of the greenhouse effect.

-S-





**Strategy, External  
Environment and  
Resource Allocation**

# Strategic Objectives



## Long Term

JSCL remains committed to its long term objective which is:

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



## Medium Term

- To provide a complete suite of financial products and services through its investee companies.
- To enable the investee companies increase their market share through a mix of traditional and innovative strategies.
- To further enrich our corporate capabilities by pursuing continuous improvements in technological advancements, skill enhancement, management development and reward programs.



## Short Term

- To maintain adequate liquidity to capitalize on investment opportunities that may become available.
- To unfailingly ensure meeting our stakeholders' expectations



### Strategies to achieve the objectives

To achieve our Corporate Vision, the Company has adopted the Corporate Mission as its principal strategy highlights of which are as follows:

- Strategy of sustainability through prudent investment decisions;
- Strategy for employing best practices of Corporate Governance and Risk Management;
- Strategy for conducting our business under the highest standards of ethics and legal compliances.

To achieve the medium term strategic objectives, JSCL's strategy is to continuously augment its:

- Human Capital through investing in the 'People' and the 'Systems and Processes';
- Financial Capital through leveraging its immaculate credit history and maximizing its shareholders' value;
- Social Capital through paying back to the society in which it operates by being mindful of the requirements of its stakeholders at large.

Finally, to accomplish its short term strategic objectives, the Company places great focus on liquidity risk management.

### Processes used to make strategic decisions

JSCL's strategies are formulated with an objective of maximizing its shareholders' value in the long term. Therefore, JSCL adopts a formal process to take strategic decisions at the Board of Directors level.

While deliberating and formulating strategies, we benefit from the shared wisdom of the diversely experienced and highly skilled Board of Directors of the Company. Further, strategies developed are regularly aligned with and are based on economic outlook, competitive environment, legal framework and geopolitical situations, i.e. after conducting a detailed SWOT analysis and Business Model Assessment.

Strategies are developed to achieve objectives and its progress is measured with specific Key Performance Indicators.

### Key resources and capabilities of the Company which provide competitive advantage

The key resources and capabilities that provide JSCL achieve its competitive advantage are:

- Experience of more than 50 years in the financial services businesses;
- Collective wisdom from visionary Sponsors and Board of Directors having diverse experience;
- Immaculate credit history with long term entity rating of AA and a stable outlook from PACRA;
- Diversity in the asset mix having total value of asset base of PKR 1.24 trillion and growing;
- Offering complete suite of financial services and products through investee companies with an aim to provide one-stop shop to the wider base of customers;
- Highly competent, professionally qualified, capable and dedicated human capital.

### Key Performance Indicators and Future Relevance:

At JSCL, strategies are developed to achieve objectives and are measured with specific Key Performance Indicators (“KPIs”).

| Strategic Objectives                           | Strategic Initiative  | KPIs  |
|--|---|---|
| Increase brand value                           | JSCL will keep protecting and augmenting its brand value by adhering to its embedded and patronized buoyant ethos and values.   | Enhanced Brand Equity   |
| Strengthen human, financial and social capital | <p>JSCL maintains a compassionate culture that drives the right employee behavior towards achieving the overall corporate objectives by inculcating the right mindset and continuous investment in its human capital.</p> <p>Actively managing and monitoring the risks to further strengthen the credit rating of the Company and, thus, decreasing its cost of funds.</p> <p>JSCL together with its group companies always focus on enhancing the social capital by actively involving in CSR activities.</p> | <p>Employee retention;</p> <p>Lower cost of funds;</p> <p>Improved credit rating;</p> <p>Improved ROE;</p> <p>Enhanced Brand Equity</p> |
| Sustainable growth                             | JSCL's growth, being financial services holding company, emanates from the growth of its underlying investee companies. Therefore, focus would be leveraging the technological inputs to enhance automation and provision of digital one-stop solutions through JSCL's subsidiaries and sub-subsidiaries to achieve sustainable growth.   | <p>Book Value;</p> <p>Increased shareholders' wealth</p>  |



| Strategic Objectives    | Strategic Initiative  | KPIs                |
|-------------------------|---|---------------------|
| Sustained profitability | <p>Diversifying the investment portfolio to tap on the available opportunities and to capitalize on sustainable businesses that provide steady returns to JSCL.</p> <p>Continuously looking at the expense base of the Company to control and try to make additional mileage from each rupee spent.</p> | ROA;<br>ROE;<br>EPS |

The Company monitors progress against all KPIs on a regular basis. The short and medium term objectives are realigned periodically, keeping in view the achievements against KPIs. Further, we ensure that the KPIs remain relevant in the future.

#### **Corporate restructuring, business expansion, or discontinuance of operations:**

During the year, JSBL, a subsidiary bank of JSCL, completed its acquisition of BIPL. This marks a pivotal moment in our journey towards diversification. The acquisition of BIPL is not just a transaction; it's a strategic fit that positions JS Group for even greater success in the financial services landscape of Pakistan. This move will empower the Group to solidify and fortify its presence, paving the way for unparalleled growth and opportunity.

EIHPL, a wholly owned subsidiary of JSCL, has made the strategic decision to divest its entire equity interest in its wholly owned subsidiary, Quality 1 Petroleum (Private) Limited (Q1P). A Share Purchase Agreement (SPA) was signed with the intended buyer on December 31, 2021, reflecting an impressive aggregate sale price of PKR 2 billion. On September 08, 2023, at the request of the intended buyer, EIHPL transferred the shares to a party nominated by the buyer, in strict accordance with the terms outlined in the SPA, marking a seamless transition towards future opportunities.

#### **Business rationale of major capital expenditures:**

In order to capitalize on the Digital Financial Inclusion objectives, JSCL's subsidiaries and sub-subsidiaries are investing in fintech based solutions and digital products. We believe this will enable them increase their outreach and market share, reducing operational cost and facilitate in provision of timely and efficient services to the clients.

#### **Significant changes in objectives and strategies from prior years:**

There are no significant changes in the Company's objectives / strategies as compared to prior years.

#### **Chief Executive's message:**

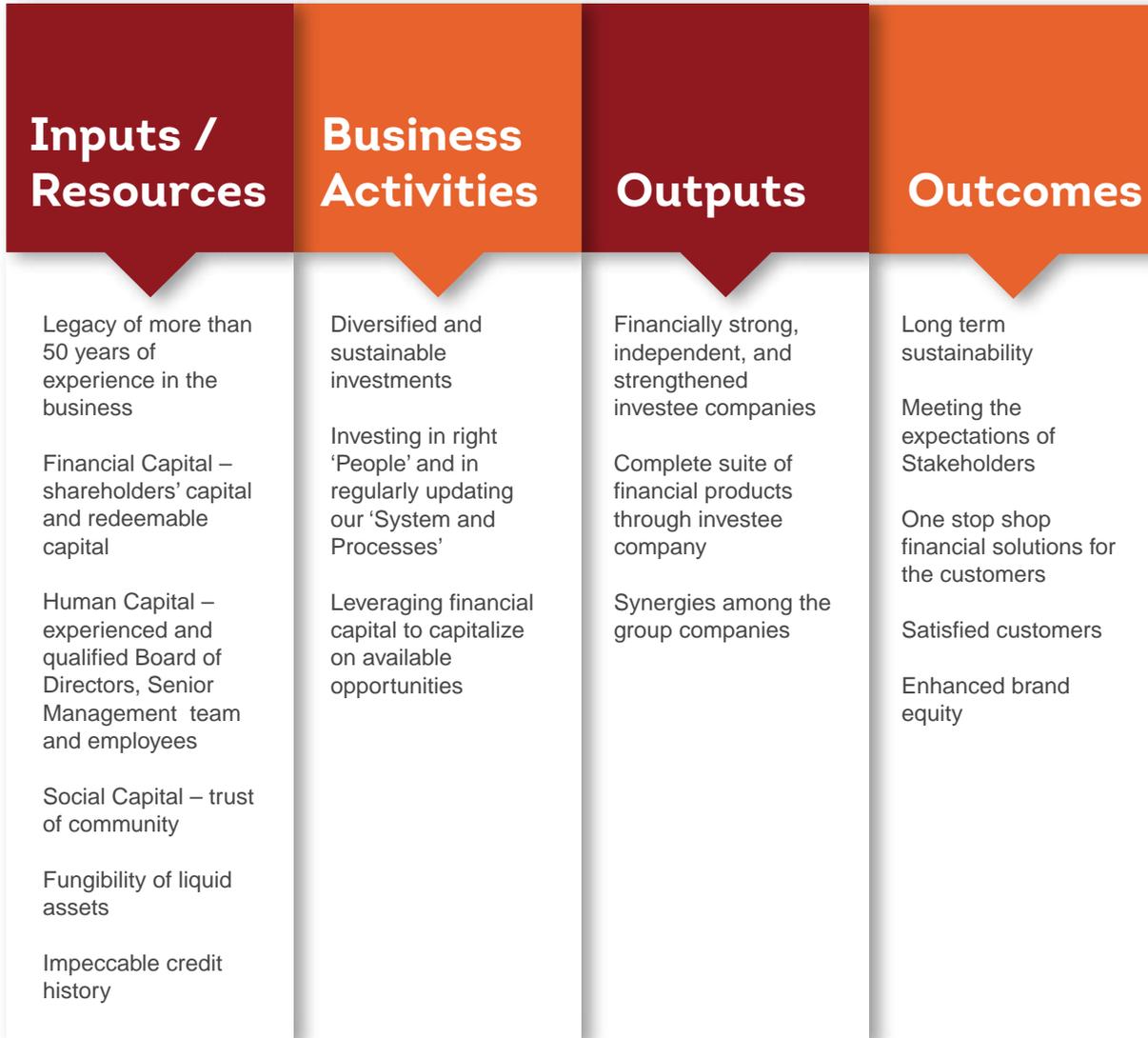
Please visit below link for the Chief Executive's message covering the Company's performance for the year ended December 31, 2023, the Company's business strategies and the future outlook:

<https://www.js.com/investors/investor-relations/c-eos-message/>



# Business Model

JSCL's Business Model in accordance with Section 4C of the International Integrated Reporting (IR) Framework is as follows:



There is no material change in the Company's business model during the year.



# SWOT

On Standalone Basis



## Strengths

Experience of over 50 years in the financial services businesses;

Visionary Sponsors, experienced Board of Directors and a highly competent team of professionals;

Strong capital base;

Impeccable credit history with long-term entity rating of AA with Stable Outlook from PACRA.



## Weaknesses

Difficulty in identifying new investment opportunities to continue sustainable growth;

Long-term investments take longer time to generate returns and cash flow for the Company.



## Opportunities

Stable free cash flow provides opportunity to invest in new and sustainable businesses for enhancing steady returns;

To capitalize un-tapped markets by deploying available liquidity into such investments;



## Threats

Rapidly changing government policies and regulatory environment including taxation reforms;

Overall slowdown in economy due to geopolitical risks and uncertainties across our region.



# SWOT

On Group Basis



## Strengths

Value creation through synergies in financial services markets;

Offering complete suite of products in financial services markets;

Diversified allocation of capital with an Asset base of PKR 646 billion and growing;

Strong and nationwide distribution network.



## Weaknesses

Difficulty in integrated financial planning at Group level;

Need to further strengthen market share in respective financial markets.



## Opportunities

Tech-savvy young generation more likely to use digital platform for its financial needs enabling the Group to increase its footprint;

Economies of scale by providing better-quality digital solutions through one-stop shop concept;

To leverage data analytics and AI for achieving strategic objectives.



## Threats

Intense competition in the financial services sector;

First-mover advantage by a competitor in developing new fintech solutions;

Increased security concerns with respect to increase in demand of digital transactions.





# Competitive Landscape and Market Positioning

JSCL alongwith its group companies operate in a very competitive landscape, wherein, a number of macroeconomic or microeconomic adjustment can significantly impact on the underlying operations and profitability of the investee companies. Therefore, we regularly monitor these variables for framing timely responses.

## Threat of new competition and substitute products or services

JSCL and its strategic investee companies are classified in financial services industry and, therefore, are licensed entities. Hence, there are significant barriers to entry for new competition due to requirements of considerable initial capital, compliance with strict regulations, etc.

However, first-mover advantage by a competitor in developing new fintech solutions or new entrants in form of emergence of fintech companies are posing a substantial threat in forms of both new competition and substitute products and services in financial services sector. Therefore, we are strategically focusing on value creation through offering complete suite of financial products and services by better-quality and hassle-free digital solutions via one-stop shop concept.

## Bargaining power of customers and suppliers

With the provision of ease of doing business through technological inputs and increased awareness of customers and suppliers, their bargaining powers have significantly increased. In today's competitive environment, switching between financial institutions has become easier.

To better succeed in this competitive environment, we endeavor improving our customers' experience through providing innovative, better and a whole suite of financial services products.

## Relative strengths and weaknesses of competitors and customer demand

Due to the significant technological advancements in the financial services industry, demands and relative behavior of customers are also changing. The major relative strength of competitors is keeping pace with the technological shifts ensuring updated and optimal technological solutions. The relative weakness of competitors is the rising security standards for safeguarding digitized transactions and related data.

We are cognizant of these shifts and keep a vigilant eye to meet the consumer expectations to stay ahead of the curve. To this end we continue investing in cutting-edge technology to enable us provide our customers efficient digital solutions while keeping a keen eye on security standards.

## Intensity of competitive rivalry

Financial services sector in Pakistan is fairly competitive as there are number of players in the market be it banking, insurance, stock brokerage or asset management services. However, all these segments are subject to stringent regulatory framework and therefore, the competition is more in terms of which player offers better service quality, access to a complete suite of financial products at one place and customer friendly environment.

## Regulatory and Legislative environment

JSCL along with its investee companies operate under a strict regulatory environment. This requires JSCL and its investee entities to ensure that they remain fully compliant with their respective regulatory framework. Despite of the exit of Pakistan from FATF grey list in 2022, these entities are required to ensure they remain compliant with KYC and anti-money laundering regulations – a commitment Pakistan has given to the international community.

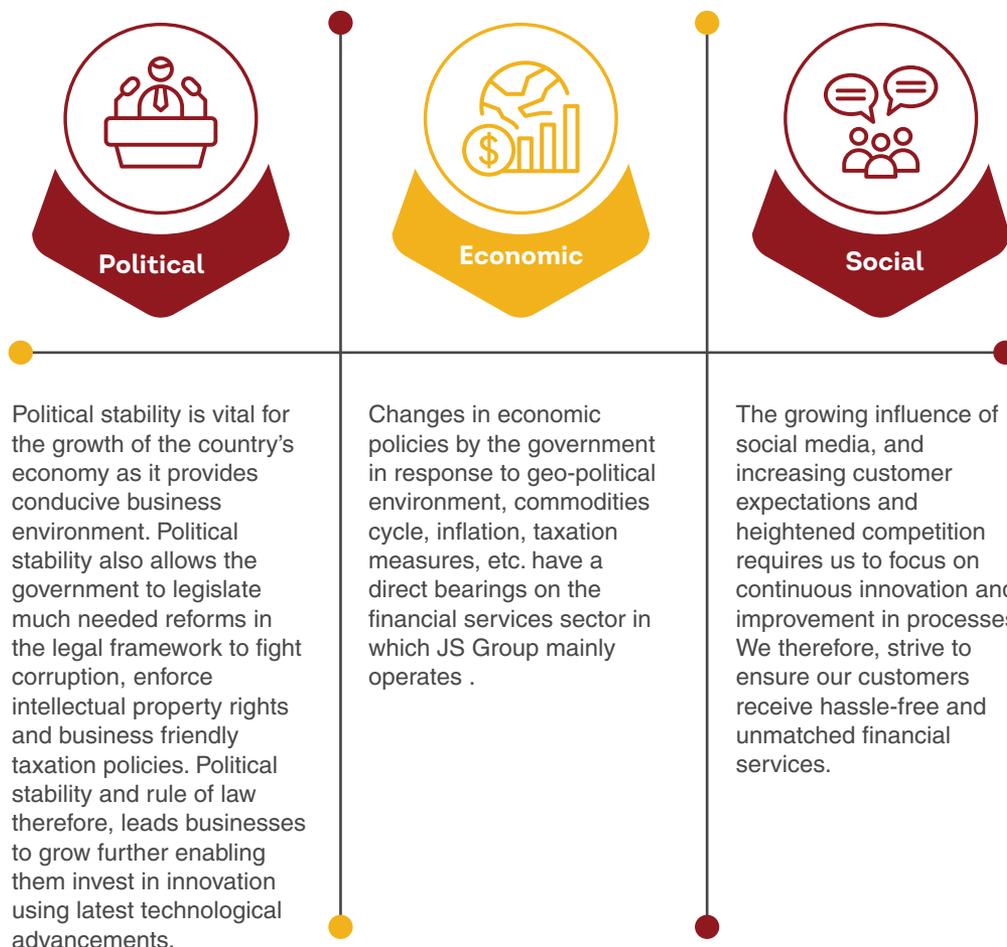
We, as a Group, are nurturing a culture of complete transparency and full compliance and the same is embedded in our ethos. Further, we provide continuous training to our employees to ensure that an effective internal control and risk management framework is being followed.

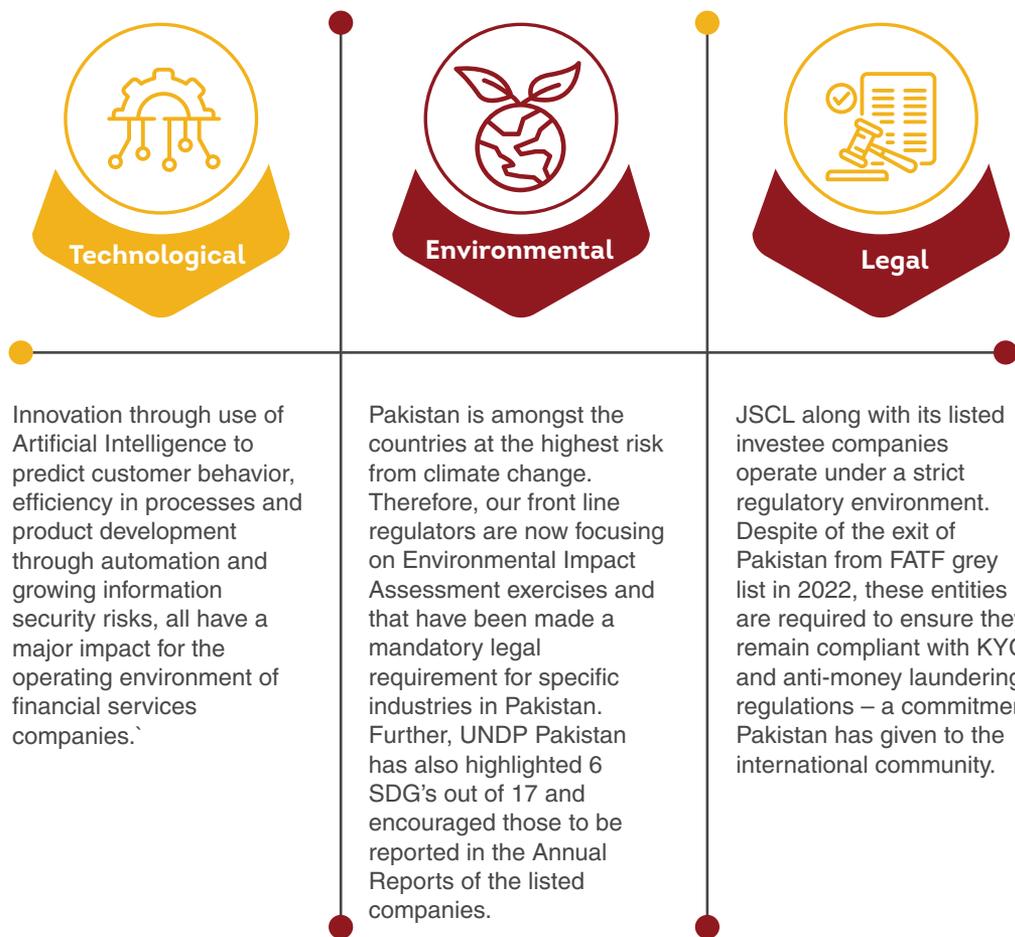
## Market Positioning

JSCL and its strategically held investee companies are positioned in the respective markets with accolades. Please refer page 28 for respective information for each of the group company.

# Analysis of External Environment (PESTEL Analysis)

The overall financial services sector is strongly correlated to economic growth. The key drivers of financial industry growth in a country are typically macroeconomic factors, regulatory framework and demographics of a country. Since, JS Group primarily operates in financial services sector, seasonal adjustments are not applicable on its business in terms of production and sales. Brief analysis of each external macroeconomic factor is detailed below:





# Resource Allocation

The Company believes in efficient and effective allocation of resources/capital for achieving its strategic objectives. JSCL regularly monitors allocation of resources/capital to ensure that it is aligned with the Company's objectives.

Following are the brief snapshots of JSCL's resources/capital allocation plans to implement the medium term and short term strategies:

## Financial capital

For JSCL, Financial Capital is categorized into (i) Shareholder's equity and (ii) Debt Capital i.e. redeemable capital and borrowings from banks.

Shareholder's equity, being an expensive source, is raised for strategic activities like expansion of business through acquisitions etc. On the contrary Debt Capital is cheaper and, therefore, is usually preferred for supporting regular financial needs of the Company. The regular financial needs of the Company are to maintain adequate liquidity to capitalize on the sustainable opportunities by diversifying its current portfolio.

## Human capital

JSCL, its subsidiaries and sub-subsidiaries are primarily engaged in financial services industry where the importance of Human Capital is very instrumental. Therefore, our strength lies in our 'People'; thus, we value our Human Capital as integral component for achieving our corporate objectives.

JSCL and its Group companies have professionally qualified and highly skilled management team capable of delivering results by inspiring its employees to do things the right way. JSCL puts great focus in investing in the 'People' and maintaining a culture that is compassionate and inclusive and that drives the right employee behavior towards achieving the overall corporate objectives. Employees are encouraged to enhance their skill-set through continuous training and rotation.

## Intellectual capital

JSCL, in general, and its subsidiaries which are directly involved in financial services industry, in particular considers the technological advancements as an essential component for achieving sustainable growth. Therefore, to accomplish the corporate objective of sustainable growth, we continuously innovate and implement digital solutions by leveraging the technological inputs to enhance automation and provision of digital one-stop solutions through JSCL's subsidiaries and sub-subsidiaries.

## Social and relationship capital

Our social and relationship capital includes shareholders, lenders, suppliers, vendors, partners, employees, regulators and the larger community where we operate. JSCL together with its Group companies always focus on enhancing our social capital by actively involving in CSR activities. These activities focus to achieve International Sustainable Development Goals (SDGs). Further, resources are allocated to ensure complete transparency at JSCL to assure the confidence of all stakeholders.



### Natural capital

The Company along with its other group companies is utilizing all natural resources in an efficient manner for achieving its corporate objectives. We have deployed solutions for conservative usage of natural resources to protect natural capital.

Our Subsidiary, JS Bank Limited, has been accredited with the Green Climate Fund (the world's largest climate fund) and became the only private sector accredited entity in the Country. Further, it also became the first commercial bank to be certified by Worldwide Fund for Nature (WWF Pakistan) for their Green Office Initiative.

Moreover, our subsidiaries have solar energy systems for more than 33% of their branch networks across the country to increase our reliance on clean energy and overall promote the use of clean renewable energy products. Further, we are promoting paperless environment throughout our Group. These initiatives are also detailed in CSR section of this report.

### Manufactured capital

By effective and efficient utilization of our head offices, branches and other touch-points, we target shaping an environment that nurtures customer's ease. The designs of our offices are environment friendly, i.e. contributing towards a low carbon and climate resilient economy.



# Effect of Key External Factors Impacting Strategy and Resource Allocation

## 1. Technological Change:

In today's rapidly evolving business landscape, technological advancements wield profound influence over JSCL's strategic direction and resource allocation. Recognizing the pivotal role of innovation and digital solutions in fostering sustainable growth, JSCL remains steadfast in its commitment to leveraging technology to its advantage. The Company diligently harnesses technological inputs to fortify its operational framework, embracing automation and digital one-stop solutions through its subsidiaries and sub-subsidiaries. These technological advancements are integrated into the Company's operations to adapt to changing customer preferences and market dynamics.

JSCL prioritizes investment in intellectual capital and technological inputs to capitalize on technological changes. This includes investing in digital solutions, upgrading IT infrastructure, and enhancing automation capabilities. Allocation of financial and human capital towards technological initiatives ensures that the Company remains at the forefront of innovation in the financial services industry.

## 2. ESG Reporting and Challenges:

ESG reporting significantly influences JSCL's strategic decisions and resource allocation as it plays a crucial role in shaping JSCL's strategy, reflecting its commitment to sustainability and responsible corporate citizenship. The Company recognizes the importance of transparent ESG reporting in building trust with stakeholders and demonstrating accountability. Strategies focus on integrating ESG considerations into business practices, aligning with Sustainable Development Goals (SDGs), and addressing environmental and social challenges. Challenges such as regulatory compliance, environmental risks, and social impact assessments influence strategic decision-making.

JSCL allocates resources to support ESG initiatives and compliance efforts. Financial capital is allocated towards environmental sustainability projects, social responsibility initiatives, and governance excellence measures. Human capital is invested in implementing ESG frameworks, conducting risk assessments, and ensuring ethical conduct. Additionally, resources are allocated to enhance stakeholder engagement and transparency in ESG reporting processes. In addition to allocating financial and human capital, JSCL prioritizes technological investments to enhance ESG reporting accuracy and efficiency. Advanced data analytics tools streamline the tracking and measurement of ESG metrics, ensuring transparency and compliance. Furthermore, JSCL emphasizes stakeholder engagement to gain insights and foster collaboration on ESG initiatives. By proactively managing ESG risks and anticipating regulatory changes, JSCL positions itself as a leader in sustainable finance, driving long-term value creation and environmental stewardship.

## 3. Initiatives taken in Promoting and Enabling Innovation:

JSCL and its subsidiaries prioritize innovation by investing in technology, human capital, and intellectual resources. By leveraging cutting-edge advancements such as artificial intelligence, automation, and robust information security measures, JS Group enhances operational efficiencies and develops innovative financial solutions tailored to evolving market demands.

Furthermore, JS Group places a strong emphasis on empowering its workforce through continuous training and skill development initiatives. By fostering a culture of learning and adaptation, employees are equipped to drive innovation and effectively navigate market dynamics.

These concerted efforts enable JS Group to not only anticipate and meet the evolving needs of its customers but also to set new benchmarks of excellence within the financial services industry. By staying ahead of the curve, differentiating itself through innovation, and delivering long term value to its stakeholders, JS Group reinforces its position as a trailblazer in the financial market, poised for sustained success and growth in the years to come.



# Future Outlook and Forward Looking Statement

Future outlook of the Company's external environment along with the forward looking statement has already been articulated in the Directors' Report. Please refer page 60.

Forward looking statement including expectations about known trends and uncertainties that may affect the Company's resources, revenues and operations in the short, medium, and long term are tabulated as follows:

| Uncertainties             | Description of uncertainty and JSCL's response   | Term           |
|---------------------------|--|----------------|
| Changes in interest rates | <p><b>Description:</b> During the year 2023, numerous stabilization measures were implemented by the authorities to address fiscal and monetary imbalances. One of these stabilization measures included continuation of contractionary monetary policy stance, wherein the Policy Rate was increased by 600 basis points during 1HCY2023. The policy rate, therefore, stood at 22 percentage points at the year end.</p> <p>With inflationary pressures receding, market participants are expecting commencement of monetary policy easing during 2HCY2024.</p> <p>Changes in policy rate by the Central Bank directly affects the profitability of the Company.</p> <p>Financial sensitivity towards a change in interest rates on the profitability of JSCL is provided in note 33 to the annexed unconsolidated financial statements.</p> <p><b>JSCL's response:</b> JSCL, being an investment holding enterprise, predominantly funds its long-term strategic equity investments via equity capital. Therefore, variation in level of interest rates does not expose JSCL to any meaningful servicing risk.</p> <p>JSCL does deploy sizable liquidity in money markets and changes in interest rates impact its operating income. Movements in interest rates are carefully monitored as other economic variables are closely linked to prevalent level of interest rates, which concerns the Company from a strategic perspective.</p> | Short and Long |

| Uncertainties  | Description of uncertainty and JSCL's response   | Term                          |
|--|--|-------------------------------|
| <p>Volatile capital markets</p>  | <p><b>Description:</b> Materialization of Standby Agreement with IMF helped improve investor sentiments in 2HCY2023 and the KSE-100 index registered a phenomenal growth of 54.50 percent during the year. Average daily volumes and value traded also increased substantially. Improved sentiments also attracted foreign investors.</p> <p>JSCL's major investments are in equity and, therefore, a decline in quoted prices and other factors impacting value of our investments, may result in impairments and could adversely affect our net income and financial results.</p> <p>Financial sensitivity of any change in fair values of our equity investments on the profitability of JSCL is provided in note 33 to the annexed unconsolidated financial statements.</p> <p><b>JSCL's response:</b> Volatility in quoted prices of JSCL's long-term strategic equity investments has no material bearings on viability of the Company itself. JSCL utilizes sparse leverage and is almost entirely equity funded; a policy most appropriate and compliant with the long-term vision and business model of the Company.</p> <p>Investment Committee of the Company, constituted by and operating under the Board's oversight, is regulated by a formal investment manual. Regular research effort is expended and formal appraisals are conducted by the Investment Committee before taking informed investment decisions.</p> | <p>Short and Long</p>         |
| <p>Operational uncertainty in the operation of the strategically held investee company</p> | <p><b>Description:</b> Any operational uncertainty in the operation of the strategically held investee companies of JSCL may have a direct financial impact on the Company.</p> <p><b>JSCL's response:</b> Being the holding company, awareness of the extent and nature of capital allocation and understanding of underlying business of investee companies is an essential aspect of the Company's Investment Management Function. Performance of strategically held investee companies is regularly monitored as well.</p>   | <p>Short, Medium and Long</p> |



### Performance of the Entity as Compared to Last Year's Disclosures:

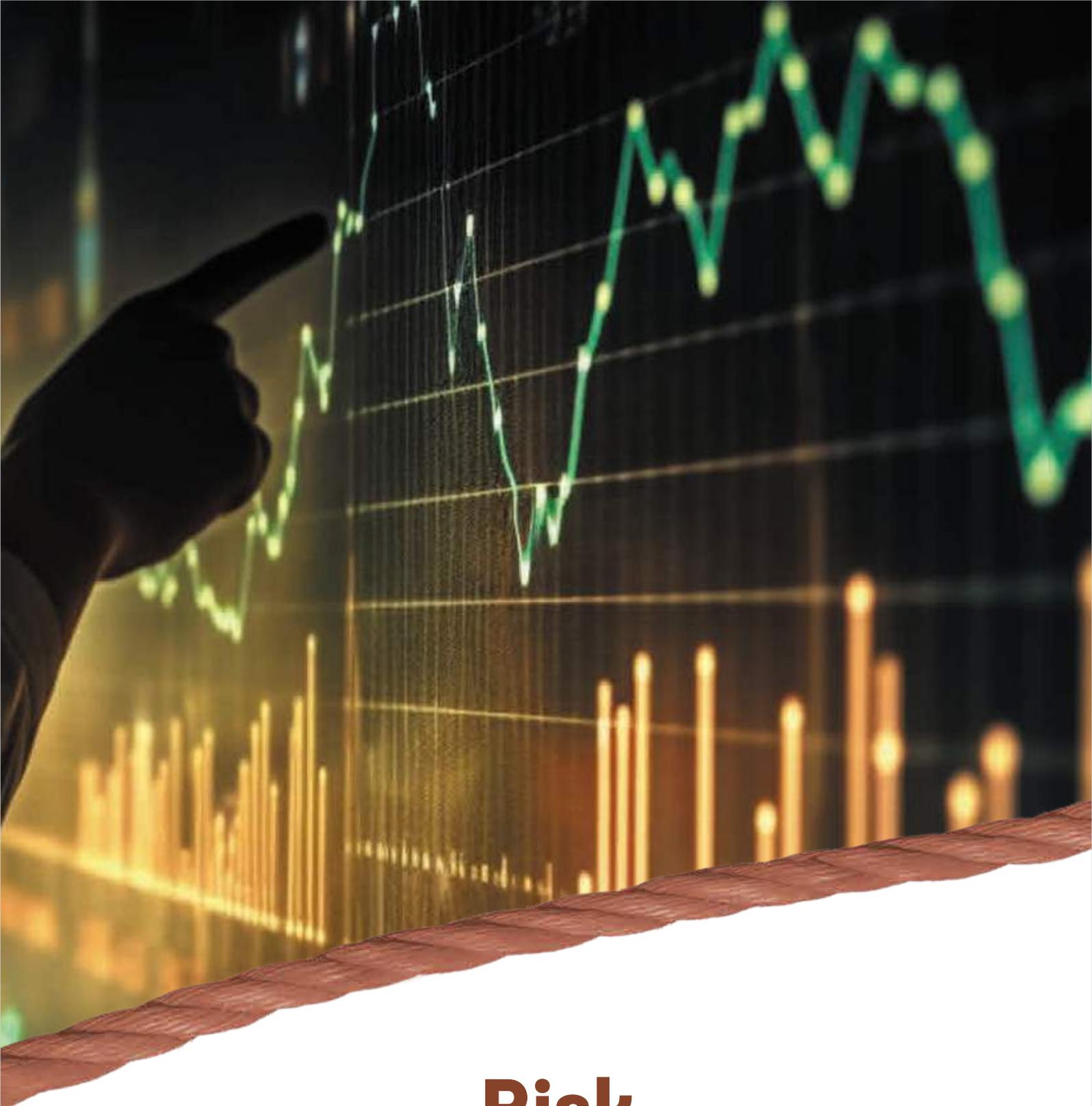
The Company reported profit after tax of PKR 290.81 million for the year ended December 31, 2023 compared to PKR 345.24 million for the year ended December 31, 2022. Overall revenues for the year improved to PKR 1,570.69 million as compared to PKR 1,384.37 million for the year ended December 31, 2022, on account of higher return earned on investments.

Financial charges decreased to PKR 117.53 million as compared to PKR 246.23 million for the same period last year, by virtue of repayment of long term borrowings. Resultantly, the Company is debt free at the year end. Imposition of Super Tax as well as CGT incurred on the sale of BIPL shares to JSBL, resulted in higher tax incidence of PKR 807.05 million as compared to PKR 489.85 million last year. The breakup value per share as of December 31, 2023 stood at PKR 33.96.

### Sources of Information and Assumptions used:

The Company uses external and internal sources of information including publications by State Bank of Pakistan, Pakistan Stock Exchange, financial reports of investee companies, and other prominent business and economic publications. Internal information includes internally generated data such as MIS reports, securities research, and management accounts and forecasts. Assumptions used for the purposes of financial forecasts and risk assessments are based on the information and data gathered from the above sources. Validity of assumptions used in decision making is regularly reviewed and necessary adjustments are made to ensure they remain relevant.





# **Risk Management**

# Risk Management Framework

**JSCL and its group companies put great emphasis on management of risks whether it is internal or external. For this purpose, a comprehensive mechanism is in place that identifies, quantifies, manages, and reports key risks of businesses.**

The Board of Directors and its subcommittees, thoroughly assess all principal risks including credit, market, liquidity, solvency and compliance risks through various reports including early warning indicators to ensure that necessary policies, procedures, systems and controls to mitigate risks that may affect its business objectives, performance, financial viability and sustainability are in place.

All the relevant risks i.e. business, operational, financial, etc. together with the mitigating factors are presented to the board sub-committees for their review and appropriate inputs.

Further, the evaluation of risk by the Board is also covered in the annexed Director's Report. Moreover, sensitivity analysis for all the identified risks and appropriateness of capital employed are presented in detail in note 32 and 33 of the unconsolidated financial statements and note 48 and 49 of the consolidated financial statements.

## Responding to Critical Challenges and Uncertainties

JSCL has put in place various measures to minimize risk and protect the interests of all our stakeholders. However, changes in external environment poses uncertainties and challenges for the Company. Some of the critical challenges are economic volatility, advancements in information technology, use of Artificial Intelligence, information security, and climatic changes.

We have articulated our responses to these challenges through our future strategies that include continuous augmentation of various capitals of the Company, diversifying the investment portfolio to capitalize on sustainable businesses that provide steady returns, and leveraging the technological inputs to enhance automation and provision of digital one-stop solutions through JSCL's subsidiaries, sub-subsidiaries and strategic investee companies to achieve sustainable growth.

Furthermore, on an ongoing basis, information security policies and procedures to protect our assets, data of our employees and customers and stakeholders from external attacks are reviewed and upgraded.

JSCL has a capable and professional management team to respond to these challenges. In addition, the employees are encouraged to avail the continuous training and development opportunities sponsored by the Company to remain relevant and competitive in the ever-changing environment and be ready to face the new challenges and uncertainties.

# Risk & Opportunity Report

## Risks:

Risk factors are those factors that materially affect the achievement of corporate objectives. It may arise from internal sources such as processes failure, people, or systems in place or from external sources such as changes in any of the PESTEL component. Although, we constantly monitor various risks, but due to the continuous changes in internal as well as external landscape, all risks may not be identified. Following are the identified risks that may affect our corporate objectives and related strategies:

| Risks  | Source   | Capital                            | Term             | Mitigating steps  | Associated Strategic Objectives   |
|--|----------|------------------------------------|------------------|---|---|
| <p><b>Liquidity Risk</b></p> <p>The risk that the Company will encounter difficulty in meeting its obligations resulting into deterioration of its credit worthiness.</p> <p>The risk that adequate liquidity is not available to capitalize on investment opportunities that may become available.</p> <p>Likelihood: Low<br/>Magnitude: High</p> | Internal | Financial, Social and relationship | Long and medium  | <p>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.</p> <p>The maturity profile of debt obligations is continuously monitored to ensure adequate liquidity is maintained.</p>                   | <p>To maintain adequate liquidity to capitalize on investment opportunities that may become available.</p> <p>To unfailingly ensure meeting stakeholders' expectations.</p> |
| <p><b>Interest Rate Risk</b></p> <p>The risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates</p> <p>Likelihood: Medium<br/>Magnitude: Medium</p>  | Internal | Financial                          | Medium and short | <p>The management's investment committee keeps a keen eye on the interest rate trends and expectations while making any medium to long term financing or investing decisions. Further, to mitigate the risk, dealing in fixed rate instruments is avoided keeping in view the volatility of the economic conditions of the Country.</p> | <p>To unfailingly ensure meeting stakeholders' expectations.</p>  |

| Risks  | Source                | Capital  | Term             | Mitigating steps  | Associated Strategic Objectives   |
|--|-----------------------|--|------------------|---|---|
| <p><b><u>Concentration Risk</u></b></p> <p>The risk that 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.</p> <p>Likelihood: Low<br/>Magnitude: Medium</p>  | External              | Financial  | Medium and short | The management regularly reviews its portfolio of assets to avoid any concentration risk. Further, as an investment holding company, diversification is embedded in our investment philosophy which we abide by.  | To unfailingly ensure meeting stakeholders' expectations.   |
| <p><b><u>Technological Risk</u></b></p> <p>Technological risk is basically emanating through Information Security risk that may be caused by internal or external threats, such as unauthorized access to critical data, sensitive customer information, non-availability of critical services, impersonating clients and theft or alteration of information, while performing financial transactions, and loss of the sensitive electronic data and IT systems.</p> <p>Likelihood: Medium<br/>Magnitude: High</p> | Internal and External | Financial, Intellectual, Social and relationship | Medium and long  | To mitigate this risk and to capitalize on the Digital Financial Inclusion objectives, JSCL's subsidiaries and sub-subsidiaries are investing in fintech based solutions and digital products.<br><br>Further, information security divisions of all group companies caters to the Information Security risk by continuously evolving the relevant control environment through performing 24/7 information security monitoring of information assets. | To provide a complete suite of financial products through its investee companies including subsidiaries and sub-subsidiaries by enabling them to increase their market share using digital technology to increase outreach through Digital Financial Inclusion. |
| <p><b><u>Credit Risk</u></b></p> <p>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.</p> <p>Likelihood: Low<br/>Magnitude: Medium</p>   | External              |  | Medium           | To minimize its credit risk, appropriate level of due diligence is applied to ensure that credit risk is identified and analyzed diligently.  | To unfailingly ensure meeting stakeholders' expectations.   |



| Risks   | Source   | Capital                                   | Term            | Mitigating steps   | Associated Strategic Objectives  |
|---|----------|---|-----------------|--|--|
| <p><b>Operational Risk</b></p> <p>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 or strategically held investee company's operations</p> <p>Likelihood: Low<br/>Magnitude: High</p>                 | External | Financial, Human, Social and relationship | Medium and long | To mitigate this risk the Company has implemented adequate segregation of duties between various functions, introduced various controls and procedure, implemented adequate controls for strict regulatory compliance, etc. Periodic review of risks is undertaken to ensure adequate controls are in place to address the risks identified.   | To achieve long term objective, i.e. corporate vision through application of corporate mission.                        |
| <p><b>Legal and Compliance Risk</b></p> <p>The risk of legal or regulatory sanctions or material functional loss that might be suffered as a result of failure to comply with laws, regulations, and various rules.</p> <p>Likelihood: Low<br/>Magnitude: Medium</p>  | Internal | Social and relationship                   | Medium and long | JSCL and its group companies are nurturing a culture of complete compliance and transparency that reflects high ethical standards and integrity at all levels within the organizations by complying with all applicable laws, regulations and various rules.   | To achieve long term objective, i.e. corporate vision through application of corporate mission.                        |
| <p><b>Reputational Risk</b></p> <p>The risk that a loss that may arise by an activity, action, or stance taken by the Company or any of its group company, or their employees that can impair the Brand resulting in loss of business and/or decrease in the value of the Brand.</p> <p>Likelihood: Low<br/>Magnitude: High</p> | External | Financial, Human, Social and relationship | Medium and long | <p>JSCL, being the parent company of the Group endeavors not only to protect the brand value but also to enhance its value over time.</p> <p>Further, it has placed emphasis on ensuring that:</p> <ul style="list-style-type: none"> <li>- All the contractual obligations are honored;</li> <li>- Grievances of any stakeholder are appropriately and timely addressed and resolved;</li> <li>- Meticulous compliance with all applicable regulatory and legal requirements are always met; and</li> <li>- Continuity of all business processes and provision of all services are guaranteed.</li> </ul> | <p>Increase brand value.</p> <p>To be recognized as the premier and best performing investment company in Pakistan</p> |

| Risks  | Source                | Capital                  | Term             | Mitigating steps   | Associated Strategic Objectives                           |
|--|-----------------------|--------------------------|------------------|--|---|
| <p><b><u>Supply Chain Disruption Risk as a result of ESG related factors</u></b></p> <p>Supply chain disruptions can arise from ESG-related factors such as emissions, effluents waste, chemical releases, and resource depletion. JSCL, being a financial services holding company, is exposed to the supply chain disruption risk through its banking subsidiaries who are lenders to such supply chains.</p> <p>Likelihood: Low to Medium<br/>Magnitude: Medium</p> | Internal and External | Natural and Manufactured | Short and Medium | <p>To mitigate such supply chain disruptions arising from ESG factors, JS Group should:</p> <ul style="list-style-type: none"> <li>- Conduct comprehensive due diligence on suppliers and integrate ESG criteria into their selection processes.</li> <li>- Regular risk assessments should prioritize vulnerabilities, with capacity-building for subsidiary banks and suppliers to enhance ESG performance.</li> <li>- Contracts should include ESG clauses, with robust monitoring for compliance.</li> <li>- Diversification of partnerships reduces risk, while contingency planning ensures proactive responses to disruptions.</li> </ul> | To unfailingly ensure meeting stakeholders' expectations. |

**Opportunities:**

| Risks  | Source                | Capital                                   | Term            | Mitigating steps  | Associated Strategic Objectives   |
|--|-----------------------|---|-----------------|---|---|
| <p>To take advantage of the increased customer demand for quality digital solutions through one-stop shop concept.</p> <p>Likelihood: High<br/>Magnitude: High</p> | Internal              | Financial, Intellectual, Manufactured     | Long and medium | By investing in the technological inputs and leveraging the existing strength of offering complete suite of products in financial services markets. | To provide a complete suite of financial products through its investee companies including subsidiaries and sub-subsidiaries by enabling them to increase their market share using digital technology to increase outreach through Digital Financial Inclusion. |
| <p>To capitalize un-tapped markets by deploying available liquidity into such investments</p> <p>Likelihood: High<br/>Magnitude: High</p>                          | Internal and External | Financial, Human, Social and relationship | Long and medium | By maintaining the required Financial Capital through leveraging its immaculate credit history and maximizing its shareholders' value.              | To be recognized as the premier and best performing investment company in Pakistan  |

**Materiality Approach:**

Materiality Policy has been approved by the Board of Directors as per the requirement of Code of Corporate Governance. Materiality has been defined on Statement of Profit or Loss and Statement of Financial Position line items. Further, in order to execute day to day operations/ transactions delegation of powers has also been defined clearly and formalized procedures are followed.

**Financial Obligations:**

The Company and all the group companies have fulfilled all of their respective financial obligations and there were no defaults in payment of any debt/borrowing, during the year.

**Capital Structure:**

The Company finances its assets through financial capital of both kinds, i.e. shareholders equity and debt with a view to maintain an appropriate mix between various sources of finance to minimize risk. The Company is currently operating at a conservative debt to equity ratio of 1.75 percent. This only represents lease liability against Right of Use (RoU) Assets and liability component of Preference shares.

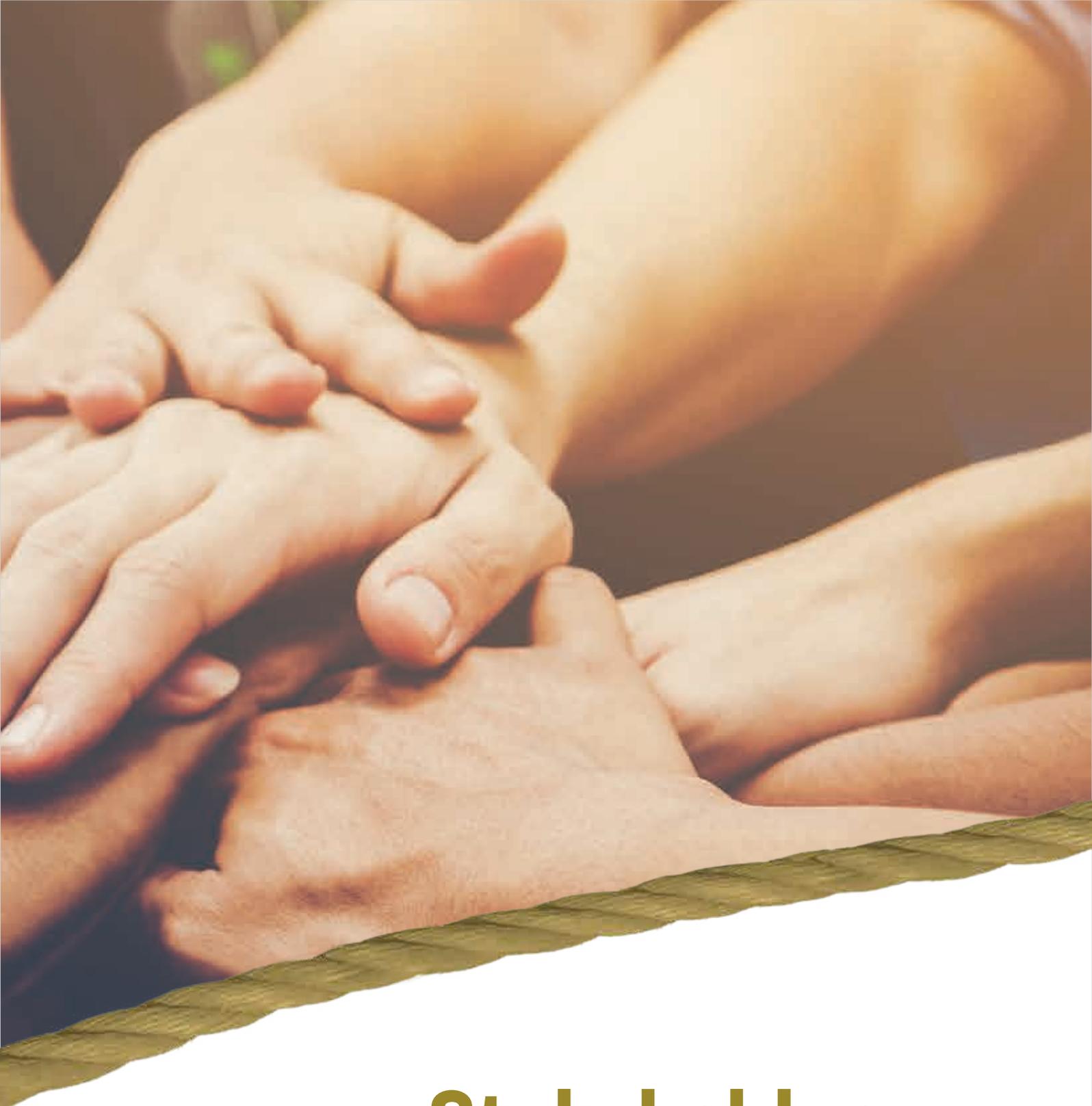
**Business Continuity Management and Disaster Recovery Plan:**

JSCL and its group companies understand the importance and recognize the responsibility for provision of uninterrupted services to its customers. Therefore, approved and robust Business Continuity Plans (“BCP”) and Disaster Recovery Plans (“DRP”) are in place for all group companies that provide essential financial services to the customers to ensure the protection of business operations from any sort of disruption.

Regular periodic testing of BCP has given a confidence to the management that business will continue to work in the event of any disruption occurs and providing satisfaction to the customers and other stakeholders. Further, formal trainings and drills are being conducted to impart and educate the people throughout the companies.

Further, adequate systems of IT Security on-site data backup and off-site storage of data back-up at Company’s Site are in place. To ensure the safety of employees and assets, fire alarm systems are installed in the premises of all the offices. Moreover, adequate systems are in place for extinguishing fire. The Company has also deployed adequate security staff at Company’s premises to ensure uninterrupted operations regardless of the political situation and other external factors.





# **Stakeholders Relationship & Engagement**

## How We Engage with our Stakeholders

### Stakeholder identification and engagement policy:

JSCL being an investment holding company has invested in diversified businesses. Therefore, at JSCL, we have identified multiple stakeholders that have interests in the Company. Accordingly, JSCL's strategic objectives are bespoke to augment stakeholders' value through a culture of transparency, impartiality, sustainability and respect.

The following provides an overview of stakeholder engagement by JSCL:

#### a- Investors/Shareholders/Analysts:

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, and the PSX Rulebook, the Company always notifies to the Stock Exchange all material announcements including but not limited to the dates of Board of Directors meetings and financial results. This helps the investors/shareholders remain connected with the Company.

Further, JSCL convenes Annual General Meeting and Extra Ordinary General Meeting in accordance with the Companies Act, 2017. Furthermore, the Company's financial reports are published every quarter and are also placed on Company's website for the shareholders and potential investors.

Furthermore, JSCL also convenes Corporate Briefing Sessions as per the requirement of Pakistan Stock Exchange.

#### b- Lenders/Banks:

JSCL has an unblemished history of issuing Term Finance Certificates ("TFCs") and timely debt servicing, thereof. Therefore, we understand the importance of these stakeholders and ensure continuous interaction with them and manage our relationships.

#### c- Government and various Regulatory bodies:

To ensure compliance with applicable laws and regulations, the statutory returns and forms are filed in timely manner with various regulatory bodies and federal and provincial taxation authorities.

Further, on unconsolidated and consolidated basis, JSCL and JSCL along with its subsidiaries have contributed PKR 646.37 million and PKR 13,007.53 million, respectively to the National Exchequer on account of various federal and provincial governments' levies including income tax and sales tax.

#### d- Employees:

The Company views its employees as internal stakeholders. Therefore, JSCL firmly believes that investing in its people by training and increasing knowledge base of employees of JSCL always amplifies the effectiveness of JSCL.

Thus, JSCL engages with its employees in the form of offering complete fairness in all dealings, training initiatives, job satisfaction feedbacks, open communication with the HoDs/CEO, and employee benefits including compensation, medical, performance bonus, health and life insurances and post retirement benefits. The Company is an equal opportunity employer.

#### e- Community:

JSCL always takes pride in being a socially responsible corporate citizen and, therefore, considers Community as its external stakeholder. JSCL believes in paying back to the Community and, therefore, the Company has adopted a formal CSR policy. Various engagements of JSCL in this regard are detailed in the Corporate Social Responsibility Report on page 121.



### Decisions taken at the last Annual General Meeting held on April 27, 2023, and their implementation status:

| Decisions taken   | Implementation status   |
|---|-------------------------|
| 1. Unanimous adoption and approval of the audited financial statements for the year ended December 31, 2022, together with Directors' and Auditors' Reports thereon and Chairman's Review Report. | Immediately implemented |
| 2. Unanimous appointment of M/s KPMG Taseer Hadi & Co., Chartered Accountants as Auditors of the Company for the year 2023.   | Immediately implemented |
| 3. Unanimous approval of preferred cash dividend @ 6% p.a. to the Preference Shareholders for the year ended December 31, 2022, as recommended by the Board of Directors.                         | Immediately implemented |

Further, no significant issues were raised in the last AGM of the Company.

- **Extraordinary General Meeting held on March 16, 2023**

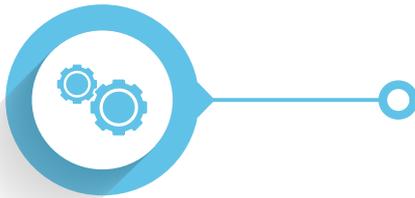
| Decisions taken  | Implementation status     |
|--|---------------------------|
| 1. Special Resolutions passed, without modifications, for sale of 235,684,306 shares of BankIslami Pakistan Limited held by JSCL to its subsidiary, i.e. JS Bank Limited (JSBL), in exchange for shares of JSBL which will be issued as 'other than rights and cash issue' as consideration. | Implemented in due course |

- **Extraordinary General Meeting held on May 25, 2023**

| Decisions taken  | Implementation status     |
|--|---------------------------|
| 1. An ordinary resolution passed by the members of the Company through simple majority, to give permission and approval to the Company for circulation of annual audited financial statements to members through QR enabled code and weblink within and as a part of the notice of general meeting.<br><br>This is in line with Securities and Exchange Commission of Pakistan's notification number S.R.O. 389(I)/2023, and as a consequence thereof, the practice of circulation of annual audited financial statements through CD will be discontinued. | Immediately implemented   |
| 1. Approval granted through Special Resolutions, for further investment in JSBL, by subscription to the Company's entitlement of the Rights Shares declared by JSBL on April 26, 2023 as well as subscribing to a maximum of 55,106,680 unsubscribed Rights Shares if offered by the Board of JSBL under Section 83(1)(a)(iv) of the Companies Act, 2017.  | Implemented in due course |

Further, no significant issues were raised in the EOGMs of the Company.

## Investor Relations Section on Corporate Website



JSCL places great emphasis on ensuring regular engagement with its investors through various channels. The Company's corporate website is one such channel that is regularly updated with all important business announcements, financial results as well as regulatory information. The Investor Relations section of the JSCL's website serves to connect its stakeholders with the Company.



The Company's website also includes all latest information regarding the Company, including details of senior management team, its financial highlights, shareholding pattern, payout information, shareholders information as well as a link to Securities and Exchange Commission of Pakistan's (SECP) Service Desk Management System (SDMS).



The Company has also provided contact details for Company Secretariat Office to facilitate the shareholders, analysts and investors.

The relevant section is available on the Company's website:

<https://www.js.com/jscl/investor-relations/grievance-contact/> 



## We Encourage Minority Shareholders' Participation in General Meetings

The Board of JSCL always ensures that the interest of minority shareholders is protected and, therefore, endeavors to increase the participation of minority shareholders at the general meetings. Therefore, and in compliance with the regulatory requirement, JSCL now facilitates its members to attend general meetings through video-link facility as a regular feature, in addition to physically attend general meetings.

Additionally, following measures are taken by the Company to encourage participation of all shareholders in the General Meetings:

- All notices of the shareholders' meetings are timely announced on Pakistan Stock Exchange (PSX) and published in nationwide newspapers in both English and Urdu languages;
- All notices of the shareholders' meetings are dispatched at the registered addresses and emails of the shareholders;
- Shareholders are facilitated in appointing proxies in case they are unable to attend the AGM/EOGM in person; and
- Shareholders are encouraged to comment, raise queries and provide feedback related to the operations of the Company.

## Corporate and Analyst Briefing

As per requirement of the Pakistan Stock Exchange, JSCL's Corporate Briefing Session was held for shareholders and analysts' community on December 27, 2023. Company's Senior Management, Shareholders and representatives from the analysts' community attended the session via video-link facility.

The interactive sessions served to apprise the participants of a detailed overview of the Company's performance, its business environment as well as future prospects and strategy.

The engagement session served to give the right perspective of the JSCL's business affairs. To facilitate shareholders and to accommodate analysts' community a sufficient time slot was allocated for question-and-answer session and full access to all necessary stakeholders was ensured.

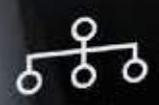
The information and presentation is also uploaded on the Investor Relations section of the Company's website.

# REVENUE

COMMERCIAL  
ENABLEMENT



COMMERCIAL  
OPERATIONS



OPERATIONS

COMMERCIAL  
INSIGHTS



COMMERCIAL  
ARCHITECTURE



COMMERCIAL  
ASSET MANAGEMENT

Apr 24, 2017  
May 1, 2017  
May 8, 2017  
May 15, 2017  
May 22, 2017  
May 29, 2017  
Jun 5, 2017  
Jun 12, 2017  
Jun 19, 2017  
Jun 26, 2017

# Financial Performance

# Financial Highlights

(Rupees in '000)

|  | 2023        | 2022        | 2021       | 2020        | 2019       | 2018        |
|--|-------------|-------------|------------|-------------|------------|-------------|
| <b>Operating Results</b>                                 |             |             |            |             |            |             |
| Total revenue  | 1,570,686   | 1,384,371   | 1,507,123  | 956,560     | 1,220,281  | 1,245,647   |
| Operating and administrative expenses                    | 336,070     | 287,615     | 219,435    | 215,687     | 210,590    | 225,603     |
| Finance cost   | 117,533     | 246,231     | 267,002    | 454,756     | 577,100    | 394,729     |
| Provision for Sindh Workers' Welfare Fund                | 22,405      | 17,043      | 20,420     | 27,353      | 9,837      | 9,005       |
| Provision for / (Reversal of) impairment                 | (3,183)     | (1,611)     | (337)      | (1,081,536) | (59,269)   | 175,072     |
| Profit before tax and impairment losses                  | 1,094,678   | 833,482     | 1,000,266  | 258,764     | 422,754    | 616,310     |
| Profit before tax from continuing operations             | 1,097,861   | 835,093     | 1,000,603  | 1,340,300   | 482,023    | 441,238     |
| Profit after tax from continuing operations              | 290,814     | 345,243     | 786,380    | 1,205,007   | 359,810    | 206,865     |
| <b>Financial Position</b>                                |             |             |            |             |            |             |
| Share Capital  |             |             |            |             |            |             |
| - Ordinary shares  | 9,159,424   | 9,159,424   | 9,159,424  | 9,159,424   | 9,159,424  | 9,159,424   |
| - Equity component of Preference shares                  | 1,326,114   | 1,326,114   | 1,326,114  | -           | -          | -           |
|  | 10,485,538  | 10,485,538  | 10,485,538 | 9,159,424   | 9,159,424  | 9,159,424   |
| Reserves   | 20,619,186  | 19,688,025  | 21,316,623 | 22,245,198  | 15,868,851 | 14,635,087  |
| Outstanding Ordinary shares (in '000)                    | 915,942     | 915,942     | 915,942    | 915,942     | 915,942    | 915,942     |
| <b>Liabilities</b>                                       |             |             |            |             |            |             |
| Financings   | -           | 873,883     | 1,982,497  | 2,737,726   | 3,788,448  | 4,343,614   |
| Current liabilities (excl. current portion of financing) | 671,591     | 552,604     | 612,500    | 428,079     | 498,116    | 577,280     |
| <b>Assets</b>  |             |             |            |             |            |             |
| Property and equipment                                   | 176,473     | 186,273     | 205,849    | 235,239     | 259,532    | 88,192      |
| Investments  | 29,122,885  | 25,135,368  | 25,954,003 | 27,613,822  | 25,641,462 | 25,077,952  |
| Other non-current assets                                 | 20,613      | 18,060      | 60,474     | 9,347       | 9,608      | 30,307      |
| Current assets   | 3,202,066   | 7,133,895   | 9,311,332  | 7,126,515   | 3,536,245  | 3,518,954   |
| <b>Cash Flows</b>  |             |             |            |             |            |             |
| Net cash flows from operating activities                 | 1,537,022   | 243,768     | (385,720)  | 885,950     | 997,179    | (1,865,392) |
| Net cash flows from investing activities                 | (24,906)    | (26,195)    | (4,950)    | (13,787)    | (26,743)   | (83,567)    |
| Net cash flows from financing activities                 | (1,564,150) | (1,187,567) | 1,022,496  | (1,073,442) | (589,441)  | 817,536     |
| Changes in cash and cash equivalents                     | (52,034)    | (969,994)   | 631,826    | (201,279)   | 380,995    | (1,131,423) |
| Opening cash and cash equivalents                        | 137,607     | 1,107,601   | 475,775    | 677,054     | 296,059    | 1,427,482   |
| Cash and cash equivalents - year end                     | 85,573      | 137,607     | 1,107,601  | 475,775     | 677,054    | 296,059     |

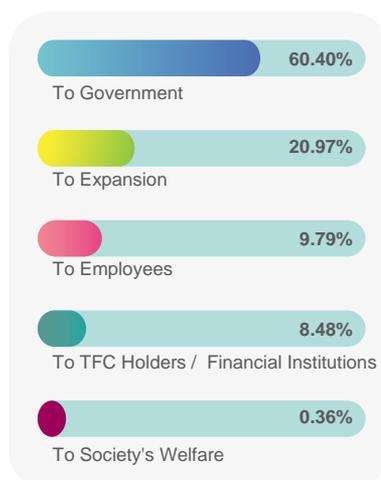


# Statement of Value Added

(Rupees in '000)

|   | 2023             |               | 2022             |               |
|---|------------------|---------------|------------------|---------------|
|   | Amount           | %             | Amount           | %             |
| <b>Value Added</b>  |                  |               |                  |               |
| Return on investments and fund placements - net of provision                            | 1,540,805        | 111.11        | 1,359,132        | 111.55        |
| Other income  | 33,064           | 2.38          | 26,850           | 2.20          |
|   | <b>1,573,869</b> | <b>113.50</b> | <b>1,385,982</b> | <b>113.76</b> |
| Operating and other expenses excluding salaries, donations<br>and Workers' Welfare Fund | (187,154)        | -13.50        | (167,611)        | -13.76        |
|   | <b>1,386,715</b> | <b>100.00</b> | <b>1,218,371</b> | <b>100.00</b> |
| <b>Value Allocated</b>  |                  |               |                  |               |
| To Employees  |                  |               |                  |               |
| Salaries, allowances and other benefits   | 135,757          | 9.79          | 112,123          | 9.20          |
| To Government   |                  |               |                  |               |
| Workers' Welfare Fund   | 22,405           | 1.62          | 17,043           | 1.40          |
| Income tax  | 807,048          | 58.20         | 489,850          | 40.21         |
| FED & Sales tax   | 8,159            | 0.59          | 881              | 0.07          |
|   | <b>837,612</b>   | <b>60.40</b>  | <b>507,774</b>   | <b>41.68</b>  |
| To TFC Holders / Financial Institution  |                  |               |                  |               |
| Markup on TFCs, Term loans and other interests  | 117,533          | 8.48          | 246,231          | 20.21         |
| To Society's Welfare  |                  |               |                  |               |
| Donations   | 5,000            | 0.36          | 7,000            | 0.57          |
| To Expansion  |                  |               |                  |               |
| Retained in business  | 290,812          | 20.97         | 345,243          | 28.34         |
|   | <b>1,386,715</b> | <b>100.00</b> | <b>1,218,371</b> | <b>100.00</b> |

## 2023



## 2022



# Horizontal Analysis

(Rupees in '000)

|   | 2023 vs. 2022 |        | 2021 vs. 2021 |         | 2021 vs. 2020 |           | 2020 vs. 2019 |           | 2019 vs. 2018 |        | 2018 vs. 2017 |          |
|---|---------------|--------|---------------|---------|---------------|-----------|---------------|-----------|---------------|--------|---------------|----------|
|   | Amount        | %      | Amount        | %       | Amount        | %         | Amount        | %         | Amount        | %      | Amount        | %        |
| <b>BALANCE SHEET</b>                              |               |        |               |         |               |           |               |           |               |        |               |          |
| <b>Non Current Assets</b>                         |               |        |               |         |               |           |               |           |               |        |               |          |
| Property and equipment                            | 176,473       | -5.26  | 186,273       | -9.51   | 205,849       | -12.49    | 235,239       | -9.36     | 259,532       | 194.28 | 88,192        | 1,303.43 |
| Investment property                               | 1,060         | -10.17 | 1,180         | -9.23   | 1,300         | -8.45     | 1,420         | -7.79     | 1,540         | -7.23  | 1,660         | -6.74    |
| Long term investments                             | 29,122,885    | 15.86  | 25,135,368    | -3.15   | 25,954,003    | -6.01     | 27,613,822    | 7.69      | 25,641,462    | 2.25   | 25,077,952    | -6.04    |
| Other long term loans and advances                | 19,553        | 15.84  | 16,880        | -71.47  | 59,174        | 646.49    | 7,927         | -1.75     | 8,068         | -71.84 | 28,647        | 3,359.78 |
|   | 29,319,971    | 15.71  | 25,339,701    | -3.36   | 26,220,326    | -5.88     | 27,858,408    | 7.52      | 25,910,602    | 2.83   | 25,196,451    | -5.62    |
| <b>Current Assets</b>                             |               |        |               |         |               |           |               |           |               |        |               |          |
| Prepayments, accrued markup and other receivables | 580,648       | 206.59 | 189,390       | -83.72  | 1,163,675     | 6,454.07  | 17,755        | 3.58      | 17,141        | -79.84 | 85,038        | 87.45    |
| Other financial assets - Short term investments   | 2,535,846     | -62.75 | 6,806,898     | -4.45   | 7,123,599     | 4.53      | 6,815,188     | 114.51    | 3,177,131     | 4.14   | 3,050,820     | 0.60     |
| Taxation - net                                    | -             | 0.00   | -             | -100.00 | 111,899       | -1.71     | 113,842       | 3.93      | 109,533       | 25.85  | 87,037        | -42.98   |
| Cash and bank balance                             | 85,572        | -37.81 | 137,607       | -84.91  | 912,159       | 407.52    | 179,730       | -22.68    | 232,440       | -21.49 | 296,059       | -79.26   |
|   | 3,202,066     | -55.11 | 7,133,895     | -23.38  | 9,311,332     | 30.66     | 7,126,515     | 101.53    | 3,536,245     | 0.49   | 3,518,954     | -24.45   |
| <b>Total Assets</b>                               | 32,522,037    | 0.15   | 32,473,596    | -8.61   | 35,531,658    | 1.56      | 34,984,923    | 18.81     | 29,446,847    | 2.55   | 28,715,405    | -8.42    |
| <b>Issued, subscribed and paid-up capital</b>     |               |        |               |         |               |           |               |           |               |        |               |          |
| Ordinary Shares                                   | 9,159,424     | -      | 9,159,424     | -       | 9,159,424     | -         | 9,159,424     | -         | 9,159,424     | -      | 9,159,424     | -        |
| Equity component of Preference Shares             | 1,326,114     | -      | 1,326,114     | -       | 1,326,114     | 100.00    | -             | -         | -             | -      | -             | -        |
| Reserves  | 20,619,186    | 4.73   | 19,688,025    | -7.64   | 21,316,623    | -4.17     | 22,245,198    | 40.18     | 15,868,851    | 8.43   | 14,635,087    | -20.29   |
|   | 31,104,724    | 3.09   | 30,173,563    | -5.12   | 31,802,161    | 1.27      | 31,404,622    | 25.48     | 25,028,275    | 5.19   | 23,794,511    | -13.54   |
| <b>Non Current Liabilities</b>                    |               |        |               |         |               |           |               |           |               |        |               |          |
| Long term financing                               | -             | -      | -             | -100.00 | 1,186,015     | -45.33    | 2,169,551     | -20.78    | 2,738,746     | -18.31 | 3,352,745     | 17.23    |
| Lease liability                                   | 72,726        | -18.36 | 89,081        | -23.05  | 115,762       | -8.88     | 127,048       | -3.03     | 131,018       | 100.00 | -             | -        |
| Deferred tax liability                            | 331,880       | -11.71 | 375,915       | -32.19  | 554,348       | 92.85     | 287,448       | 28,935.15 | 990           | 100.00 | -             | -100.00  |
| Liability component of Preference Shares          | 341,117       | -16.51 | 408,550       | -12.02  | 464,390       | 100.00    | -             | -         | -             | -      | -             | -        |
|   | 745,722       | -14.63 | 873,546       | -62.36  | 2,320,515     | -10.20    | 2,584,047     | -9.99     | 2,870,754     | -14.38 | 3,352,745     | 16.32    |
| <b>Current Liabilities</b>                        |               |        |               |         |               |           |               |           |               |        |               |          |
| Trade, accrued interest and other payables        | 333,321       | -11.85 | 378,143       | -29.07  | 533,134       | 33.74     | 398,645       | -15.92    | 474,144       | -17.87 | 577,280       | 99.41    |
| Taxation - net                                    | 207,386       | 465.87 | 36,649        | -       | -             | -         | -             | -         | -             | -      | -             | -        |
| Current portion of long term liabilities          | 130,884       | -87.06 | 1,011,695     | 15.51   | 875,848       | 46.56     | 597,609       | -44.34    | 1,073,674     | 8.36   | 990,869       | 52.75    |
|   | 671,591       | -52.92 | 1,426,487     | 1.24    | 1,408,982     | 41.43     | 996,254       | -35.63    | 1,547,818     | -1.30  | 1,568,149     | 67.15    |
| <b>Total Equity and Liabilities</b>               | 32,522,037    | 0.15   | 32,473,596    | -8.61   | 35,531,658    | 1.56      | 34,984,923    | 18.81     | 29,446,847    | 2.55   | 28,715,405    | -8.42    |
| <b>PROFIT AND LOSS</b>                            |               |        |               |         |               |           |               |           |               |        |               |          |
| <b>Income</b>                                     |               |        |               |         |               |           |               |           |               |        |               |          |
| Return on investments                             | 1,502,249     | 11.55  | 1,346,673     | 18.18   | 1,139,510     | 39.66     | 815,911       | -14.89    | 958,703       | -5.77  | 1,017,452     | -6.95    |
| Gain on sale of investments                       | (3,989)       | -96.04 | (100,754)     | -       | 205,409       | 47,669.53 | 430           | -99.34    | 64,881        | 15.56  | 56,147        | -80.24   |
| Other income / (loss) - net                       | 72,426        | -47.69 | 138,452       | -14.64  | 162,204       | 15.68     | 140,219       | -28.71    | 196,697       | 14.33  | 172,048       | 66.47    |
|   | 1,570,686     | 13.46  | 1,384,371     | -8.14   | 1,507,123     | 57.56     | 956,560       | -21.61    | 1,220,281     | -2.04  | 1,245,647     | -15.89   |
| <b>Expenditures</b>                               |               |        |               |         |               |           |               |           |               |        |               |          |
| Operating and administrative expenses             | 336,070       | 16.85  | 287,615       | 31.07   | 219,435       | 1.74      | 215,687       | 2.42      | 210,590       | -6.65  | 225,603       | -2.80    |
| Finance cost                                      | 117,533       | -52.27 | 246,231       | -7.78   | 267,002       | -41.29    | 454,756       | -21.20    | 577,100       | 46.20  | 394,729       | 77.52    |
| Other Expenses                                    | 19,222        | 24.56  | 15,432        | -23.16  | 20,083        | -         | (1,054,183)   | 2032.59   | (49,432)      | -      | 184,077       | 1252.81  |
|   | 472,825       | -13.92 | 549,278       | 8.44    | 506,520       | -232.00   | (383,740)     | -151.99   | 738,258       | -8.22  | 804,409       | 71.86    |
| <b>Profit before taxation</b>                     | 1,097,861     | 31.47  | 835,093       | -16.54  | 1,000,603     | -25.34    | 1,340,300     | 178.06    | 482,023       | 9.24   | 441,238       | -56.44   |
| Taxation  | 807,047       | 64.75  | 489,850       | 128.66  | 214,223       | 58.34     | 135,293       | 10.70     | 122,213       | -47.86 | 234,373       | -22.19   |
| <b>Profit after tax</b>                           | 290,814       | -15.77 | 345,243       | -56.10  | 786,380       | -34.74    | 1,205,007     | 234.90    | 359,810       | 73.93  | 206,865       | -70.93   |

