ANNUAL REPORT 2017

JS investments
Managing Mutual Funds Better!

Annual Report 2017

CONTENTS

VISION

To be recognized as a responsible asset manager respected for continuingly realizing goals of its investors.

MISSION

To build JS Investments Ltd. into a top ranking Asset Management Company; founded on sound values; powered by refined knowhow; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility - a strong and reliable institution for its shareholders to own; an efficient service provider and value creator for clients; an exciting and fulfilling work place for employees; and a participant worth reckoning for competitors.

BROAD POLICY OBJECTIVES

- Value creation for clients on a sustainable basis
- Maintain high standards of ethical behaviors and fiduciary responsibility
- Manage Investments with Prudence and with the aim of providing consistent returns better than that of peers
- Take Products and Services to the People; Create awareness on understanding financial goals, risks and rewards
- Professional Excellence – Adapt, Evolve and Continuously Improve
- Maintain highly effective controls through strong compliance and risk management
- A talented, diligent and diverse HR

JS investments

COMPANY INFORMATION

Board of Directors

Mr. Basir Shamsie
Chairman

Mr. Hasnain Raza Nensey
Chief Executive Officer

Mr. Muhammad Yousuf Amanullah
Non-Executive Director

Mr. Suleman Lalani
Non-Executive Director

Mr. Muhammad Raza Dyer*
Non-Executive Director

Mr. Kamran Jafar
Non-Executive Director

Mr Ahsen Ahmed
Independent Director/ Non-Executive Director

Mr. Asif Reza Sana
Independent Director/ Non-Executive Director

Chief Executive
Mr. Hasnain Raza Nensey

Chief Financial Officer / Company Secretary

Mr. Muhammad Khawar Iqbal

* Mr. Muhammad Raza Dyer resigned on 01 February, 2018

Statutory Auditors
EY Ford Rhodes

Legal Advisor
Bawaney & Partners

Board Committees

Audit Committee
Mr. Asif Reza Sana (Chairman)
Mr. Muhammad Raza Dyer*
Mr. Suleman Lalani

HR Committee
Mr. Basir Shamsie
Mr. Kamran Jafar
Mr. Ahsen Ahmed
Mr. Hasnain Raza Nensey

Executive Committee
Mr. Basir Shamsie
Mr. Muhammad Yousuf Amanullah
Mr. Kamran Jafar
Mr. Ahsen Ahmed
Mr. Hasnain Raza Nensey

Share Registrar
Central Depository Company
of Pakistan Limited (CDC)
CDC House, 99-B, Block-B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi

Registered Office
7th Floor, The Forum, G-20
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600
Tel: (92-21) 111-222-626
Fax: (92-21) 35361724
E-mail:info@jsil.com
Website: www.jsil.com

Board of Directors

Mr. Basir Shamsie - Chairman

Mr. Basir Shamsie joined JS Group in 1994 and is presently serving as deputy CEO of JS Bank and overseas the Treasury, Wholesale and International Banking Group of JS Bank. Mr. Shamsie is a debt markets specialist and has closed over 60 debt capital market transactions, many of which have been landmark for Pakistan, such as the first commercial paper, first floating rate instrument, first perpetual bond, first bank subordinated debt, first 10-year corporate bond, and the first local sukuk bond. Before joining JS Group, he worked in the Finance function at Upjohn Pakistan.

Mr. Shamsie received his Bachelors in Business Administration with a major in Accounting from the University of Texas at Austin. He is also a graduate of the Program for Leadership Development from Harvard Business School.

At JS Bank, in addition to his Group Head functions, he is responsible to head various committees and new business initiatives. He has also served on the founding Board of Directors of JS Bank for 5 years till 2012, post which he served as Chairman of the Board of JS Global Capital Limited.

In the year 2016, he joined as a member of Board of Directors of JS Investments Limited.

Mr. Hasnain Raza Nensey - Chief Executive Officer

Mr. Hasnain Raza Nensey is the Chief Executive Officer of JS Investments Ltd since March 2017. He has an aggregate work experience of 23 years of which around 15 years has been in the Financial Industry in Pakistan. Prior to joining JSIL, he spent 11 years at UBL Fund Managers Ltd in multiple capacities namely Chief Operating Officer, Chief Financial Officer & Chief Investment Officer. Prior to 2005, Mr. Nensey was associated with the JS Group in various roles including Chief Investment Officer at JS Abamco Limited.

Mr. Nensey has a BSBA Degree with a concentration in Finance and Marketing from Boston University in Massachusetts, USA. He is also an MBA from Babson College in Massachusetts, USA which is very well known for its specialization in entrepreneurial studies.

Mr. Suleman Lalani

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Ltd. ("JSCL") on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he served as CFO and Company Secretary for seven years. Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002, he joined The First MicroFinanceBank Limited as its Chief Financial Officer and Company Secretary. Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has over 25 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance. Mr. Lalani is also serving as a director on the board of Al-Abbas Sugar Mills Limited and CEO of Jahangir Siddiqui & Co. Ltd.

Mr. Asif Reza Sana

Mr. Asif R. Sana is a senior banker with several years of experience with world-leader multinationals in the fields of Finance, General Management and Marketing. His professional career growth took place in Switzerland, Europe, US and the Middle East in various executive positions during his 22 years multinational career. He holds an MBA and has been trained at the Institute of Management Development in Lausanne, Switzerland and INSEAD, France.

In 2000, he returned to Pakistan as the Advisor to the Board of Directors of Union Bank for restructuring the bank. He conceived, negotiated and closed the acquisition of Emirates Bank in Pakistan and Meshraq Bank in Sri Lanka. These acquisitions resulted in a two-fold increase in the bank's earning assets and doubled its balance sheet footing to US$ 2.2 billion in 2003. He was then appointed SEVP and simultaneously elected to the Board of Directors to assume the crucial role of Executive Director of the bank, having fiduciary and management roles simultaneously. He was a member of the management committee and ALCO as well a director of the Union Leasing Ltd.

He was one of the key leaders in making Union Bank a premium financial services brand, ranked as the 6th largest bank, by profitability, in 2005. The majority shareholders then gave him the mandate to develop and implement an exit strategy. He conceived, negotiated and closed the sale of Union Bank to Standard Chartered Bank at a landmark price of PKR 29 billion (US $ 485 million) - the highest in Pakistani banking industry.

Mr. Ahsen Ahmed

Mr. Ahsen Ahmed is serving on the Boards of Abid Industries and Sind Industries since 2003. He had contributed significantly towards expansion of these industries and supported their research and technical development. With his efforts and commitment the companies took an international perspective to their growth with increased exports and improved their supply chains. He also served for seven years on the Board of JS Global Capital Limited as a Non Executive Board Member.

Mr. Ahsen holds degree in Bachelor of Arts and Economics from Denison University, Granville, Ohio

Mr. Kamran Jafar

A seasoned Banker with nineteen years of a proven track record in Banking, Mr. Kamran Jafar began his career with JS Bank Limited in February 2008 and is currently heading the Corporate and Retail Banking Group. He has since then been the driving force of the effort to ensure that the Corporate and Retail Banking Group continues with its expansion and successful drive towards countrywide profitability of the Bank.

Mr. Jafar holds diversified experience in number of banking functions such as Retail, Corporate, Branch Banking etc and also has a sound knowledge of Banking Operations including Branch Operations, Credit Administration and Trade Finance. Prior to joining JS Bank he has worked with a number of prominent banks including PICIC Commercial Bank, My Bank and the AlBaraka Islamic Bank in a variety of roles.

Kamran is a graduate in business administration from the University of Houston, University Park, Texas.

Mr. Muhammad Yousuf Amanullah

Mr. Muhammad Yousuf Amanullah is a fellow member of the Institute of Chartered Accountants of Pakistan. He is a certified Director from the Pakistan Institute of Corporate Governance. He has been an Elected Director on the Boards of Jahangir Siddiqui Investment Bank Limited, JS Global Capital Limited and JS Value Fund Limited.

He joined JS Group in 2003 and is presently the Chief Financial Officer at JS Bank as the Senior Executive Vice President. He was previously associated at a senior level with A. F. Ferguson & Co. Chartered Accountants, a member firm of PricewaterhouseCoopers after having qualified with them. Prior to A. F. Ferguson & Co., he worked with Ernst & Young Ford Rhodes Sidat Hyder. During his association with the firm, he was involved in various Statutory and Special assignments relating to Commercial banks, Non-Banking Finance Companies, Pharmaceutical and Automobile sectors.

In the year 2016, he joined as a member of Board of Directors of JS Investments Limited.

Mr. Muhammad Raza Dyer

Mr. Muhammad Raza Dyer is serving as Head of Operations at JS Bank Limited and has 29 years of diversified experience in commercial banking operations. He started his professional career in 1985 from Bank of America in Visa Card Department. Thereafter, he worked for Mashreq bank PSC in Foreign Trade, Treasury Back Officer and Branch Operations. He worked for three years in Crescent Commercial Bank Ltd., as Head of Operations - South Region. Prior to joining JS Bank, he was working with Arif Habib Bank as Head of Country Operations.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate entity, JS Investments Limited (JSIL) strives to support Corporate Social Responsibility (CSR) initiatives that support economic growth, social progress and environmental protection in Pakistan.

JSIL carries out major philanthropic activities in partnership with the Mahvash & Jahangir Siddiqui Foundation (MJSF) and Future Trust. In times of humanitarian disasters, we also run and execute fundraising programs in a joint fashion.

MAHVASH & JAHANGIR SIDDIQUI FOUNDATION

In 2003, entrepreneur and former Karachi Stock Exchange President, Jahangir Siddiqui with his wife Mahvash, retired university professor, founded the Mahvash & Jahangir Siddiqui Foundation (MJSF).
The foundation aims to create sustainable livelihood opportunities and provide support to empower disadvantaged members of society. In addition to projects directly managed by MJSF, partnerships have also been formed with key international organizations including United Nations agencies, Acumen and Oxfam.

Following is an overview of MJSF's activities:

Education

The population of Pakistan is continually growing with over half the total population stated to be below the age of 25 years. These individuals have tremendous potential and the importance of education and vocational training for them cannot be understated. MJSF realizes that to ensure a bright future for the nation's children; creative ideas and a desire to make a difference can go a long way. MJSF's educational programs focus on providing grants for:

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

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

Healthcare

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

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

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

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

In 2017, over 18,000 patients were examined in these camps and almost 4,000 cataract surgeries were performed. In addition, 9,500 patients were screened for Hepatitis B and C.

Social Enterprise & Sustainable Development (SESD)

Social enterprises aim to provide services at affordable prices to low-income earners so that they may build their own assets and improve their standard of living. The SESD program funds projects that are economically productive and sustainable and which remove or reduce the need for ongoing grants. MJSF is linked with numerous initiatives to help improve the lives of its fellow citizens by supporting organizations like Kashf Microfinance, Acumen Pakistan and its Fellows program, First Response Initiative of Pakistan, along with providing Iftaar forth underprivileged and supporting the Magnus Kahl Seeds project to help improve the average yield of crops in the country.

Humanitarian Relief

Pakistan's geographical location and topography make it highly susceptible to natural disasters such as monsoon flooding, landslides, droughts and earthquakes. MJSF has a strategy whereby funding is made available for disaster relief enabling timely action. In addition, it continues support for disaster victims in the aftermath of catastrophes so that they may rebuild their lives as effectively as possible. The Foundation has contributed with significant humanitarian assistance during the following crises:

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

FUTURE TRUST (FT)

The following is an overview of philanthropic activities of Future Trust:

Education

FT has provided financial support to the following organizations: Allama Gulam Mustafa Qasmi Chair, University of Sindh, Jamshoro for promoting educational and scholarly activities. It also supported Cadet College Hasan Abdal for the construction of a Services Block and in the establishment of the "Jahangir Siddiqui Career Counseling Center".

Healthcare

Future Trust provides financial support to individuals suffering from cancer and other such terminal diseases. Improvement of socio-economic conditions Future Trust supported the "The i-Care Foundation" in its mission to improve the quality of life of underprivileged Pakistanis, by enhancing the level of philanthropic support to deserving charities. FT also works with them to improve their capacity to deliver more, with greater impact.

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

Women Empowerment

JSIL has supported the Pakistan Federation of Business and Professional Women's Organization (PFBPWO). PFBPWO's principle objectives include organizing women in all parts of country to use their combined abilities and strength to encourage women and girls to acquire education in all fields.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty third (23rd) Annual General Meeting of the members of JS Investments Limited, (the "Company") will be held at 10:30 a.m. on Tuesday, April 10, 2018 at Defence Authority Creek Club, Phase VIII, DHA, Karachi, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2017, together with the Directors' and Auditors' reports thereon and Chairman's Review Report.

2. To appoint Auditors of the Company and fix their remuneration. The Audit Committee and the Board of Directors have recommended the re-appointment of retiring auditors, Messrs EY Ford Rhodes, Chartered Accountants, who being eligible, offer themselves for re-appointment.

Special Business:

3. To ratify and approve transactions carried out with Related Parties during the financial year ended December 31, 2017 and for the month ended January 31, 2018.

4. To authorize the Chief Executive of the Company to approve transactions with Related Parties to be carried in normal course of business till next Annual General Meeting.

The statement under section 134 (3) of the Companies Act, 2017 pertaining to the special business is annexed with the notice of meeting sent to the members.

By order of the Board

Date: March 19, 2018
Place: Karachi

Muhammad Khawar Iqbal
Company Secretary

NOTES:

1. The Company, in accordance with Section 223(7) of the Companies Act 2017, has placed the Audited Financial Statements for the year ended 31 December 2017 along with Auditors and Directors Reports thereon and Chairman's Review Report on its website: www.jsil.com

2. The share transfer books of the Company will remain closed from Tuesday, April 04, 2018 to Tuesday, April 10, 2018 (both days inclusive) for for attending the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business on April 3, 2018 by the Independent Share Registrar of the Company, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block"B",S.M.C.H.S, Main Shahra-e-Faisal, Karachi, will be treated as being in time for entitlement to attend the meeting.

3. A member entitled to attend and vote at the meeting may appoint another person as proxy to attend, speak and vote for him/ her. An instrument of proxy or power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power of attorney or such authority to be valid, be deposited with the registered office of the Company not later than 48 hours before the schedule time of the meeting. The proxy form in English and Urdu Languages is attached with this notice and has also been placed on the Company's website of the company.

4. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000:

A. For Attending the Meeting

a. In 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's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of 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.

5. **Shareholders are requested to immediately notify the Share Registrar of the change in their addresses, if any.**

6. **Computerized National Identity Card ("CNIC") of Shareholders ("Mandatory").** CNIC number of the shareholder is, mandatory for the issuance of dividend warrants and in the absence of this information, payment of dividend shall be withheld. Shareholders are requested to provide immediately if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block"B",S.M.C.H.S, Main Shahra-e-Faisal, Karachi. A legible scanned copy of the same can also be forwarded at CNIC@jsil.com along with folio number and updated address for correspondence.

7. **Payment of cash dividend through electronic mode.** T. The provisions of Section 242 of the Companies Act, 2017 provides that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, the shareholders of the Company are requested to provide electronic dividend mandate on E-Dividend Form available on the Company's website (www.jsil.com) enabling the Company to credit their future cash dividends directly to their designated bank accounts.

8. **Electronic Transmission of Annual Financial Statement and Notices (Optional)**
In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) under S.R.O 787 (I)/2014, the SECP has allowed companies to circulate annual Audited Financial Statements, along with the notice of annual general meeting (Notice) to its members through e-mail subject to compliance with the conditions outlined in the referred SRO of SECP.

The transmission of annual Audited Financial Statements with Notice to members through e-mail shall be considered compliance with the relevant requirements of Sections 223 and 233 of the Companies Act 2017 subject to certain conditions, prescribed in the said notification.

For the convenience of its members, the Company has placed a Standard Request Form on the Company's website (www.jsil.com), so that the members may use it to communicate their e-mail address and consent for electronic transmission of annual Audited Financial Statement and Notice thereon.

9. Deduction of withholding tax on the amount of Dividend u/s 150 of the Income Tax Ordinance, 2001 (Mandatory)

Pursuant to the provisions of Finance Act, 2017 effective 01 July 2017, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No	Nature of Shareholders	Rate of deduction
1	Filers of Income Tax Return	15%
2	Non- Filers of Income Tax Return	20%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

The shareholders who has joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder

10. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical share, if any, are advised to contact our Share Registrar M/s Central Depository Company of Pakistan Limited, to collect/enquire about their unclaimed dividend or pending shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

11. Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017, the members can avail video conference/link facility for this Annual General Meeting, provided the company receives consent from member(s) holding 10% or more total paid up capital in the company, residing at above location, at least 10 days prior to the date of meeting.

In order to avail video conference/link facility, interested members may send to company consent as mentioned above being enclosed in standard format with the notice and also placed on the website of the company within the time frame mentioned in the forms.

12. E-Voting

Pursuant to issuance by SECP of Companies (E-Voting) Regulation 2016 and its subsequent adoption in Articles of Association of the Company via Special Resolution passed by the members of the company on December 26, 2016, the members of the company may exercise their right to vote through E-Voting by giving their consent in writing, at least 10 days before the date of the meeting, to the company on the appointment of the Execution Officer by the intermediary as a proxy. Standard Format of such consent is enclosed and has also been placed on the website of the company.

If the requests for E-Voting received by the company from the member or members represents 10% or more voting power of the company in aggregate, then the company shall communicate the name and contact details of Intermediary to the members opted for E-Voting, otherwise company will inform the members accordingly that E-Voting will not be conducted due to non fulfilment of the criteria.

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business proposed to be transacted at the annual general meeting.

1. **Agenda Item No. 4 of the Notice - Ratification / Approval of Transactions carried out with related parties during the year ended 31 December, 2017.**

The balances and the transactions carried out in normal course of business by the Company and Funds under its management with related parties are approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance and Regulation 15(1) of the Listed Companies (Code of Corporate Governance) Regulations 2017. In the case of JS Bank Limited (holding company), a majority of the Directors were interested and the quorum of directors could not be formed for approval of these transactions. In view of the above, the normal business transactions conducted by the Company and the funds under its management during the period ended 31 December, 2017 with JS Bank Limited as disclosed in the relevant notes to the accounts of the Company and funds under its management are being placed before the shareholders for their consideration and approval/ratification. Such transactions, therefore, are being placed before the shareholders for approval by passing the following resolution as special resolution to be passed with or without modification(s).

"Resolved that the following transactions carried out in the ordinary course of business with JS Bank Limited (related party) during the year ended 31 December, 2017 be and are hereby ratified, approved and confirmed.

Entity	Expense Incurred	Expense Reimbursed	Rent Payable	Rent Receivable	Rent Expense
JS Investments Ltd	2,489,774	2,070,619	2,836,482	3,542,347	7,291,590
	2,489,774	**2,070,619**	**2,836,482**	**3,542,347**	**7,291,590**

Fund / Entity	Bank Balance/ TDR Balance in JSBL	Mark up income	Mark up receivable	Bank Charges deducted	Rent Income
JS Investments Ltd	13,914,329	1,266,033	70,171	3,924	6,389,108
JS Income Fund	720,963,283	51,479,255	6,914,766	10,101	-
JS Islamic Income Fund	105,027	537	-	2,109	-
JS Fund of Funds	25,120,048	657,071	108,387	3,453	-
JS Cash Fund	517,378	29,908	3,332	2,374	-
JS Growth Fund	198,727,781	7,500,905	938,557	2,391	-
JS Value Fund	132,489,470	4,433,932	-	447	-
JS Pension Savings Fund	41,391,200	248,084	94,958	545	-
JS Islamic Hybrid Fund of Fund	50,000	-	-	-	-
JS Islamic Hybrid Fund of Fund-2	48,650,001	-	-	-	-

Fund / Entity	Bank Balance/ TDR Balance in JSBL	Mark up income	Mark up receivable	Bank Charges deducted	Rent Income
JS Large Cap. Fund	86,752,927	3,075,439	-	2,717	-
Unit Trust of Pakistan	203,312,344	11,091,546	1,176,319	1,498	-
JS Capital Protected Fund V	2,728,126	42,231	15,009	1,069	-
JS Islamic Fund	1,967,946	-	-	16,449	-
	1,476,689,860	**79,824,941**	**9,321,499**	**47,077**	**6,389,108**

The related party transaction and balances of the funds under management as at and for the year ended December 31, 2017.

Fund	Bank Balance/ TDR Balance in JSBL	Mark up income	Mark up receivable	Bank Charges deducted
JS Income Fund	310,082,076	2,650,540	1,415,537	15,953
JS Islamic Government Securities Fund	3,925,990	-	-	2,136
JS Fund of Funds	166,660,640	3,059,324	-	1,468
JS Cash Fund	783,094	41,663	-	5,136
JS Growth Fund	411,209,641	5,696,828	1,021,729	4,500
JS Value Fund	40,460,919	2,197,457	-	4,163
JS Pension Savings Fund	18,724,619	230,874	230,874	2,790
JS Large Cap. Fund	202,399,866	4,143,614	1,025,631	7,217
Unit Trust of Pakistan				
JS Capital Protected Fund V	944,380	76,015	11,101	2,627
JS Islamic Fund	4,635,632	-	-	13,423
	1,159,826,858	**18,096,314**	**3,704,872**	**59,413**

2. Agenda Item No. 5 of the Notice - Authorisation to the Chief Executive for the approval of transactions carried out and to be carried out with JS Bank Limited (related party) till next Annual General Meeting.

The Company and the funds under its management would be conducting transactions with JS Bank Limited in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in JS Bank Limited as detailed herein above. Therefore, in order to comply with the provisions of clause 5.19.6 (b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance and Regulation 15(1) of the Listed Companies (Code of Corporate Governance) Regulations 2017, the shareholders may authorise the Chief Executive to approve transactions carried out and to be carried out by the Company and funds under its management in the normal course of business with JS Bank Limited till next Annual General Meeting. The following resolution is proposed to be passed as special resolution, with or without modification(s).

"**Resolved** that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of till next Annual General Meeting.

Resolved further that these transactions shall be placed before the shareholders in the next Annual General Meeting for their ratification/approval."

Interest of Directors in the above special businesses:

Mr. Suleman Lalani holds 4,983 shares of JS Bank Limited, Mr. Basir Shamsie, Mr. Muhammad Yousuf Amanullah, Mr.Kamran Mirza are employees of JS Bank Limited and hold 1 share, 90,003 shares, 1 share of JS Bank Limited respectively.

Mr Kamran Mirza cannot be said to be interested unless he formally takes office, which is contingent upon approval. If the approval is granted, he will also be deemed concerned and interested.

FINANCIAL AND BUSINESS HIGHLIGHTS

		2017	2016	2015	2014	2013	2012*
KEY INDICATORS							
Performance							
Return on assets	%	1.14	7.06	6.34	26.03	29.24	10.72
Total assets turnover	Days	45.40	59.52	53.87	127.17	178.78	125.67
Receivables turnover	Days	202.81	270.64	216.04	120.29	26.34	24.61
Return on equity	%	1.36	8.53	7.65	30.58	39.51	20.56
Leverage							
Debt:Equity	%	-	-	-	-	-	46.90
Interest cover	times	230.81	11,876.71	13,626.04	1,279.60	14.00	2.31
Liquidity							
Current times		9.28	11.72	10.93	14.06	14.72	2.88
Quick times		9.25	11.70	10.91	14.03	14.67	2.87
Valuation							
Earnings per shares	Rs.	0.40	2.49	1.75	6.49	5.98	2.03
Breakup value per share	Rs.	26.97	32.10	26.29	24.50	17.98	12.30
Price earning ratio	times	23.39	6.22	9.89	1.93	1.83	4.01
Market price to break up value	times	0.35	0.48	0.66	0.51	0.61	0.66
Market value per share - year end	Rs.	9.40	15.50	17.30	12.56	10.92	8.12
Market value per share - High	Rs.	17.50	17.49	18.64	14.22	11.47	15.13
Market value per share - Low	Rs.	9.95	13.51	12.04	10.32	6.34	2.47
Market capitalization (Rs. in Million)		753.62	1,242.66	1,386.97	1,256.00	1,092.00	812.00
Historical trends							
Management fee (Rs. in Million)		198.37	155.35	159.72	201.68	222.74	306.47
Operating profit (Rs. in Million)		35.58	181.89	170.38	641.49	776.86	327.32
Profit before tax (Rs. in million)		67.50	209.80	199.30	660.82	624.54	195.47
Profit after tax (Rs. in million)		32.22	199.70	174.27	649.48	598.18	202.73
Assets under management (Rs. in million)		14,453.00	13,521.00	9,548.00	10,867.94	12,854.00	12,331.57
No. of funds under management		14	12	11	13	13	13
Share capital (Rs. in million)		801.72	801.72	801.72	1,000.00	1,000.00	1,000.00
Shareholders equity (Rs. in million)		2,161.94	2,573.74	2,107.58	2,449.70	1,797.66	1,230.21
Total assets (Rs. in million)		2,599.12	3,074.01	2,586.12	2,915.53	2,074.08	2,017.62
Contribution to the national exchequer (Rs. in million)		30.58	29.01	27.34	15.12	39.00	29.00
Payouts							
Cash dividend	%	-	5	-	-	10	10

* The FY 2012 was of eighteen months due to change of accounting year.

Chairman's Review JS Investments Limited

2017 was the year that the Board of Directors (BoD) of JS Investments (JSIL) decided that the company's strategy would focus on achieving a high level of performance in service delivery while enhancing the company's outreach to a largely under-served potential clientele. Various efforts were put in place to develop human resources, revitalize the sales team, augment the use of technology and improve the product suite. We expect these efforts to pay off in the near future in making JSIL one of the most outstanding Asset Management Companies (AMCs) in the financial sector.

This drive for increased performance is matched by our high standards of corporate governance. Various committees of the BoD met regularly throughout the year with the directors playing an effective role in preserving shareholder value through active participation. In particular, I would like to acknowledge the contributions of two of our independent directors who have been providing their support and guidance on various matters over the years.

2017 was also the year when the BoD approved a detailed business plan presented by the management for 2018. Our robust drive towards automation, end-to-end processes re-engineering and an expanded product suite will provide a platform for JSIL to achieve an enhanced presence as an AMC.

One of the highlights of 2017 was when one of our funds, JS Islamic Fund was awarded the Lipper Fund Awards 2017 for being the top equity fund in Pakistan in the '3 Year' and '5 Year' category. The Lipper Fund Award is an internationally recognized award given by Thomson Reuters and is based on globally enacted measure of funds' performance. These highly-respected awards honor funds and fund management firms that have excelled in providing consistently strong risk-adjusted performance relative to their peers. This award is in addition to the previously awarded Lipper Funds Award that JSIL has received for the past two consecutive years.

I expect the competent management team and employees of JSIL to continue to work in the best interests of our esteemed clients in a manner that makes one feel proud to be associated with the JS Group and its values. With the execution of our strategic plan over the coming years, we endeavor to be one of the most competitive AMCs in the industry.

On behalf of JSIL, I would like to express my gratitude to our regulators, auditors, legal advisors and all other stakeholders who are contributing in our success.

Basir Shamsie
Chairman

Karachi: February 23, 2018

Report of the Directors to the Members
For the year ended December 31, 2017

We are pleased to present the unconsolidated audited financial statements and auditors' report of JS Investments Limited (JSIL) for the year ended December 31, 2017.

Principal Business

JSIL is a public listed company incorporated in Pakistan in 1995. The company operates under the licenses of an Investment Adviser, Asset Management Company and Pension Funds Manager obtained from the Securities & Exchange Commission of Pakistan (SECP) under applicable laws.

The Economy

The year 2017 saw a fairly consistent upward economic trajectory notwithstanding some hiccups. According to a report by the State Bank of Pakistan (SBP), the economy is on its way to achieving its growth target of 6% for FY 2017 - 18. Significant improvements in energy supply, higher machinery and transportation imports for new industries, and capacity expansions by domestic players is likely to push the GDP growth further. Some key policy level decisions made by the government have triggered positive sentiments across the market. These include a long-awaited depreciation in Pakistani Rupee (PKR), closure of inefficient furnace oil-based power plants, and imposition of additional duties on non-essential imports in order to restrict imports growth and bolster the current account.

The coming year however looks to be turbulent. On an economic front, the current account deficit (CAD) has swelled to USD 15.3 billion (4.78% of GDP) during 2017 compared to USD 7 billion (2.49% of GDP) during 2016. A growing trade deficit as a result of slowdown in exports and rising imports, and a slowdown in remittances growth are prime reasons for the burgeoning deficit. Resultantly, Pakistan's total foreign exchange reserves depleted to USD 20.1 billion by the end of 2017 (including the recent USD 2.5 billion Eurobond and Sukuk issue) as compared to USD 23.2 billion at the end of 2016. State Bank of Pakistan's average import cover shrank from 5.3 months in FY16 to 4 months in FY17. All of these macroeconomic pressures finally led to a 4.67% depreciation of the PKR in December. Upcoming debt repayments and continued slowdown in remittances are likely to result in a continued strain on the external account whereas a pickup in exports growth, particularly after the weakening of the exchange rate is yet to be seen.

With higher oil prices, weaker PKR, upsurge in the prices of other international commodities, and continued government borrowings for budgetary support, inflation is likely to rise in excess of 6% by the second half of 2018. Moreover, these developments have already prompted SBP to raise interest rates by 25 bps at the start of 2018 with expectations of further tightening of its monetary policy stance during 2018. Given lower than expected tax collections, higher current expenditures and direct and indirect subsidy levels, pressure on the fiscal account will continue. The fiscal account deficit which was 4.1% during FY17 has already reached 1.2% during the first quarter of the ongoing fiscal year.

Going forward, we see higher twin deficits, further PKR depreciation, additional interest rate revisions and possible re-negotiations for another IMF program weighing down the economy. Nonetheless, we remain optimistic towards the long-term growth trajectory of Pakistan with the current government reforms especially in the energy sector and with the paradigm shift underway due to the China Pakistan Economic Corridor (CPEC).

Equity Market Review:

The year 2017 was a stressful one for the stock market of Pakistan as the benchmark KSE-100 Index plummeted by 15.34% to close at 40,471 point after having sky rocketed to its highest-ever level of 52,876 points on May 24, 2017, a week prior to Pakistan's formal re-entry into the MSCI Emerging Markets (MSCI EM) index. In terms of returns, 2017 was the worst year since 2008 when the KSE-100 index was then down by 58%.

The year 2017 equity market performance can be segmented into two phases. During the first half, the market was focusing entirely on the upgrading of the Pakistan Stock Exchange (PSX) to the MSCI EM index and a stable political shift for the 2018 general elections. The KSE-100 index reached an all-time high of 52,876 points during May 2017, an increase of 10.6% till date, just before the formal date of upgrading to the MSCI EM index. During the second half, massive selling by foreign investors tracking the MSCI Frontier Markets index along with enhanced political noise pushed investors to the sideline. Average trading volumes were 171 million shares during the last seven months compared to 325 million shares during the first five months. These factors along with heightened macroeconomic concerns, including the long-awaited PKR devaluation, pulled the index down to a year-low of 37,919 on December 19, 2017. This caused the KSE-100 index to lose over 28% from its all-time high level.

Foreign selling that was instrumental in the market decline clocked in at USD 496 million in 2017. Foreigners now have an estimated shareholding of around USD 6.5 billion at the PSX, which is 33% of the free float market capitalization and about 9% of the total market capitalization. The market capitalization of the PSX closed at USD 78 billion, down 15% from last year's closing. Average daily volumes also plunged during the year to 236 million shares (-16% YoY). However, average traded values marginally improved to USD 115 million per day (+3% YoY). During the year, the laggard sectors due to various fundamental issues were cements, pharmaceuticals, power, chemicals and banks. However, textiles, oil & gas exploration, and automobile & parts out-performed the broader index due to improved earnings outlook.

However, due to the government's focus on long-pending economic issues including PKR devaluation and inflows from foreign investors, the KSE-100 index posted a healthy rally gaining 7% during the last two weeks of December 2017. Going forward, equity markets of Pakistan looks attractive in the medium to long term as the political noise subsides. With general elections around the corner and an expected re-entry of foreign investors, we expect relative valuations of the market opening up as compared to the MSCI EM index and regional markets. We observe the PKR depreciation as a long term positive and foresee further devaluation later during the year benefiting energy and export-oriented sectors.

Money Market Review:

During 2017, average Consumer Price Index (CPI) inflation clocked in at 4.09% compared to 3.76% in 2016. The increase is primarily due to an uptick in commodity prices particularly crude oil and imposition of regulatory duties on several non-essential items. During 2017, the Government of Pakistan (GoP) raised PKR 300 billion in Pakistan Investment Bonds (PIB) auctions, against the target amount of PKR 800 billion indicating market participants' interest in shorter-term maturity instruments. In the T-Bill auctions, the government raised PKR 12,637 billion against the maturity of PKR 11,158 billion while the target was PKR 11,950 billion. In the last T-Bill auction of 2017, the cut-off yield for 3 months was 5.9910% while bids for 6 months and 12 months T-Bills were rejected. On a YoY basis, 3 Months (3M), 6 Months (6M) and 9 Months (9M) KIBOR for 2017 declined by 5 bps, 4 bps and 4 bps respectively, and averaged at 6.13%, 6.15% and 6.43%.

AMC Industry Overview:

During 2017, Assets Under Management (AUM) of the mutual fund industry increased by PKR 27 billion (7% YoY) reaching PKR 646 billion (including Fund of Funds) compared to PKR 619 billion at the end of 2016. Overall, thirty seven (37) new funds and plans were launched during 2017. AUM of conventional schemes registered a decline of PKR 22 billion (-6% YoY) reaching PKR 361 billion (including Fund of Funds) by the end of December 2017. However, AUM of shariah compliant schemes recorded an increase of PKR 49 billion (21% YoY) reaching PKR 285 billion.

Principal Risks & Uncertainties

JSIL's management has performed a robust and systemic review of those risks that could affect the company's performance, future prospects, reputation or its ability to deliver on its commitments. JSIL's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

JSIL's profitability 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 JSIL.

The competitive nature of the industry has led to increased pressure on the key revenue drivers i.e. management fee and sales load. Coupled with a generally low interest rate environment, the variable fee structures on several income / money market funds in the industry have led to earnings volatility in the industry as well.

Performance Review:

JSIL earned a net profit of PKR 32.21 million during the year ended December 31, 2017 showing earnings per share of PKR 0.40. The assets under management (including Separately Managed Accounts (SMAs)) were PKR 14.45 billion as on December 31, 2017 compared to PKR 13.52 billion as on December 31, 2016 depicting an increase of 7 percent. JSIL earned PKR 198.37 million as management fee from funds under management compared to PKR 155.35 million earned during the same period last year. Administrative and marketing expenses increased by 13 percent to PKR 317.26 million during the year compared to PKR 279.64 million during the same period last year.

Shareholders equity decreased to PKR 2,161.94 million as on December 31, 2017 from PKR 2,573.74 million as on December 31, 2016 mainly due to a decline in value of the Available-for-Sale (AFS) investment portfolio of the company.

The Board of Directors of the Company has a responsibility to ensure that internal financial controls systems of the company are adequate and effective.

Summary of operating results for the year	**Year ended December 31, 2017**	**Year ended December 31, 2016**
	PKR (000)	
Shareholders' Equity	2,161,943	2,573,740
Financial Performance		
Income	352,842	461,529
Operating expenses	(317,264)	(279,638)
Operating profit	**35,577**	**181,891**
Other expenses	1,324	(4,282)
Financial charges	(291)	(18)
Other operating income	33,538	32,204
Profit before tax	**67,500**	**209,796**
Taxation-net	(35,285)	(10,098)
Profit after tax	**32,215**	**199,698**
Earnings per share - basic and diluted	**0.40**	**2.49**

During the period, JS Islamic Hybrid Fund of Funds I and II with several allocation baskets/plans with varying mix of exposures ranging from low to high risk asset classes were launched.

Future Outlook

JSIL closed the year with AUM at PKR 14.45 billion. To increase its AUMs sustainably and proactively, the company is pursuing a well-planned strategy of tapping both the retail and institutional markets aggressively. There have been significant improvements in processes and systems at JSIL during 2017 which were aimed at setting the trajectory for 2018 and beyond. Product suite enhancements made in 2017 will be extended into 2018 as well with the launch of our first capital preservation plan in Q1 2018. The existing product suite is being continuously monitored for improvement such as the revamping of insurance/takaful arrangements in our Voluntary Pension Schemes.

Asset Manager and Entity Rating

JCR-VIS Credit Rating Company Limited has reaffirmed a Management Quality Rating of "AM2"(AM-Two) to JS Investments Limited. The rating denotes High Management Quality.

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term entity ratings of JS Investments Limited at "A+" (Single A Plus) and "A1" (A-One) respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Corporate Governance and Financial Reporting Framework

The Directors are pleased to state as follows:

a. The financial statements, prepared by the management of JSIL present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
b. Proper books of account have been maintained by JSIL.
c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
d. International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of the financial statements and any departures therefrom has been adequately disclosed and explained.
e. The system of internal controls is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts upon JSIL's ability to continue as a going concern.
g. There has been no material departure from the best practices of Corporate Governance as contained in Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange Limited.
h. A summary of key financial data of last six years is given on page 15 of this Annual Report.
i. Outstanding taxes, duties, levies and charges have been fully disclosed in note 11 & 12 of the annexed audited financial statements.
j. JSIL keeps effective and efficient internal financial controls system which remain active through consistent innovation and monitoring. The internal audit and compliance functions of JSIL evaluate the financial controls and ensure that there is an effective control environment throughout the company. On the basis of the evaluation processes, the BoD considers that the existing internal financial control system is adequate and has been effectively implemented.
k. The Code of Conduct has been disseminated throughout JSIL along with supporting policies and procedures.
l. The value of investments of the Staff Provident Fund of JSIL as per the audited accounts as at June 30, 2017 were PKR 16.07 million.

Meetings of the Directors

During the year five meetings of the Board of Directors were held, the attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Basir Shamsie	05
Mr. Ali Akhtar Ali*	01
Mr. Hasnain Raza Nensey*	04
Mr. Suleman Lalani	05
Mr. Asif Reza Sana	03
Mr. Kamran Jafar	04
Mr. Muhammad Raza Dyer	05
Mr. Ahsen Ahmed	04
Mr. Muhammad Yousuf Amanullah	04

* Mr. Ali Akhtar Ali resigned as CEO of the Company during the year w.e.f February 28, 2017
* Mr. Hasnain Raza Nensey has joined the Company as CEO during the year on March, 2017

Meetings of the Board Audit Committee

During the year, four meetings of the Board Audit Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Asif Reza Sana	04
Mr. Suleman Lalani	04
Mr. Muhammad Raza Dyer	04

Meetings of the Board Human Resources & Remuneration (HR&R) Committee

During the year, seven meetings of the HR&R Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Basir Shamsie	07
Mr. Kamran Jafar	06
Mr. Ahsen Ahmed	05
Mr. Hasnain Raza Nensey	04
Mr. Ali Akhtar Ali	01

Meetings of the Board Executive Committee

During the year, one meeting of the Executive Committee was held, which was attended by following directors

Mr. Basir Shamsie
Mr. Kamran Jafar
Mr. Muhammad Yousuf Amanullah
Mr. Ahsen Ahmed
Mr. Hasnain Raza Nensey

Board of Directors

Subsequent to the Balance Sheet date, Mr. Muhammad Raza Dyer has resigned from the Board and Mr. Muhammad Kamran Mirza was appointed by the Board as Director in his place for the remainder term subject to the approval of Securities & Exchange Commission of Pakistan.

Directors' Training Program

Five out of eight Directors on the Board are certified under the Directors Training Program (DTP).

Parent Company

JS Bank is the holding company of JS Investments Limited and holds 65.2 percent of the equity.

Pattern of Shareholding

A statement showing pattern of shareholding in JSIL and additional information as at December 31, 2017 is given on page 116 of the Annual Report.

Dividend

Given the requirements for renewed focus on expansion of teams, increase in value added services and other alignments with the aggressive business strategy, the Board of Directors have opted to not declare a dividend for the year ended December 2017.

Corporate Social Responsibility

During the year, JSIL contributed to philanthropic activities in partnership with Mahvash & Jahangir Siddiqui Foundation and Future Trust. These entities are actively engaged amongst others, in the areas of education, health care, improvement of socio-economic conditions and humanitarian relief. Some of the initiatives that were taken in 2017 were sponsoring the Karachi Biennial 2017 which was the city's biggest and most exciting art event as well as supporting education through the provision of laptops to various schools of DIL (Developments in Literacy) to support the right of education for underprivileged children The business of JSIL has no adverse impact on the environment. We are continuously looking at options to be more environmentally friendly with efforts such as reduction of paper by switching to electronic means, especially in the area of customer statements and marketing collateral.

Auditors

The retiring auditors M/s EY Ford Rhodes & Co. Chartered Accountants being eligible offer themselves for reappointment. The Board of Directors, on recommendations of the Audit Committee, has proposed reappointment of M/s EY Ford Rhodes & Co. Chartered Accountants for the ensuing year ending December 31, 2018.

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan (SECP) and the management of the Pakistan Stock Exchange (PSX) for its valuable support, assistance and guidance. In addition, the Trustees of our Funds under Management namely Central Depository Company of Pakistan Limited and MCB Financial Services Limited are to be acknowledged for their continued support and cooperation. The Board also thanks the employees of JSIL for their dedication and hard work and the shareholders for their confidence in the Management.