# Vertical Analysis

(Rupees in '000)

|   | 2023              |               | 2022              |               | 2021              |               | 2020              |               | 2019              |               | 2018              |               |
|---|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
|   | Amount            | %             |
| <b>BALANCE SHEET</b>                              |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| <b>Non Current Assets</b>                         |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Property and equipment                            | 176,473           | 0.54          | 186,273           | 0.57          | 205,849           | 0.58          | 235,239           | 0.67          | 259,532           | 0.88          | 88,192            | 0.31          |
| Investment property                               | 1,060             | 0.00          | 1,180             | 0.00          | 1,300             | 0.00          | 1,420             | 0.00          | 1,540             | 0.01          | 1,660             | 0.01          |
| Long term investments                             | 29,122,885        | 89.55         | 25,135,368        | 77.40         | 25,954,003        | 73.04         | 27,613,822        | 78.93         | 25,641,462        | 87.08         | 25,077,952        | 87.33         |
| Other long term loans and advances                | 19,553            | 0.06          | 16,880            | 0.05          | 59,174            | 0.17          | 7,927             | 0.02          | 8,068             | 0.03          | 28,647            | 0.10          |
|   | 29,319,971        | 90.15         | 25,339,701        | 78.03         | 26,220,326        | 73.79         | 27,858,408        | 79.63         | 25,910,602        | 87.99         | 25,196,451        | 87.75         |
| <b>Current Assets</b>                             |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Prepayments, accrued markup and other receivables | 580,648           | 1.79          | 189,390           | 0.58          | 1,163,675         | 3.28          | 17,755            | 0.05          | 17,141            | 0.06          | 85,038            | 0.30          |
| Other financial assets - Short term investments   | 2,535,846         | 7.80          | 6,806,898         | 20.96         | 7,123,599         | 20.05         | 6,815,188         | 19.48         | 3,177,131         | 10.79         | 3,050,820         | 10.62         |
| Taxation - net                                    | -                 | -             | -                 | -             | 111,899           | 0.31          | 113,842           | 0.33          | 109,533           | 0.37          | 87,037            | 0.30          |
| Cash and bank balance                             | 85,572            | 0.26          | 137,607           | 0.42          | 912,159           | 2.57          | 179,730           | 0.51          | 232,440           | 0.79          | 296,059           | 1.03          |
|   | 3,202,066         | 9.85          | 7,133,895         | 21.97         | 9,311,332         | 26.21         | 7,126,515         | 20.37         | 3,536,245         | 12.01         | 3,518,954         | 12.25         |
| <b>Total Assets</b>                               | <b>32,522,037</b> | <b>100.00</b> | <b>32,473,596</b> | <b>100.00</b> | <b>35,531,658</b> | <b>100.00</b> | <b>34,984,923</b> | <b>100.00</b> | <b>29,446,847</b> | <b>100.00</b> | <b>28,715,405</b> | <b>100.00</b> |
| <b>Issued, subscribed and paid-up capital</b>     |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Ordinary Shares                                   | 9,159,424         | 28.16         | 9,159,424         | 28.21         | 9,159,424         | 25.78         | 9,159,424         | 26.18         | 9,159,424         | 31.10         | 9,159,424         | 31.90         |
| Equity component of Preference Shares             | 1,326,114         | 4.08          | 1,326,114         | 4.08          | 1,326,114         | 3.73          | -                 | -             | -                 | -             | -                 | -             |
| Reserves  | 20,619,186        | 63.40         | 19,688,025        | 60.63         | 24,316,623        | 59.99         | 22,245,198        | 63.59         | 15,868,851        | 53.89         | 14,635,087        | 50.97         |
|   | 31,104,724        | 95.64         | 30,173,563        | 92.92         | 31,802,161        | 89.50         | 31,404,622        | 89.77         | 25,028,275        | 84.99         | 23,794,511        | 82.86         |
| <b>Non Current Liabilities</b>                    |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Long term financing                               | -                 | -             | -                 | -             | 1,186,015         | 3.34          | 2,169,551         | 6.20          | 2,738,746         | 9.30          | 3,352,745         | 11.68         |
| Lease liability                                   | 72,726            | 0.22          | 89,081            | 0.27          | 115,762           | 0.33          | 127,048           | 0.36          | 131,018           | 0.44          | -                 | -             |
| Deferred tax liability                            | 331,880           | 1.02          | 375,915           | 1.16          | 554,348           | 1.56          | 287,448           | 0.82          | 990               | 0.00          | -                 | -             |
| Liability component of Preference Shares          | 341,117           | 1.05          | 408,550           | 1.26          | 464,390           | 1.31          | -                 | 0.00          | -                 | 0.00          | -                 | -             |
|   | 745,722           | 2.29          | 873,546           | 2.69          | 2,320,515         | 6.55          | 2,584,047         | 7.39          | 2,870,754         | 9.75          | 3,352,745         | 11.68         |
| <b>Current Liabilities</b>                        |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Trade, accrued interest and other payables        | 333,321           | 1.02          | 378,143           | 1.16          | 533,134           | 1.50          | 398,645           | 1.14          | 474,144           | 1.61          | 577,280           | 2.01          |
| Taxation - net                                    | 207,386           | 0.64          | 36,649            | -             | -                 | -             | -                 | -             | -                 | -             | -                 | -             |
| Current portion of long term liabilities          | 130,884           | 0.40          | 1,011,695         | 3.12          | 875,848           | 2.46          | 597,609           | 1.71          | 1,073,674         | 3.65          | 990,869           | 3.45          |
|   | 671,591           | 2.07          | 1,426,487         | 4.39          | 1,408,982         | 3.97          | 996,254           | 2.85          | 1,547,818         | 5.26          | 1,568,149         | 5.46          |
| <b>Total Equity and Liabilities</b>               | <b>32,522,037</b> | <b>100.00</b> | <b>32,473,596</b> | <b>100.00</b> | <b>35,531,658</b> | <b>100.00</b> | <b>34,984,923</b> | <b>100.00</b> | <b>29,446,847</b> | <b>100.00</b> | <b>28,715,405</b> | <b>100.00</b> |
| <b>PROFIT AND LOSS</b>                            |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| <b>Income</b>                                     |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Return on Investments                             | 1,502,249         | 95.64         | 1,346,673         | 97.28         | 1,139,510         | 75.61         | 815,911           | 85.30         | 958,703           | 78.56         | 1,017,452         | 81.68         |
| Gain on sale of investments                       | (3,989)           | -0.25         | (100,754)         | -7.28         | 205,409           | 13.63         | 430               | 0.04          | 64,881            | 5.32          | 56,147            | 4.51          |
| Other income / (loss) - net                       | 72,426            | 4.61          | 138,452           | 10.00         | 162,204           | 10.76         | 140,219           | 14.66         | 196,697           | 16.12         | 172,048           | 13.81         |
|   | 1,570,686         | 100.00        | 1,384,371         | 100.00        | 1,507,123         | 100.00        | 956,560           | 100.00        | 1,220,281         | 100.00        | 1,245,647         | 100.00        |
| <b>Expenditures</b>                               |                   |               |                   |               |                   |               |                   |               |                   |               |                   |               |
| Operating and administrative expenses             | 336,070           | 21.40         | 287,615           | 20.78         | 219,435           | 14.56         | 215,687           | 22.55         | 217,590           | 17.26         | 225,603           | 18.11         |
| Finance cost                                      | 117,533           | 7.48          | 246,231           | 17.79         | 267,002           | 17.72         | 454,756           | 47.54         | 577,100           | 47.29         | 394,729           | 31.69         |
| Other Expenses                                    | 19,222            | 1.22          | 15,432            | 1.11          | 20,083            | 1.33          | (1,054,183)       | -110.21       | (49,432)          | -4.05         | 184,077           | 14.78         |
|   | 472,825           | 30.10         | 549,278           | 39.68         | 506,520           | 33.61         | (383,740)         | -40.12        | 738,258           | 60.50         | 804,409           | 64.56         |
| <b>Profit before taxation</b>                     | <b>1,097,861</b>  | <b>69.90</b>  | <b>835,093</b>    | <b>60.32</b>  | <b>1,000,603</b>  | <b>66.39</b>  | <b>1,340,300</b>  | <b>140.12</b> | <b>482,023</b>    | <b>39.50</b>  | <b>441,238</b>    | <b>35.42</b>  |
| Taxation  | 807,047           | 51.38         | 489,850           | 35.38         | 214,223           | 14.21         | 135,293           | 14.14         | 122,213           | 10.02         | 234,373           | 18.82         |
| <b>Profit after tax</b>                           | <b>290,814</b>    | <b>18.52</b>  | <b>345,243</b>    | <b>24.94</b>  | <b>786,380</b>    | <b>52.18</b>  | <b>1,205,007</b>  | <b>125.98</b> | <b>359,810</b>    | <b>29.49</b>  | <b>206,865</b>    | <b>16.61</b>  |

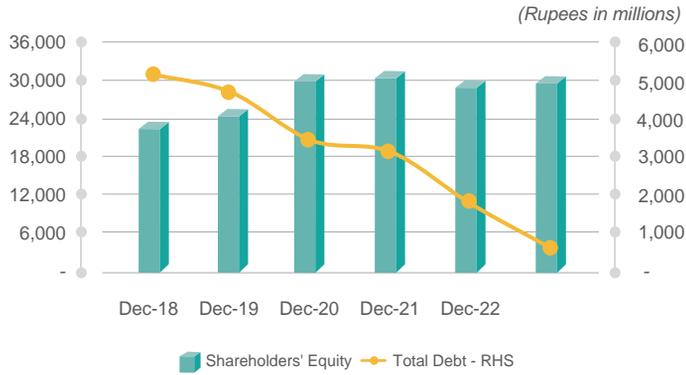
# Review of Six Year Performance

(Rupees in '000)

|  | 2023        | 2022        | 2021       | 2020        | 2019       | 2018        | CAGR    |
|--|-------------|-------------|------------|-------------|------------|-------------|---------|
| <b>Balance Sheet Summary</b>             |             |             |            |             |            |             |         |
| Shareholders' Equity                     | 31,104,724  | 30,173,563  | 31,802,161 | 31,404,622  | 25,028,275 | 23,794,511  | 5.50%   |
| Long-term financing                      | -           | -           | 1,186,015  | 2,169,551   | 2,738,746  | 3,352,745   | -       |
| Liability component of Preference shares | 341,117     | 408,550     | 464,390    | -           | -          | -           | -       |
| Liquid assets                            | 2,621,418   | 6,944,505   | 8,035,758  | 6,994,918   | 3,409,571  | 3,346,879   | -4.77%  |
| Long-term investments                    | 29,122,885  | 25,135,368  | 25,954,003 | 27,613,822  | 25,641,462 | 25,077,952  | 3.04%   |
| <b>Profit and Loss Summary</b>           |             |             |            |             |            |             |         |
| Revenue                                  | 1,570,686   | 1,384,371   | 1,507,123  | 956,560     | 1,220,281  | 1,245,647   | 4.75%   |
| Expenditure                              | 472,825     | 549,278     | 506,520    | (383,740)   | 738,258    | 804,409     | -10.08% |
| Profit after tax                         | 290,814     | 345,243     | 786,380    | 1,205,007   | 359,810    | 206,865     | 7.05%   |
| <b>Cash Flow Summary</b>                 |             |             |            |             |            |             |         |
| Net cash flow from operating activities  | 1,537,022   | 243,768     | (385,720)  | 885,950     | 997,179    | (1,865,392) | -       |
| Net cash flow from investing activities  | (24,906)    | (26,195)    | (4,950)    | (13,787)    | (26,743)   | (83,567)    | -21.50% |
| Net cash flow from financing activities  | (1,564,150) | (1,187,567) | 1,022,496  | (1,073,442) | (589,441)  | 817,536     | -       |
| Changes in cash and equivalents          | (52,034)    | (969,994)   | 631,826    | (201,279)   | 380,995    | (1,131,423) | -45.98% |
| Cash and equivalents                     | 85,573      | 137,607     | 1,107,601  | 475,775     | 677,054    | 296,059     | -21.98% |



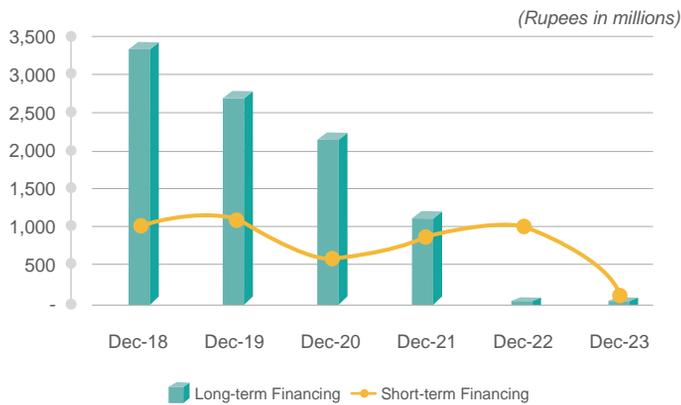
### Shareholders' Equity and Debt



Shareholders' Equity has increased by PKR 7.31 billion, i.e., by a CAGR of 5.50 percent, over the period of CY18-23. Since a major portion of Shareholders' Equity is invested in quoted long term investment, therefore movement in Shareholders' Equity is dependent on quoted prices of these securities.

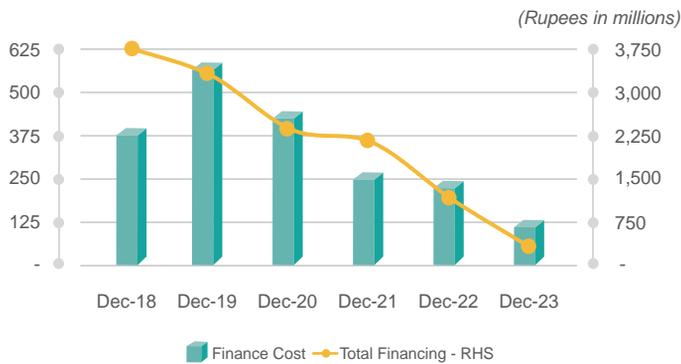
The Company only employs a limited degree of leverage. Since CY2018 onwards, Total Debt has been reduced by PKR 3.80 billion. Total Debt to Equity ratio stood at 0.02:1 in CY2023.

### Long-term and Short-term Financing



Long-Term Financing has successfully been retired over the period. Quantum of Short-term Financing is relatively insignificant and has further reduced by 0.86 billion during the period under review. The Company, being an investment holding enterprise, has a long-term horizon and, therefore, leverage is only employed moderately, if at all.

### Finance Cost Analysis



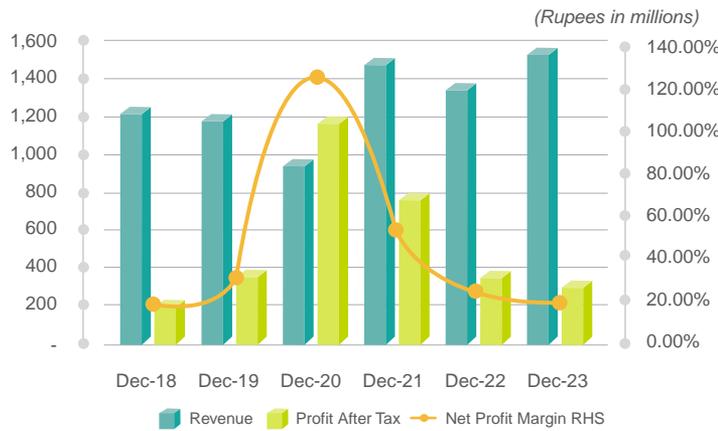
Finance Cost, synchronously with the quantum of Total Financing, has significantly been reduced since CY2019. In conjunction with employing minimal leverage, financing decisions of the Company are subject to the expected evolution of interest rates.

### Long-term and Short-term Investments



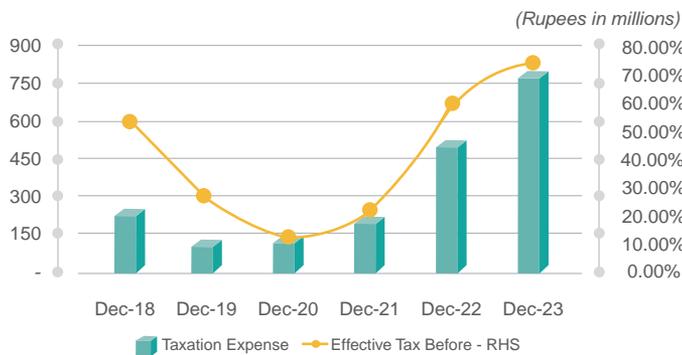
The Company has a long investment horizon and, on average, 85 percent of Company's investments are classified as long-term investments. Variations in quoted prices of investment holdings is the major reason for movement in the value of combined investment portfolio.

### Net Profit Analysis



Since CY2018, Revenue has averaged at PKR 1.31 billion while Expenditure has averaged at PKR 447.93 million. Several components of investment operations derive the Company's Revenue stream; though it is primarily dependent on Return on Investments. Similarly, excluding occasional movement in Provisions, Operating and Administrative Expenses and Finance Cost comprise majority of Expenditures. Over the period under review, Revenue of the Company has increased by 26.09 percent while its Expenditure declined by 58.78 percent resulting in a 40.58 percent improvement in Profit After Tax.

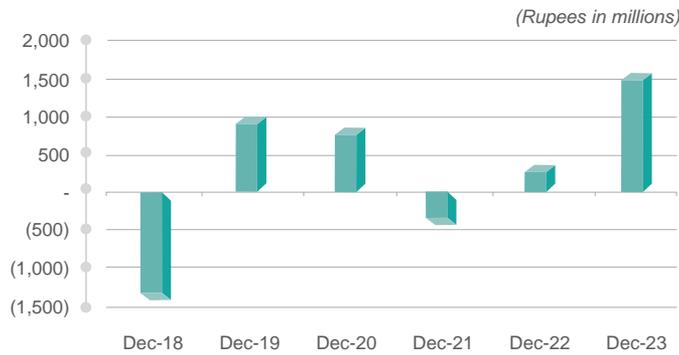
### Taxation Expense



Taxation Expense during CY22-23 has significantly increased due to imposition of Super Tax in Federal Budget 2023 and 2024, on income exceeding PKR 300 million. Resultantly, Effective Tax Rate for CY2023 was 73.51 percent while the average Effective Tax Rate for CY2018-22 stood at 33.73 percent.

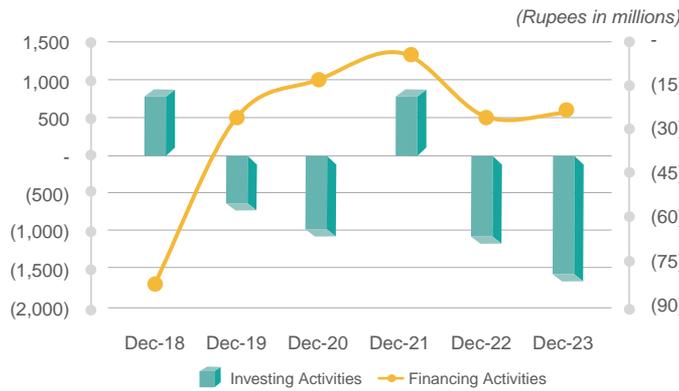


### Cash Flow from Operating Activities



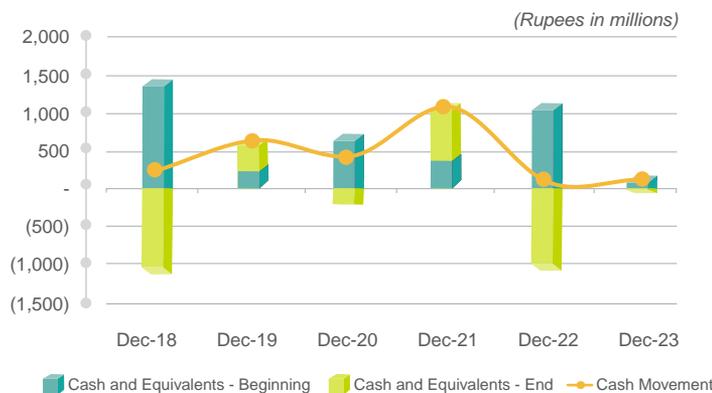
Primarily, Investment activities and Dividend Income derive movements in Operating Cash Flows. Sizable investments made in CY2017-18, therefore, resulted in negative Cash Flow from Operating Activities. A combination of Cash Flows from Investment activities and Dividend Income also explains the movement in Operating Cash Flow over the period.

### Cash Flow from Investing and Financing Activities



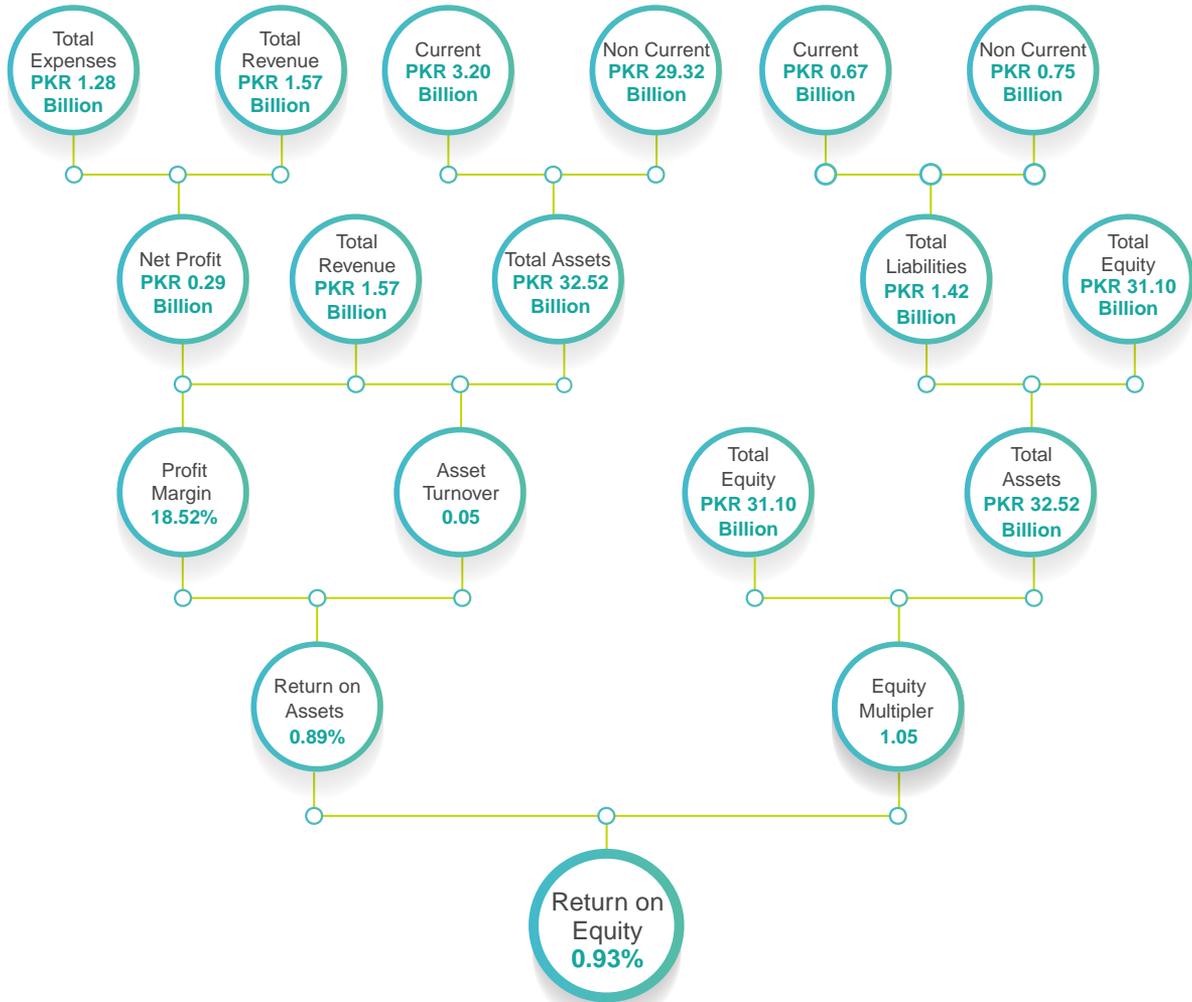
Due to nonexistence of capital expenditure, Cash Flow from Investing Activities is insignificant. Cash Flow from Financing Activities of the Company is largely dependent on issuance and redemption of Term Finance Certificates. During CY2018 and in CY2021, Cash Flow from Financing Activities was positive due to the issuance of Term Finance Certificates and Preference Right shares. Similarly, Cash Flow from Financing Activities remained negative during CY2019-20 and during CY2022-23 as repayments were made as well as dividends were disbursed.

### Cash and Cash Equivalents Movement



In summary, Operating and Financing Activities of the Company dominate overall movement of net Cash Flows. The Company recorded a negative Net Cash Flow of PKR 0.05 billion during CY2023, primarily due to redemption of Term Finance Certificates and payment of Ordinary and Preference Dividend.

## DuPont Analysis



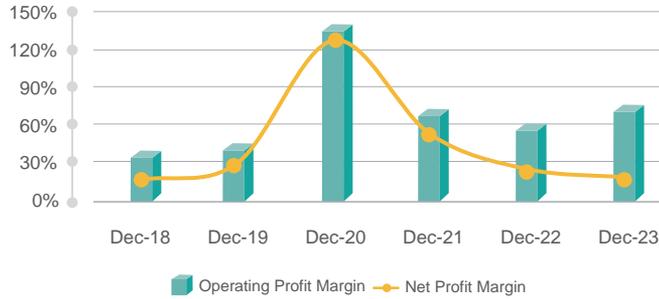
|   | 2023          | 2022   | 2021   | 2020    | 2019   | 2018   |
|---|---------------|--------|--------|---------|--------|--------|
| Profit Margin - (Net Profit / Revenue)                    | <b>18.52%</b> | 24.94% | 52.18% | 125.97% | 29.49% | 16.61% |
| Asset Turnover - (Revenue / Total Assets)                 | <b>0.05</b>   | 0.04   | 0.04   | 0.03    | 0.04   | 0.04   |
| Return on Assets - (Profit Margin x Asset Turnover)       | <b>0.89%</b>  | 1.06%  | 2.21%  | 3.44%   | 1.22%  | 0.72%  |
| Equity Multiplier - (Total Assets / Total Equity)         | <b>1.05</b>   | 1.08   | 1.12   | 1.11    | 1.18   | 1.21   |
| Return on Equity - (Return on Assets x Equity Multiplier) | <b>0.93%</b>  | 1.14%  | 2.47%  | 3.84%   | 1.44%  | 0.87%  |



# Financial Analysis

|  | 2023   | 2022   | 2021   | 2020    | 2019   | 2018   |
|--|--------|--------|--------|---------|--------|--------|
| <b>Profitability Ratios</b>              |        |        |        |         |        |        |
| Operating Profit Margin                  | 69.90% | 60.32% | 66.39% | 140.12% | 39.50% | 35.42% |
| Net Profit Margin                        | 18.52% | 24.94% | 52.18% | 125.97% | 29.49% | 16.61% |
| Return on Equity - Before Tax            | 3.53%  | 2.77%  | 3.15%  | 4.27%   | 1.93%  | 1.85%  |
| Return on Equity - After Tax             | 0.93%  | 1.14%  | 2.47%  | 3.84%   | 1.44%  | 0.87%  |
| Return on Assets                         | 0.89%  | 1.06%  | 2.21%  | 3.44%   | 1.22%  | 0.72%  |
| <b>Liquidity Ratios</b>                  |        |        |        |         |        |        |
| Current Ratio                            | 4.77   | 5.00   | 6.61   | 7.15    | 2.28   | 2.24   |
| Acid Test Ratio                          | 4.75   | 4.99   | 6.20   | 7.03    | 2.21   | 2.14   |
| Cash to Current Liabilities              | 3.90   | 4.87   | 5.70   | 7.02    | 2.20   | 2.13   |
| Cash Flow Coverage Ratio                 | 1.08   | 0.11   | (0.10) | 0.25    | 0.23   | (0.38) |
| <b>Market Ratios</b>                     |        |        |        |         |        |        |
| Earnings Per Share                       | 0.32   | 0.38   | 0.86   | 1.32    | 0.39   | 0.23   |
| Price to Earnings Ratio                  | 45.70  | 27.14  | 18.64  | 24.84   | 29.33  | 67.61  |
| Price to Book Ratio                      | 0.43   | 0.31   | 0.46   | 0.95    | 0.42   | 0.60   |
| Cash Per Share                           | 2.86   | 7.58   | 8.77   | 7.64    | 3.72   | 3.65   |
| Break-up Value per Share                 | 33.96  | 32.94  | 34.72  | 34.29   | 27.33  | 25.98  |
| Market Value per Share - Closing         | 14.51  | 10.23  | 16.00  | 32.68   | 11.44  | 15.55  |
| Market Value per Share - Low             | 8.83   | 9.67   | 13.71  | 6.66    | 6.93   | 12.55  |
| Market Value per Share - High            | 17.61  | 18.19  | 32.71  | 33.49   | 15.42  | 22.08  |
| <b>Capital Structure Ratios</b>          |        |        |        |         |        |        |
| Debt to Equity Ratio - Book Value        | 0.02   | 0.05   | 0.08   | 0.09    | 0.16   | 0.18   |
| Debt to Equity Ratio - Market Value      | 0.04   | 0.16   | 0.18   | 0.10    | 0.38   | 0.30   |
| Debt to Asset Ratio                      | 0.02   | 0.05   | 0.07   | 0.08    | 0.13   | 0.15   |
| Weighted Average Cost of Debt            | 0.22   | 0.16   | 0.10   | 0.16    | 0.15   | 0.09   |
| <b>Non-Financial Ratios</b>              |        |        |        |         |        |        |
| Staff Turnover Ratio                     | 8.70%  | 23.81% | 9.52%  | 13.04%  | 17.39% | 17.39% |
| Employee Productivity Rate (PKR in '000) | 68,291 | 62,926 | 71,768 | 41,590  | 53,056 | 54,159 |

### Profit Margin



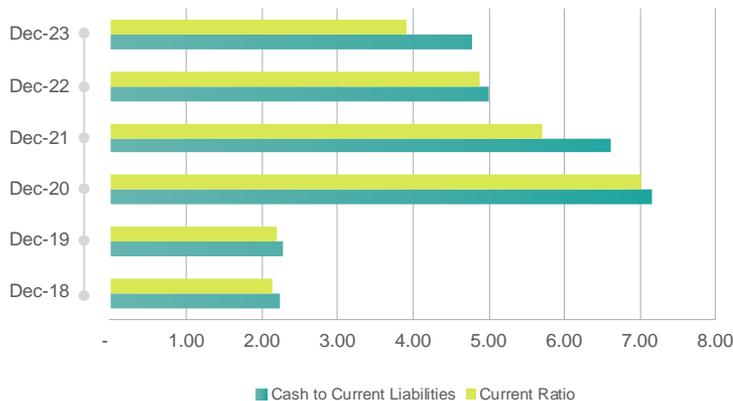
Over the period under review, average operating profit margin remained at 68.61 percent. On year-on-year basis, operating profit margin increased from 60.32 percent in CY2022 to 69.90 percent in CY2023. High operating profit margin achieved in CY2020 was explained by a significant reversal in provision for impairment. Furthermore, imposition of Super Tax in CY2022-23 expanded the difference between operating profit margin and net profit margin.

### Return on Equity and Asset



Average after tax return on equity is 1.78 percent over CY2018-23 period. Similarly average return on assets of 1.59 percent was achieved during the same period. Considering the dynamics of Company operations, return on equity and assets may not reflect true performance periodically.

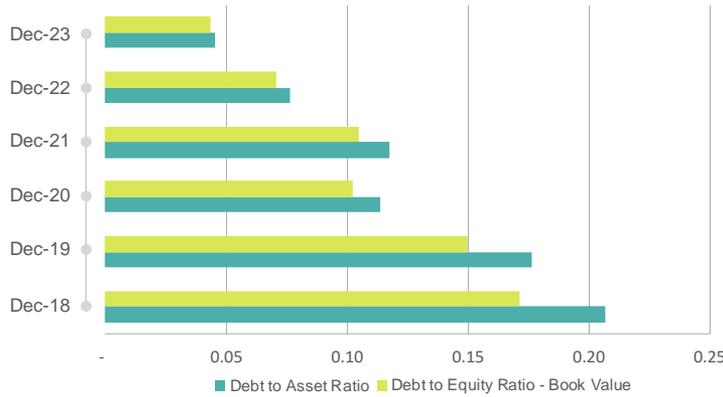
### Liquidity Ratio



Average current ratio has remained at 4.68:1 over CY2018-23. Company's dynamic nature of investments and financing activities explain the movement in liquidity ratio over time.



### Debt to Equity and Asset Ratio



Steady repayment of liabilities resulted in consistent improvement of debt to equity and debt to asset ratios over CY2018-23 period, averaging at 0.12:1 and 0.11:1, respectively.

### Book Value and Market Price



Average book value of the Company has remained at PKR 31.54/- over CY2018-23 period. In comparison, the average market price of the Company has averaged at PKR 16.74/- over the same period.

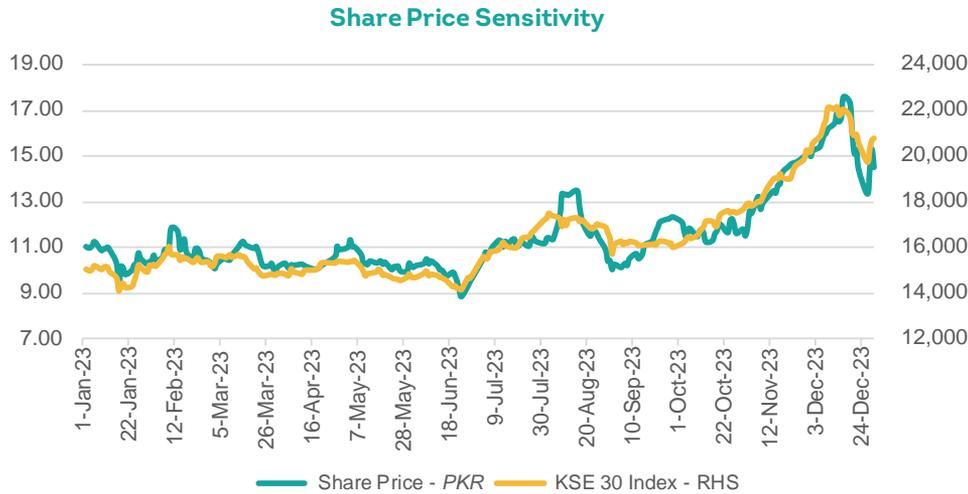
### Earnings Per Share and Price to Book Ratio



Earnings per share has largely remained in a narrow range over CY2018-23 period. A significant reversal in provision for impairment resulted in substantial enhancement of earnings per share during CY2020. Average price to book ratio has remained at 0.53:1 over the last 5 years.

# Share Price Sensitivity Analysis

The quoted price of Company's stock is deemed sensitive to the quoted prices of its major investee companies. The Company operations are not exposed to exchange rate fluctuations directly. Similarly, the Company does not use any raw materials or plant operations directly and hence variation in prices of these materials and any disruption in production activities does not affect Company dynamics.



|                | Share Price |       |         | Daily Average Volume | No. of Trading days | Market Capitalization |           |
|----------------|-------------|-------|---------|----------------------|---------------------|-----------------------|-----------|
|                | High        | Low   | Closing |                      |                     | Share Capital         | Value     |
|                | (Rupees)    |       |         |                      |                     | (Rupees in millions)  |           |
| Fourth Quarter | 18.00       | 11.08 | 14.51   | 695,143              | 63                  | 915.94                | 13,290.32 |
| Third Quarter  | 14.25       | 9.95  | 12.33   | 644,879              | 62                  | 915.94                | 11,293.57 |
| Second Quarter | 11.60       | 8.55  | 9.50    | 229,009              | 56                  | 915.94                | 8,701.45  |
| First Quarter  | 12.20       | 9.00  | 10.15   | 434,859              | 64                  | 915.94                | 9,296.82  |



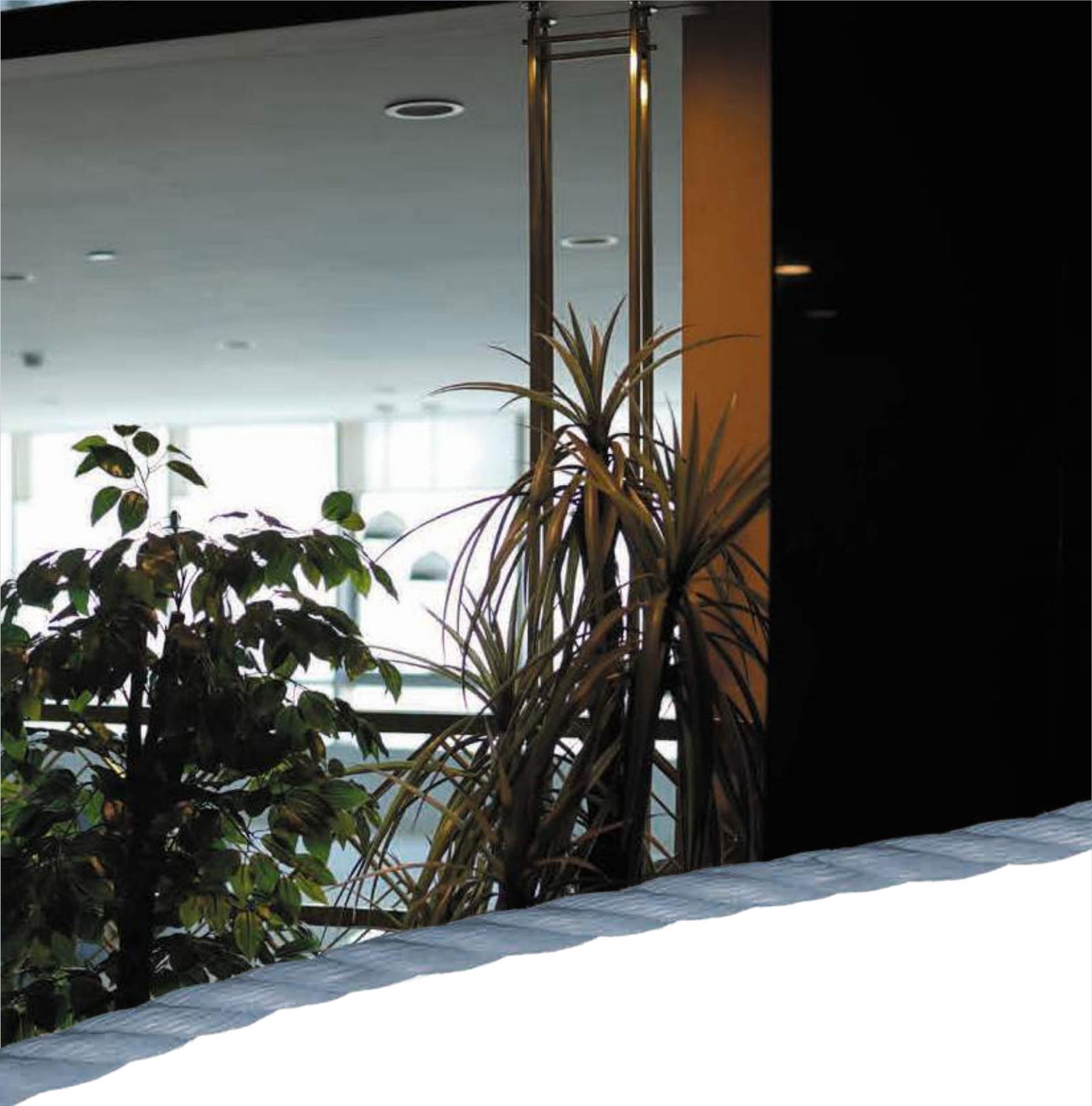
# Statement Of Cash Flows

## Direct Method

(Rupees in '000)

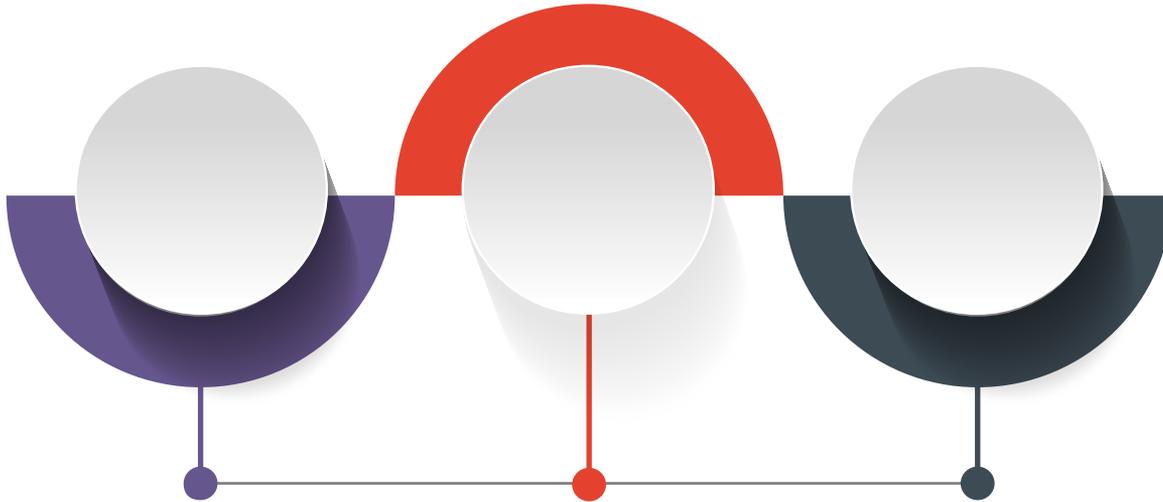
|  | 2023               | 2022               |
|--|--------------------|--------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                          |                    |                    |
| Receipts from return on investments                                  | 1,422,321          | 1,143,228          |
| Receipts from long term loan and fund placements                     | 116,731            | 300,275            |
| Financial charges paid   | (122,212)          | (188,354)          |
| Received from / (paid) to brokers against trade of investments - net | 1,036,515          | (398,699)          |
| Payments to employees, suppliers and others                          | (278,127)          | (273,001)          |
| Taxes paid   | (638,206)          | (339,681)          |
| <b>Net cash generated from operating activities</b>                  | <b>1,537,022</b>   | <b>243,768</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                          |                    |                    |
| Capital expenditure incurred   | (32,921)           | (28,233)           |
| Proceeds from sale of property and equipment                         | 8,015              | 2,038              |
| <b>Net cash used in investing activities</b>                         | <b>(24,906)</b>    | <b>(26,195)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                          |                    |                    |
| Dividend paid  | (656,634)          | (52,153)           |
| Redemption of term finance certificates                              | (875,000)          | (800,000)          |
| Long term loan repaid to bank  | -                  | (312,500)          |
| Payment against lease liability                                      | (32,516)           | (22,914)           |
| <b>Net cash used in financing activities</b>                         | <b>(1,564,150)</b> | <b>(1,187,567)</b> |
| <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>                     | <b>(52,034)</b>    | <b>(969,994)</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>        | <b>137,607</b>     | <b>1,107,601</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>              | <b>85,573</b>      | <b>137,607</b>     |





# **Striving For Excellence in Corporate Reporting**

## Statement of Compliance



The Directors of the Company are committed to good corporate governance and confirm meticulous compliance with the financial accounting and reporting standards as applicable in Pakistan i.e. International Financial Reporting Standards.

The annexed 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.



# International Integrated Reporting Framework

The Company has ensured that the 'Fundamental Concepts', 'Content Elements' and 'Guiding Principles' of the integrated reporting are covered as much as possible in this 'Annual Report 2023'. The financial and non-financial information provided in 'Annual Report 2023' will enable JSCL's stakeholders to better understand its position and in turn will lead to better and more informed decision-making by them.

Following fundamental concepts of integrated reporting are addressed in the 'Annual Report 2023':

- Value creation, preservation or erosion for the Company and for others. This includes value for the Company in the form of financial returns its shareholders and for other external stakeholders including society at large.
- The Capitals. The Company depends on various forms of capital that are categorized under the heading of financial, social and relationship, human, intellectual, etc.
- Process, through which value is created, preserved or eroded. This relates to the process by which different types of capitals are used to create value for the stakeholders.

Following guiding principles of integrated reporting are addressed in the 'Annual Report 2023':

- Strategic focus and future orientation
- Connectivity of information
- Stakeholders relationship
- Materiality
- Conciseness
- Reliability and completeness
- Consistency and comparability

Following content elements of integrated reporting are detailed as chapters in the 'Annual Report 2023':

- Organizational overview
- Governance
- Strategy and resource allocation
- Business Model
- External environment
- Risk and opportunity
- Outlook
- Performance
- Basis of preparation and presentation





# **Unconsolidated Financial Statements**



KPMG Taseer Hadi & Co.  
Chartered Accountants  
Sheikh Sultan Trust Building No. 2, Beaumont Road  
Karachi 75530 Pakistan  
+92 (21) 37131900, Fax +92 (21) 35685095

## INDEPENDENT AUDITOR'S REPORT

To the members of Jahangir Siddiqui & Co. Ltd.

### Report on the Audit of the Unconsolidated Financial Statements

#### Opinion

We have audited the annexed unconsolidated financial statements of **Jahangir Siddiqui & Co. Ltd.** ("the Company"), which comprise the unconsolidated statement of financial position as at 31 December 2023, and the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity, the unconsolidated statement of cash flows for the year then ended, and notes to the unconsolidated financial statements, including material accounting policy information 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 unconsolidated statement of financial position, unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated 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 2023 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 *Auditor's Responsibilities for the Audit of the Unconsolidated 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 Matter

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



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Following is the Key audit matter:

| S. No. | Key audit matter   | How the matter was addressed in our audit  |
|--------|--|--|
| 1      | <p>Valuation of investments</p> <p>Refer notes 3.3, 6 and 11 to the unconsolidated financial statements.</p> <p>The carrying value of investments held by the Company amounted to Rs. 31,658.73 million, which constitutes 97.4% of the Company's total assets as at 31 December 2023.</p> <p>The investments mainly comprises of investment in equity securities.</p> <p>Investments are carried at cost or fair value in accordance with the Company's accounting policy in accordance with accounting and reporting standards as applicable in Pakistan, relating to their recognition and subsequent measurement</p> <p>We identified assessing the carrying value of the investment as a key audit matter because of its significance to the unconsolidated financial statements.</p> | <p>Our audit procedures to verify valuation of investments, amongst others, included the following:</p> <ul style="list-style-type: none"><li>• Assessing the design, implementation and operating effectiveness of key controls established by the Company to determine valuation of investments;</li><li>• Checking the valuation of investments in the portfolio as recorded in the general ledger to the relevant supporting documents, externally quoted market prices and break-up values;</li><li>• Engaging our valuation specialist in assessing the appropriateness of the valuation methodology and key assumptions applied in the valuation of certain equity investments;</li><li>• Obtaining independent confirmations for verifying the existence of the investment portfolio as at 31 December 2023 and reconciling it with the books and records of the Company. Where such confirmations were not available, alternate procedures were performed;</li><li>• Assessing the appropriateness and adequacy of the disclosure made in the unconsolidated financial statement.</li></ul> |

#### Information Other than the Unconsolidated Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon. We were provided with the Directors' Report to the Shareholders and Chairman's Review Report prior to the date of this Auditor's Report and the remaining parts of the Annual Report are expected to be made available to us after that date.



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Our opinion on the unconsolidated 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 unconsolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, 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 Unconsolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the unconsolidated 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 unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated 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.

#### **Auditor's Responsibilities for the Audit of the Unconsolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated 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 unconsolidated 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



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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 auditor's report to the related disclosures in the unconsolidated 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated financial statements, including the disclosures, and whether the unconsolidated 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 unconsolidated 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.

### **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);



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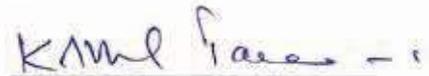
- b) the unconsolidated statement of financial position, the unconsolidated statement of profit or loss, the unconsolidated statement of comprehensive income, the unconsolidated statement of changes in equity and the unconsolidated statement of cash flows together with the notes thereon have been drawn 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) Zakat deductible at source under Zakat and Ushr ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund associated under section 7 of that ordinance.

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

Date: 28 March 2024

Karachi

UDIN: AR202310106pbcXwf8Bm

  
KPMG Taseer Hadi & Co.  
Chartered Accountants

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## Unconsolidated Statement of Financial Position

As at December 31, 2023

|   | Note | 2023<br>(Rupees in '000) | 2022              |
|---|------|--------------------------|-------------------|
| <b>ASSETS</b>                                   |      |                          |                   |
| <b>Non-current assets</b>                       |      |                          |                   |
| Property and equipment                          | 4    | 176,473                  | 186,273           |
| Investment property                             | 5    | 1,060                    | 1,180             |
| Long term investments                           | 6    | 29,122,884               | 25,135,368        |
| Long term loans, advances and prepayments       | 7    | 16,103                   | 15,799            |
| Long term security deposits                     |      | 3,450                    | 1,081             |
|   |      | <b>29,319,970</b>        | <b>25,339,701</b> |
| <b>Current assets</b>                           |      |                          |                   |
| Short term loans and advances                   | 8    | 2,674                    | 1,454             |
| Short term prepayments and other receivables    | 9    | 566,205                  | 176,553           |
| Interest accrued                                | 10   | 11,769                   | 11,383            |
| Other financial assets - Short term investments | 11   | 2,535,846                | 6,806,898         |
| Cash and bank balances                          | 12   | 85,573                   | 137,607           |
|   |      | <b>3,202,067</b>         | <b>7,133,895</b>  |
| <b>TOTAL ASSETS</b>                             |      | <b>32,522,037</b>        | <b>32,473,596</b> |
| <b>EQUITY AND LIABILITIES</b>                   |      |                          |                   |
| <b>Share capital and reserves</b>               |      |                          |                   |
| Authorised capital                              | 13.1 | 65,000,000               | 65,000,000        |
| Issued, subscribed and paid-up share capital    |      |                          |                   |
| Ordinary shares                                 | 13.2 | 9,159,424                | 9,159,424         |
| Equity component of preference shares           | 14   | 1,326,114                | 1,326,114         |
| Reserves  |      | 20,619,186               | 19,688,025        |
|   |      | <b>31,104,724</b>        | <b>30,173,563</b> |
| <b>Non-current liabilities</b>                  |      |                          |                   |
| Lease liability                                 | 16   | 72,726                   | 89,081            |
| Deferred tax liability                          | 17   | 331,880                  | 375,915           |
| Liability component of preference shares        | 18   | 341,117                  | 408,550           |
|   |      | <b>745,723</b>           | <b>873,546</b>    |
| <b>Current Liabilities</b>                      |      |                          |                   |
| Trade and other payables                        | 19   | 320,312                  | 310,470           |
| Unclaimed dividend                              |      | 9,916                    | 9,934             |
| Unpaid dividend                                 |      | 3,092                    | 230               |
| Taxation – net                                  |      | 207,386                  | 36,649            |
| Accrued interest on borrowings                  |      | -                        | 57,509            |
| Current portion of long term liabilities        | 20   | 130,884                  | 1,011,695         |
|   |      | <b>671,590</b>           | <b>1,426,487</b>  |
| <b>Contingencies and commitments</b>            | 21   |                          |                   |
| <b>TOTAL EQUITY AND LIABILITIES</b>             |      | <b>32,522,037</b>        | <b>32,473,596</b> |

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer



## Unconsolidated Statement of Profit or Loss

For the year ended December 31, 2023

|   | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>-----    |
|---|------|--------------------------------------|------------------|
| <b>INCOME</b>   |      |                                      |                  |
| Return on investments   | 22   | 1,502,249                            | 1,346,673        |
| Loss on sale of investments - net   | 23   | (3,989)                              | (100,754)        |
| Income from long term loans and fund placements                                 | 24   | 37,489                               | 91,992           |
| Other income  | 25   | 33,065                               | 26,850           |
| Gain on remeasurement of investments at fair value through profit or loss - net |      | 1,872                                | 19,610           |
|   |      | <b>1,570,686</b>                     | <b>1,384,371</b> |
| <b>EXPENDITURE</b>  |      |                                      |                  |
| Operating and administrative expenses   | 26   | 336,070                              | 287,615          |
| Finance cost  | 27   | 117,533                              | 246,231          |
| Provision for Sindh Workers' Welfare Fund                                       |      | 22,405                               | 17,043           |
| Reversal of provision for impairment  |      | (3,183)                              | (1,611)          |
|   |      | <b>472,825</b>                       | <b>549,278</b>   |
| <b>PROFIT BEFORE TAXATION</b>   |      | <b>1,097,861</b>                     | <b>835,093</b>   |
| Taxation - net  | 28   | 807,047                              | 489,850          |
| <b>PROFIT AFTER TAXATION</b>  |      | <b>290,814</b>                       | <b>345,243</b>   |
| <b>EARNINGS PER SHARE</b>   |      |                                      |                  |
|   | 29   | ----- (Rupees) -----                 | -----            |
| Basic   |      | 0.32                                 | 0.38             |
| Diluted   |      | 0.30                                 | 0.36             |

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer

## Unconsolidated Statement of Comprehensive Income

For the year ended December 31, 2023

|  | 2023                         | 2022        |
|--|------------------------------|-------------|
|  | ----- (Rupees in '000) ----- |             |
| <b>PROFIT AFTER TAXATION</b>   | <b>290,814</b>               | 345,243     |
| <b>OTHER COMPREHENSIVE INCOME / (LOSS):</b>  |                              |             |
| <b>Items that will not be reclassified subsequently to statement of profit or loss</b>                   |                              |             |
| Unrealised gain / (loss) on remeasurement of investments at fair value through OCI - net of deferred tax | <b>1,189,912</b>             | (1,973,841) |
| <b>TOTAL COMPREHENSIVE INCOME / (LOSS)</b>   | <b>1,480,726</b>             | (1,628,598) |

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer

## Unconsolidated Statement of Changes in Equity

For the year ended December 31, 2023

|  | Issued, subscribed<br>and paid-up share capital |                                       | Reserves               |   |                        | Sub-total         | Total             |
|--|---|---------------------------------------|------------------------|---|------------------------|-------------------|-------------------|
|  |   |                                       | Capital Reserves       |   | Revenue Reserve        |                   |                   |
|  | Ordinary Shares                                 | Equity Component of Preference Shares | Ordinary Share Premium | Unrealized gain on revaluation of investments at fair value through OCI - net | Un appropriated profit |                   |                   |
|  | (Rupees in '000)                                |                                       |                        |   |                        |                   |                   |
| <b>Balance as at January 01, 2022</b>  | 9,159,424                                       | 1,326,114                             | 4,497,894              | 12,049,480  | 4,769,249              | 21,316,623        | 31,802,161        |
| Profit after taxation for the year   | -   | -                                     | -                      | -   | 345,243                | 345,243           | 345,243           |
| Other comprehensive loss   | -   | -                                     | -                      | (1,973,841)   | -                      | (1,973,841)       | (1,973,841)       |
| Total comprehensive (loss) / income  | -   | -                                     | -                      | (1,973,841)   | 345,243                | (1,628,598)       | (1,628,598)       |
| Reclassification of remeasurement gain on equity instrument upon derecognition - net | -   | -                                     | -                      | (1,403,239)   | 1,403,239              | -                 | -                 |
| <b>Balance as at December 31, 2022</b>   | <b>9,159,424</b>                                | <b>1,326,114</b>                      | <b>4,497,894</b>       | <b>8,672,400</b>  | <b>6,517,731</b>       | <b>19,688,025</b> | <b>30,173,563</b> |
| Profit after taxation for the year   | -   | -                                     | -                      | -   | 290,814                | 290,814           | 290,814           |
| Other comprehensive income   | -   | -                                     | -                      | 1,189,912   | -                      | 1,189,912         | 1,189,912         |
| Total comprehensive income   | -   | -                                     | -                      | 1,189,912   | 290,814                | 1,480,726         | 1,480,726         |
| Reclassification of remeasurement gain on equity instrument upon derecognition - net | -   | -                                     | -                      | (3,495,902)   | 3,495,902              | -                 | -                 |
| <b>Transactions with owners</b>  |   |                                       |                        |   |                        |                   |                   |
| Interim ordinary dividend @ Rs. 0.60 per ordinary share                              |   |                                       |                        |   | (549,565)              | (549,565)         | (549,565)         |
| <b>Balance as at December 31, 2023</b>   | <b>9,159,424</b>                                | <b>1,326,114</b>                      | <b>4,497,894</b>       | <b>6,366,410</b>  | <b>9,754,882</b>       | <b>20,619,186</b> | <b>31,104,724</b> |

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer

## Unconsolidated Statement of Cash Flows

For the year ended December 31, 2023

|   | 2023               | 2022               |
|---|--------------------|--------------------|
| Note  | (Rupees in '000)   |                    |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                     |                    |                    |
| Profit before taxation for the year   | 1,097,861          | 835,093            |
| <b>Adjustment for non-cash charges and other items:</b>                         |                    |                    |
| Depreciation  | 39,841             | 37,104             |
| Gain on sale of property and equipment  | (5,015)            | (1,837)            |
| Interest income   | (117,117)          | (295,437)          |
| Gain on remeasurement of investments at fair value through profit or loss - net | (1,872)            | (19,610)           |
| Reversal of provision for impairment  | (3,183)            | (1,611)            |
| Dividend income   | (1,422,621)        | (1,143,228)        |
| Gain on remeasurement of derivatives through profit or loss                     | (8,385)            | (3,051)            |
| Finance cost  | 117,533            | 246,231            |
|   | <b>(1,400,819)</b> | <b>(1,181,439)</b> |
| <b>Operating (loss) before working capital changes:</b>                         | <b>(302,958)</b>   | <b>(346,346)</b>   |
| <b>(Increase) / decrease in operating assets:</b>                               |                    |                    |
| Short term loans and advances   | (1,220)            | 451,765            |
| Short term prepayments and other receivables                                    | (389,352)          | 517,682            |
| Long term loans, advance and security deposits                                  | (2,673)            | 42,294             |
|   | <b>(393,245)</b>   | <b>1,011,741</b>   |
| <b>Increase / (decrease) in trade and other payables:</b>                       | <b>18,227</b>      | <b>(144,314)</b>   |
|   | <b>(677,976)</b>   | <b>521,081</b>     |
| Investments - net   | 1,436,364          | (1,192,781)        |
| Dividend received   | 1,422,321          | 1,143,228          |
| Interest income received  | 116,731            | 300,275            |
| Finance cost paid   | (122,212)          | (188,354)          |
| Income Tax paid   | (638,206)          | (339,681)          |
| <b>Net cash generated from operating activities</b>                             | <b>1,537,022</b>   | <b>243,768</b>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                    |                    |                    |
| Capital expenditure incurred  | (32,921)           | (28,233)           |
| Proceeds from sale of property and equipment                                    | 8,015              | 2,038              |
| <b>Net cash used in investing activities</b>                                    | <b>(24,906)</b>    | <b>(26,195)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>                                    |                    |                    |
| Dividend paid   | (656,634)          | (52,153)           |
| Redemption of term finance certificates   | (875,000)          | (800,000)          |
| Long term loan repaid to bank   | -                  | (312,500)          |
| Payment against lease liability   | (32,516)           | (22,914)           |
| <b>Net cash used in financing activities</b>                                    | <b>(1,564,150)</b> | <b>(1,187,567)</b> |
| <b>Net decrease in cash and cash equivalents</b>                                | <b>(52,034)</b>    | <b>(969,994)</b>   |
| Cash and cash equivalents at the beginning of the year                          | 137,607            | 1,107,601          |
| <b>Cash and cash equivalents at the end of the year</b>                         | <b>85,573</b>      | <b>137,607</b>     |

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Co. Ltd. (the Company) was incorporated under the repealed Companies Ordinance, 1984 (the Ordinance), now Companies Act, 2017, on May 04, 1991, as a public unquoted company. The Company is presently listed on Pakistan Stock Exchange Limited. The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Company are managing strategic investments, trading of securities, consultancy services and other services.

### 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 Financial Reporting Standards (IFRS) 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 requirements of IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, have been followed.

These unconsolidated financial statements are separate financial statements, herein after referred to as the “financial statements”, of the Company in which investments in subsidiaries are stated at cost less impairment, if any, and investments in associates, if any, are stated at fair value through other comprehensive income. Therefore, they have not been accounted for on the basis of reported results and net assets of the investees in these financial statements. The consolidated financial statements of the Company and its subsidiaries have been prepared separately.

#### 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except as stated otherwise in respective policy notes.

#### 2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupees, which is also the functional and presentation currency of the Company and rounded off to nearest thousand rupees unless stated otherwise.

#### 2.4 Significant accounting estimates and judgements

The preparation of these financial statements, in conformity with the accounting and reporting standards as applicable in Pakistan, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

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 prospectively 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 judgements which are significant to these financial statements:

- (a) determining the residual values and useful lives of property and equipment (notes 3.1 and 4);
- (b) classification and valuation of investments (notes 3.4, 6 and 11);
- (c) determining the fair values of unquoted investments carried at fair value through other comprehensive income (note 34);
- (d) lease liability related to Right-of-use asset (note 3.10, 4.2 and 16);
- (e) recognition of taxation and deferred tax (notes 3.6, 17 and 28);
- (f) impairment of financial and non-financial assets (notes 3.4.4, 3.2, 3.19 and 6.1.3);
- (g) other provisions (note 3.5).

### 2.5 Standards, interpretations of and amendments to the published accounting and reporting standards that are effective in the current year:

The Company has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 01, 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the accounting policies' information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The information disclosed in Note 3 material accounting policies has been assessed to be in line with the amendments.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on January 01, 2023 but are considered not to be relevant or do not have any significant effect on the Company's operations and are therefore not detailed in these financial statements

### 2.6 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS) as notified under the Companies Act, 2017, and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2024:



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 in January 2020)**

apply retrospectively for the annual periods beginning on or after January 01, 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

### **Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022)**

aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 01 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

### **Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022)**

adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 01 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

### **Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)**

amend accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

### **Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)**

introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the Company's liabilities and

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 01 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

### Lack of Exchangeability (amendments to IAS 21) clarify:

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 01 January 2025. Earlier application is permitted. Earlier application is permitted.

The above standards, interpretations and amendments are not likely to have a significant impact on the Company's unconsolidated financial statements.

### 3. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computations adopted and applied in the preparation of these unconsolidated financial statements are set out below. These have been consistently applied to all the periods presented.

#### 3.1 Property and equipment

These are stated at costs less accumulated depreciation and accumulated impairment, if any. Cost comprises of 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 these financial statements. Depreciation is charged from the month in which asset is put to use up to the month immediately preceding the disposal.

The assets' residual values, useful lives and methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of fixed asset is derecognized upon disposal or when no future economic benefits, associated with the assets, 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



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

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.

### 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.

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 gain and loss 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 ventures.

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 and joint ventures, other than those classified as held for sale, are accounted for under the cost method in these unconsolidated 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, if any, is charged to the statement of profit or loss.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

Investment in associate, other than those classified as held for sale, is carried at fair value through other comprehensive income.

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 Financial Instruments

#### 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 recognized 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 / counterparties are recognized when funds are transferred to the banks / employees / counterparties. The Company recognizes 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.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 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 (ECL) 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.

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 (FVPL)

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.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 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.

#### 3.4.4 Impairment of financial assets

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering of a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

Based on the management assessment, no ECL was required since the Company's financial assets at amortized cost are held with counterparty with low credit risk. Further, ECL calculated on trade debts was not required as the amount assessed was immaterial to the financial statement.

### 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.

### 3.5 Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, 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. The amount recognised represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognised until the inflow of economic benefits is virtually certain.

#### Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the Amount of the obligation cannot be measured with sufficient reliability.

### 3.6 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 these financial statements.

#### 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 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.

### 3.7 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.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 3.8 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. 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.

### 3.9 Purchase / Sold under resale / repurchase agreement

Transactions of purchase under resale (reverse-repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse-repo) are not recognised in the statement of financial position. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as interest / mark-up income from reverse repurchase transactions in marketable securities and accrued on a time proportion basis over the life of the reverse repo agreement.

Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities 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 accounting policies for investments. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as finance cost and accrued over the life of the repo agreement.

### 3.10 Leases

#### 3.10.1 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.

#### 3.10.2 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.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

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.

### 3.10.3 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.

### 3.10.4 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 that do not contain significant financing component are recognized initially at transaction price. Trade and other receivables that contain significant financing component are recognized initially at fair value and subsequently at amortized cost.

Expected credit losses using simplified approach as mentioned in note to these unconsolidated financial statements. Trade debts are written off when there is no reasonable expectation of recovery.

### 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 timeframe generally established by regulation or convention in the market.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 3.13 Derivative financial instruments

Derivative instruments held by the Company generally comprises of 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 mark to market of 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

Liabilities for trade and other payable are recognised at fair value of the consideration to be paid for goods and services received plus significant directly attributable cost and these are subsequently measured at amortised cost.

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

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

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

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

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

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

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

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 3.16 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, treasury bills having maturity of three months or less, net of bank overdrafts repayable on demand, if any.

### 3.17 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% of basic pay.

#### Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn pay in accordance with the Company policy.

### 3.18 Foreign currency translations

Foreign currency transactions are recognized or accounted for in Pakistani Rupees using exchange rates prevailing on the date of transactions. 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. Exchange 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.

### 3.19 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 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.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no 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.

### 3.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS). 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 year. 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, if any.