Hasnain Raza Nensey
Chief Executive Officer

Ahsen Ahmed
Director

Karachi: February 23, 2018

چیئر مین کا جائزہ - جے ایس انویسٹمنٹس لمیٹڈ

2017 وہ سال تھا جس میں جے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے بورڈ آف ڈائریکٹرز (BoD) نے فیصلہ کیا کہ کمپنی کی حکمتِ عملی کم خدمات پانے والے ممکنہ صارفین تک کمپنی کی رسائی میں اضافے کے ساتھ خدمات کی فراہمی میں کارکردگی کی اعلیٰ سطح حاصل کرنے پر مرکوز ہوگی۔ افرادی وسائل کے فروغ، سیلز ٹیم کو نئی تقویت دینے، ٹیکنالوجی کے استعمال میں اضافے اور مصنوعات کا امتزاج بہتر بنانے کے لیے مختلف کوششیں عمل میں لائی گئیں۔ ہم توقع رکھتے ہیں کہ یہ کوششیں JSIL کو مستقبل قریب میں مالیاتی شعبے میں سب سے لاجواب ایسیٹ منیجمنٹ کمپنیز (AMCs) میں سے ایک بنانے میں کارآمد ثابت ہوں گی۔

کارکردگی بڑھانے کے لیے یہ تحریک کارپوریٹ گورننس کے ہمارے اعلیٰ معیار سے ہم آہنگ ہے۔ پورے سال کے دوران بورڈ آف ڈائریکٹرز کی مختلف کمیٹیوں کے باقاعدگی سے اجلاس منعقد ہوتے رہے، جب کہ ڈائریکٹرز فعال شمولیت کے ذریعے شیئر ہولڈرز کے مفاد کے تحفظ میں ایک مؤثر کردار ادا کرتے رہے۔ میں خصوصاً ہمارے دو خود مختار ڈائریکٹرز کی خدمات کا اعتراف کرنا چاہوں گا جو سال ہا سال سے مختلف معاملات پر اپنی معاونت اور رہنمائی فراہم کرتے رہے ہیں۔

2017 وہ سال بھی تھا جب 2018 کے لیے انتظامیہ کی طرف سے پیش کیے گئے تفصیلی کاروباری منصوبے کی بورڈ آف ڈائریکٹرز کی طرف سے منظوری دی گئی۔ آٹومیشن، اینڈ ٹو اینڈ پروسیس ری انجینئر نگ اور مصنوعات کے ایک توسیع شدہ امتزاج کی جانب ہماری مستحکم پیش رفت JSIL کو بطور ایک ایسیٹ منیجمنٹ کمپنی ایک توسیع شدہ موجودگی حاصل کرنے کے لیے ایک پلیٹ فارم فراہم کرے گی۔

2017 کی نمایاں خصوصیات میں سے ایک یہ تھی کہ ہمارے فنڈز میں سے ایک، جے ایس اسلامک فنڈ کو ''3 سال'' اور ''5 سال'' کیٹگری میں پاکستان کا ٹاپ ایکویٹی فنڈ ہونے پر لِپر فنڈ ایوارڈز 2017 کے ایوارڈ سے نوازا گیا۔ لِپر فنڈ ایوارڈ ایک عالمی سطح پر تسلیم شدہ ایوارڈ ہے جو تھامس رویٹرز کی طرف سے دیا جاتا ہے اور فنڈ کی کارکردگی کے دنیا بھر میں اختیار کیے گئے پیمانوں پر مبنی ہے۔ یہ انتہائی معزز ایوارڈز ایسے فنڈ اور فنڈ منیجمنٹ فرمز کو تکریم سے نوازتے ہیں جنہوں نے اپنے ہم شعبہ ساتھیوں کے مقابلے میں مسلسل طاقت ور رسک ایڈجسٹڈ کارکردگی کا مظاہرہ کیا ہو۔ یہ ایوارڈ اس گزشتہ لِپر فنڈز ایوارڈ کے علاوہ ہے جو JSIL گزشتہ دو سالوں سے لگاتار حاصل کر رہا ہے۔

میں JSIL کی قابل منیجمنٹ ٹیم اور ملازمین سے ایسے انداز میں ہمارے محترم کلائنٹس کے بہترین مفاد میں کام جاری رکھنے کی توقع رکھتا ہوں جو ہمیں جے ایس گروپ اور اس کی اقدار سے وابستگی پر فخر کا احساس دلاتا ہے۔ آئندہ سالوں میں ہمارے ترکیبی منصوبے پر عمل درآمد کے ساتھ ہم صنعت میں سب سے مسابقتی AMCs میں سے ایک بننے کا عزم رکھتے ہیں۔

JSIL کی طرف سے میں ہمارے ریگولیٹرز، آڈیٹرز، قانونی مشیران اور دیگر تمام اسٹیک ہولڈرز سے، ہماری کامیابی میں کردار ادا کر رہے ہیں، اظہارِ تشکر کرتے ہیں۔

باصر شمسی
چیئر مین

ڈائریکٹرز رپورٹ

برائے مختتمہ سال 31دسمبر2017

ہم 31 دسمبر 2017ءکوختم ہونے والے سال کے لیے جے ایس انویسٹمنٹس لمیٹڈ(JSIL) کے غیر مجتمع آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مرکزی کاروبار

JSIL پاکستان1995 میں قائم شدہ ایک پبلک لسٹڈ کمپنی ہے۔کمپنی سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان(SECP) سے قابلِ اطلاق قوانین کے تحت حاصل شدہ ایک انویسٹمنٹ ایڈوائزر، ایسیٹ منیجمنٹ کمپنی اور پینشن فنڈ زمنیجر کے لائسنسز کے تحت کام کرتی ہے۔

معیشت

سال2017 نے چند دھچکوں سے قطع نظر ایک خاصی مستحکم بلندی مائل معاشی رفتار دیکھی۔اسٹیٹ بینک آف پاکستان(SBP) کی ایک رپورٹ کے مطابق معیشت مالی سال2017-2018 کے لیے اپنا6% نمو کا ہدف پانے کی طرف گامزن ہے۔بجلی کی سپلائی میں نمایاں بہتری، نئ صنعتوں کے لیے مشینری اور ٹرانسپورٹیشن کی بلند درآمدات، اور ملکی کھلاڑیوں کی طرف سے گنجائش میں توسیعات سے GDP کی نمو کو مزید آگے بڑھنے کے لیے تقویت ملنے کا امکان ہے۔حکومت کی طرف سے کیے گئے پالیسی کی سطح کے بعض اہم فیصلے پوری مارکیٹ میں مثبت احساسات کا باعث بنے ہیں۔ان میں پاکستان میں طویل عرصے سے انتظار کا سبب بننے والی روپے(PKR) کی قدر میں کمی، فرنس آئل پر مبنی غیر کارآمد پاور پلانٹس کی بندش، اور درآمدات میں اضافہ محدود کرنے اور کرنٹ اکاؤنٹ کو تقویت دینے کے لیے غیر ضروری درآمدات پر اضافی محصولات کا اطلاق شامل ہے۔

تاہم آئندہ سال تلاطم خیز نظر آتا ہے۔اقتصادی محاذ پر، کرنٹ اکاؤنٹ خسارہ(CAD) سال2016 کے دوران 7ارب ڈالر(GDP کا2.49%) سے بڑھ کر2017 کے دوران 15.3 ارب ڈالر(GDP کا4.78%) تک پہنچ گیا ہے۔برآمدات میں مندی اور بڑھتی درآمدات کے ایک نتیجے کے طور پر بڑھتا تجارتی خسارہ، اور ترسیلاتِ زر میں مندی بڑھتے خسارے کی مرکزی وجوہات ہیں۔ نتیجتاً پاکستان کے زرِمبادلہ کے ذخائر2016 کے آخر میں23.2ارب ڈالر سے2017 کے آخر تک20.1ارب ڈالر تک سکڑ گئے(بشمول2.5ارب ڈالر کے یوروبونڈ اور صکوک کا حالیہ اجرا)۔اسٹیٹ بینک کا اوسط امپورٹ کور مالی سال2016 میں5.3ماہ سے مالی سال2017 میں 4ماہ تک سکڑ گیا۔ان تمام اجماعی معاشی دباؤ کا نتیجہ بالآخر دسمبر میں روپے کی قدر میں 4.67% کمی کی صورت میں نکلا۔قرض کی آئندہ ادائیگیاں اور ترسیلاتِ زر میں مسلسل مندی کے نتیجے میں بیرونی اکاؤنٹس پر دباؤ جاری رہنے کا امکان ہے، جب کہ برآمدات میں اضافہ، خصوصاً شرح مبادلہ کے کمزور پڑنے کے بعد، ابھی نظر نہیں آیا۔

تیل کی بلند قیمتوں، کمزور روپے، دیگر بین الاقوامی اجناس کی قیمتوں میں تیز رفتار اضافے، اور بجٹ میں معاونت کے لیے حکومت کی طرف سے قرض کے مسلسل حصول کے ساتھ2018 کے دوسرے نصف تک افراطِ زر 6% سے تجاوز کر جانے کا امکان ہے۔مزید برآں اس پیش رفت نے پہلے ہی SBP کو2018 کے آغاز میں شرح سود میں25 بنیادی پوائنٹس اضافے پر مجبور کر دیا ہے، جب کہ اس کے ساتھ2018 کے دوران اس کی طرف سے اپنا مالیاتی پالیسی کی کیفیت مزید سخت کیے جانے کا امکان ہے۔توقع سے کم ٹیکس وصولیوں، بلند جاری اخراجات اور براہ راست اور بالواسطہ سبسیڈیز کی سطحوں کے پیشِ نظر مالیاتی کھاتے پر دباؤ جاری رہے گا۔مالیاتی کھاتوں کا خسارہ، جو مالی سال 2017 کے دوران4.1% تھا، جاری مالی سال کی پہلی سہ ماہی کے دوران پہلے ہی1.2% تک پہنچ چکا ہے۔

آگے بڑھتے ہوئے ،ہم دہرے خساروں میں اضافہ، روپے کی قدر میں مزید کمی، شرح سود پر مزید نظرِ ثانی اور معیشت کو بوجھ سے نڈھال کرنے والے ایک اور IMF پروگرام کے لیے دوبارہ ممکنہ مذاکرات دیکھ رہے ہیں۔ بہر حال ہم موجودہ حکومتی اصلاحات خصوصاً توانائی کے شعبے میں ، اور چین پاکستان اقتصادی راہداری (CPAC) کی وجہ سے جاری مثالی تبدیلی کے ساتھ پاکستان کی طویل مدتی نموکی رفتار کے حوالے سے بدستور پُرامید ہیں۔

تبدیلی کے ساتھ موجودہ حکومت کی اصلاحات خصوصاً توانائی کے شعبے میں، کے ساتھ ملک کی طویل مدتی نمو کی سمت پر بدستور پُر امید ہیں۔

ایکویٹی مارکیٹ کا جائزہ

سال 2017 پاکستان کی اسٹاک مارکیٹ کے لیے تناؤ سے بھرپور تھا جیسا کہ بینچ مارک KSE-100 پاکستان کی MSCI ایمرجنگ مارکیٹس (MSCI EM) انڈیکس میں شمولیت سے ایک ہفتہ قبل 24 مئی 2017 کو 52,876 پوائنٹس کی تاریخ کی بلند ترین سطح تک فلک بوس پرواز کے بعد 15.34% گر کر 40,471 پوائنٹس پر بند ہوا۔ منافع جات کے حوالے سے 2008 سے، جب KSE-100 انڈیکس 58% گر گیا تھا، اب تک 2017، بدترین سال تھا۔

سال 2017 میں ایکویٹی مارکیٹ کی کارکردگی دو ادوار میں تقسیم کی جاسکتی ہے۔ پہلے نصف کے دوران مارکیٹ نے پوری طرح پاکستان اسٹاک ایکسچینج (PSX) کی MSCI EM انڈیکس میں ترقی اور 2018 کے عام انتخابات کے نتیجے میں ایک مستحکم سیاسی تبدیلی پر توجہ مرکوز کررکھی تھی۔ مئی 2017 کے دوران KSE-100 انڈیکس MSCI EM انڈیکس میں ترقی کی رسمی تاریخ سے ذرا پہلے تاریخ کی بلند ترین سطح 52,876 پوائنٹس پر پہنچ گیا جو اس تاریخ کا 10.6% اضافہ تھا۔ دوسرے نصف کے دوران غیر ملکی سرمایہ کاروں کی طرف سے MSCI فرنٹیئر مارکیٹس انڈیکس پر نظر رکھتے ہوئے بھاری فروخت اور اس کے ساتھ بڑھتے ہوئے سیاسی شورشرابے نے سرمایہ کاروں کو کنارے کی طرف دھکیل دیا۔ اوسط تجارتی حجم پہلے پانچ ماہ کے دوران 325 ملین شیئرز کے مقابلے میں آخری سات ماہ کے دوران 171 ملین شیئرز تھا۔ اجتماعی معاشی خدشات کے ہمراہ یہ عوامل، بشمول طویل عرصے کے انتظار کے بعد روپے کی قدر میں کمی نے انڈیکس کو 19 دسمبر 2017 کو سال کی کم ترین سطح 37,919 پوائنٹس پر دھکیل دیا۔ اس کے نتیجے میں KSE-100 انڈیکس نے اپنی تاریخ کی بلند ترین سطح سے 28% سے زائد گنوادیا۔

مارکیٹ کے 2017 میں 496 ملین ڈالر تک گرنے میں غیر ملکی فروخت کا مرکزی کردار تھا۔ اب PSX میں غیر ملکیوں کی شیئر ہولڈنگ کا تخمینہ لگ بھگ 6.5 ارب ڈالر ہے جو فری فلوٹ مارکیٹ کیپیٹلائزیشن کا 33% اور ٹوٹل مارکیٹ کیپیٹلائزیشن کا تقریباً 9% ہے۔ PSX کی مارکیٹ کیپیٹلائزیشن 78 ارب ڈالر پر بند ہوئی جو گزشتہ سال کی کلوزنگ سے 15% کم ہے۔ سال کے دوران اوسط یومیہ حجم میں بھی 236 ملین شیئرز تک گراوٹ آئی (سال بہ سال بنیاد پر -16%)۔ تاہم لین دین کے اوسط حجم میں 115 ملین ڈالر تک قدرے بہتری آئی (سال بہ سال بنیاد پر +3%)۔ سال کے دوران مختلف مسائل کی وجہ سے پیچھے رہ جانے والے شعبے سیمنٹس، فارماسیوٹیکلز، پاور، کیمیکلز اور بینکس تھے۔ تاہم ٹیکسٹائلز، آئل اینڈ گیس ایکسپلوریشن، اور آٹوموبائلز اور پارٹس نے آمدنی کی بہتر توقعات کے ساتھ وسیع تر انڈیکس کو کارکردگی میں پیچھے چھوڑ دیا۔

تاہم حکومت کی طرف سے عرصہ دراز سے زیرِ التوا اقتصادی مسائل بشمول روپے کی قدر میں کمی پر توجہ، غیر ملکی سرمایہ کاروں کی طرف سے سرمائے کی آمد کے نتیجے میں KSE-100 انڈیکس نے دسمبر 2017 کے آخری دو ہفتوں کے دوران صحت مند تیزی کا اندراج کراتے ہوئے 7% بحالی دکھائی۔ آگے