### 3.21 Dividend and other appropriation to reserves

Dividend and other appropriation to / from reserves are recognised in the financial statements in the period in which these are approved. The revaluation surplus related to fixed assets and non-banking assets is not available for distribution of dividend.

| 4. PROPERTY AND EQUIPMENT | Note | 2023             | 2022           |
|---------------------------|------|------------------|----------------|
|                           |      | (Rupees in '000) |                |
| Operating fixed assets    | 4.1  | 106,235          | 98,487         |
| Right-of-use asset        | 4.2  | 70,238           | 87,786         |
|                           |      | <u>176,473</u>   | <u>186,273</u> |

### 4.1 Operating fixed assets

|                               | COST                         |                                 |                               | Rate<br>% | ACCUMULATED DEPRECIATION     |                                     |                               | WRITTEN<br>DOWN VALUE         |
|-------------------------------|------------------------------|---------------------------------|-------------------------------|-----------|------------------------------|-------------------------------------|-------------------------------|-------------------------------|
|                               | As at<br>January 01,<br>2023 | Additions /<br>(disposals)      | As at<br>December 31,<br>2023 |           | As at<br>January 01,<br>2023 | For the<br>year /<br>(on disposals) | As at<br>December 31,<br>2023 | As at<br>December 31,<br>2023 |
|                               | (Rupees in '000)             |                                 |                               |           | (Rupees in '000)             |                                     |                               |                               |
| Leasehold improvements        | 89,591                       | 1,790                           | 91,381                        | 10        | 33,456                       | 9,019                               | 42,475                        | 48,906                        |
|                               |                              | -                               |                               |           |                              | -                                   |                               |                               |
| Office equipment              | 15,121                       | 5,115<br>(473)                  | 19,763                        | 25        | 10,742                       | 2,308<br>(473)                      | 12,577                        | 7,186                         |
| Office furniture and fixtures | 14,281                       | 608                             | 14,889                        | 10        | 7,357                        | 1,141                               | 8,498                         | 6,391                         |
|                               |                              | -                               |                               |           |                              | -                                   |                               |                               |
| Motor vehicles                | 42,682                       | 25,408<br>(9,000)               | 59,090                        | 20        | 11,633                       | 9,705<br>(6,000)                    | 15,338                        | 43,752                        |
|                               |                              | (9,000)                         |                               |           |                              | (6,000)                             |                               |                               |
|                               | <u>161,675</u>               | <u>32,921</u><br><u>(9,473)</u> | <u>185,123</u>                |           | <u>63,188</u>                | <u>22,173</u><br><u>(6,473)</u>     | <u>78,888</u>                 | <u>106,235</u>                |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|                               | COST                         |                            |                               | Rate | ACCUMULATED DEPRECIATION     |                                     |                               | WRITTEN<br>DOWN VALUE         |
|-------------------------------|------------------------------|----------------------------|-------------------------------|------|------------------------------|-------------------------------------|-------------------------------|-------------------------------|
|                               | As at<br>January 01,<br>2022 | Additions /<br>(disposals) | As at<br>December 31,<br>2022 |      | As at<br>January 01,<br>2022 | For the<br>year /<br>(on disposals) | As at<br>December 31,<br>2022 | As at<br>December 31,<br>2022 |
|                               | (Rupees in '000)             |                            |                               |      | (Rupees in '000)             |                                     |                               |                               |
| Leasehold improvements        | 89,591                       | -                          | 89,591                        | 10   | 24,497                       | 8,959                               | 33,456                        | 56,135                        |
| Office equipment              | 13,239                       | 2,801<br>(919)             | 15,121                        | 25   | 8,597                        | 3,064<br>(919)                      | 10,742                        | 4,379                         |
| Office furniture and fixtures | 14,281                       | -                          | 14,281                        | 10   | 6,256                        | 1,101                               | 7,357                         | 6,924                         |
| Motor vehicles                | 25,950                       | 21,023<br>(4,291)          | 42,682                        | 20   | 9,411                        | 6,312<br>(4,090)                    | 11,633                        | 31,049                        |
|                               | 143,061                      | 23,824<br>(5,210)          | 161,675                       |      | 48,761                       | 19,436<br>(5,009)                   | 63,188                        | 98,487                        |

4.1.1 Aggregate written down value of fixed assets disposed off during the year does not exceed Rs. 5 million.

### 4.2 Right-of-use asset

#### As at January 01

Depreciation expense

Adjustment relating to lease modification

#### As at December 31

|   | 2023             | 2022     |
|---|------------------|----------|
|   | (Rupees in '000) |          |
| As at January 01                          | 87,786           | 111,549  |
| Depreciation expense                      | (17,548)         | (17,548) |
| Adjustment relating to lease modification | -                | (6,215)  |
| As at December 31                         | 70,238           | 87,786   |

## 5. INVESTMENT PROPERTY

|                 | COST                         |                            |                               | Rate | ACCUMULATED DEPRECIATION     |                 |                               | WRITTEN<br>DOWN VALUE         |
|-----------------|------------------------------|----------------------------|-------------------------------|------|------------------------------|-----------------|-------------------------------|-------------------------------|
|                 | As at<br>January 01,<br>2023 | Additions /<br>(disposals) | As at<br>December 31,<br>2023 |      | As at<br>January 01,<br>2023 | For the<br>year | As at<br>December 31,<br>2023 | As at<br>December 31,<br>2023 |
|                 | (Rupees in '000)             |                            |                               |      | (Rupees in '000)             |                 |                               |                               |
| Office premises | 14,999                       | -                          | 14,999                        | 5    | 13,819                       | 120             | 13,939                        | 1,060                         |

|                 | COST                         |                            |                               | Rate | ACCUMULATED DEPRECIATION     |                 |                               | WRITTEN<br>DOWN VALUE         |
|-----------------|------------------------------|----------------------------|-------------------------------|------|------------------------------|-----------------|-------------------------------|-------------------------------|
|                 | As at<br>January 01,<br>2022 | Additions /<br>(disposals) | As at<br>December 31,<br>2022 |      | As at<br>January 01,<br>2022 | For the<br>year | As at<br>December 31,<br>2022 | As at<br>December 31,<br>2022 |
|                 | (Rupees in '000)             |                            |                               |      | (Rupees in '000)             |                 |                               |                               |
| Office premises | 14,999                       | -                          | 14,999                        | 5    | 13,699                       | 120             | 13,819                        | 1,180                         |

5.1 The fair value of the investment property aggregating to Rs.145.71 million was arrived at on the basis of the valuation carried out by K. G. Traders (Private) Limited., an independent valuer on January 05, 2024, 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.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

5.2 The details of investment property are as follows: Total Area in Sq. Ft.

| 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-Egerton Road, Lahore                                       | 7,466                 |

| 6. LONG TERM INVESTMENTS                          | Note | 2023              | 2022              |
|---|------|-------------------|-------------------|
|   |      | (Rupees in '000)  |                   |
| <b>Investments in related parties</b>             |      |                   |                   |
| Subsidiaries - at cost                            | 6.1  | 19,211,291        | 11,562,040        |
| Associate - 'at fair value through OCI'           | 6.2  | -                 | 3,148,742         |
| Other related parties - at fair value through OCI | 6.3  | 7,480,617         | 8,042,285         |
|   |      | <b>26,691,908</b> | <b>22,753,067</b> |
| <b>Other investments</b>                          |      |                   |                   |
|   | 6.4  | 2,430,976         | 2,382,301         |
|   |      | <b>29,122,884</b> | <b>25,135,368</b> |

### 6.1 Subsidiaries - at cost

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

| Number of shares |             | Note   | Activity                          | Holding |        | 2023              | 2022              |
|------------------|-------------|--|-----------------------------------|---------|--------|-------------------|-------------------|
| 2023             | 2022        |  |                                   | 2023 %  | 2022 % |                   |                   |
| <b>Quoted</b>    |             |  |                                   |         |        |                   |                   |
| 1,460,232,712    | 973,307,324 | 6.1.1 & 6.1.2  | Commercial Banking                | 71.21   | 75.02  | 13,773,217        | 6,127,149         |
|                  |             | JS Bank Limited *  |                                   |         |        |                   |                   |
|                  |             | Market value Rs. 13,200.50 (December 31, 2022: Rs. 4,564.81) million   |                                   |         |        |                   |                   |
| <b>Un-quoted</b> |             |  |                                   |         |        |                   |                   |
| 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. 3,862.92 (December 31, 2022: Rs. 3,811.40) million based on audited financial statements for the year ended December 31, 2023   |                                   |         |        |                   |                   |
| 173,736,297      | 173,736,297 |  | Telecom Media & Technology        | 100.00  | 100.00 | 1,708,490         | 1,708,490         |
|                  |             | JS Infocom Limited   |                                   |         |        |                   |                   |
|                  |             | Net assets value Rs. 2,056.84 (December 31, 2022: Rs. 2,581.03) million based on audited financial statements for the year ended December 31, 2023   |                                   |         |        |                   |                   |
| 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. 3.31 (September 30, 2022: Rs. (2.60)) million based on audited financial statements for the year ended September 30, 2023 |                                   |         |        |                   |                   |
|                  |             | Less: Impairment   |                                   |         |        | (294,882)         | (294,882)         |
| 3,000,000        | 3,000,000   | 6.1.3  | Renewable Energy                  | 100.00  | 100.00 | 30,000            | 30,000            |
|                  |             | Quality Energy Solutions (Private) Limited   |                                   |         |        |                   |                   |
|                  |             | Net assets value Rs. 29.58 (December 31, 2022: Rs. 26.40) million based on audited financial statements for the year ended December 31, 2023   |                                   |         |        |                   |                   |
|                  |             | Less: Impairment   |                                   |         |        | (416)             | (3,599)           |
|                  |             |  |                                   |         |        | 29,584            | 26,401            |
|                  |             |  |                                   |         |        | <b>19,211,291</b> | <b>11,562,040</b> |

\* 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, 2023

**6.1.1** The Company has used the price to book value method for valuation of JS Bank limited (“JSBL”) as at December 31, 2023. As per valuation, the recoverable amount is higher than the cost, hence no impairment is recorded.

**6.1.2** During the year, the Company, pursuant to obtention of requisite regulatory and corporate approvals, had subscribed 165,462,245 Right Shares as per its entitlement at par value of Rs. 10/- on July 04, 2023. Furthermore, the Company had also subscribed 54,715,645 right shares of the unsubscribed portion of JSBL at par value of Rs. 10/- on August 10, 2023.

Additionally, on August 18, 2023, the Company also received 266,747,498 ordinary shares of JSBL on execution of SWAP transaction as per SPA signed between the Company and JSBL in exchange of 235,684,306 ordinary shares of BankIslami Pakistan Limited. Please refer note. 6.2.1

**6.1.3** 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 increased at the reporting date. Therefore, reversal in provision of impairment of Rs. 3.18 million is recognized during the year.

|   | 2023<br>----- (Rupees in ‘000) ----- | 2022<br>----- (Rupees in ‘000) ----- |
|---|--------------------------------------|--------------------------------------|
| <b>6.1.3.1 Provision for impairment</b> |                                      |                                      |
| Opening balance                         | 298,481                              | 300,092                              |
| Reversal for the year                   | (3,183)                              | (1,611)                              |
| Closing balance                         | <u>295,298</u>                       | <u>298,481</u>                       |

### 6.2 Associate - ‘at fair value through OCI’

These shares were ordinary shares of Rs.10 each.

| Number of shares |             |                             | 2023<br>----- (Rupees in ‘000) ----- | 2022<br>----- (Rupees in ‘000) ----- |
|------------------|-------------|-----------------------------|--------------------------------------|--------------------------------------|
| 2023             | 2022        |                             |                                      |                                      |
|                  |             | <b>Quoted</b>               |                                      |                                      |
| -                | 235,684,306 | BankIslami Pakistan Limited | <u>-</u>                             | <u>3,148,742</u>                     |

**6.2.1** Subsequent to the approval of the Board of Directors in its meeting held on February 16, 2023, the Shareholders of the Company in their meeting held on March 16, 2023, also approved (by way of Special Resolution) the disposal of the Company’s total shareholding in BankIslami Pakistan Limited (BIPL) against fresh common equity of JS Bank Limited (JSBL) – a subsidiary bank, to be issued other than right and other than cash in the swap ratio of 1.1318. Post completion of these corporate approvals, on March 29, 2023, the Company signed a Share Purchase Agreement (SPA) with JSBL.

Accordingly, on August 18, 2023, the Company transferred its shareholding in BIPL to JSBL, as a result, investment in 235,684,306 ordinary shares of BIPL were derecognized and 266,747,498 fresh ordinary shares of JSBL were received by the Company.

**6.2.2** As per SPA, the investment in shares of BIPL, that were carried at fair value through other comprehensive income, had a fair value amounting to Rs. 5,444.29 million on the date of transfer to JSBL. The Company has, accordingly, recorded realized gain on the above said investment amounting to Rs. 3,861.29 million in these unconsolidated financial statements.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 6.3 Other related parties

Financial asset at fair value through OCI

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

| Number of shares |            | Activity                       | Note               | Holding |       | 2023<br>% | 2022<br>%        | 2023<br>(Rupees in '000) | 2022<br>(Rupees in '000) |
|------------------|------------|--------------------------------|--------------------|---------|-------|-----------|------------------|--------------------------|--------------------------|
| 2023             | 2022       |                                |                    | 2023    | 2022  |           |                  |                          |                          |
| <u>Quoted</u>    |            |                                |                    |         |       |           |                  |                          |                          |
| 20,047,708       | 20,047,708 | EFU Life Assurance Limited     | Life Assurance     | 6.3.1   | 20.05 | 20.05     | 3,870,009        | 4,116,195                |                          |
| 42,191,152       | 42,191,152 | EFU General Insurance Limited  | General Insurance  | 6.3.1   | 21.10 | 21.10     | 3,586,248        | 3,902,682                |                          |
| <u>Un-quoted</u> |            |                                |                    |         |       |           |                  |                          |                          |
| 750,000          | 750,000    | EFU Services (Private) Limited | Investment Company |         | 16.67 | 16.67     | 24,360           | 23,408                   |                          |
|                  |            |                                |                    |         |       |           | <u>7,480,617</u> | <u>8,042,285</u>         |                          |

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

**6.3.2** Included herein are equity securities having average cost of Rs. Nil (2022: Rs. 608.70) million and having market value of Rs. Nil (2022: Rs. 1,746.07) million pledged with trustee of Term Finance Certificates issued by the Company and with a Bank against Term Loans obtained by the Company.

### 6.4 Other investments

Financial asset at fair value through OCI

Equity securities

Financial assets at amortized cost

Pakistan Intermodal Limited - PPTFC

| Note  | 2023<br>(Rupees in '000) | 2022<br>(Rupees in '000) |
|-------|--------------------------|--------------------------|
| 6.4.1 | 2,080,976                | 1,932,301                |
| 6.4.2 | 350,000                  | 450,000                  |
|       | <u>2,430,976</u>         | <u>2,382,301</u>         |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 6.4.1 Financial asset at fair value through OCI

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

| Number of shares |             |  |                  |                  |
|------------------|-------------|--|------------------|------------------|
| 2023             | 2022        |  |                  |                  |
|                  |             | <b>Quoted</b>                              |                  |                  |
| 121,158,363      | 121,158,363 | Azgard Nine Limited                        | 989,864          | 878,398          |
| 2,344,950        | 2,344,450   | Sitara Chemical Industries Limited         | 586,261          | 486,872          |
| 3,601,800        | 3,601,800   | Hum Network Limited                        | 24,672           | 21,035           |
|                  |             | <b>Un-quoted</b>                           |                  |                  |
| 2,399,454        | 2,399,454   | Security General Insurance Company Limited | 480,179          | 545,996          |
|                  |             |  | <b>2,080,976</b> | <b>1,932,301</b> |

6.4.2 These are secured Privately Placed Term Finance Certificates (PPTFCs) issued by Pakistan Intermodal Limited (PIL) in the name of the Company having maturity on February 14, 2025, and have coupon rate of 3 months KIBOR plus 1% payable quarterly. During the year PKR 100 million was received against principal redemption.

| 7.         | LONG TERM LOANS, ADVANCES AND PREPAYMENTS                          | Note | 2023<br>----- (Rupees in '000) ----- | 2022          |
|------------|--|------|--------------------------------------|---------------|
|            | <b>Loans - secured and considered good</b>                         |      |                                      |               |
|            | <b>Due from:</b>   |      |                                      |               |
|            | Executives   | 7.1  | 11,604                               | 14,272        |
|            | Other employees  |      | 1,367                                | 2,719         |
|            | Less: Current maturity of long term loans                          |      | (768)                                | (1,192)       |
|            |  |      | <b>12,203</b>                        | <b>15,799</b> |
|            | <b>Prepaid Club Membership</b>                                     | 31.3 | 3,900                                | -             |
|            |  |      | <b>16,103</b>                        | <b>15,799</b> |
| <b>7.1</b> | <b>Reconciliation of the carrying amount of loan to executives</b> |      |                                      |               |
|            | Opening balance  |      | 14,272                               | 56,142        |
|            | Disbursements  |      | -                                    | 276           |
|            | Repayments   |      | (2,668)                              | (42,146)      |
|            |  |      | <b>11,604</b>                        | <b>14,272</b> |

7.1.1 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                            | Current maturity | Maximum amount due at end of any month | 2023          | 2022          |
|-------------------------|--------------------------|-----------------------|------------------|----------------------------|---|------------------|--|---------------|---------------|
| Syed Ali Hasham         | Key management personnel | 3-Jan-36              | As per HR policy | House Loan                 | Mortgage over Residential Property                      | 148              | 10,795                                 | 8,173         | 10,795        |
| Mr. Muhammad Babar Din  | Key management personnel | 26-Feb-34 / 26-Jan-25 | As per HR policy | House Loan / Personal Loan | Mortgage over Residential Property / Post Dated Cheques | 209              | 3,477                                  | 3,074         | 3,477         |
|                         |                          |                       |                  |                            |   | <b>357</b>       |  | <b>11,247</b> | <b>14,272</b> |



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  |  | 2023                         | 2022                         |
|--|--|------------------------------|------------------------------|
|  | Note   | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| <b>8. SHORT TERM LOANS AND ADVANCES</b>  |  |                              |                              |
| Current maturity of long term loans  | 7  | 768                          | 1,192                        |
| Advances to employees - unsecured  |  | 1,375                        | 237                          |
| Advances to vendor   |  | 531                          | 25                           |
|  |  | <u>2,674</u>                 | <u>1,454</u>                 |
| <b>9. SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES</b>                               |  |                              |                              |
| Receivable against sale of shares  |  | 532,885                      | 145,761                      |
| Prepayments  |  | 20,366                       | 22,178                       |
| Other receivables  |  | 12,654                       | 8,614                        |
| Dividend receivable  |  | 300                          | -                            |
|  | 9.1  | <u>566,205</u>               | <u>176,553</u>               |
| <b>9.1</b>   | This includes receivable from various related parties amounting to Rs. 450.32 (2022: Rs. 148.10) million.                  |                              |                              |
| <b>10. INTEREST ACCRUED</b>  |  |                              |                              |
|  |  | 2023                         | 2022                         |
|  |  | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| <b>Interest accrued on:</b>  |  |                              |                              |
| Bank deposits  | 10.1   | 1,769                        | 1,890                        |
| Term finance certificate   |  | 10,000                       | 9,493                        |
|  |  | <u>11,769</u>                | <u>11,383</u>                |
| <b>10.1</b>  | This includes interest receivable from JS Bank Limited, a Subsidiary Bank, amounting to Rs. 1.68 (2022: Rs. 1.89) million. |                              |                              |
| <b>11. OTHER FINANCIAL ASSETS - SHORT TERM INVESTMENTS</b>                           |  |                              |                              |
|  |  | 2023                         | 2022                         |
|  |  | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| <b>Assets at fair value through OCI</b>  |  |                              |                              |
| Listed equity securities   |  | 355,752                      | 597,093                      |
| Listed equity securities - Associated undertaking                                    |  | 2,130,902                    | 2,921,871                    |
|  | 11.1   | <u>2,486,654</u>             | <u>3,518,964</u>             |
| <b>Assets at fair value through profit or loss</b>                                   |  |                              |                              |
| Listed equity securities   |  | 17,138                       | 495,713                      |
| Units of mutual funds - Open ended   |  | 32,054                       | 2,792,221                    |
|  | 11.2   | <u>49,192</u>                | <u>3,287,934</u>             |
|  | 11.3   | <u>2,535,846</u>             | <u>6,806,898</u>             |
| <b>11.1 Equity investments at fair value through OCI comprises of the following:</b> |  |                              |                              |
| TRG Pakistan Limited   | 11.1.1   | 2,130,902                    | 2,921,871                    |
| MCB Bank Limited   |  | 118,887                      | 80,034                       |
| Engro Fertilizers Limited  |  | 115,530                      | 76,890                       |
| IGI Holdings Limited   |  | 36,516                       | -                            |
| Pakistan Oilfields Limited   |  | 21,097                       | 19,643                       |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  | Note   | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|--------|--------------------------------------|--------------------------------------|
| Shahtaj Sugar Mills Limited            |        | 19,348                               | -                                    |
| Security Paper Limited                 |        | 11,238                               | 7,830                                |
| Bank Al-Falah Limited                  |        | 9,702                                | 6,028                                |
| Jubilee Life Insurance Company Limited |        | 7,375                                | -                                    |
| Abbot Laboratories (Pakistan) Limited  |        | 6,903                                | 6,950                                |
| Service Global Footwear Limited        |        | 6,032                                | -                                    |
| Cherat Packaging Limited               |        | 3,037                                | -                                    |
| AKD Hospitality Limited                |        | 77                                   | -                                    |
| AKD Securities Limited                 |        | 10                                   | -                                    |
| Ghani Glass Limited                    |        | -                                    | 311,414                              |
| Engro Corporation Limited              |        | -                                    | 88,304                               |
|  | 11.1.2 | <u>2,486,654</u>                     | <u>3,518,964</u>                     |

**11.1.1** The Company holds 4.94% of shareholding in TRG Pakistan Limited (TRG) as at December 31, 2023 (December 31, 2022: 4.94%). The Company and TRG has filed cross litigations against each other on various grounds. The management and its legal advisor are of the opinion that these cases will have no financial implications on the Company.

**11.1.2** The Company has disposed of various investments carried at fair value through OCI having fair value amounting to Rs. 5,825.59 (2022: Rs. 2,685.24) million and has recorded net realized (loss) / gain on these investments amounting to Rs. (365.87) (2022: Rs. 1,403.24) million in these financial statements in order to meet its working capital requirements.

**11.2** Open end mutual fund units of Funds managed by sub-sub-sidiary are as following:

|                             | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|-----------------------------|--------------------------------------|--------------------------------------|
| JS Cash Fund                | 729                                  | 2,591,793                            |
| JS Money Market Fund        | 31,325                               | -                                    |
| JS Microfinance Sector Fund | -                                    | 200,428                              |
|                             | <u>32,054</u>                        | <u>2,792,221</u>                     |

**11.3** Included herein are equity securities having average cost of Rs. 27.86 (2022: Rs. 148.09) million and having market value of Rs. 44.89 (2022: Rs. 129.62) million pledged with a Bank against Term Loans and Running finance facility obtained by the Company.

|                                   | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|-----------------------------------|------|--------------------------------------|--------------------------------------|
| <b>12. CASH AND BANK BALANCES</b> |      |                                      |                                      |
| <b>Cash in hand</b>               |      | 60                                   | 60                                   |
| <b>Cash at bank in:</b>           |      |                                      |                                      |
| Current accounts                  |      | 359                                  | 408                                  |
| Savings accounts                  | 12.1 | 85,154                               | 137,139                              |
|                                   |      | <u>85,573</u>                        | <u>137,607</u>                       |



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

- 12.1** These carry mark-up ranging between 15.55% to 20.92% (2022: 4.30% to 15.55%) per annum. Included herein is a sum of Rs. 79.43 (2022: Rs. 128.96) million representing amount placed with JS Bank Limited, a Subsidiary Bank.

### 13. SHARE CAPITAL

#### 13.1 Authorised share capital

| 2023<br>----- (Number of shares) ----- |                                  | 2023<br>----- (Rupees in '000) ----- |            |
|--|----------------------------------|--------------------------------------|------------|
| <b>6,000,000,000</b>                   | 6,000,000,000                    | <b>60,000,000</b>                    | 60,000,000 |
| <b>500,000,000</b>                     | 500,000,000                      | <b>5,000,000</b>                     | 5,000,000  |
| <b>6,500,000,000</b>                   | 6,500,000,000                    | <b>65,000,000</b>                    | 65,000,000 |
|  | Ordinary shares of Rs. 10 each   |                                      |            |
|  | Preference shares of Rs. 10 each |                                      |            |

#### 13.2 Issued, subscribed and paid-up share capital

| 2023<br>----- (Number of shares) ----- |                               | 2023<br>----- (Rupees in '000) ----- |           |
|--|-------------------------------|--------------------------------------|-----------|
| <b>205,072,990</b>                     | 205,072,990                   | <b>2,050,730</b>                     | 2,050,730 |
| <b>710,869,398</b>                     | 710,869,398                   | <b>7,108,694</b>                     | 7,108,694 |
| <b>915,942,388</b>                     | 915,942,388                   | <b>9,159,424</b>                     | 9,159,424 |
|  | Ordinary shares of Rs.10 each |                                      |           |
|  | Fully paid bonus shares       |                                      |           |

- 13.2.1** There is only one class of ordinary shares issued fully paid in cash.

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

| 14. EQUITY COMPONENT OF PREFERENCE SHARES | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|---|------|--------------------------------------|--------------------------------------|
| Equity component of preference shares     | 18   | <b>1,326,114</b>                     | 1,326,114                            |

This represents the equity component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares ("Preference Shares") of Rs.10/- each issued by the Company during the year 2021.

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

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

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

| 15. LONG TERM FINANCING - SECURED                          | Note  | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|---|--------------------------------------|--------------------------------------|
| <b>Term Finance Certificates (TFCs)</b>                    |   |                                      |                                      |
| Tenth issue - Privately Placed                             | 15.1  | -                                    | 374,564                              |
| Eleventh issue - listed on Pakistan Stock Exchange Limited | 15.2  | -                                    | 499,319                              |
|  |   | -                                    | 873,883                              |
| Less: Current portion shown under current liabilities      |   | -                                    | (873,883)                            |
|  |   | -                                    | -                                    |
| <b>15.1</b>  | These were Term Finance Certificate (TFCs) of Rs. 1,500 million which the Company has fully repaid on its maturity date, i.e. on July 18, 2023. The profit on these TFCs was payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum.      |                                      |                                      |
| <b>15.2</b>  | These were Term Finance Certificate (TFCs) of Rs. 1,500 million which the Company has fully repaid on its maturity date, i.e. on September 06, 2023. The profit on these TFCs was payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum. |                                      |                                      |
|  | Also included herein, is an amount of Rs. Nil (2022: Rs. 8 million) payable to related parties.   |                                      |                                      |
| 16. LEASE LIABILITY  |   | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
| <b>As at January 01</b>                                    |   |                                      |                                      |
| Interest expense on lease liability                        |   | 120,384                              | 143,333                              |
| Lease rental payments                                      |   | 9,233                                | 10,589                               |
| Adjustment relating to lease modification                  |   | (32,516)                             | (22,914)                             |
| <b>As at December 31</b>                                   |   | -                                    | (10,624)                             |
|  |   | 97,101                               | 120,384                              |
| Less: Current maturity of lease liability                  |   | (24,375)                             | (31,303)                             |
|  |   | 72,726                               | 89,081                               |
| <b>16.1</b>  | This represents lease arrangement with JS Rental REIT Fund, a related party, for office premises at 20th Floor, The Centre, Saddar, Karachi.  |                                      |                                      |
| 16.2 Maturity analysis of lease liabilities                |   | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
| Up to one year   |   | 24,375                               | 31,303                               |
| After one year   |   | 72,726                               | 89,081                               |
|  |   | 97,101                               | 120,384                              |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  | Opening                      | (Reversed from) / charge to profit or loss account | (Reversed from) / charge to surplus on remeasurement of investments / OCI | Closing |
|--|------------------------------|--|---|---------|
| <b>17. DEFERRED TAX LIABILITY</b>        | ----- (Rupees in '000) ----- |  |   |         |
| <b>2023</b>                              |                              |  |   |         |
| <b>Taxable temporary differences on:</b> |                              |  |   |         |
| Remeasurement on equity investments      | 375,915                      | (1,896)  | (42,139)  | 331,880 |
| <b>2022</b>                              |                              |  |   |         |
| <b>Taxable temporary differences on:</b> |                              |  |   |         |
| Remeasurement on equity investments      | 554,348                      | 1,622  | (180,055)   | 375,915 |

**17.1** 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. 95.74 (2022: Rs. 70.83) million.

### 18. LIABILITY COMPONENT OF PREFERENCE SHARES

This represents the liability component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares of Rs.10/- each (Preference Shares) issued by the Company during the year 2021.

The net proceeds received from the issue of Preference Shares have been split between the financial liability component and an equity component (please refer note 14) as follows:

|   | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- |
|---|------|--------------------------------------|---------------|
| <b>Net proceeds from issue of Preference Shares</b> |      | 1,814,554                            | 1,814,554     |
| <b>Amount classified as equity</b>                  | 14   | 1,326,114                            | 1,326,114     |
| <b>Opening balance of liability component</b>       |      | 515,059                              | 516,185       |
| Interest charged (using effective interest rate)    |      | 42,480                               | 50,669        |
| Less: Interest component paid                       |      | (109,913)                            | (51,795)      |
|   |      | 447,626                              | 515,059       |
| Less: Current maturity                              |      | (106,509)                            | (106,509)     |
| <b>Carrying amount of liability component</b>       |      | 341,117                              | 408,550       |
| <b>19. TRADE AND OTHER PAYABLES</b>                 |      |                                      |               |
| Payable against purchase of shares                  |      | 6,486                                | 19,211        |
| Accrued liabilities                                 |      | 103,233                              | 92,771        |
| Provision for Sindh Workers' Welfare Fund           |      | 206,442                              | 184,037       |
| Security deposits                                   | 19.1 | 726                                  | 1,123         |
| Mark-to-market payable on future contracts          |      | 531                                  | 8,915         |
| Other liabilities                                   |      | 2,894                                | 4,413         |
|   | 19.2 | 320,312                              | 310,470       |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

**19.1** 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.

**19.2** Includes payable to various related parties amounting to Rs. 7.11 (2022: Rs. 4.58) million.

| 20. CURRENT PORTION OF LONG TERM LIABILITIES                | Note | 2023                         | 2022             |
|---|------|------------------------------|------------------|
|   |      | ----- (Rupees in '000) ----- |                  |
| Current portion of long term financing                      | 15   | -                            | 873,883          |
| Current maturity of lease liability                         | 16   | 24,375                       | 31,303           |
| Current portion of liability component of preference shares | 18   | 106,509                      | 106,509          |
|   |      | <u>130,884</u>               | <u>1,011,695</u> |

### 21. CONTINGENCIES AND COMMITMENTS

#### 21.1 Contingencies

**21.1.1** 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 05, 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.

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.

**21.1.2** The Additional Commissioner Inland Revenue – Audit Division (ADCIR) 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,



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

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.

**21.1.3** The ADCIR 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 ADCIR. 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 ADCIR. 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 ADCIR and the CIR-Appeals. However, instead of carrying out fresh proceedings, the ADCIR resorted to pass a back dated and repeated order through which the demand for Rs. 63.49 million was originally created.

Against the back dated order, appeal was preferred before the CIR-Appeals which was decided through order no. 58/2021 dated December 27, 2021 whereby the CIR-Appeals annulled the treatment of the ADCIR with the direction to the ADCIR to re-examine, re-consider, re-verify and re-adjudicate the facts of the case. After the said order, the return version of the Company for the tax year 2010 is restored.

Against the order of the CIR-Appeals, an appeal has been preferred before the Appellate Tribunal Inland Revenue (ATIR) on the ground that after annulling the amendment order of the ADCIR, the CIR-Appeals was not justified to give directions to the ADCIR for re-examination, re-consideration, re-verification and re-adjudication of the facts of the case. The appeal is pending hearing.

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.

**21.1.4** The Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ADCIR) passed an order under section 122(5A) of the Ordinance 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 also filed appeal before the CIR-Appeals.

The CIR-Appeals, in his order no. 24/A-I dated July 19, 2021 annulled the treatments of the ADCIR regarding the treatment accorded to the apportionment of expenditure and the charging of WWF. The CIR-Appeals also directed the ADCIR to determine the brought forward losses after taking into account the relevant provisions of the Ordinance and to give tax credit not allowed earlier. After the said order, the return version of the Company for the tax year 2014 is restored.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

The management, based on opinion of 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.

**21.1.5** The ADCIR passed an order under section 122(5A) of the Ordinance for tax year 2015 and raised the demand for Rs.12.74 million. Against the said order, the Company filed rectification application on the ground of chargeability of WWF. The Company also filed appeal before the CIR-Appeals.

On November 27, 2020, the ADCIR Audit-I, Range-A, LTO, Karachi again passed the amended order u/s 122(5A) of the Income Tax Ordinance, 2001 and raised the demand of Rs. 97.93 million. The ADCIR amended the order on the issues of bonus shares and Super Tax but failed to appreciate the facts of the case and the law in right perspective. Thus, rectification has been filed on the said matter. Further, the Company also filed an appeal before the Commissioner Appeals (Appeals-I), Karachi (CIR-Appeals).

The CIR-Appeals, in his order no. 25/A-I dated July 19, 2021 and order no 40/A-I dated July 27, 2021 against the orders under section 122(5A) challenging the demand of Rs. 12.74 million and Rs. 97.93 million respectively, annulled the treatments of the ADCIR. However, with respect to charging of super tax under section 4B of the Income Tax Ordinance, 2001, the CIR-Appeals remanded the case back to the ADCIR for working out the income correctly in accordance with the provisions of the Ordinance.

The management, based on opinion of 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.

**21.1.6** The DCIR passed an order under section 4B of the Income Tax Ordinance, 2001 and raised the demand of Super Tax amounting to Rs. 119.24 million. Against the said order, a rectification application has been filed before the DCIR pointing out the computational errors in the determination of income for the purpose of Super Tax. Rectification application is pending. However, after due rectification, the Super Tax liability would be reduced to Rs. 89.46 million.

The DCIR completed the monitoring proceedings for tax year 2016 by passing the order under section 161(1) of the Ordinance and raised the demand of Rs. 14,780,695 in an arbitrary manner and by disregarding the explanations and evidences furnished through periodic compliances. Against the order, appeal has been preferred before the CIR-Appeals. The appeal is pending hearing.

A recovery notice u / s 138 of the Ordinance (dated January 08, 2024) was issued against the 4B order. In response, a request was made to offset the above demand from the available tax refund of Rs. 143.227 million for the same tax year. The department is currently verifying the taxpayer withholding for adjustment, and as of now, no active recovery measures are in place.

The management based on opinion of its tax advisors, is confident that the subject matter will be decided in favour of the Company. However, provision for liability in respect of super tax based on management computation amounting to Rs. 89.46 million, had already been made in the financial statements of its respective tax year.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

**21.1.7** The Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO issued notice u/s 177(1) of the Ordinance dated May 17, 2018 for tax year 2017, to furnish certain records necessary for conducting audit proceedings. Responses were duly submitted by the Company. Thereafter, Deputy Commissioner Inland Revenue - Audit Range I, Zone III (DCIR) issued the notice u/s 122(9) dated December 23, 2019, to amend the deemed order and raised various concerns over the submitted return. The Company submitted its response before DCIR and also challenged the amendment proceeding in the absence of audit report. The DCIR accepted our contention and passed the order u/s 122 dated November 06, 2020, to close the amendment and issued the audit report u/s 177(6) of the Ordinance dated November 09, 2020, confronted matters arising as a result of audit. Due responses were again submitted before the DCIR. On the basis of response, DCIR concluded the audit proceeding and passed the amended order u/s 122(1) dated February 2, 2021 and raised the demand of Rs. 64.96 million. Against the said order, rectification application has been filed to correct the income tax computation as per the provisions of the Ordinance. Further, an appeal was also filed against the order before CIR-Appeals.

The CIR-Appeals, in the appellate order dated May 30, 2022 accepted the contention of the Company regarding the computation of Super Tax and directed the ACIR to re-examine, re-consider, re-verify and re-adjudicate the matter regarding the computation of Super Tax by considering the facts of the case. The CIR-Appeals also accepted the contention of the Company regarding the wrong treatment of the DCIR for taxing the difference of salaries as per audited financial statements and as per the submitted withholding statements as well as the contention regarding the double taxation of accounting depreciation on investment property.

The management, based on opinion of 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.

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

On July 21, 2020, the Honourable High Court of Sindh passed an order whereby all the petitions challenging the levy of super tax filed before the Court were dismissed. Thereafter, the ADCIR raised the demand of super tax amounting to Rs. 46.16 million. The company had filed rectification against the order passed on the mistakes in the working of determination of income for the purpose of super tax liability. Further, an appeal was also filed against the order before CIR-Appeals.

The CIR-Appeals, in his order bearing no. 34/A-I dated June 17, 2021 rejected the contention of the Company for the charging of Super Tax under section 4B of the Ordinance by placing reliance on the judgment of the Honourable Sindh High Court passed on July 21, 2020, thereby confirming the demand of Super Tax for the tax year 2018. The CIR-Appeals also directed the ADCIR to consider the rectification application and re-compute the income for super tax purpose strictly in accordance with the provisions of the Ordinance.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

The management based on opinion of its tax advisors, is confident that the subject matter will be decided in favour of the Company. However, provision for liability, in respect of super tax based on management computation amounting to Rs. 38.71 million, had already been made in the financial statements of its respective tax year.

**21.1.9** The Additionally Commissioner Inland Revenue, Audit Range-A, Audit-I, Large Taxpayers Office, Karachi (ADCIR) passed the amended assessment order under section 122(5A) of the Ordinance in respect of tax year 2018 on March 26, 2021 and raised a demand of Rs. 132.372 million. Against the said order, the Company duly filed rectification application to correct the mistakes apparent with respect to the apportionment of financial charges and operating and administrative expenses and mistake in working for determination of super tax liability in the amended assessment. Further, an appeal was also been filed against the order before CIR-Appeals.

The CIR-Appeals, in the appellate order dated May 30, 2022 accepted the contention of the Company regarding the computation of Super Tax and directed the ADCIR to re-examine, re-consider, re-verify and re-adjudicate the matter regarding the computation of Super Tax by considering the facts of the case. The CIR-Appeals also directed the ADCIR to verify the credit of taxes not given to the Company so that the Company is not deprived of the benefit of the legitimate and due tax deductions. Similarly, the CIR-Appeals also directed the ADCIR to examine the tax credit claimed on donation and allow the same if found legitimate.

After the CIR-Appeals remanded back the aforementioned order, the ADCIR issued the notice under section 122(9) read with section 129 of the Ordinance in which the matters which were remanded back were raised for re-adjudication. The matters were as follows:

- charging and recovery of super tax under section 4B of the Ordinance amounting to Rs. 46,159,237;
- evidences regarding the unverified tax credits of Rs. 58,736,047; and
- explanation and evidence of tax credit on donation Rs. 1,916,897.

Periodic compliances were made and the notice was fully complied with. No further correspondence with the tax department has taken place after compliance of the notice.

However, the CIR-Appeals confirmed the treatment of the ADCIR regarding the allocation of operating and administrative expenses by treating all the expenses as common expenses. The CIR-Appeals also confirmed the treatment of the ADCIR regarding the allocation of finance charges to dividend income without appreciating the fact that the finance cost incurred during the year had no nexus with the dividend income earned during the year as dividend income was earned from old investments which were brought before tax year 2018.

Against the above decision of the CIR-Appeals, appeal has been preferred before the ATIR and is pending hearing.

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, 2023

**21.1.10** On August 04, 2020, the Company received a notice from the Deputy Commissioner Inland Revenue, Unit-I, Range-I, Zone-III, Corporate RTO Karachi (DCIR) under section 4B of the Ordinance in respect of tax year 2019, for determination of super tax liability amounting to Rs. 23.34 million. DCIR further passed an order u/s 138(1) of the Ordinance and determined the super tax liability amounting to Rs. 23.34 million. Against the order passed, rectification application had been filed to highlight the mistake in working for determination of income for the purpose of super tax liability. Further, an appeal had also been filed against the order before CIR-Appeals.

The CIR-Appeals, in his order bearing no. 35/A-I dated June 17, 2021 rejected the contention of the Company for charging of super tax under section 4B of the Ordinance by placing reliance on the judgment of the Honourable Sindh High Court passed on July 21, 2020, thereby confirming the demand of super tax for the tax year 2019. The CIR-Appeals also directed the DCIR to consider the rectification application and re-compute the income for super tax purpose strictly in accordance with the provisions of the Ordinance.

The management based on its discussion with its tax advisors, is confident that the subject matter will be decided in favour of the Company. However, provision for liability, in respect of super tax based on management computation amounting to Rs. 21.96 million, had already been made in the financial statements of its respective tax year.

| 21.2       | Commitments  | Note | 2023             | 2022      |
|------------|--|------|------------------|-----------|
|            |  |      | (Rupees in '000) |           |
|            | Commitment in respect of future<br>sell transactions of listed equity securities |      | 16,943           | 488,669   |
| <b>22.</b> | <b>RETURN ON INVESTMENTS</b>   |      |                  |           |
|            | <b>Mark-up / interest income from:</b>   |      |                  |           |
|            | <b>Financial assets at amortized cost</b>  |      |                  |           |
|            | Government securities  |      | -                | 119,762   |
|            | Privately placed term finance certificates                                       |      | 79,628           | 59,171    |
|            | Repurchase agreement lending - Reverse repo                                      |      | -                | 22,722    |
|            |  |      | 79,628           | 201,655   |
|            | <b>Financial assets at fair value through profit or loss</b>                     |      |                  |           |
|            | Term finance certificates  |      | -                | 1,790     |
|            | <b>Dividend income on:</b>   |      |                  |           |
|            | Financial assets at fair value through profit or loss                            |      | 353,436          | 338,651   |
|            | Financial assets at fair value through OCI                                       |      | 1,069,185        | 804,577   |
|            |  | 22.1 | 1,422,621        | 1,143,228 |
|            |  |      | 1,502,249        | 1,346,673 |

**22.1** This includes dividend income from various related parties amounting to Rs. 1,209.14 (2022: Rs. 878.40) million.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  |   | 2023                         | 2022                         |
|--|---|------------------------------|------------------------------|
|  | Note  | ----- (Rupees in '000) ----- | ----- (Rupees in '000) ----- |
| <b>23. LOSS ON SALE OF INVESTMENTS - NET</b>                     |   |                              |                              |
| <b>Financial assets at fair value through profit or loss</b>     |   |                              |                              |
| Equity securities  |   | (58,454)                     | (104,810)                    |
| Mutual fund  |   | 54,465                       | 2,718                        |
| Term finance certificates  |   | -                            | 1,338                        |
|  |   | <b>(3,989)</b>               | <b>(100,754)</b>             |
| <b>24. INCOME FROM LONG TERM LOANS AND FUND PLACEMENTS</b>       |   |                              |                              |
| <b>Return / interest on:</b>                                     |   |                              |                              |
| Bank balances - saving account                                   |   | 34,686                       | 79,546                       |
| Advance against investment                                       |   | -                            | 5,499                        |
| Loans to employees   |   | 2,803                        | 6,947                        |
|  | 24.1  | <b>37,489</b>                | <b>91,992</b>                |
| <b>24.1</b>  | This includes transactions with related parties amounting to Rs. 36.34 (2022: Rs. 85.28) million. |                              |                              |
| <b>25. OTHER INCOME</b>  |   |                              |                              |
| <b>Financial assets:</b>   |   |                              |                              |
| Gain on remeasurement of future contracts through profit or loss |   | 8,385                        | 3,051                        |
| <b>Non-financial assets:</b>                                     |   |                              |                              |
| Gain on disposal of property and equipment                       |   | 5,015                        | 1,837                        |
| Rental income  | 25.1  | 18,477                       | 17,510                       |
| Others   |   | 1,188                        | 4,452                        |
|  |   | <b>33,065</b>                | <b>26,850</b>                |
| <b>25.1</b>  | This pertains to related party.   |                              |                              |
| <b>26. OPERATING AND ADMINISTRATIVE EXPENSES</b>                 |   |                              |                              |
| Salaries and benefits  | 26.1 - 26.3   | 135,756                      | 112,123                      |
| Telephone, fax and postage                                       |   | 1,410                        | 567                          |
| Vehicle running and maintenance                                  |   | 7,833                        | 4,770                        |
| Directors' fee   |   | 5,151                        | 4,659                        |
| Utilities  |   | 6,719                        | 2,270                        |
| Newspapers and periodicals                                       |   | 14                           | 22                           |
| Conveyance and travelling  |   | 10,431                       | 3,418                        |
| Repairs and maintenance  |   | 7,360                        | 6,271                        |
| Computer expenses  |   | 2,269                        | 1,449                        |
| Auditors' remuneration   | 26.4  | 6,532                        | 5,663                        |
| Royalty fee  | 26.5  | 20,000                       | 20,000                       |
| Consultancy fee  |   | 2,911                        | 2,660                        |
| Advisory fee   | 26.6  | 6,000                        | 6,000                        |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|                                   | Note | 2023<br>-----<br>(Rupees in '000) | 2022<br>-----  |
|-----------------------------------|------|-----------------------------------|----------------|
| Legal and professional charges    |      | 15,256                            | 12,055         |
| Printing and stationery           |      | 7,776                             | 6,202          |
| Rent, rates and taxes             |      | 1,868                             | 1,154          |
| Insurance                         |      | 7,031                             | 3,982          |
| Entertainment                     |      | 555                               | 317            |
| Advertisement and office supplies |      | 5,966                             | 2,214          |
| Depreciation                      | 26.7 | 39,841                            | 37,104         |
| Fees and subscription             |      | 33,183                            | 30,803         |
| Donations                         | 26.8 | 5,000                             | 7,000          |
| Brokerage and commission expense  |      | 4,341                             | 13,371         |
| Clearing fees                     |      | 2,211                             | 2,848          |
| Office security                   |      | 656                               | 693            |
|                                   |      | <b>336,070</b>                    | <b>287,615</b> |

**26.1** Salaries and benefits include Rs. 4.79 (2022: Rs. 4.76) million in respect of employee retirement benefits.

|  | 2023 | 2022 |
|--|------|------|
| <b>26.2</b> Number of employees at the end of the year | 23   | 22   |
| Average number of employees during the year            | 23   | 22   |

**26.3** 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, 2023, based on annual financial statements of the fund audited by another firm of chartered accountants is as follows:

|  | June 30,<br>2023 | June 30,<br>2022 |
|--|------------------|------------------|
| Number of employees / members                            | 20               | 20               |
| Size of provident fund (Rupees in '000) - (total assets) | 61,297           | 48,036           |
| Cost of investments made (Rupees in '000)                | 52,955           | 41,391           |
| Percentage of investment made                            | 86%              | 86%              |
| Fair value of investments (Rupees in '000)               | 52,885           | 41,139           |
| <b>Break-up of investment - at fair value:</b>           |                  |                  |
| - Term finance certificates                              |                  |                  |
| Amount of investment (Rupees in '000)                    | 1,345            | 1,345            |
| Percentage of size of investment                         | 2%               | 3%               |
| - Listed equity securities                               |                  |                  |
| Amount of investment (Rupees in '000)                    | 3,994            | 3,617            |
| Percentage of size of investment                         | 7%               | 8%               |
| - Government securities                                  |                  |                  |
| Amount of investment (Rupees in '000)                    | 47,546           | 36,177           |
| Percentage of size of investment                         | 78%              | 75%              |
| - Balances in scheduled banks                            |                  |                  |
| Amount of investment (Rupees in '000)                    | 6,451            | 4,072            |
| Percentage of size of investment                         | 11%              | 8%               |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

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" had promulgated 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.

| 26.4 Auditors' remuneration       | 2023                         | 2022         |
|-----------------------------------|------------------------------|--------------|
|                                   | ----- (Rupees in '000) ----- |              |
| Annual audit fee                  | 2,750                        | 2,200        |
| Half-yearly review fee            | 550                          | 440          |
| Certifications and other services | 2,100                        | 1,907        |
| Out of pocket expenses            | 460                          | 355          |
| Others                            | 672                          | 761          |
|                                   | <b>6,532</b>                 | <b>5,663</b> |

**26.5** 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 and December 22, 2021. His registered address is D-185, Block 5, Clifton, Karachi.

**26.6** This represents advisory fees paid to Mr. Jahangir Siddiqui (controlling person of the Company) for advisory services rendered in terms of his duly approved advisory agreement.

| 26.7 Depreciation      | Note | 2023                         | 2022          |
|------------------------|------|------------------------------|---------------|
|                        |      | ----- (Rupees in '000) ----- |               |
| Operating fixed assets | 4.1  | 22,173                       | 19,436        |
| Right-of-use asset     | 4.2  | 17,548                       | 17,548        |
| Investment property    | 5    | 120                          | 120           |
|                        |      | <b>39,841</b>                | <b>37,104</b> |

**26.8** This represents donation to Future Trust (a related party), wherein Mr. Najmul Hoda Khan, the Chief Operating Officer of the Company, is an Honorary Managing Trustee. The registered office of the donee i.e. Future Trust is located at 15th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi.

| 27. FINANCE COST  | 2023                         | 2022           |
|---|------------------------------|----------------|
|   | ----- (Rupees in '000) ----- |                |
| <b>Interest expense on:</b>   |                              |                |
| Term finance certificates (TFCs)  | 63,562                       | 156,639        |
| Long term loans   | -                            | 22,442         |
| Lease liability   | 9,233                        | 10,589         |
| Short term running finance  | -                            | 769            |
|   | <b>72,795</b>                | <b>190,439</b> |
| Amortization of transaction costs and unwinding of liability component of preference shares | 43,597                       | 54,555         |
| Bank charges  | 1,141                        | 1,237          |
|   | <b>117,533</b>               | <b>246,231</b> |



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

| 28. TAXATION  | 2023                          | 2022             |
|---|-------------------------------|------------------|
|   | ----- (Rupees in '000) -----  |                  |
| Current   | 699,675                       | 434,153          |
| Prior years   | 109,268                       | 54,075           |
| Deferred  | (1,896)                       | 1,622            |
|   | <u>807,047</u>                | <u>489,850</u>   |
| <b>28.1 Reconciliation of tax charge for the year</b>   |                               |                  |
| Profit before taxation  | <u>1,097,861</u>              | <u>835,093</u>   |
| Tax at the applicable tax rate of 29% (2022: 29%)   | 318,380                       | 242,177          |
| Tax effect of income under FTR and differential in tax rates  | 76,783                        | (17,429)         |
| Tax effect of amount relating to prior year   | 109,268                       | 54,075           |
| Tax charge on permanent differences   | 2,812                         | 92,175           |
| Super Tax u/s 4C  | 287,070                       | 99,966           |
| Alternate corporate tax (ACT)   | 14,747                        | 17,328           |
| Others  | (2,013)                       | 1,558            |
|   | <u>807,047</u>                | <u>489,850</u>   |
| <b>29. EARNINGS PER SHARE</b>   |                               |                  |
| <b>Earnings</b>   |                               |                  |
| Profit after taxation attributable to ordinary shareholders for basic earnings per share              | 290,814                       | 345,243          |
| Effect of dilutive potential ordinary shares:   |                               |                  |
| Add back: Amortization of liability component of preference shares - net of tax                       | 30,161                        | 35,975           |
| Profit after taxation attributable to ordinary shareholders for diluted earnings per share            | <u>320,975</u>                | <u>381,218</u>   |
|   | ----- (Numbers in '000) ----- |                  |
| <b>Number of shares</b>   |                               |                  |
| Weighted average number of ordinary shares outstanding during the year for basic earnings per share   | 915,942                       | 915,942          |
| Effect of dilutive convertible preference shares  | 146,551                       | 146,551          |
| Weighted average number of ordinary shares outstanding during the year for diluted earnings per share | <u>1,062,493</u>              | <u>1,062,493</u> |
|   | ----- (Rupees) -----          |                  |
| Basic earnings per share  | <u>0.32</u>                   | <u>0.38</u>      |
| Diluted earnings per share  | <u>0.30</u>                   | <u>0.36</u>      |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 30. RELATED PARTY TRANSACTIONS

**30.1** Related parties comprise of subsidiaries, sub-subsidiaries, associates, mutual funds managed by sub-subsidiary company, 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 Officer and Executives are disclosed in note 31.

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

| Name of Related parties                             | Direct Shareholding | Relationship                                  |
|---|---------------------|---|
| JS Bank Limited                                     | 71.21%              | Subsidiary Company                            |
| BankIslami Pakistan Limited                         | N/A                 | Sub-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 Health Insurance Limited                        | N/A                 | Common Directorship                           |
| Mahvash and Jahangir Siddiqui Foundation            | N/A                 | Common Directorship                           |
| Future Trust  | N/A                 | Others  |
| JS Lands (Private) Limited                          | N/A                 | Common Substantial Shareholder                |
| Fakhr e Imdad Foundation                            | N/A                 | Common Substantial Shareholder                |
| JS Security Services Limited                        | N/A                 | Common Substantial Shareholder                |
| The Eastern Express Company (Private) Limited       | N/A                 | Common Substantial Shareholder                |
| Jahangir Siddiqui & Sons Ltd.                       | N/A                 | Common Substantial Shareholder                |
| JS Cash Fund  | N/A                 | Fund managed by Sub-Subsidiary Company        |
| JS Microfinance Sector Fund                         | N/A                 | Fund managed by Sub-Subsidiary Company        |
| JS Money Market Fund                                | N/A                 | Fund managed by Sub-Subsidiary Company        |
| JS Government Securities Fund                       | N/A                 | Fund managed by Sub-Subsidiary Company        |
| JS Rental REIT Fund                                 | N/A                 | Fund managed by Sub-Subsidiary Company        |
| Jahangir Siddiqui & Co. Ltd. - Staff Provident Fund | N/A                 | Post-employment Benefit Fund                  |
| JS Bank Limited - Staff Gratuity Fund               | N/A                 | Post-employment Benefit of 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                         |
| Mr. Asad Nasir                                      | N/A                 | Key Management Person                         |
| Justice (R) Agha Rafiq Ahmed Khan                   | N/A                 | Key Management Person                         |
| Lt. Gen. (R) Javed Mahmood Bukhari                  | N/A                 | Key Management Person                         |
| Ms. Samar Ali Shahid                                | N/A                 | Key Management Person                         |
| Mr. Shahid Hussain Jatoi                            | N/A                 | Key Management Person                         |
| Mr. Rehan Hasan                                     | N/A                 | Key Management Person                         |
| Mr. Najmul Hoda Khan                                | N/A                 | Key Management Person                         |
| Syed Ali Hasham                                     | N/A                 | Key Management Person                         |
| Mr. Zahid Ullah Khan                                | N/A                 | Key Management Person                         |
| Mr. Muhammad Babar Din                              | N/A                 | Key Management Person                         |



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

The transactions and balances with related parties not mentioned elsewhere in these financial statements are as follows:

| <b>TRANSACTIONS</b>   | <b>2023</b><br>----- (Rupees in '000) ----- | <b>2022</b> |
|---|---|-------------|
| <b>Subsidiary and Sub-subsidiary Companies</b>                |   |             |
| Brokerage expense paid  | 3,110                                       | 5,505       |
| Bank charges paid   | -   | 8           |
| Subscription of right shares                                  | 2,201,779                                   | -           |
| Sale of BIPL Shares to JSBL - As per SPA                      | 5,444,290                                   | -           |
| Receipt of fresh ordinary shares - As per SPA                 | 5,444,290                                   | -           |
| Capital gain tax paid for onward submission to NCCPL          | 13,239                                      | 126,974     |
| Capital gain tax refund through NCCPL                         | 18,081                                      | 16,751      |
| CGT tariff charges  | 60  | 60          |
| Principal redemptions made against TFCs issued by the Company | 8,000                                       | 8,000       |
| <b>Subsidiary and Sub-subsidiary Companies</b>                |   |             |
| Mark-up paid on TFCs issued by the Company                    | 1,140                                       | 1,465       |
| Market maker fee paid   | 147   | 565         |
| Rent income received  | 5,896                                       | 4,003       |
| Profit received on deposits accounts                          | 33,660                                      | 85,494      |
| Reimbursement of expenses to the Company                      | 53,689                                      | 34,978      |
| Purchase of government securities                             | -   | 3,884,797   |
| Maturity of government securities                             | -   | 4,200,000   |
| <b>Fund Managed by Sub-Subsidiary Company</b>                 |   |             |
| Purchase of Units   | 12,309,093                                  | 3,390,000   |
| Redemption of Units   | 15,125,050                                  | 610,000     |
| Dividend received   | 250,827                                     | 155,777     |
| Security deposit Paid   | 2,118                                       | -           |
| Rental paid against lease liability                           | 32,516                                      | 10,944      |
| <b>Common Directorship</b>                                    |   |             |
| Reimbursement of expenses to the Company                      | -   | 1           |
| Reimbursement of expenses by the Company                      | -   | 42          |
| Dividend received   | 722,627                                     | 722,628     |
| Dividend Paid   | 16,966                                      | 16,222      |
| Insurance premium paid  | 7,178                                       | 4,255       |
| Insurance refund / claim received                             | 192   | 2,152       |
| <b>Common Substantial Shareholder</b>                         |   |             |
| Rent income received  | 4,775                                       | 12,181      |
| Reimbursement of expenses to the Company                      | 2,190                                       | 3,943       |
| Reimbursement of expenses by the Company                      | 15,588                                      | 8,558       |
| Dividend Paid   | 454,968                                     | -           |
| Security deposit received                                     | 2,023                                       | -           |
| Rent paid against lease liability                             | -   | 12,105      |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                         | 2022    |
|--|------------------------------|---------|
|  | ----- (Rupees in '000) ----- |         |
| <b>Post-employment Benefit Funds</b>                 |                              |         |
| Contribution to staff provident fund                 | 4,791                        | 9,530   |
| Reimbursement of expenses by the Company             | -                            | 240     |
| <b>Controlling Person</b>                            |                              |         |
| Advisory fee paid                                    | 6,000                        | 6,000   |
| Royalty paid   | 20,000                       | 20,000  |
| Dividend paid  | 39,955                       | -       |
| <b>Other Related Party</b>                           |                              |         |
| Donation paid  | 2,000                        | 5,000   |
| Rent income received                                 | 1,581                        | -       |
| Security deposit received                            | 263                          | -       |
| Refund of Security Deposit                           | -                            | 492     |
| Reimbursement of expenses to the Company             | 1,041                        | 347     |
| <b>Associate Company</b>                             |                              |         |
| Dividend received                                    | 235,684                      | -       |
| <b>Key Management Personnel</b>                      |                              |         |
| Loans and advances disbursed to executives           | 2,390                        | 487     |
| Repayments of loans and advances from executives     | 4,227                        | 42,424  |
| Interest received on long term loans to executives   | 2,506                        | 6,572   |
| Reimbursement of expenses to directors               | 102                          | -       |
| Reimbursement of expenses to CEO and Executives      | 4,792                        | 1,241   |
| <b>BALANCES</b>                                      |                              |         |
| <b>Subsidiary and Sub-subsidiary Companies</b>       |                              |         |
| Mark-up payable on TFCs issued by the Company        | -                            | 447     |
| Outstanding principal of TFCs issued by the Company  | -                            | 8,000   |
| Receivable against sale of equity securities         | 446,557                      | 139,678 |
| Capital gain tax refundable through NCCPL            | 2,904                        | -       |
| Profit receivable on deposit accounts                | 1,678                        | 1,799   |
| Receivable against expenses incurred on their behalf | 200                          | 5,165   |
| Rent receivable                                      | 893                          | -       |
| Unearned rent  | -                            | 532     |
| Cash at bank accounts                                | 79,427                       | 128,980 |
| <b>Fund Managed by Sub-Subsidiary Company</b>        |                              |         |
| Rental payable against lease liability               | -                            | 1,906   |
| <b>Common Directorship</b>                           |                              |         |
| Prepaid insurance                                    | 202                          | 202     |
| Insurance claim receivable                           | -                            | 191     |
| Receivable against expenses incurred on their behalf | -                            | 1       |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                         | 2022   |
|--|------------------------------|--------|
|  | ----- (Rupees in '000) ----- |        |
| <b>Common Substantial Shareholder</b>                  |                              |        |
| Refund of lease liability                              | -                            | 134    |
| Receivable against expenses incurred on their behalf   | 218                          | 478    |
| Payable against reimbursement of expenses              | 927                          | 829    |
| Security deposit - liability                           | -                            | 1,003  |
| Security deposit - asset                               | -                            | 2,023  |
| Unearned rent  | -                            | 1,219  |
| <b>Post-employment Benefit Funds</b>                   |                              |        |
| Receivable against expenses incurred on their behalf   | -                            | 588    |
| <b>Other Related Party</b>                             |                              |        |
| Receivable against expenses incurred on their behalf   | 172                          | 11     |
| Donation Payable                                       | 5,000                        | 2,000  |
| Unearned Rent  | 263                          | -      |
| <b>Key Management Personnel</b>                        |                              |        |
| Loans and advances                                     | 12,488                       | 14,324 |
| Payable to Director against fee for attending meetings | 450                          | -      |
| Payable against reimbursement of expenses              | 151                          | -      |

### 31. REMUNERATION OF DIRECTORS, CHIEF EXECUTIVE OFFICER 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                     |              | Executive Director |               | Chief Executive |               | Executives    |               |
|--------------------------------|------------------------------|--------------|--------------------|---------------|-----------------|---------------|---------------|---------------|
|                                | 2023                         | 2022         | 2023               | 2022          | 2023            | 2022          | 2023          | 2022          |
|                                | ----- (Rupees in '000) ----- |              |                    |               |                 |               |               |               |
| Managerial remuneration        | -                            | -            | 5,451              | 26,724        | 28,909          | 28,826        | 65,797        | 28,796        |
| Meeting fee                    | 4,000                        | 4,580        | -                  | -             | -               | -             | -             | -             |
| House rent allowance           | -                            | -            | -                  | -             | -               | -             | 4,790         | 3,829         |
| Utilities allowance            | -                            | -            | -                  | -             | -               | -             | 1,183         | 1,028         |
| Contribution to provident fund | -                            | -            | 545                | 1,173         | 1,691           | 1,783         | 1,696         | 1,071         |
| Medical                        | -                            | -            | 545                | 1,173         | 1,691           | 1,783         | 4,018         | 2,100         |
| Other allowance                | -                            | -            | 4                  | 7             | 16              | 7             | 1,074         | 901           |
| Reimbursable expenses          | -                            | -            | -                  | -             | -               | -             | 460           | 261           |
|                                | <u>4,000</u>                 | <u>4,580</u> | <u>6,545</u>       | <u>29,077</u> | <u>32,307</u>   | <u>32,399</u> | <u>79,018</u> | <u>37,986</u> |
| Number of persons              | <u>8</u>                     | <u>9</u>     | <u>1</u>           | <u>2</u>      | <u>1</u>        | <u>2</u>      | <u>6</u>      | <u>6</u>      |

**31.1** The Company also provides certain executives with Company maintained cars.

**31.2** Managerial remuneration includes Rs. 37.62 (2022: Rs. 33.80) million charged in the statement of profit or loss in respect of bonus to chief executive, executive director and executives of the Company.

**31.3** The Company has provided club membership to certain executives.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 32. FINANCIAL RISK MANAGEMENT

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 is 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.

#### 32.1 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.

The Company manages market risk by monitoring exposure on marketable securities by following internal risk management policies and investment guidelines.

Market prices comprise of 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, 2023 and December 31, 2022 using the amounts of financial assets and liabilities held as at those dates of statement of financial position.

##### 32.1.1 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:

##### Sensitivity analysis for variable rate instruments

Presently, the Company holds interest bearing bank balances (savings accounts) and term finance certificates that expose the Company to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on December 31, 2023 with all other variables held constant, the net assets and income of the Company for the year would change as follows:

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|                                     | 2023                                |                                       |   |   |
|-------------------------------------|-------------------------------------|---------------------------------------|---|---|
|                                     | Carrying Amount<br>(Rupees in '000) | Increase / (decrease) in basis points | Effect on profit before tax<br>(Rupees in '000) | Effect on other comprehensive income before tax |
| <b>Asset</b>                        |                                     |                                       |   |   |
| Bank Deposits                       | 85,154                              | 100<br>(100)                          | 852<br>(852)                                    | -<br>-  |
| Pakistan Intermodal Limited - PPTFC | 350,000                             | 100<br>(100)                          | 3,500<br>(3,500)                                | -<br>-  |
|                                     |                                     |                                       |   |   |
|                                     | 2022                                |                                       |   |   |
|                                     | Carrying Amount<br>(Rupees in '000) | Increase / (decrease) in basis points | Effect on profit before tax<br>(Rupees in '000) | Effect on other comprehensive income before tax |
| <b>Asset</b>                        |                                     |                                       |   |   |
| Bank Deposits                       | 137,139                             | 100<br>(100)                          | 1,371<br>(1,371)                                | -<br>-  |
| Pakistan Intermodal Limited - PPTFC | 450,000                             | 100<br>(100)                          | 4,500<br>(4,500)                                | -<br>-  |
| <b>Liability</b>                    |                                     |                                       |   |   |
| Term Finance Certificates           | 873,883                             | 100<br>(100)                          | 8,739<br>(8,739)                                | -<br>-  |

### 32.1.2 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.

### 32.1.3 Price risk

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 excluding on unquoted securities as of December 31, 2023 and December 31, 2022. 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.

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|                   | Fair Value       | Price change | Effect on profit before tax | Effect on other comprehensive income before tax |
|-------------------|------------------|--------------|-----------------------------|---|
|                   | (Rupees in '000) |              | (Rupees in '000)            |   |
| December 31, 2023 | 11,560,846       | 5% change    | 857                         | 577,185   |
| December 31, 2022 | 16,568,601       | 5% change    | 24,786                      | 803,644   |

### 32.2 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.

|  | Carrying amount  | Contractual cash flows | 2023             |                             |                      |
|--|------------------|------------------------|------------------|-----------------------------|----------------------|
|  |                  |                        | Up to one year   | Over one year to five years | More than five years |
| (Rupees in '000)                         |                  |                        |                  |                             |                      |
| <b>Financial liabilities</b>             |                  |                        |                  |                             |                      |
| Liability component of preference shares | 447,626          | 546,161                | 106,509          | 439,652                     | -                    |
| Lease liability                          | 97,101           | 139,548                | 24,375           | 115,173                     | -                    |
| Trade and other payables                 | 113,195          | 113,195                | 113,195          | -                           | -                    |
|  | <u>657,922</u>   | <u>798,904</u>         | <u>244,079</u>   | <u>554,825</u>              | <u>-</u>             |
|  | Carrying amount  | Contractual cash flows | 2022             |                             |                      |
|  |                  |                        | Up to one year   | Over one year to five years | More than five years |
| (Rupees in '000)                         |                  |                        |                  |                             |                      |
| <b>Financial liabilities</b>             |                  |                        |                  |                             |                      |
| Financing                                | 873,883          | 875,000                | 875,000          | -                           | -                    |
| Liability component of preference shares | 515,059          | 656,074                | 106,509          | 549,565                     | -                    |
| Lease liability                          | 120,384          | 146,476                | 31,303           | 115,173                     | -                    |
| Trade and other payables                 | 124,270          | 124,270                | 124,270          | -                           | -                    |
| Accrued interest / mark-up on borrowings | 57,509           | 57,509                 | 57,509           | -                           | -                    |
|  | <u>1,691,105</u> | <u>1,859,329</u>       | <u>1,194,591</u> | <u>664,738</u>              | <u>-</u>             |

### 32.3 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.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 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:

|  | 2023                         | 2022    |
|--|------------------------------|---------|
|  | ----- (Rupees in '000) ----- |         |
| Loans and advances                     | 18,777                       | 17,253  |
| Long term security deposits            | 3,450                        | 1,081   |
| Interest accrued and other receivables | 24,423                       | 19,997  |
| Cash and bank balances                 | 85,573                       | 137,607 |

The analysis below summarises the credit quality of the Company's liquid portfolio as on December 31, 2023:

### Bank balances by Rating Category

|           | 2023           | 2022           |
|-----------|----------------|----------------|
| AAA       | 0.28%          | 0.17%          |
| A1 to A   | 0.00%          | 0.02%          |
| A1+ to A+ | 99.72%         | 99.81%         |
|           | <u>100.00%</u> | <u>100.00%</u> |

### 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   |
|-------------------------|---|------|---|
|                         | 2023  | 2022 |   |
| 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. |

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

### 32.4 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.

### 33. 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, 2023 and December 31, 2022 were as follows:



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                         | 2022              |
|--|------------------------------|-------------------|
|  | ----- (Rupees in '000) ----- |                   |
| Long term financing                      | -                            | 873,883           |
| Liability component of preference shares | 447,626                      | 515,059           |
| Lease liability                          | 97,101                       | 120,384           |
| Trade and other payables                 | 323,742                      | 301,193           |
| Accrued interest / mark-up on borrowings | -                            | 57,509            |
| <b>Total debt</b>                        | <b>868,469</b>               | <b>1,868,028</b>  |
| Less: Cash and bank balances             | <b>(85,573)</b>              | <b>(137,607)</b>  |
| <b>Net debt</b>                          | <b>782,896</b>               | <b>1,730,421</b>  |
| Share capital                            | 9,159,424                    | 9,159,424         |
| Equity component of preference shares    | 1,326,114                    | 1,326,114         |
| Reserves                                 | 20,619,186                   | 19,688,025        |
| <b>Equity</b>                            | <b>31,104,724</b>            | <b>30,173,563</b> |
| <b>Capital</b>                           | <b>31,887,620</b>            | <b>31,903,984</b> |
| <b>Gearing ratio</b>                     | <b>2.46%</b>                 | <b>5.42%</b>      |

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 due to principal repayments of outstanding Term Finance Certificates amounting to Rs. 875 million.

### 34. 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.

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.

#### Fair value hierarchy

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

- Level 1:** Quoted prices (unadjusted) 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).

The table shown below analyses the financial instruments measured at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

|   | 2023              |               |                | Total             |
|---|-------------------|---------------|----------------|-------------------|
|   | Level 1           | Level 2       | Level 3        |                   |
| (Rupees in '000)  |                   |               |                |                   |
| <b>Financial Assets</b>                                 |                   |               |                |                   |
| <b>Investments at fair value through OCI</b>            |                   |               |                |                   |
| Listed equity securities                                | 11,543,708        | -             | -              | 11,543,708        |
| Unquoted equity securities*                             | -                 | -             | 504,539        | 504,539           |
| <b>Investments at fair value through profit or loss</b> |                   |               |                |                   |
| Listed equity securities                                | 17,138            | -             | -              | 17,138            |
| Units of mutual fund - Open ended                       | -                 | 32,054        | -              | 32,054            |
|   | <b>11,560,846</b> | <b>32,054</b> | <b>504,539</b> | <b>12,097,439</b> |
| <b>Financial Liability</b>                              |                   |               |                |                   |
| Derivative Liability                                    | 531               | -             | -              | 531               |

\*As at December 31, 2023, 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.



## Notes to the Unconsolidated Financial Statements

For the year ended December 31, 2023

|   | 2022              |                  |                | Total             |
|---|-------------------|------------------|----------------|-------------------|
|   | Level 1           | Level 2          | Level 3        |                   |
| (Rupees in '000)  |                   |                  |                |                   |
| <b>Financial Assets</b>                                 |                   |                  |                |                   |
| <b>Investments at fair value through OCI</b>            |                   |                  |                |                   |
| Listed equity securities                                | 16,072,888        | -                | -              | 16,072,888        |
| Unquoted equity securities                              | -                 | -                | 569,404        | 569,404           |
| <b>Investments at fair value through profit or loss</b> |                   |                  |                |                   |
| Listed equity securities                                | 495,713           | -                | -              | 495,713           |
| Units of mutual fund - Open ended                       | -                 | 2,792,221        | -              | 2,792,221         |
|   | <u>16,568,601</u> | <u>2,792,221</u> | <u>569,404</u> | <u>19,930,226</u> |
| <b>Financial Liability</b>                              |                   |                  |                |                   |
| Derivative Liability                                    | <u>8,915</u>      | <u>-</u>         | <u>-</u>       | <u>8,915</u>      |

**34.1** During the year ended December 31, 2023, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 35. 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.

### 36. DATE OF AUTHORISATION FOR ISSUE

These unconsolidated financial statements were authorised for issue on March 07, 2024 by the Board of Directors of the Company.

Director

Chief Executive Officer

Chief Financial Officer





# Consolidated Financial Statements



KPMG Taseer Hadi & Co.  
Chartered Accountants  
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## INDEPENDENT AUDITOR'S REPORT

To the members of Jahangir Siddiqui & Co. Ltd.

### Report on the Audit of the Consolidated Financial Statements

#### 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 2023, 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, and notes to the consolidated financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, 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 Accountant's *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.



KPMG Taseer Hadi & Co.

Following are the Key Audit Matters:

| S. No. | Key Audit Matters  | How the matter was addressed in our audit   |
|--------|--|---|
| 1.     | <p><b>Provision against loans and advances</b></p> <p>(Refer note 16 to the consolidated financial statements)</p> <p>The Group's Advances portfolio includes fund-based and non-funded financing facilities. The portfolio includes corporate financing to several public sector entities and large to small size businesses operating in the private sector, as well as consumer financing to individuals.</p> <p>As per the Group's accounting policy (refer note 6.12 to the consolidated financial statements), the Group determines provisions against non-performing financing exposures in accordance with the requirements of Prudential Regulations of State Bank of Pakistan (SBP) and also maintains general provision against corporate and consumer financing in respect of potential credit losses in the portfolio.</p> <p>The Prudential Regulations require specific provisioning against loan losses on the basis of time-based criteria which should be supplemented by a subjective evaluation of Group's credit portfolio. The determination of provision against advances, therefore, involve use of management's 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</p> | <p>Our audit procedures, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the design, implementation and operating effectiveness of key controls established by the Group to identify loss events and for determining the extent of provisioning required against non-performing loans.</li> <li>• In accordance with the regulatory requirement, we sampled and tested at least sixty percent of the total advances portfolio and performed the following substantive procedures for sample loan accounts:               <ul style="list-style-type: none"> <li>- verifying repayments of loan/ mark-up installments and checking that non-performing loans have been correctly classified and categorized based on the number of days overdue; and</li> <li>- examining watch list accounts and, based on review of the individual facts and circumstances, discussions with management and our assessment of financial conditions of the borrowers, formed a judgement as to whether classification of these accounts as performing was appropriate.</li> </ul> </li> <li>• Checking the accuracy of specific provision made against non-performing advances and of general provision made against consumer finance by recomputing the provision amount after considering the benefit of forced sales value, if any, in</li> </ul> |



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| S. No. | Key Audit Matters  | How the matter was addressed in our audit  |
|--------|--|--|
|        | <p>involvement of management's judgment, we identified provision as a significant area of audit judgment and a key audit matter.</p>   | <p>accordance with the criteria prescribed under the PRs.</p> <ul style="list-style-type: none"> <li>• Where the management has not identified indicators displaying impairment, reviewing the credit history, account movement, financial ratios, report on security maintained and challenged the management's assessment based on our view of the credit from the review of credit file.</li> </ul>   |
| 2.     | <p><b>Valuation of investments</b></p> <p>(Refer note 10 &amp; 14 to the consolidated financial statements)</p> <p>The carrying value of investments held by the Group amounted to Rs. 599,286.36 million, which constitutes 48.13% of the Group's total assets as at 31 December 2023.</p> <p>The significant portion of the investments comprise of Federal government securities including Federal government shariah complaint securities, Term finance certificates, sukuks and equity securities.</p> <p>Investments are carried at amortized cost or fair value in accordance with the Group's accounting policy relating to their recognition. Provision against investments is made based on impairment policy of the Group which includes both objective and subjective factors.</p> <p>We identified assessing the carrying value of the investment as a key audit matter because of its significance to the consolidated financial statements.</p> | <p>Our audit procedures to verify valuation of investments, amongst others, included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the design, implementation and operating effectiveness of key controls established by the Company to determine valuation of investments;</li> <li>• Checking the valuation of investments in the portfolio as recorded in the general ledger to the relevant supporting documents, externally quoted market prices and break-up values;</li> <li>• Engaging our valuation specialist in assessing the appropriateness of the valuation methodology and key assumptions applied in the valuation of certain equity investments and unquoted debt securities.</li> <li>• Obtaining independent confirmations for verifying the existence of the investment portfolio as at 31 December 2023 and reconciling it with the books and records of the Company. Where such confirmations</li> </ul> |



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| S. No. | Key Audit Matters   | How the matter was addressed in our audit   |
|--------|---|---|
| 3.     | <p data-bbox="312 827 719 852"><b>Impairment testing of goodwill</b></p> <p data-bbox="312 884 1007 909">(Refer note 8.1 to the consolidated financial statements)</p> <p data-bbox="312 940 820 1083">As at 31 December 2023, intangible assets include goodwill amounting to Rs. 2,944.297 million acquired, as disclosed in note 8.1.1 to the consolidated financial statements.</p> <p data-bbox="312 1115 804 1318">Goodwill is required to be annually assessed for impairment under IAS-36 "Impairment of Assets". Accordingly, Management has performed an impairment test of the goodwill which is subjective in nature due to assumptions made about future performance.</p> <p data-bbox="312 1350 804 1465">As disclosed in note 8.1.1, the Group uses a discounted cash flow model to determine value in use, on the basis of the certain key assumptions.</p> <p data-bbox="312 1497 820 1608">Due to the significance and impact of the assumptions and judgements involved, the impairment testing of goodwill is considered to be a key audit matter</p> | <p data-bbox="879 625 1382 684">were not available, alternate procedures were performed;</p> <ul data-bbox="847 716 1382 800" style="list-style-type: none"> <li>Assessing the appropriateness and adequacy of the disclosure made in the unconsolidated financial statement.</li> </ul> <p data-bbox="847 940 1326 999">Our audit procedures, amongst others, included the following:</p> <ul data-bbox="847 1031 1423 1629" style="list-style-type: none"> <li>Evaluating the model used in determining the value in use as well as assessing the discount rate used;</li> <li>Comparing the cash flow forecasts to approved budgets and other relevant market and economic information, as well as testing the underlying calculations;</li> <li>Involving our internal valuation specialists to review and evaluate management's key assumptions used in impairment calculations;</li> <li>Performing sensitivity analyses around the key assumptions used in the models.</li> <li>Assessing the adequacy of the related disclosures in the consolidated financial statements in accordance with the applicable financial reporting framework.</li> </ul> |
| 4.     | <p data-bbox="312 1661 879 1686"><b>Acquisition of BankIslami Pakistan Limited</b></p> <p data-bbox="312 1717 1166 1743">(Refer Note 1.2.1.2 &amp; 10.2.2 to the consolidated financial statements)</p> <p data-bbox="312 1774 804 1911">During the year, the Group acquired majority control in BankIslami Pakistan Limited (BIPL) through Share Purchase Agreement (SPA) and Public Offer. The Group effectively holds 53.49% of the</p>  | <p data-bbox="847 1774 1326 1833">Our audit procedures, amongst others, included the following:</p> <ul data-bbox="847 1864 1350 1911" style="list-style-type: none"> <li>Examining the relevant minutes of the meetings of Board of Directors and</li> </ul>   |



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| S. No. | Key Audit Matters   | How the matter was addressed in our audit  |
|--------|---|--|
|        | <p>total equity interest in BIPL. For the determination of share price used for SPA, the Group was assisted by an independent valuation expert.</p> <p>Considering the significance of this acquisition to the consolidated financial statements we have identified it as a key audit matter.</p> | <p>Shareholders along with all the requisite approvals from all the regulatory bodies;</p> <ul style="list-style-type: none"><li>• Examining the necessary documents to ensure that all the regulatory requirements have been complied with;</li><li>• Examining the share purchase agreements to understand the key terms and conditions;</li><li>• Evaluating the competence, capabilities and objectivity of the Management Expert and evaluating the appropriateness of the work performed;</li><li>• Obtaining the valuation report and conducted inquiries with Management's Expert to understand the valuation methodology;</li><li>• Engaging our valuation specialist in assessing the appropriateness of the valuation methodology and key assumptions applied in the valuation;</li><li>• Assessing the appropriateness of the bargain purchase gain on acquisition of BIPL and is in line with the guidance of IFRS 3 "Business Combination";</li><li>• Evaluating the transaction is recorded in line with the requirements of accounting and reporting standards as applicable in Pakistan; and</li><li>• Assessing the appropriateness and adequacy of the disclosure made in the consolidated financial statement.</li></ul> |



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### **Information other than the Consolidated Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The Other Information comprises the information included in the Group's Annual Report but does not include the unconsolidated financial statements, consolidated financial statements and our auditor's reports thereon. We were provided with the Directors' Report to the Shareholders and Chairman's Review Report prior to the date of this auditor's report and the remaining parts of the Group's Annual Report are expected to be made available to us after that date.

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 on the other information that we obtained prior to the date of this Auditor's Report, 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 Companies Act, 2017 (XIX of 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



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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.



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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 auditor's report is Muhammad Taufiq.

**Date: 28 March 2024**

**Karachi**

**UDIN: AR202310106pa1hVCASG**

  
**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

## Consolidated Statement of Financial Position

As at December 31, 2023

| ASSETS  | Note | 2023<br>-----<br>(Rupees in '000) | 2022<br>----- |
|---|------|-----------------------------------|---------------|
| <b>Non-current assets</b>   |      |                                   |               |
| Property and equipment  | 7    | 27,287,376                        | 10,159,795    |
| Intangible assets   | 8    | 7,037,424                         | 2,379,983     |
| Investment properties   | 9    | 1,060                             | 1,180         |
| Long term investments   | 10   | 499,175,863                       | 104,243,696   |
| Long term loans, advances, prepayments and other receivables            | 11   | 159,421,648                       | 72,147,855    |
| Assets repossessed  | 12   | 6,228,532                         | 3,664,798     |
| Long term deposits  |      | 22,837                            | 20,468        |
| Defined benefit plan assets - net                                       | 46   | -                                 | 119,523       |
| Deferred tax assets   | 13   | -                                 | 426,538       |
|   |      | 699,174,740                       | 193,163,836   |
| <b>Current assets</b>   |      |                                   |               |
| Short term investments  | 14   | 100,110,494                       | 224,578,223   |
| Trade debts   | 15   | 1,509,897                         | 932,319       |
| Loans and advances  | 16   | 275,529,522                       | 158,652,589   |
| Accrued mark-up   | 17   | 46,099,805                        | 12,349,897    |
| Short-term prepayments, deposits and other receivables                  | 18   | 18,721,955                        | 14,702,491    |
| Other financial assets - fund placements                                | 19   | 16,502,138                        | 11,351,162    |
| Taxation - net  |      | -                                 | 1,104,278     |
| Cash and bank balances  | 20   | 87,400,400                        | 26,602,040    |
|   |      | 545,874,211                       | 450,272,999   |
| Assets classified as held for sale                                      | 21   | -                                 | 2,909,204     |
|   |      | 1,245,048,951                     | 646,346,039   |
| <b>EQUITY AND LIABILITIES</b>   |      |                                   |               |
| <b>Share Capital and Reserves</b>                                       |      |                                   |               |
| <b>Share Capital</b>  |      |                                   |               |
| Authorised capital  | 22.1 | 65,000,000                        | 65,000,000    |
| Issued, subscribed and paid-up capital                                  |      |                                   |               |
| Ordinary shares   | 22.2 | 9,159,424                         | 9,159,424     |
| Equity component of Preference Shares                                   | 23   | 1,326,114                         | 1,326,114     |
| Reserves  | 24   | 37,797,387                        | 28,890,476    |
| Equity attributable to equity holders of the parent                     |      | 48,282,925                        | 39,376,014    |
| Non-controlling interests   |      | 26,906,145                        | 6,301,086     |
| <b>Total equity</b>   |      | 75,189,070                        | 45,677,100    |
| <b>Non-current liabilities</b>  |      |                                   |               |
| Long term financing   | 25   | 11,344,647                        | 7,302,443     |
| Liability component of Preference Shares                                | 26   | 341,117                           | 408,550       |
| Lease liabilities   | 27   | 6,537,822                         | 2,567,311     |
| Long-term deposits and other accounts                                   | 28   | 269,368,232                       | 250,468,868   |
| Deferred tax liabilities  | 13   | 162,932                           | -             |
| Long term borrowings  | 29   | 26,055,918                        | 10,822,020    |
| Deferred liability - employee benefit                                   | 46   | 562,132                           | -             |
|   |      | 314,372,800                       | 271,569,192   |
| <b>Current liabilities</b>  |      |                                   |               |
| Trade and other payables  | 30   | 37,570,686                        | 21,186,753    |
| Unclaimed dividend  |      | 22,365                            | 22,432        |
| Unpaid dividend   |      | 204,691                           | 230           |
| Taxation - net  |      | 2,324,722                         | -             |
| Short term borrowings   | 31   | -                                 | 291,998       |
| Accrued interest / mark-up on borrowings                                | 32   | 14,829,157                        | 4,970,581     |
| Current portion of long term borrowings                                 | 29   | 61,825,617                        | 86,986,196    |
| Current deposits and current portion of long term liabilities           | 33   | 738,709,843                       | 213,787,511   |
|   |      | 855,487,081                       | 327,245,701   |
| Liabilities directly associated with assets classified as held for sale | 21   | -                                 | 1,854,046     |
|   |      | 1,245,048,951                     | 646,346,039   |
| <b>Contingencies and commitments</b>                                    |      |                                   |               |
|   | 34   |                                   |               |

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer

## Consolidated Statement of Profit or Loss

For the year ended December 31, 2023

|   | Note | 2023<br>(Rupees in '000) | 2022              |
|---|------|--------------------------|-------------------|
| <b>CONTINUING OPERATIONS</b>  |      |                          |                   |
| <b>Income</b>   |      |                          |                   |
| Return on investments   | 35   | 74,183,689               | 41,983,253        |
| Gain / (loss) on sale of investments - net                                      | 36   | 520,380                  | (342,020)         |
| Income from loans, advances and fund placements                                 | 37   | 59,813,370               | 31,999,257        |
| Fee, commission and brokerage   | 38   | 5,923,807                | 3,861,184         |
| Gain on remeasurement of investments at fair value through profit or loss - net |      | 140,384                  | 27,014            |
| Other income  | 39   | 8,756,568                | 2,414,463         |
|   |      | <b>149,338,198</b>       | <b>79,943,151</b> |
| <b>Expenditure</b>  |      |                          |                   |
| Operating and administrative expenses   | 40   | 37,283,020               | 19,306,319        |
| Finance cost  | 41   | 92,629,762               | 57,424,528        |
| Provision for Sindh Workers' Welfare Fund                                       |      | 348,062                  | 62,125            |
| Provision for impairment on asset classified as held for sale                   | 21   | -                        | 28,172            |
| Charge / (Reversal) of impairment on investments - net                          | 42   | 721,822                  | (38,440)          |
|   |      | <b>130,982,666</b>       | <b>76,782,704</b> |
| <b>Share of profit from associates</b>  |      | <b>2,092,290</b>         | <b>930,886</b>    |
| <b>Profit before taxation</b>   |      | <b>20,447,822</b>        | <b>4,091,333</b>  |
| <b>Taxation</b>   |      |                          |                   |
|   | 43   |                          |                   |
| - Current   |      | 9,032,083                | 1,710,011         |
| - Prior   |      | 76,509                   | 59,250            |
| - Deferred  |      | (190,551)                | (55,511)          |
|   |      | <b>8,918,041</b>         | <b>1,713,750</b>  |
| <b>Profit after taxation from continuing operations</b>                         |      | <b>11,529,781</b>        | <b>2,377,583</b>  |
| <b>DISCONTINUED OPERATIONS</b>  |      |                          |                   |
| Profit / (loss) after taxation for the year from discontinued operations        | 21   | 60,114                   | (4,546)           |
| <b>PROFIT FOR THE YEAR</b>  |      | <b>11,589,895</b>        | <b>2,373,037</b>  |
| <b>Attributable to:</b>   |      |                          |                   |
| Equity holders of the parent  |      | 8,623,060                | 2,149,946         |
| Non-controlling interests   |      | 2,966,835                | 223,091           |
|   |      | <b>11,589,895</b>        | <b>2,373,037</b>  |
| <b>EARNINGS PER SHARE</b>   |      |                          |                   |
|   | 44   | (Rupees)                 |                   |
| <b>From continuing operations</b>   |      |                          |                   |
| Basic   |      | 9.35                     | 2.35              |
| Diluted   |      | 8.09                     | 2.06              |
| <b>From continuing and discontinued operations</b>                              |      |                          |                   |
| Basic   |      | 9.41                     | 2.35              |
| Diluted   |      | 8.14                     | 2.06              |

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer

## Consolidated Statement of Comprehensive Income

For the year ended December 31, 2023

|   | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|---|--------------------------------------|--------------------------------------|
| <b>PROFIT FOR THE YEAR</b>  | <b>11,589,895</b>                    | 2,373,037                            |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                                      |                                      |
| <b>Items that will not be reclassified to consolidated statement of profit or loss subsequently</b> |                                      |                                      |
| Remeasurement loss on defined benefit obligations - net   | (38,321)                             | (53,840)                             |
| Unrealised loss on remeasurement of investments at fair value through OCI during the year - net     | (1,676,826)                          | (2,324,292)                          |
| Gain on remeasurement of associate on disposal  | 1,380,441                            | -                                    |
| Share of other comprehensive income from associates accounted for using equity method               | -                                    | 5,675                                |
|   | <b>(334,706)</b>                     | <b>(2,372,457)</b>                   |
| <b>Items that may be reclassified subsequently consolidated to statement of profit or loss</b>      |                                      |                                      |
| Fair value gain / (loss) on remeasurement of investments at FVOCI during the year - net             | 3,870,941                            | (1,588,405)                          |
| Exchange difference on translation of net assets in foreign branch of a subsidiary                  | 219,810                              | 263,175                              |
| Share of other comprehensive loss from associates accounted for using equity method                 | (274,101)                            | (54,868)                             |
|   | <b>3,816,650</b>                     | <b>(1,380,098)</b>                   |
| <b>Total comprehensive income / (loss) for the year</b>   | <b>15,071,839</b>                    | <b>(1,379,518)</b>                   |
| <b>Attributable to:</b>   |                                      |                                      |
| Equity holders of the parent  | 10,456,932                           | (1,184,376)                          |
| Non-controlling interests   | 4,614,907                            | (195,142)                            |
|   | <b>15,071,839</b>                    | <b>(1,379,518)</b>                   |

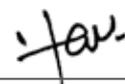
The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer

## Consolidated Statement of Changes in Equity

For the year ended December 31, 2023

|   | Attributable to ordinary equity holders of the parent |                                       |                        |                                      |   |                   |                   |                   |                           |                   |
|---|---|---------------------------------------|------------------------|--------------------------------------|---|-------------------|-------------------|-------------------|---------------------------|-------------------|
|   | Issued, subscribed and paid-up capital                |                                       |                        |                                      | Reserves  |                   |                   | Sub-total         | Non-controlling interests | Total             |
|   | Ordinary Shares                                       | Equity component of Preference Shares | 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 reserve | Revenue reserve   |                   |                           |                   |
| (Rupees in '000)  |   |                                       |                        |                                      |   |                   |                   |                   |                           |                   |
| <b>Balance as at December 31, 2021</b>  | 9,159,424   | 1,326,114                             | 4,497,894              | 193,472                              | 12,431,226  | 1,532,896         | 11,419,364        | 40,560,390        | 6,486,428                 | 47,046,818        |
| Profit for the year   | -   | -                                     | -                      | -                                    | -   | -                 | 2,149,946         | 2,149,946         | 223,091                   | 2,373,037         |
| Other comprehensive income / (loss) for the year  | -   | -                                     | -                      | -                                    | (3,557,106)   | -                 | (40,391)          | (3,334,322)       | (418,233)                 | (3,752,555)       |
| Total comprehensive income / (loss) for the year  | -   | -                                     | -                      | 263,175                              | (3,557,106)   | -                 | 2,109,555         | (1,184,376)       | (195,142)                 | (1,379,518)       |
| Transfer to statutory reserve   | -   | -                                     | -                      | -                                    | -   | 144,756           | (144,756)         | -                 | -                         | -                 |
| Proceeds from issue of Right shares by subsidiary   | -   | -                                     | -                      | -                                    | -   | -                 | -                 | -                 | 9,800                     | 9,800             |
| Reclassification of net remeasurement gain on equity instrument upon derecognition        | -   | -                                     | -                      | -                                    | (1,320,373)   | -                 | 1,320,373         | -                 | -                         | -                 |
| <b>Balance as at December 31, 2022</b>  | <b>9,159,424</b>                                      | <b>1,326,114</b>                      | <b>4,497,894</b>       | <b>456,647</b>                       | <b>7,553,747</b>  | <b>1,677,652</b>  | <b>14,704,536</b> | <b>39,376,014</b> | <b>6,301,086</b>          | <b>45,677,100</b> |
| Profit for the year   | -   | -                                     | -                      | -                                    | -   | -                 | 8,623,060         | 8,623,060         | 2,966,835                 | 11,589,895        |
| Other comprehensive income / (loss) for the year  | -   | -                                     | -                      | 219,810                              | 266,838   | -                 | 1,347,224         | 1,833,872         | 1,648,072                 | 3,481,944         |
| Total comprehensive income / (loss) for the year  | -   | -                                     | -                      | 219,810                              | 266,838   | -                 | 9,970,284         | 10,456,932        | 4,614,907                 | 15,071,839        |
| Transfer to statutory reserve   | -   | -                                     | -                      | -                                    | -   | 1,006,163         | (1,006,163)       | -                 | -                         | -                 |
| Dividend paid to non-controlling interests  | -   | -                                     | -                      | -                                    | -   | -                 | -                 | -                 | (482,729)                 | (482,729)         |
| Reclassification of net remeasurement gain on equity instrument upon derecognition        | -   | -                                     | -                      | -                                    | (57,061)  | -                 | 57,061            | -                 | -                         | -                 |
| Interim ordinary dividend @ Rs. 0.60 per Ordinary share                                   | -   | -                                     | -                      | -                                    | -   | -                 | (549,565)         | (549,565)         | -                         | (549,565)         |
| Issue of share capital (right shares)   | -   | -                                     | -                      | -                                    | -   | -                 | -                 | -                 | 3,910                     | 3,910             |
| Issue of share capital (further issue of shares)  | -   | -                                     | -                      | -                                    | -   | -                 | -                 | -                 | 5,426,622                 | 5,426,622         |
| NCI of BankIslami Pakistan Limited at acquisition date                                    | -   | -                                     | -                      | -                                    | -   | -                 | -                 | -                 | 20,364,306                | 20,364,306        |
| Acquisition of NCI of BankIslami Pakistan Limited through public offer by JS Bank Limited | -   | -                                     | -                      | -                                    | -   | -                 | (1,000,456)       | (1,000,456)       | (9,321,957)               | (10,322,413)      |
| <b>Balance as at December 31, 2023</b>  | <b>9,159,424</b>                                      | <b>1,326,114</b>                      | <b>4,497,894</b>       | <b>676,457</b>                       | <b>7,763,524</b>  | <b>2,683,815</b>  | <b>22,175,697</b> | <b>48,282,925</b> | <b>26,906,145</b>         | <b>75,189,070</b> |

The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.

Director

Chief Executive Officer

Chief Financial Officer

## Consolidated Statement of Cash Flows

For the year ended December 31, 2023

|   | Note       | 2023<br>(Rupees in '000) | 2022                |
|---|------------|--------------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |            |                          |                     |
| Profit before taxation from continuing operations                                 |            | 20,447,822               | 4,091,333           |
| Profit before taxation from discontinued operations                               | 21.1       | 67,811                   | 9,906               |
|   |            | 20,515,633               | 4,101,239           |
| <b>Non-cash adjustments to reconcile profit before taxation to net cash flows</b> |            |                          |                     |
| Depreciation  | 7.1 & 40.5 | 3,032,524                | 2,098,420           |
| Amortisation of intangible assets   | 8.1        | 283,846                  | 172,389             |
| Gain on sale of property and equipment  |            | (91,250)                 | (56,249)            |
| Charge for defined benefit plan   |            | 322,959                  | 94,964              |
| Gain on remeasurement of investments at fair value through profit or loss - net   |            | (140,384)                | (27,014)            |
| Loss on remeasurement of derivatives at fair value through profit or loss - net   |            | 8,041                    | 82,584              |
| Share of profit from associate  |            | (2,092,290)              | (930,886)           |
| Provision against non performing loans, advances and other receivables            |            | 5,944,064                | 1,109,038           |
| Bargain purchase gain acquisition of subsidiary                                   |            | (2,179,949)              | -                   |
| Gain on disposal of discontinued operations                                       |            | (296,412)                | -                   |
| Provision for impairment on asset classified as held for sale                     |            | -                        | 28,172              |
| Charge / (reversal) for impairment on investments - net                           |            | 721,822                  | (38,440)            |
| Effect of translation of net investment in foreign branch of a subsidiary         |            | -                        | 263,175             |
| Finance cost  |            | 92,629,762               | 57,424,528          |
|   |            | 98,142,733               | 60,220,681          |
| <b>Operating profit before working capital changes</b>                            |            | <b>118,658,366</b>       | <b>64,321,920</b>   |
| <b>(Increase) / decrease in operating assets :</b>                                |            |                          |                     |
| Loans and advances  |            | (122,820,997)            | 14,257,622          |
| Trade debts   |            | (577,578)                | 829,047             |
| Long term loans, advances, prepayments, deposits and other receivables            |            | 119,714,533              | 8,077,750           |
| Other financial assets - fund placements  |            | 24,287,125               | 20,587,882          |
| Prepayments, deposits, accrued mark-up and other receivables                      |            | (8,064,945)              | (11,136,982)        |
|   |            | 12,538,138               | 32,615,319          |
| <b>Increase / (decrease) in operating liabilities:</b>                            |            |                          |                     |
| Trade and other payables  |            | (5,911,605)              | 1,769,506           |
| Deposits and other accounts   |            | 108,004,451              | 4,627,171           |
| Borrowings  |            | (17,383,993)             | (791,057)           |
| <b>Net cash generated from operations</b>   |            | <b>215,905,357</b>       | <b>102,542,859</b>  |
| Finance cost paid   |            | (81,460,964)             | (55,755,084)        |
| Gratuity paid   |            | (203,436)                | -                   |
| Taxes paid  |            | (7,742,827)              | (1,878,530)         |
| <b>Net cash generated from operating activities</b>                               |            | <b>126,498,130</b>       | <b>44,909,245</b>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                       |            |                          |                     |
| Capital expenditure incurred  |            | (3,090,684)              | (1,464,005)         |
| Intangible assets acquired  |            | (1,058,681)              | (865,425)           |
| Proceeds from sale of property and equipment                                      |            | 240,435                  | 210,360             |
| Investment in subsidiary net of cash acquired                                     |            | 22,380,000               | -                   |
| Acquisition of assets repossessed   |            | (1,110,094)              | (1,148,424)         |
| Proceeds from issuance of right shares by Subsidiary Company                      |            | 3,910                    | 9,800               |
| Investments sold - net  |            | (15,126,164)             | (74,628,759)        |
| <b>Net cash generated from / (used in) investing activities</b>                   |            | <b>2,238,722</b>         | <b>(77,886,453)</b> |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                       |            |                          |                     |
| Redemption of term finance certificates   |            | 151,760                  | (801,800)           |
| Long term loan obtained from / (repaid to) bank - net                             |            | -                        | (1,312,474)         |
| Dividend paid (including non-controlling interests)                               |            | (937,813)                | (61,931)            |
| Repayment of lease liability  |            | (3,454,061)              | (1,413,276)         |
| Securities sold under repurchase agreements - net                                 |            | (62,800,000)             | 27,139,860          |
| <b>Net cash (used in) / generated from financing activities</b>                   |            | <b>(67,040,114)</b>      | <b>23,550,379</b>   |
| <b>NET INCREASE / DECREASE IN CASH AND CASH EQUIVALENTS</b>                       |            | <b>61,696,738</b>        | <b>(9,426,829)</b>  |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>                     |            | <b>25,154,179</b>        | <b>34,581,008</b>   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>                           | 45         | <b>86,850,917</b>        | <b>25,154,179</b>   |

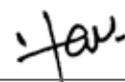
The annexed notes from 1 to 56 form an integral part of these consolidated financial statements.



Director



Chief Executive Officer



Chief Financial Officer



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 1. THE GROUP AND ITS OPERATIONS

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

The Holding Company was incorporated under the repealed Companies Ordinance, 1984 (the repealed Ordinance), now the Companies Act, 2017 (the Act), on May 04, 1991 as a public unquoted company. The Holding Company is presently listed on Pakistan Stock Exchange Limited. The registered office and geographical location of the Holding Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of the Holding Company are managing strategic investments, trading of securities, consultancy services and other services.

The Branch network of the Group is disclosed in Annexure II to these consolidated financial statements, (hereafter referred to as “the financial statements”).

### 1.2 Composition of the Group

#### Subsidiary and Sub-Subsidiary Companies

|   | Note    | Holding (including indirect holding) |                        |
|---|---------|--------------------------------------|------------------------|
|   |         | December 31, 2023<br>%               | December 31, 2022<br>% |
| <b>JS Bank Limited (JSBL)</b>   | 1.2.1.1 | <b>71.21</b>                         | 75.02                  |
| <b>BankIslami Pakistan Limited (BIPL)</b><br>(Sub-subsidiary)             | 1.2.1.2 | <b>53.49</b>                         | 27.10                  |
| <b>JS Investments Limited (JSIL)</b><br>(Sub-subsidiary)                  | 1.2.1.3 | <b>60.22</b>                         | 63.43                  |
| <b>JS Global Capital Limited (JSGCL)</b><br>(Sub-subsidiary)              | 1.2.1.4 | <b>66.15</b>                         | 69.69                  |
| <b>JS Infocom Limited (JSINL)</b>   | 1.2.1.5 | <b>100.00</b>                        | 100.00                 |
| <b>JS International Limited (JSINTL)</b>                                  | 1.2.1.6 | <b>100.00</b>                        | 100.00                 |
| <b>Energy Infrastructure Holding (Private) Limited (EIHPL)</b>            | 1.2.1.7 | <b>100.00</b>                        | 100.00                 |
| <b>Quality Energy Solutions (Private) Limited (QESPL)</b>                 | 1.2.1.8 | <b>100.00</b>                        | 100.00                 |
| <b>Khairpur Solar Power (Private) Limited (KSSPL)</b><br>(Sub-subsidiary) | 1.2.1.9 | <b>100.00</b>                        | 100.00                 |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| <u>Subsidiary and Sub-Subsidiary Companies</u>                                     | Note     | Holding (including indirect holding) |                        |
|--|----------|--------------------------------------|------------------------|
|  |          | December 31, 2023<br>%               | December 31, 2022<br>% |
| <b>JS Petroleum Limited (JSPL)</b><br>(Sub-subsidiary)                             | 1.2.1.10 | 51.00                                | 51.00                  |
| <b>JS Engineering Investments 1 (Private) Limited (JSE1PL)</b><br>(Sub-subsidiary) | 1.2.1.11 | 100.00                               | 100.00                 |
| <b>My Solutions Corporation Limited (MSCL)</b><br>(Sub-subsidiary)                 | 1.2.1.12 | 53.49                                | -                      |
| <b>Composition of the Associated Companies</b>                                     |          |                                      |                        |
| <b>Associates of the JSBL</b>  |          |                                      |                        |
| Omar Jibran Engineering Industries Limited   | 1.2.2.1  | 9.60                                 | 9.60                   |
| Veda Transit Solutions (Private) Limited   | 1.2.2.2  | 3.92                                 | 3.92                   |
| Intercity Touring Company (Private) Limited  | 1.2.2.3  | 9.12                                 | 9.12                   |
| <b>Associates of BIPL</b>  |          |                                      |                        |
| Shakarganj Food Products Limited   | 1.2.2.4  | 27.33                                | -                      |
| KASB Capital Limited   | 1.2.2.5  | 32.97                                | -                      |
| KASB Funds Limited   | 1.2.2.6  | 16.36                                | -                      |

### 1.2.1 Subsidiary and Sub-Subsidiary Companies

#### 1.2.1.1 JS Bank Limited

JSBL was incorporated on March 15, 2006 as a public limited company under the repealed ordinance, now the Act. JSBL is engaged in conducting commercial 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 291 (2022: 281) branches / sub-branches in Pakistan and one wholesale banking branch in Bahrain (2022: 1).

During the year, the Holding Company, pursuant to obtention of requisite regulatory and corporate approvals, on July 04, 2023 had subscribed 165,462,245 Right Shares of JSBL as per its entitlement at par value of Rs. 10/-. Furthermore, the Holding Company had also subscribed 54,715,645 right shares of the unsubscribed portion of JSBL at par value of Rs. 10/- on August 10, 2023, additionally, on August 18, 2023, the Company also received 266,747,498 ordinary shares of JSBL on execution of SWAP transaction as per SPA signed between the Company and JSBL in exchange of 235,684,306 ordinary shares of BankIslami Pakistan Limited. The said transactions resulted in decrease in effective shareholding of the Holding Company to 71.21% from 75.02%. Pursuant to this, effective shareholding of the Holding Company in JSGCL and JSIL has also decreased in the same proportion.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 1.2.1.2 BankIslami Pakistan Limited

BIPL was incorporated in Pakistan on October 18, 2004 as a public limited company to carry out the business of an Islamic Commercial Bank in accordance with the principles of Islamic Shariah. The State Bank of Pakistan (SBP) granted a 'Scheduled Islamic Commercial Bank' license to BIPL on March 18, 2005. BIPL commenced its operations as a Scheduled Islamic Commercial Bank with effect from April 07, 2006, on receiving Certificate of Commencement of Business from the State Bank of Pakistan (SBP) under section 37 of the State Bank of Pakistan Act, 1956. BIPL is principally engaged in corporate, commercial, consumer, retail banking and investment activities. Its shares are listed on the Pakistan Stock Exchange Limited.

The registered office of the BIPL is situated at 11th Floor, Dolmen City Executive Tower, Marine Drive, Block-4, Clifton, Karachi. and it operates with 440 branches (2022: 380) branches / sub-branches in Pakistan.

On August 18, 2023, JSBL increased its shareholding in the BIPL from 7.79% to 50.24% by acquiring shares from existing shareholders of BIPL through Share Purchase Agreement (SPA), effectively making BIPL a subsidiary of JSBL. The shareholding in the BIPL was further increased to 75.12% on August 25, 2023 by way of acquiring BIPL's 24.88% shares through a public offer.

The effective holding of the Group in BIPL as at December 31, 2023 is 53.49%, whereas the same as at the acquisition date was 35.77%.

- a) The detail of net assets acquired by the Group and Bargain purchase gain as at acquisition date i.e., August 18, 2023 is as follows:

|  | Carrying<br>Amounts | Fair value<br>adjustments | Fair values        |
|--|---------------------|---------------------------|--------------------|
|  | (Rupees in '000)    |                           |                    |
| Cash and balances with treasury banks                | 27,815,593          | -                         | 27,815,593         |
| Balances with other banks                            | 1,183,041           | -                         | 1,183,041          |
| Due from financial institutions - net                | 29,438,101          | -                         | 29,438,101         |
| Investments - net                                    | 251,768,739         | -                         | 251,768,739        |
| Islamic financing, related assets and advances - net | 206,990,695         | -                         | 206,990,695        |
| Fixed assets   | 13,791,652          | 291,788                   | 14,083,440         |
| Intangible assets                                    | 3,435,083           | -                         | 3,435,083          |
| Deferred tax assets                                  | 2,917,107           | (143,447)                 | 2,773,660          |
| Other assets - net                                   | 29,801,249          | 962                       | 29,802,211         |
| Non-current assets held for sale                     | 447,523             | -                         | 447,523            |
| <b>Total Assets</b>                                  | <b>567,588,783</b>  | <b>149,303</b>            | <b>567,738,086</b> |
| Bills payable  | 4,226,945           | -                         | 4,226,945          |
| Due to financial institutions                        | 70,999,596          | -                         | 70,999,596         |
| Deposits and other accounts                          | 436,962,094         | -                         | 436,962,094        |
| Subordinated sukuk                                   | 2,850,000           | -                         | 2,850,000          |
| Other liabilities                                    | 20,994,161          | -                         | 20,994,161         |
| <b>Total Liabilities</b>                             | <b>536,032,796</b>  | <b>-</b>                  | <b>536,032,796</b> |
| <b>Net Assets</b>                                    | <b>31,555,987</b>   | <b>149,303</b>            | <b>31,705,290</b>  |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| b) Bargain purchase gain on acquisition                                     | (Rupees in '000)  |
|---|-------------------|
| Consideration transferred   | 3,864,297         |
| Non controlling interest (proportionate share in the net assets of BIPL)    | 20,364,306        |
| Fair Value of previously held interest                                      | 5,296,738         |
|   | <b>29,525,341</b> |
| Less: Fair value of net identifiable assets acquired as at acquisition date | 31,705,290        |
| <b>Bargain purchase gain</b>  | <b>2,179,949</b>  |

### 1.2.1.3 JS Investments Limited

JSIL is a public listed company incorporated in Pakistan on February 22, 1995 under the repealed ordinance, now the Act. JSIL was listed on Pakistan Stock Exchange Limited on April 24, 2007. The registered office of the JSIL is situated at 19th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. JSIL is a subsidiary of JSBL which holds 84.55% of its equity.

JISL has obtained the license of an "Investment Advisor" 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 (the NBFC Regulations). In addition, JSIL also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. It has also acquired the Private Equity and Venture Capital Fund Management Services license and REIT Management Services license from Securities and Exchange Commission of Pakistan (SECP).

JSIL is an asset management company, pension fund manager and private equity and venture capital manager for the following:

#### Open end mutual funds:

- JS Growth 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 Money Market Fund
- JS Fixed Term Munafa Fund
- JS Islamic Dedicated Equity Fund
- JS Islamic Daily Dividend Fund
- JS Momentum Factor Exchange Traded Fund
- JS Microfinance Sector Fund
- JS Islamic Hybrid Fund of Funds
- JS Islamic Premium Fund
- JS Government Securities Fund

#### Closed-end mutual funds

- JS Rental REIT Fund

#### Private Equity & Venture Capital Fund:

- JS Motion Picture Fund

#### Pension funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund
- JS KPK Pension Fund
- JS KPK Islamic Pension Fund



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 1.2.1.4 JS Global Capital Limited (JSGCL)

JSGCL was incorporated as a private limited Company on June 28, 2000 under the repealed ordinance, now the Act. Subsequently, JSGCL obtained listing on Pakistan Stock Exchange Limited on February 07, 2005. JSGCL is a trading right entitlement certificate holder (TREC) of Pakistan Stock Exchange Limited and member of Pakistan Mercantile Exchange Limited. The principal activities of JSGCL are share brokerage, money market brokerage, forex brokerage, 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 is situated at 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. JSGCL is a subsidiary of JSBL which holds 92.90% of its equity.

### 1.2.1.5 JS Infocom Limited

JSINL was incorporated on August 25, 2003 as a public unlisted Company under the repealed ordinance, now the act. The registered office of JSINL is situated at 20th Floor, The Centre, Abdullah Haroon Road, Saddar, Karachi. JSINL is established to undertake telecommunication, media and technology business or invest in companies engaged in providing telecommunication, media and technology services.

### 1.2.1.6 JS International Limited

JSINTL was incorporated in Cayman Islands B.W.I. on July 14, 2005. The primary objective for which JSINTL 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.

### 1.2.1.7 Energy Infrastructure Holding (Private) Limited

EIHPL was incorporated under the repealed ordinance, now the Act, on April 15, 2008 as a Private Limited Company. The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Saddar, Karachi. The principal activities of EIHPL are to invest in energy, petroleum and infrastructure projects.

### 1.2.1.8 Quality Energy Solutions (Private) Limited

QESPL was incorporated under the repealed ordinance, now the Act, on May 09, 2016 as a Private Limited Company. The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The principal activities of QESPL are to undertake investments in power entities, listed or otherwise in Pakistan or elsewhere in the world.

### 1.2.1.9 Khairpur Solar Power (Private) Limited

KSSPL was incorporated under the repealed ordinance, now the Act, on May 05, 2016 as a Private Limited Company. The registered office and geographical location of the Company is situated at 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal activities of KSSPL is to develop, design, construct, build, own, operate, maintain and acquire solar energy

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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. KSSPL is a wholly owned subsidiary of QESPL.

### 1.2.1.10 JS Petroleum Limited

JSPL was incorporated under the Companies Act 2017, on October 09, 2017 as a Private Limited Company and was subsequently converted to Public Unlisted Company. The registered office and geographical location of JSPL is situated at 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal business activity of JSPL is to invest in and undertake Oil and Gas storage facility business. JSPL is a subsidiary of EIHPL.

### 1.2.1.11 JS Engineering Investments 1 (Private) Limited

JSE1PL was incorporated under the Act, on November 23, 2017 as a Private Limited Company. The registered office and geographical location of JSE1PL is situated at 20th Floor, The Centre, Plot No. 28, SB-5 Abdullah Haroon Road, Saddar, Karachi. The principal activities of JSE1PL is to invest in engineering and automotive sectors. JSE1PL is currently pursuing investment opportunities. JSE1PL is a wholly owned subsidiary of EIHPL.

### 1.2.1.12 My Solutions Corporation Limited (MSCL)

MSCL was incorporated as a private limited company on November 05, 1995 and was converted into a public limited company on March 24, 2003. MSCL is currently dormant. Its registered office is situated at the 9th floor, Trade Centre, I.I Chundrigar Road, Karachi. MSCL is a wholly owned subsidiary of BIPL.

## 1.2.2 Associated Companies

### 1.2.2.1 Omar Jibran Engineering Industries Limited (OJEIL)

The Group has invested in the shares of OJEIL, a public unlisted company. The Group has classified the investment as an associate on account of its significant influence over the investee company. OJEIL was incorporated on June 25, 1987 in Pakistan as an unquoted public limited company under the repealed Ordinance, 1984. The registered office of OJEIL is situated at DSU-10, Pakistan Steel Industries Estate Bin Qasim, Karachi. OJEIL is mainly engaged in the manufacture and sale of automotive parts and armouring of vehicles. OJEIL is an associate of JSBL and is therefore an associate of the Group.

### 1.2.2.2 Veda Transit Solutions (Private) Limited (VEDA)

The Group has invested in the shares of VEDA, a private limited company. The Group has classified the investment as an associate on account of its significant influence over the investee company. VEDA was incorporated on June 10, 2016 in Pakistan as private limited company under the repealed Ordinance. The registered office of VEDA is situated at Raaziq Logistics Centre 16 KM, Multan Road, Near Dina Nath Stop, Lahore. VEDA is mainly engaged in the rural / urban, intracity / intercity transportation of passenger and goods. VEDA is an associate of JSBL and is therefore an associate of the Group.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 1.2.2.3 Intercity Touring Company (Private) Limited (ITC)

The Group has invested in the shares of ITC, a private limited company. The Group has classified the investment as an associate on account of its significant influence over the investee company. ITC was incorporated on April 25, 2014 in Pakistan as private limited company under the repealed Ordinance. The registered office of ITC is situated at 147-P Gulberg III, Lahore. ITC is mainly engaged in the transportation, touring and logistics related services. ITC is an associate of JSBL and is therefore an associate of the Group.

### 1.2.2.4 Shakarganj Food Products Limited (SFPL)

SFPL was incorporated in Pakistan initially as a private limited company on April 03, 2001 under the repealed Ordinance. The name of SFPL was changed from A.M. Fruit Products (Private) Limited to Shakarganj Food Products Limited along with change of its status from private to public limited on January 03, 2006. The principal activity of SFPL is manufacturing, processing and sale of food products (dairy, fruit pulps and concentrate juices). SFPL is an associate of BIPL and is therefore an associate of the Group.

### 1.2.2.5 KASB Capital Limited (KCL)

KCL is a limited liability company incorporated on June 24, 2008 and domiciled in Mauritius. The address of its registered office is C/o Consilex Limited, 4th floor, Les Jamalacs Building, Vieux Conseil Street, Port Louis, Republic of Mauritius. KCL holds a category 1 Global Business licence issued by the Financial Services Commission and is involved in investment holding activities and investment dealer (full service dealer, excluding underwriting). KCL is an associate of BIPL and is therefore an associate of the Group.

### 1.2.2.6 KASB Funds Limited (KFL)

KFL was incorporated in Pakistan on January 24, 2005 under the repealed Ordinance as an unlisted public company. The registered office of KFL is situated at 9th Floor, Trade Centre, I.I. Chundrigar Road, Karachi. KFL is licensed to carry out Asset Management and Investment Advisory Services under the (the NBFC Rules) and the (the NBFC Regulations). The principal activity of KFL is to float and manage open-end and closed-end mutual funds and to provide investment advisory services. KFL is an associate of BIPL and is therefore an associate of the Group.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

The financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These comprise of:

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

Where provisions of and directives issued under the Companies Act, 2017 differ from the IFRS, the provisions of and directives issued under the Companies Act, 2017 shall prevail.

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 Ordinance, now section 228 of the Act 2017, and IFRS-10 “Consolidated Financial Statements” is not applicable in case of investment by companies in mutual funds established under trust structure, through S.R.O 56(I) /2016 dated January 28, 2016. Accordingly, the requirements of these standards have not been considered in the preparation of the financial statements.

### 2.2 Basis of measurement

The 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 and Group’s asset under defined benefit plan (gratuity) which is measured based on present value of defined benefit obligation.

### 2.3 Functional and presentation currency

The financial statements are presented in Pakistani Rupees (PKR), which is also the functional and presentation currency of the Group, the amounts are rounded off to nearest thousands rupees unless stated otherwise.

### 3. Standards, interpretations and amendments to published approved accounting standards that are effective in the current period:

The Group has adopted Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) from January 1, 2023. These amendments neither resulted in any changes to the accounting policies nor impacted the accounting policies’ information disclosed in the financial statements.

The amendments require the disclosure of ‘material’, rather than ‘significant’, accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

The information disclosed in Note 6 material accounting policies has been assessed to be in line with the amendments.

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Group accounting periods beginning on January 1, 2023 but are considered not to be relevant or do not have any significant effect on the Group’s operations and are therefore not detailed in the financial statements.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 3.1 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

The following International Financial Reporting Standards (IFRS) as notified under the Act, and the amendments and interpretations thereto will be effective for accounting periods beginning on or after January 01, 2024:

#### **Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 in January 2020)**

apply retrospectively for the annual periods beginning on or after 1 January 2024 (as deferred vide amendments to IAS 1 in October 2022) with earlier application permitted. These amendments in the standards have been added to further clarify when a liability is classified as current. Convertible debt may need to be reclassified as 'current'. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity's expectation and discretion at the reporting date to refinance or to reschedule payments on a long-term basis are no longer relevant for the classification of a liability as current or non-current. An entity shall apply those amendments retrospectively in accordance with IAS 8.

**Non-current Liabilities with Covenants (amendment to IAS 1 in October 2022)** aims to improve the information an entity provides when its right to defer settlement of a liability for at least twelve months is subject to compliance with conditions. The amendment is also intended to address concerns about classifying such a liability as current or non-current. Only covenants with which a company must comply on or before the reporting date affect the classification of a liability as current or non-current. Covenants with which the company must comply after the reporting date (i.e. future covenants) do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date. The amendments apply retrospectively for annual reporting periods beginning on or after 1 January 2024, with earlier application permitted. These amendments also specify the transition requirements for companies that may have early-adopted the previously issued but not yet effective 2020 amendments to IAS 1 (as referred above).

**Lease Liability in a Sale and Leaseback (amendment to IFRS 16 in September 2022)** adds subsequent measurement requirements for sale and leaseback transactions that satisfy the requirements to be accounted for as a sale. The amendment confirms that on initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognizes no gain or loss relating to the right of use it retains. A seller-lessee may adopt different approaches that satisfy the new requirements on subsequent measurement. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. Under IAS 8, a seller-lessee will need to apply the amendments retrospectively to sale-and-leaseback transactions entered into or after the date of initial application of IFRS 16 and will need to identify and re-examine sale-and-leaseback transactions entered into since implementation of IFRS 16 in 2019, and potentially restate those that included variable lease payments. If an entity (a seller-lessee) applies the amendments arising from Lease Liability in a Sale and Leaseback for an earlier period, the entity shall disclose that fact.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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

**Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)** introduce two new disclosure objectives for a company to provide information about its supplier finance arrangements that would enable users (investors) to assess the effects of these arrangements on the company's liabilities and cash flows, and the company's exposure to liquidity risk. Under the amendments, companies also need to disclose the type and effect of non-cash changes in the carrying amounts of the financial liabilities that are part of a supplier finance arrangement. The amendments also add supplier finance arrangements as an example to the existing disclosure requirements in IFRS 7 on factors a company might consider when providing specific quantitative liquidity risk disclosures about its financial liabilities. The amendments are effective for periods beginning on or after 1 January 2024, with early application permitted. However, some relief from providing certain information in the year of initial application is available.

### **Lack of Exchangeability (amendments to IAS 21) clarify:**

- when a currency is exchangeable into another currency; and
- how a company estimates a spot rate when a currency lacks exchangeability.

Further, companies will need to provide new disclosures to help users assess the impact of using an estimated exchange rate on the financial statements. These disclosures might include:

- the nature and financial impacts of the currency not being exchangeable;
- the spot exchange rate used;
- the estimation process; and
- risks to the company because the currency is not exchangeable.

The amendments apply for annual reporting periods beginning on or after 1 January 2025. Earlier application is permitted.

The above standards, interpretations and amendments are not likely to have a significant impact on these consolidated financial statements.

## 4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these 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.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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) valuation and classification of investments (notes 6.6, 10 and 14);
- (c) recognition of taxation and deferred tax (notes 6.10, 13 and 43);
- (d) accounting for post employment benefits (notes 6.17 and 46);
- (e) impairment of financial assets (notes 6.6, 8.1 and 42);
- (f) Right of use assets and leases (note 6.5);
- (g) fair value of un-quoted equity securities (notes 10.3, 10.4 and 14);
- (h) provision against non performing loans (notes 6.29 and 16); and
- (i) fair value of derivatives (note 14).

### 5. BASIS OF CONSOLIDATION

#### 5.1 Subsidiary & Sub-subsidiary

- These financial statements include the financial statements of the Holding Company and its subsidiary and sub-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 JSINTL 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 other than those classified as Held for Sale' (refer note 21), have been consolidated on a line by line basis and the investment held by the Holding Company is eliminated against the corresponding share capital of subsidiaries in the financial statements.
- 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.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 5.2 Associate

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Associates are accounted for using the equity method.

### 5.3 Acquisition Accounting

Acquisitions of businesses not under common control are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in consolidated statement of profit and loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date.

Goodwill on acquisition is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in consolidated profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation is measured at proportionate share of net assets of the acquiree at the date of the acquisition.

## 6. MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and methods of computations adopted and applied in the preparation of these consolidated financial statements are set out below. These have been consistently applied to all the periods presented.

### 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 consolidated 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 and 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 reporting date.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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 consolidated statement of profit or loss in the year the asset is derecognized.

Maintenance and normal repairs are charged to the consolidated 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.

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 the financial statements. Amortization is 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 reporting date.

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 reporting date 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 consolidated 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 consolidated 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 Consolidated Financial Statements

For the year ended December 31, 2023

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 consolidated 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.

A non-current asset held for sale is carried at the lower of its carrying amount and the fair value less costs to sell. Impairment losses are recognised through the consolidated profit or loss for any initial or subsequent write down of the non-current asset to fair value less costs to sell. Subsequent gains in fair value less costs to sell are recognised to the extent they do not exceed the cumulative impairment losses previously recorded. A non-current asset is not depreciated while classified as held for sale or while part of a disposal group classified as held for sale.

### 6.5 IFRS 16 Leases

#### • 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 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.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### • 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 severally 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 or 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 consolidated statement of profit or loss when incurred.

### 6.6.1 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.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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 no 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 reporting date, whether or not it has control, significant influence or joint control over the investee. The Holding Company uses 'fair value as deemed cost' approach for measuring its existing investments. Accordingly, on the date the investee company becomes an associate, the fair value of existing investment is considered as deemed cost to determine the initial value of investment in associate.

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 consolidated 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 as per IFRS 5.

### 6.6.2 IFRS 9 Financial Instruments:

The Group (except JSBL and BIPL) had adopted IFRS 9 Financial Instruments effective from January 01, 2019.

#### 6.6.2.1 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 Group 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, 2023

### 6.6.2.2 Classification

In accordance with IFRS 9, the Group (except for JSBL and BIPL) 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 of fair value 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 consolidated statement of profit or loss. On de-recognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to the consolidated 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 consolidated 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 consolidated statement of profit or loss upon de-recognition of the assets.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### b) Equity instruments at FVOCI

Upon initial recognition, the Group 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 Group'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 consolidated statement of profit or loss. Dividends are recognised in the consolidated statement of profit or loss as return on investments when the right of the payment has been established, except when the Group 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 (FVPL)

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.

#### 6.6.2.3 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 Group



## Notes to the Consolidated Financial Statements

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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 Group 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 Group 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 Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

### 6.6.2.4 Impairment of financial assets

The Group recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment including forward-looking information.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovery of a financial asset in its entirety or a portion thereof. The Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

### 6.6.2.5 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the consolidated statement of financial position if the Group has a legally enforceable right to set-off the recognised amounts and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also offset accordingly.

### 6.6.2.6 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.

### Financial instruments - Policy applicable on JSBL and BIPL

### 6.6.3 Held for trading

This 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 consolidated statement of profit or loss. Transaction costs are charged to the consolidated 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 consolidated 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 consolidated 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 carried at amortized cost. Impairment in value, if any, is recorded to the consolidated statement of profit or loss.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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

### 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 reporting 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 consolidated statement of financial position. The resultant gains and losses are recognized in the consolidated 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 consolidated 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 consolidated 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 recognised when the Group has a present legal or constructive obligation as a result of past events, 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. The amount recognised represents the best estimate of the expenditure required to settle the obligation at the reporting date. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

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 consolidated statement of profit or loss net of expected recovery.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

Contingent assets are disclosed when there is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are not recognised until the inflow of economic benefits is virtually certain.

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- there is a present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the Amount of the obligation cannot be measured with sufficient reliability.

### 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.

#### Deferred

Deferred tax is calculated using the balance sheet liability method on all temporary differences at the reporting date, 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 reporting date 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 be applied 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 reporting date.

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".



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 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.
- (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.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 6.13 Trade debts and other receivables

The Group holds trade debts, receivable against margin finance and other receivables 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 debts, receivable against margin finance, loans and advances and other 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.

### 6.14 Trade and other payables

Liabilities for trade and other payable are recognised at fair value of the consideration to be paid for goods and services received plus significant directly attributable cost and these are subsequently measured at amortised cost.

### 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, treasury bills having maturity of three months or less, net of bank overdrafts repayable on demand, if any.

### 6.16 Segment reporting

A segment is a distinguishable component of the Group that is subject to risks and rewards that are different from those of other segments. A business segment is one that is engaged either in providing certain products or services, whereas a geographical segment is one engaged in providing certain products or services within a particular economic environment.

Segment information is presented as per the Group's functional structure and the guidance given under International Financial Reporting Standard (IFRS) 8. For management purposes, the Group's reportable segments are disclosed in note 53 to the Financial Statements.

### 6.17 Staff retirement benefits

#### Compensated absences

Accrual is made for employees compensated absences on the basis of accumulated leaves and the last drawn pay in accordance with the Holding Company policy.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### *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 consolidated statement of profit or loss.

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

### *Defined benefit plan*

JSBL and BIPL 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, 2023, using the projected unit credit actuarial valuation method. Under this method cost of providing for gratuity is charged to the consolidated 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 consolidated statement of profit or loss and actuarial gains and losses are recognised immediately in other comprehensive income.

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

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

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

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

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

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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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

### 6.19 Foreign currency translations

Foreign currency transactions during the year are recorded at the exchange rates prevailing 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 reporting date. Gains and losses on translation are taken to consolidated 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.

### 6.20 Foreign operations

The assets and liabilities of foreign branches are translated to Rupees at exchange rates prevailing at the reporting date. The results of foreign operations are translated to Rupees at the average rate of exchange for the year.

#### *Translation gains and losses*

Translation gains and losses arising on revaluations of net investment in foreign operations are taken to Exchange Translation Reserve in the statement of comprehensive income. These are recognised in the profit and loss account on disposal.

### 6.21 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 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 no 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 consolidated statement of profit or loss.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

### 6.22 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. The excess of the consideration transferred over the fair value of the Holding Company's share of identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated profit and loss account. Goodwill acquired in a business combination is measured, subsequent to initial recognition, at its cost less accumulated impairment losses, if any.

#### 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.

### 6.23 Goodwill

Goodwill acquired in a business combination is initially measured at cost, being the excess of the cost of the business combination over the Groups's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities acquired. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Groups's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those units or groups of units.

### 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 the financial statements.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 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 Holding 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.

### 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

JSBL and BIPL reviews its loan portfolio to assess the amount of non-performing loans and advances and the 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, JSBL and BIPL follows requirements set out in Prudential Regulations.

| 7. PROPERTY AND EQUIPMENT | Note | 2023              | 2022              |
|---------------------------|------|-------------------|-------------------|
|                           |      | (Rupees in '000)  |                   |
| Operating fixed assets    | 7.1  | 19,138,794        | 6,477,985         |
| Right-of-use assets       | 7.2  | 5,927,716         | 2,557,493         |
| Capital work-in-progress  | 7.3  | 2,220,866         | 1,124,317         |
|                           |      | <u>27,287,376</u> | <u>10,159,795</u> |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 7.1 Operating fixed assets

|                               | Cost                   |  |                         | Depreciation rate per-annum | Accumulated depreciation |  | Written down value      |                         |
|-------------------------------|------------------------|--|-------------------------|-----------------------------|--------------------------|--|-------------------------|-------------------------|
|                               | As at January 01, 2023 | Additions / (disposals) / Adjustments* | As at December 31, 2023 |                             | As at January 01, 2023   | For the year / (on disposals) / Adjustments* | As at December 31, 2023 | As at December 31, 2023 |
|                               | (Rupees in '000)       |  |                         | %                           | (Rupees in '000)         |  |                         |                         |
| Office premises - leasehold   | 2,988,709              | 617,158<br>(20,939)<br>4,214,532       | 7,799,460               | 1.0 - 20                    | 463,877                  | 100,994<br>(4,408)<br>-                      | 560,463                 | 7,238,997               |
| Land - freehold               | 210,714                | -                                      | 210,714                 | -                           | -                        | -  | -                       | 210,714                 |
| Land - leasehold              | 250,581                | -                                      | 250,581                 | 2                           | 26,685                   | 4,970  | 31,655                  | 218,926                 |
| Leasehold improvements        | 2,615,030              | 285,879<br>(77,763)<br>2,873,500       | 5,696,646               | 10 - 33                     | 1,078,488                | 244,819<br>(69,496)                          | 1,253,811               | 4,442,835               |
| Office equipment              | 4,734,616              | 2,102,476<br>(307,316)<br>1,271,008    | 7,800,784               | 12.5 - 33                   | 3,256,614                | 979,098<br>(279,581)<br>-                    | 3,956,131               | 3,844,653               |
| Office furniture and fixtures | 875,017                | 1,164,124<br>(347,962)<br>1,540,375    | 3,231,554               | 10 - 20                     | 491,418                  | 217,570<br>(271,915)<br>-                    | 437,073                 | 2,794,481               |
| Motor vehicles                | 213,692                | 283,391<br>(46,441)<br>50,058          | 500,700                 | 20                          | 93,291                   | 45,056<br>(25,836)<br>-                      | 112,511                 | 388,189                 |
|                               | 11,888,359             | 4,453,028<br>(800,421)<br>9,949,473    | 25,490,439              |                             | 5,410,374                | 1,592,507<br>(651,236)<br>-                  | 6,351,645               | 19,138,794              |

\* This represents adjustments made to the fixed assets due to acquisition of BIPL by the Group.

|                               | Cost                   |  |                         | Depreciation Rate Per-annum % | Accumulated depreciation |  | Written down value      |                         |
|-------------------------------|------------------------|--|-------------------------|-------------------------------|--------------------------|--|-------------------------|-------------------------|
|                               | As at January 01, 2022 | Additions / (disposals) / Adjustments* | As at December 31, 2022 |                               | As at January 01, 2022   | For the year / (on disposals) / Adjustments* | As at December 31, 2022 | As at December 31, 2022 |
|                               | (Rupees in '000)       |  |                         |                               | (Rupees in '000)         |  |                         |                         |
| Office premises - leasehold   | 2,848,980              | 213,947<br>(74,218)                    | 2,988,709               | 1.0 - 20                      | 407,095                  | 59,622<br>(2,840)                            | 463,877                 | 2,524,832               |
| Land - freehold               | 210,714                | -                                      | 210,714                 | -                             | -                        | -  | -                       | 210,714                 |
| Land - leasehold              | 250,581                | -                                      | 250,581                 | 2                             | 21,715                   | 4,970  | 26,685                  | 223,896                 |
| Leasehold improvements        | 1,876,458              | 771,722<br>(33,150)                    | 2,615,030               | 10 - 33                       | 889,776                  | 202,068<br>(13,356)                          | 1,078,488               | 1,536,542               |
| Office equipment              | 4,218,488              | 711,097<br>(194,969)                   | 4,734,616               | 12.5 - 33                     | 2,829,369                | 590,749<br>(163,504)                         | 3,256,614               | 1,478,002               |
| Office furniture and fixtures | 747,095                | 159,405<br>(31,483)                    | 875,017                 | 10 - 20                       | 442,124                  | 74,992<br>(25,698)                           | 491,418                 | 383,599                 |
| Motor vehicles                | 237,160                | 64,342<br>(87,810)                     | 213,692                 | 20                            | 130,017                  | 25,395<br>(62,121)                           | 93,291                  | 120,401                 |
|                               | 10,389,476             | 1,920,513<br>(421,630)                 | 11,888,359              |                               | 4,720,096                | 957,797<br>(267,519)                         | 5,410,374               | 6,477,985               |

**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.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 7.1.2 The details of immovable property of the group are as follows:  | Total area of<br>land in Acres |
|---|--------------------------------|
| <b>JS Petroleum Limited</b>   |                                |
| - Port Qasim, Bin Qasim Town, District Malir, Karachi   | 15                             |
| <b>Energy Infrastructure Holding (Private) Limited</b>  |                                |
| - HUB Tehsil, District Lasbella, Balochistan  | 137                            |
| <b>JS Global Capital Limited</b>  |                                |
| - 14th, 16th and 17th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan   | 0.666                          |
| <b>JS Bank Limited</b>  |                                |
| - 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   | 0.266                          |
| - 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 TOWER", 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, Karachi   | 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                          |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | Total area of<br>land in Acres |
|--|--------------------------------|
| - 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  | 0.137                          |
| - Office No. 714-717 and 718 to 727, 7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi   | 0.633                          |
| - Commercial Property in the 15th Floor of Pace Tower Plot No. 27, College Road, Block H, Gulberg-II, Lahore   | 0.305                          |
| <b>BankIslami Pakistan Limited</b>   |                                |
| - Dolmen Tower 6Th Floor, Dolmen City, Executive Tower, Marine Drive, Block-4, Clifton, Karachi  | 0.269                          |
| - Head Office-9A, 9B Floor, Dolmen City, Executive Tower, Marine Drive, Block-4, Clifton, Karachi  | 0.269                          |
| - Dolmen Tower 10 Th Floor, Dolmen City, Executive Tower, Marine Drive, Block-4, Clifton, Karachi  | 0.269                          |
| - Dolmen Tower 11Th Floor, Dolmen City, Executive Tower, Marine Drive, Block-4, Clifton, Karachi   | 0.269                          |
| - Head Office-13Th Floor, Dolmen City, Executive Tower, Marine Drive, Block-4, Clifton, Karachi  | 0.269                          |
| - Head Office-14Th Floor, Dolmen City, Executive Tower, Marine Drive, Block-4, Clifton, Karachi  | 0.134                          |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|   | Total area of<br>land in Acres |
|---|--------------------------------|
| - Head Office-15Th Floor, Dolmen City, Executive Tower,Marine Drive, Block-4, Clifton, Karachi  | 0.269                          |
| - Show Room No.10, Ground Floor, Plot No. E31-B, Ghani Chowrangi, Site, Karachi   | 0.068                          |
| - Baloch Colony Branch- Plot No Sa02/1, Block-3, K.A.E.C.H.S. Karachi.  | 0.021                          |
| - Gulshan-E-Maymar Branch-Ground Floor, Areeba Heaven, Gulshan-E-Maymar, Sector X-li, Karachi.  | 0.124                          |
| - Karachi Stock Exchange-Room No 519 And 520, 5Th Floor, Kse Building, Karachi.   | 0.011                          |
| - Korangi Branch-Plot No 51/9-B, Sector 15,Korangi Industrial Area, Karachi   | 0.058                          |
| - Lg Building Gulshan-E-Iqbal-Plot No Sb-19, Block-13C, Main University Road, Kda Scheme No 24, Gulshan-E-Iqbal, Karachi.                           | 0.096                          |
| - Nawan Shaheer Multan-Nawan Sher, Lmq Road, Tehsil & District Multan   | 0.136                          |
| - Nazimabad No.7 Branch-Plot No 4, Row No 1, Block-3, Sub Block-B, Nazimabad, Karachi.  | 0.086                          |
| - Saddar Karachi Branch-Shop No 7/17, Bohri Bazar, Raja Ghazanfar Ali Khan Road, Saddar , Karachi.  | 0.037                          |
| - Site Branch -Shop No. 7, 8 & 9. Ground Floor, Anum Trade Centre, Plot No E-31/B, Ghani Chowrangi, Site, Karachi.                                  | 0.154                          |
| - 106 Kanal -02 Marla Land In Multan  | 13.287                         |
| - Commercial Plot No 600, Block-H/3, Muhammad Ali Johar Town Scheme Lahore. Measuring 420 Square Meters Against Wazir Textile Financing Settlement. | 0.104                          |
| - Jodia Bazar Branch, Karachi   | 0.091                          |
| - Ground Floor With Mezzanine Floor "Friends Paradise" Sub Plot No Sb- 36/1, In Plot No. Sb-36, Block-13-B (Gulshan-E-Iqbal Br. Khi)                | 0.099                          |
| - Basement, Ground, 1st, 2nd Floors, Survey Se 38 R/77, Circular Road, Karachi  | 0.084                          |
| - Ground Floor On Plot No B/9- B/1 Site, Karachi  | 0.069                          |
| - Shop No 1 & 2, Ground Floor, Preedy Street Saddar, Karachi  | 0.051                          |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|            |   | Total area of<br>land in Acres |             |
|------------|---|--------------------------------|-------------|
| -          | Business & Finance Centre, Showroom 6 & 7 Ground Floor With First Mezzanine Floor, Plot 7/3, Serai Quarters, I I Chundrigar Rd, Karachi |                                | 0.353       |
| -          | Capital Plaza, Floors 2, 3, 6 Plot Bearing Survey No. 7/1, Serai Quarters, Karachi  |                                | 0.312       |
| -          | 20 Open Plots- Plots 8 To 26, Phase 2E, DHA Islamabad   |                                | 2.066       |
| -          | 12-A Floor Executive Tower Dolmen City, Karachi   |                                | 0.134       |
|            |   | <b>2023</b>                    | <b>2022</b> |
|            |   | ----- (Rupees in '000) -----   | -----       |
| <b>7.2</b> | <b>Right-of-use assets</b>  |                                |             |
|            | <b>As at January 01</b>   | <b>2,557,493</b>               | 3,163,620   |
|            | Additions*  | <b>5,004,051</b>               | 849,632     |
|            | Depreciation expense  | <b>(1,439,897)</b>             | (1,122,663) |
|            | Deletion / adjustments  | <b>(193,931)</b>               | (333,096)   |
|            | <b>As at December 31</b>  | <b>5,927,716</b>               | 2,557,493   |
|            | * This includes adjustments made to the Right-of-use assets during the year due to acquisition of BIPL by the Group.                    |                                |             |
|            |   | <b>2023</b>                    | <b>2022</b> |
|            |   | ----- (Rupees in '000) -----   | -----       |
| <b>7.3</b> | <b>Capital work-in-progress</b>   |                                |             |
|            | <b>Advances to suppliers against:</b>   |                                |             |
|            | Civil works   | <b>2,047,992</b>               | 438,277     |
|            | Furniture and fixture   | <b>10,726</b>                  | 290         |
|            | Acquisition of software and equipment   | <b>162,148</b>                 | 685,750     |
|            |   | <b>2,220,866</b>               | 1,124,317   |
| <b>8.</b>  | <b>INTANGIBLE ASSETS</b>  |                                |             |
|            | Owned intangible asset  | <b>6,221,576</b>               | 1,604,281   |
|            | Capital work-in-progress  | <b>815,848</b>                 | 775,702     |
|            |   | <b>7,037,424</b>               | 2,379,983   |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 8.1 Owned intangible asset

| Note   | Cost                         |   |                               |            | Rate<br>per-annum<br>% | Accumulated<br>amortization / impairment |   |                               | Written<br>down value         |
|--|------------------------------|---|-------------------------------|------------|------------------------|--|---|-------------------------------|-------------------------------|
|  | As at<br>January 01,<br>2023 | Additions /<br>(disposals) /<br>Adjustment* | As at<br>December 31,<br>2023 |            |                        | As at<br>January 01,<br>2023             | For the year /<br>impairment /<br>adjustment* | As at<br>December 31,<br>2023 | As at<br>December 31,<br>2023 |
|  | (Rupees in '000)             |   |                               |            |                        | (Rupees in '000)                         |   |                               |                               |
| Software   | 2,544,991                    | 1,281,656                                   | 4,503,564                     | 10 - 33.33 | 945,710                | 283,846                                  | 1,290,272                                     | 3,213,292                     |                               |
| Goodwill   | -                            | 676,917                                     | 2,944,297                     | -          | -                      | 60,716                                   | -   | 2,944,297                     |                               |
| Non-compete fee  | 126,683                      | 2,944,297                                   | 126,683                       |            | 126,683                | -  | 126,683                                       | -                             |                               |
| Technical know how                                     | 150,000                      | -   | 150,000                       | 100        | 150,000                | -  | 150,000                                       | -                             |                               |
| Trading Right Entitlement Certificate (TREC)           | 2,528                        | -   | 2,528                         | -          | 28                     | -  | 28  | 2,500                         |                               |
| Membership Subscription                                | -                            | -   | 39,271                        |            | -                      | -  | 874   | 38,397                        |                               |
| Membership card - Pakistan Mercantile Exchange Limited | 3,500                        | 39,271                                      | 3,500                         | -          | 1,000                  | 874                                      | 1,000   | 2,500                         |                               |
| Core Deposits  | -                            | -   | 21,965                        | 6          | -                      | -  | 1,375   | 20,590                        |                               |
|  |                              | 21,965                                      |                               |            |                        | 1,375                                    |   |                               |                               |
|  | <u>2,827,702</u>             | <u>1,281,656</u>                            | <u>7,791,808</u>              |            | <u>1,223,421</u>       | <u>283,846</u>                           | <u>1,570,232</u>                              | <u>6,221,576</u>              |                               |
|  |                              | <u>3,682,450</u>                            |                               |            |                        | <u>62,965</u>                            |   |                               |                               |

\* This includes adjustments made to the Intangible assets during the year due to acquisition of BIPL by the Group.

| Note   | Cost                         |                            |                               |            | Rate<br>per-annum<br>% | Accumulated<br>amortization / impairment |                              |                               | Written<br>down value         |
|--|------------------------------|----------------------------|-------------------------------|------------|------------------------|--|------------------------------|-------------------------------|-------------------------------|
|  | As at<br>January 01,<br>2022 | Additions /<br>(disposals) | As at<br>December 31,<br>2022 |            |                        | As at<br>January 01,<br>2022             | For the year /<br>impairment | As at<br>December 31,<br>2022 | As at<br>December 31,<br>2022 |
|  | (Rupees in '000)             |                            |                               |            |                        | (Rupees in '000)                         |                              |                               |                               |
| Software   | 1,744,715                    | 800,276                    | 2,544,991                     | 10 - 33.33 | 773,321                | 172,389                                  | 945,710                      | 1,599,281                     |                               |
| 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)           | 2,528                        | -                          | 2,528                         | -          | 28                     | -  | 28                           | 2,500                         |                               |
| Membership card - Pakistan Mercantile Exchange Limited | 3,500                        | -                          | 3,500                         | -          | 1,000                  | -  | 1,000                        | 2,500                         |                               |
| Provisional license                                    | 2,000                        | -                          | 2,000                         | 33.33      | 2,000                  | -  | 2,000                        | -                             |                               |
|  | <u>2,029,426</u>             | <u>800,276</u>             | <u>2,829,702</u>              |            | <u>1,053,032</u>       | <u>172,389</u>                           | <u>1,225,421</u>             | <u>1,604,281</u>              |                               |
|  |                              | -                          |                               |            |                        | -  |                              |                               |                               |

**8.1.1** This is goodwill recognised upon acquisition of defunct KASB Bank Limited Undertakings by BIPL based on fair values of assets and liabilities. BIPL carried out Goodwill impairment testing as at December 31, 2023.

#### Key assumptions used in 'value-in-use' calculation

The recoverable amount of Goodwill has been determined based on value in use calculation, using cash flow projections based on financial projections approved by the management of the BIPL covering a five year period. The discount rates applied to cash flows beyond five years are extrapolated using a terminal growth rate. The following rates are used by the BIPL:



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|                      |                             |
|----------------------|-----------------------------|
| Discount rate        | %                           |
| Terminal growth rate | <b>20.66</b><br><b>5.00</b> |

The calculation of value in use is most sensitive to following assumptions:

### a) Profit margins

Profit margins are based on prevailing industry trends and anticipated market conditions.

### b) Discount rates

Discount rates reflect management estimates of the rate of return required for each business and are calculated after taking into account the prevailing risk free rate, industry risk and business risk. Discount rates are calculated by using cost of equity of the BIPL.

### c) Key business assumptions

The assumptions are important as they represent management assessment of how the BIPL's financial position might change over the projected period. Based on the expansion plans, management expects aggressive growth in financing, investments and deposits during the projected periods and thereafter stabilization in line with industry trends.

Management of BIPL believes that any significant change in key assumptions, on which Goodwill's recoverable amount is based, may impact the carrying amount to further exceed its recoverable amount. Value in use calculation of Goodwill are sensitive to changes in assumptions for profit rate spreads, Non-Funded Income (NFI), long term growth rates and discount rates.