منی مارکیٹ کا جائزہ

2017 کے دوران اوسط کنزیومر پرائس انڈیکس (CPI) افراطِ زر کی سطح 2016 میں 3.76% کے مقابلے میں 4.09% رہی۔ یہ اضافہ بنیادی طور اجناس خصوصاً خام تیل کی قیمتوں میں اضافے اور متعدد غیر ضروری اشیا پر ریگولیٹری ڈیوٹیز لاگو کرنے کا نتیجہ ہے۔ 2017 کے دوران حکومتِ پاکستان نے پاکستان انویسٹمنٹ بونڈز (PIB) کی نیلامیوں سے 800 ارب روپے کے مالیاتی ہدف کے مقابلے میں 300 ارب روپے جمع کیے جس میں مارکیٹ کے شرکاء کی مختصر مدتی میچورٹی والے تمسکات میں دل چسپی کی نشان دہی ہوتی ہے۔ T بلز کی نیلامیوں میں حکومت نے 11,158 ارب روپے کی میچورٹی کے مقابل 12,637 ارب روپے اکٹھے کیے، جب کہ ہدف 11,950 ارب روپے تھا۔ 2017 کی T بلز کی آخری نیلامی میں سہ ماہی تمسکات کے لیے کم ازکم منافع 5.9910% تھا، جب 6 ماہ اور 12 ماہ کی میعاد کے لیے پیشکشیں مسترد کردی گئیں۔ 2017 کے لیے سہ ماہی، ششماہی اور نوماہی KIBOR میں سال بہ سال بنیاد پر بالترتیب 5، 4 اور 4 بنیادی پوائنٹ کمی ہوئی جب کہ اوسط بالترتیب 6.13%، 6.15% اور 6.43% رہی۔

AMC انڈسٹری کا جائزہ

2017 کے دوران میوچل فنڈ انڈسٹری کے زیرِ انتظام اثاثے (AUM)، 2016 کے آخر میں 619 ارب روپے کے مقابلے میں 27 ارب روپے (سال بہ سال بنیاد پر 7%) اضافے کے ساتھ 646 ارب روپے تک پہنچ گئے (بشمول فنڈ آف فنڈز)۔ 2017 کے دوران مجموعی طور پر 37 نئے فنڈز اور پلانز لانچ کیے گئے۔

روایتی اسکیموں کے AUM نے 22 بلین روپے (سال بہ سال بنیاد پر 6%-) کمی کا اندراج کرایا اور دسمبر 2017 کے اختتام تک 361 ارب روپے تک پہنچ گئے (بشمول فنڈ آف فنڈز)۔ تاہم شریعہ کمپلائنٹ اسکیموں کے AUM نے 49 ارب روپے (سال بہ سال بنیاد پر 21%) اضافہ ریکارڈ کرایا اور 285 ارب روپے تک پہنچ گئے۔

KMI-30 انڈیکس نیا بھرتے ہوئے مجموعی معاشی خدشات اور بگڑتی سیاسی صورتِ حال سے شکست تسلیم کرتے ہوئے زیرِ جائزہ مدت کے دوران 12.71% فی صد کمی درج کرائی۔ KMI-30 انڈیکس نے 9,987 پوائنٹ گنوانے کے بعد زیرِ جائزہ مدت کا اختتام 68,612 کی سطح پر کیا۔

مرکزی خطرات اور بے یقینی

JSIL کی انتظامیہ نے ان خطرات کا ایک ٹھوس اور منظّم جائزہ لیا ہے جو کمپنی کی کارکردگی، مستقبل کے امکانات، شہرت یا اپنے وعدوں کے مطابق انجام دہی کی صلاحیت متاثر کرسکتے ہوں۔ JSIL کا مجموعی رسک مینجمنٹ پروگرام مالیاتی مارکیٹ کے ناقابلِ پیش بینی ہونے اور اپنی مالیاتی کارکردگی پر منفی اثرات ممکنہ حد تک کم سے کم رکھنے کی کوشش پر مرکوز ہے۔

JSIL کی منافع کمانے کی اہلیت ملک کی کیپیٹل مارکیٹ کی مجموعی کارکردگی سے جُڑی ہوئی ہے، جو اپنے طور پر پاکستان کے مجموعی اجتماعی معاشی اور سیاسی ماحول سے متاثر ہوتی ہیں۔ عالمی اقتصادی کارکردگی، جغرافیائی سیاسی ماحول، اجناس کی قیمتیں اور زرِ مبادلہ کی شرحوں میں ردوبدل بھی کیپیٹل مارکیٹس کی کارکردگی اور اس طرح JSIL کی منافع کمانے کی اہلیت کو متاثر کرتا ہے۔

انڈسٹری کی مسابقتی نوعیت کے نتیجے میں آمدنی کے کلیدی محرکات، مثلاً مینجمنٹ فیس اور سیلز لوڈ پر دباؤ میں اضافہ ہوا ہے۔ انڈسٹری میں متعدد انکم / منی مارکیٹ فنڈز پر قابلِ تغیر فیس اسٹرکچر کے ساتھ کم شرح سود کے عمومی ماحول کا نتیجہ مارکیٹ میں آمدنی میں اتار چڑھاؤ کی صورت میں بھی سامنے آیا ہے۔

بڑھتے ہوئے، پاکستان کی ایکویٹی مارکیٹس درمیانی اور طویل مدتی بنیاد پر پُرکشش نظر آتی ہیں جیسا کہ سیاسی شور شرابا دھیما پڑتا نظر آرہا ہے۔ عام انتخابات قریب ہونے اور غیر ملکی سرمایہ کاروں کے دوبارہ متوقع داخلے کے ساتھ، ہم MSCI EM انڈیکس اور علاقائی مارکیٹس کے مقابلے میں مارکیٹ کی متعلقہ قدر پیمائی (valuations) کی وسعت پذیری کی توقع رکھتے ہیں۔ ہم روپے کی قدر میں کمی کو ایک طویل مدتی مثبت امر کے طور پر دیکھ رہے ہیں اور سال کے بعد کے حصے میں قدر میں مزید کمی کی توقع کر رہے ہیں جو انرجی اور برآمدات پر مبنی شعبوں کے لیے فائدہ مند ہوگی۔

کارکردگی کا جائزہ

JSIL نے 31 دسمبر 2017 کو ختم ہونے والے سال کے دوران 32.21 ملین روپے کا خالص منافع کمایا جو فی شیئر 0.40 روپے آمدنی کی عکاسی

مستقبل کے امکانات

JSIL نے 14.45 ارب روپے پر AUM کے ساتھ سال کا اختتام کیا۔ اپنے AUM کو مستحکم اور فعال انداز میں بڑھانے اور ریٹیل اور ادارہ جاتی، دونوں مارکیٹس سے بھرپور انداز میں استفادہ کرنے کے لیے کمپنی عمدہ منصوبہ بندی پر مبنی ایک حکمتِ عملی کی پیروی کر رہی ہے۔ 2017 کے دوران JSIL کے اندر عملی طریقوں اور کاروباری نظاموں میں نمایاں بہتری ہوئی ہے جن کا ہدف 2018 اور اس کے بعد کے لیے سمت اور رفتار کا تعین کرنا تھا۔ 2017 میں مصنوعات کے مجموعے میں کی گئی توسیعات کو 2018 میں بھی آگے بڑھایا جائے گا اور اس کے ساتھ ساتھ 2018 کی پہلی سہ ماہی میں ہمارا پہلا کیپیٹل پریزرویشن پلان لانچ کیا جائے گا۔ مصنوعات کے موجودہ مجموعے میں بہتری کے لیے ان کی مسلسل نگرانی کی جا رہی ہے، مثلاً ہماری رضا کارانہ پنشن اسکیمز میں انشورنس / تکافل کے انتظامات کی تشکیل نو۔

ایسیٹ منیجر اور اینٹیٹی ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی نے جے ایس انویسٹمنٹس لمیٹڈ کو "AM2" (اے ایم ۔ ٹو) کی منیجمنٹ کوالٹی ریٹنگ تفویض کی ہے۔ یہ ریٹنگ منیجمنٹ کے اعلیٰ معیار کی نشان دہی کرتی ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بالترتیب "A+" (سنگل اے پلس) اور "A1" (اے ون) پر JS انویسٹمنٹس لمیٹڈ کی طویل مدتی اور مختصر مدتی ادارہ جاتی ریٹنگز برقرار رکھی ہے۔ یہ ریٹنگز مالیاتی وعدوں کی بروقت ادائیگی کے لیے مستحکم صلاحیت کے نتیجے میں کریڈٹ رسک کے کم خدشات کی نشاندہی کرتی ہیں۔

کارپوریٹ گورننس اینڈ فائنانشل رپورٹنگ فریم ورک

مطابق ڈائریکٹرز بصد خوشی اطلاع دیتے ہیں کہ:

i- JSIL کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے منصفانہ طور پر اس کے معاملات کی صورتِ حال، سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیاں پیش کرتے ہیں۔

ii- JSIL کی طرف سے اکاؤنٹس کے درست کھاتے مینٹین رکھے گئے ہیں۔

iii- مالیاتی گوشواروں کی تیاری میں مستقلاً مناسب اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے اور حسابات کے گوشوارے مناسب عاقلانہ فیصلوں پر مبنی ہیں۔

iv- مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فائنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی اور ان سے کسی بھی پہلوتہی کا مناسب انداز میں انکشاف اور وضاحت کی گئی ہے۔

v-انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے محفوظ ہے اور اس کا موثر اطلاق اور نگرانی کی گئی ہے۔

JSIL-vi کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابل ذکر خدشات نہیں ہیں۔

vii- کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج لمیٹڈ (سابقہ کراچی اسٹاک ایکسچینج لمیٹڈ) کی رول بک کی ریگولیشن نمبر 5.19.24 میں درج ہے۔

viii- گزشتہ چھے سالوں کے اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ کے صفحہ 15 پر دیا گیا ہے۔

ix-واجب الادا ٹیکسز، ڈیوٹیز، محصولات اور چارجز کا منسلک آڈٹ شدہ مالیاتی گوشواروں کے نوٹ 11 اور 12 میں پوری طرح اظہار کیا گیا ہے۔

JSIL-x موثر اور کار آمد انٹرنل فنانشل کنٹرولز سسٹم رکھتی ہے کو لگا تار تنوع اور نگرانی کے ذریعے فعال رہتا ہے۔ JSIL کے انٹرنل آڈٹ اور کمپلائنس فنکشنز فنانشل کنٹرولز کی جانچ کرتے ہیں اور یقینی بناتے ہیں کہ پوری کمپنی میں موثر کنٹرول کا ماحول موجود ہو۔ جانچ پڑتال کے طریقہ کار کی بنیاد پر، بورڈ آف ڈائریکٹرز سمجھتا ہے کہ موجودہ انٹرنل فنانشل کنٹرول سسٹمز مناسب ہیں اور موثر انداز میں نافذ کیے گئے ہیں۔

xi-ضابطہ عمل معاون پالیسیز اور پروسیجرز کے ہمراہ پورے JSIL میں تقسیم کر دیا گیا ہے۔

JSIL-xii کے اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2017 کو 16.07 ملین تھی۔

ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد کیے گئے، ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل رہی:

نام	اجلاس میں حاضری
1-جناب باصر شمسی	05
2-جناب علی اختر علی*	01
3-جناب حسنین رضا نینسی*	04
4-جناب سلیمان لالانی	05
4-جناب آصف رضا ثنا	03
6-جناب کامران جعفر*	04
7-جناب محمد رضا ڈائر*	05
5-جناب احسن احمد	04
10-جناب محمد یوسف امان اللہ	04

*جناب علی اختر علی نے 28 فروری 2017 کو سال کے دوران بطور کمپنی کے CEO استعفیٰ دے دیا

**جناب حسنین رضا نے یکم مارچ 2017 کو کمپنی کے چیف ایگزیکٹو آفیسر کی حیثیت سے شمولیت اختیار کی ہے۔

بورڈ آڈٹ کمیٹی کے اجلاس

سال کے دوران بورڈ آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل رہی:

نام	اجلاس میں حاضری
جناب آصف رضا ثنا	04
جناب سلیمان لالانی	04
جناب محمد رضا ڈائر	04

بورڈ ہیومن ریسورسز اینڈ ریمیونیریشن(HR&R) کمیٹی کے اجلاس

سال کے دورانHR&R کمیٹی کے سات اجلاس منعقد ہوئے۔ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل رہی:

نام	اجلاس میں حاضری
جناب باصر شمسی	07
جناب کامران جعفر	06
جناب احسن احمد	05
جناب حسنین رضا نینسی	04
جناب علی اختر علی	01

بورڈ ایگزیکٹیو کمیٹی کے اجلاس

سال کے دوران ایگزیکٹیو کمیٹی ایک اجلاس منعقد ہوا جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

جناب باصر شمسی
جناب کامران جعفر
جناب محمد یوسف امان اللہ
جناب احسن احمد
جناب حسنین رضا نیلسی

بورڈ آف ڈائریکٹرز

بیلنس شیٹ ڈیٹ کے بعد، جناب محمد رضا ڈائر نے بورڈ سے استعفیٰ دے دیا اور ان کی جگہ جناب محمد کامران مرزا کو بقیہ میعاد کے لیے سیکیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے منظوری کی شرط پر کمپنی کے ڈائریکٹر کی حیثیت سے مقرر کیا گیا ہے۔

JS investments

ڈائریکٹرز کا ٹریننگ پروگرام

بورڈ کے آٹھ ڈائریکٹرز میں سے پانچ ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت سرٹیفکیٹ یافتہ ہیں۔

پیرنٹ کمپنی

JS بینک JS انویسٹمنٹس لمیٹڈ کی ہولڈنگ کمپنی ہے اور 65.2 فی صد ایکویٹی اس کی ملکیت ہے۔

پیٹرن آف شیئر ہولڈنگ

JSIL میں پیٹرن آف شیئر ہولڈنگ اور اضافی معلومات بمطابق 31 دسمبر 2017 کا ایک گوشوارہ سالانہ رپورٹ کے صفحہ 116 پر دیا گیا ہے۔

منافع منقسمہ (ڈیویڈنڈ)