### d) Sensitivity to changes in assumption

The estimated recoverable amount of Goodwill exceeds its carrying amount by approximately Rs. 8,490.196 million. Management of BIPL has identified two key assumptions for which there could be a reasonably possible change that could cause the carrying amount to exceed the recoverable amount. The following table shows the amount that these two assumptions are required to change individually in order for the estimated recoverable amount to be equal to the carrying amount.

#### Changes required individually for the carrying amount to equal recoverable amount

|                      |                               |
|----------------------|-------------------------------|
| Discount rate        | %                             |
| Terminal growth rate | <b>5.18</b><br><b>(11.79)</b> |

**8.1.2** This represents TREC received from PSX in accordance with the requirements of the Stock Exchanges (Corporatisation, Demutualization and Integration) Act, 2012. JSGCL has also received shares of PSX after completion of the demutualization process.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 9. INVESTMENT PROPERTIES

| Note                        | Cost                |                            |                      |        | Rate | Accumulated depreciation |       | Written down value |       |
|-----------------------------|---------------------|----------------------------|----------------------|--------|------|--------------------------|-------|--------------------|-------|
|                             | As at               | Additions /<br>(disposals) | As at                | %      |      | As at                    | As at | As at              | As at |
|                             | January 01,<br>2023 |                            | December 31,<br>2023 |        |      | January 01,<br>2023      |       |                    |       |
|                             | (Rupees in '000)    |                            |                      |        |      | (Rupees in '000)         |       |                    |       |
| Office premises - leasehold | 9.1                 | 14,999                     | -                    | 14,999 | 5    | 13,819                   | 120   | 13,939             | 1,060 |

| Note                        | Cost                |                            |                      |        | Rate | Accumulated depreciation |       | Written down value |       |
|-----------------------------|---------------------|----------------------------|----------------------|--------|------|--------------------------|-------|--------------------|-------|
|                             | As at               | Additions /<br>(disposals) | As at                | %      |      | As at                    | As at | As at              | As at |
|                             | January 01,<br>2022 |                            | December 31,<br>2022 |        |      | January 01,<br>2022      |       |                    |       |
|                             | (Rupees in '000)    |                            |                      |        |      | (Rupees in '000)         |       |                    |       |
| Office premises - leasehold | 9.1                 | 14,999                     | -                    | 14,999 | 5    | 13,699                   | 120   | 13,819             | 1,180 |

**9.1** The fair value of the investment property aggregating to Rs.145.71 million was arrived at on the basis of the valuation carried out by KG Traders (Pvt.) Limited, an independent valuer on January 05, 2024, but was not incorporated in the books of accounts as the Holding 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** Rental income recognised by the Holding Company during the year is Rs. 3.22 (2022: 2.93) million and is included in 'other income' (see Note 39). Maintenance and insurance expenses incurred during the year related to the investment property are included in 'administrative and other expenses' (see note 40), as follows:

|                            | 2023             | 2022       |
|----------------------------|------------------|------------|
|                            | (Rupees in '000) |            |
| Income-generating property | 12               | 13         |
| Vacant property            | 1,068            | 783        |
|                            | <u>1,080</u>     | <u>796</u> |

**9.3** 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                |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 10. LONG TERM INVESTMENTS                         | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>-----       |
|---|------|--------------------------------------|---------------------|
| <b>Related parties</b>                            |      |                                      |                     |
| Investment in joint venture                       | 10.1 | -                                    | -                   |
| Investment in associates                          | 10.2 | 182,609                              | 3,598,224           |
| Other related parties - at fair value through OCI | 10.3 | 8,397,480                            | 9,040,047           |
|   |      | <u>8,580,089</u>                     | <u>12,638,271</u>   |
| <b>Other investments</b>                          | 10.4 | 490,595,774                          | 91,605,425          |
|   |      | <u>499,175,863</u>                   | <u>104,243,696</u>  |
| <b>10.1 Investment in joint venture</b>           |      |                                      |                     |
| Gujranwala Energy Limited (GEL) - 50% holding     |      | 69,997,792                           | 69,997,792          |
| Provision for impairment                          |      | <u>(69,997,792)</u>                  | <u>(69,997,792)</u> |
|   |      | <u>-</u>                             | <u>-</u>            |

**10.1.1** EIHPL, a subsidiary company, has discontinued recognizing its share of further loss as it exceeds its interest in the joint venture.

| 10.2 Investment in associates                     | Note   | 2023<br>----- (Rupees in '000) ----- | 2022<br>-----    |
|---|--------|--------------------------------------|------------------|
| Carrying value / cost of investment               |        | 3,598,224                            | 2,716,530        |
| Dividend income                                   |        | (322,001)                            | -                |
| Gain on remeasurement of associate                |        | 1,380,441                            | -                |
| Share of profit from associates                   |        | 2,092,290                            | 930,887          |
| Share of other comprehensive loss from associates |        | (274,101)                            | (49,193)         |
| Disposal made during the period                   |        | <u>(6,292,244)</u>                   | <u>-</u>         |
|   | 10.2.2 | <u>182,609</u>                       | <u>3,598,224</u> |

**10.2.1** The investments are classified as associate on account of the significant influence over the investee companies.

**10.2.2** Initially, the Holding Company directly and through JSBL indirectly held 27.10% effective shareholding in BIPL. This investment was accounted for as investment in associate under equity method the financial statements.

On November 15, 2022, JSBL announced its Public Announcement of Intention to Acquire controlling interest in BIPL. Subsequent to the corporate and regulatory approvals, the Holding Company signed a Share Purchase Agreement (SPA) with JSBL to dispose of its entire shareholding in BIPL against fresh common equity of JSBL, to be issued other than right and other than cash in the swap ratio i.e., 1.1318 Ordinary shares of JSBL issued as consideration for every 1 Ordinary share of BIPL.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

Further, SBP through its letter dated August 04, 2023, granted its due approval to the Holding Company for sale/transfer of its shareholding in BIPL to JSBL against issuance of JSBL's fresh equity, as aforementioned.

Accordingly, on August 18, 2023, the Holding Company disposed off its entire shareholding of 235,684,306 ordinary shares of BIPL in exchange of 266,747,498 fresh ordinary shares of JSBL.

### 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              | Note   | Holding            |       | 2023<br>%<br>--- | 2022<br>%<br>--- | 2023<br>(Rupees in '000)--- | 2022<br>(Rupees in '000)--- |
|------------------|------------|--------------------------------|--------|--------------------|-------|------------------|------------------|-----------------------------|-----------------------------|
| 2023             | 2022       |                                |        | 2023               | 2022  |                  |                  |                             |                             |
| <b>Quoted</b>    |            |                                |        |                    |       |                  |                  |                             |                             |
| 52,977,771       | 52,977,771 | EFU General Insurance Limited  | 10.3.1 | General Insurance  | 26.49 | 26.49            | 4,503,111        | 4,900,444                   |                             |
| 20,047,708       | 20,047,708 | EFU Life Assurance Limited     | 10.3.1 | Life Insurance     | 20.05 | 20.05            | 3,870,009        | 4,116,195                   |                             |
| <b>Un-Quoted</b> |            |                                |        |                    |       |                  |                  |                             |                             |
| 750,000          | 750,000    | EFU Services (Private) Limited |        | Investment Company | 16.67 | 16.67            | 24,360           | 23,408                      |                             |
|                  |            |                                |        |                    |       |                  | <u>8,397,480</u> | <u>9,040,047</u>            |                             |

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

**10.3.2** Included herein are equity securities having average cost of Rs. Nil (2022: Rs. 817.83) million and having market value of Rs. Nil (2022: Rs. 1,884.87) million pledged with trustee of Term Finance Certificates issued by the Holding Company and with a Bank against Term Loans obtained by the Holding Company.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 10.4 Other investments

#### At fair value through OCI

Equity securities

| Number of shares                                    |             |  | 2023                         | 2022      |
|---|-------------|--|------------------------------|-----------|
| 2023  | 2022        |  | ----- (Rupees in '000) ----- |           |
| <b>Quoted</b>                                       |             |  |                              |           |
| 121,158,363   | 121,158,363 | Azgard Nine Limited                                | 989,864                      | 878,398   |
| 2,202,953   | 2,202,953   | Pakistan Stock Exchange Limited                    | 23,061                       | 23,061    |
| 2,344,950   | 2,344,450   | Sitara Chemical Industries Limited                 | 586,261                      | 486,872   |
| 3,601,800   | 3,601,800   | Hum Network Limited (Ordinary Shares of Re.1 each) | 24,672                       | 21,035    |
| <b>Un-Quoted</b>                                    |             |  |                              |           |
| 2,399,454   | 2,399,454   | Security General Insurance Company Limited         | 480,179                      | 545,996   |
|   |             |  | 2,104,037                    | 1,955,362 |
| <b>Debt securities</b>                              |             |  |                              |           |
| Term Finance / Sukuk Certificates                   |             |  | 350,181                      | 465,526   |
| Less: Current maturity of term finance certificates |             |  | -                            | (5,167)   |
|   |             |  | 350,181                      | 460,359   |

#### At fair value through Profit or loss

Equity securities

| Number of shares           |           |  | 2023                         | 2022   |
|----------------------------|-----------|--|------------------------------|--------|
| 2023                       | 2022      |  | ----- (Rupees in '000) ----- |        |
| <b>Un-Quoted</b>           |           |  |                              |        |
| 26,500                     | 26,500    | Mutual Fund Association of Pakistan  | 265                          | 265    |
| <b>Available for sale</b>  |           |  | 265                          | 265    |
| <b>Equity securities</b>   |           |  |                              |        |
| Number of shares / units   |           |  |                              |        |
| 2023                       | 2022      |  |                              |        |
| <b>Un-Quoted - at cost</b> |           |  |                              |        |
| 1,213,841                  | 1,213,841 | ISE Tower REIT Management Limited (formerly Islamabad Stock Exchange Ltd.) | 11,000                       | 11,000 |
| 12                         |           | 6 Society for Worldwide Interbank Financial Telecommunication (SWIFT)      | 13,226                       | 4,954  |
|                            |           |  | 24,226                       | 15,954 |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### Debt securities

Privately placed term finance certificates (PPTFC)  
unquoted (at cost)

|                                   | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|-----------------------------------|--------------------------------------|--------------------------------------|
| <b>Agritech Limited</b>           |                                      |                                      |
| PPTFC - 3rd Issue                 | 83,802                               | 86,621                               |
| PPTFC - 5th Issue                 | 475,151                              | 491,124                              |
|                                   | <b>558,953</b>                       | 577,745                              |
| Provision for impairment          | <b>(558,953)</b>                     | (577,745)                            |
|                                   | -                                    | -                                    |
| Term Finance / Sukuk Certificates |                                      |                                      |
| - quoted                          | 265,113,419                          | 450,075                              |
| - unquoted - stated at cost       | 36,295,551                           | 1,170,773                            |
| US Dollar Bonds                   | 373,953                              | -                                    |
| Government securities             | 114,177,483                          | 43,729,996                           |
|                                   | <b>415,960,406</b>                   | 45,350,844                           |
| <b>Held to maturity</b>           |                                      |                                      |
| Government securities             | 72,156,659                           | 43,822,641                           |
|                                   | <b>490,595,774</b>                   | 91,605,425                           |

10.4.1

**10.4.1** The Holding Company has disposed of various investments carried at fair value through OCI having fair value amounting to Rs. 5,825.59 (2022: Rs. 2,685.24) million and has recorded net realized (loss) / gain on these investments amounting to Rs. (365.87) (2022: Rs. 1,403.24) million in the financial statements.

### 10.4.2 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 and Sub-Subsidiaries

|                                    | Note     | Ownership interests held by non controlling interests |        |
|------------------------------------|----------|---|--------|
|                                    |          | 2023  | 2022   |
| JS Bank Limited (JSBL)             | 1.2.1.1  | <b>28.79%</b>   | 24.98% |
| BankIslami Pakistan Limited (BIPL) | 1.2.1.2  | <b>46.51%</b>   | N/A    |
| JS Global Capital Limited (JSGCL)  | 1.2.1.4  | <b>33.85%</b>   | 30.31% |
| JS Investments Limited (JSIL)      | 1.2.1.3  | <b>39.78%</b>   | 36.57% |
| JS Petroleum Limited (JSPL)        | 1.2.1.10 | <b>49.00%</b>   | 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:

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|   | JSBL               |                    | BIPL               |          | JSGCL            |                  | JSIL             |                  | JSPL           |                |
|---|--------------------|--------------------|--------------------|----------|------------------|------------------|------------------|------------------|----------------|----------------|
|   | 2023               | 2022               | 2023               | 2022     | 2023             | 2022             | 2023             | 2022             | 2023           | 2022           |
|   | (Rupees in '000)   |                    |                    |          |                  |                  |                  |                  |                |                |
| Total income                                      | 103,872,809        | 77,347,237         | 40,903,784         | -        | 1,288,599        | 978,441          | 665,261          | 242,224          | 799            | 556            |
| Profit / (loss) after tax                         | 3,986,849          | 1,056,741          | 3,633,967          | -        | 188,634          | 77,458           | 303,293          | (155,782)        | (35,147)       | (14,257)       |
| Profit attributable to NCI                        | 1,147,814          | 263,974            | 1,690,051          | -        | 63,392           | 23,072           | 120,665          | (56,969)         | (17,222)       | (6,986)        |
| Other comprehensive (loss)                        | 1,090,637          | (126,677)          | 3,018,574          | -        | 3,879            | (2,053)          | -                | -                | -              | -              |
| Total comprehensive (loss) / income               | 5,077,486          | 930,064            | 6,652,541          | -        | 192,513          | 75,405           | 303,293          | (155,782)        | (35,147)       | (14,257)       |
| Comprehensive (loss) / income attributable to NCI | 1,461,808          | 232,330            | 3,093,901          | -        | 64,705           | 19,447           | 120,665          | 56,969           | (17,222)       | (6,986)        |
| Current assets                                    | 302,226,455        | 439,813,182        | 236,338,603        | -        | 5,196,657        | 4,251,692        | 1,169,508        | 880,410          | 15,923         | 18,768         |
| Non-current assets                                | 284,978,791        | 175,409,334        | 416,211,540        | -        | 957,480          | 993,748          | 425,594          | 370,984          | 498,054        | 503,268        |
| <b>Total Assets</b>                               | <b>587,205,246</b> | <b>615,222,516</b> | <b>652,550,143</b> | <b>-</b> | <b>6,154,137</b> | <b>5,245,440</b> | <b>1,595,102</b> | <b>1,251,394</b> | <b>513,977</b> | <b>522,036</b> |
| Current liabilities                               | 521,619,513        | 324,312,520        | 328,637,746        | -        | 3,787,498        | 2,777,893        | 299,715          | 202,651          | 28,212         | 1,123          |
| Non-current liabilities                           | 27,012,600         | 270,469,761        | 287,344,233        | -        | (85,073)         | 207,011          | 157,085          | 213,735          | -              | -              |
| <b>Total Liabilities</b>                          | <b>548,632,113</b> | <b>594,782,281</b> | <b>615,981,979</b> | <b>-</b> | <b>3,702,425</b> | <b>2,984,904</b> | <b>456,800</b>   | <b>416,386</b>   | <b>28,212</b>  | <b>1,123</b>   |
| <b>Net Assets</b>                                 | <b>38,573,133</b>  | <b>20,440,235</b>  | <b>36,568,164</b>  | <b>-</b> | <b>2,451,712</b> | <b>2,260,536</b> | <b>1,138,302</b> | <b>835,008</b>   | <b>485,765</b> | <b>520,913</b> |
| <b>Net Assets attributable to NCI</b>             | <b>8,126,073</b>   | <b>5,055,141</b>   | <b>17,372,863</b>  | <b>-</b> | <b>746,913</b>   | <b>685,335</b>   | <b>422,271</b>   | <b>305,363</b>   | <b>238,025</b> | <b>255,247</b> |
| Cash flow from operating activities               | (10,617,675)       | 69,948,143         | 141,688,927        | -        | 191,300          | 267,179          | (5,982)          | (194,004)        | (3,070)        | (11,944)       |
| Cash flow from investing activities               | 27,260,567         | (78,495,947)       | (138,199,204)      | -        | 2,000            | 869,585          | 141,620          | 238,893          | 38             | 246            |
| Cash flow from financing activities               | 2,156,548          | (1,324,520)        | (2,847,335)        | -        | (421,020)        | (1,058,708)      | (79,948)         | (58,745)         | -              | 13,500         |
| <b>Net increase in cash and cash equivalents</b>  | <b>18,799,440</b>  | <b>(9,872,324)</b> | <b>642,388</b>     | <b>-</b> | <b>(227,720)</b> | <b>78,056</b>    | <b>55,690</b>    | <b>(13,856)</b>  | <b>(3,032)</b> | <b>1,802</b>   |
| Dividends paid to NCI during the year             | -                  | -                  | (482,729)          | -        | -                | -                | -                | -                | -              | -              |

### 11. LONG TERM LOANS, ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Note

2023  
----- (Rupees in '000) -----  
2022

#### Long-term loans - considered good Secured Due from:

|  |               |             |             |
|--|---------------|-------------|-------------|
| Executives   | 11.1          | 6,818,505   | 3,147,999   |
| Employees  |               | 3,738,115   | 2,490,261   |
|  |               | 10,556,620  | 5,638,260   |
| Loans advanced by JSBL / BIPL  | 11.2          | 144,997,040 | 62,838,044  |
| Net investment in finance lease by JSBL / BIPL                       | 11.3 & 11.3.1 | 5,404,086   | 7,132,841   |
| Long term prepayments  |               | 5,080       | 1,377       |
| Long-term advances - considered good, unsecured                      |               | 1,029,755   | -           |
| Advances - unsecured & considered good<br>against purchase of office |               | 2,500       | 2,500       |
|  |               | 161,995,082 | 75,613,022  |
| <b>Current maturity of long term loans and receivables</b>           |               | (2,573,434) | (3,465,167) |
|  | 11.4          | 159,421,648 | 72,147,855  |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|--------------------------------------|--------------------------------------|
| <b>11.1 Reconciliation of the carrying amount of loans to executives</b> |                                      |                                      |
| Balance at January 01  | 3,147,999                            | 3,682,760                            |
| Disbursement   | 5,472,361                            | 273,270                              |
| Repayments   | (1,801,855)                          | (808,031)                            |
| Balance at December 31   | <u>6,818,505</u>                     | <u>3,147,999</u>                     |

**11.2** These carry mark-up ranging from 1.50% to 48% (2022: 1.50% to 40%) per annum. These also include secured lendings to various financial institutions having maturity date till June 22, 2024.

### 11.3 Particulars of net investment in finance lease

|   | 2023                       |   |                    | Total            |
|---|----------------------------|---|--------------------|------------------|
|   | Not later than<br>one year | Later than one<br>and less than<br>five years | Over five<br>years |                  |
|   | ----- Rupees in '000 ----- |   |                    |                  |
| Lease rentals receivable                | 2,199,360                  | 1,935,201                                     | 17,321             | 4,151,882        |
| Guaranteed residual value               | 576,844                    | 993,678                                       | 17,305             | 1,587,827        |
| Minimum lease payments                  | 2,776,204                  | 2,928,879                                     | 34,626             | 5,739,709        |
| Finance charges for future periods      | (491,904)                  | (487,044)                                     | (3,926)            | (982,874)        |
| Present value of minimum lease payments | <u>2,284,300</u>           | <u>2,441,835</u>                              | <u>30,700</u>      | <u>4,756,835</u> |
|   | 2022                       |   |                    | Total            |
|   | Not later than<br>one year | Later than one<br>and less than<br>five years | Over five<br>years |                  |
|   | ----- Rupees in '000 ----- |   |                    |                  |
| Lease rentals receivable                | 3,045,170                  | 2,774,814                                     | 39,047             | 5,859,031        |
| Guaranteed residual value               | 1,001,802                  | 1,401,925                                     | 18,504             | 2,422,231        |
| Minimum lease payments                  | 4,046,972                  | 4,176,739                                     | 57,551             | 8,281,262        |
| Finance charges for future periods      | (591,410)                  | (552,753)                                     | (4,258)            | (1,148,421)      |
| Present value of minimum lease payments | <u>3,455,562</u>           | <u>3,623,986</u>                              | <u>53,293</u>      | <u>7,132,841</u> |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 11.3.1 Net investment in Ijarah financing in Pakistan and finance lease

|  | 2023                       |   |                 | Total    |
|--|----------------------------|---|-----------------|----------|
|  | Not later than one year    | Later than one and less than five years | Over five years |          |
|  | ----- Rupees in '000 ----- |   |                 |          |
| Ijarah rentals receivable                | 618,169                    | -                                       | -               | 618,169  |
| Residual value                           | 73,328                     | -                                       | -               | 73,328   |
| Minimum Ijarah payments                  | 691,497                    | -                                       | -               | 691,497  |
| Profit for future periods                | (44,246)                   | -                                       | -               | (44,246) |
| Present value of minimum Ijarah payments | 647,251                    | -                                       | -               | 647,251  |

### 11.4 This includes following various loans due from respective related parties:

| Name of Related Party        | Nature of Relationship   | Maturity date     | Interest rate    | Purpose of loan            | Particulars of security held       | Maximum amount due at end of any month | 2023                         | 2022   |
|------------------------------|--------------------------|-------------------|------------------|----------------------------|------------------------------------|--|------------------------------|--------|
|                              |                          |                   |                  |                            |                                    |  | ----- (Rupees in '000) ----- |        |
| Mr. Kashan Zafar             | Key management personnel | August 25, 2036   | 5.00%            | House Loan                 | Mortgage over Residential Property | 19,214                                 | 18,138                       | 19,214 |
| Mr. Kashan Zafar             | Key management personnel | November 25, 2028 | 5.00%            | Vehicle Loan               | HPA & Lease                        | 4,914                                  | 4,914                        | -      |
| Mr. Kashan Zafar             | Key management personnel | November 25, 2026 | 5.00%            | Staff Loan                 | HPA & Lease                        | 1,472                                  | 1,123                        | 1,472  |
| Mr. Basir Shamsie            | Key management personnel | January 1, 2025   | Fixed            | JS Ghar Apna - Solar Panel | Other machinery & equipments       | 619                                    | 322                          | 619    |
| Mr. Basir Shamsie            | Key management personnel | March 25, 2030    | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 6,940                                  | 5,437                        | 6,940  |
| Brandverse (Private) Limited | Other related parties    | January 28, 2025  | Fixed            | Lease                      | HPA Over Lease Asset               | 2,224                                  | 2,224                        | -      |
| Mr. Imran Haleem Shaikh      | Key management personnel | August 25, 2037   | 4.00%            | House Loan                 | Secured Against Mortgages          | 39,807                                 | 37,774                       | 39,807 |
| Mr. Imran Haleem Shaikh      | Key management personnel | August 25, 2041   | AS per HR policy | House Loan                 | Secured Against Mortgages          | 2,959                                  | 2,959                        | -      |
| Mr. Imran Haleem Shaikh      | Key management personnel | May 25, 2027      | AS per HR policy | Personal Loan              | Other Secured Advances             | 5,797                                  | 5,797                        | 4,196  |
| Mr. Soofi Saifullah Akber    | Key management personnel | November 25, 2039 | 4.00%            | House Loan                 | Secured Against Mortgages          | -                                      | -                            | 9,498  |
| Mr. Soofi Saifullah Akber    | Key management personnel | August 25, 2026   | AS per HR policy | Personal Loan              | Other Secured Advances             | -                                      | -                            | 2,124  |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Name of Related Party       | Nature of Relationship   | Maturity date      | Interest rate    | Purpose of loan            | Particulars of security held       | Maximum amount due at end of any month | 2023   | 2022   |
|-----------------------------|--------------------------|--------------------|------------------|----------------------------|------------------------------------|--|--------|--------|
|                             |                          |                    |                  |                            |                                    | ----- (Rupees in '000) -----           |        |        |
| Mr. Soofi Saifullah Akber   | Key management personnel | October 25, 2024   | AS per HR policy | Vehicle Loan               | HPA & Lease                        | -                                      | -      | 2,134  |
| Mr. Soofi Saifullah Akber   | Key management personnel | October 25, 2024   | AS per HR policy | Js Ghar Apna - Solar Panel | HPA & Lease                        | -                                      | -      | 860    |
| Mr. Hasan Shahid            | Key management personnel | August 25, 2039    | AS per HR policy | House Loan                 | Mortgage over Residential Property | 22,665                                 | 21,691 | 22,665 |
| Mr. Hasan Shahid            | Key management personnel | August 25, 2027    | AS per HR policy | Personal Loan              | Other Secured Advances             | 2,759                                  | 2,759  | -      |
| Mr. Hasan Shahid            | Key management personnel | November 25, 2024  | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 3,303                                  | -      | 3,303  |
| Mr. Ahmed Ali Usuf          | Key management personnel | September 25, 2026 | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 6,243                                  | -      | 6,243  |
| Mr. Ahmed Ali Usuf          | Key management personnel | August 25, 2026    | AS per HR policy | Personal Loan              | Other Secured Advances             | 2,396                                  | -      | 2,396  |
| Mr. Noman Azhar             | Key management personnel | April 25, 2027     | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 8,816                                  | 6,948  | 8,816  |
| Mr. Noman Azhar             | Key management personnel | September 25, 2043 | AS per HR policy | House Loan                 | Mortgage over Residential Property | 29,666                                 | 28,732 | 29,666 |
| Mr. Noman Azhar             | Key management personnel | July 25, 2026      | AS per HR policy | Personal Loan              | Other Secured Advances             | 3,166                                  | 2,339  | 3,166  |
| Mr. Noman Azhar             | Key management personnel | May 25, 2026       | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 6,726                                  | 4,875  | 6,726  |
| Mr. Noman Azhar             | Key management personnel | August 1, 2026     | AS per HR policy | Js Ghar Apna - Solar Panel | Other machinery & equipments       | 953                                    | 693    | 953    |
| Mr. Shehryar Sheikh         | Key management personnel | October 25, 2026   | AS per HR policy | Personal Loan              | Other Secured Advances             | 3,410                                  | 3,410  | 3,237  |
| Mr. Shahid Raza             | Key management personnel | February 25, 2025  | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 1,018                                  | -      | 1,018  |
| Mr. Shahid Raza             | Key management personnel | September 25, 2028 | AS per HR policy | Housing Loan               | Mortgage over Residential Property | 1,859                                  | 1,565  | 1,859  |
| Mr. Shahid Raza             | Key management personnel | July 25, 2028      | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 4,625                                  | 4,625  | -      |
| Mr. Shahid Raza             | Key management personnel | December 25, 2024  | AS per HR policy | Personal Loan              | HPA & Lease                        | 788                                    | -      | 788    |
| Mr. Mirza M Sadeed H Barlas | Key management personnel | March 25, 2026     | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 2,901                                  | 2,058  | 2,901  |
| Mr. Mirza M Sadeed H Barlas | Key management personnel | March 25, 2026     | AS per HR policy | Vehicle Loan               | HPA & Lease                        | 5,696                                  | 4,041  | 5,696  |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Name of Related Party            | Nature of Relationship   | Maturity date      | Interest rate    | Purpose of loan      | Particulars of security held       | Maximum amount due at end of any month | 2023                         | 2022    |
|----------------------------------|--------------------------|--------------------|------------------|----------------------|------------------------------------|--|------------------------------|---------|
|                                  |                          |                    |                  |                      |                                    |  | ----- (Rupees in '000) ----- |         |
| Mr. Hasan Saeed Akbar            | Key Management Personnel | October 25, 2026   | As per HR Policy | Staff Loan           | Other Secured Advances             | 2,093                                  | 1,585                        | 2,093   |
| Mr. Hasan Saeed Akbar            | Key Management Personnel | October 25, 2027   | As per HR Policy | Staff Loan           | Other Secured Advances             | 16,790                                 | 16,442                       | 16,790  |
| Mr. Hasan Saeed Akbar            | Key Management Personnel | November 25, 2028  | As per HR Policy | Vehicle Loan         | HPA & Lease                        | 8,143                                  | 8,143                        | -       |
| Mr. Hasan Saeed Akbar            | Key Management Personnel | March 25, 2026     | As per HR Policy | Vehicle Loan         | HPA & Lease                        | 2,172                                  | -                            | 2,172   |
| Mr. Atif Salim Malik             | Key Management Personnel | June 25, 2026      | As per HR Policy | Vehicle Loan         | HPA & Lease                        | 2,933                                  | 2,147                        | 2,933   |
| Mr. Atif Salim Malik             | Key Management Personnel | October 25, 2026   | As per HR Policy | Personal Loan        | Other Secured Advances             | 3,843                                  | 2,911                        | 3,843   |
| Mr. Atif Salim Malik             | Key Management Personnel | June 25, 2028      | As per HR Policy | Vehicle Loan         | HPA & Lease                        | 10,136                                 | 10,136                       | 1,033   |
| Mr. Asad Nasir                   | Key Management Personnel | January 25, 2040   | As per HR Policy | Housing Loan         | Mortgage over Residential Property | 15,728                                 | 15,550                       | 15,728  |
| Mr. Asad Nasir                   | Key management personnel | September 10, 2027 | As per HR Policy | Personal Loan        | HPA & Lease                        | 1,754                                  | 1,754                        | -       |
| Veda Transit Solutions (Pvt) Ltd | Associates               | August 10, 2026    | Fixed            | Syndicated Term Loan | Exclusive Charge Over Assets       | 232,166                                | 185,732                      | 232,166 |
| Mr. Agha Rafiq Ahmed Khan        | Other related parties    | June 5, 2025       | As per HR Policy | Auto Loans           | HPA & Lease                        | 2,142                                  | -                            | 2,142   |
| Mr. Agha Rafiq Ahmed Khan        | Other related parties    | February 1, 2026   | As per HR Policy | Apna Ghar Solar      | Other machinery & equipments       | 1,865                                  | 1,276                        | 1,865   |
| Mr. Agha Rafiq Ahmed Khan        | Other related parties    | June 30, 2027      | As per HR Policy | Agri Lease           | Other machinery & equipments       | 2,997                                  | 2,683                        | 2,997   |
| Mr. Amin Muhammad Virani         | Key Management Personnel | September 25, 2026 | As per HR Policy | Staff Loan           | Other Secured Advances             | 4,356                                  | 3,273                        | 4,356   |
| Mr. Asim Qamar Siddiqui          | Key Management Personnel | December 25, 2030  | As per HR Policy | Staff Housing Loan   | Mortgage over Residential Property | 40,838                                 | 36,099                       | 40,838  |
| Mr. Noman Mubashir               | Key Management Personnel | March 25, 2040     | As per HR Policy | Staff Loan           | Other Secured Advances             | 30,804                                 | 29,541                       | 30,804  |
| Mr. Noman Mubashir               | Key Management Personnel | October 25, 2024   | As per HR Policy | Staff Loan           | Other Secured Advances             | 2,371                                  | -                            | 2,371   |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Name of Related Party | Nature of Relationship   | Maturity date      | Interest rate    | Purpose of loan          | Particulars of security held       | Maximum amount due at end of any month | 2023   | 2022   |
|-----------------------|--------------------------|--------------------|------------------|--------------------------|------------------------------------|--|--------|--------|
|                       |                          |                    |                  |                          |                                    | ----- (Rupees in '000) -----           |        |        |
| Mr. Noman Mubashir    | Key Management Personnel | August 25, 2026    | As per HR Policy | Staff Loan               | Other Secured Advances             | 2,310                                  | 1,721  | 2,310  |
| Syed Jafar Raza Rizvi | Key Management Personnel | November 25, 2037  | As per HR Policy | Staff Housing Loan       | Mortgage over Residential Property | 35,141                                 | 33,519 | 35,141 |
| Syed Jafar Raza Rizvi | Key Management Personnel | April 10, 2028     | As per HR Policy | Apna Ghar Solar          | HPA & LEASE                        | 1,886                                  | 1,886  | -      |
| Syed Jafar Raza Rizvi | Key Management Personnel | August 25, 2027    | As per HR Policy | STAFF PERSONAL LOAN      | Other Secured Advances             | 4,978                                  | 4,978  | -      |
| Syed Jafar Raza Rizvi | Key Management Personnel | May 25, 2028       | As per HR Policy | STAFF VEHICLE LOAN (CAR) | HPA & LEASE                        | 5,179                                  | 5,179  | -      |
| Syed Jafar Raza Rizvi | Key Management Personnel | July 25, 2026      | As per HR Policy | Staff Personal Loan      | Other Secured Advances             | 3,165                                  | -      | 3,165  |
| Syed Jafar Raza Rizvi | Key Management Personnel | July 25, 2026      | As per HR Policy | Staff Vehicle Loan (Car) | HPA & LEASE                        | 7,867                                  | 6,301  | 7,867  |
| Syed Mohammad Mujeeb  | Key Management Personnel | April 25, 2026     | As per HR Policy | STAFF VEHICLE LOAN (CAR) | HPA & LEASE                        | 5,531                                  | 5,531  | -      |
| Syed Mohammad Mujeeb  | Key Management Personnel | February 25, 2026  | As per HR Policy | Staff Loan               | Other Secured Advances             | 20,082                                 | 14,074 | 20,082 |
| Mr. Waqas Anis        | Key Management Personnel | May 25, 2026       | As per HR Policy | Staff Personal Loan      | Other Secured Advances             | 3,027                                  | -      | 3,027  |
| Mr. Waqas Anis        | Key Management Personnel | October 25, 2027   | As per HR Policy | Staff Personal Loan      | Other Secured Advances             | 4,720                                  | 4,720  | -      |
| Mr. Waqas Anis        | Key Management Personnel | August 25, 2026    | As per HR Policy | Staff Vehicle Loan (Car) | HPA & LEASE                        | 3,253                                  | 2,425  | 3,253  |
| Mr. Yameen Ghani      | Key Management Personnel | December 25, 2031  | As per HR Policy | Staff Housing Loan       | Mortgage over Residential Property | 27,984                                 | 25,350 | 27,984 |
| Mr. Yameen Ghani      | Key Management Personnel | July 25, 2027      | As per HR Policy | STAFF PERSONAL LOAN      | Other Secured Advances             | 2,987                                  | 2,987  | -      |
| Mr. Yameen Ghani      | Key Management Personnel | May 25, 2027       | As per HR Policy | Staff Vehicle Loan (Car) | HPA & Lease                        | 5,368                                  | 4,255  | 5,368  |
| Mr. Yameen Ghani      | Key Management Personnel | March 25, 2028     | As per HR Policy | Home Loans - Home Buyer  | Mortgage over Residential Property | 4,106                                  | 3,511  | 4,106  |
| Mr. Mohammad Yaqoob   | Key Management Personnel | July 25, 2025      | As per HR Policy | Js Elite Loan            | Other Secured Advances             | 130                                    | 130    | -      |
| Mr. Mohammad Yaqoob   | Key Management Personnel | September 25, 2027 | As per HR Policy | Personal Loan            | Other Secured Advances             | 2,601                                  | 2,601  | -      |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Name of Related Party          | Nature of Relationship   | Maturity date                        | Interest rate    | Purpose of loan                 | Particulars of security held                          | Maximum amount due at end of any month | 2023   | 2022   |
|--------------------------------|--------------------------|--------------------------------------|------------------|---------------------------------|---|--|--------|--------|
|                                |                          |                                      |                  |                                 |   | (Rupees in '000)                       |        |        |
| Mr. Mohammad Yaqoob            | Key Management Personnel | April 25, 2028                       | As per HR Policy | Housing Loan                    | Mortgage over Residential Property                    | 4,987                                  | 4,987  | -      |
| Mr. Mohammad Yaqoob            | Key Management Personnel | March 25, 2028                       | As per HR Policy | Housing Loan                    | Mortgage over Residential Property                    | 5,536                                  | 5,536  | -      |
| Syed Ali Hasham                | Key Management Personnel | January 3, 1936                      | As per HR Policy | Housing Loan                    | Mortgage over Residential Property                    | 10,795                                 | 8,321  | 10,511 |
| Mr. Muhammad Babar din         | Key Management Personnel | February 26 2034<br>January 26, 2025 | As per HR Policy | Housing Loan/<br>Personal Loans | Mortgage over Residential Property/Post Dated Cheques | 3,477                                  | 3,283  | 3,476  |
| Zubina Asad Sadick             | Key Management Personnel | September 25, 2031                   | As per HR Policy | Staff Housing Loan              | Mortgage over Residential Property                    | 9,342                                  | 8,470  | 9,342  |
| Zubina Asad Sadick             | Key Management Personnel | September 25, 2026                   | As per HR Policy | Staff Loan                      | Other Secured Advances                                | 3,185                                  | 2,393  | 3,185  |
| Zubina Asad Sadick             | Key Management Personnel | August 25, 2027                      | As per HR Policy | Staff Vehicle Loan (Car)        | HPA & Lease   | 3,802                                  | 3,061  | 3,802  |
| Mr. Aziz Morris                | Key Management Personnel | June 25, 2032                        | As per HR Policy | Staff Housing Loan              | Mortgage over Residential Property                    | 28,471                                 | 17,321 | 28,471 |
| Mr. Aziz Morris                | Key Management Personnel | June 25, 2027                        | As per HR Policy | Staff Vehicle Loan (Car)        | HPA & Lease   | 9,830                                  | 8,752  | 9,830  |
| Mr. Iftekhar Imtiaz Ahmed Khan | Key Management Personnel | June 25, 2027                        | As per HR Policy | Personal Loan                   | Other Secured Advances                                | 1,506                                  | 1,506  | -      |
| Mr. Iftekhar Imtiaz Ahmed Khan | Key Management Personnel | October 25, 2038                     | As per HR Policy | Staff Loan                      | Other Secured Advances                                | 17,257                                 | 16,461 | 17,257 |
| Mr. Iftekhar Imtiaz Ahmed Khan | Key Management Personnel | August 25, 2026                      | As per HR Policy | Staff Loan                      | Other Secured Advances                                | 2,231                                  | 1,663  | 2,231  |
| Mr. Muhammad Haider Hussain    | Key Management Personnel | January 25, 2039                     | As per HR Policy | Staff Housing Loan              | Mortgage over Residential Property                    | 5,715                                  | 5,457  | 5,715  |
| Mr. Muhammad Haider Hussain    | Key Management Personnel | August 25, 2026                      | As per HR Policy | Staff Personal Loan             | Other Secured Advances                                | 924                                    | 689    | 924    |
| Mr. Muhammad Haider Hussain    | Key Management Personnel | April 25, 2027                       | As per HR Policy | Staff Vehicle Loan (Car)        | HPA & Lease   | 3,086                                  | 2,432  | 3,086  |
| Mr. Aasim Salim                | Key Management Personnel | August 26, 2027                      | As per HR Policy | Staff HR Auto DM                | HPA & Lease   | 4,172                                  | 4,172  | -      |
| Mr. Aasim Salim                | Key Management Personnel | September 26, 2028                   | As per HR Policy | Staff HR Housing Buyer          | Mortgage over Residential Property                    | 10,010                                 | 10,010 | -      |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Name of Related Party    | Nature of Relationship   | Maturity date     | Interest rate    | Purpose of loan                         | Particulars of security held       | Maximum amount due at end of any month | 2023                         | 2022 |
|--------------------------|--------------------------|-------------------|------------------|---|------------------------------------|--|------------------------------|------|
|                          |                          |                   |                  |   |                                    |  | ----- (Rupees in '000) ----- |      |
| Mr. Bilal Fiaz           | Key Management Personnel | April 26, 2033    | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property | 4,870                                  | 4,870                        | -    |
| Mr. Bilal Fiaz           | Key Management Personnel | July 26, 2025     | As per HR Policy | Staff HR Auto DM                        | HPA & Lease                        | 8,633                                  | 8,633                        | -    |
| Mr. Faisal Anwar         | Key Management Personnel | October 26, 2034  | As per HR Policy | Muskun Buyer                            | Mortgage over Residential Property | 9,970                                  | 9,970                        | -    |
| Mr. Faisal Anwar         | Key Management Personnel | July 26, 2035     | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property | 44,509                                 | 44,509                       | -    |
| Mr. Irshad Ahmad Aijaz   | Key Management Personnel | January 26, 2032  | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property | 19,729                                 | 19,729                       | -    |
| Mr. Irshad Ahmad Aijaz   | Key Management Personnel | June 26, 2025     | As per HR Policy | Staff HR Auto DM                        | HPA & Lease                        | 1,688                                  | 1,688                        | -    |
| Mr. Irshad Ahmad Aijaz   | Key Management Personnel | August 30, 2032   | As per HR Policy | Roshni Asaan - Renewable Energy Product | Mortgage over Residential Property | 1,975                                  | 1,975                        | -    |
| Mr. Kashif Nisar         | Key Management Personnel | December 26, 2029 | As per HR Policy | Staff HR Auto DM                        | HPA & Lease                        | 2,340                                  | 2,340                        | -    |
| Mr. Mahmood Rashid       | Key Management Personnel | March 26, 2033    | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property | 8,592                                  | 8,592                        | -    |
| Mr. Mahmood Rashid       | Key Management Personnel | October 26, 2027  | As per HR Policy | Staff HR Auto DM (RV)                   | HPA & Lease                        | 7,808                                  | 7,808                        | -    |
| Mr. Masood Muhammad Khan | Key Management Personnel | July 26, 2035     | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property | 38,735                                 | 38,735                       | -    |
| Mr. Mateen Mahmood       | Key Management Personnel | March 26, 2028    | As per HR Policy | Staff HR Auto DM (RV)                   | HPA & Lease                        | 6,071                                  | 6,071                        | -    |
| Mr. Mateen Mahmood       | Key Management Personnel | June 23, 2028     | As per HR Policy | Roshni Asaan - Renewable Energy Product | Mortgage over Residential Property | 1,841                                  | 1,841                        | -    |
| Mr. Mateen Mahmood       | Key Management Personnel | April 26, 2028    | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property | 11,788                                 | 11,788                       | -    |
| Mr. Muhammad Amin        | Key Management Personnel | July 26, 2026     | As per HR Policy | Staff HR Auto DM                        | HPA & Lease                        | 2,784                                  | 2,784                        | -    |
| Mr. Muhammad Asadullah   | Key Management Personnel | December 26, 2028 | As per HR Policy | Staff HR Auto DM (RV)                   | HPA & Lease                        | 5,472                                  | 5,472                        | -    |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Name of Related Party    | Nature of Relationship   | Maturity date      | Interest rate    | Purpose of loan                         | Particulars of security held         | Maximum amount due at end of any month | 2023                         | 2022 |
|--------------------------|--------------------------|--------------------|------------------|---|--------------------------------------|--|------------------------------|------|
|                          |                          |                    |                  |   |                                      |  | ----- (Rupees in '000) ----- |      |
| Mr. Muhammad Asadullah   | Key Management Personnel | August 29, 2033    | As per HR Policy | Roshni Asaan - Renewable Energy Product | Mortgage over Residential Property   | 1,802                                  | 1,802                        | -    |
| Mr. Muhammed Irfan Ahmed | Key Management Personnel | March 26, 2033     | As per HR Policy | Roshni Asaan - Renewable Energy Product | Mortgage over Residential Property   | 1,802                                  | 1,802                        | -    |
| Mr. Muhammed Irfan Ahmed | Key Management Personnel | May 26, 2026       | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property   | 4,177                                  | 4,177                        | -    |
| Optimus Limited          | Key Management Personnel | March 1, 2027      | 5.00%            | Staff HR Auto DM                        | HPA & Lease                          | 696                                    | 696                          | -    |
| Mr. Rizwan Ata           | Key Management Personnel | September 26, 2026 | As per HR Policy | DM Vehicle                              | Title over DM Assets<br>10% Security | 83,435                                 | 83,435                       | -    |
| Mr. Rizwan Qamar Lari    | Key Management Personnel | January 26, 2026   | As per HR Policy | Staff HR Auto DM                        | HPA & Lease                          | 9,873                                  | 9,873                        | -    |
| Mr. Rizwan Qamar Lari    | Key Management Personnel | February 26, 2037  | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property   | 14,034                                 | 14,034                       | -    |
| Mr. Rizwan Qamar Lari    | Key Management Personnel | November 11, 2032  | As per HR Policy | Roshni Asaan - Renewable Energy Product | Mortgage over Residential Property   | 1,689                                  | 1,689                        | -    |
| Mr. Sohail               | Key Management Personnel | May 26, 2036       | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property   | 42,751                                 | 42,751                       | -    |
| Mr. Sohail               | Key Management Personnel | July 26, 2028      | As per HR Policy | Staff HR Auto DM                        | HPA & Lease                          | 2,347                                  | 2,347                        | -    |
| Mr. Usman Shahid         | Key Management Personnel | October 26, 2030   | As per HR Policy | Staff HR Auto DM (RV)                   | HPA & Lease                          | 24,779                                 | 24,779                       | -    |
| Mr. Usman Shahid         | Key Management Personnel | March 26, 2036     | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property   | 39,197                                 | 39,197                       | -    |
| Mr. Usman Shahid         | Key Management Personnel | August 29, 2032    | As per HR Policy | Roshni Asaan - Renewable Energy Product | Mortgage over Residential Property   | 1,721                                  | 1,721                        | -    |
| Mr. Zaheer Elahi Babar   | Key Management Personnel | March 26, 2035     | As per HR Policy | Staff HR Housing Buyer                  | Mortgage over Residential Property   | 39,875                                 | 39,875                       | -    |
| Mr. Zaheer Elahi Babar   | Key Management Personnel | January 26, 2028   | As per HR Policy | Staff HR Auto DM (RV)                   | HPA & Lease                          | 7,980                                  | 7,980                        | -    |





## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

- 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. 95 (2022: Rs. 70.83) million.

| <b>14. SHORT TERM INVESTMENTS</b>  | <b>Note</b> | <b>2023</b><br>----- (Rupees in '000) ----- | <b>2022</b><br>----- (Rupees in '000) ----- |
|--|-------------|---|---|
| <b>Financial assets at fair value through profit or loss / held for trading:</b> |             |   |   |
| Listed equity securities   |             |   |   |
| - Related parties  |             | 96,520                                      | 102,660                                     |
| - Others   |             | 560,539                                     | 1,060,027                                   |
| Government securities  |             | 47,924                                      | 33,431                                      |
| Term Finance Certificates - quoted   |             | 126,687                                     | 125,000                                     |
| Mutual funds   |             |   |   |
| - Related parties  |             | 1,440,869                                   | 4,161,523                                   |
| - Others   |             | 25,334                                      | 6,420                                       |
|  |             | <b>2,297,873</b>                            | <b>5,489,061</b>                            |
| <b>Available for sale</b>  |             |   |   |
| Equity securities  |             |   |   |
| - quoted   |             | 4,208,745                                   | 5,434,160                                   |
| Term Finance / Sukuk Certificates  |             |   |   |
| - quoted   |             | 13,178,100                                  | 372,511                                     |
| - unquoted - stated at cost  |             | 439,007                                     | 41,667                                      |
| US Dollar Bonds  |             | 18,270,188                                  | 937,605                                     |
| Government securities  |             | 26,201,762                                  | 99,705,099                                  |
|  |             | <b>62,297,802</b>                           | <b>106,491,042</b>                          |
| <b>Financial assets at fair value through OCI</b>                                |             |   |   |
| Equity securities  |             |   |   |
| - quoted-associated undertaking  | 14.1        | 3,995,202                                   | 5,478,181                                   |
| - quoted-others  | 14.1        | 1,499,653                                   | 1,475,484                                   |
| - unquoted   |             | 30,450                                      | 29,259                                      |
|  |             | <b>5,525,305</b>                            | <b>6,982,924</b>                            |
| <b>Held to maturity / At amortised cost:</b>                                     |             |   |   |
| Government securities  |             | 29,989,514                                  | 105,615,196                                 |
|  | 14.2 & 14.3 | <b>100,110,494</b>                          | <b>224,578,223</b>                          |

- 14.1** Equity investments at fair value through OCI comprises of the following:

|                           | <b>Note</b> | <b>2023</b><br>----- (Rupees in '000) ----- | <b>2022</b><br>----- (Rupees in '000) ----- |
|---------------------------|-------------|---|---|
| TRG Pakistan Limited      | 14.1.1      | 3,995,202                                   | 5,478,181                                   |
| Ghani Glass Limited       |             | 365,515                                     | 574,576                                     |
| Engro Corporation Limited |             | -   | 88,304                                      |
| MCB Bank Limited          |             | 118,887                                     | 80,034                                      |
| Engro Fertilizers Limited |             | 115,530                                     | 79,151                                      |
| Security Paper Ltd.       |             | 11,238                                      | 7,830                                       |
| Bank Al-Falah Limited     |             | 9,702                                       | 6,028                                       |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                         | 2022             |
|--|------------------------------|------------------|
|  | ----- (Rupees in '000) ----- |                  |
| Jubilee Life Insurance Company Limited | 7,375                        | -                |
| IGI Holdings Limited                   | 36,516                       | 31,437           |
| Pakistan Oilfields Limited             | 21,097                       | 19,643           |
| Al Abbas Sugar Mills Limited           | 670,190                      | 486,603          |
| EFU Life Assurance Limited             | 16,910                       | 17,986           |
| EFU General Insurance Limited          | 57,732                       | 62,826           |
| Shahtaj Sugar Mills Limited            | 19,606                       | 7,623            |
| Oil & Gas Development Company Limited  | 1,349                        | 955              |
| Service Industries Limited             | 25,134                       | 5,538            |
| Service Global Footwear Limited        | 12,758                       | -                |
| Cherat Packaging Limited               | 3,037                        | -                |
| AKD Hospitality Limited                | 154                          | -                |
| AKD Securities Limited                 | 20                           | -                |
| Abbot Laboratories (Pakistan) Limited  | 6,903                        | 6,950            |
|  | <b>5,494,855</b>             | <b>6,953,665</b> |

**14.1.1** The Group holds 13.77% of shareholding in TRG Pakistan Limited (TRG) as at December 31, 2023 (December 31, 2022: 12.65%). The Group and TRG had filed cross litigations against each other on various grounds. The management and its legal advisor are of the opinion that these cases will have no financial implications on the Group.

**14.2** This includes investments in equity securities and mutual funds of related parties having a market value of Rs. 2,305 (2022: Rs. 4,560) million.

**14.3** Included herein are equity securities having average cost of Rs. 27.86 (2022: Rs. 148.09) million and having market value of Rs. 44.89 (2022: Rs. 129.62) million pledged with trustee of Term Finance Certificates issued by the Holding Company and with a Bank against Term Loans and Running finance facility obtained by the Holding Company.

| 15. TRADE DEBTS  | Note | 2023                         | 2022             |
|--|------|------------------------------|------------------|
|  |      | ----- (Rupees in '000) ----- |                  |
| <b>Unsecured considered good</b>                       |      |                              |                  |
| Receivable against margin finance (purchase of shares) |      | 670,344                      | 425,973          |
| Debtors for purchase of shares on behalf of clients    |      | 733,794                      | 380,967          |
| Trade debts for advisory and other services            |      | 159                          | 1,775            |
| Receivable from JSGBETF                                |      | 471                          | -                |
| Forex and fixed income commission receivable           |      | 7,902                        | 10,365           |
| Commodity  |      | 97,227                       | 113,239          |
|  |      | <b>1,509,897</b>             | <b>932,319</b>   |
| Considered doubtful                                    |      | 420,587                      | 409,286          |
|  |      | <b>1,930,484</b>             | <b>1,341,605</b> |
| Allowance for expected credit losses                   | 15.1 | <b>(420,587)</b>             | <b>(409,286)</b> |
|  |      | <b>1,509,897</b>             | <b>932,319</b>   |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

**15.1** Included herein is a sum of Rs. 2.609 (2022: Rs. 4.716) million receivable from related parties.

| 16. LOANS AND ADVANCES  | Note | 2023                         | 2022        |
|---|------|------------------------------|-------------|
|   |      | ----- (Rupees in '000) ----- |             |
| Current maturity of long term loans   | 11   | 2,573,434                    | 3,465,167   |
| Term loans / Islamic financing advanced by JSBL / BIPL<br>- considered good     | 16.1 | 284,556,216                  | 146,040,824 |
| Term loans / Islamic financing advanced by JSBL / BIPL<br>- considered doubtful | 16.2 | 21,855,278                   | 16,311,887  |
|   |      | 306,411,494                  | 162,352,711 |
| Provisions against non-performing loans   |      | (33,523,063)                 | (7,222,240) |
|   |      | 272,888,431                  | 155,130,471 |
| <b>Advances - considered good</b>   |      |                              |             |
| <b>Unsecured</b>  |      | 53,093                       | 44,446      |
| Contractors and suppliers   | 16.3 | 14,564                       | 12,505      |
| Staff   |      | 67,657                       | 56,951      |
|   | 16.4 | 275,529,522                  | 158,652,589 |

**16.1** These carry mark-up ranging from 0.50% to 48% (2022: 2% to 40%) per annum and are secured by pledge of shares of listed companies, property of the borrowers and hypothecation of assets.

| 16.2 Term loans / Islamic financing advanced by JSBL / BIPL - considered doubtful | 2023                         | 2022       |
|---|------------------------------|------------|
|   | ----- (Rupees in '000) ----- |            |
| Opening balance as at January 01  | 16,311,887                   | 13,926,269 |
| Charge for the year - net of reversals  | 5,543,391                    | 2,385,618  |
| Closing balance as at December 31   | 21,855,278                   | 16,311,887 |

**16.3** 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.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 16.4 This includes following various loans due from respective related parties:

| Name of Related Party                   | Nature of Relationship   | Maturity date     | Interest rate    | Purpose of loan                 | Particulars of security held        | Maximum amount due at end of any month | 2023             | 2022          |
|---|--------------------------|-------------------|------------------|---------------------------------|-------------------------------------|--|------------------|---------------|
|   |                          |                   |                  |                                 |                                     |  | (Rupees in '000) |               |
| Mr. Basir Shamsie                       | Key management personnel | November 25, 2023 | As per HR Policy | Personal Loan                   | Other Secured Advances              | 2,221                                  | -                | 2,221         |
| Mr. Mirza M Sadeed H Barlas             | Key management personnel | November 25, 2024 | As per HR Policy | Personal Loan                   | Other Secured Advances              | 3,436                                  | 3,436            | 1,601         |
| Mr. Atif Salim Malik                    | Key management personnel | April 1, 2024     | As per HR Policy | Js Ghar Apna - Solar Panel      | Mortgage Over Property              | 258                                    | 258              | -             |
| Mr. Noman Mubashir                      | Key management personnel | October 25, 2024  | As per HR Policy | Personal Loan                   | Other Secured Advances              | 1,105                                  | 1,105            | -             |
| Ms. Samina Faisal                       | Key management personnel | April 30, 2024    | As per HR Policy | Staff Advance Salary            | Other Secured Advances              | 400                                    | 400              | -             |
| Apothecare Private Limited              | Other related parties    | March 31, 2024    | 1 Month - KIBOR  | Running Finance                 | Mortgage Over Property              | 84,976                                 | 84,976           | -             |
| Brandverse (Private) Limited            | Other related parties    | November 12, 2024 | Fixed            | Lease                           | HPA Over Lease Asset                | 4,568                                  | 4,568            | -             |
| TRG Private Limited                     | Other related parties    | December 31, 2024 | 1 Month - KIBOR  | Running Finance                 | Mortgage Over Property              | 8,930                                  | 8,930            | -             |
| Mr. Shabir Ahmed Randeree               | Other related parties    | January 2, 2024   | 1 Month - KIBOR  | Running Finance                 | Mortgage Over Property              | 279,784                                | 279,784          | -             |
| Mr. Agha Rafiq / Agha Fahad / Hira Shah | Other related parties    | March 31, 2024    | 3 Months KIBOR   | Agri Finance OD                 | Hypothecation on Fixed Asset        | 5,894                                  | 5,894            | 5,885         |
| Mr. Irshad Ahmad Aijaz                  | Key Management Personnel | January 5, 2024   | As per HR Policy | Staff Consumer Auto Finance     | Vehicle File                        | 23                                     | 23               | -             |
| Mr. Mahmood Rashid                      | Key Management Personnel | May 5, 2024       | As per HR Policy | Staff Consumer Auto Finance     | Vehicle File                        | 1,828                                  | 1,828            | -             |
| Mr. Muhammad Uzair Sipra                | Key Management Personnel | February 26, 2024 | As per HR Policy | Staff HR Auto DM                | Vehicle File                        | 1,815                                  | 1,815            | -             |
| Mr. Muhammad Asadullah                  | Key Management Personnel | May 26, 2024      | As per HR Policy | Staff Qardh Facility            | Other Secured Advances              | 250                                    | 250              | -             |
| Shakarganj Food Products Limited        | Associate                | March 31, 2024    | Fixed            | Musharakah Financing            | Pari Passu charge over Fixed Assets | 160,000                                | 160,000          | -             |
| Shakarganj Food Products Limited        | Associate                | January 28, 2024  | 9%               | Corporate Ijara Operating Lease | Pari Passu charge over Fixed Assets | 186                                    | 186              | -             |
| Shakarganj Food Products Limited        | Associate                | April 10, 2024    | 23%              | RM OD                           | Pari Passu charge over Fixed Assets | 120,000                                | 120,000          | -             |
| Shakarganj Food Products Limited        | Associate                | March 28, 2024    | 23.45%           | Corporate Advance Istisna       | Pari Passu charge over Fixed Assets | 200,000                                | 200,000          | -             |
|   |                          |                   |                  |                                 |                                     |  | <b>873,454</b>   | <b>10,007</b> |

### 17. ACCRUED MARK-UP

|   | 2023              | 2022              |
|---|-------------------|-------------------|
|   | (Rupees in '000)  |                   |
| Loans and advances                          | 22,849,936        | 10,520,665        |
| Bank deposits                               | 76,762            | 56,915            |
| Government securities                       | 11,397,923        | 1,711,751         |
| Term Finance Certificates / Sukuks          | 11,775,184        | 60,759            |
|   | <b>46,099,805</b> | <b>12,350,090</b> |
| Less: Allowance for ECL on accrued interest | -                 | (193)             |
|   | <b>46,099,805</b> | <b>12,349,897</b> |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 18. SHORT-TERM PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES | Note | 2023              | 2022              |
|--|------|-------------------|-------------------|
|  |      | (Rupees in '000)  |                   |
| Deposits   |      | 1,265,606         | 1,056,118         |
| Prepayments  |      | 1,983,013         | 534,046           |
| Other receivables  |      |                   |                   |
| - Remuneration from related parties                        | 18.1 | 224,053           | 192,799           |
| - Others   |      | 16,205,847        | 12,954,766        |
|  |      | 16,429,900        | 13,147,565        |
| Less: Provision  |      | (956,564)         | (35,238)          |
|  |      | <u>18,721,955</u> | <u>14,702,491</u> |

18.1 This includes Rs. 125.53 (2022: Rs. 124.61) million balances due from funds under management of JSIL. 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.

| 19. OTHER FINANCIAL ASSETS - FUND PLACEMENTS       | Note | 2023              | 2022              |
|--|------|-------------------|-------------------|
|  |      | (Rupees in '000)  |                   |
| <b>Securities purchased under resale agreement</b> |      |                   |                   |
| <b>Secured and considered good</b>                 |      |                   |                   |
| Government securities                              |      | -                 | 11,351,162        |
| Bai Muajjal Receivable                             | 19.1 | 16,502,138        | -                 |
|  |      | <u>16,502,138</u> | <u>11,351,162</u> |

19.1 The average return on this product ranges between 22.05% to 22.35% per annum. The balances have maturities ranging between 6 days to 110 days.

| 20. CASH AND BANK BALANCES | Note | 2023              | 2022              |
|----------------------------|------|-------------------|-------------------|
|                            |      | (Rupees in '000)  |                   |
| Cash in hand               |      | 23,335,082        | 8,320,091         |
| Cash at bank in:           |      |                   |                   |
| Current accounts           |      |                   |                   |
| - local currency           |      | 49,988,605        | 15,530,982        |
| - foreign currency         |      | 7,988,372         | 2,360,520         |
|                            |      | 57,976,977        | 17,891,502        |
| Deposit accounts           |      |                   |                   |
| - local currency           |      | 80,671            | 25,825            |
| - foreign currency         |      | 6,007,670         | 364,622           |
|                            | 20.1 | 6,088,341         | 390,447           |
|                            |      | <u>87,400,400</u> | <u>26,602,040</u> |

20.1 These carry mark-up / profit ranging between 6.75% to 20.92% (2022: 2.75% to 15.55%) per annum.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 21. ASSETS CLASSIFIED AS HELD FOR SALE

#### 21.1 Disposal Group Classified as Held For Sale

During the year 2021, EIHPL (a wholly owned subsidiary of the Holding Company) has decided to dispose off its entire equity interest in its wholly owned subsidiary Quality 1 Petroleum (Private) Limited (Q1P). Subsequent to the approval of directors and the shareholders of EIHPL in their respective meetings, Share Purchase Agreement (SPA) was signed with the intended buyer on December 31, 2021.

On September 08, 2023, on the request of the intended buyer, EIHPL transferred the shares of Q1P to a party nominated by the buyer as per the terms of SPA. Accordingly, investment in Q1P has been derecognized in these consolidated financial statements. Sale proceeds will be received as per the terms of the SPA.

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

| Statement of Financial Position                        | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|--------------------------------------|--------------------------------------|
| <b>Assets</b>  |                                      |                                      |
| <b>Non-Current Assets</b>                              |                                      |                                      |
| Goodwill   | -                                    | 837,031                              |
| Property and equipment                                 | -                                    | 487,164                              |
| Capital work in progress                               | -                                    | 178,885                              |
|  | -                                    | 1,503,080                            |
| <b>Current Assets</b>                                  |                                      |                                      |
| Trade debts - unsecured                                | -                                    | 552,106                              |
| Deposits, prepayments and other receivables and assets | -                                    | 655,103                              |
| Tax refund due from government                         | -                                    | 38,259                               |
| Cash and bank balances                                 | -                                    | 135,904                              |
| Other assets   | -                                    | 24,752                               |
|  | -                                    | 1,406,124                            |
| Assets classified as held for sale                     | -                                    | 2,909,204                            |
| <b>Liabilities</b>                                     |                                      |                                      |
| <b>Non-Current Liabilities</b>                         |                                      |                                      |
| Long term loans  | -                                    | 124,199                              |
| Lease liability  | -                                    | 23,535                               |
| Deposits and other accounts-NC                         | -                                    | 21,000                               |
| Deferred liability - staff gratuity                    | -                                    | 6,362                                |
|  | -                                    | 175,096                              |
| <b>Current Liabilities</b>                             |                                      |                                      |
| Trade and other payables                               | -                                    | 1,082,080                            |
| Accrued interest / mark-up on borrowings               | -                                    | 7,669                                |
| Borrowing from banks / NBFCs                           | -                                    | 558,623                              |
| Advances taxation - net                                | -                                    | 23,540                               |
| Lease liability  | -                                    | -                                    |
| Current portion of long-term loans                     | -                                    | 7,038                                |
|  | -                                    | 1,678,950                            |
| Liabilities classified as held for sale                | -                                    | 1,854,046                            |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Statement of Profit or Loss  | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|--------------------------------------|--------------------------------------|
| Net sales  | 1,167,754                            | 2,637,311                            |
| Cost of product sold   | (988,059)                            | (2,452,416)                          |
| Gross profit   | 179,695                              | 184,895                              |
| Operating expense  | (35,878)                             | (155,295)                            |
| Other operating expenses   | (29,527)                             | (13,202)                             |
| Other operating income / (loss)  | 114,290                              | 16,398                               |
| Other income   | 1,310                                | 7,112                                |
| Financial charges  | (47,789)                             | (13,604)                             |
| Profit before taxation for the year from discontinued operations         | 67,811                               | 9,906                                |
| Taxation   | (7,697)                              | (14,452)                             |
| Profit / (loss) after taxation for the year from discontinued operations | <u>60,114</u>                        | <u>(4,546)</u>                       |

### 22. SHARE CAPITAL

#### 22.1 Authorised capital

| 2023<br>----- Number of shares ----- | 2022<br>----- Number of shares ----- | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| 6,000,000,000                        | 6,000,000,000                        | 60,000,000                           | 60,000,000                           |
| 500,000,000                          | 500,000,000                          | 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

| 2023<br>----- Number of shares -----  | 2022<br>----- Number of shares ----- | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|---------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| <b>Ordinary shares of Rs.10 each:</b> |                                      |                                      |                                      |
| 205,072,990                           | 205,072,990                          | 2,050,730                            | 2,050,730                            |
| 710,869,398                           | 710,869,398                          | 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>                     |

22.2.1 There is only one class of ordinary shares issued by the Holding Company.

22.2.2 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding in the Holding Company.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 23. EQUITY COMPONENT OF PREFERENCE SHARES

This represents the equity component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares ("Preference Shares") of Rs.10/- each issued by the Holding Company in the year 2021. These Preference Shares were issued to the existing shareholders of the Holding Company by way of rights (i.e. 20% rights issue) at par value of Rs.10/- per share, in proportion to their respective shareholdings in the ratio of 2:10 i.e. 2 Preference Shares for every 10 Ordinary Shares held by the shareholders of the Holding Company.

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

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

### 24. RESERVES

#### Revenue reserves

Unappropriated profit

#### Other reserves

Premium on the issue of ordinary shares

Foreign exchange translation reserve

Unrealised gain on revaluation of available for sale / fair value through other comprehensive income investments - net

Statutory reserve

|  | 2023                         | 2022              |
|--|------------------------------|-------------------|
|  | ----- (Rupees in '000) ----- |                   |
|  | 22,175,697                   | 14,704,536        |
|  | 4,497,894                    | 4,497,894         |
|  | 676,457                      | 456,647           |
|  | 7,763,524                    | 7,553,747         |
|  | 2,683,815                    | 1,677,652         |
|  | 15,621,690                   | 14,185,940        |
|  | <u>37,797,387</u>            | <u>28,890,476</u> |

24.1 The amounts above, reflect the effect of deferred taxation wherever applicable. Refer note 13.

### 25. LONG TERM FINANCING

Term Finance Certificates

Subordinated Sukuk

|      | 2023                         | 2022             |
|------|------------------------------|------------------|
|      | ----- (Rupees in '000) ----- |                  |
| 25.1 | 8,497,767                    | 7,302,443        |
| 25.1 | 2,846,880                    | -                |
|      | <u>11,344,647</u>            | <u>7,302,443</u> |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 25.1 | Term Finance Certificates (TFCs) and Sukuks                | Note   | 2023                         | 2022        |
|------|--|--------|------------------------------|-------------|
|      |  |        | ----- (Rupees in '000) ----- |             |
|      | <b>Secured</b>   |        |                              |             |
|      | Tenth issue - Privately Placed                             | 25.1.1 | -                            | 374,564     |
|      | Eleventh issue - listed on Pakistan Stock Exchange Limited | 25.1.2 | -                            | 491,319     |
|      |  |        | -                            | 865,883     |
|      | <b>Unsecured</b>   |        |                              |             |
|      | Privately Placed Term Finance Certificates Second Issue    | 25.1.3 | -                            | 1,996,000   |
|      | Privately Placed Term Finance Certificates Third Issue     | 25.1.4 | 2,500,000                    | 2,500,000   |
|      | Privately Placed Term Finance Certificates Fourth Issue    | 25.1.5 | 2,498,000                    | 2,499,000   |
|      | Privately Placed Term Finance Certificates Fifth Issue     | 25.1.6 | 3,499,767                    | -           |
|      |  |        | 8,497,767                    | 6,995,000   |
|      | <b>Islamic Finance - Unsecured</b>                         |        |                              |             |
|      | ADT-1 Sukuk Issue I  | 25.1.7 | 1,996,880                    | -           |
|      | ADT-1 Sukuk Issue II - Pre IPO                             | 25.1.8 | 850,000                      | -           |
|      | <b>Islamic Finance - Secured</b>                           |        |                              |             |
|      | Diminishing Musharika                                      | 25.1.9 | 150,000                      | 630,885     |
|      |  |        | 11,494,647                   | 8,491,768   |
|      | Less: Current portion shown under current liability        |        | (150,000)                    | (1,189,325) |
|      |  |        | 11,344,647                   | 7,302,443   |

**25.1.1** These were Term Finance Certificate (TFCs) of Rs. 1,500 million which the Holding Company has fully repaid on its maturity date, i.e. on July 18, 2023. The profit on these TFCs was payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum.

**25.1.2** These were Term Finance Certificate (TFCs) of Rs. 1,500 million which the Holding Company has fully repaid on its maturity date, i.e. on September 06, 2023. The profit on these TFCs was payable semi-annually, based on the six month KIBOR average rate plus 140 basis points per annum.

**25.1.3** During the year, JSBL exercised the call option of Term Finance Certificates - second issue in accordance with the trust deed and terms and conditions of the TFC issue, after completing the regulatory requirements. Accordingly, the said TFCs were redeemed in full on August 04, 2023.

**25.1.4** In 2018, the JSBL has issued Rs. 2.5 billion of rated, privately placed and listed, unsecured, subordinated, perpetual and non-cumulative additional Tier I capital 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:

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|                 |   |
|-----------------|---|
| Purpose:        | To contribute towards the Subsidiary Bank's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Subsidiary Bank's business operations as permitted by its Memorandum & Articles of Association.  |
| Issue date      | December 31, 2018   |
| Maturity Date:  | Perpetual   |
| Rating          | A (Single A)  |
| Profit Rate:    | Floating rate of return at Base rate + 2.25 percent per annum;<br><br>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. JSBL 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 Subsidiary Bank will be able to exercise this discretion subject to: |
|-------------------------------|--|

If and when JSBL'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);



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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;

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.

**25.1.5** In 2021, JSBL has issued Rs. 2.5 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 towards the JSBL's Tier I Capital for complying with the capital adequacy requirement and to utilize the funds in the Subsidiary Bank's business operations as permitted by its Memorandum & Articles of Association.

**Issue date** December 28, 2021

**Tenure** Up to Seven years from the issue date.

**Maturity Date:** December 28, 2028

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|                         |  |
|-------------------------|--|
| Rating                  | A + (Single A Plus)  |
| Profit Rate:            | Floating rate of return at Base rate + 2.25 percent per annum;<br><br>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:                 | 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   |
| Subordination:          | The Issue is subordinated all other indebtedness of the Subsidiary Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital   |
| 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 Subsidiary 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 Subsidiary Bank's common share on the date of trigger of Point of Non-Viability (PONV) as declared by SBP, subject to a cap of 400,647,739 shares. |

**25.1.6** During the year, JSBL issued Rs. 3.5 billion of rated, privately placed and listed (in process), 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 towards 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: | August 30, 2023   |
| Tenure:     | Up to ten years from the issue date.  |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

Maturity date: August 30, 2033

Rating: A+ (Single A Plus)

Profit rate: Floating rate of return at Base Rate + 2 percent per annum;

Base rate is defined as the average three 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 three monthly period.

Profit payment: Quarterly

Redemption: The instrument is structured to redeem 0.24% of the Issue amount during the first nine years after the issue date and the remaining Issue amount of 99.76% in four equal quarterly installments of 24.94% each in the last year.

Security: The Issue is unsecured

Subordination: The Issue is subordinated all other indebtedness of the Bank including depositors, however, senior to the claims of investors in instruments eligible for inclusion in Tier I Capital

Call option: Exercisable in part or in full on or after five years from the issue date, subject to SBP's approval.