ٹیمز کی توسیع، ویلیوایڈڈ سروسز میں اضافے اور جارحانہ کاروباری حکمتِ عملی سے ہم آہنگ دیگر اقدامات پر ازسرِنو توجہ کے تقاضوں کے پیش نظر، بورڈ آف ڈائریکٹرز نے مختتمہ سال 31 دسمبر 2017 کے لیے کسی ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔

کاروباری سماجی ذمہ داری

سال کے دوران JSIL نے مہوش اینڈ جہانگیر صدیقی فاؤنڈیشن اینڈ فیوچر ٹرسٹ کی شراکت میں فلاحِ انسانی کی سرگرمیوں میں حصہ لیا۔ یہ ادارے دیگر سرگرمیوں کے علاوہ تعلیم، صحت کی دیکھ بھال، سماجی معاشی حالات کی بہتری اور انسانی بنیادوں پر امداد کی سرگرمیوں میں فعال انداز میں مصروف ہیں۔ 2017 میں کیے گئے چند اقدامات میں کراچی بائی اینیل 2017، جو شہر کا سب سے دلچسپ آرٹ ایونٹ تھا، کو اسپانسر کرنا اور اس کے ساتھ وسائل سے محروم بچوں کے لیے تعلیم کے حق میں مدد کے لیے DIL (ڈیولپمنٹس ان لٹریسی) کے مختلف اسکولوں کو لیپ ٹاپس کی فراہمی کے ذریعے تعلیم کی معاونت شامل ہے۔ JSIL کا کاروبار ماحول پر کوئی منفی اثرات مرتب نہیں کرتا۔ ہم برقی ذرائع پر منتقلی، خصوصاً کسٹمر اسٹیٹمنٹس اور مارکیٹنگ کو لیٹرل میں کاغذ کے استعمال میں کمی جیسی کوششوں کے ساتھ زیادہ ماحول دوست طریقے اختیار کرنے کی مسلسل جستجو کر رہے ہیں۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی بورڈ کی سفارش پر، میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی 31 دسمبر 2018 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی تجویز پیش کی ہے۔

اظہارِ تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور پاکستان اسٹاک ایکسچینج (PSX) کی انتظامیہ سے اظہارِ تشکر کرتے ہیں۔ مزید برآں ہم اپنے زیرِ انتظام فنڈز کے ٹرسٹیز سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ اور MCB فنانشل سروسز لمیٹڈ کی مسلسل معاونت اور تعاون کا اعتراف۔ بورڈ لگن اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

حسنین رضا نینسی	احسن احمد
چیف ایگزیکٹو آفیسر	ڈائریکٹر

کراچی 23 فروری 2018

REVIEW REPROT TO THE MEMEBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **JS Investment Limited** (the Company) for the year ended **31 December 2017** to comply with the requirements of the Rule Book of Pakistan Stock Exchange, where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

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 Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 31 December 2017.

Chartered Accountants

Date: February 27, 2018

Karachi.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE
FOR THE YEAR ENDED DECEMBER 31, 2017

This statement is being presented to comply with the Code of Corporate Governance ("the Code?) contained in Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange Limited, where JS Investments Limited (the Company) is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of directors.

   At present the Board includes:

Category	Names
Independent Directors	Mr. Ahsen Ahmed Mr. Asif Reza Sana
Executive Directors	Mr. Hasnain Raza Nensey - Chief Executive Officer
Non-Executive Directors	Mr. Basir Shamsie Mr. Suleman Lalani Mr. Kamran Jafar Mr. Muhammad Raza Dyer Mr.Muhammad Yousuf Amanullah

The independent directors meets the criteria of independence under 5.19.1(b) of the Code.

2. The directors of the Company have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year Mr. Hasnain Raza Nensey has been appointed as the Chief Executive Officer of the Company in place of Dr. Ali Akhtar Ali, with the approval of Securities & Exchange Commission of Pakistan effective from March 1, 2017.

5. The Company has prepared a "Code of Conduct", and has ensured that appropriate steps have taken place to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board of the Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including the appointment and determination of the remuneration and terms and conditions of the employment of the Chief Executive Officer and other executives and non-executive directors have been taken by the board / shareholders.

8. 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 and the Board met at least once in every quarter. Written notices of the Board meeting, along with the agenda and the working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. Five out of eight directors on the Board have duly completed the Taining Program as per clause 5.19.7 of of the Rule Book of Pakistan Stock Exchange Limited.

10. There was no change of Chief Financial Officer/ Company Secretary and Head of Internal Audit during the year.

11. The Directors Report for this year has been prepared in compliance with the requirements of the Code contained in the Rule Book of Pakistan Stock Exchange and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than those disclosed in the Pattern of Shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee which comprises of three members, two of them are non-executive directors and one is independent director. Chairman of the committee, Mr. Asif Reza Sana is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee which comprises of four members. Three of them are non-executive directors.

18. The Board has set up an effective internal audit function and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The "closed period?, prior to the announcement of interim / final results, and business decisions, which may materially affect the share price of Company was determined and intimated to directors, employees and stock exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list

24. We confirm that all other applicable material principles enshrined in the Code have been duly complied with by the Company.

Ahsen Ahmed
Director

Hasnain Raza Nensey
Chief Executive Officer

Karachi: February 23, 2018

AUDIT COMMITTEE AND ITS TERMS OF REFERENCES

The board of directors of JS Investments Limited has established an Audit Committee, comprising three non-executive directors.

The Audit Committee meets at least once every quarter of the financial year. During the year under review four meetings of the Committee were held which were attended by the members as follows:

Mr, Asif Reza Sana (Chairman)..................................4
Mr. Suleman Lalani (Member)..................................4
Mr.Muhammad Raza Dyer (Member.....................4

The Audit Committee shall, inter alia, recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the listed company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee in all these matters and where it acts otherwise; it shall record the reasons thereof.

The terms of reference of the Audit Committee shall also include the following:

(a) Determination of appropriate measures to safeguard the listed company's assets;
(b) Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on: major judgmental areas; significant adjustments resulting from the audit; the going concern assumption; any changes in accounting policies and practices; compliance with applicable accounting standards; compliance with listing regulations and other statutory and regulatory requirements; and significant related party transactions.
(c) Review of preliminary announcements of results prior to publication;
(d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
(e) Review of management letter issued by external auditors and management's response thereto;
(f) Ensuring coordination between the internal and external auditors of the listed company;
(g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;
(h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
(i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
(j) Review of the listed company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports;
(k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;
(l) Determination of compliance with relevant statutory requirements;
(m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and
(n) Consideration of any other issue or matter as may be assigned by the Board of Directors.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of JS Investments Limited (the Company) as at 31 December 2017 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

- (i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the changes in accounting policies as disclosed in note 2.5 to the accompanying financial statements with which we concur;

- (ii) the expenditure incurred during the year was for the purpose of the Company's business; and

- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

(c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, 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 2017 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980, (XVIII of 1980) was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Chartered Accountants

Audit Engagement Partner: Shaikh Ahmad Salman

Date: February 27, 2018

Karachi

FINANCIAL STATEMENTS

UNCONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2017

	Note	2017	2016
ASSETS	**Note**	**.....................Rupees**	**.....................**
Non - current assets			
Property and equipment	4	**381,270,208**	373,686,528
Intangible assets	5	**8,464,922**	1,617,337
Long-term investment in a subsidiary	6	**37,500,000**	37,500,000
Long-term loans and prepayments - considered good	7	**4,235,554**	7,168,287
		431,470,684	419,972,152
Current assets			
Balances due from funds under management - related parties	8	**110,221,608**	115,188,859
Loans and advances - considered good	9	**5,612,073**	1,905,138
Trade deposits, short term prepayments and other receivables	10	**72,102,307**	28,317,112
Other financial assets - investments	11	**1,875,545,886**	2,383,626,304
Taxation - net		**88,635,733**	113,853,242
Cash and bank balances	12	**15,534,837**	11,144,714
		2,167,652,444	2,654,035,369
Total assets		**2,599,123,128**	3,074,007,521
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital	13	**801,718,180**	801,718,180
Unappropriated profit		**700,840,694**	700,155,016
Capital repurchase reserve account		**198,281,820**	198,281,820
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net		**461,102,051**	873,584,690
		2,161,942,745	2,573,739,706
Surplus on revaluation of fixed assets - net of tax	14	**183,058,851**	191,614,859
LIABILITIES			
Non - current liabilities			
Deferred tax liability - net	15	**15,590,093**	82,222,385
Liability against asset subject to finance lease	16	**3,508,147**	-
Current liabilities			
Accrued and other liabilities	17	**233,499,092**	226,430,571
Current maturity of liability against asset subject to finance lease	16	**1,524,200**	-
Total liabilities		**254,121,532**	308,652,956
Total equity and liabilities		**2,599,123,128**	3,074,007,521
Contingencies and commitments	18		

The annexed notes 1 to 35 form an integral part of these unconsolidated financial statements.

Chief Executive Officer   Chief Financial Officer   Director

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		......................Rupees	....
Income			
Remuneration from funds under management - net	19	**198,371,204**	155,352,581
Commission from open end funds under management	20	**8,281,530**	8,650,537
Dividend income	21	**40,746,025**	26,879,322
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**2,959,496**	2,591,700
Net gain on sale of investments classified as 'available-for-sale'	11.3	**95,392,424**	261,128,788
Return on bank deposits		**1,387,815**	1,296,432
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	22	**5,703,483**	5,629,603
		352,841,977	461,528,963
Administrative and marketing expenses	23	**(317,264,484)**	(279,637,926)
Operating profit		**35,577,493**	181,891,037
Other expenses	24	**(1,323,592)**	(4,281,551)
Financial charges	25	**(291,187)**	(17,663)
		33,962,714	177,591,823
Other income	26	**33,537,797**	32,204,172
Profit before taxation		**67,500,511**	209,795,995
Taxation - net	27	**(35,284,935)**	(10,098,142)
Profit for the year		**32,215,576**	199,697,853
Earnings per share for the year - basic and diluted	28	**0.40**	2.49

The annexed notes 1 to 35 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	**2017**	2016
		......................**Rupees**	....
Profit for the year		32,215,576	199,697,853
Other comprehensive (loss) / income to be reclassified to profit and loss account in subsequent periods			
Unrealised (diminution) / appreciation on remeasurement of investments classified as 'available-for-sale' - net	11.3	**(363,213,145)**	549,799,746
Reclassification adjustments relating to sale of investments	11.3	**(95,392,424)**	(261,128,788)
Related tax		**46,122,928**	(30,764,034)
		(412,482,641)	257,906,924
Total comprehensive (loss) / income for the year		**(380,267,065)**	457,604,777

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity.

The annexed notes 1 to 35 form an integral part of these unconsolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		......................Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**67,500,511**	209,795,995
Adjustment for:			
Remuneration from funds under management - net	19	**(198,371,204)**	(155,352,581)
Commission from open end funds under management	20	**(8,281,530)**	(8,650,537)
Dividend income	21	**(40,746,025)**	(26,879,322)
Depreciation	4.1	**32,483,982**	26,062,259
Amortization of intangible assets	5	**1,462,096**	556,405
Financial charges	25	**291,187**	17,663
Return on bank deposits		**(1,387,815)**	(1,296,432)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**(2,959,496)**	(2,591,700)
Net gain on sale of investments classified as 'available-for-sale'		**(95,392,424)**	(261,128,788)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	26	**(1,369,443)**	(4,338,414)
Gain on disposal of property and equipment	26	**(598,488)**	-
		(247,368,649)	(223,805,452)
(Increase) / decrease in assets and liabilities			
Loans and advances		**(1,167,404)**	(2,747,669)
Trade deposits, short term prepayments and other receivables		**(43,406,870)**	(19,175,850)
Accrued and other liabilities		**11,815,306**	26,424,330
		(32,758,968)	4,500,811
		(280,127,617)	(219,304,641)
Taxes paid - net		**(30,576,788)**	(29,011,188)
Remuneration and commission received from funds under management		**211,619,985**	143,350,598
Net cash used in operating activities		**(99,084,420)**	(104,965,231)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(574,512,100)**	(771,731,275)
Sale proceeds from disposal of investment		**723,708,302**	887,202,466
Dividends received		**40,746,025**	26,879,322
Payment for purchase of property and equipment		**(41,244,490)**	(39,889,125)
Payment for purchase of intangible assets		**(8,309,681)**	(438,750)
Return on bank deposits		**1,402,691**	1,361,678
Sale proceeds from disposal of property and equipment		**1,775,315**	-
Net cash generated from investing activities		**143,566,062**	103,384,316
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(39,800,332)**	-
Financial charges paid		**(291,187)**	(17,663)
Net cash used in financing activities		**(40,091,519)**	(17,663)
Net increase / (decrease) in cash and cash equivalents		**4,390,123**	(1,598,578)
Cash and cash equivalents at beginning of the year		**11,144,714**	12,743,292
Cash and cash equivalents at end of the year	31	**15,534,837**	11,144,714

The annexed notes 1 to 35 form an integral part of these unconsolidated financial statements.

Chief Executive Officer Chief Financial Officer Director

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

	Issued, subscribed and paid-up capital	Reserves: Capital reserve – Capital repurchase reserve account	Reserves: Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Reserves: Revenue reserve – Unappropriated profit	Total
	....	.........................Rupees	....	....	....
Balance as at January 01, 2016	801,718,180	198,281,820	615,677,768	491,901,151	2,107,578,919
Total comprehensive income					
Profit for the year	-	-	-	199,697,853	199,697,853
Other comprehensive income - net of tax	-	-	257,906,924	-	257,906,924
Total comprehensive income for the year	-	-	257,906,924	199,697,853	457,604,777
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	8,556,012	8,556,012
Balance as at December 31, 2016	**801,718,180**	**198,281,820**	**873,584,692**	**700,155,016**	**2,573,739,708**
Total comprehensive income					
Profit for the year	-	-	-	32,215,576	32,215,576
Other comprehensive income - net of tax	-	-	(412,482,641)	-	(412,482,641)
Total comprehensive (loss) / income for the year	-	-	(412,482,641)	32,215,576	(380,267,065)
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	8,556,008	8,556,008
Final dividend at the rate of Rs.0.5 per share for the year ended December 31, 2017	-	-	-	(40,085,906)	(40,085,906)
Balance as at December 31, 2017	**801,718,180**	**198,281,820**	**461,102,051**	**700,840,694**	**2,161,942,745**

The annexed notes 1 to 35 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. STATUS AND NATURE OF BUSINESS

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange Limited (Formerly known as "Karachi Stock Exchange Limited") since April 24, 2007. The registered office of the Company is situated at 7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of JS Bank Limited (which has 65.16 percent direct holding in the Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co .Limited), Ultimate Parent.

The Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

1.2 The Company is an asset management company and pension fund manager for the following at year ended:

1.2.1 Asset management company of the following funds:

Open-end mutual funds

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Capital Protected Fund - V
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds-2

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 These unconsolidated financial statements are separate financial statements of the Company in which the investment in subsidiary is stated at cost.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 237 of the Companies Ordinance 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.

Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Currently, the surplus on revaluation of fixed assets is shown below equity in accordance with the requirements of repealed Companies Ordinance, 1984. However, the Companies Act, 2017 has removed the section relating to the treatment of surplus on revaluation of fixed assets as stated above, and the same is to be accounted for in accordance with the requirements of applicable accounting standard (IAS - 16 Property, Plant and Equipment). The said standard requires surplus to be shown as part of equity. This change in accounting treatment will be reflected in the financial statements of the Company once the requirements for preparation of the financial statements as per the Companies Act, 2017 become effective.

Currently, the Company is assessing the impact of the requirements of the Companies Act 2017, including the one mentioned above, on the financial statements for the future periods in terms of accounting as well as disclosure requirements.

2.2 Basis of measurement

These unconsolidated financial statements have been prepared under historical cost convention except for certain investments and office premises which are measured at fair value.

2.3 Functional and presentation currency

These unconsolidated financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are as follows:

i) Amortisation of intangible assets (notes 3.2 and 5);

ii) Provision for taxation (notes 3.12 and 26);

iii) Classification and valuation of investments (notes 3.3 and 11);

iv) Determination and measurement of useful life and residual value of property and equipment (notes 3.1 and 4.1);

v) Valuation of office premises (notes 3.1 and 4.2); and

vi) Recognition and measurement of deferred tax assets and liabilities (notes 3.12 and 15).

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

Standard or Interpretation

IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

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

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

	Effective date (annual periods beginning on or after)
IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRS 9 – Financial Instruments: Classification and Measurement	July 01, 2018
IFRS 9 Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The above standards, amendments and interpretations are not expected to have any material impact on the Company's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019 (see note 2 below). The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 16 – Leases	January 01, 2019
IFRS 17 – Insurance Contracts	January 01, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

a) Owned assets

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less impairment, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress. The revaluation model, as described in IAS 16 'Property Plant and Equipment', is followed in respect of 'Office premises'. In estimating the fair value of an asset, the Company engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

b) Assets subject to finance leases

Assets held under finance leases are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the lease, net of financial charges allocated to future periods, are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a period rate of interest onthe outstanding liability.

3.2 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 rate specified in note 5 to these unconsolidated financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, 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 Company. 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.

3.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged to the profit and loss account.

The Company classifies its investments in the following categories:

Financial assets 'at fair value through profit or loss - held-for-trading'

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held-for-trading'. Subsequent to initial recognition, these investments are marked to market and are carried on the balance sheet at fair value, except for investments in unquoted debt securities which are carried at cost. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices or which are not classified as 'at fair value through profit and loss - held-for-trading' and 'held-to-maturity' are classified as 'available-for-sale'. Subsequent to initial measurement, available-for-sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to other comprehensive income are transferred to the profit and loss account.

Fair value of units of open end mutual funds and government securities are determined on the basis of relevant redemption prices for the open-end mutual funds and quotations obtained from the PKRV sheets for government securities respectively. Unquoted securities are valued at cost.

Investment in subsidiary

Investment in a subsidiary, where control exist are stated at cost. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognized as expense in the profit and loss account. Where impairment losses are subsequently reversed, the carrying amount of the investments are increased to the revised recoverable amount but limited to the extent of initial cost of investments.

Investments are derecognized when the right to receive cash flows from the investments has expired, realised or transferred and the Company has transferred substantially all risk and rewards of ownership.

3.4 Trade and other receivables

Trade and other receivables are recognized at original invoice value less provision for impairment, if any. Provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade and other receivables are written off when considered irrecoverable.

3.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized initially at cost which is the fair value of consideration to be paid in the future for goods and services whether or not billed to the Company. These are subsequently measured at amortized cost.

3.6 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds.

- Realized gains / losses on sale of investments is recognized in the profit and loss account at the time of sale.

- Dividend income is recorded when the right to receive the dividend is established.

- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognized on time proportionate basis by using effective rate of interest.

- Commission income from open end funds is recognized at the time of sale of units.

- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognized as services are rendered.

3.7 Defined contribution scheme

The Company operates an approved contributory provident fund for all of its permanent employees. The Company and employees make equal monthly contributions to the fund at the rate of 7.33 percent of the basic salary.

3.8 Provisions

Provisions are recognized 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 outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.9 Impairment

Financial assets

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

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

Non-financial assets

The carrying amount of the Company's' non-financial assets other than deferred tax asset is reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell. Impairment losses are recognized in profit and loss account immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

3.11 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks, running finance facilities availed by the Company (if any), which are payable on demand and form an integral part of the Company's cash management.

3.12 Financial instruments

All financial assets and liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss account.

The Company derecognizes a financial liability when, and only when, the Company's obligation is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit and loss account.

3.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognized amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.14 Earnings per share

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

3.15 Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in financial statements in the periods in which these are approved.

	Note	2017	2016
		......................Rupees	....
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	**367,085,044**	359,366,319
Capital work-in-progress - advance against purchase of assets		**14,185,164**	14,320,209
		381,270,208	373,686,528

4.1 Operating fixed assets

	2017					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	"Vehicles (note 4.1.1)"	Total
	....	....	........................Rupees	....	....	....
At January 01, 2017						
Cost / revalued amount	372,660,000	3,430,894	25,499,697	115,666,039	21,824,255	539,080,885
Accumulated depreciation	(48,135,250)	(3,430,894)	(23,317,270)	(100,795,126)	(4,036,026)	(179,714,566)
Net book value	324,524,750	-	2,182,427	14,870,913	17,788,229	359,366,319
Year ended December 31, 2017						
Opening net book value	324,524,750	-	2,182,427	14,870,913	17,788,229	359,366,319
Additions	-	-	393,382	4,734,943	36,251,210	41,379,535
Disposals	-	-	-	(69,315)	(1,107,513)	(1,176,828)
Depreciation charge for the year	(18,633,000)	-	(315,872)	(7,206,090)	(6,329,019)	(32,483,982)
Closing net book value	305,891,750	-	2,259,937	12,330,451	46,602,907	367,085,044
At December 31, 2017						
Cost / revalued amount	372,660,000	3,430,894	25,893,079	114,897,506	56,106,553	572,988,032
Accumulated depreciation	(66,768,250)	(3,430,894)	(23,633,142)	(102,567,056)	(9,503,646)	(205,902,988)
Net book value	305,891,750	-	2,259,937	12,330,451	46,602,907	367,085,044
Depreciation rate % per annum	5%	20%	10%	25%	20%	

JS investments

Operating fixed assets

	2016					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	....................Rupees....................					
At January 01, 2016						
Cost / revalued amount	372,660,000	3,430,894	24,348,194	107,150,974	5,921,907	513,511,969
Accumulated depreciation	(29,502,250)	(3,430,894)	(23,004,378)	(94,356,574)	(3,358,210)	(153,652,307)
Net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Year ended December 31, 2016						
Opening net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Additions	-	-	1,151,503	8,515,065	15,902,348	25,568,916
Depreciation charge for the year	(18,633,000)	-	(312,892)	(6,438,552)	(677,815)	(26,062,259)
Closing net book value	324,524,750	-	2,182,427	14,870,913	17,788,229	359,366,319
At December 31, 2016						
Cost / revalued amount	372,660,000	3,430,894	25,499,697	115,666,039	21,824,255	539,080,885
Accumulated depreciation	(48,135,250)	(3,430,894	(23,317,270)	(100,795,126)	(4,036,026)	(179,714,566)
Net book value	324,524,750	-	2,182,427	14,870,913	17,788,230	359,366,319
Depreciation rate % per annum	5%	20%	10%	25%	20%	

4.1.1 Vehicle with a net book value of Rs.7.083 (2016: Rs.Nil) million are held under finance lease. The leased vehicle is pledged as security for the related finance lease obligation.

4.2 The Company follows the revaluation model for its office premises. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on the panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and have recent experience in the fair value measurements in the relevant locations. The fair value of the office premises was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In the estimating the fair value of the office premises, the highest and best use of the premises is its current use.

Out of the total revaluation surplus of Rs.378.835 million, Rs.183.058 (2016: Rs.191.614) million net of tax remains undepreciated as at December 31, 2017.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, the management believes that the carrying value of 'office premises' approximates its fair market value.

4.3 Had there been no revaluation, the net book value of the office premises would have been Rs.44.504 (2016: Rs.50.915) million.

5. INTANGIBLE ASSETS - SOFTWARE

	2017	2016
	..........Rupees..........	
At January 01, 2017		
Cost	**33,788,165**	33,349,415
Accumulated amortization	**(32,170,828)**	(31,614,423)
Net book value	**1,617,337**	1,734,992
Year ended December 31, 2017		
Opening net book value	**1,617,337**	1,734,992
Additions during the year	**8,309,681**	438,750
Amortization for the year	**(1,462,096)**	(556,405)
Closing net book value	**8,464,922**	1,617,337

	Note	2017	2016
		....................Rupees....................	
At December 31, 2017			
Cost		**42,097,846**	33,788,165
Accumulated amortization		**(33,632,924)**	(32,170,828)
Net book value		**8,464,922**	1,617,337
Amortization rate % per annum		**20%**	20%

6. LONG-TERM INVESTMENT-INVESTMENT IN A SUBSIDIARY

	2017	2016
3,750,000 (2016: 3,750,000) unquoted ordinary shares of Rs.10 each held in JS ABAMCO Commodities Limited (Net assets value as per the un-audited financial statements as at December 31, 2017: Rs.58.28 (2016: Rs.56.32) million	**37,500,000**	37,500,000

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	2017	2016
		....................Rupees....................	
Loans to employees	7.1	**4,501,634**	4,829,075
Less: Current portion	9	**(3,218,026)**	(1,005,938)
		1,283,608	3,823,137
Long term prepayment	7.2	**3,935,342**	3,935,342
Less: Amortisation		**(589,862)**	(196,658)
Less: Current portion	10	**(393,534)**	(393,534)
		2,951,946	3,345,150
		4,235,554	7,168,287

7.1 These represent loans given to employees for purchase of motor vehicles, house loans and staff personal loans. These loans are recovered through deduction from salaries over varying periods up to a maximum period of five years, fifteen years and four years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and staff personal loan carry mark-up at rates ranging from 2.94% to 5.99% (2016: 5.78% to 6.16%) per annum. The company has not discounted these loans at market interest rates as the effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.4.63 (2016: Rs.4.82) million.

7.2 This represents payment made in respect of club membership fee for ten years to Karachi Boat Club.

8. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

8.1 Balances due from funds under management

Open end Funds (see note 19.1)	2017	2016
	....................Rupees....................	
JS Value Fund	**16,144,341**	16,751,200
JS Growth Fund	**37,041,495**	38,147,395
JS Large Cap Fund	**12,410,678**	14,301,526
Unit Trust of Pakistan	**17,891,651**	18,967,688
JS Income Fund	**5,700,065**	5,490,857
JS Islamic Fund	**7,906,235**	7,701,863
JS Fund of Funds	**653,135**	1,816,535
JS Pension Savings Fund	**3,790,699**	3,745,196
JS Islamic Pension Savings Fund	**2,097,802**	2,089,103
JS Islamic Income Fund	**1,302,934**	1,196,708
JS Cash Fund	**4,655,115**	4,645,648
JS Capital Protected Fund V	**279,949**	335,140
JS Islamic Hybrid Fund of Funds	**11,565**	-
JS Islamic Hybrid Fund of Funds 2	**335,944**	-
	110,221,608	115,188,859
	110,221,608	115,188,859

8.2 Balances due from funds under management primarily represent accrual of management fee, sales tax and federal excise duty. Management fee is received within next month from the date of accrual.

9. LOANS AND ADVANCES - CONSIDERED GOOD

	Note	2017	2016
		....................Rupees....................	
Current portion of long-term loans to employees	7	**3,218,026**	1,005,938
Unsecured advances to			
- employees		**1,762,902**	881,288
- suppliers		**631,145**	17,912
		2,394,047	899,200
		5,612,073	1,905,138

		2017	2016
		....................Rupees....................	

10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

Rent and other receivable from related parties	10.1	**22,843,058**	18,233,976
Advance rent		**33,387,200**	-
Deposits		**4,246,956**	1,224,006
Prepayments		**8,175,105**	5,809,512
Others		**3,449,988**	3,049,618
		72,102,307	28,317,112

10.1 This includes Rs.17.903 (2016: Rs.16.520) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.4.567 (2016: Rs.2.818) million of expenses incurred on the formation cost on behalf of funds under management.