Lock-in-clause: Principal and profit will be payable subject to compliance with MCR or CAR or Leverage Ratio set by SBP.

Loss absorbency clause: Upon the occurrence of a Point of Non-Viability (PONV) event as defined under SBP BPRD Circular No. 06 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 PONV as declared by SBP, subject to a cap of 924,772,179 shares.

**25.1.7** BIPL has issued fully paid up, rated, listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible debt instruments in the nature of sukus under Section 66 of the Companies Act, 2017 which qualify as Additional Tier I (ADT-1) Capital as outlined by State Bank of Pakistan (SBP) under BPRD Circular No. 6 dated August 15, 2013.

As of 31 December 2019, the Pre-IPO (Initial public offer) phase of ADT-1 sukuk was achieved through which subscription amounting to Rs. 1,700 million was received. Further, the Bank is in process of conducting the IPO of ADT-1 sukuk, subject to regulatory approvals, amounting to Rs. 300 million. Subsequent to the year end, the SBP vide its letter no. BPRD/BA&CP/649/3760/20 dated 24 February 2020 allowed the Bank to complete the Additional Tier-1 (ADT-1) eligible Sukuk process by 31 March 2020.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

The State Bank of Pakistan also allowed BIPL to consider the advance subscription money of Rs. 1,700 million received against the issuance of ADT-1 Sukuk (Pre-IPO) for Capital Adequacy Ratio subject to following conditions:

- The advance subscription money will not contribute towards the Minimum Capital Requirement (MCR).
- The advance subscription money received from The investors cannot be returned without prior approval of The SBP.

### 25.1.7.1 Salient features of the ADT-1 sukuk issue I are as follows:

Amount: Rs. 2,000 million.

Issue Date: April 21, 2020

Tenor: Perpetual (i.e. no fixed or final redemption date)

Instrument Rating: PACRA has rated this Sukuk at 'A'

Security: Unsecured

Profit payment: Profit shall be payable monthly in arrears, on a non-cumulative basis

Expected Profit Rate: The Sukuk carries a profit at the rate of 3 Months KIBOR + 2.75%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.

Call option: The Bank may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.

Lock-in clause: In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.

Loss absorbency clause: The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 25.1.8 Salient features of the ADT-1 sukuk issue II are as follows:

Amount: Rs. 1,000 million.

Issue Date: Subject to completion of IPO

Tenor: Perpetual (i.e. no fixed or final redemption date)

Instrument Rating: PACRA has rated this Sukuk at 'A'

Security: Unsecured

Profit payment: Profit shall be payable monthly in arrears, on a non-cumulative basis

Expected Profit Rate: The Sukuk carries a profit at the rate of 1 Month KIBOR + 2.5%. The Mudaraba Profit is computed under General Pool on the basis of profit sharing ratio and monthly weightages announced by the Bank inline with SBP's guidelines of pool management.

Call option: BIPL may, at its sole discretion, call the Sukuks, at any time after five years from the Issue Date subject to the prior approval of the SBP.

Lock-in clause: In the event where payment of profit results in breach of regulatory MCR/CAR requirements or SBP determines a bar on profit distribution, the monthly profit weightage of the Sukuk holders will be reduced to a minimum level e.g. 0.005, till the month in which such condition is withdrawn by SBP.

Loss absorbency clause: The Sukuks shall, at the discretion of the SBP, be permanently converted into ordinary shares pursuant to the loss absorbency clause as stipulated in the "Instructions for Basel-III Implementation in Pakistan" issued vide BPRD Circular No. 6 dated August 15, 2013.

**25.1.8.1** The Pre-IPO (Initial Public Offer) phase of ADT-1 Sukuk issue was successfully completed during the year 2022 where the Bank had received Rs. 850 million. All necessary regulatory approvals have been obtained for the IPO of Rs. 150 million and public subscription is expected to be completed in the month of February 2024.

Investment in Sukuk by group companies have been eliminated in intra-group transactions

**25.1.9** This represents Diminishing Musharakah term finance facility, aggregating to Rs. 630.885 million (2022: 630.885 million). This facility is secured against charge over the property.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 26. LIABILITY COMPONENT OF PREFERENCE SHARES

This represents the liability component of 183,188,477 listed, convertible, redeemable, non-voting, non-participatory, cumulative Class "A" Preference Shares of Rs.10/- each (Preference Shares) issued by the Holding Company during the year 2021.

The net proceeds received from the issue of Preference Shares have been split between the financial liability component and an equity component (please refer note 23) as follows:

|   | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- |
|---|------|--------------------------------------|---------------|
| <b>Net proceeds from issue of Preference Shares</b> |      | <b>1,814,554</b>                     | 1,814,554     |
| <b>Amount classified as equity</b>                  |      | <b>1,326,114</b>                     | 1,326,114     |
| <b>Opening balance of liability component</b>       |      | <b>515,059</b>                       | 516,185       |
| Interest charged (using effective interest rate)    |      | 42,480                               | 50,669        |
| Less: Interest component paid                       |      | (109,913)                            | (51,795)      |
| <b>Carrying amount of liability component</b>       |      | <b>447,626</b>                       | 515,059       |
| Less: Current maturity                              |      | (106,509)                            | (106,509)     |
| <b>Long term portion of liability component</b>     |      | <b>341,117</b>                       | 408,550       |
| <b>27. LEASE LIABILITIES</b>                        |      |                                      |               |
| <b>As at January 01</b>                             | 27.1 | <b>2,931,042</b>                     | 3,558,918     |
| Addition  |      | 6,308,148                            | 868,336       |
| Interest expense                                    |      | 1,265,526                            | 396,537       |
| Deletion  |      | (272,933)                            | (486,705)     |
| Exchange gain                                       |      | 5,516                                | 7,232         |
| Payments  |      | (3,454,061)                          | (1,413,276)   |
| Other adjustments                                   |      | 12,792                               | -             |
| <b>As at December 31</b>                            |      | <b>6,796,030</b>                     | 2,931,042     |
| Current maturity shown under current liabilities    | 33   | (258,208)                            | (363,731)     |
|   |      | <b>6,537,822</b>                     | 2,567,311     |

**27.1** The lease liability against includes the lease entered into with a Modaraba for 1 vehicle (2022: 3 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% (2022: KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20%) per annum. JS Investmens Limited, shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restrictions in the lease agreements.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 28. | LONG-TERM DEPOSITS AND OTHER ACCOUNTS | Note | 2023                         | 2022                 |
|-----|---------------------------------------|------|------------------------------|----------------------|
|     |                                       |      | ----- (Rupees in '000) ----- |                      |
|     | <b>Customers</b>                      |      |                              |                      |
|     | Fixed deposits                        | 28.1 | 381,926,097                  | 180,406,592          |
|     | Savings deposits                      | 28.1 | 248,003,936                  | 121,938,404          |
|     | Current accounts - Non-remunerative   |      | 320,665,783                  | 127,468,224          |
|     | Margin deposits                       | 28.1 | 32,890,880                   | 13,179,379           |
|     |                                       |      | <b>983,486,696</b>           | <b>442,992,599</b>   |
|     | <b>Financial Institutions</b>         |      |                              |                      |
|     | Fixed deposits                        | 28.1 | 4,465,509                    | 8,172,209            |
|     | Savings deposits                      | 28.1 | 17,623,572                   | 9,347,466            |
|     | Margin deposits                       |      | 146                          | -                    |
|     | Current accounts - Non-remunerative   |      | 1,987,436                    | 2,084,540            |
|     |                                       |      | <b>24,076,663</b>            | <b>19,604,215</b>    |
|     | Current maturity                      | 28.2 | 1,007,563,359                | 462,596,814          |
|     |                                       |      | <b>(738,195,127)</b>         | <b>(212,127,946)</b> |
|     |                                       |      | <b>269,368,232</b>           | <b>250,468,868</b>   |

**28.1** These carry mark-up ranging from 8.11% to 21.45% (2022: 2.94% to 17.78%) per annum.

**28.2** Included herein is a sum of Rs. 8,217.66 (2022: Rs. 12,851.49) million deposited in JSBL and BIPL by various related parties.

| 29. | LONG TERM BORROWINGS  | Note | 2023                         | 2022       |
|-----|---|------|------------------------------|------------|
|     |   |      | ----- (Rupees in '000) ----- |            |
|     | <b>Securities sold under repurchase agreements secured against Government securities:</b> |      |                              |            |
|     | from State Bank of Pakistan   |      | -                            | 62,800,000 |
|     | <b>Borrowings from State Bank of Pakistan under:</b>                                      |      |                              |            |
|     | Export Refinancing Scheme (ERF)   | 29.1 | 13,554,172                   | 20,288,522 |
|     | Acceptances from SBP under Mudaraba   | 29.2 | 30,694,154                   | -          |
|     | Long-Term Finance Facility (LTFF)   | 29.3 | 2,972,509                    | 2,337,963  |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| Other borrowings  | Note  | 2023                | 2022                |
|---|-------|---------------------|---------------------|
|   |       | (Rupees in '000)    |                     |
| Financing Facility for Storage of Agricultural Produce (FFSAP)              |       | 176,993             | 133,097             |
| Financing Facility for Renewable Energy Projects                            | 29.4  | 1,797,675           | 1,078,480           |
| Refinance and credit guarantee scheme for women entrepreneurs               | 29.5  | 179,462             | 82,127              |
| Refinance for Wages & Salaries  |       | -                   | 7,179               |
| Refinance facility for modernization of Small and Medium Enterprises (SMEs) | 29.6  | 218,239             | 70,911              |
| Refinance facility for combating COVID-19                                   | 29.7  | 232,749             | 230,090             |
| Temporary economic refinance facility (TERF)                                | 29.8  | 12,461,501          | 4,832,742           |
| Islamic Export Finance Scheme - Rupee based discounting                     | 29.9  | 4,600,946           | -                   |
| Acceptances under Islamic Export Refinance Scheme                           | 29.10 | 3,554,100           | -                   |
| Acceptances for financial assistance  | 29.11 | 4,413,497           | -                   |
| Small and Medium Enterprises' Financing                                     |       | 1,978               | 3,039               |
| Refinance facility for working capital of SMEs                              |       | 193,750             | 385                 |
| Refinance facility for SME Asaan Finance (SAAF) scheme                      |       | 1,438,299           | 1,607,471           |
|   |       | <b>29,269,189</b>   | <b>8,045,521</b>    |
| <b>Borrowing from banks / NBFCs:</b>  |       |                     |                     |
| Unsecured   | 29.12 | 2,549,483           | 1,291,766           |
| Borrowings from financial institutions:                                     |       |                     |                     |
| Musharakah Acceptance   | 29.12 | 2,500,000           | -                   |
| Refinancing facility for mortgage loans                                     | 29.13 | 2,987,901           | 3,044,444           |
| Refinance facility for Islamic mortgage                                     | 29.14 | 3,354,127           | -                   |
|   |       | <b>87,881,535</b>   | <b>97,808,216</b>   |
| Less: Current maturity  |       | <b>(61,825,617)</b> | <b>(86,986,196)</b> |
|   |       | <b>26,055,918</b>   | <b>10,822,020</b>   |

**29.1** The JSBL has entered into agreement with the SBP for extending export finance to customers. These borrowings are repayable on a quarterly basis and have maturities upto June 2024. These carry mark-up rates ranging from 1.00% to 18.00% (2022: 2.00% to 10.00%) per annum.

**29.2** This represents acceptance of funds by the BIPL on Mudarabah basis which has been invested in special pools of the BIPL and are secured against lien of the Group's investment in Federal Government securities. The expected average return is 22.14% per annum.

**29.3** 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 have maturities upto Feb 2033. These carry mark-up rates ranging from 2.00% to 11.00% (2022: 2.00% to 8.00%) per annum.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

- 29.4** These borrowings have been obtained from the SBP for providing financing facilities to address challenges of energy shortage and climate change through promotion of renewable energy. These carry mark-up at 2.00% (2022: 2.00%) per annum and have maturities upto December 2031.
- 29.5** These borrowings have been obtained from the SBP under a scheme to provide refinance for women entrepreneurs in the underserved areas of the country. These carry mark-up at 0.00% (2022: 0.00%) per annum and have maturities upto November 2028.
- 29.6** These borrowings have been obtained from the SBP under a scheme to finance modernization of Small and Medium Enterprises by providing financing facilities for setting up new units, purchase of new plant and machinery for Balancing, Modernization and Replacement (BMR) of existing units and financing for import / local purchase of new generators up to a maximum capacity of 500 KVA. These carry mark-up at rates of 0.00% (2022: 2.00%) per annum and have maturities upto June 2026.
- 29.7** These borrowings have been obtained from the SBP under a scheme to provide the emergency refinance facility to hospitals & medical centre to develop capacity for the treatment of COVID-19 patients. These carry mark-up at 0.00% (2022: 0.00%) per annum and have maturities upto July 2026.
- 29.8** These borrowings have been obtained from the SBP under a scheme to provide concessionary refinance for setting up of new industrial units in the backdrop of challenges being faced by industries post pandemic scenario. These carry mark-up at 1.00% (2022: 1.00%) per annum and are due to mature latest by August 2032.
- 29.9** These acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favor of SBP. A limit of Rs. 5,234 million was allocated to the Group by the SBP under Islamic Export Refinance Scheme - Rupee Based Discounting for the financial year ended December 31, 2023.
- 29.10** These acceptances are on a profit and loss sharing basis and are secured against demand promissory notes executed in favor of SBP. A limit of Rs. 3,952 million was allocated to the Group by the SBP under Islamic Export Refinance Scheme for the financial year ended December 31, 2023.
- 29.11** This represents amortized cost of a 10 year financing facility of Rs. 5,000 million extended by SBP. The facility is secured against Federal Government securities. The 10 year facility was provided on the basis of Mudarabah to be remunerated at profit sharing ratio declared by the Group on its remunerative current accounts on monthly basis. Accordingly, the profit amortization rate applied by the Group in this respect is 0.04% per annum.
- 29.12** The expected profit rate on these agreements are 21.25% to 21.75% per annum and has maturity of 2 to 4 Days.
- 29.13** The JSBL 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 rates ranging from 6.50% to 11.67% (2022: 6.50% to 11.67%) and have maturities upto June 2031.
- 29.14** The agreements are on a profit and loss sharing basis and are secured against housing finance portfolio. The profit rate on these agreements is ranging from 8.50% to 13.97% per annum.

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For the year ended December 31, 2023

| 30. TRADE AND OTHER PAYABLES                           | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|--------------------------------------|--------------------------------------|
| Creditor for sale of shares on behalf of clients - net | 2,452,979                            | 1,864,220                            |
| Accrued expenses                                       | 4,280,001                            | 954,655                              |
| Bills payable  | 10,793,898                           | 5,402,945                            |
|  | <b>17,526,878</b>                    | <b>8,221,820</b>                     |
| <b>Other liabilities</b>                               |                                      |                                      |
| Security deposits                                      | 2,184,465                            | 2,469,866                            |
| Provision for Workers' Welfare Fund - Sindh            | 1,417,823                            | 444,833                              |
| Others   | 16,441,520                           | 10,050,234                           |
|  | <b>20,043,808</b>                    | <b>12,964,933</b>                    |
|  | <b>37,570,686</b>                    | <b>21,186,753</b>                    |

### 31. SHORT TERM BORROWINGS

Running finance facility of Rs. 500 and Rs. 300 million has been obtained by the sub-subsidiary company and a subsidiary company from Allied Bank Limited having expiry on 31 December 2023 and is secured against pledge of eligible securities with requisite margin. The mark-up on the facility is payable quarterly at 3 month KIBOR + 1.5% and 3 month KIBOR + 0.6% respectively.

| 32. ACCRUED INTEREST / MARK-UP ON BORROWINGS                             | Note | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|--|------|--------------------------------------|--------------------------------------|
| Long term financing  |      | 912,201                              | 513,805                              |
| Deposits   |      | 13,916,956                           | 4,456,776                            |
|  |      | <b>14,829,157</b>                    | <b>4,970,581</b>                     |
| <b>33. CURRENT DEPOSITS AND CURRENT PORTION OF LONG TERM LIABILITIES</b> |      |                                      |                                      |
| Term finance certificates / sukuks                                       | 25.1 | 150,000                              | 1,189,325                            |
| Deposits and other accounts  | 28   | 738,195,127                          | 212,127,946                          |
| Current portion of liability component of Preference Shares              | 26   | 106,509                              | 106,509                              |
| Current maturity of lease liabilities                                    | 27   | 258,208                              | 363,731                              |
|  |      | <b>738,709,843</b>                   | <b>213,787,511</b>                   |

### 34. CONTINGENCIES AND COMMITMENTS

#### 34.1 Contingencies

##### -In respect of the 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



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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 05, 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.

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

- b) The Additional Commissioner Inland Revenue – Audit Division (ADCIR) 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 the opinion of its tax advisors, is confident that the subject matter will be decided in favour of the Group. Hence no provision for liability in this respect has been made in the financial statements.

- c) The ADCIR 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 ADCIR. 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 ADCIR. 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 ADCIR and the CIR-Appeals. However, instead of carrying out fresh proceedings, the ADCIR resorted to pass a back dated and repeated order through which the demand for Rs. 63.49 million was originally created.

## Notes to the Consolidated Financial Statements

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Against the back dated order, appeal was preferred before the CIR-Appeals which was decided through order no. 58/2021 dated December 27, 2021 whereby the CIR-Appeals annulled the treatment of the ADCIR with the direction to the ADCIR to re-examine, re-consider, re-verify and re-adjudicate the facts of the case. After the said order, the return version of the Company for the tax year 2010 is restored.

Against the order of the CIR-Appeals, an appeal has been preferred before the Appellate Tribunal Inland Revenue (ATIR) on the ground that after annulling the amendment order of the ADCIR, the CIR-Appeals was not justified to give directions to the ADCIR for re-examination, re-consideration, re-verification and re-adjudication of the facts of the case. The appeal is pending hearing.

The management, based on the opinion of 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 the financial statements.

- d) The Additional Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO Karachi (ADCIR) passed an order under section 122(5A) of the Ordinance 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 also filed appeal before the CIR-Appeals.

The CIR-Appeals, in his order no. 24/A-I dated July 19, 2021 annulled the treatments of the ADCIR regarding the treatment accorded to the apportionment of expenditure and the charging of WWF. The CIR-Appeals also directed the ADCIR to determine the brought forward losses after taking into account the relevant provisions of the Ordinance and to give tax credit not allowed earlier. After the said order, the return version of the Company for the tax year 2014 is restored.

The management, based on the opinion of 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 the financial statements.

- e) The ADCIR passed an order under section 122(5A) of the Ordinance for tax year 2015 and raised the demand for Rs.12.74 million. Against the said order, the Company filed rectification application on the ground of chargeability of WWF. The Company also filed appeal before the CIR-Appeals.

On November 27, 2020, the ADCIR Audit-I, Range-A, LTO, Karachi again passed the amended order u/s 122(5A) of the Income Tax Ordinance, 2001 and raised the demand of Rs. 97.93 million. The ADCIR amended the order on the issues of bonus shares and Super Tax but failed to appreciate the facts of the case and the law in right perspective. Thus, rectification has been filed on the said matter. Further, the Company also filed an appeal before the Commissioner Appeals (Appeals-I), Karachi (CIR-Appeals).

The CIR-Appeals, in his order no. 25/A-I dated July 19, 2021 and order no 40/A-I dated July 27, 2021 against the orders under section 122(5A) challenging the demand of Rs. 12.74 million and Rs. 97.93 million respectively, annulled the treatments of the ADCIR. However, with respect to charging



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of super tax under section 4B of the Income Tax Ordinance, 2001, the CIR-Appeals remanded the case back to the ADCIR for working out the income correctly in accordance with the provisions of the Ordinance.

The management, based on the opinion of 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 the financial statements.

- f) The DCIR passed an order under section 4B of the Income Tax Ordinance, 2001 and raised the demand of Super Tax amounting to Rs. 119.24 million. Against the said order, a rectification application has been filed before the DCIR pointing out the computational errors in the determination of income for the purpose of Super Tax. Rectification application is pending. However, after due rectification, the Super Tax liability would be reduced to Rs. 89.46 million.

The DCIR completed the monitoring proceedings for tax year 2016 by passing the order under section 161(1) of the Ordinance and raised the demand of Rs. 14,780,695 in an arbitrary manner and by disregarding the explanations and evidences furnished through periodic compliances. Against the order, appeal has been preferred before the CIR-Appeals. The appeal is pending hearing.

A recovery notice u / s 138 of the Ordinance (dated January 08, 2024) was issued against the 4B order. In response, a request was made to offset the above demand from the available tax refund of Rs. 143.227 million for the same tax year. The department is currently verifying the taxpayer withholding for adjustment, and as of now, no active recovery measures are in place.

The management based on the opinion of its tax advisors, is confident that the subject matter will be decided in favour of the Company. However, provision for liability in respect of super tax based on management computation amounting to Rs. 89.46 million, had already been made in the financial statements of its respective tax year.

- g) The Commissioner Inland Revenue - Audit Range I, Zone III, Corporate RTO issued notice u/s 177(1) of the Ordinance dated May 17, 2018 for tax year 2017, to furnish certain records necessary for conducting audit proceedings. Responses were duly submitted by the Company. Thereafter, Deputy Commissioner Inland Revenue - Audit Range I, Zone III (DCIR) issued the notice u/s 122(9) dated December 23, 2019, to amend the deemed order and raised various concerns over the submitted return. The Company submitted its response before DCIR and also challenged the amendment proceeding in the absence of audit report. The DCIR accepted our contention and passed the order u/s 122 dated November 06, 2020, to close the amendment and issued the audit report u/s 177(6) of the Ordinance dated November 09, 2020, confronted matters arising as a result of audit. Due responses were again submitted before the DCIR. On the basis of response, DCIR concluded the audit proceeding and passed the amended order u/s 122(1) dated February 2, 2021 and raised the demand of Rs. 64.96 million. Against the said order, rectification application has been filed to correct the income tax computation as per the provisions of the Ordinance. Further, an appeal was also filed against the order before CIR-Appeals.

The CIR-Appeals, in the appellate order dated May 30, 2022 accepted the contention of the Company regarding the computation of Super Tax and directed the ACIR to re-examine, re-consider, re-verify and re-adjudicate the matter regarding the computation of Super Tax by considering the facts of

## Notes to the Consolidated Financial Statements

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the case. The CIR-Appeals also accepted the contention of the Company regarding the wrong treatment of the DCIR for taxing the difference of salaries as per audited financial statements and as per the submitted withholding statements as well as the contention regarding the double taxation of accounting depreciation on investment property.

The management, based on the opinion of 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 the financial statements.

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

On July 21, 2020, the Honourable High Court of Sindh passed an order whereby all the petitions challenging the levy of super tax filed before the Court were dismissed. Thereafter, the ADCIR raised the demand of super tax amounting to Rs. 46.16 million. The company had filed rectification against the order passed on the mistakes in the working of determination of income for the purpose of super tax liability. Further, an appeal was also filed against the order before CIR-Appeals.

The CIR-Appeals, in his order bearing no. 34/A-I dated June 17, 2021 rejected the contention of the Company for the charging of Super Tax under section 4B of the Ordinance by placing reliance on the judgment of the Honourable Sindh High Court passed on July 21, 2020, thereby confirming the demand of Super Tax for the tax year 2018. The CIR-Appeals also directed the ADCIR to consider the rectification application and re-compute the income for super tax purpose strictly in accordance with the provisions of the Ordinance.

The management based on the opinion of its tax advisors, is confident that the subject matter will be decided in favour of the Company. However, provision for liability, in respect of super tax based on management computation amounting to Rs. 38.71 million, had already been made in the financial statements of its respective tax year.

- i) The Additional Commissioner Inland Revenue, Audit Range-A, Audit-I, Large Taxpayers Office, Karachi (ADCIR) passed the amended assessment order under section 122(5A) of the Ordinance in respect of tax year 2018 on March 26, 2021 and raised a demand of Rs. 132.372 million. Against the said order, the Company duly filed rectification application to correct the mistakes apparent with respect to the apportionment of financial charges and operating and administrative expenses and mistake in working for determination of super tax liability in the amended assessment. Further, an appeal was also been filed against the order before CIR-Appeals.

The CIR-Appeals, in the appellate dated May 30, 2022 accepted the contention of the Company regarding the computation of Super Tax and directed the ACIR to re-examine, re-consider, re-verify and re-adjudicate the matter regarding the computation of Super Tax by considering the facts of the case. The CIR-Appeals also directed the ADCIR to verify the credit of taxes not given to the Company so that the Company is not deprived of the benefit of the legitimate and due tax deductions. Similarly, the CIR-Appeals also directed the ADCIR to examine the tax credit claimed on donation and allow the same if found legitimate.



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After the CIR-Appeals remanded back the aforementioned order, the ADCIR issued the notice under section 122(9) read with section 129 of the Ordinance in which the matters which were remanded back were raised for re-adjudication. The matters were as follows:

- charging and recovery of super tax under section 4B of the Ordinance amounting to Rs. 46,159,237;
- evidences regarding the unverified tax credits of Rs. 58,736,047; and
- explanation and evidence of tax credit on donation Rs. 1,916,897.

Periodic compliances were made and the notice was fully complied with. No further correspondence with the tax department has taken place after compliance of the notice.

However, the CIR-Appeals confirmed the treatment of the ADCIR regarding the allocation of operating and administrative expenses by treating all the expenses as common expenses. The CIR-Appeals also confirmed the treatment of the ADCIR regarding the allocation of finance charges to dividend income without appreciating the fact that the finance cost incurred during the year had no nexus with the dividend income earned during the year as dividend income was earned from old investments which were brought before tax year 2018.

Against the above decision of the CIR-Appeals, appeal has been preferred before the ATIR and is pending hearing.

The management, based on the opinion of 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 the financial statements.

- j) On August 04, 2020, the Company received a notice from the Deputy Commissioner Inland Revenue, Unit-I, Range-I, Zone-III, Corporate RTO Karachi (DCIR) under section 4B of the Ordinance in respect of tax year 2019, for determination of super tax liability amounting to Rs. 23.34 million. DCIR further passed an order u/s 138(1) of the Ordinance and determined the super tax liability amounting to Rs. 23.34 million. Against the order passed, rectification application had been filed to highlight the mistake in working for determination of income for the purpose of super tax liability. Further, an appeal had also been filed against the order before CIR-Appeals.

The CIR-Appeals, in his order bearing no. 35/A-I dated June 17, 2021 rejected the contention of the Company for charging of super tax under section 4B of the Ordinance by placing reliance on the judgment of the Honourable Sindh High Court passed on July 21, 2020, thereby confirming the demand of super tax for the tax year 2019. The CIR-Appeals also directed the DCIR to consider the rectification application and re-compute the income for super tax purpose strictly in accordance with the provisions of the Ordinance.

The management based on the opinion of its tax advisors, is confident that the subject matter will be decided in favour of the Company. However, provision for liability, in respect of super tax based on management computation amounting to Rs. 21.96 million, had already been made in the financial statements of its respective tax year.

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### - 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 Rs. 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 the above said order of CIR (Appeals) for tax years 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 remanded 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 years 2006 and 2009 whereby demands for these tax years were reduced to Rs. 77.33 million and Rs. 59.93 million respectively. As the allocation of expenditure in the said appeal effect orders was 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 round of appeal filed by the Company before CIR (Appeals) against appeal effect orders for tax years 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 the 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 the 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 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 is 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.



## Notes to the Consolidated Financial Statements

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- b) 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 the Company has filed an 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. The DCIR passed appeal effect order dated February 17, 2020 determined refund of Rs 30.66 million. The company submitted appeal before the CIR (Appeal) against the appeal effect order. The Company also 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 reduced the refund claim 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 confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. The Company submitted appeal before the ATIR against the order of the CIR(A).

### - 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 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, recovery of aforesaid tax demand was previously stayed by the Honorable Sindh High Court (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. However, based on its order dated July 21, 2020, the SHC has dismissed the aforementioned C.P and has declared the super tax for TY 2015 to be constitutionally vires. The Company has however filed an Income Tax Reference Application (ITRA) No. 52 of 2020 before SHC which is pending adjudication.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

- d) For tax year 2016 and 2017, notices dated December 27, 2016 and January 3, 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 4, 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 were rejected by CIR-A vide its order dated October 12, 2018 for both years. As a result, 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. The Company has however filed an Income Tax Reference Application (ITRA) No. 53 and 54 of 2020 before SHC which is pending adjudication.
- e) 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 had challenged the notice on constitutional grounds before SHC through C.P. No. 8670 of 2018. The SHC, vide its order dated December 14, 2018, had stated that no coercive action shall be taken against the Company. However the SHC based on its order issued in September 2020 has dismissed the aforementioned C.P. The Company is hence awaiting the conclusion of ATIR on the above matter before it files a reference application for TY 2018. To date, no order has been passed by the Department, consequently, no outstanding tax demand exists to date.
- 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 had filed an appeal before ATIR. During last year ATIR vide its order dated March 29, 2019 had annulled CIRA's 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 last year, a rectification application was 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 2, 2017. As a result of which tax demand under section 5A would be reduced to Rs. 7.523 million. The Honourable Sindh High Court vide an interim order dated May 21, 2021 granted relief against the said notice.



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For the year ended December 31, 2023

- g) The Company has been selected for an income tax audit under section 214C. as per the amendment order passed on June 28, 2023, via letter AT 238 dated July 17, 2023 a reduction in the refund amount has been imposed due to certain expense adjustments. However, the organization has duly filed an appeal with CIRA and is currently awaiting a decision.
- h) In 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 the 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 Sindh Sales Tax (SST) issue 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.

- i) SRB has also issued an order in another proceeding for tax periods January 2014 to December 2016, which were confronted, vide notice dated August 15, 2017, levying sales tax on certain services and disallowance of input tax of Rs. 35,877,012. In pursuance of the said order the Company filed an appeal before Commissioner (Appeals), SRB which has been partly heard. However the recovery of the aforesaid tax demand has been stayed by the Hon'able SHC in Suit no 767 of 2018 vide order dated April 13, 2018.
- j) Tax department issued a 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 to 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

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

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 off 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 had 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 the Company 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.

### - In respect of JSBL

#### - Income Tax

The Bank has filed income tax returns under Section 114 of the Income Tax Ordinance, 2001 for the tax years 2007 through 2022. The returns so filed considered as deemed assessment order under Section 120(1) of the Income Tax Ordinance, 2001 (the Ordinance). Later, the return of income for tax years 2008 to 2018, 2020 and 2022 were amended by the Officers of Inland Revenue (OIR) by taking recourse of tax audit or alternatively through amendment the assessment contending that certain matters in the deemed assessments were allegedly not conforming to the law and prejudiced the interest of revenue.

The Bank contested the disallowances before the Commissioner Inland Revenue Appeals [CIR(A)] and the Appellate Tribunal Inland Revenue [ATIR].

For tax year 2008, both the CIR(A) and ATIR annulled the OIR's action of amending the assessment for tax year 2008 being barred by time limitation following the judgments of Honourable Supreme Court of Pakistan.

For tax years 2009 to 2017, the appeals were decided by ATIR through combined Appellate Order dated 31-01-2022. Though the AO, except for the levy of surcharge under section 4A, minimum tax under section 113 and deduction of Sindh WWF all of the issues involved in the appeal either decided in Bank's favor (including the issue of goodwill, amortization of which was claimed over the period of 10 years) or set-aside for re-examination by the ATIR.

The Bank as well as the tax department have filed Income Tax Reference Applications before Sindh High Court against above-mentioned order of ATIR, which are pending.

Bank's appeal for tax years 2018 to 2020 and 2022 are pending for adjudication before ATIR.

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



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

without lawful authority i.e. the banks do not fall into definition of Industrial Undertaking and thus, not liable to pay WWF. Based on that, the Appellate Tribunal through combined Appellate order dated 31-01-2022 has also annulled the OIR's action of levying WWF on Bank under Worker's Welfare Fund Ordinance, 1971 in tax years 2009, 2012 and 2013.

As a consequence of the 18th amendment to the Constitution, levy for the WWF was introduced by the Government of Sindh, Punjab and Balochistan through the Sindh WWF Act, 2014 (the Act), the Punjab Workers Welfare Fund Act, 2019 and the Balochistan Workers Welfare Fund Act, 2022, respectively. As per these Acts, the Bank is liable to pay WWF in both provinces. However, in this respect:

- the Bank has challenged the issue of jurisdiction claimed by Sindh Revenue Board before the Honorable High Court of Sindh (SHC) through Constitutional Petition 1546/2017 on grounds that banking companies cannot be considered as industrial establishment and that the Act cannot be applied to trans-provincial entities. The Court has restrained the Sindh Revenue Board to collect / recover Sindh WWF. For tax years 2018 to 2022 the Court granted stay from recovery of Sindh WWF upon submission of Bank Guarantee to Nazir of Court.
- the Bank has also received notices regarding the recovery of Balochistan WWF for which the Bank is in discussion with legal counsel to challenge in the court of law on same grounds as in case of Sindh WWF.

In 2018, Based on decision of the Supreme Court of Pakistan, the Bank had reassessed the provision of WWF which was previously held on the entire operating results of the Bank (including all provinces, part of Pakistan, AJK and Bahrain Operations) and maintained WWF only to the extent of its operations within Sindh Province till 2019. In 2020 after promulgation of Punjab WWF, the Bank has again decided prudently to maintain provision on the entire results of the Bank.

The Sindh High Court has dismissed the Bank's petitions for tax years 2016 through 2022 wherein the Bank along with other taxpayers challenged the levy of super tax on constitutional grounds. Based on the opinion of legal counsel, the Bank has file appeal before the Supreme Court against the decision of the Sindh High Court. The Supreme Court has allowed interim relief to the taxpayers subject to the payment of 50% of the super tax liability. However, the Bank has adjusted full amount of super tax liability for Tax year 2016 and 2019 against the available tax refunds. Further, the bank has obtained stay from the Sindh High Court on other technical grounds regarding the levy of Super Tax for tax years 2017 and 2018.

Through Finance Act 2023, Super tax on high earning persons was levied under section 4C of the Ordinance. The Bank has challenged the levy of Super tax for tax year 2023 through the legal counsel before the Islamabad High Court wherein interim stay was granted.

The Bank through its legal counsel has challenged the vires of the tax levied under section 99D read with SRO 1588(I)/2023 by filing a C.P. No. 5790 of 2023 in the High Court of Sindh. The High Court has suspended the operation of the aforementioned SRO through an interim order dated December 7, 2023. Further, the operation of the SRO has also been suspended by the interim orders of the Islamabad High Court and Lahore High Court in other similar petitions. Bank has not provided the

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

levy in books, as based on advice of its legal counsel dealing with the case, the management is confident that the Bank has a good chance to succeed on the basis of various grounds taken in the petition and no immediate liability or payment for Windfall Tax is foreseen as of now.

### - Withholding tax monitoring

Withholding tax monitoring was initiated against the Bank for tax years 2014 to 2020. Orders in respect of tax years 2014, 2015, 2016, 2018 and 2020 have 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 have been passed and demands have been reduced. The ATIR through order dated 07-02-2022 refused Department's appeal and maintained CIR(A)'s order for tax year 2014. Appeal for tax years 2016, 2018 and 2020 are pending for adjudication before CIR(A).

### - 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.193.44 million (besides Rs. 7.2 million is charged as penalty) against the Bank for alleged 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)' for the tax periods July 2011 to December 2013, 2015 to 2017 and 2019 to 2020. Bank has filed appeals before Commissioner (Appeals) Sindh Revenue Board (CA-SRB) against the order of AC-SRB, which are pending. After year ended December 31, 2023, Punjab Revenue Authority (PRA) passed an Order for tax periods January to December 2017 raising tax demand of Rs. 157.4 million on alleged short withholding of Punjab Sales Tax. Being aggrieved, the Bank has filed an appeal alongwith application for stay against tax demand before Commissioner Appeal, which is pending.

After year ended December 31, 2023, Punjab Revenue Authority (PRA) passed an Order for tax periods January to December 2017 raising tax demand of Rs. 157.4 million on alleged short withholding of Punjab Sales Tax. Being aggrieved, the Bank has filed an appeal alongwith application for stay against tax demand before Commissioner Appeal, which is pending.

### - 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 2022 with the tax authorities of AJK region. The amendment proceedings and appeals are at various levels before AJK Tax authorities for the tax year 2011 to 2017 and 2019 to 2022.

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



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### - In respect of BIPL

#### - Legal Contingencies

Suit filed by customers / borrowers for recovery of alleged losses suffered, pending in the High Court, which the Bank has not acknowledged as debt.

These are court cases, which represent counter claims filed by the borrowers, for restricting the associate for disposal of the financed assets, (such as mortgaged / leased / pledged assets, kept as security), as well as, the cases where the Bank is pleaded as proforma defendant for defending its interest.

There are two cases filed against the Bank by KASB Corporation Limited. One case is filed at Honorable Sindh High Court and the other is filed at Honorable Islamabad High Court. KASB Corporation Limited claims of having placed Rs. 981.410 million with Ex-KASB Bank, as Advance against Issue of Right Shares. The amount was reported by the Ex-KASB Bank as part of the shareholders equity in the unconsolidated financial statements with the permission of SBP. These cases are still pending adjudication. The management based on the opinion of its legal counsel is confident that the cases will be dismissed by the Honorable Courts therefore, the Bank has not acknowledged that as a debt.

#### - Tax Contingencies

The income tax returns of the Bank have been filed up to tax year 2023 whereas the tax assessments have been made by the tax authorities up to tax year 2022. The returns filed for the tax year 2014 to tax year 2023 are treated to be deemed assessed under section 120 of the Income Tax Ordinance, 2001.

During the year 2014 (relating to defunct KASB Bank Limited), appellate order passed by the Commissioner Inland Revenue Authority (CIRA) [in respect of Income tax assessments of International Housing Finance Limited, amalgamated into the defunct KASB Bank Limited during the year ended 31 December 2007] for tax year 2005 maintained the order of the Taxation Officer to the extent of disallowances relating to income from carry over transactions and gain on sale of property having an aggregate tax impact of Rs. 12.997 million. The defunct KASB Bank Limited has preferred appeals before the Appellate Tribunal Inland Revenue (ATIR) for tax year 2005 which are pending finalization.

For tax years 2003 (relating to defunct KASB Bank Limited), the CIRA has passed appellate orders on account of certain disallowances in respect of income from carry over transactions, provision against non performing advances, bad debts and certain other items having an aggregate tax impact of Rs. 33.748 million. The defunct KASB Bank Limited had preferred an appeal before the ATIR against the above referred orders of the CIRA. No development has taken place during the current year.

For tax year 2010 (relating to defunct KASB Bank Limited), the ACIR had passed an order under section 122 creating a demand of Rs 51.636 million the order was subsequently upheld by the CIRA. The defunct KASB Bank Limited had preferred an appeal before the ATIR against the above referred order of the CIRA which is pending adjudication.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

In respect of various tax periods for the Bank and defunct KASB Bank, Sindh Revenue Board (SRB) has passed various orders and raised demand totaling to Rs. 102.199 million in relation to levy of Sindh sales tax on certain services. The Bank has filed appeals before Commissioner Appeal, SRB which are pending adjudication. Furthermore, the Bank is contesting the issuance of certain showcause notices issued by SRB for the period covering from January 2012 till December 2013 before the Honorable Supreme Court of Pakistan based on the ground that these notices are time barred. The subject matter is also pending adjudication.

During the year, in respect of Tax Year 2019 and 2020, the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Bank by adding / disallowing certain expenses thereby creating a Tax demand of Rs 1.247 billion. The Bank filed appeal against the orders before Commissioner Appeal. The Commissioner Appeal while passing order for Tax Year 2019 and Tax Year 2020 has remanded back / deleted significant amount of disallowances and confirmed disallowance amounting to Rs. 191.420 million. The Bank is in the process of filing Appeal against the confirmed disallowances before the Appellate Tribunal (ATIR).

During the year, in respect of Tax Year 2022 the ACIR under section 122(5A) of the Income Tax Ordinance, 2001 amended the return submitted by the Bank by adding / disallowing certain expenses thereby creating a Tax demand of Rs 522.794 million. The Bank has filed appeal against the orders before Commissioner Appeal which is pending adjudication.

In pursuance of SRO 1588(I)/2023 dated November 21, 2023 banking companies have been designated to be the 'sector' for the purpose of section 99D of the Income Tax Ordinance 2001, for the tax years 2022 and 2023. Tax authorities issued a recovery notice to the Bank thereby creating a demand to the extent of Rs. 594 million. The Bank through its legal council has challenged the levy, and the High Court of Sindh, has suspended the operation of aforementioned SRO and granted stay to the Bank. Further, the Islamabad High Court and Lahore High Court has suspended the operation in other similar petitions. The matter remains pending and the stay order still holds the field

### 34.1.1 Transaction-related Contingent Liabilities

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

|                            | 2023<br>----- (Rupees in '000) ----- | 2022<br>----- (Rupees in '000) ----- |
|----------------------------|--------------------------------------|--------------------------------------|
| i) Financial guarantees    | 8,425,132                            | 3,668,949                            |
| ii) Performance guarantees | 37,928,885                           | 37,371,253                           |
| iii) Other guarantees      | 31,977,885                           | 45,662,672                           |
|                            | <u>78,331,902</u>                    | <u>86,702,874</u>                    |

**34.1.1.1** Included herein are outstanding guarantees of Rs.15.141 million (2022: Rs. 20.398 million) of related parties.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 34.2 | Commitments   | Note   | 2023               | 2022              |
|------|---|--------|--------------------|-------------------|
|      |   |        | (Rupees in '000)   |                   |
|      | <b>Documentary credits and short-term trade-related transactions</b>          |        |                    |                   |
|      | - letters of credit   | 34.2.1 | <u>66,757,307</u>  | <u>50,768,007</u> |
|      | <b>Commitments in respect of:</b>   |        |                    |                   |
|      | Forward exchange contracts:   |        |                    |                   |
|      | - Purchase  | 34.2.2 | <u>125,569,086</u> | <u>58,980,643</u> |
|      | - Sale  | 34.2.2 | <u>95,674,998</u>  | <u>38,280,152</u> |
|      | Undrawn formal standby facilities, credit lines and other commitments to lend | 34.2.3 | <u>124,976,341</u> | <u>284,067</u>    |
|      | <b>Other Commitments</b>  |        |                    |                   |
|      | Forward commitments in respect of sale of securities                          |        | <u>553,782</u>     | <u>2,442,754</u>  |
|      | Commitments in respect of capital expenditure                                 |        | <u>1,347,180</u>   | <u>1,069,774</u>  |
|      | Bank Guarantee from a commercial bank in favor of NCCPL                       |        | <u>400,000</u>     | <u>400,000</u>    |
|      | Interest rate swaps   |        | <u>468,600</u>     | <u>468,600</u>    |
|      | Others  |        | <u>720,593</u>     | <u>229,652</u>    |

**34.2.1** Included herein are the outstanding letter of credits of Rs. 166.33 million (2022: Rs. 65.585 million) of related parties.

**34.2.2** The JSBL utilises foreign exchange instruments to meet the needs of its customers and as part of its asset and liability management activity to hedge its own exposure to currency risk. At year end, all foreign exchange contracts have a remaining maturity of less than one year.

**34.2.3** This represents commitments that are irrevocable because they cannot be withdrawn at the discretion of the JSBL without the risk of incurring significant penalty or expense.

This includes commitments made by BIPL to extend shariah compliant islamic financing in the normal course of its business but these being revocable commitments do not attract any significant penalty or expense if the facility is unilaterally withdrawn.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|   | 2023                         | 2022       |
|---|------------------------------|------------|
|   | ----- (Rupees in '000) ----- |            |
| <b>35. RETURN ON INVESTMENTS</b>  |                              |            |
| <b>Mark-up / interest income from:</b>  |                              |            |
| <b>At fair value through profit or loss / held for trading</b>                    |                              |            |
| Government securities   | 72,204,912                   | 40,179,681 |
| Term Finance Certificates   | 26,553                       | 20,631     |
|   | <b>72,231,465</b>            | 40,200,312 |
| <b>Held to maturity / At amortised cost</b>                                       |                              |            |
| Government securities   | -                            | 119,762    |
| Term Finance / Sukuk Certificates   | 82,200                       | 61,245     |
| Repurchase agreement lending - Reverse Repo                                       | -                            | 22,722     |
|   | <b>72,313,665</b>            | 40,404,041 |
| <b>Dividend income on:</b>  |                              |            |
| At fair value through profit or loss  | 534,932                      | 469,116    |
| Available for sale investments / at fair value through other comprehensive income | 1,335,092                    | 1,110,096  |
|   | <b>1,870,024</b>             | 1,579,212  |
|   | <b>74,183,689</b>            | 41,983,253 |
| <b>36. GAIN / (LOSS) ON SALE OF INVESTMENTS - net</b>                             |                              |            |
| <b>At fair value through profit or loss / held for trading</b>                    |                              |            |
| Listed equity securities  | 190,968                      | (35,141)   |
| Government securities   | (200,619)                    | 6,808      |
| Term finance certificates   | -                            | 1,338      |
| Mutual Fund   | 58,102                       | 2,718      |
| <b>Available for sale</b>   |                              |            |
| Listed equity securities  | 108,169                      | (149,871)  |
| Term finance certificates   | -                            | (994)      |
| Government securities   | 360,587                      | (231,967)  |
| Mutual funds  | 3,222                        | 65,196     |
| <b>Held to maturity / At amortised cost</b>                                       |                              |            |
| Term finance certificates   | -                            | -          |
| Government securities   | (49)                         | (107)      |
|   | <b>520,380</b>               | (342,020)  |
| <b>37. INCOME FROM LOANS, ADVANCES AND FUND PLACEMENTS</b>                        |                              |            |
| Interest on loans to staff  | 2,803                        | 6,947      |
| Interest on loans and advances  | 54,940,521                   | 30,243,561 |
| Interest on deposits with financial institutions                                  | 1,925,810                    | 419,277    |
| Return on reverse repurchase transaction of Government securities                 | 2,944,236                    | 1,329,472  |
|   | <b>59,813,370</b>            | 31,999,257 |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 38. FEE, COMMISSION AND BROKERAGE                    | 2023                         | 2022             |
|--|------------------------------|------------------|
|  | ----- (Rupees in '000) ----- |                  |
| Consultancy and advisory fee                         | 24,160                       | 9,569            |
| Commission income                                    | 4,909,013                    | 3,216,411        |
| Remuneration from funds under management             | 258,147                      | 173,163          |
| Brokerage income                                     | 731,891                      | 460,211          |
| Other services                                       | 596                          | 1,830            |
|  | <u>5,923,807</u>             | <u>3,861,184</u> |
| <b>38.1 Remuneration from funds under management</b> |                              |                  |
| <b>Open-end mutual funds</b>                         |                              |                  |
| JS Growth Fund                                       | 31,808                       | 46,061           |
| Unit Trust of Pakistan                               | 21,260                       | 21,903           |
| JS Income Fund                                       | 22,205                       | 18,832           |
| JS Islamic Fund                                      | 4,427                        | 7,194            |
| JS Fund of Funds                                     | 356                          | 200              |
| JS Islamic Hybrid Fund of Funds                      | 8                            | 18               |
| JS Islamic Hybrid Fund of Funds - 3                  | 23                           | 41               |
| JS Pension Savings Fund                              | 5,745                        | 5,551            |
| JS Islamic Pension Savings Fund                      | 513                          | 1,979            |
| JS Islamic Income Fund                               | 8,971                        | 12,661           |
| JS Large Cap Fund                                    | 6,321                        | 7,798            |
| JS Motion Picture Fund                               | 42                           | 411              |
| JS Islamic Dedicated Equity Fund                     | 193                          | 2,520            |
| JS Islamic Daily Dividend Fund                       | 4,988                        | 3,267            |
| JS Microfinance Sector Fund                          | 36,214                       | 13,871           |
| JS Momentum Factor Exchange Traded Fund              | -                            | 204              |
| JS Rental REIT Fund                                  | 7,887                        | 3,891            |
| JS Government Securities Fund                        | 19                           | 3,168            |
| JS Money Market Fund                                 | 18,081                       | -                |
| JS Islamic Premium Fund                              | 684                          | -                |
| JS Cash Fund   | 121,796                      | 46,104           |
| JS Global Banking Sector Exchange Traded Fund        | 146                          | -                |
|  | <u>291,687</u>               | 195,674          |
| Less: Sales tax                                      | <u>(33,540)</u>              | (22,511)         |
|  | <u>258,147</u>               | <u>173,163</u>   |

**38.1.1** Under the provisions of the NBFC Regulations and the NBFC Rules, the management company of the Fund is entitled to an accrued remuneration at 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, 2023 JSIL has charged management fee at the rates ranging from 0.00% to 2.00% (2022: 0.00% to 2.00%).

**38.1.2** Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2023 amounts to Rs.87.234 (2022: Rs.44.226) billion.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

| 39. OTHER INCOME   | Note    | 2023<br>(Rupees in '000) | 2022              |
|--|---------|--------------------------|-------------------|
| Gain on sale of property and equipment                           |         | 91,250                   | 56,249            |
| Rental income  |         | 6,937                    | 5,249             |
| Liabilities written back   |         | 703                      | 17,714            |
| Return on cash margin on future contracts                        |         | 7,592                    | 8,743             |
| (Loss) on remeasurement of derivative financial instrument       |         | (8,041)                  | (82,584)          |
| Gain on disposal of asset classified as held for sale            |         | 296,413                  | -                 |
| Income from dealing in foreign currency                          |         | 5,872,013                | 2,162,422         |
| Bargain purchase gain  | 1.2.1.2 | 2,179,949                | -                 |
| Other income   |         | 309,753                  | 246,670           |
|  |         | <b>8,756,569</b>         | <b>2,414,463</b>  |
| <b>40. OPERATING AND ADMINISTRATIVE EXPENSES</b>                 |         |                          |                   |
| Salaries and benefits  | 40.1    | 11,722,763               | 7,084,619         |
| Telephone, fax, telegram and postage                             |         | 670,163                  | 293,584           |
| Vehicle running  |         | 882,244                  | 475,723           |
| Directors' meeting fee   |         | 51,224                   | 24,303            |
| Utilities  |         | 1,236,681                | 613,170           |
| Newspapers and periodicals                                       |         | 424                      | 406               |
| Conveyance and travelling  |         | 910,726                  | 737,242           |
| Repairs and maintenance  |         | 898,071                  | 558,391           |
| Computer expenses  |         | 4,070,702                | 1,973,584         |
| Auditors' remuneration   | 40.2    | 58,944                   | 32,179            |
| Royalty fee  | 40.3    | 55,000                   | 55,000            |
| Consultancy fee  |         | 110,284                  | 12,803            |
| Advisory fee   | 40.4    | 7,830                    | 6,549             |
| Legal and professional charges                                   |         | 826,181                  | 581,772           |
| Printing and stationery  |         | 665,876                  | 279,782           |
| Rent, rates and taxes  |         | 104,436                  | 36,571            |
| Insurance  |         | 520,224                  | 519,961           |
| Entertainment  |         | 242,526                  | 129,921           |
| Advertisement  |         | 2,353,497                | 1,128,646         |
| Office supplies  |         | 42,214                   | 2,986             |
| Depreciation   | 40.5    | 3,032,524                | 2,098,420         |
| Amortisation of intangible assets                                | 8.1     | 346,814                  | 172,389           |
| Provision against non-performing loans, advances and receivables |         | 5,944,064                | 1,109,038         |
| Fees and subscription  |         | 711,180                  | 414,580           |
| Donations  | 40.6    | 185,742                  | 49,625            |
| Brokerage and commission expense                                 |         | 214,776                  | 48,998            |
| Clearing fees  |         | 375,481                  | 217,424           |
| Office security  |         | 673,438                  | 346,771           |
| SBP penalties and other charges                                  |         | 81,477                   | 134,413           |
| Others   |         | 287,514                  | 167,469           |
|  |         | <b>37,283,020</b>        | <b>19,306,319</b> |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 40.1 Details of Provident Funds

| Description   | JSCL             |        | JSBL      |           | BIPL       |      | JSIL   |        | JSGCL   |         |
|---|------------------|--------|-----------|-----------|------------|------|--------|--------|---------|---------|
|   | 2023             | 2022   | 2023      | 2022      | 2023       | 2022 | 2023   | 2022   | 2023    | 2022    |
|   | Audited          |        |           |           | Un-audited |      |        |        | Audited |         |
|   | (Rupees in '000) |        |           |           |            |      |        |        |         |         |
| Number of employees                                   | 20               | 20     | 3,231     | 3,013     | 5,891      | -    | 77     | 66     | 157     | 163     |
| Size of provident fund                                | 58,004           | 48,036 | 2,843,354 | 2,566,339 | 1,680,149  | -    | 11,784 | 17,558 | 110,038 | 116,993 |
| Cost of investments made                              | 52,955           | 41,391 | 2,572,591 | 1,921,136 | 1,650,000  | -    | 8,642  | 7,559  | 6,831   | 250     |
| Fair value of investments                             | 52,885           | 41,139 | 2,598,536 | 1,905,249 | 1,650,000  | -    | 8,747  | 7,564  | 6,310   | 250     |
| Percentage of investments made at cost                | 91%              | 86%    | 90%       | 75%       | 98%        | -    | 73%    | 43%    | 6%      | 0%      |
| <b>Break-up of investments at cost/ market value:</b> |                  |        |           |           |            |      |        |        |         |         |
| <b>Term finance certificates and Sukuk</b>            |                  |        |           |           |            |      |        |        |         |         |
| Amount of investments                                 | 1,345            | 1,345  | 199,670   | 65,800    | -          | -    | -      | -      | 250     | 250     |
| Percentage of size of investments                     | 2%               | 3%     | 7%        | 3%        | 0%         | -    | 0%     | 0%     | 0%      | 0%      |
| <b>National Saving Schemes:</b>                       |                  |        |           |           |            |      |        |        |         |         |
| Amount of investments                                 | -                | -      | -         | -         | -          | -    | -      | -      | -       | -       |
| Percentage of size of investments                     | 0%               | 0%     | 0%        | 0%        | 0%         | -    | 0%     | 0%     | 0%      | 0%      |
| <b>Listed securities:</b>                             |                  |        |           |           |            |      |        |        |         |         |
| Amount of investments                                 | 3,994            | 3,617  | 52,499    | 39,779    | -          | -    | -      | -      | 6,310   | -       |
| Percentage of size of investments                     | 7%               | 8%     | 2%        | 2%        | 0%         | -    | 0%     | 0%     | 6%      | 0%      |
| <b>Government Securities:</b>                         |                  |        |           |           |            |      |        |        |         |         |
| Amount of investment                                  | 47,546           | 36,177 | 2,320,422 | 1,815,557 | -          | -    | -      | -      | -       | -       |
| Percentage of size of investments                     | 82%              | 75%    | 82%       | 71%       | 0%         | -    | 0%     | 0%     | 0%      | 0%      |
| <b>Balance in scheduled banks:</b>                    |                  |        |           |           |            |      |        |        |         |         |
| Amount of investment                                  | 6,451            | 4,072  | 244,818   | 671,885   | 1,650,000  | -    | 2,586  | 9,652  | 93,916  | 105,603 |
| Percentage of size of investments                     | 11%              | 8%     | 9%        | 26%       | 98%        | -    | 22%    | 55%    | 85%     | 90%     |
| <b>Mutual Funds:</b>                                  |                  |        |           |           |            |      |        |        |         |         |
| Amount of investment                                  | -                | -      | -         | -         | -          | -    | 8,747  | 7,564  | -       | -       |
| Percentage of size of investments                     | 0%               | 0%     | 0%        | 0%        | 0%         | -    | 74%    | 43%    | 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. 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 Consolidated Financial Statements

For the year ended December 31, 2023

### 40.2 Auditors' remuneration

|                                   | KPMG Taseer Hadi & Co. |                         | Other<br>Auditors       | 2023   | 2022   |
|-----------------------------------|------------------------|-------------------------|-------------------------|--------|--------|
|                                   | Holding<br>company     | Subsidiary<br>companies | Subsidiary<br>companies |        |        |
|                                   | (Rupees in '000)       |                         |                         |        |        |
| Annual audit fee                  | 2,750                  | 19,319                  | 240                     | 22,309 | 14,541 |
| Half-yearly review fee            | 550                    | 2,400                   | -                       | 2,950  | 2,359  |
| Other certifications and services | 2,100                  | 25,789                  | -                       | 27,889 | 11,012 |
|                                   | 5,400                  | 47,508                  | 240                     | 53,148 | 27,912 |
| Out of pocket expenses            | 460                    | 4,250                   | 24                      | 4,734  | 3,194  |
| Sindh Sales Tax                   | 672                    | 369                     | 21                      | 1,062  | 1,073  |
|                                   | 6,532                  | 52,127                  | 285                     | 58,944 | 32,179 |

40.3 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.

40.4 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.

| 40.5 Depreciation   | Note | 2023             | 2022      |
|---------------------|------|------------------|-----------|
|                     |      | (Rupees in '000) |           |
| Operating assets    | 7.1  | 1,592,507        | 975,637   |
| Right-of-use asset  | 7.2  | 1,439,897        | 1,122,663 |
| Investment property | 9    | 120              | 120       |
|                     |      | 3,032,524        | 2,098,420 |

40.6 This represents donation to Future Trust (related party), wherein below mentioned persons are honorary trustees who are also key management personnel of the Group. The registered offices of the donee i.e. Future Trust is located at 20th Floor, The Centre, Saddar, Karachi.

#### Name of Trustee

- Mr. Najmul Hoda Khan
- Mr. Hasan Shahid
- Mr. Fahad Muslim

| 41. FINANCE COST   | 2023             | 2022       |
|--|------------------|------------|
|  | (Rupees in '000) |            |
| <b>Mark-up on:</b>   |                  |            |
| Short term borrowing   | 290              | 52,984     |
| Long term financing  | 2,215,574        | 1,313,988  |
| Borrowing from banks / NBFCs                                 | 15,489,052       | 16,301,896 |
| Deposits   | 71,977,593       | 38,714,892 |
| Cost of swaps against foreign currency deposits / borrowings | 1,931,952        | 581,400    |
| Mark-up on lease liability                                   | 965,043          | 397,495    |
|  | 92,579,504       | 57,362,655 |
| Commission expense of bank guarantee                         | 4,999            | 4,780      |
| Amortisation of transaction costs                            | 43,597           | 54,555     |
| Bank charges   | 1,662            | 2,538      |
|  | 92,629,762       | 57,424,528 |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 42. CHARGE / (REVERSAL) OF IMPAIRMENT ON INVESTMENTS - NET

|                                | 2023                         | 2022            |
|--------------------------------|------------------------------|-----------------|
|                                | ----- (Rupees in '000) ----- |                 |
| Available for sale investments | 721,822                      | (38,440)        |
|                                | <u>721,822</u>               | <u>(38,440)</u> |

### 43. TAXATION

|  | 2023                         |               |                  | 2022             |               |                  |
|--|------------------------------|---------------|------------------|------------------|---------------|------------------|
|  | Current                      | Prior         | Deferred         | Current          | Prior         | Deferred         |
|  | ----- (Rupees in '000) ----- |               |                  |                  |               |                  |
| Jahangir Siddiqui & Co. Ltd.                   | 699,675                      | 109,268       | (1,896)          | 434,153          | 54,075        | 1,622            |
| JS Investments Limited                         | 45,343                       | -             | (101,098)        | 7,544            | -             | -                |
| JS Infocom Limited                             | 9,186                        | 32,021        | -                | 24,692           | (8,211)       | -                |
| Energy Infrastructure Holding (Pvt) Ltd.       | 60,017                       | 13,145        | 56               | 28,976           | -             | 1,778            |
| JS Global Capital Limited                      | 68,450                       | (10,751)      | 13,983           | 34,823           | 7,989         | 1,447            |
| JS Bank Limited                                | 4,030,309                    | (67,188)      | 147,528          | 1,179,189        | 5,397         | (60,358)         |
| BankIslami Pakistan Limited                    | 4,118,198                    | -             | (249,205)        | -                | -             | -                |
| JS Engineering Investments 1 (Private) Limited | 30                           | 14            | 5                | -                | -             | -                |
| Quality Energy Solutions (Pvt.) Ltd.           | 351                          | -             | -                | 330              | -             | -                |
| Khairpur Solar Power (Pvt.) Ltd.               | 524                          | -             | 76               | 304              | -             | -                |
| <b>Total Taxation</b>                          | <u>9,032,083</u>             | <u>76,509</u> | <u>(190,551)</u> | <u>1,710,011</u> | <u>59,250</u> | <u>(55,511)</u>  |
|  |                              |               | <u>8,918,041</u> |                  |               | <u>1,713,750</u> |

#### 43.1 Reconciliation of tax charge for the year

|   | 2023                         | 2022             |
|---|------------------------------|------------------|
|   | ----- (Rupees in '000) ----- |                  |
| Profit before taxation from continuing operations                     | 20,447,822                   | 4,091,333        |
| Tax at applicable rates in the Group                                  | 8,672,770                    | 1,450,986        |
| Tax effect of income under FTR and subject to difference in tax rates | 75,828                       | 7,941            |
| Tax effect of amount relating to prior year                           | 395,544                      | 59,250           |
| Tax charge on permanent differences                                   | (22,447)                     | 226,383          |
| Alternate corporate tax   | 14,747                       | 17,328           |
| Others  | (218,401)                    | (48,138)         |
|   | <u>8,918,041</u>             | <u>1,713,750</u> |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|            |   | 2023                          | 2022              |
|------------|---|-------------------------------|-------------------|
|            |   | ----- (Rupees in '000) -----  |                   |
| <b>44.</b> | <b>EARNINGS PER SHARE</b>   |                               |                   |
|            | <b>Earnings</b>   |                               |                   |
|            | Profit after taxation from continuing operations attributable to equity shareholders of the Holding Company                         | 8,562,946                     | 2,154,492         |
|            | Profit / (Loss) after taxation for the year from discontinued operations attributable to equity shareholders of the Holding Company | 60,114                        | (4,546)           |
|            | Profit after taxation for the year attributable to equity shareholders of the Holding Company                                       | 8,623,060                     | 2,149,946         |
|            | Add back: Amortization of liability component of preference shares - net of tax   | 30,161                        | 35,975            |
|            | Profit after taxation attributable to ordinary shareholders for diluted earnings per share  | <u>8,653,221</u>              | <u>2,185,921</u>  |
|            | <b>Number of shares</b>   | 2023                          | 2022              |
|            |   | ----- (Numbers in '000) ----- |                   |
|            | Weighted average number of ordinary shares outstanding during the year for basic earnings per share                                 | 915,942                       | 915,942           |
|            | Effect of dilutive convertible preference shares  | 146,551                       | 146,551           |
|            | Weighted average number of ordinary shares outstanding during the year for diluted earnings per share                               | <u>1,062,493</u>              | <u>1,062,493</u>  |
|            | <b>EARNINGS PER SHARE</b>   | 2023                          | 2022              |
|            |   | ----- (Rupees) -----          |                   |
|            | <b>From continuing operations</b>   |                               |                   |
|            | Basic   | 9.35                          | 2.35              |
|            | Diluted   | 8.09                          | 2.06              |
|            | <b>From continuing and discontinued operations</b>  |                               |                   |
|            | Basic   | 9.41                          | 2.35              |
|            | Diluted   | 8.14                          | 2.06              |
| <b>45.</b> | <b>CASH AND CASH EQUIVALENTS</b>  | 2023                          | 2022              |
|            |   | ----- (Rupees in '000) -----  |                   |
|            | Cash and bank balances  | 87,400,400                    | 26,602,040        |
|            | Cash at bank related to assets classified as held for sale  | -                             | 135,904           |
|            | Overdrawn nostro accounts   | (549,483)                     | (1,583,765)       |
|            |   | <u>86,850,917</u>             | <u>25,154,179</u> |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 46. DEFERRED ASSET - EMPLOYEE BENEFIT

#### 46.1 General description

The JSBL operates a recognized gratuity fund for all employees who opted for this 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 Subsidiary 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.

The BIPL operates a gratuity fund for its employees (members of the fund). The fund entitles the members to lump sum payment at the time of retirement, resignation or death. Permanent staff are eligible for such benefits after three years of service.

46.2 The plan in Pakistan typically exposes the JSBL and BIPL 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.

- **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 under-performing and are not sufficient to meet the liabilities.

## Notes to the Consolidated Financial Statements

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### 46.3 Number of employees under the schemes

The number of employees covered under JSBL's defined benefit scheme (gratuity fund) is 4,010 (2022: 3,740).

The number of employees covered under BIPL's defined benefit scheme (gratuity fund) is 3,727.

### 46.4 Principal actuarial assumptions

The actuarial valuations were carried out as at December 31, 2023, using Projected Unit Credit Method. The following significant assumptions were used for the valuation:

|  |           | BIPL   |      | JSBL   |        |
|--|-----------|--------|------|--------|--------|
|  |           | 2023   | 2022 | 2023   | 2022   |
| Discount rate  | per annum | 15.50% | -    | 16.00% | 14.50% |
| Expected rate of return on plan assets                 | per annum | 15.50% | -    | 14.50% | 11.75% |
| Expected rate of salary increase                       | per annum | 15.50% | -    | 16.00% | 14.50% |
| The average duration of the defined benefit obligation | years     | 5.42   | -    | 7      | 8      |

### 46.5 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) |           |
|---|-----------------------------|-----------|---------------------------|-----------|---|-----------|
|   | 2023                        | 2022      | 2023                      | 2022      | 2023                                    | 2022      |
| (Rupees in '000)  |                             |           |                           |           |   |           |
| <b>Balance as at January 01,</b>                            | <b>831,155</b>              | 811,689   | <b>950,678</b>            | 1,130,008 | <b>(119,523)</b>                        | (318,319) |
| <i>Acquisition adjustments</i>                              | <b>646,661</b>              | -         | <b>344,314</b>            | -         | <b>302,347</b>                          | -         |
| <b>Included in profit or loss</b>                           |                             |           |                           |           |   |           |
| Current service cost  | <b>312,665</b>              | 131,824   | -                         | -         | <b>312,665</b>                          | 131,824   |
| Interest expense / income                                   | <b>197,039</b>              | 91,040    | <b>186,745</b>            | 127,900   | <b>10,294</b>                           | (36,860)  |
|   | <b>509,704</b>              | 222,864   | <b>186,745</b>            | 127,900   | <b>322,959</b>                          | 94,964    |
| <b>Included in other comprehensive income</b>               |                             |           |                           |           |   |           |
| Actuarial gains / losses arising from:                      |                             |           |                           |           |   |           |
| - financial assumptions                                     | <b>(1,345)</b>              | 2,685     | <b>(502)</b>              | -         | <b>(843)</b>                            | 2,685     |
| - demographic assumptions                                   | -                           | (34,057)  | -                         | -         | -                                       | (34,057)  |
| - Experience adjustments                                    | <b>19,786</b>               | (89,734)  | <b>2,900</b>              | -         | <b>16,886</b>                           | (89,734)  |
| Return on plan assets                                       | -                           | -         | <b>(190,306)</b>          | (224,228) | <b>190,306</b>                          | 224,228   |
|   | <b>18,441</b>               | (121,106) | <b>(187,908)</b>          | (224,228) | <b>206,349</b>                          | 103,122   |
| <b>Others movements</b>                                     |                             |           |                           |           |   |           |
| Contribution made during the year                           | -                           | -         | <b>150,000</b>            | -         | <b>(150,000)</b>                        | -         |
| Benefits due but not paid                                   | <b>(9,421)</b>              | -         | <b>(9,421)</b>            | -         | -                                       | -         |
| Benefits paid during the year                               | <b>(164,185)</b>            | (83,002)  | <b>(164,185)</b>          | (83,002)  | -                                       | -         |
|   | <b>(173,606)</b>            | (83,002)  | <b>(23,606)</b>           | (83,002)  | <b>(150,000)</b>                        | -         |
| Adjustment for assets classified as held for sale (Note 21) | -                           | 710       | -                         | -         | -                                       | 710       |
| <b>Balance as at December 31,</b>                           | <b>1,832,355</b>            | 831,155   | <b>1,270,223</b>          | 950,678   | <b>562,132</b>                          | (119,523) |

## Notes to the Consolidated Financial Statements

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46.6 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  |         |            |       |
|-------------------------------------|----------------------------|-----------|----------------------------|---------|------------|-------|
|                                     | 2023                       | 2022      | 2023                       | 2022    | 2023       | 2022  |
|                                     | ---- (Rupees in '000) ---- |           | ---- (Rupees in '000) ---- |         | Percentage |       |
| <b>Cash and cash equivalent</b>     |                            |           |                            |         |            |       |
| Cash at Bank                        | 98,155                     | 28,395    | 98,155                     | 28,395  | 7.7%       | 3.0%  |
| Term deposit receipts               | 410,890                    | -         | 410,890                    | -       | 32.3%      | 0.0%  |
|                                     | 509,045                    | 28,395    | 509,045                    | 28,395  | 40.0%      | 3.0%  |
| <b>Debt Securities</b>              |                            |           |                            |         |            |       |
| Pakistan investment Bonds           | -                          | 59,537    | -                          | 59,568  | 0.0%       | 6.3%  |
| Market treasury bills               | -                          | 69,178    | -                          | 70,805  | 0.0%       | 7.4%  |
| Term finance certificates           | -                          | 183,442   | -                          | 184,040 | 0.0%       | 19.4% |
|                                     | -                          | 312,157   | -                          | 314,413 | 0.0%       | 33.1% |
| Ordinary shares of listed companies | 1,049,827                  | 805,623   | 761,177                    | 607,871 | 60.0%      | 63.9% |
|                                     | 1,558,872                  | 1,146,175 | 1,270,222                  | 950,679 | 100%       | 100%  |

### 46.7 Maturity profile

46.7.1 Expected maturity analysis of undiscounted defined benefit obligation (benefit payments) 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, 2023 | 232,234                      | 289,722        | 838,871        | 4,128,605       | 19,092,746        | 24,582,178 |
| December 31, 2022 | 53,572                       | 153,934        | 435,294        | 1,124,640       | 13,268,198        | 15,035,638 |

### 46.8 Sensitivity analysis

46.8.1 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                                     | Present value of defined benefit obligation | Change    |
|---|---|-----------|
|   | ----- Rupees in '000 -----                  |           |
| 1% increase in discount rate                    | 1,721,503                                   | (110,852) |
| 1% decrease in discount rate                    | 1,956,406                                   | 73,142    |
| 1% increase in expected rate of salary increase | 1,952,637                                   | 65,922    |
| 1% decrease in expected rate of salary increase | 1,722,752                                   | (59,956)  |
| 10% increase in withdrawal rate                 | 1,817,461                                   | (13,363)  |
| 10% decrease in withdrawal rate                 | 1,848,257                                   | 14,349    |
| 1 year Mortality age set back                   | 1,832,557                                   | 204       |
| 1 year Mortality age set forward                | 1,832,115                                   | (241)     |

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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 consolidated statement of financial position.

### 46.9 Maturity profile

The weighted average duration of the JSBL's defined benefit obligation works out to 07 years.

The weighted average duration of the BIPL's defined benefit obligation works out to 5.42 years.

### 46.10 Experience Adjustments

The remeasurement gains / (losses) arise due to actual experience varying from the actuarial assumptions for the year:

| Particulars                               | 2023                       | 2022      |
|---|----------------------------|-----------|
|   | ----- Rupees in '000 ----- |           |
| Defined benefit obligation                | 1,832,355                  | 831,155   |
| Fair value of plan assets                 | (1,270,223)                | (950,678) |
| Net defined benefit liability             | 562,132                    | (119,523) |
| Remeasurement gain / (loss) on obligation | 18,441                     | (121,106) |
| Remeasurement loss on plan assets         | 187,908                    | 224,228   |
| Other comprehensive income                | 206,349                    | 103,122   |

46.11 Based on actuarial advice and management estimates, profit and loss account charge in respect of defined benefit obligation for the next one year works out to be Rs. 437.062 million.

### 47. FINANCIAL INSTRUMENTS BY CATEGORY

|   | 2023  |  |   | Total         |
|---|---|--|---|---------------|
|   | Assets at amortised cost / held to maturity | Assets at fair value through profit or loss / held for trading | Available for sale / at fair value through other comprehensive income |               |
| ----- (Rupees in '000) -----                    |   |  |   |               |
| <b>ASSETS</b>                                   |   |  |   |               |
| Long term investments                           | 72,506,840                                  | -  | 426,486,414   | 498,993,254   |
| Loans, advances, deposits and other receivables | 448,286,796                                 | -  | -   | 448,286,796   |
| Net investment in finance lease                 | 5,404,086                                   | -  | -   | 5,404,086     |
| Short term investments                          | 29,989,514                                  | 2,297,873  | 67,823,107  | 100,110,494   |
| Trade debts                                     | 1,509,897                                   | -  | -   | 1,509,897     |
| Fund placements                                 | 16,502,138                                  | -  | -   | 16,502,138    |
| Accrued mark-up                                 | 46,099,805                                  | -  | -   | 46,099,805    |
| Cash and bank balances                          | 87,400,400                                  | -  | -   | 87,400,400    |
|   | 707,699,476                                 | 2,297,873  | 494,309,521   | 1,204,306,870 |

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|   | 2023                                       |  |               |
|---|--|--|---------------|
|   | At fair value<br>through profit<br>or loss | At amortized cost<br>/held to maturity | Total         |
|   | ----- (Rupees in '000) -----               |  |               |
| <b>LIABILITIES</b>                                  |  |  |               |
| Financing liabilities                               | -  | 9,409,968                              | 9,409,968     |
| Liabilities against assets subject to finance lease | -  | 6,796,030                              | 6,796,030     |
| Deposits and other accounts                         | -  | 1,021,480,315                          | 1,021,480,315 |
| Trade and other payables                            | -  | 36,152,863                             | 36,152,863    |
| Borrowings  | -  | 87,881,535                             | 87,881,535    |
|   | -  | 1,161,720,711                          | 1,161,720,711 |

|   | 2022   |   |   | Total       |
|---|--|---|---|-------------|
|   | Assets at<br>amortised<br>cost / held to<br>maturity | Assets at fair<br>value through<br>profit or loss /<br>held for trading | Available for sale /<br>fair value through<br>other comprehensive<br>income |             |
|   | ----- (Rupees in '000) -----                         |   |   |             |
| <b>ASSETS</b>                                   |  |   |   |             |
| Long term investments                           | 44,283,000   | -   | 56,362,472  | 100,645,472 |
| Loans, advances, deposits and other receivables | 238,389,185  | -   | -   | 238,389,185 |
| Net investment in finance lease                 | 7,132,841  | -   | -   | 7,132,841   |
| Short term investments                          | 105,615,196  | 5,489,061   | 113,473,966   | 224,578,223 |
| Trade debts                                     | 932,319  | -   | -   | 932,319     |
| Fund placements                                 | 11,351,162   | -   | -   | 11,351,162  |
| Accrued mark-up                                 | 12,349,897   | -   | -   | 12,349,897  |
| Cash and bank balances                          | 26,602,040   | -   | -   | 26,602,040  |
|   | 446,655,640  | 5,489,061   | 169,836,438   | 621,981,139 |

|   | 2022                                       |  |             |
|---|--|--|-------------|
|   | At fair value<br>through profit<br>or loss | At amortized cost<br>/held to maturity | Total       |
|   | ----- (Rupees in '000) -----               |  |             |
| <b>LIABILITIES</b>                                  |  |  |             |
| Financing liabilities                               | -  | 7,508,805                              | 7,508,805   |
| Liabilities against assets subject to finance lease | -  | 2,931,042                              | 2,931,042   |
| Deposits and other accounts                         | -  | 467,053,590                            | 467,053,590 |
| Trade and other payables                            | -  | 20,741,920                             | 20,741,920  |
| Borrowings  | -  | 98,100,214                             | 98,100,214  |
|   | -  | 596,335,571                            | 596,335,571 |

### 48. 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.

## Notes to the Consolidated Financial Statements

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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, has 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.

### 48.1 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 / held for trading, at fair value through other comprehensive income / available for sale investments, fund placements and derivative financial instruments.

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, 2023 and December 31, 2022 respectively using the amounts of financial assets and liabilities held as at those dates of consolidated statement of financial position.

#### 48.1.1 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 sukuks that expose the Group to cash flow interest rate risk. In case of 100 basis points increase / decrease in KIBOR on December 31, 2023, with all other variables held constant, the net assets and income of the Group for the year would change as follows:

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|             | Increase / (decrease)<br>in basis points | Effect on profit before tax  | Effect on other<br>comprehensive income |
|-------------|--|------------------------------|---|
|             |  | ----- (Rupees in '000) ----- |   |
| <b>2023</b> |  |                              |   |
| Assets      | 100<br>(100)                             | 8,996,559<br>(8,996,559)     | -<br>-                                  |
| Liabilities | 100<br>(100)                             | 38,528<br>(38,528)           | -<br>-                                  |
| <b>2022</b> |  |                              |   |
| Assets      | 100<br>(100)                             | 1,557,509<br>(1,557,509)     | -<br>-                                  |
| Liabilities | 100<br>(100)                             | 658,886<br>(658,886)         | -<br>-                                  |

### Sensitivity analysis for fixed rate instruments

As at December 31, 2023 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, 2023, with all other variables held constant, the comprehensive income of the Group for the year would change as follows:

|             | Increase / (decrease)<br>in basis points | Effect on profit before tax  | Effect on other<br>comprehensive income |
|-------------|--|------------------------------|---|
|             |  | ----- (Rupees in '000) ----- |   |
| <b>2023</b> |  |                              |   |
| Assets      | 100<br>(100)                             | 4,277,993<br>(4,277,993)     | -<br>-                                  |
| Liabilities | 100<br>(100)                             | 9,326,221<br>(9,326,221)     | -<br>-                                  |
| <b>2022</b> |  |                              |   |
| Assets      | 100<br>(100)                             | 3,780,472<br>(3,780,472)     | -<br>-                                  |
| Liabilities | 100<br>(100)                             | 3,551,162<br>(3,551,162)     | -<br>-                                  |

### 48.1.2 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).

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|                          | Increase / (decrease)<br>in basis points | Effect on profit before tax<br>----- (Rupees in '000) ----- | Effect on other<br>comprehensive income |
|--------------------------|--|---|---|
| <b>December 31, 2023</b> | 2.50%<br>(2.50%)                         | 297,379<br>(297,379)  | -<br>-                                  |
| <b>December 31, 2022</b> | 2.50%<br>(2.50%)                         | 4,460<br>(4,460)  | -<br>-                                  |

### 48.1.3 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, 2023 and December 31, 2022. 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.

|                          | Fair Value<br>(Rs. in million) | Price change | Effect on profit<br>before tax<br>----- (Rupees in '000) ----- | Effect on other<br>comprehensive income |
|--------------------------|--------------------------------|--------------|--|---|
| <b>December 31, 2023</b> | 21,823,840                     | 5% increase  | 106,163  | 985,029                                 |
| <b>December 31, 2022</b> | 27,212,441                     | 5% increase  | 266,211  | 1,094,412                               |

### 48.2 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.



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| December 31, 2023  | 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   | 82,298,936                    | -                  | -                  | -                         | -                     | 82,298,936           |
| Due from banks   | 5,101,464                     | -                  | -                  | -                         | -                     | 5,101,464            |
| Cash collateral on securities borrowed and reverse repurchase agreements | 16,502,138                    | -                  | -                  | -                         | -                     | 16,502,138           |
| Financial assets at fair value through profit or loss / held for trading | 47,924                        | 2,249,949          | -                  | -                         | -                     | 2,297,873            |
| <b>Loans and advances:</b>   |                               |                    |                    |                           |                       |                      |
| Corporate lending  | 64,225,952                    | 190,313,807        | 21,650,539         | 2,934,161                 | 21,577,071            | 300,701,530          |
| Agriculture  | 1,451,844                     | 5,811,823          | 1,282,797          | 91,356                    | 369,640               | 9,007,460            |
| Medium Enterprise Lending  | 1,036,021                     | 22,599,839         | 3,055,222          | -                         | 2,960,532             | 29,651,613           |
| Small business lending   | 8,178,342                     | 13,137,482         | 414,319            | 9,498                     | 1,112,347             | 22,851,987           |
| Banks  | 331,516                       | 5,622,556          | 182,218            | -                         | 49,324                | 6,185,614            |
| Consumer lending   | 2,867,374                     | 15,040,267         | 117,159            | 2,737                     | 468,733               | 18,496,270           |
| Residential mortgages  | 2,875,372                     | 30,009,940         | 2,199,348          | 4,097                     | 2,403,740             | 37,492,497           |
| Employees and contractors  | 10,564,200                    | -                  | -                  | -                         | -                     | 10,564,200           |
| Trade debts  | 670,344                       | 418,966            | -                  | 420,587                   | -                     | 1,509,897            |
| Accrued mark-up  | 23,249,869                    | 22,849,936         | -                  | -                         | -                     | 46,099,805           |
| <b>Financial investments available for sale:</b>                         |                               |                    |                    |                           |                       |                      |
| Government securities  | 138,874,806                   | -                  | 1,504,439          | -                         | -                     | 140,379,245          |
| Quoted - other debt securities   | 278,015,265                   | -                  | 18,920,395         | -                         | -                     | 296,935,660          |
| Unquoted - debt securities   | -                             | 36,734,558         | -                  | -                         | -                     | 36,734,558           |
| Equity investments   | -                             | 4,397,294          | -                  | -                         | (164,323)             | 4,232,971            |
| <b>Financial assets at fair value through OCI</b>                        |                               |                    |                    |                           |                       |                      |
| Equity investments   | -                             | 14,242,516         | -                  | -                         | -                     | 14,242,516           |
| <b>Financial investments held to maturity / at amortised cost:</b>       |                               |                    |                    |                           |                       |                      |
| Government securities  | 102,146,173                   | -                  | -                  | -                         | -                     | 102,146,173          |
|  | <b>738,437,538</b>            | <b>363,428,933</b> | <b>49,326,436</b>  | <b>3,462,436</b>          | <b>28,777,063</b>     | <b>1,183,432,406</b> |



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| December 31, 2022  | 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   | 24,801,604                    | -                  | -                  | -                         | -                     | 24,801,604         |
| Due from banks   | 1,800,436                     | -                  | -                  | -                         | -                     | 1,800,436          |
| Cash collateral on securities borrowed and reverse repurchase agreements | 11,351,162                    | -                  | -                  | -                         | -                     | 11,351,162         |
| Financial assets at fair value through profit or loss / held for trading | 33,431                        | 5,455,630          | -                  | -                         | -                     | 5,489,061          |
| <b>Loans and advances:</b>   |                               |                    |                    |                           |                       |                    |
| Corporate lending  | 6,801,588                     | 112,918,340        | 9,167,686          | 919,473                   | 6,223,152             | 136,030,239        |
| Agriculture  | 1,356,343                     | 1,930,765          | 1,516,360          | 74,099                    | 431,147               | 5,308,714          |
| Medium Enterprise Lending  | 1,349,229                     | 26,125,747         | 1,611,590          | 214,307                   | 1,356,183             | 30,657,056         |
| Small business lending   | 8,330,211                     | 13,667,524         | 475,441            | 24,674                    | 497,563               | 22,995,413         |
| Banks  | 875,229                       | 3,354,041          | -                  | 60,000                    | -                     | 4,289,270          |
| Consumer lending   | 2,110,289                     | 4,462,821          | 182,282            | -                         | 19,415                | 6,774,807          |
| Residential mortgages  | 3,412,323                     | 13,891,952         | 1,224,899          | -                         | 573,634               | 19,102,808         |
| Employees and contractors  | 5,642,137                     | -                  | -                  | -                         | -                     | 5,642,137          |
| Trade debts  | 425,973                       | 97,060             | -                  | 409,286                   | -                     | 932,319            |
| Accrued mark-up  | 1,829,232                     | 10,520,665         | -                  | -                         | -                     | 12,349,897         |
| <b>Financial investments available for sale:</b>                         |                               |                    |                    |                           |                       |                    |
| Government securities  | 143,435,095                   | -                  | -                  | -                         | -                     | 143,435,095        |
| Quoted - other debt securities   | 494,174                       | 502,298            | 763,719            | -                         | -                     | 1,760,191          |
| Unquoted - debt securities   | -                             | 1,212,440          | -                  | -                         | -                     | 1,212,440          |
| Equity investments   | -                             | 5,586,704          | -                  | -                         | (136,590)             | 5,450,114          |
| <b>Financial assets at fair value through OCI</b>                        |                               |                    |                    |                           |                       |                    |
| Equity investments   | -                             | 16,454,071         | -                  | -                         | -                     | 16,454,071         |
| <b>Financial investments held - to - maturity:</b>                       |                               |                    |                    |                           |                       |                    |
| Government securities  | 149,437,836                   | -                  | -                  | -                         | -                     | 149,437,836        |
|  | <u>363,486,292</u>            | <u>216,180,058</u> | <u>14,941,977</u>  | <u>1,701,839</u>          | <u>8,964,504</u>      | <u>605,274,670</u> |

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### 48.3.2 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, funds placements and investments is given below:

|   | Loans & advances and Funds placements |                    | Trade debts      |                | Investment debt securities |                  |
|---|---------------------------------------|--------------------|------------------|----------------|----------------------------|------------------|
|   | 2023                                  | 2022               | 2023             | 2022           | 2023                       | 2022             |
| (Rupees in '000)                        |                                       |                    |                  |                |                            |                  |
| <b>Segment by class of business</b>     |                                       |                    |                  |                |                            |                  |
| Agriculture                             | 15,546,291                            | 6,958,389          | -                | -              | -                          | -                |
| Brokerage                               | 3,136,231                             | 4,271,431          | -                | -              | -                          | -                |
| Cement                                  | 4,314,084                             | 1,001,777          | -                | -              | -                          | -                |
| Textile and glass                       | 67,770,372                            | 26,878,066         | -                | -              | 561,251                    | -                |
| Airlines                                | 18,570,899                            | 23,586,879         | -                | -              | -                          | -                |
| Services                                | 38,119,011                            | -                  | -                | -              | 930,381                    | -                |
| Chemical and pharmaceuticals            | 10,790,160                            | 5,277,368          | -                | -              | 99,998                     | 41,667           |
| Fertilizer and pesticides               | 3,469,199                             | 3,747,973          | -                | -              | -                          | -                |
| Automobile and transportation equipment | 4,176,245                             | 4,499,321          | -                | -              | -                          | -                |
| Tyre, rubber and plastic                | 2,215,094                             | 2,501,120          | -                | -              | -                          | -                |
| Electronics and electrical appliances   | 5,844,183                             | 744,401            | -                | -              | -                          | -                |
| Construction and real estate            | 16,355,987                            | 11,817,102         | -                | -              | 49,000                     | -                |
| Power and water, oil and gas            | 20,590,825                            | 18,886,627         | -                | -              | 33,284,775                 | 44,083           |
| Metal and steel                         | 13,295,279                            | 8,580,249          | -                | -              | -                          | -                |
| Paper / board / furniture               | 6,658,274                             | 2,209,570          | -                | -              | -                          | -                |
| Food / confectionery / beverages        | 70,092,181                            | 31,424,819         | -                | -              | -                          | -                |
| Trust and non-profit organisations      | 9,764                                 | -                  | -                | -              | -                          | -                |
| Transport, storage and shipping         | 7,941,875                             | 2,947,512          | -                | -              | -                          | -                |
| Financial                               | 22,047,692                            | 11,555,226         | 140,374          | 318,119        | 476,868                    | 590,526          |
| Insurance and security                  | -                                     | -                  | 430,416          | 233,287        | -                          | -                |
| Engineering, IT and other services      | 9,244,894                             | 7,261,316          | -                | -              | 450,000                    | -                |
| Education and medical                   | 4,543,886                             | 2,349,125          | -                | -              | -                          | -                |
| Sugar                                   | 10,094,809                            | 746,569            | -                | -              | -                          | -                |
| Exports / Imports                       | 765,651                               | -                  | -                | -              | -                          | -                |
| Individuals                             | 93,035,262                            | 50,293,171         | 939,091          | 380,904        | -                          | -                |
| Wholesale and retail trade              | 10,840,513                            | 13,382,430         | -                | -              | -                          | -                |
| Bank                                    | 87,400,400                            | 26,602,040         | -                | -              | -                          | -                |
| Others                                  | 25,507,710                            | 8,453,405          | 16               | 9              | 279,151,550                | 1,878,138        |
|   | <b>572,376,771</b>                    | <b>275,975,886</b> | <b>1,509,897</b> | <b>932,319</b> | <b>315,003,823</b>         | <b>2,554,414</b> |
| <b>Segment by geographic location</b>   |                                       |                    |                  |                |                            |                  |
| In Pakistan                             | 569,088,366                           | 270,437,274        | 1,509,897        | 932,319        | 294,783,883                | 767,584          |
| Outside Pakistan                        | 3,288,405                             | 5,538,612          | -                | -              | 20,219,940                 | 1,786,830        |
|   | <b>572,376,771</b>                    | <b>275,975,886</b> | <b>1,509,897</b> | <b>932,319</b> | <b>315,003,823</b>         | <b>2,554,414</b> |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 48.3.3 Trading assets

The table below sets out the credit quality of trading debt securities. The analysis is based on PACRA and VIS ratings where applicable:

|                                  | 2023                         | 2022             |
|----------------------------------|------------------------------|------------------|
|                                  | ----- (Rupees in '000) ----- |                  |
| <b>Mutual Funds</b>              |                              |                  |
| Rated AA- to AA+                 | 1,440,869                    | 4,161,523        |
| <b>Debt Securities</b>           |                              |                  |
| Term Finance Certificates-listed | 278,768,387                  | 1,413,112        |
| Rated AA- to AA+                 | 36,734,558                   | 1,212,440        |
|                                  | <u>315,502,945</u>           | <u>2,625,552</u> |

### 48.3.4 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                  |
|--|---|------|--|
|  | 2023  | 2022 |  |
| <b>Loans and advances to banks</b>               |   |      |  |
| Call money lendings                              | -   | -    | None   |
| Lending to financial institutions                | 100%  | 100% | Property / Stock                                   |
| Repurchase agreement lendings                    | 100%  | 100% | Government Securities                              |
| <b>Loans and advances to retail customers</b>    |   |      |  |
| 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                               |
| <b>Loans and advances to corporate customers</b> |   |      |  |
| Advances to corporate customers                  | 100%  | 100% | Mortgage on fixed assets and lien on liquid assets |

## 49. 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.

## Notes to the Consolidated Financial Statements

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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, 2023, the Group's strategy was to maintain leveraged gearing. The gearing ratios as at December 31, 2023 were as follows:

|  | 2023                       | 2022        |
|--|----------------------------|-------------|
|  | ----- Rupees in '000 ----- |             |
| Long term financing                      | 11,494,647                 | 6,995,000   |
| Lease liabilities                        | 6,796,030                  | 2,931,042   |
| Deposits and other accounts              | 1,007,563,359              | 462,596,814 |
| Trade and other payables                 | 37,570,686                 | 21,186,753  |
| Accrued interest / mark-up on borrowings | 14,829,157                 | 4,970,581   |
| Long term borrowings                     | 87,881,535                 | 97,808,216  |
| <b>Total debt</b>                        | <b>1,166,135,414</b>       | 596,488,406 |
| Cash and bank balances                   | 87,400,400                 | 26,602,040  |
| Fund placements                          | 16,502,138                 | 11,351,162  |
|  | <b>103,902,538</b>         | 37,953,202  |
| <b>Net debt</b>                          | <b>1,062,232,876</b>       | 558,535,204 |
| Share capital                            | 9,159,424                  | 9,159,424   |
| Reserves                                 | 37,797,387                 | 28,890,476  |
| <b>Equity</b>                            | <b>46,956,811</b>          | 38,049,900  |
| <b>Capital</b>                           | <b>1,109,189,687</b>       | 596,585,104 |
| <b>Gearing ratio</b>                     | <b>96%</b>                 | 94%         |

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.

### 50. 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.



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### Fair value hierarchy

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

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

**50.1** 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.

|  | 2023              |                    |                | Total              |
|--|-------------------|--------------------|----------------|--------------------|
|  | Level 1           | Level 2            | Level 3        |                    |
|  | (Rupees in '000)  |                    |                |                    |
| <b>On balance sheet financial instruments</b>  |                   |                    |                |                    |
| <b>At fair value through profit or loss</b>    |                   |                    |                |                    |
| Open end Mutual funds                          | -                 | 1,466,203          | -              | 1,466,203          |
| Term finance certificates                      | -                 | 126,687            | -              | 126,687            |
| Listed equity securities                       | 657,059           | -                  | -              | 657,059            |
| Government Securities                          | -                 | 47,924             | -              | 47,924             |
| <b>At fair value through OCI</b>               |                   |                    |                |                    |
| Listed equity securities                       | 15,842,279        | -                  | -              | 15,842,279         |
| Unlisted equity securities                     | -                 | -                  | 534,989        | 534,989            |
| <b>Available-for-sale investments</b>          |                   |                    |                |                    |
| Listed equity securities                       | 4,208,745         | -                  | -              | 4,208,745          |
| Sukuk and term finance certificates            | -                 | 315,026,077        | -              | 315,026,077        |
| Government securities                          | -                 | 140,379,245        | -              | 140,379,245        |
| Foreign currency bond (US\$)                   | -                 | 18,644,141         | -              | 18,644,141         |
|  | <b>20,708,083</b> | <b>475,690,277</b> | <b>534,989</b> | <b>496,933,349</b> |
| <b>Off balance sheet financial instruments</b> |                   |                    |                |                    |
| <b>Forward foreign exchange contracts</b>      |                   |                    |                |                    |
| Purchase                                       | -                 | 124,275,804        | -              | 124,275,804        |
| Sale   | -                 | 94,349,341         | -              | 94,349,341         |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | 2022              |                    |                | Total              |
|--|-------------------|--------------------|----------------|--------------------|
|  | Level 1           | Level 2            | Level 3        |                    |
|  | (Rupees in '000)  |                    |                |                    |
| <b>On balance sheet financial instruments</b>  |                   |                    |                |                    |
| <b>At fair value through profit or loss</b>    |                   |                    |                |                    |
| Open end Mutual funds                          | -                 | 4,167,943          | -              | 4,167,943          |
| Term finance certificates                      | -                 | 125,000            | -              | 125,000            |
| Listed equity securities                       | 1,162,687         | -                  | -              | 1,162,687          |
| Government Securities                          | -                 | 33,431             | -              | 33,431             |
| <b>At fair value through OCI</b>               |                   |                    |                |                    |
| Listed equity securities                       | 17,840,294        | -                  | -              | 17,840,294         |
| Unlisted equity securities                     | -                 | -                  | 598,663        | 598,663            |
| <b>Available-for-sale investments</b>          |                   |                    |                |                    |
| Listed equity securities                       | 5,434,160         | -                  | -              | 5,434,160          |
| Sukuk and term finance certificates            | -                 | 2,035,026          | -              | 2,035,026          |
| Government securities                          | -                 | 143,435,095        | -              | 143,435,095        |
| Foreign currency bond (US\$)                   | -                 | 937,605            | -              | 937,605            |
|  | <u>24,437,141</u> | <u>150,734,100</u> | <u>598,663</u> | <u>175,769,904</u> |
| <b>Off balance sheet financial instruments</b> |                   |                    |                |                    |
| <b>Forward foreign exchange contracts</b>      |                   |                    |                |                    |
| Purchase                                       | -                 | 40,275,960         | -              | 40,275,960         |
| Sale   | -                 | 26,862,267         | -              | 26,862,267         |
| <b>Interest rate swaps</b>                     |                   |                    |                |                    |
| Purchase                                       | -                 | 247,888            | -              | 247,888            |
| Sale   | -                 | 248,598            | -              | 248,598            |
| <b>Options</b>                                 |                   |                    |                |                    |
| Purchase                                       | -                 | 187,617            | -              | 187,617            |
| Sale   | -                 | -                  | -              | -                  |

### 50.2 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.  |
| Government debt securities     | Fair values of Pakistan Investment Bonds and Market Treasury Bills are derived using PKRV, PKFRV & PKISRV rates (Reuters page).  |
| Non-government debt securities | 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.  |

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**50.3** As at December 31, 2023, the Group's investments in unquoted securities (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.

**50.4** During the year ended December 31, 2023, there were no transfers between level 1 and 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 51. RELATED PARTY TRANSACTIONS

**51.1** 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                                  | Direct shareholding | Relationship   |
|--|---------------------|--|
| EFU General Insurance Limited                            | 29.55%              | Common Directorship                                    |
| EFU Life Assurance Limited                               | 21.32%              | Common Directorship                                    |
| EFU Services (Private) Limited                           | 37.50%              | Common Directorship                                    |
| EFU Health Insurance Limited                             | N/A                 | Others   |
| Future Trust   | N/A                 | Others   |
| Mahvash & Jahangir Siddiqui Foundation                   | N/A                 | Common Directorship                                    |
| JS Lands (Private) Limited                               | N/A                 | Common Substantial Shareholder                         |
| Jahangir Siddiqui Securities Services Limited            | N/A                 | Common Substantial Shareholder                         |
| Jahangir Siddiqui & Sons Limited                         | N/A                 | Common Substantial Shareholder                         |
| Fakhr e Imdad Foundation                                 | N/A                 | Common Substantial Shareholder                         |
| JS Growth Fund   | N/A                 | Fund managed by Subsidiary                             |
| JS Microfinance Sector 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 Pension Savings Fund                                  | N/A                 | Fund managed by Subsidiary                             |
| JS Islamic Pension Savings Fund                          | N/A                 | Fund managed by Subsidiary                             |
| JS Momentum Factor ETF                                   | N/A                 | Fund managed by Subsidiary                             |
| JS Rental REIT Fund                                      | N/A                 | Fund managed by Subsidiary                             |
| JS Government Securities Fund                            | N/A                 | Fund managed by Subsidiary                             |
| JS Motion Picture Fund                                   | N/A                 | Fund managed by Subsidiary                             |
| JS Money Market Fund                                     | N/A                 | Fund managed by Subsidiary                             |
| JS Islamic Daily Dividend 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 of Subsidiary Company     |
| JS Bank Limited - Staff Gratuity 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 |
| JS Investments Limited - Staff Provident Fund            | N/A                 | Post-employment Benefit Fund of Sub-Subsidiary Company |
| Bankislami Pakistan Limited Employees Provident Fund     | N/A                 | Post-employment Benefit Fund of Group Company          |
| Bankislami Pakistan Limited Employees Gratuity Fund      | N/A                 | Post-employment Benefit Fund of Group 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          |

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| Name of Related parties                                   | Direct shareholding | Relationship                                  |
|---|---------------------|---|
| 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                           |
| Optimus Limited   | N/A                 | Common Directorship                           |
| Gul Ahmed Textile Mills                                   | N/A                 | Common Directorship                           |
| Excel Labs (Pvt) Ltd.                                     | N/A                 | Common Directorship                           |
| Air Blue Flight Catering Pvt Ltd                          | N/A                 | Others  |
| Azgard Nine Limited                                       | N/A                 | Others  |
| Pakistan International Bulk Terminal Ltd                  | N/A                 | Others  |
| TRG Private Limited                                       | N/A                 | Others  |
| Omar Jibran Engineering Industries Limited                | N/A                 | Others  |
| Speed Private Limited                                     | N/A                 | Others  |
| Sprint Services Rawalpindi Limited                        | N/A                 | Others  |
| Spud Energy Pvt Ltd                                       | N/A                 | Others  |
| Veda Transit Solutions Pvt Ltd                            | N/A                 | Others  |
| Virtual World Private Limited                             | N/A                 | Others  |
| Shakarganj Food Products Limited                          | N/A                 | Others  |
| Eastern Express Company (Private) Limited                 | N/A                 | Others  |
| International Steels                                      | N/A                 | Others  |
| Mr. Jahangir Siddiqui                                     | 5.61%               | Controlling Person of the group               |
| Mr. Ali Raza Siddiqui                                     | 0.00%               | Key Management Person of the group            |
| Mr. Ali Jehangir Siddiqui                                 | 0.00%               | Key Management Person of the group            |
| Mr. Suleman Lalani  | 0.04%               | Key Management Person of the group            |
| Mr. Asad Nasir  | 0.00%               | Key Management Person of the group            |
| Mr. Najmul Hoda Khan                                      | 0.00%               | Key Management Person of the group            |
| Syed Ali Hasham   | 0.00%               | Key Management Person of the group            |
| Mr. Muhammad Babar Din                                    | 0.00%               | Key Management Person of the group            |
| Mr. Zahid Ullah Khan                                      | 0.00%               | Key Management Person of the group            |
| Justice (R) Agha Rafiq Ahmed Khan                         | 0.00%               | Key Management Person of the group            |
| Lt. Gen. (R) Javed Mahmood Bukhari                        | 0.00%               | Key Management Person of the group            |
| Ms. Samar Ali Shahid                                      | 0.00%               | Key Management Person of the group            |
| Dr.Lalarukh Ejaz  | 0.00%               | Key Management Person of the group            |
| Sulaiman Sadruddin Mehdi                                  | 0.00%               | Key Management Person of the group            |
| Mr. Tasnim Ul Haq Farooqui                                | 0.00%               | Key Management Person of the group            |
| Mr. Shahab Anwar Khawaja                                  | 0.00%               | Key Management Person of the group            |
| Mr. Fahad Viqar Siddiqui                                  | 0.00%               | Key Management Person of the group            |
| Mr. Akhtar Abbas  | 0.00%               | Key Management Person of the group            |
| Syed Jafar Raza   | 0.00%               | Key Management Person of the group            |
| Mr. Maximilian Felix Scheder                              | 0.00%               | Key Management Person of the group            |
| Mr. Shahid Hussain Jatoi                                  | 0.00%               | Key Management Person of the group            |
| Mr. Rehan Hasan   | 0.00%               | Key Management Person of the group            |
| Mr. Irshad Ahmad Aijaz                                    | 0.00%               | Key Management Person of the group            |
| Mr. Muhammad Irfan Ahmed                                  | 0.00%               | Key Management Person of the group            |
| Mr. Mahmood Rashid  | 0.00%               | Key Management Person of the group            |
| Mr. Sohail Sikandar                                       | 0.00%               | Key Management Person of the group            |
| Mr. Usman Shahid  | 0.00%               | Key Management Person of the group            |
| Mr. Masood Muhammad Khan                                  | 0.00%               | Key Management Person of the group            |
| Mr. Aasim Salim   | 0.00%               | Key Management Person of the group            |
| Mr. Muhammad Shoaib                                       | 0.00%               | Key Management Person of the group            |
| Mr. Haider Ali Hilaly                                     | 0.00%               | Key Management Person of the group            |
| Mr. Ali Hussain   | 0.00%               | Key Management Person of the group            |
| Mr. Amjad Waheed  | 0.00%               | Key Management Person of the group            |
| Mr. Bilal Fiaz  | 0.00%               | Key Management Person of the group            |
| Mr. S M Aamir Shamim                                      | 0.00%               | Key Management Person of the group            |
| Mr. Muhammad Amin   | 0.00%               | Key Management Person of the group            |
| Mr. Rizwan Ata  | 0.00%               | Key Management Person of the group            |
| Mr. Rizwan Qamar Lari                                     | 0.00%               | Key Management Person of the group            |

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| Name of Related parties          | Direct shareholding | Relationship                       |
|----------------------------------|---------------------|------------------------------------|
| Mr. Syed Amir Ali                | 0.00%               | Key Management Person of the group |
| Mr. Zaheer Elahi Babar           | 0.00%               | Key Management Person of the group |
| Mr. Mateen Mahmood               | 0.00%               | Key Management Person of the group |
| Mr. Muhammad Asadullah Chaudhry  | 0.00%               | Key Management Person of the group |
| Mr. Kashif Nisar                 | 0.00%               | Key Management Person of the group |
| Mr. Faisal Anwar                 | 0.00%               | Key Management Person of the group |
| Syed Sufyan Ahmed                | 0.00%               | Key Management Person of the group |
| Ms. Hina Athar Khan              | 0.00%               | Key Management Person of the group |
| Mr. Ahmed Ali Usuf               | 0.00%               | Key Management Person of the group |
| Mr. Ali Pesnani                  | 0.00%               | Key Management Person of the group |
| Mr. Amin Muhammad Virani         | 0.00%               | Key Management Person of the group |
| Mr. Atif Salim Malik             | 0.00%               | Key Management Person of the group |
| Ms. Iffat Zehra Mankani          | 0.00%               | Key Management Person of the group |
| Ms. Mediha Kamal Afsar           | 0.00%               | Key Management Person of the group |
| Mr. Farooq Ahmed Maik            | 0.00%               | Key Management Person of the group |
| Ms. Aisha Fariel Salahuddin      | 0.00%               | Key Management Person of the group |
| Ms. Samina Faisal                | 0.00%               | Key Management Person of the group |
| Mr. Malik Zafar Javid            | 0.00%               | Key Management Person of the group |
| Syed Hussain Haider              | 0.00%               | Key Management Person of the group |
| Mr. Aziz Morris                  | 0.00%               | Key Management Person of the group |
| Mr. Muhammad Khawar Iqbal        | 0.00%               | Key Management Person of the group |
| Mr. Hasan Saeed Akbar            | 0.00%               | Key Management Person of the group |
| Mr. Hasan Shahid                 | 0.00%               | Key Management Person of the group |
| Mr. Mirza M Sadeed Hassan Barlas | 0.00%               | Key Management Person of the group |
| Mr. Muhammad Haider Hussain      | 0.00%               | Key Management Person of the group |
| Mr. Muhammad Zubair              | 0.00%               | Key Management Person of the group |
| Mr. Noaman Rashid                | 0.00%               | Key Management Person of the group |
| Mr. Noman Azhar                  | 0.00%               | Key Management Person of the group |
| Mr. Shahid Raza                  | 0.00%               | Key Management Person of the group |
| Mr. Shehryar Sheikh              | 0.00%               | Key Management Person of the group |
| Syed Ghaus Ahmed                 | 0.00%               | Key Management Person of the group |
| Syed Jafar Raza Rizvi            | 0.00%               | Key Management Person of the group |
| Ms. Tamkeen Sardar Faisal        | 0.00%               | Key Management Person of the group |
| Mr. Sheheryar Munawar            | 0.00%               | Key Management Person of the group |
| Ms Safia Munawar                 | 0.00%               | Key Management Person of the group |
| Ms Hira Safia                    | 0.00%               | Key Management Person of the group |
| Mr. Waqas Anis                   | 0.00%               | Key Management Person of the group |
| Mr. Basir Shamsie                | 0.00%               | Key Management Person of the group |
| Mr. Yameen Ghani                 | 0.00%               | Key Management Person of the group |
| Mr. Sohail Aman                  | 0.00%               | Key Management Person of the group |
| Ms. Zubina Asad Sadick           | 0.00%               | Key Management Person of the group |
| Mr. Ghulam Muhammad Sikander     | 0.00%               | Key Management Person of the group |
| Mr. Ashraf Nawabi                | 0.00%               | Key Management Person of the group |
| Mr. Kalim Ur Rehman              | 0.00%               | Key Management Person of the group |
| Mr. Imtiaz Gadar                 | 0.00%               | Key Management Person of the group |
| Mr. Adil Matcheswala             | 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 |
| Syed Tauqir Haider Rizvi         | 0.00%               | Key Management Person of the group |
| Mr. Kashan Zafar                 | 0.00%               | Key Management Person of the group |
| Mr. Soofi Saifullah Akber        | 0.00%               | Key Management Person of the group |
| Mr. Tahir Ali Sheikh             | 0.00%               | Key Management Person of the group |
| Mr. Asim Qamar Siddiqui          | 0.00%               | Key Management Person of the group |
| Mr. Munawar Alam Siddiqui        | 0.00%               | Key Management Person of the group |
| Mr. Kamran Sheikh                | 0.00%               | Key Management Person of the group |
| Mr. Wajid Hussain Junejo         | 0.00%               | Key Management Person of the group |

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| Name of Related parties     | Direct shareholding | Relationship                       |
|-----------------------------|---------------------|------------------------------------|
| Mr. Ali Nasar Qureshi       | 0.00%               | Key Management Person of the group |
| Mr. Sharmeen Ali            | 0.00%               | Key Management Person of the group |
| Mr. Bilal Munir Sheikh      | 0.00%               | Key Management Person of the group |
| Mr. Sheheryar Atif Malik    | 0.00%               | Key Management Person of the group |
| Mr. Nabila Kamran Sheikh    | 0.00%               | Key Management Person of the group |
| Mr. Salaal Hasan            | 0.00%               | Key Management Person of the group |
| Mr. Jawed Akhlaq            | 0.00%               | Key Management Person of the group |
| Mr. Ahmed Ateeq             | 0.00%               | Key Management Person of the group |
| Mr. Nauman Saleem           | 0.00%               | Key Management Person of the group |
| Mr. Zafar Iqbal Ahmed       | 0.00%               | Key Management Person of the group |
| Ms. Myra Khan               | 0.00%               | Key Management Person of the group |
| Mr. Abdul Basit Siddiqui    | 0.00%               | Key Management Person of the group |
| Syed Muhammad Anwer         | 0.00%               | Key Management Person of the group |
| Mr Raheel Rehman            | 0.00%               | Key Management Person of the group |
| Mr. Tanzeel UL Rehman       | 0.00%               | Key Management Person of the group |
| Mr. Muhammad Farukh         | 0.00%               | Key Management Person of the group |
| Mr. Fahad Muslim            | 0.00%               | Key Management Person of the group |
| Mr. Khalil Ullah Usmani     | 0.00%               | Key Management Person of the group |
| Mr. Syed Faran Haider Rizvi | 0.00%               | Key Management Person of the group |
| Mr. Qasim Ali Shah          | 0.00%               | Key Management Person of the group |
| Mr. Zahid Khurshid          | 0.00%               | Key Management Person of the group |
| Mr. Sheikh Muhammad Akhtar  | 0.00%               | Key Management Person of the group |
| Mr. Syed Mohammad Ali       | 0.00%               | Key Management Person of the group |
| Mr. Rashid Raza             | 0.00%               | Key Management Person of the group |
| Ms. Amreen Soorani          | 0.00%               | Key Management Person of the group |

**51.2** 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 52. The relationship and transactions with the related parties are given below:

|  | 2023                       | 2022        |
|--|----------------------------|-------------|
|  | ----- Rupees in '000 ----- |             |
| <b>TRANSACTIONS</b>                            |                            |             |
| <b>Common Directorship:</b>                    |                            |             |
| Remuneration paid                              | 596,652                    | 348,150     |
| Dividend income                                | 1,017,717                  | 918,500     |
| Dividend Paid                                  | 16,966                     | -           |
| Brokerage / commission / service income        | 104,269                    | 105,827     |
| Insurance claim received / Refund / Cancelled  | 8,066                      | 8,902       |
| Insurance premium paid                         | 126,056                    | 336,393     |
| Expenses incurred on behalf of related parties | 79,825                     | 714         |
| Reimbursement of expenses by related parties   | -                          | 42          |
| Interest / mark-up expense                     | 1,367,175                  | 1,841,990   |
| Letter of credit and letter of guarantee       | 166,329                    | 85,983      |
| Forward lending                                | -                          | 5,924       |
| Loans and advances disbursed                   | 14,190,336                 | 4,769,450   |
| Loans and advances repaid                      | 14,272,564                 | 6,716,615   |
| Deposits in banks accounts                     | 204,912,108                | 191,456,450 |
| Withdrawals from bank accounts                 | 211,299,478                | 193,228,698 |
| Interest / mark-up earned                      | 586,415                    | 334,673     |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                       | 2022       |
|--|----------------------------|------------|
|  | ----- Rupees in '000 ----- |            |
| <b>Fund managed by Subsidiary Company:</b>     |                            |            |
| Purchase of shares / units                     | 23,566,100                 | 13,018,828 |
| Redemption of units                            | 27,159,385                 | 10,871,365 |
| Remuneration of management fee                 | 258,001                    | 173,163    |
| Dividend income                                | 284,514                    | 189,985    |
| Reimbursement of expenses from funds           | 239,772                    | 97,438     |
| Commercial papers repaid                       | -                          | 143,398    |
| Markup paid on Commercial paper                | -                          | 8,602      |
| Other expenses incurred on behalf of funds     | 195,369                    | 77,322     |
| Commission income                              | 18,249                     | 2,996      |
| Security deposit Paid                          | 2,118                      | -          |
| Rental paid against lease liability            | 37,751                     | 12,703     |
| Gain / (loss) on sale of securities - net      | 5,997                      | 14,346     |
| <b>Post-employment Benefit Fund:</b>           |                            |            |
| Contribution to staff provident fund trust     | 553,973                    | 299,209    |
| Sale of Sukuk / TFCs                           | 50,456                     | 153,560    |
| Contribution to staff benefit plan gratuity    | 322,959                    | 93,228     |
| Expenses incurred on behalf of related parties | -                          | 238        |
| Reimbursement of expenses by related parties   | -                          | 240        |
| <b>Controlling Person:</b>                     |                            |            |
| Royalty paid                                   | 55,000                     | 55,000     |
| Advisory fee paid                              | 6,000                      | 6,000      |
| Dividend Paid                                  | 39,955                     | -          |
| <b>Common Substantial Shareholder:</b>         |                            |            |
| Rent expense                                   | -                          | 27,670     |
| Rent income                                    | 4,775                      | 12,181     |
| Refund of rent                                 | 14,378                     | -          |
| Security deposit paid                          | -                          | 325        |
| Security deposit Received                      | 2,023                      | -          |
| Dividend paid                                  | 454,968                    | 16,222     |
| Reimbursement of expenses by the Company       | 15,588                     | 8,558      |
| Reimbursement of expenses to the Company       | 4,462                      | 23,013     |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                       | 2022       |
|--|----------------------------|------------|
|  | ----- Rupees in '000 ----- |            |
| <b>Key Management Personnel:</b>                                   |                            |            |
| Reimbursement of expenses to directors, CEO and other executives   | 37,140                     | 6,735      |
| Reimbursement of expenses from directors, CEO and other executives | 150                        | 360        |
| Interest on long term loans to executives                          | 44,042                     | 31,414     |
| Interest / mark-up expense   | 5,397                      | 2,237      |
| Deposits in banks accounts   | 4,931,028                  | 886,508    |
| Withdrawals from bank accounts                                     | 4,919,712                  | 1,094,803  |
| Commission income  | 1,212                      | 235        |
| Brokerage income   | 4,046                      | 1,463      |
| Loans and advances disbursed                                       | 420,140                    | 377,163    |
| Loans and advances repaid  | 387,314                    | 503,860    |
| Sale of Government Securities                                      | 176,124                    | -          |
| Purchase of Government Securities                                  | 309,485                    | -          |
| <b>Other Related Parties:</b>                                      |                            |            |
| Sale of Government securities                                      | 222,997,029                | -          |
| Dividend Received  | 235,684                    | -          |
| Rent Income  | 1,581                      | -          |
| Purchase of Government securities                                  | 22,146,983                 | -          |
| Sale of Foreign Currencies   | 36,568,435                 | 22,909,799 |
| Purchase of Foreign Currencies                                     | 25,422,778                 | 9,801,548  |
| Donation paid during the year                                      | 173,835                    | 46,989     |
| Security deposit repaid  | 492                        | 492        |
| Consultancy Charges  | 56,922                     | 7,000      |
| Advisory fee   | 10,917                     | 6,751      |
| Reimbursement of expenses to the Company                           | 1,041                      | 348        |
| Purchase of shares   | 3,130,507                  | -          |
| <b>BALANCES</b>  |                            |            |
| <b>Common Directorship:</b>  |                            |            |
| Advances   | 2,672,285                  | 2,874,325  |
| Deposits   | 8,204,861                  | 12,803,348 |
| Prepaid insurance  | 789                        | 35,135     |
| Insurance claim receivable   | -                          | 191        |
| Rent Receivable  | 380                        | 380        |
| Receivable against expenses incurred on behalf of companies        | 132                        | 14,250     |
| Interest payable on deposits                                       | 82,696                     | 536,091    |
| Interest receivable  | 45,340                     | 27,755     |
| Receivable against bancassurance / bancatakaful                    | 15,358                     | 17,498     |



## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|  | 2023                       | 2022      |
|--|----------------------------|-----------|
|  | ----- Rupees in '000 ----- |           |
| <b>Common Substantial Shareholder:</b>                           |                            |           |
| Receivable against expenses incurred on behalf of companies      | 218                        | 16,575    |
| Security deposit - receivable                                    | -                          | 2,348     |
| Security deposit - payable                                       | -                          | 1,003     |
| Refund of lease liability  | -                          | 156       |
| Rent payable   | 10                         | 10        |
| Rent receivable  | 2,581                      | 3,512     |
| Unearned rent  | -                          | 1,219     |
| Payable against expenses incurred by companies                   | 3,199                      | 3,112     |
| <b>Post-employment Benefit Fund:</b>                             |                            |           |
| Subordinated loans   | -                          | 89,784    |
| Interest payable on subordinated loans                           | -                          | 103       |
| Receivable against expenses incurred on behalf of companies      | -                          | 589       |
| Payable to defined benefit plan                                  | 133,191                    | -         |
| <b>Other Related Parties:</b>                                    |                            |           |
| Long term financing  | -                          | 330,885   |
| Principal outstanding on TFC's                                   | 3,120                      | 19,626    |
| Donation payable   | 178,424                    | 28,053    |
| Trade debts  | 1,660                      | 1,088     |
| Trade payable  | 19,095                     | 175,895   |
| Other receivables  | 8,856                      | 62        |
| Subordinated Loans   | 1,120                      | -         |
| Receivable against expenses incurred on behalf of companies      | 172                        | 11        |
| Provision against other assets                                   | -                          | 379       |
| (Reversal of) / provision for diminution in value of investments | (1,124,982)                | (62,151)  |
| Investments  | 4,009,121                  | 5,337,265 |
| Unearn Rent  | 263                        | -         |
| Interest payable on long term financing                          | 4,032                      | 6,120     |
| <b>Fund managed by Subsidiary Company:</b>                       |                            |           |
| Payable to funds under management                                | 13,916                     | 2,783     |
| Receivable from funds under management                           | 213,497                    | 167,863   |
| Rental payable against lease liability                           | -                          | 1,906     |
| <b>Key management personnel:</b>                                 |                            |           |
| Advances   | 932,177                    | 527,140   |
| Deposits   | 94,647                     | 48,143    |
| Trade debts  | 411                        | 73        |
| Trade payable  | 1,900                      | 12,285    |
| Dividend Payable   | 169,317                    | -         |
| Payable to directors for attending director / committee meetings | 3,055                      | 525       |
| Interest mark-up accrued   | 762                        | 697       |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

### 52. 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       |                  |
|---|------------------|--------------|------------------|---------------|------------------|------------------|
|   | 2023             | 2022         | 2023             | 2022          | 2023             | 2022             |
|   | (Rupees in '000) |              |                  |               |                  |                  |
| Managerial remuneration                         | -                | -            | 28,909           | 28,826        | 4,069,980        | 2,635,795        |
| House rent allowance                            | -                | -            | -                | -             | 301,248          | 3,829            |
| Utilities allowance                             | -                | -            | -                | -             | 67,071           | 1,028            |
| Car allowance                                   | -                | -            | -                | -             | 1,238,312        | 816,780          |
| Sub-brokerage, commission and performance bonus | -                | -            | -                | -             | 449,435          | 127,120          |
| Retirement benefits                             | -                | -            | 1,691            | 1,783         | 290,774          | 299,949          |
| Medical   | -                | -            | 1,691            | 1,783         | 379,510          | 242,762          |
| Reimbursable expenses                           | -                | -            | 16               | 7             | 65,034           | 55,814           |
| Other allowance                                 | -                | -            | -                | -             | 80,228           | -                |
| Fee for attending meetings                      | 4,000            | 4,580        | -                | -             | -                | -                |
|   | <b>4,000</b>     | <b>4,580</b> | <b>32,307</b>    | <b>32,399</b> | <b>6,941,592</b> | <b>4,183,077</b> |
| Number of persons                               | <b>8</b>         | <b>9</b>     | <b>1</b>         | <b>2</b>      | <b>1,359</b>     | <b>1,268</b>     |

52.1 The Group also provides certain Chief Executives and Executives with Group maintained cars.

### 53. OPERATING SEGMENT INFORMATION

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

|  |   |
|--|---|
| <b>Capital market and brokerage</b>        | 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. |
| <b>Banking</b>                             | Principally engaged in providing investment and commercial banking.   |
| <b>Investment advisor / assets manager</b> | Principally providing investment advisory and asset management services to different mutual funds and unit trusts.  |
| <b>Energy infrastructure and petroleum</b> | Principally engaged in investment in oil marketing sector and storage of petroleum, LPG and allied products.  |
| <b>Others</b>                              | Other operations of the Group comprise of telecommunication, media and information technology, underwriting and consultancy services, research and corporate finance and power generation.  |

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

The following tables present revenue and profit information for the Group's operating segments.

| Year ended December 31, 2023                     | Capital market and brokerage | Banking            | Investment advisor / assets manager | Energy infrastructure and petroleum * | Others        | Total segments     | Adjustments and eliminations | Consolidated       |
|--|------------------------------|--------------------|-------------------------------------|---------------------------------------|---------------|--------------------|------------------------------|--------------------|
|  | (Rupees in '000)             |                    |                                     |                                       |               |                    |                              |                    |
| <b>Revenue</b>                                   |                              |                    |                                     |                                       |               |                    |                              |                    |
| Segment revenues                                 | 6,956,484                    | 144,715,949        | 665,261                             | 654,743                               | 67,154        | 153,059,591        | (1,568,988)                  | 151,490,603        |
| Inter-segment revenues                           | (94,673)                     | (1,458,291)        | (4,019)                             | (3,657)                               | (8,348)       | (1,568,988)        | 1,568,988                    | -                  |
| <b>Total revenue</b>                             | <b>6,861,811</b>             | <b>143,257,658</b> | <b>661,242</b>                      | <b>651,086</b>                        | <b>58,806</b> | <b>151,490,603</b> | <b>-</b>                     | <b>151,490,603</b> |
| Operating and administrative expenses            | 1,248,841                    | 29,649,978         | 391,042                             | 55,797                                | 9,221         | 31,354,879         | (15,922)                     | 31,338,957         |
| Financial charges                                | 229,097                      | 92,460,269         | 26,681                              | 2,360                                 | -             | 92,718,407         | (88,645)                     | 92,629,762         |
| Workers' welfare fund                            | 27,690                       | 320,372            | -                                   | -                                     | -             | 348,062            | -                            | 348,062            |
| Provision for impairment -Investments            | (3,183)                      | 740,615            | -                                   | (71)                                  | (20,262)      | 717,099            | 4,723                        | 721,822            |
| Provision for doubtful debts, loans and advances | -                            | 5,944,257          | -                                   | (193)                                 | -             | 5,944,064          | -                            | 5,944,064          |
| Taxation   | 878,729                      | 7,979,642          | (55,755)                            | 73,218                                | 42,207        | 8,918,041          | -                            | 8,918,041          |
| <b>Profit for the year</b>                       | <b>4,480,637</b>             | <b>6,162,525</b>   | <b>299,274</b>                      | <b>519,975</b>                        | <b>27,640</b> | <b>11,490,051</b>  | <b>99,844</b>                | <b>11,589,895</b>  |

\* These figures are inclusive of disposal group classified as held for sale last year.

| Year ended December 31, 2022                     | Capital market and brokerage | Banking           | Investment advisor / assets manager | Energy infrastructure and petroleum * | Others         | Total segments    | Adjustments and eliminations | Consolidated      |
|--|------------------------------|-------------------|-------------------------------------|---------------------------------------|----------------|-------------------|------------------------------|-------------------|
|  | (Rupees in '000)             |                   |                                     |                                       |                |                   |                              |                   |
| <b>Revenue</b>                                   |                              |                   |                                     |                                       |                |                   |                              |                   |
| Segment revenues                                 | 3,306,678                    | 77,334,257        | 242,224                             | 375,926                               | 119,217        | 81,378,302        | (312,259)                    | 81,066,043        |
| Inter-segment revenues                           | (205,028)                    | (64,166)          | (1,891)                             | (24,214)                              | (16,960)       | (312,259)         | 312,259                      | -                 |
| <b>Total revenue</b>                             | <b>3,101,650</b>             | <b>77,270,091</b> | <b>240,333</b>                      | <b>351,712</b>                        | <b>102,257</b> | <b>81,066,043</b> | <b>-</b>                     | <b>81,066,043</b> |
| Operating and administrative expenses            | 994,418                      | 16,820,672        | 362,562                             | 186,689                               | 10,471         | 18,374,812        | (22,236)                     | 18,352,576        |
| Financial charges                                | 395,032                      | 57,191,203        | 27,900                              | 120,301                               | -              | 57,734,436        | (283,103)                    | 57,451,333        |
| Provision for impairment against Intangibles     | -                            | -                 | -                                   | -                                     | -              | -                 | -                            | -                 |
| Workers' welfare fund                            | 19,500                       | 42,625            | -                                   | -                                     | -              | 62,125            | -                            | 62,125            |
| Provision for impairment -Investments            | (1,611)                      | (16,382)          | -                                   | 49                                    | (22,803)       | (40,747)          | 2,307                        | (38,440)          |
| Impairment on asset held for sale                | -                            | -                 | -                                   | 178,767                               | -              | 178,767           | (150,595)                    | 28,172            |
| Provision for doubtful debts, loans and advances | -                            | 1,115,170         | -                                   | (6,132)                               | -              | 1,109,038         | -                            | 1,109,038         |
| Taxation   | 534,109                      | 1,124,228         | 7,544                               | 45,206                                | 17,115         | 1,728,202         | -                            | 1,728,202         |
| <b>Profit for the year</b>                       | <b>1,160,202</b>             | <b>992,575</b>    | <b>(157,673)</b>                    | <b>(173,168)</b>                      | <b>97,474</b>  | <b>1,919,410</b>  | <b>453,627</b>               | <b>2,373,037</b>  |

The following tables present assets and liabilities information for the Group's operating segments.

| Assets                   | Capital market and brokerage | Banking              | Investment advisor / assets manager | Energy infrastructure and petroleum * | Others           | Total segments       | Adjustments and eliminations | Consolidated         |
|--------------------------|------------------------------|----------------------|-------------------------------------|---------------------------------------|------------------|----------------------|------------------------------|----------------------|
|                          | (Rupees in '000)             |                      |                                     |                                       |                  |                      |                              |                      |
| <b>December 31, 2023</b> | <b>38,468,788</b>            | <b>1,239,755,389</b> | <b>1,417,225</b>                    | <b>4,391,274</b>                      | <b>2,106,942</b> | <b>1,286,139,618</b> | <b>(41,090,667)</b>          | <b>1,245,048,951</b> |
| December 31, 2022        | 37,888,615                   | 615,222,516          | 1,174,615                           | 6,672,065                             | 2,625,913        | 663,583,724          | (17,237,685)                 | 646,346,039          |
| <b>Liabilities</b>       |                              |                      |                                     |                                       |                  |                      |                              |                      |
| <b>December 31, 2023</b> | <b>4,912,352</b>             | <b>1,164,614,092</b> | <b>278,923</b>                      | <b>42,593</b>                         | <b>5,920</b>     | <b>1,169,853,880</b> | <b>6,001</b>                 | <b>1,169,859,881</b> |
| December 31, 2022        | 5,248,288                    | 594,782,281          | 339,607                             | 2,546,675                             | 4,722            | 602,921,573          | (2,252,634)                  | 600,668,939          |

\* These figures are inclusive of disposal group classified as held for sale during the year.

## Notes to the Consolidated Financial Statements

For the year ended December 31, 2023

|   | 2023                       | 2022              |
|---|----------------------------|-------------------|
|   | ----- Rupees in '000 ----- |                   |
| <b>54. GEOGRAPHIC INFORMATION</b>       |                            |                   |
| <b>Revenues from external customers</b> |                            |                   |
| Pakistan                                | 148,361,228                | 79,674,603        |
| Bahrain                                 | 976,970                    | 268,548           |
|   | <u>149,338,198</u>         | <u>79,943,151</u> |
| <b>Non-current assets</b>               |                            |                   |
| Pakistan                                | 34,307,603                 | 12,519,697        |
| Bahrain                                 | 18,257                     | 21,261            |
|   | <u>68,651,720</u>          | <u>25,081,916</u> |

Non-current assets consist of property and equipment, investment properties, intangible assets and membership cards and rooms.

### 55. GENERAL

**55.1** Comparative figures have been re-arranged and reclassified wherever necessary for the purpose of comparison and better presentation, in the current year.

**55.2** Figures have been rounded off to the nearest thousand rupees.

### 56. DATE OF AUTHORISATION FOR ISSUE

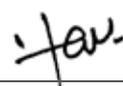
These consolidated financial statements were authorised for issue on March 07, 2024 by the Board of Directors of the Holding Company.



Director



Chief Executive Officer



Chief Financial Officer



# Annexure I

Details of disposal of fixed assets having written down value equal to or exceeding Rs. 500,000 each

| Particulars  | Cost                | Accumulated<br>depreciation | Written<br>down value | Sale<br>proceeds  | Gain              | Mode of<br>disposal | Buyers' particulars and<br>relationship with Bank (if any) |
|--|---------------------|-----------------------------|-----------------------|-------------------|-------------------|---------------------|--|
|  |                     |                             |                       |                   |                   |                     |  |
| <b>Vehicles</b>  |                     |                             |                       |                   |                   |                     |  |
| Office Machines and Equipments   | 3,200.00            | 1,100.00                    | 2,100.00              | 290.00            | (1,810.00)        | Third party via bid | Ahsan Brothers   |
| Vehicle  | 3,214.00            | 1,414.00                    | 1,800.00              | 3,670.00          | 1,870.00          | Third party via bid | Ghaffar  |
| Vehicle  | 3,214.00            | 1,414.00                    | 1,800.00              | 3,650.00          | 1,850.00          | Third party via bid | Faisal Hameed  |
| Buiding Renovation - Rental  | 3,409.00            | 2,642.00                    | 767.00                | 246.00            | (521.00)          | Third party via bid | Zeb Medical  |
| Building - Owned   | 20,850.00           | 7,391.00                    | 13,459.00             | 77,500.00         | 64,041.00         | Third party via bid | Abd Ghaffar & Mr.Ahsan                                     |
| Vehicle  | 2,513.00            | 1,458.00                    | 1,055.00              | 3,300.00          | 2,245.00          | Third party via bid | Mohsin Ilyas   |
| Office Machines and Equipments   | 2,820.00            | 2,085.00                    | 735.00                | 956.00            | 221.00            | Third party via bid | Rana & Co.   |
| Buiding Renovation   | 2,323.00            | 1,200.00                    | 1,123.00              | 122.00            | (1,001.00)        | Third party via bid | Mega Builders  |
| Buiding Renovation   | 1,473.00            | 614.00                      | 859.00                | 100.00            | (759.00)          | Third party via bid | Habib & Sons   |
| Buiding Renovation   | 1,236.00            | 659.00                      | 577.00                | 85.00             | (492.00)          | Third party via bid | AD Disposal  |
| Buiding Renovation   | 3,776.00            | 3,115.00                    | 661.00                | 132.00            | (529.00)          | Third party via bid | AD Disposal  |
| Buiding Renovation   | 1,782.00            | 1,262.00                    | 520.00                | 122.00            | (398.00)          | Third party via bid | AD Disposal  |
| Buiding Renovation   | 5,034.00            | 3,565.00                    | 1,469.00              | 218.00            | (1,251.00)        | Third party via bid | AD Disposal  |
| Freehold / Leasehold Building  | 454,713.00          | 7,191.00                    | 447,522.00            | 540,000.00        | 92,478.00         | Third party via bid | MCB  |
| Signboards (17 Items)  | 37,262.60           | 26,445.50                   | 10,817.11             | 2,146.11          | (8,670.99)        | Third party via bid | Adam Traders   |
| Vehicle  | 9,000.00            | 6,000.00                    | 3,000.00              | 8,000.00          | 5,000.00          | Third party via bid | Mohammad Iqbal   |
|  | <b>555,819.60</b>   | <b>67,555.50</b>            | <b>488,264.11</b>     | <b>640,537.11</b> | <b>152,273.01</b> |                     |  |
| Aggregate of other items of fixed assets in<br>own use with individual book value not<br>exceeding Rs. 500,000 | 725,476.93          | 466,126.92                  | 57,324.67             | 67,122.01         | 9,797.34          | Negotiation         | Various  |
| <b>Total</b>   | <b>1,281,296.54</b> | <b>533,682.41</b>           | <b>545,588.77</b>     | <b>707,659.13</b> | <b>162,070.35</b> |                     |  |

## Annexure II

The branch network of the Group is disclosed hereunder:

### JS Bank Limited:

#### SINDH

#### Karachi

Shaheen Complex Branch  
Tel: 111 - 572 - 265  
021-38907700

Karachi Stock Exchange Branch  
Tel: 021-32462851-55

S.I.T.E. Branch  
Tel: 021-32550081-84

Park Towers Clifton Branch  
Tel: 021-35832011

Teen Talwar Branch  
Tel: 021-35836974-35835867

Gulshan-e-Iqbal Branch  
Tel: 021-34829055-60-61

Shahrah-e-Faisal Branch  
Tel: 021-34373240

North Nazimabad Branch  
Tel: 021-36721010-7

Gulistan-e-Jauhar Branch  
Tel: 021-34662002-4-6

Safoora Goth Branch  
Tel: 021 - 34661805

Jheel Park Branch  
Tel: 021-34544831-35

Nazimabad Branch  
Tel: 021-36612325 /36612236  
/36612336

Korangi Industrial Area Branch  
Tel: 021-35055826-7  
021-35052773-5

Zamzama Branch  
Tel: 021-35295221-22-23

Khy-e-Shahbaz, DHA Phase VI  
Branch  
Tel: 021-35243416-18

Gulshan Chowranghi Branch  
Tel: 021-34833293-5

Shah Faisal Colony Branch  
Tel: 021-34686191-95

Lucky Star Branch  
Tel: 021-35622436-38

Gulshan-E-Hadeed Karachi  
Tel: 021-34715201-3

Cloth Market Karachi  
Tel: 021-32464042-48

Hawksbay Road Karachi  
Tel: 021-32373030-31

Timber Market Branch  
Tel: 021-32763054/ 32763079  
021-32763047

Garden East Branch  
Tel: 021-32244281-82-83

Jodia Bazar Branch  
Tel: 021-32463456-60

New Challi Branch  
Tel: 021-32602100-01-02

North Napier Branch  
Tel: 021-32467791-94

Electronic Market Branch  
Tel: 021-32700431-32-36-37

Bahadarabad Branch  
Tel: 021-34922802-05

North Karachi Industrial Area Branch  
Tel: 021-36962912-11-15

Orangi Town Branch Karachi  
Tel: 021-36697925 / 31

26th Street DHA Phase V Branch  
Tel: 021-35304685

Progressive Centre  
Tel: 021-34324682-5

Korangi Road, DHA Phase I Branch  
Tel: 021-35803541-46

Ocean Tower Branch  
Tel: 021-35166601-6

DHA Phase 8 Branch  
Tel: 021-35171731-33

Khadda Market DHA Phase V  
Branch  
Tel: 021-35242401-4

Boat Basin Branch  
Tel: 021-35177903-4

New Sabzi Mandi Branch  
Tel: 0345-8211641-43

Chase Shaheed-e-Millat Road  
Branch  
Tel: 021-34370270-71

Fisheries Branch Karachi  
Tel: 021-32384011-14

Soldier Bazar Branch  
Tel: 021-32244531-32-33

Ibrahim Hyderi  
Tel: 0346-1012283

Bahria Town Branch  
Tel: 021-32630208

Kh-E-Ittehad DHA Phase II Ext  
Branch  
Tel: 021-35313811-4

#### Hyderabad

Saddar Branch  
Tel: 022-2730925-26

Latifabad Branch  
Tel: 022-3817971-84-86

Latifabad No: 6 Branch  
Tel: 022-3422521-6

Cloth Market Branch  
Tel: 022-2618271-73



Qasimabad Branch  
Tel: 022-2652190-91

Citizen Colony Branch  
Tel: 022-2100893-95

SITE Branch  
Tel: 022-3885192-93

DHA Branch  
Tel: 022-2108078

Anaj Mandi Branch  
Tel: 022-2638802

Kohsar Society Branch  
Tel: 022-3400914

#### Sukkur

Society Branch  
Tel: 071-5815209

Military Road Branch  
Tel: 071-5630825-32

#### Other Cities

Maatli  
Tel: 029-7841514

Jamshoro Branch  
Tel: 022-3878103-04 -09

Mirpurkhas Branch  
Tel: 023-3876001-4

Kot Ghulam Muhammad Branch  
Tel: 0233-866242-4

Pano Aqil Branch  
Tel: 071-5809304-06

Larkana Branch  
Tel: 074-4058603

Khairpur Branch  
Tel: 024-3715316-9

Badin Branch  
Tel: 029-7861203  
Nawabshah Branch  
Tel: 024-4330561-64

Sultanabad Branch  
Tel: 022-3404106-7

Tando Allahyar Branch  
Tel: 022-3892001-04

Moro Branch  
Tel: 024-2413200-03

Kunri Branch  
Tel: 023-8558163-66

Tando Mohammad Khan Branch  
Tel: 022-3340617-8 / 022-3340594

Ghotki Branch  
Tel: 072-3600480-84

Kandhkot Branch Kashmore  
Tel: 072-2573048

Shikarpur Branch  
Tel: 0726540374-75

Mithi Branch  
Tel: 0232-261650

Mehar Branch  
Tel: 025-4730307-9

Umerkot Branch  
Tel: 0238-570157-59

Sheikh Berkiyo Branch  
Tel: 0345-8211923-24

Naushehro Feroz Branch  
Tel: 022-2448415-6

Thatta Branch  
Tel: 029-8550934

Tando Jam Branch  
Tel: 022-2765612-14

Kashmore Branch Kandhkot  
Tel: 072-2577701-07

Mirpur Mathelo  
Tel: 072-3663313-15

Sanghar Branch  
Tel: 023-5800160-3

Chambar Branch  
Tel: 022-3897032-5

Sehwan Sharif Branch  
Tel: 025-4620305-7

Daharki Dist Ghotki  
0723-641290

ShahdadKot Branch  
Tel: 074401-3141-78

Shahdadpur Branch  
Tel: 023-5843174-5

Halani Branch  
Tel: 024-2432131-5

#### BALUCHISTAN

M.A. Jinnah Road Branch  
Tel: 081-2865507-04

Gawadar  
Tel: 086-4210246

Zarghoon Road Branch  
Tel: 081-2472981-82

Muslim Bagh Qilla Saifullah  
Balochistan, Zhob  
Tel: 082-3669335-36

Ormara Branch  
Tel: 086-3310140-7

Zhob Branch  
Tel: 082-2412027-028

Turbat Branch  
Tel: 085-2414201-4

Pasni Branch  
Tel: 0312-6869884

Khuzdar Balochistan  
0848-550334-336

Loralai, Baluchistan  
0824-410104

#### PUNJAB

##### Lahore

Upper Mall Branch  
Tel: 042-111-572-265  
042-35776515-18

Allama Iqbal Town Branch  
Tel: 042 - 37805026

Azam Cloth Market Branch  
Tel: 042 - 37671195 - 6

Shadman Branch  
Tel: 042-37503712-20

College Road Township Branch  
Tel: 042 - 35117491 - 93

Devine Mega Mall Branch  
Airport Road Dha Lahore  
Tel: 042 - 35700081 - 84

Bhagbanpura Branch  
Tel: 042 - 36858873 - 74

Choubergy Branch  
Tel: 042 - 37362981 - 8

Wapda Town Branch Lahore  
Tel: 042 - 35182871-7

M.M. Alam Road Branch  
Tel: 042 - 35778721 - 24

Circular Road Branch  
Tel: 042 -37667921-5

DHA T Block Branch  
Tel: 042-35707651-6

Shah Alam Market Branch  
Tel: 042 - 37375734 - 7

Cavalry Branch  
Tel: 042-36610282-90

Raiwind Road Branch  
Tel: 042-5291247-70

Urdu Bazar Branch  
Tel: 042-37115915-8

Badami Bagh Branch  
Tel: 042 - 37946853-4

Bahria Town Branch  
Tel: 042 - 35976212-14

DHA Phase VI Branch  
Tel: 042 - 37180745

Johar Town Branch  
Tel: 042 - 35241084-90

Zarar Shaheed Raod Branch  
Tel: 042 - 36639902-05

Ferozepur Road Branch  
Tel: 042 - 35402151-3

The Mall Branch  
Tel: 042 - 36285673 - 5

Gulshan Ravi Branch  
Tel: 042-35464541- 5

New Garden Town Branch  
Tel: 042-35940463-7

DHA Y-Block Branch  
Tel: 042-3598010-1

PECO Road Branch  
Tel: 042 35203013 - 4

Model Town Branch  
Tel: 042 - 35915613 - 4

Mcleod Road  
Tel: 042-36311176

Sunder Industrial Estate  
Tel: 0311-0013425 - 6

Valancia Society  
Tel: 042-35226045-47

Daroghawala  
Tel: 042-36530311-6

Gulberg Branch  
Tel: 042-35771036-38

Shahdara Branch  
Tel: 0423 - 7931903-5

Shadbagh Branch  
Tel: 042 - 37604549-51

Brandreth Road Branch  
Tel: 042 - 37381316 - 9

Mughalpura Branch  
Tel: 042-36533818-822

### Gujranwala

G.T. Road Branch  
Tel: 055 - 3257363  
055-3257365

Bank Square Branch  
Tel: 055 - 4234401 - 3

Wapda Town Branch  
Tel: 055-4285571

Muridke Branch  
Tel: 042 - 37951054 - 7

Kamoki Branch  
Tel: 055-6810282-5

Ghakkhar Mandi Branch  
Tel: 055-3882556-59  
055-3882561

Wazirabad Branch  
Tel: 055 - 6605841 - 4

### Faisalabad

Grain Market Branch  
Tel: 041 - 2633382 - 84

Karkhana Bazar Branch  
Tel: 041 - 2624501 - 3

Liaqat Road Branch  
Tel: 041 - 241 2263 - 65

Gulistan Colony Branch  
Tel: 041-8785791-5

Ghulam Mohammadabad 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

Wapda Town Phase 1 Branch  
Tel: 061-6524733-38

### Sialkot

Paris Road Sialkot  
Tel: 052-4269535 - 6



Kashmir Road Branch  
Tel: 052-4272703-04-05

Nekapura Branch  
Tel: 052-3543582-4

Ugoki Branch  
Tel: 052 - 3513952

Cannt Saikot Branch  
052-4272351-53

Shahabpura Ind Est Sialkot  
052-3242681-84

#### Other Cities

Kasur Branch  
Tel: 049-2761581-4

Chishtian Branch  
Tel: 0345-8233957 / 063-2500161

Rahimyar Khan Branch  
Tel: 068 - 5879511 - 14

Pattoki Branch  
Tel: 049-4424053 - 4

Sheikhupura Branch  
Tel: 056 - 3810273 - 6

Sahiwal Branch  
Tel: 040 - 422 2733 - 5

Chichawatni Branch  
Tel: 040 - 5481792-5

Chak No. 89 Branch  
Tel: 040-4550409-16

Pak Pattan Branch  
Tel: 0457- 352591 - 4

Qaboola Branch  
Tel: 0457-851248-51

Dinga Branch  
Tel: 0537 - 401368

Gulyana Branch  
Tel: 0537-588460-64

Kharian Branch  
Tel: 0537 - 534211

Lala Musa Branch  
Tel: 0537 - 519656 - 8

Dipalpur Branch  
Tel: 044 - 454 2246 - 9

Okara Branch  
Tel: 044 - 252872 - 30

Gojra Branch  
Tel: 046 - 3513637

Toba Tek Singh Branch  
Tel: 046 - 2512052 - 5

Layyah Branch  
Tel: 060 - 6415045

Haroonabad Branch  
Tel: 063 - 2250614 - 15

Burewala Branch  
Tel: 067-3770363 - 65

Sargodha Branch  
Tel: 048 - 3768286 - 90

Chak 72 NP Rahim Yar Khan  
Tel: 068-5708069-74

Sadiqabad Branch  
Tel: 068 - 5803933 - 38

Mouza Kachi Jamal  
Branch Khanpur  
Tel: 068-5577193-95

Jehlum Branch  
Tel: 054 - 4611840 - 3

Chakwal Branch  
Tel: 054-3665688

Rabwa Branch  
Tel: 047 - 6214042 - 5

Chiniot Branch  
Tel: 047-6332713-4 / 047-6332592-4

Hasilpur Branch  
Tel: 062 - 2441305 - 8

Bhawalpur Branch  
Tel: 062 - 2889176 - 78

Kacheri Chowk Branch  
Tel: 053 - 3600583

GT Road Gujrat Branch  
Tel: 053-3729479-76

Khanewal Branch  
Tel: 065-2557491-93

Mian Chunnoo Branch  
Tel: 065 - 2661282 - 85

Mouza parhar Sharqi  
Kot Addu Branch  
Tel: 066-2240146-49

Vehari Branch  
Tel: 067-3360715 - 8

Ludan Road,  
Burewala Branch  
Tel: 067-3351441

DG Khan Branch  
Tel: 064 - 2470952-6

Hafizabad Branch  
Tel: 0547 - 526407 - 10

Sambrial Branch  
Tel: 0526 - 524105

Bhakkar Branch  
Tel: 0453 - 510407- 409

Arifwala Branch  
Tel: 0457- 835 477 - 81

Mandi Bahauddin Branch  
Tel: 0546 - 509452 - 3

Lodhran Branch  
Tel: 0608 - 361892 - 93

Bhawalnagar Branch  
Tel: 063 - 2279434 - 38

Gohad Pur Branch  
Tel: 0524 - 265499 - 98

Tounsa Sharif Branch  
Tel: 064-2601155

Dahranwala Branch  
Tel: 063-2441147

Attock Branch  
Tel: 057-2610500,057-2610480  
057-2610780

Daska Branch  
Tel: 052-6610461 - 63

Ferozepur Road Branch  
Tel: 042-35402151-53

Wah Cantt Branch  
Tel: 051-4624015-7

Muzaffargarh Branch  
Tel: 066 - 2424691 - 92

### Rawalpindi

Satellite Town Branch  
Tel: 051 - 4842984 - 6

Bank Road Branch  
Tel: 051 - 5120731 - 5

Bahria Town Branch  
Tel: 051 - 5731351 - 4

Saidpur Road Branch  
Tel: 051 - 5768049

Peshawar Road Branch  
Tel: 051 - 5492873 - 4

Bahria Town Phase VII Branch  
Tel: 051 - 5154891-4

AECHS  
Tel: 051 - 5497012 - 15

Chakri Road Branch  
Tel: 051-5129024

Range Road Branch  
Tel: 051-5128871  
051-5128875

Jinnah Road Branch  
Tel: 051 - 5778560 - 62 - 64

GHQ Rawalpindi  
Tel: 051-5202344

Chaklala Scheme III Branch  
Tel: 051-5766277 / 278 / 279

### Islamabad

Blue Area Branch  
Tel: 051-111-572-265  
051-2810121-4

Barakahu Branch  
Tel: 051-2165032-7

DHA Phase II Branch  
Tel: 051-5161525

F-10 Markaz  
Tel: 051 - 2112957 - 58

F-11 Markaz  
Tel: 051-2103404-6

F-7 Markaz Branch  
Tel: 051-2608402-5 / 051-2653901-4

F-8 Markaz Branch  
Tel: 051 - 2818296 - 8

G-11 Markaz Branch  
Tel: 051 - 2830601

G - 15 Markaz Branch  
Tel: 051-2160240-41

G-8 Islamabad Branch  
Tel: 051-2340537-8

Gulberg Geen Islamabad Road  
Branch  
Tel: 0310-5998931

I-8 Markaz Branch  
Tel: 051 - 4864523 - 6

I-9 Markaz Branch  
Tel: 051 - 4431296 - 8

Islamabad Stock Exchange Branch  
Tel: 051 - 2894407 - 10

NPF O-9 Pwd Road Branch  
Tel: 051 - 5170584 -5

Serena Hotel Branch  
Tel: 051-4478006-07

Tarlai Branch  
Tel: 051-2241860-6

### KHYBER PAKHTOONKHWA

### Peshawar

University Road Branch  
Tel: 091 - 5711572 - 5

Naz Cinema  
Tel: 091-2211024-26

Ring Road Peshawar Branch  
Tel: 0310-5998903-01

Fakhar e Alam Road Branch  
Tel: 091 5279981-84

Namak Mandi Branch  
Tel: 091-2591424-25-26

Abbottabad Branch  
Tel: 099 - 233 1491 - 4

Bannu Branch  
Tel: 0928-6601673

Chahkdarah Branch  
Tel: 094-5703335 - 336 - 337

Charsadda Branch  
Tel: 091-6512051

Chitral Branch  
Tel: 0943-413027-29

D I Khan Branch  
Tel: 0966 - 733216 -19

Dara Adam Khel  
Tel: 092-22810187

Ghullanai Branch  
Tel: 0345-9068830

Haripur Branch  
Tel: 0995 - 627370

Mansehra Branch  
Tel: 0997-301882-84

Mardan Branch  
Tel: 0937 - 873445 - 873452

Mingora Branch  
Tel: 0946 - 711740 - 43

Nowshera Branch  
Tel: 092-3612004

Parachinar Branch  
Tel: 0926-311777

Saleh Khana Branch  
Tel: 0923 - 651113 - 17

Shaidu Branch  
Tel: 0923-510013-14

Topi Branch  
Tel: 0938 - 272003 - 4

**AZAD JAMMU &  
KASHMIR (AJK)**

Chaksawari Branch  
Tel: 05827 - 454790

Bagh Branch  
Tel: 0346-5449449  
Charroi Branch  
05826-415474-76

Dadyal Branch  
Tel: 0586 - 3044668 - 70

Seri Branch  
Tel: 058-26 -432731-4

Mirpur Branch  
Tel: 05827 - 437281 - 4

Muzafarabad Branch  
Tel: 05822 - 929765 - 7

Naarr Branch  
Tel: 05826 - 420784 - 85

Sehensa Branch  
Tel: 05826 - 422779 - 422300

Shakas Khyber Agency  
091-5602382/83/85

Timergara  
0945-821921

**GILGIT BALTISTAN**

Gilgit Branch  
Tel: 0581-150615 - 7

Hunza Branch  
Tel: 0581-3455563

Skardu  
Tel: 0581-5457306/306

**INTERNATIONAL BRANCH**

Bahrain Branch  
Tel: 00973 - 17104603

**BankIslami Pakistan Limited:****Sindh****Karachi**

26th Street D.H.A.  
Tel:021-32116003  
021-10042110

Abul Hasan Isphani  
Tel:021-32116150  
021-11902110

Al-hilal Society  
Tel:021-32116038  
021-10392110

Anda More  
Tel:021-32116118  
021-11502110

Askari 3  
Tel:021-32116090  
021-10962110

Ayesha Manzil  
Tel:021-32116050  
021-10512110

Babar Market  
Tel:021-32116120  
021-11532110

Bahadurabad Branch  
Tel:021-32116149  
021-11892110

Bahria Town  
Tel:021-32116145  
021-11852110

Baldia Town Branch  
Tel:021-32116154  
021-11942110

Baloch Colony  
Tel:021-32116035  
021-10362110

Baqai University  
Tel:021-32116008  
021-10092110

Bilal Chowranghi  
Tel:021-32116111  
021-11432110

Bipl 2- Khalid Bin Waleed  
Tel:021-32116097  
021-11062110

Buffer Zone  
Tel:021-32116057  
021-10592110

Burns Road  
Tel:021-32116028  
021-10292110

Ceasar Tower Branch Karachi  
Tel:021-32116163  
021-12032110

Clifton Block 5  
Tel:021-32116063  
021-10662110

Clifton Centre  
Tel:021-32116076  
021-10802110

Cochinwala Cloth Market  
Tel:021-32116011  
021-10122110

Crossing  
Tel:021-32116122  
021-11562110

D.H.A Phase-viii  
Tel:021-32116051  
021-10522110

Dastagir  
Tel:021-32116059  
021-10612110

Dehli Colony  
Tel:021-32116060  
021-10622110

Dha Bukhari  
Tel:021-32116073  
021-10772110

Dha Iv  
Tel:021-32116023  
021-10242110

Dha Iv – 2  
Tel:021-32116100  
021-11132110

Dha Phase li  
Tel:021-32116049  
021-10502110

Dha Phase Vii Ext Branch, Karachi -  
Tel:021-32116166  
021-12062110

Dha Shahbaz  
Tel:021-32116109  
021-11402110

Dha Vii  
Tel:021-32116084  
021-10902110

Dohraji  
Tel:021-32116029  
021-10302110

Electronic Mkt  
Tel:021-32116081  
021-10862110

F.B. Area  
Tel:021-32116026  
021-10272110

F.B. Industrial Area  
Tel:021-32116074  
021-10782110

Falcon Complex Sh-e-faisal (Sub Br)  
-  
Tel:021-32116160  
021-12002110

Falcon Complex  
Tel:021-32116137  
021-11772110

Fortune Center - Shahrah-e-faisal,  
Karachi  
Tel:021-32116163  
021-12032110

Garden West  
Tel:021-32116126  
021-11622110

Golimar  
Tel:021-32116087  
021-10932110

Grain Market  
Tel:021-32116082  
021-10872110

Gulistan E Johar  
021-10452110  
Tel:021-32116044

Gulistan E Johar Bipl-02  
021-11142110  
Tel:021-32116101

Gulistan-e-johar Block-15 Branch,ka-  
rachi - Karachi.  
021-20022110  
Tel:021-32116168

Gulshan Block 2  
021-10852110  
Tel:021-32116080

Gulshan Chowranghi  
021-11112110  
Tel:021-32116099

Gulshan E Hadeed  
021-10642110  
Tel:021-32116061

Gulshan-e-iqbal 13-c  
021-10602110  
Tel:021-32116058

Gulshan-e-iqbal-2  
021-11272110  
Tel:021-32116106

Gulshan-e-jamal  
021-12012110  
Tel:021-32116161

Gulshan-e-maymar  
021-10082110  
Tel:021-32116007

Gulzar-e-hijri  
021-10682110  
Tel:021-32116065

Hydri Market  
021-10822110  
Tel:021-32116078

I. I. Chundrigar Road  
021-11322110  
Tel:021-32116107

Orangi Town  
021-10402110  
Tel:021-32116039

Jodia Bazar  
021-10112110  
Tel:021-32116010

Gulistan-e-johar Block 13 Branch  
021-12022110  
Tel:021-32116162

Johar Morh Rmr  
021-11912110  
Tel:021-32116151

Karachi Stock Exchange  
021-10102110  
Tel:021-32116009

Karsaz  
021-10952110  
Tel:021-32116089

Kemari  
021-10972110  
Tel:021-32116091

Khayaban -e-nishat Ph 5  
021-11642110  
Tel:021-32116128

Khayaban Ittehad, Dha  
021-11962110  
Tel:021-32116156

Khayaban-e-rahmat Branch,karachi -  
021-20032110  
Tel:021-32116169

Korangi  
021-10022110  
Tel:021-32116001

Landhi Industrial Area  
021-10792110  
Tel:021-32116075

Mahmoodabad  
021-10942110  
Tel:021-32116088

Main Branch  
021-10032110  
Tel:021-32116002

Malir Cantt I  
021-10462110  
Tel:021-32116045

Malir Cantt li  
021-11782110  
Tel:021-32116138

Malir City  
021-10982110  
Tel:021-32116092

Model Colony  
021-11792110  
Tel:021-32116139

Muhammad Ali Society Branch  
Karachi  
021-12032110  
Tel:021-32116163

N.Nazimabad Blk-n (Sub Branch) -  
021-11952110  
Tel:021-32116155



|   |   |   |
|---|---|---|
| Naval Colony<br>021-10492110<br>Tel:021-32116048                  | 021-10062110<br>Tel:021-32116005                          | 021-10922110<br>Tel:021-32116086  |
| Nazimabad No 7<br>021-10342110<br>Tel:021-32116033                | Saba Avenue<br>021-11872110<br>Tel:021-32116147           | Sohrab Goth<br>021-10572110<br>Tel:021-32116056                         |
| Nazimabad No. 2<br>021-10992110<br>Tel:021-32116093               | Saddar<br>021-10422110<br>Tel:021-32116041                | Steel Market<br>021-10912110<br>Tel:021-32116085                        |
| New Challi<br>021-10742110<br>Tel:021-32116071                    | Safoora<br>021-11592110<br>Tel:021-32116123               | Tariq Road<br>021-11862110<br>Tel:021-32116146                          |
| New Sabzi Mandi<br>021-11002110<br>Tel:021-32116094               | Shadman Town<br>021-10282110<br>Tel:021-32116027          | Tauheed Commercial<br>021-11632110<br>Tel:021-32116127                  |
| Nn Block# A<br>021-10322110<br>Tel:021-32116031                   | Shah Faisal Colony 1<br>021-10412110<br>Tel:021-32116040  | Teen Talwar Clifton Branch, Karachi<br>021-11632110<br>Tel:021-32116127 |
| Nn Block# B<br>021-11612110<br>Tel:021-32116125                   | Shah Faisal Colony li<br>021-11552110<br>Tel:021-32116121 | Timber Market Branch<br>021-11932110<br>Tel:021-32116153                |
| Nn Block# L<br>021-10072110<br>Tel:021-32116006                   | Shaheed-e-millat Road<br>021-10052110<br>Tel:021-32116004 | University Road<br>021-10372110<br>Tel:021-32116036                     |
| North Karachi Industrial Area<br>021-11482110<br>Tel:021-32116116 | Shahrah-e-faisal<br>021-10262110<br>Tel:021-32116025      | Up More<br>021-10252110<br>Tel:021-32116024                             |
| Palm Residency<br>021-11512110<br>Tel:021-32116119                | Shahrah-e-faisal 2<br>021-11082110<br>Tel:021-32116098    | Water Pump<br>021-11972110<br>Tel:021-32116157                          |
| Patel Para<br>021-10672110<br>Tel:021-32116064                    | Shamsi Society Branch<br>021-11722110<br>Tel:021-32116134 | West Wharf<br>021-10722110<br>Tel:021-32116069                          |
| Pidc<br>021-10882110<br>Tel:021-32116083                          | Sharfabad<br>021-10842110<br>Tel:021-32116079             | Yousuf Plaza<br>021-11032110<br>Tel:021-32116096                        |
| Port Qasim<br>021-10752110<br>Tel:021-32116072                    | Shershah<br>021-11832110<br>Tel:021-32116143              | Zamzama Dha<br>021-11492110<br>Tel:021-32116117                         |
| Power House<br>021-10352110<br>Tel:021-32116034                   | Site-1<br>021-10012110<br>Tel:021-32116000                | <b>Hyderabad</b>  |
| Preedy Street<br>021-11412110<br>Tel:021-32116110                 | Site-2<br>021-11372110<br>Tel:021-32116108                | Auto Bhan<br>021-10202110<br>Tel:021-32116019                           |
| Rashid Minhas Road  | Smchs   |   |

Bipl 2 – Saddar, Hyderabad  
021-11172110  
Tel:021-32116102

Citizen Colony, Qasimabad Branch  
021-11692110  
Tel:021-32116132

Heerabad, Hyderabad  
021-10332110  
Tel:021-32116032

Latifabad  
021-10732110  
Tel:021-32116070

Qasimabad, Hyderabad  
021-10712110  
Tel:021-32116068

Station Road Kohinoor, Hyderabad  
021-11462110  
Tel:021-32116114

#### Sukkur

Military Road, Sukkur  
021-11452110  
Tel:021-32116113

Station Road, Sukkur  
021-10172110  
Tel:021-32116016

#### Other Cities

Badin  
021-11472110  
Tel:021-32116115

Dadu  
021-11702110  
Tel:021-32116133

Digri Branch, Digri Branch -  
021-20042110  
Tel:021-32116170

Gharo  
021-10562110  
Tel:021-32116055

Daharki Branch - District Ghotki  
021-12052110  
Tel:021-32116165

Ghotki  
021-10652110  
Tel:021-32116062

Jacobabad, Branch  
021-12072110  
Tel:021-32116167

Jhuddo  
021-11672110  
Tel:021-32116130

Bipl 2- Kandh Kot  
021-11212110  
Tel:021-32116104

Khairpur  
021-11012110  
Tel:021-32116095

Kotri  
021-11692110  
Tel:021-32116132

Kunri Branch -  
021-12042110  
Tel:021-32116164

Larkana  
021-10182110  
Tel:021-32116017

Maatli Branch  
021-11922110  
Tel:021-32116152

Hala  
021-11732110  
Tel:021-32116135

Bipl 2 – Mehar  
021-11222110  
Tel:021-32116105

Iqbal Road Chandi, Mirpurkhas  
021-11442110  
Tel:021-32116112

Mirpur Khas  
021-10212110  
Tel:021-32116020

Moro  
021-11842110  
Tel:021-32116144

Nawab Shah  
021-10192110  
Tel:021-32116018

Bipl 2 – Sanghar  
021-11192110  
Tel:021-32116103

Shikarpur Branch, Shikarpur -  
021-12072110  
Tel:021-32116167

Tando Adam  
021-10692110  
Tel:021-32116066

Tando Allahyar  
021-10222110  
Tel:021-32116021

Madina City, Branch, Tando  
Muhammad Khan  
021-11692110  
Tel:021-32116132

Wahi Pandi  
021-11822110  
Tel:021-32116142

#### Punjab

##### Lahore

Abbot Road  
021-20532110  
021-32116217

Airport Road Lahore  
021-20352110  
021-32116200

Akbar Chowk  
021-20142110  
021-32116180

Allama Iqbal Town  
021-20402110  
021-32116205

Askari-xi Branch, Lahore -  
021-21392110  
021-32116275

Azam Cloth  
021-20192110  
021-32116185

Badami Bagh  
021-20292110  
021-32116195



|  |  |   |
|--|--|---|
| Bahria Town<br>021-20482110<br>021-32116213          | Expo, Johar Town<br>021-20802110<br>021-32116230           | Mozang<br>021-20722110<br>021-32116227                            |
| Beadon Road<br>021-20522110<br>021-32116216          | Faisal Town Lahore<br>021-21382110<br>021-32116274         | Mughal Pura<br>021-20882110<br>021-32116231                       |
| Cavalry Ground<br>021-20502110<br>021-32116214       | Fazaia Society Branch, Lahore -<br>021-21536545            | Multan Road Lhr<br>021-23654789                                   |
| Circular Road<br>021-20072110<br>021-32116173        | Ferozepur Road Lahore<br>021-20182110<br>021-32116184      | Nishter Colony<br>021-21192110<br>021-32116255                    |
| Circular Road Bipl 2<br>021-20792110<br>021-32116229 | Garden Town Lahore<br>021-20562110<br>021-32116219         | Paragon City<br>021-21022110<br>021-32116242                      |
| College Road<br>021-20982110<br>021-32116238         | Gulberg Hali Road<br>021-20572110<br>021-32116220          | Raiwind Branch<br>021-85236974                                    |
| Daroghawala<br>021-20302110<br>021-32116196          | Gulshan E Ravi Lhr<br>021-38546527                         | Ravi Road<br>021-20512110<br>021-32116215                         |
| Dha Eme<br>021-21202110<br>021-32116256              | Islampura<br>021-21322110<br>021-32116268                  | Raya Golf Club, Dha Phase 6<br>021-21392110<br>021-32116275       |
| Dha G Block Lahore<br>021-20132110<br>021-32116179   | Izmir Town Branch, Lahore<br>021-30022110<br>021-32116302  | Riwarz Garden -<br>021-21622110<br>021-32116298                   |
| Dha Phase 2 Lahore<br>021-20992110<br>021-32116239   | Jail Road<br>021-20052110<br>021-32116171                  | Sabzazar Branch Lhr<br>021-23459878                               |
| Dha Phase 4 Lahore<br>021-21092110<br>021-32116246   | Johar Town<br>021-20362110<br>021-32116201                 | Samanabad Branch Lhr<br>021-96146532                              |
| Dha Phase 5 Lahore<br>021-20472110<br>021-32116212   | Johar Town 2<br>021-20702110<br>021-32116225               | Shadman Colony<br>021-20732110<br>021-32116228                    |
| Dha Phase 6 Lahore<br>021-21102110<br>021-32116247   | Karim Block Branch, Lahore<br>021-30062110<br>021-32116306 | Shahalam<br>021-21162110<br>021-32116252                          |
| Dha Y Block Lahore<br>021-20062110<br>021-32116172   | Misrishah<br>021-20412110<br>021-32116206                  | Shalimar Link Road Branch, Lahore<br>021-21412110<br>021-32116277 |
| Eden City<br>021-21002110<br>021-32116240            | Model Town<br>021-20972110<br>021-32116237                 | Thokar Niaz Baig<br>021-74321595                                  |
|  |  | Urdu Bazar<br>021-20422110<br>021-32116207                        |

Valencia  
021-21152110  
021-32116251

Wahdat Road Lahore  
021-20712110  
021-32116226

Walton Road Lahore  
021-20312110  
021-32116197

Wapda Town  
021-20462110  
021-32116211

Zarrar Shaheed Road  
021-21312110  
021-32116267

### Gujranwala

G.T Road Gujranwala  
021-30932110  
021-32116375

Trust Plaza Gujranwala  
021-20082110  
021-32116174

Wapda Town Branch Gujranwala  
021-21072110  
021-32116244

### Faisalabad

Jaranwala Branch, Jaranwala  
021-21452110  
021-32116281

Jhnag Road, Faisalabad  
021-21372110  
021-32116273

Kotwali Road, Faisalabad  
021-20102110  
021-32116176

Millat Road, Faisalabad  
021-21262110  
021-32116262

Montgomery Bazar, Faisalabad  
021-21302110  
021-32116266

Satyana Road Branch  
021-21422110  
021-32116278

Shangla Hill  
021-21532110  
021-32116289

Susan Road, Faisalabad  
021-20162110  
021-32116182

### Multan

Abdali Road, Multan  
021-20112110  
021-32116177

Chowk Shaheedan Branch, Multan -  
021-30082110  
021-32116308

Garden Town Multan Branch -  
021-30102110  
021-32116310

Gulgasht Colony, Multan  
021-20212110  
021-32116187

Hussain Agahi Branch, Multan  
021-30102110  
021-32116310

Mattital Branch  
021-21542110  
021-32116290

Model Town, Multan  
021-21082110  
021-32116245

Nusrat Road, Multan  
021-20912110  
021-32116233

Shahrukne Alam, Multan  
021-21182110  
021-32116254

Vehari Road, Multan  
021-20252110  
021-32116191

### Sialkot

Paris Road Sialkot  
021-21042110  
021-32116243

Shahabpura Sialkot  
021-30902110  
021-32116372

Sialkot Kashmir Road  
021-20242110  
021-32116190

### Other Cities

Jalalpur Jattan Branch -  
021-30112110  
021-32116311

Ahmedpur East  
021-21352110  
021-32116271

Arifwala  
021-20632110  
021-32116222

Attock  
021-30462110  
021-32116344

Ghourghushti  
021-30792110  
021-32116363

Bahawalnagar  
021-21342110  
021-32116270

Model Town B. Bahawalpur  
021-20222110  
021-32116188

Satellite Town Bahawalpur  
021-21172110  
021-32116253

Bhagatanwala Branch - Bhagatan-  
wala, Tehsil & District Sargodha.  
021-21562110  
021-32116292

Bhakkar Branch, Bhakkar -  
021-21482110  
021-32116284

Bhalwal Branch - Road, Bhalwal  
021-21702110  
021-32116300

Burewala  
021-21122110  
021-32116249



|   |   |  |
|---|---|--|
| Chakwal<br>021-30322110<br>021-32116332               | Hafizabad Branch - Hafizabad<br>021-21472110<br>021-32116283                                | Kamaliya Branch, kamaliya -<br>021-30042110<br>021-32116304                              |
| Chichawatni<br>021-20442110<br>021-32116209           | Haronabad<br>021-20642110<br>021-32116223   | Kamoki<br>021-20372110<br>021-32116202   |
| Chiniot<br>021-20542110<br>021-32116218               | Hassan Abdal<br>021-30522110<br>021-32116349  | Khan Bela Branch, Khan Bela -<br>District Rahim Yar Khan<br>021-30032110<br>021-32116303 |
| Chistian Branch -<br>021-21442110<br>021-32116280     | Hasilpur Branch, Hasilpur - District<br>Bahawalpur<br>021-30052110<br>021-32116305          | Khanewal<br>021-21212110<br>021-32116257   |
| D.G Khan<br>021-20172110<br>021-32116183              | Hazro<br>021-30232110<br>021-32116323   | Khanpur<br>021-20392110<br>021-32116204  |
| Daska Branch -<br>021-21432110<br>021-32116279        | Humak<br>021-30742110<br>021-32116360   | Kharian<br>021-30842110<br>021-32116367  |
| Depalpur Branch -<br>021-21492110<br>021-32116285     | Gulberg Green Sub. Branch<br>Islamabad -<br>021-31162110<br>021-32116397                    | Khurainwala Branch, Jaranwala<br>021-30092110<br>021-32116309                            |
| Dijkot Branch, Dijkot<br>021-30092110<br>021-32116309 | Jampur<br>021-21362110<br>021-32116272  | Khushab Branch, Khushab -<br>021-21502110<br>021-32116286                                |
| Dinga<br>021-30852110<br>021-32116368                 | Jhelum<br>021-30242110<br>021-32116324  | Kot Radha Kishan Branch<br>021-74917359  |
| Fateh Jang<br>021-30802110<br>021-32116364            | Jhelum Cantt<br>021-30882110<br>021-32116371  | Lalamusa<br>021-20382110<br>021-32116203   |
| Ghakar Branch<br>021-30932110<br>021-32116375         | Jhung<br>021-20272110<br>021-32116193   | Layyah<br>021-21292110<br>021-32116265   |
| Gojra<br>021-21112110<br>021-32116248                 | Joharabad Branch, Joharabad -<br>Tehsil & District Khushab.<br>021-21572110<br>021-32116293 | Lodharan<br>021-21522110<br>021-32116288   |
| Gujjar Khan<br>021-30872110<br>021-32116370           | Kallar Syedan<br>021-31062110<br>021-32116387   | Mailsi Branch. Mailsi - District Vehari<br>021-21722110<br>021-32116301                  |
| Gujrat<br>021-20092110<br>021-32116175                | Kalowal Branch -<br>021-21612110<br>021-32116297  | Malakwal Branch<br>021-30852110<br>021-32116368  |
| Gujrat 2<br>021-30922110<br>021-32116374              |   |  |

Mandibahuddin  
021-20432110  
021-32116208

Rahim Yar Khan  
021-20122110  
021-32116178

Saddar, Rawalpindi  
021-30272110  
021-32116327

Mian Channu  
021-20262110  
021-32116192

Rajanpur Branch  
021-21512110  
021-32116287

Satellite Town, Rawalpindi  
021-30142110  
021-32116314

Mianwali  
021-20332110  
021-32116199

Adyala Road, Rawalpindi  
021-31052110  
021-32116386

Westridge, Rawalpindi  
021-30402110  
021-32116340

Mouza Kotla Sikhani  
021-30102110  
021-32116310

Bahria Enclave, Islamabad  
021-30952110  
021-32116377

Renala Khurd Branch - Renala  
Khurd, District Okara  
021-21582110  
021-32116294

Murree  
021-30412110  
021-32116341

Bahria Phase-viii, Rawalpindi  
021-31142110  
021-32116395

Sadiqabad  
021-20282110  
021-32116194

Muzaffar Gharh Branch - Tehsil &  
District Muzaffa Gharh  
021-21592110  
021-32116295

Bahria Town, Ph-1  
021-30772110  
021-32116362

Jampur Road, D.G.Khan  
021-20202110  
021-32116186

M.A.Jinnah Road, Okara  
021-20152110  
021-32116181

Bahria Town, Phase-vii, Rawalpindi  
021-30652110  
021-32116354

Main Liaquat Road, Sahiwal  
021-20952110  
021-32116235

Rana Market, Okara  
021-21132110  
021-32116250

Cbd Bahria Phase 8 Branch,  
Rawalpindi - Phase-viii, Rawalpindi  
021-31162110  
021-32116397

Sambrial  
021-30912110  
021-32116373

Pakpattan  
021-21232110  
021-32116259

Chaklala Scheme-iii, Rawalpindi  
021-30222110  
021-32116322

Samundri , Branch  
021-30092110  
021-32116309

Pul Aik Pasroor, Branch  
021-30922110  
021-32116374

Dha Phase 1 Rawalpindi  
021-31162110  
021-32116397

Sarai Alamgir Branch, Sarai Alamgir  
- Sarai Alamgir  
021-52022110  
021-32116408

Pattoki Branch, Pattoki  
021-39658218

Faisal Town Brnach, Rawalpindi -  
021-31232110  
021-32116404

Main 49-tail Branch, sargodha -  
Faisalabad Road, Sargodha  
021-21662110  
021-32116299

Phaliya Branch, Phaliya - District  
Mandi Bahauddin.  
021-30072110  
021-32116307

Khana Pul Branch  
021-31092110  
021-32116390

Railway Road, Sargodha  
021-20232110  
021-32116189

Pind Dadan Khan  
021-52022110  
021-32116408

Pwd, Islamabad  
021-30992110  
021-32116380

Sargodh  
021-21552110  
021-32116291

Pir Mahal  
021-21252110  
021-32116261

Raja Bazar, Rawalpindi  
021-30662110  
021-32116355



|  |  |   |
|--|--|---|
| Satellite Town, Sargodha<br>021-21012110<br>021-32116241                             | <b>Islamabad</b>   | I-10 Markaz, Islamabad<br>021-31002110<br>021-32116381          |
| Sikareyali Branch, Sikareyali<br>021-30852110<br>021-32116368                        | Bahria Town, Ph-4<br>021-30392110<br>021-32116339            | I-8 Markaz, Islamabad<br>021-30282110<br>021-32116328           |
| Shahkot Branch, Shahkot - District<br>Nanakana Sahib<br>021-30092110<br>021-32116309 | Blue Area-2, Islamabad<br>021-30752110<br>021-32116361       | I-9 Islamabad<br>021-30262110<br>021-32116326                   |
| Muridke<br>021-21332110<br>021-32116269  | Dha Phase-ii, Islamabad<br>021-30642110<br>021-32116353      | Mpchs Branch, Islamabad<br>021-31232110<br>021-32116404         |
| Sheikhupura<br>021-20932110<br>021-32116234  | E-11, Islamabad<br>021-30942110<br>021-32116376              | Naval Complex Branch, Islamabad<br>021-31212110<br>021-32116402 |
| Shujabad<br>021-21242110<br>021-32116260   | F-10 Markaz, Islamabad<br>021-30212110<br>021-32116321       | Soan Garden, Islamabad<br>021-31162110<br>021-32116397          |
| Sillanwali Branch, Sillanwali<br>021-21702110<br>021-32116300                        | F-11 Markaz, Islamabad<br>021-30712110<br>021-32116357       | Tarnol<br>021-30192110<br>021-32116319                          |
| Talagang<br>021-30982110<br>021-32116379   | F-7 Markaz Branch, Islamabad<br>021-31222110<br>021-32116403 | Top City Islamabad<br>021-31232110<br>021-32116404              |
| Taxila<br>021-30182110<br>021-32116318   | F-8 Markaz Islamabad<br>021-31102110<br>021-32116391         | <b>Khyber Pakhtoon Khuwa<br/>Peshawar</b>                       |
| Toba Tek Singh<br>021-20452110<br>021-32116210                                       | G-10 Markaz, Islamabad<br>021-30722110<br>021-32116358       | Dalazak Road, Peshawar<br>021-31012110<br>021-32116382          |
| Vehari<br>021-20902110<br>021-32116232   | G-11 Markaz, Islamabad<br>021-30972110<br>021-32116378       | Hayatabad, Peshawar<br>021-30832110<br>021-32116366             |
| Wah Cantt<br>021-30122110<br>021-32116312  | G-13 Branch, Islamabad<br>021-31152110<br>021-32116396       | Jamrud Road, Peshawar<br>021-30152110<br>021-32116315           |
| Waisa Branch -<br>021-31212110<br>021-32116402                                       | G-15 Markaz Branch -<br>021-31212110<br>021-32116402         | Khyber Bazar, Peshawar<br>021-30172110<br>021-32116317          |
| Wazeerabad<br>021-30622110<br>021-32116352   | G-6, Islamabad<br>021-30732110<br>021-32116359               | Peshawar Cantt<br>021-30822110<br>021-32116365                  |
| Zahirpir<br>021-21222110<br>021-32116258   | G-9 Markaz, Islamabad<br>021-30682110<br>021-32116356        |   |

### Other Cities

Abbotabad  
021-30202110  
021-32116320

Mandian, Abbottabad  
021-31172110  
021-32116398

Balakot  
021-30432110  
021-32116342

Bannu  
021-31072110  
021-32116388

Batgram  
021-30582110  
021-32116351

Batkhela  
021-30362110  
021-32116336

Beesham  
021-30502110  
021-32116347

Booni  
021-30342110  
021-32116334

Bunair  
021-31032110  
021-32116384

Chakdara Branch, Chakdara  
021-31192110  
021-32116400

Charsada  
021-31252110  
021-32116406

Chitral  
021-30252110  
021-32116325

D.I Khan  
021-30292110  
021-32116329

Dargai  
021-31042110  
021-32116385

Dassu Branch, Dassu  
021-31202110  
021-32116401

Haripur  
021-30312110  
021-32116331

Khwazakhela Branch, Khwazakhela  
021-56012110  
021-32116409

Kohat  
021-31112110  
021-32116392

Mansehra  
021-30302110  
021-32116330

Mardan  
021-30492110  
021-32116346

Matta  
021-31122110  
021-32116393

Naran  
021-30512110  
021-32116348

Nowshera  
021-30542110  
021-32116350

Pattan Branch, Pattan  
021-31182110  
021-32116399

Mingora  
021-30352110  
021-32116335

Shabqadar Branch -  
021-31252110  
021-32116406

Swabi Branch -  
021-31252110  
021-32116406

Tatral Kahun  
021-30442110  
021-32116343

Thall  
021-56012110  
021-32116409

Timergara  
021-30372110  
021-32116337

Upper Dir  
021-31022110  
021-32116383

### Azad Jammu & Kashmir (Ajk)

Islamgarh  
021-30162110  
021-32116316

Mirpur Ajk  
021-30132110  
021-32116313

Muzafarabad  
021-31082110  
021-32116389

Rawlakot  
021-31242110  
021-32116405

### Gilgit Baltistan

Chillas  
021-30382110  
021-32116338

Gilgit  
021-30332110  
021-32116333

Nli Market Branch  
021-52012110  
021-32116407

Skardu  
021-31132110  
021-32116394

Jatlan Branch  
Tel: 05827 - 404388

Khui Ratta Branch  
Tel: 05826 - 414906 -7

Kotli Branch  
Tel: 05826 - 448228 -30

**JS Global Capital Limited:**

Karachi (Branch Offices)  
Stock Exchange Branch  
Room No. 634, 6th Floor, Stock  
Exchange Building, Stock  
Exchange Road.

Faislabad (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.

Islamabad (Branch Office)  
Room No. 413, 4th Floor, ISE  
Towers, 55-B, Jinnah Avenue.

Gulshan-e-Iqbal Branch  
Suite No. 607-A, 6th Floor, Al  
Ameen Towers, Plot No E-2, Block  
10, Gulshan-e- Iqbal, Main NIPA.

Multan (Branch Office)  
Office No. 608-A, Sixth Floor, The  
United Mall, Plot No. 74, Abdali  
Road.

Hyderabad (Branch Office)  
Address: Shop No. 20, Ground  
Floor, Auto Bhan Towers, Auto  
Bhan Road, Unit No. 3, Latifabad.

Peshawar (Branch Office)  
First Floor, State life Building No.  
34, The Mall Road, Peshawar  
Cantt.

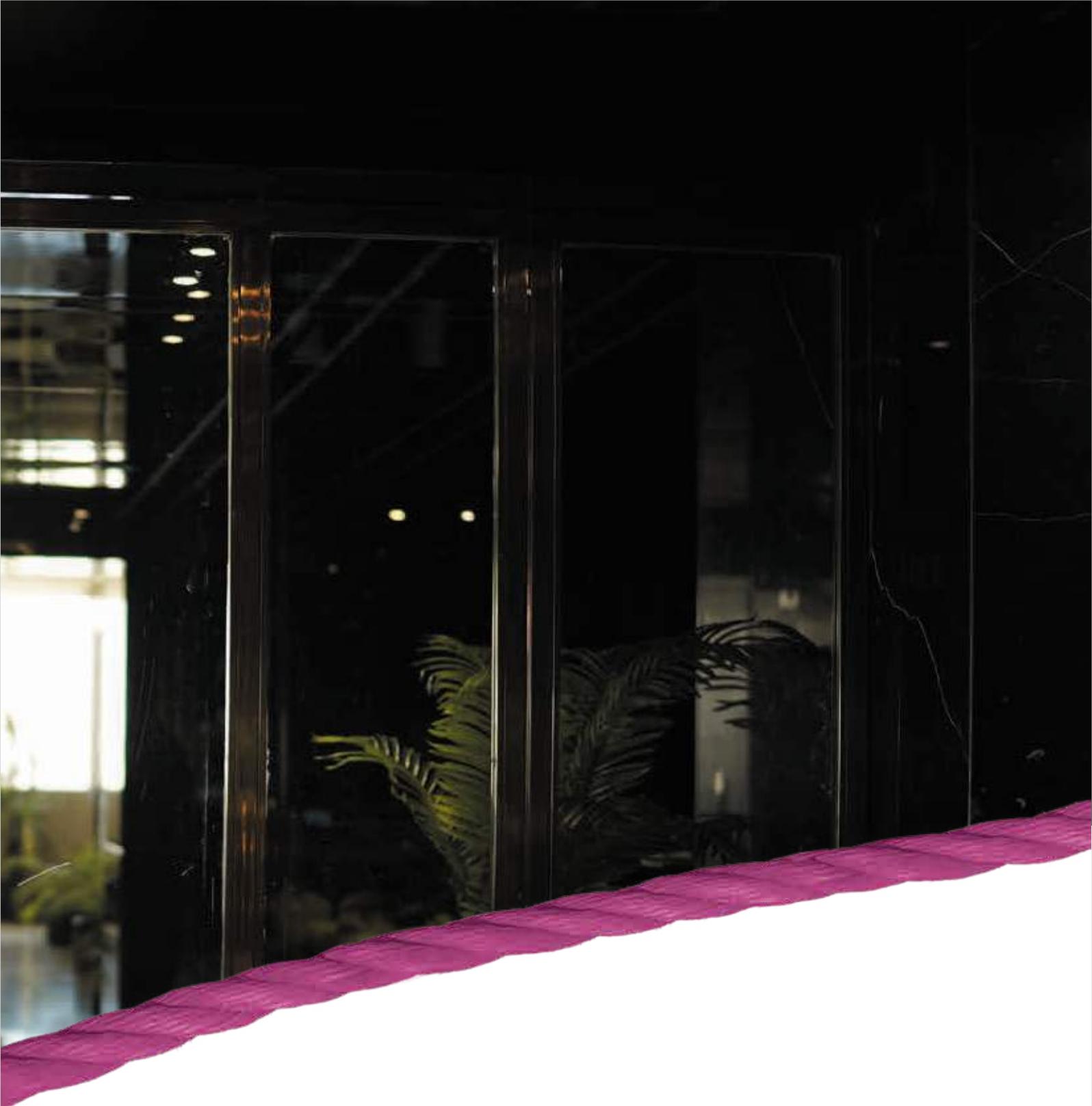
**JS Investments Limited:**

Karachi (Branch Office)  
The Centre, 19th Floor, Plot No.  
28, SB-5 Abdullah Haroon Road  
Saddar, Karachi

Lahore (Branch Office)  
Ground Floor, No 25, Block 13,  
Plot No.1-4, Usman Block, New  
Garden Town, Lahore

Islamabad (Branch Office)  
Office # 414, 4th Floor, PSX  
Building, Jinnah Avenue, Islam-  
abad





# **Additional Information**

# Pattern of Shareholding Ordinary Shares

as at December 31, 2023

| Categories of Shareholders  | Shareholders | Shares Held        | Percentage    |
|---|--------------|--------------------|---------------|
| <b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>    |              |                    |               |
| MR. ALI RAZA SIDDIQUI   | 1            | 16,496             | 0.00          |
| MR. SHAHID HUSSAIN JATOI  | 1            | 1,000              | 0.00          |
| MR. ASAD NASIR  | 1            | 10,000             | 0.00          |
| MR. REHAN HASSAN  | 1            | 500                | 0.00          |
| JUSTICE (R) AGHA RAFIQ AHMED KHAN   | 1            | 500                | 0.00          |
| MS. SAMAR ALI SHAHID  | 1            | 500                | 0.00          |
| LT. GEN. (R) JAVED MAHMOOD BUKHARI  | 1            | 500                | 0.00          |
| <b>Associated Companies, undertakings and related parties</b>                       |              |                    |               |
| MR. JAHANGIR SIDDIQUI   | 2            | 51,429,464         | 5.61          |
| JAHANGIR SIDDIQUI & SONS LIMITED  | 2            | 216,467,046        | 23.63         |
| JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED                                       | 1            | 402,006,784        | 43.89         |
| EFU GENERAL INSURANCE LIMITED   | 1            | 19,711,876         | 2.15          |
| EFU SERVICES (PRIVATE) LTD.   | 1            | 113,446            | 0.01          |
| EFU LIFE ASSURANCE LIMITED  | 1            | 8,564,242          | 0.94          |
| EFU HEALTH INSURANCE LIMITED  | 1            | 178,614            | 0.02          |
| EASTERN EXPRESS COMPANY (PRIVATE) LIMITED   | 1            | 7,046,000          | 0.77          |
| <b>Executives</b>   | 5            | 359,827            | 0.04          |
| <b>NIT and ICP</b>  | 1            | 4,324              | 0.00          |
| <b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b> | 2            | 131                | 0.00          |
| <b>Insurance Companies</b>  | 2            | 1,938,173          | 0.21          |
| <b>Modarabas and Mutual Funds</b>   |              |                    |               |
| M/S. FIRST UDL MODARABA   | 1            | 3,427              | 0.00          |
| CDC - TRUSTEE AKD OPPORTUNITY FUND  | 1            | 3,945,500          | 0.43          |
| 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            | 6,008,000          | 0.66          |
| <b>General Public</b>   |              |                    |               |
| a. Local  | 6,320        | 84,997,123         | 9.28          |
| b. Foreign  | 23           | 4,432,287          | 0.48          |
| Foreign Companies   | 5            | 48,805,453         | 5.33          |
| Others  | 77           | 58,485,734         | 6.39          |
| <b>Total</b>  | <b>6,457</b> | <b>915,942,388</b> | <b>100.00</b> |

## Shareholders holding 10% or more

| Shareholders                                  | Shares Held | Percentage |
|---|-------------|------------|
| JAHANGIR SIDDIQUI & SONS LIMITED              | 216,467,046 | 23.63      |
| JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED | 402,006,784 | 43.89      |



# Pattern of Shareholding Ordinary Shares

as at December 31, 2023

| # Of Shareholders | Shareholdings'Slab |    | Total Shares Held |           |
|-------------------|--------------------|----|-------------------|-----------|
| 981               | 1                  | to | 100               | 24,806    |
| 1107              | 101                | to | 500               | 419,650   |
| 899               | 501                | to | 1000              | 815,983   |
| 1847              | 1001               | to | 5000              | 4,927,708 |
| 634               | 5001               | to | 10000             | 4,925,358 |
| 204               | 10001              | to | 15000             | 2,613,108 |
| 145               | 15001              | to | 20000             | 2,665,972 |
| 118               | 20001              | to | 25000             | 2,764,408 |
| 59                | 25001              | to | 30000             | 1,690,627 |
| 30                | 30001              | to | 35000             | 997,686   |
| 46                | 35001              | to | 40000             | 1,779,688 |
| 31                | 40001              | to | 45000             | 1,334,343 |
| 49                | 45001              | to | 50000             | 2,418,164 |
| 15                | 50001              | to | 55000             | 795,712   |
| 24                | 55001              | to | 60000             | 1,404,061 |
| 13                | 60001              | to | 65000             | 823,876   |
| 9                 | 65001              | to | 70000             | 614,500   |
| 11                | 70001              | to | 75000             | 798,220   |
| 9                 | 75001              | to | 80000             | 701,364   |
| 5                 | 80001              | to | 85000             | 414,021   |
| 5                 | 85001              | to | 90000             | 446,961   |
| 5                 | 90001              | to | 95000             | 463,964   |
| 25                | 95001              | to | 100000            | 2,490,600 |
| 5                 | 100001             | to | 105000            | 516,249   |
| 11                | 105001             | to | 110000            | 1,192,252 |
| 5                 | 110001             | to | 115000            | 564,946   |
| 7                 | 115001             | to | 120000            | 828,250   |
| 9                 | 120001             | to | 125000            | 1,110,955 |
| 2                 | 125001             | to | 130000            | 257,360   |
| 5                 | 130001             | to | 135000            | 670,877   |
| 2                 | 135001             | to | 140000            | 273,500   |
| 4                 | 140001             | to | 145000            | 572,800   |
| 6                 | 145001             | to | 150000            | 900,000   |
| 5                 | 150001             | to | 155000            | 761,340   |
| 5                 | 155001             | to | 160000            | 789,220   |
| 2                 | 160001             | to | 165000            | 323,432   |
| 3                 | 165001             | to | 170000            | 504,000   |
| 2                 | 170001             | to | 175000            | 345,500   |
| 3                 | 175001             | to | 180000            | 532,483   |
| 3                 | 180001             | to | 185000            | 546,500   |
| 1                 | 185001             | to | 190000            | 190,000   |
| 1                 | 190001             | to | 195000            | 195,000   |
| 8                 | 195001             | to | 200000            | 1,594,100 |

# Pattern of Shareholding Ordinary Shares

as at December 31, 2023

| # Of Shareholders | Shareholdings'Slab |    |        | Total Shares Held |
|-------------------|--------------------|----|--------|-------------------|
| 4                 | 200001             | to | 205000 | 804,489           |
| 2                 | 205001             | to | 210000 | 420,000           |
| 1                 | 210001             | to | 215000 | 214,303           |
| 2                 | 215001             | to | 220000 | 434,400           |
| 1                 | 225001             | to | 230000 | 227,614           |
| 1                 | 240001             | to | 245000 | 245,000           |
| 3                 | 245001             | to | 250000 | 742,277           |
| 4                 | 250001             | to | 255000 | 1,012,656         |
| 1                 | 255001             | to | 260000 | 257,974           |
| 2                 | 265001             | to | 270000 | 535,378           |
| 2                 | 280001             | to | 285000 | 563,378           |
| 1                 | 290001             | to | 295000 | 294,500           |
| 1                 | 305001             | to | 310000 | 310,000           |
| 1                 | 310001             | to | 315000 | 313,000           |
| 3                 | 320001             | to | 325000 | 971,800           |
| 1                 | 335001             | to | 340000 | 335,500           |
| 1                 | 345001             | to | 350000 | 347,000           |
| 2                 | 355001             | to | 360000 | 716,486           |
| 1                 | 360001             | to | 365000 | 362,400           |
| 1                 | 365001             | to | 370000 | 366,000           |
| 1                 | 370001             | to | 375000 | 375,000           |
| 1                 | 375001             | to | 380000 | 378,926           |
| 2                 | 395001             | to | 400000 | 800,000           |
| 1                 | 415001             | to | 420000 | 420,000           |
| 1                 | 425001             | to | 430000 | 428,496           |
| 1                 | 430001             | to | 435000 | 430,950           |
| 1                 | 440001             | to | 445000 | 442,532           |
| 1                 | 445001             | to | 450000 | 450,000           |
| 1                 | 465001             | to | 470000 | 465,500           |
| 1                 | 490001             | to | 495000 | 491,367           |
| 6                 | 495001             | to | 500000 | 3,000,000         |
| 1                 | 500001             | to | 505000 | 500,500           |
| 1                 | 520001             | to | 525000 | 525,000           |
| 1                 | 525001             | to | 530000 | 530,000           |
| 1                 | 550001             | to | 555000 | 553,000           |
| 1                 | 555001             | to | 560000 | 559,210           |
| 1                 | 565001             | to | 570000 | 570,000           |
| 1                 | 570001             | to | 575000 | 573,000           |
| 1                 | 575001             | to | 580000 | 575,441           |
| 1                 | 595001             | to | 600000 | 600,000           |
| 1                 | 620001             | to | 625000 | 625,000           |
| 1                 | 655001             | to | 660000 | 660,000           |
| 1                 | 665001             | to | 670000 | 668,600           |



# Pattern of Shareholding Ordinary Shares

as at December 31, 2023

| # Of Shareholders | Shareholdings' Slab |    |           | Total Shares Held  |
|-------------------|---------------------|----|-----------|--------------------|
| 1                 | 700001              | to | 705000    | 701,211            |
| 2                 | 795001              | to | 800000    | 1,600,000          |
| 1                 | 835001              | to | 840000    | 840,000            |
| 1                 | 1000001             | to | 1005000   | 1,001,838          |
| 1                 | 1015001             | to | 1020000   | 1,020,000          |
| 1                 | 1090001             | to | 1095000   | 1,095,000          |
| 1                 | 1105001             | to | 1110000   | 1,107,500          |
| 1                 | 1205001             | to | 1210000   | 1,210,000          |
| 1                 | 1325001             | to | 1330000   | 1,329,596          |
| 1                 | 1680001             | to | 1685000   | 1,682,950          |
| 1                 | 1745001             | to | 1750000   | 1,750,000          |
| 1                 | 1930001             | to | 1935000   | 1,934,560          |
| 1                 | 2020001             | to | 2025000   | 2,020,500          |
| 1                 | 2140001             | to | 2145000   | 2,141,000          |
| 1                 | 2405001             | to | 2410000   | 2,410,000          |
| 1                 | 3140001             | to | 3145000   | 3,145,000          |
| 1                 | 3175001             | to | 3180000   | 3,180,000          |
| 1                 | 3515001             | to | 3520000   | 3,517,000          |
| 1                 | 3945001             | to | 3950000   | 3,945,500          |
| 1                 | 4030001             | to | 4035000   | 4,030,600          |
| 1                 | 6005001             | to | 6010000   | 6,008,000          |
| 1                 | 7045001             | to | 7050000   | 7,046,000          |
| 1                 | 8145001             | to | 8150000   | 8,149,000          |
| 1                 | 8560001             | to | 8565000   | 8,564,242          |
| 1                 | 18895001            | to | 18900000  | 18,900,000         |
| 1                 | 19710001            | to | 19715000  | 19,711,876         |
| 1                 | 22025001            | to | 22030000  | 22,029,500         |
| 1                 | 24995001            | to | 25000000  | 25,000,000         |
| 1                 | 29395001            | to | 29400000  | 29,399,964         |
| 1                 | 48050001            | to | 48055000  | 48,050,500         |
| 1                 | 208315001           | to | 208320000 | 208,318,046        |
| 1                 | 402005001           | to | 402010000 | 402,006,784        |
| <b>6457</b>       |                     |    |           | <b>915,942,388</b> |

# Pattern of Shareholding Preference Shares

as at December 31, 2023

| Categories of Shareholders  | Shareholders | Shares Held        | Percentage    |
|---|--------------|--------------------|---------------|
| <b>Directors, Chief Executive Officer and their spouse(s) and minor children</b>    |              |                    |               |
| MR. ALI RAZA SIDDIQUI   | 1            | 3,299              | 0.00          |
| MS. AMBREEN JATOI   | 1            | 18,000             | 0.01          |
| MR. SHAHID HUSSAIN JATOI  | 1            | 200                | 0.00          |
| LT. GEN. (R) JAVED MAHMOOD BUKHARI  | 1            | 100                | 0.00          |
| <b>Associated Companies, undertakings and related parties</b>                       |              |                    |               |
| MR. JAHANGIR SIDDIQUI   | 2            | 74,327,661         | 40.57         |
| JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED                                       | 1            | 80,401,356         | 43.89         |
| EASTERN EXPRESS COMPANY (PRIVATE) LIMITED   | 1            | 2,579,800          | 1.41          |
| <b>Executives</b>   | 1            | 71,863             | 0.04          |
| <b>NIT and ICP</b>  | -            | -                  | -             |
| <b>Banks Development Financial Institutions, Non-Banking Financial Institutions</b> | -            | -                  | -             |
| <b>Insurance Companies</b>  | -            | -                  | -             |
| <b>Modarabas and Mutual Funds</b>   |              |                    |               |
| CDC - TRUSTEE AKD OPPORTUNITY FUND  | 1            | 978,200            | 0.53          |
| CDC - TRUSTEE GOLDEN ARROW STOCK FUND   | 1            | 694,900            | 0.38          |
| <b>General Public</b>   |              |                    |               |
| a. Local  | 1,068        | 14,787,884         | 8.07          |
| b. Foreign  | 7            | 265,500            | 0.14          |
| Foreign Companies   | 2            | 364,800            | 0.20          |
| Others  | 17           | 8,694,914          | 4.75          |
| <b>Total</b>  | <b>1,105</b> | <b>183,188,477</b> | <b>100.00</b> |

| Shareholders holding 10% or more              | Shares Held | Percentage |
|---|-------------|------------|
| JAHANGIR SIDDIQUI                             | 74,327,661  | 40.57      |
| JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED | 80,401,356  | 43.89      |



# Pattern of Shareholding Preference Shares

as at December 31, 2023

| # Of Shareholders | Shareholdings'Slab |    |        | Total Shares Held |
|-------------------|--------------------|----|--------|-------------------|
| 141               | 1                  | to | 100    | 8,945             |
| 286               | 101                | to | 500    | 93,347            |
| 126               | 501                | to | 1000   | 104,527           |
| 285               | 1001               | to | 5000   | 703,774           |
| 97                | 5001               | to | 10000  | 754,752           |
| 36                | 10001              | to | 15000  | 464,838           |
| 19                | 15001              | to | 20000  | 346,992           |
| 19                | 20001              | to | 25000  | 452,815           |
| 8                 | 25001              | to | 30000  | 218,132           |
| 5                 | 30001              | to | 35000  | 169,000           |
| 8                 | 35001              | to | 40000  | 314,073           |
| 4                 | 40001              | to | 45000  | 169,900           |
| 12                | 45001              | to | 50000  | 592,077           |
| 5                 | 50001              | to | 55000  | 262,220           |
| 3                 | 55001              | to | 60000  | 170,394           |
| 3                 | 60001              | to | 65000  | 192,200           |
| 2                 | 65001              | to | 70000  | 137,600           |
| 2                 | 70001              | to | 75000  | 144,343           |
| 2                 | 75001              | to | 80000  | 155,785           |
| 1                 | 80001              | to | 85000  | 84,400            |
| 1                 | 90001              | to | 95000  | 93,000            |
| 6                 | 95001              | to | 100000 | 597,600           |
| 1                 | 100001             | to | 105000 | 105,000           |
| 1                 | 105001             | to | 110000 | 108,000           |
| 2                 | 110001             | to | 115000 | 225,842           |
| 1                 | 120001             | to | 125000 | 123,500           |
| 1                 | 125001             | to | 130000 | 128,420           |
| 3                 | 130001             | to | 135000 | 399,086           |
| 1                 | 135001             | to | 140000 | 140,000           |
| 1                 | 165001             | to | 170000 | 166,000           |
| 2                 | 295001             | to | 300000 | 600,000           |
| 2                 | 350001             | to | 355000 | 705,098           |
| 1                 | 440001             | to | 445000 | 441,500           |
| 1                 | 445001             | to | 450000 | 450,000           |
| 2                 | 495001             | to | 500000 | 1,000,000         |
| 1                 | 500001             | to | 505000 | 500,700           |
| 1                 | 505001             | to | 510000 | 505,700           |
| 1                 | 510001             | to | 515000 | 511,500           |
| 1                 | 540001             | to | 545000 | 544,500           |
| 1                 | 545001             | to | 550000 | 547,000           |
| 1                 | 690001             | to | 695000 | 694,900           |
| 1                 | 780001             | to | 785000 | 781,000           |
| 1                 | 975001             | to | 980000 | 978,200           |

# Pattern of Shareholding Preference Shares

as at December 31, 2023

| # Of Shareholders | Shareholdings'Slab |    |          | Total Shares Held  |
|-------------------|--------------------|----|----------|--------------------|
| 1                 | 2025001            | to | 2030000  | 2,028,000          |
| 1                 | 2575001            | to | 2580000  | 2,579,800          |
| 1                 | 3775001            | to | 3780000  | 3,780,000          |
| 1                 | 4180001            | to | 4185000  | 4,185,000          |
| 1                 | 5835001            | to | 5840000  | 5,835,900          |
| 1                 | 68490001           | to | 68495000 | 68,491,761         |
| 1                 | 80400001           | to | 80405000 | 80,401,356         |
| <b>1105</b>       |                    |    |          | <b>183,188,477</b> |



# Notice of 32<sup>nd</sup> Annual General Meeting

Notice is hereby given that the 32nd Annual General Meeting (the "AGM") of Jahangir Siddiqui & Co. Ltd. (the "Company") will be held at 15th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Karachi on Thursday, April 25, 2024, at 09:30 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, 2023, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

In accordance with Section 223 of the Companies Act, 2017 and pursuant to S.R.O 389(I)/2023 dated March 21, 2023, the Annual Report including the Audited Financial Statements and reports have been uploaded on the website of the Company which can be downloaded from the following link and QR Enabled Code:

<https://www.js.com/wp-content/uploads/2024/03/JSCL-Annual-Report-2023.pdf>



2. To appoint Company's Auditors and fix their remuneration. The Audit Committee and the Board of Directors have recommended the re-appointment of the retiring auditors, Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, who being eligible have offered themselves for re-appointment.
3. To consider and approve the payment of preferred cash dividend of PKR 0.6 per preference share (i.e., @ 6% p.a.) to the Preference Shareholders for the year ended December 31, 2023, as recommended by the Board of Directors.

## By Order of the Board

**Muhammad Babar Din**  
Company Secretary

Karachi: April 03, 2024

**NOTES:**

1. The Company has placed the Annual Report comprising *inter alia*, Audited Financial Statements along with Chairman’s Review Reports, Directors’ and Auditors’ Report for the year ended December 31, 2023 and notice of AGM on its website: <https://www.js.com>
2. In light of the guidelines issued by the Securities and Exchange Commission of Pakistan for ensuring participation of members in general meeting through electronic means as a regular feature, the Company has made arrangement for the members to attend the meeting via video-link. The members who intend to attend and participate in the AGM of the Company through video link are requested to complete identification and verification formalities i.e., to provide following required information at the email: [shareholder@js.com](mailto:shareholder@js.com) on or before April 24, 2024.

| Name of Shareholder | CNIC No. | Folio No. | Cell Phone No. | Email Address |
|---------------------|----------|-----------|----------------|---------------|
|                     |          |           |                |               |

The video link of meeting will be sent to the members on their email addresses.

**3. Share Transfer Book Closure Dates:**

**(a) For Ordinary Shareholders:**

The Share Transfer Books of the Company shall remain closed from April 18, 2024, to April 25, 2024 (both days inclusive) for determining the entitlement of ordinary shareholders for attending and voting at the AGM.

Physical transfers and deposit requests under Central Depository System received at the close of business on April 17, 2024, by the Company’s Registrar i.e., CDC Share Registrar Services Limited, CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shakra-e-Faisal Karachi will be treated in time for the purpose of attending and voting at the meeting.

**(b) For Preference Shareholders:**

The Share Transfer Books of the Company shall remain closed from April 18, 2024, to April 25, 2024 (both days inclusive) for determining the entitlement of preference shareholders for preferred cash dividend.

Physical transfers and deposit requests under Central Depository System received at the close of business on April 17, 2024, by the Company’s Registrar i.e., CDC Share Registrar Services Limited, CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shakra-e-Faisal Karachi will be treated in time for the purpose of payment of preferred cash dividend to preference shareholders (subject to approval in the general meeting).



4. 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.
5. Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
6. 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:

**A. For Attending the Meeting**

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.
- b. 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.

**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 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.
7. Shareholders are requested to notify immediately of any change in their address to the Company's share registrar.

**IMPORTANT NOTICES TO SHAREHOLDERS**

Particulars of Physical Shareholders

The members holding physical shares are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

### **CDC Share Registrar Services Limited**

CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, mail: [info@cdcsrsl.com](mailto:info@cdcsrsl.com) Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)

### **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](mailto:cnic@js.com) along with folio number and updated address for correspondence.

### **Mandate for e-Dividend**

Section 242 of the Act requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. SECP vide its notification S.R.O.1145 (I)/2017 has also issued the Companies (Distribution of Dividends) Regulations, 2017 whereby every shareholder shall be responsible to provide valid information pertaining to its designated bank account to disburse any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders.

The members are requested to provide duly filled in and signed e-dividend form available at the following link:

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

In case of shares held as book-entry securities, the said information should be provided to Central Depository System ("CDS"), through CDS Participants.

### **Deduction of Withholding Tax and Zakat on Dividend (as applicable)**

In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001, withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 30% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the Share Registrar, CDC Share Registrar Services Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, CDC Share Registrar Services Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

In order to claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on Non-Judicial Stamp Paper of Rs. 50/- to the Share Registrar, CDC Share Registrar Services Limited, of the Company. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the shareholder, through their participant / Investor Account Services. Further, Non-Muslim shareholders are also required to file Solemn Affirmation (available on <https://www.cdcsrsl.com/download>) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents, complete in all respects, are timely provided. .



### Electronic Transmission of Financial Statements and Notices

The Company has also circulated the annual financial statements through email to shareholders in case email addresses are provided by the shareholders to the Company. Further, a shareholder may request to the Company Secretary by the following the below mentioned link to provide hard copy of Annual Audited Accounts and the same will be provided at his / her registered address, free of cost, within one week of the demand:

<https://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

As per Section 72 of the Companies Act, 2017, all existing companies are mandated to convert their physical shares into book-entry form within a maximum period of four years from the commencement of the Companies Act, 2017. In line with this, the Securities & Exchange Commission of Pakistan issued Circular # CSD/ED/Misc./2016-639-640 on March 26, 2021, advising listed companies to actively encourage their members still holding shares in physical form to undergo the conversion process.

We earnestly request all members of the Company who currently possess shares in physical form to initiate the conversion without delay. It is recommended to reach out to the Central Depository Company of Pakistan Limited or any active member/stockbroker of the Pakistan Stock Exchange to establish an account in the Central Depository System, facilitating the seamless transition of physical shares into book-entry form.

Members are apprised of the various advantages associated with holding shares in book-entry form, including secure and convenient custody, easy tradability, elimination of risks like loss or theft, exemption from stamp duty on share transfers, and the smooth crediting of bonus or right shares.

We strongly advise members, in their best interest, to promptly undertake the conversion of their physical shares into book-entry form.

### 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](mailto:info@cdcsrsl.com)

Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)



# Dividend Mandate Form

## The Share Registrar

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

I Mr/Ms. \_\_\_\_\_ S/O,D/O,W/O \_\_\_\_\_ hereby authorize Jahangir Siddiqui & Co. Ltd. to directly credit cash dividend by it, if any, in the below mentioned bank account.

### (i) Shareholders' Details

#### Name of Shareholder

Folio No. / CDC Participant ID A/C No.  
CNIC No. / Passport No.  
(In case of foreign shareholder)  
Land Line Phone Number  
Cell Number

### (ii) Shareholders' Bank Details

#### Name of Shareholder

Title of the Bank Account  
Bank Account Number  
Bank's Name  
Branch Name and Address



# Form Of Proxy

## 32<sup>nd</sup> Annual General Meeting

### The Company Secretary

Jahangir Siddiqui & Co. Ltd.  
20<sup>th</sup> 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 a member of the Company, as my / our proxy to attend, act and vote for me /us and on my /our behalf at the 32<sup>nd</sup> Annual General Meeting of the Company to be held on Thursday, April 25, 2024, and /or any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of April, 2024.

Signed by \_\_\_\_\_

In the presence of

#### Witness:

1. Name: \_\_\_\_\_  
Signature: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
CNIC or Passport No.: \_\_\_\_\_

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 (along with attested copy of the valid CNIC or Passport of the beneficial owner and the proxy), must be received at the Office of the Company situated at 20<sup>th</sup> 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. The proxy must be a member of the Company. A non-natural person being a member of the Company may appoint any of its officials or any other person as its representative through a resolution of its board of directors to attend and vote at the meeting.
4. If a 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. The proxy shall produce his original CNIC or original passport as may be applicable at the time of the meeting.
6. 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.
7. The form of proxy must be 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.

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.

# پراکسی فارم

بیتسواں سالانہ اجلاس عام

کمپنی سیکریٹری

جہانگیر صدیقی اینڈ کمپنی لمیٹڈ

20 فلور، دی سینٹر، پلاٹ نمبر 5-SB-28،

عبداللہ ہارون روڈ، صدر

کراچی۔ 74000، پاکستان

میں/ہم \_\_\_\_\_ ساکن \_\_\_\_\_  
جہانگیر صدیقی اینڈ کمپنی لمیٹڈ \_\_\_\_\_  
\_\_\_\_\_ (CDS کے حصص) \_\_\_\_\_  
\_\_\_\_\_ ساکن \_\_\_\_\_  
\_\_\_\_\_ ان کے دستیاب  
\_\_\_\_\_ حاصل فوئیو/ CDC اکاؤنٹ نمبر \_\_\_\_\_  
\_\_\_\_\_ حاصل فوئیو نمبر/ CDC  
\_\_\_\_\_ ساکن \_\_\_\_\_  
\_\_\_\_\_ حاصل فوئیو نمبر/ CDC  
\_\_\_\_\_ جو کہ کمپنی کے رکن ہیں، انہیں اپنی طرف سے کمپنی کے بیتسویں سالانہ اجلاس عام منعقدہ جمعرات 25 اپریل  
2024ء میں حاضر ہونے، عمل کرنے اور ووٹ کیلئے پراکسی مقرر کرتا/ کرتی/ کرتے ہیں اور اجلاس ملتوی ہونے کی صورت میں بھی یہی میرے مختار (پراکسی)  
ہونگے۔

مورخہ \_\_\_\_\_ اپریل 2024 کو رو برو گواہان میں/ ہم نے دستخط کئے۔

گواہان:

نام:

پتہ:

\_\_\_\_\_ CNIC نمبر:

\_\_\_\_\_ دستخط:

نام:

پتہ:

\_\_\_\_\_ CNIC نمبر:

\_\_\_\_\_ دستخط:

دستخط

دستخط کمپنی میں موجود دستخط کے نمونے  
کے مطابق ہونا چاہئے

اہم نوٹ:

- (۱) کمپنی کا ممبر جو حاضر ہونے اور ووٹ دینے کا حق رکھتا ہے وہ کسی دوسرے ممبر کو اپنی جگہ اجلاس عام میں حاضر ہونے اور ووٹ دینے کے لئے پراکسی مقرر کر سکتا ہے / کر سکتی ہے۔
- (۲) باضابطہ پر شدہ اور دستخط شدہ پراکسی فارم (جمع بینیفیشل مالکان اور پراکسی کے درست CNIC یا پاسپورٹ کی مصدقہ نقول) کمپنی کے دفتر واقع 20th فلور، دی سینٹر، پلاٹ نمبر 5، 58-5، عبداللہ ہارون روڈ، صدر، کراچی پراجیکٹ سے کم از کم اثالیس (48) گھنٹے قبل پہنچ جانا چاہئے۔
- (۳) پراکسی کے لئے کمپنی کا ممبر ہونا لازمی ہے۔ ایک ادارہ جو کہ کمپنی کا ممبر ہے وہ اپنی طرف سے اپنے کسی عہدیدار یا کسی دیگر فرد کو بطور نمائندہ بذریعہ اپنے بورڈ آف ڈائریکٹرز کی قرارداد حاضر ہونے اور ووٹ دینے کے لئے مقرر کر سکتا ہے۔
- (۴) اگر ایک ممبر ایک سے زیادہ پراکسی مقرر کرتا ہے اور کمپنی کا ممبر ایک سے زیادہ پراکسی فارم جمع کراتا ہے تو اس قسم کے تمام پراکسی فارم منسوخ ہو جائیں گے۔
- (۵) اجلاس میں حاضری کے وقت پراکسی اپنا اصل پاسپورٹ یا اصل CNIC پیش کرے گا۔
- (۶) فزیکل حصص اور حصص جو سینٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) کے نام رجسٹرڈ ہیں کے بینیفیشل مالکان اور/یا ان کے پراکسی کے لئے ضروری ہوگا کہ اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ شناختی مقاصد کے لئے اجلاس عام میں حاضری کے وقت پیش کریں گے۔
- (۷) پراکسی فارم پر دو گواہان کے دستخط کے ساتھ ان کے نام، پتے اور CNIC نمبر لازمی طور پر موجود ہونے چاہئیں جس کے ساتھ بینیفیشل مالکان کے پاسپورٹ یا CNIC کی مصدقہ نقول پیش کی جائے گی۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد مختیار نامہ جمع نمونہ دستخط پیش کرنے ہونگے۔

درست ٹکٹ چپکائیں

کمپنی سیکریٹری  
جہانگیر صدیقی اینڈ کمپنی لمیٹڈ  
۲۰ فلور، دی سینٹر، پلاٹ نمبر ۲۸، SB-۵،  
عبداللہ ہارون روڈ، صدر، کراچی۔ ۷۴۲۰۰، پاکستان





**Address:**

20<sup>th</sup> Floor, The Center  
Plot No. 28, SB-5  
Abdullah Haroon Road  
Saddar, Karachi - 74400  
Pakistan

**Web:** [www.js.com](http://www.js.com)

**UAN:** (+92-21) 111 574 111