11. OTHER FINANCIAL ASSETS - INVESTMENTS

Investments by category

Classified as 'available-for-sale'

Units of mutual funds - related parties	11.1	**1,728,711,404**	2,136,805,539

Classified as 'at fair value through profit or loss - held-for-trading'

Units of mutual funds - related parties	11.2	**146,834,482**	246,820,765
		1,875,545,886	2,383,626,304

11.1 Units of mutual funds - 'available-for-sale' (related parties)

Number of units				2017		2016
2017	**2016**	**Name of fund**	**Note**	**Average cost**	**Fair value**	**Fair value**
				............................Rupees............................		
2,565,210	2,745,548	JS Value Fund		**416,726,980**	**514,145,110**	705,935,299
3,554,958	3,606,837	JS Growth Fund		**551,228,794**	**641,172,136**	804,829,563
240,000	240,000	JS Pension Savings Fund - Equity		**14,776,800**	**108,962,400**	129,504,000
177,761	177,761	JS Pension Savings Fund - Debt		**17,776,120**	**41,411,248**	39,590,973
177,463	177,463	JS Pension Savings Fund - Money Market		**17,746,342**	**33,230,025**	32,143,948
3,441,521	3,355,325	JS Fund of Funds		**181,553,403**	**174,244,213**	193,770,021
200,000	200,000	JS Islamic Pension Savings Fund - Equity		**18,170,000**	**125,186,000**	152,800,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt		**21,385,170**	**42,314,835**	41,262,685
222,303	222,303	JS Islamic Pension Savings Fund Money Market		**22,230,337**	**38,029,437**	36,969,050
100,000	-	JS Islamic Hybrid Fund of Funds-2		**10,000,000**	**10,016,000**	
				1,271,593,946	**1,728,711,404**	2,136,805,539
		Unrealised appreciation on remeasurement at fair value	11	**457,117,458**	**-**	-
				1,728,711,404	**1,728,711,404**	2,136,805,539

JS investments

11.2 Units of mutual funds - 'at fair value through profit or loss held-for-trading' (related parties)

Number of units 2017	Number of units 2016	Name of fund	2017 Average cost	2017 Fair value	2016 Fair value
			......Rupees......		
418,688	55,020	JS Cash Fund	**42,501,051**	**43,618,949**	5,789,732
-	905,487	JS Income Fund	**-**	**-**	90,159,338
1,007,964	1,469,339	JS Islamic Income Fund	**102,963,988**	**103,215,533**	150,871,695
			145,465,039	**146,834,482**	246,820,765
		Unrealised gain on remeasurement at fair value	**1,369,443**	**-**	-
			146,834,482	**146,834,482**	246,820,765

	Note	2017	2016
		......Rupees......	
11.3 Unrealised appreciation on remeasurement at fair value			
Market value of investments		**1,728,711,404**	2,136,805,539
Less: Cost of investments		**(1,271,593,946)**	(1,221,082,512)
		457,117,458	915,723,027
Unrealised appreciation at the beginning of the year		**915,723,027**	627,052,068
Appreciation transferred to profit and loss account during the year upon disposal of investments		**(95,392,424)**	(261,128,788)
(Diminution) / appreciation on remeasurement at fair value during the year		**(363,213,145)**	549,799,747
		(458,605,569)	288,670,959
		457,117,458	915,723,027
12. CASH AND BANK BALANCES			
Cash in hand		**64,296**	71,476
Cash at bank in:			
Current accounts		**169,048**	169,048
Saving accounts	12	**15,301,493**	10,904,190
		15,470,541	11,073,238
		15,534,837	11,144,714

12.1 These carry mark-up at the rates ranging from 3.75% to 6.2% (2016: 3.75% to 6.25%) per annum. It includes Rs.13.934 (2016: Rs.9.583) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2017	2016		2017	2016
....................Share....................			....................Share....................	
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs.10 each	**2,000,000,000**	2,000,000,000
		Convertible preference		
50,000,000	50,000,000	shares of Rs.10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
		Ordinary shares of Rs.10 each		
21,250,000	21,250,000	issued as fully paid in cash	**212,500,000**	212,500,000
		Fully paid ordinary shares of Rs.10 each issued on		
700,000	700,000	amalgamation with Confidence Financial Services limited	**7,000,000**	7,000,000
		Ordinary shares of Rs.10 each		
78,050,000	78,050,000	issued as fully paid bonus shares	**780,500,000**	780,500,000
(19,828,182)	(19,828,182)	Shares repurchased	**(198,281,820)**	(198,281,820)
80,171,818	80,171,818		**801,718,180**	801,718,180

13.1 As at year end, JS Bank Limited, the Parent Company, holds 52,236,978 (2016: 52,236,978) shares in the Company.

13.2 There is only one class of ordinary shares issued.

14. SURPLUS ON REVALUATION OF FIXED ASSETS NET OF TAX

	2017	2016
Surplus on revaluation of fixed assets as at 1st January	**273,693,602**	285,916,477
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to upappropriated profit during the year - net of deferred tax	**(8,556,008)**	(8,556,012)
Related deferred tax liability	**(3,666,863)**	(3,666,863)
	(12,222,871)	(12,222,875)
	261,470,731	273,693,602
Less: Related deferred tax liability on:		
- revaluation reserves from last year	**(82,078,743)**	(85,745,606)
- incremental depreciation charged during the year transferred to profit and loss account	**3,666,863**	3,666,863
	(78,411,880)	(82,078,743)
	183,058,851	191,614,859

15. DEFERRED TAX LIABILITY - net

	2017			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / Other Comprehensiv e income	Closing
	....................Rupees....................			
Taxable temporary differences on:				
Accelerated tax depreciation	**9,260,392**	**87,366**	**-**	**9,347,758**
Surplus on revaluation of fixed assets	**82,078,743**	**(3,665,552)**	**-**	**78,413,191**
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	**768,938**	**(527,718)**	**-**	**241,220**
Unrealized appreciation on 'available-for-sale' investments	**42,138,343**	**-**	**(46,122,928)**	**(3,984,585)**
Deductible temporary differences on:				
Short term provisions	**(470,644)**	**470,644**	**-**	**-**
Provision for Workers' Welfare Fund	**(19,790,345)**	**(397,078)**	**-**	**(20,187,423)**
Provision for donation	**(1,222,187)**	**1,024,949**	**-**	**(197,238)**
Deferred tax asset on carried forward tax losses	**(30,540,856)**	**(17,501,974)**	**-**	**(48,042,830)**
	82,222,384	**(20,509,362)**	**(46,122,928)**	**15,590,093**

	2016			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / Other Comprehensiv e income	Closing
	....................Rupees....................			
Taxable temporary differences on:				
Accelerated tax depreciation	9,654,667	(394,274)	-	9,260,393
Surplus on revaluation of fixed assets	85,745,606	(3,666,863)	-	82,078,743
Revaluation on investments classified at fair value through profit or loss' - held-for-trading	1,012,120	(243,182)	-	768,938
Unrealized appreciation on available for sale investments	11,374,307	-	30,764,036	42,138,343
Deductible temporary differences on:				
Short term provisions	(313,673)	(156,971)	-	(470,644)
Provision for Workers' Welfare Fund	(18,505,876)	(1,284,469)	-	(19,790,345)
Provision for donation	(1,067,179)	(155,008)	-	(1,222,187)
Deferred tax asset on carried forward tax losses	(9,532,443)	(21,008,413)	-	(30,540,856)
	78,367,529	(26,909,180)	30,764,036	82,222,385

15.1 The Company has an aggregate amount of Rs.160.225 (2016: Rs.101.803) million in respect of unabsorbed tax losses as at December 31, 2017 on which a deferred tax asset has been recognised.

	Note	2017	2016
		..........Rupees..........	
16. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE			
Present value of minimum lease payments	16.1	**5,032,347**	-
Current maturity shown under current liabilities		**(1,524,200)**	-
		3,508,147	-

16.1 The liability against asset subject to finance lease represents the lease entered into with a Modaraba for Mercedes Benz to Chief Executive Officer (a related party). The periodic lease payments include rates of mark up of KIBOR 6M plus 1.5% with floor of 7.5% and ceiling of 20% (2016: Nil) per annum. The Company, shall subject to compliance with the conditions specified in the lease agreement, purchase the asset from the lessor. There are no financial restriction in the lease agreements.

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	2017		
	Minimum lease payments	Financial charges	Present value of minimum lease payments
	.... Rupees		
Year ended December 31			
2018	**1,837,043**	**312,843**	**1,524,200**
2019	**1,720,189**	**195,989**	**1,524,200**
2020	**1,599,082**	**79,023**	**1,520,059**
2021	**465,475**	**1,587**	**463,888**
Total	**5,621,789**	**589,442**	**5,032,347**

	Note	2017	2016
		..........Rupees..........	
17. ACCRUED AND OTHER LIABILITIES			
Salary payable		**1,710,677**	1,373,793
Staff bonus accrued		**20,000,000**	10,000,000
Accrued expenses		**18,670,542**	26,008,497
Fee and commission payable		**9,281,989**	7,546,884
Unclaimed dividend		**3,405,083**	3,119,509
Provision for compensated absences		**-**	1,568,814
Sales tax payable		**17,694,418**	16,035,663
Federal excise duty payable	17.1	**92,283,608**	92,283,607
Provision for Sindh Workers' Welfare Fund	23	**9,672,351**	8,348,759
Provision for Workers' Welfare Fund	17.2	**26,308,605**	26,308,605
Provision for Workers' Welfare Fund on behalf of funds under management	17.2	**31,310,453**	31,310,453
Other liabilities	17.3	**3,161,366**	2,525,987
		233,499,092	226,430,571

17.1 This represents amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

17.2 Prior to certain amendments made through the Finance Acts of 2006 and 2008, Workers' Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, 2008, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, the Honorable High Court of Sindh in the year 2013 did not accept the above arguments and declared the amendments made through Finance Act as valid. Both these decisions were later challenged in the Honorable Supreme Court of Pakistan.

Last year, the Honorable Supreme Court of Pakistan passed a judgment on November 10, 2016, declaring the insertion of amendments introduced in the Finance Acts pertaining to WWF as unlawful and thereby striking down such amendments. However, a petition has been filed in the Honorable Supreme Court of Pakistan for the review of the aforementioned judgement. In view of the said review petition, the Company on the basis of abundant caution has continued to maintain provision of Rs.57.619 (2016: Rs.57.619) million against WWF as at the year end.

17.3 It includes Rs.1.844 million (2016: Rs.0.134 million) payable to funds under management, due to reversal of management fee and exposure of expense ratios in funds.

18. CONTINGENCIES and COMMITMENTS

18.1 Contingencies

In respect of the appeals filed by the Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of above said order of CIR (Appeals) for tax year 2006 and 2009, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenses. The ATIR vide order dated April 20, 2017 deleted the additions on proration of expenses for tax year 2006 however, confirmed the CIR(A)'s order whereby CIR(A) remanded back / set-aside the issue of apportionment of expenses.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 was deleted the additions of tax amortization of management rights and remand back the issues of disallowed provisions and advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax year 2006 and 2009 whereby demands for these tax years were reduced at Rs.77.33 million and Rs.59.93 million respectively. As the allocation of expenditure in the said appeal effect orders were not made according to actual incurrence of expenditure to the various sources of income, therefore, the Company again filed appeals before the CIR (Appeals) against the said orders.

In respect of second appeal filed by the Company before CIR (Appeals) against appeal effect orders for tax year 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

The CIR (Appeals) also rectified the order passed by his predecessor for tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs.29 million. The tax authorities have filed an appeal before ATIR against said order of CIR (Appeals) in respect of deletion of addition regarding the portion of capital gain included in dividend. The ATIR vide order dated December 07, 2016 set-aside with the direction that the ACIR should examine the issue in the light of FBR Circular letter dated September 10, 2002.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which Company filed appeal before the CIR(A).

Management, based on views of its legal counsel, is confident of a favorable outcome in respect of above matters.

		Note	**2017**	2016
			..........Rupees..........	
18.2	**Commitments in respect of:**			
	Royalty and advisory payment - a related party		**10,000,000**	10,000,000
19.	**REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET**			
	Open end Funds			
	JS Value Fund		**27,021,621**	27,444,310
	JS Growth Fund		**58,471,777**	55,388,963
	Unit Trust of Pakistan		**36,413,356**	34,829,989
	JS Income Fund		**22,951,610**	10,481,943
	JS Islamic Fund		**34,751,928**	16,863,352
	JS Fund of Funds		**2,729,996**	2,186,619
	JS Islamic Hybrid Fund of Funds		**530,719**	-
	JS Islamic Hybrid Fund of Funds 2		**69,418**	-
	JS Pension Savings Fund		**8,496,305**	7,641,286
	JS Islamic Pension Savings Fund		**5,153,494**	4,541,634
	JS Cash Fund		**3,228,308**	3,706,214
	JS Islamic Income Fund		**1,645,878**	1,840,874
	JS Capital Protected Fund V		**3,167,510**	1,995,615
	JS Large Cap Fund		**19,527,540**	21,223,633
			224,159,460	188,144,432
			224,159,460	188,144,432
	Less: Sindh sales ax		**(25,788,256)**	(20,939,013)
	Less: Federal excise duty	17.1	**-**	(11,852,838)
			198,371,204	155,352,581

19.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management company / investment advisor of the Fund is entitled to an accrued remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the fund that has been verified by the trustee and is paid in arrears on monthly basis and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended December 31, 2017 the Company has charged management fee at the rates ranging from 0.50% to 2% (2016: 0.50% to 2%).

19.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2017 amounts to Rs.13,524 (2016: Rs.12,545) million.

20. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT

	Note	2017	2016
		....Rupees....	
Unit Trust of Pakistan		**234,758**	663,545
JS Islamic Fund		**3,164,605**	1,758,779
JS Fund of Funds		**1,672,652**	2,951,181
JS Value Fund		**91,966**	568,223
JS Growth Fund		**110,093**	178,314
JS Islamic Income Fund		**-**	8,487
JS Income Fund		**324,814**	586,379
JS Pension Savings Fund		**11,680**	11,633
JS Islamic Pension Savings Fund		**39,780**	21,840
JS Cash Fund		**3,701**	61,300
JS Large Cap Fund		**1,094,878**	1,639,246
JS Capital Protected Fund V		**-**	201,610
JS Islamic Hybrid Fund of Funds 2 (IAAP 2)		**266,526**	-
JS Islamic Hybrid Fund of Funds		**1,266,077**	-
	20.1	**8,281,530**	8,650,537

20.1 This represents gross commission income earned by the Company on account of sale of units made on behalf of the funds under management.

21. DIVIDEND INCOME

	2017	2016
	....Rupees....	
'Available-for-sale'		
JS Fund of Funds	**6,710,650**	10,324,687
JS Value Fund	**10,119,785**	4,781,094
JS Growth Fund	**20,835,674**	4,912,129
	37,666,109	20,017,910
'At fair value through profit or loss - held-for-trading'		
JS Income Fund	**-**	1,655,596
JS Islamic Income Fund	**3,079,916**	5,205,816
	3,079,916	6,861,412
	40,746,025	26,879,322

22. REMUNERATION AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS AND NON DICRETIONARY CLIENT PORTFOLIO

This represents commission income and share of profit earned by the company from management of discretionary portfolios and non-discretionary portfolio. Currently, the company is managing Thirteen (2016: Eighteen) discretionary and one non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2017 was Rs.332.74 (2016: Rs.539.34) million and Rs. 299.87 (2916: Rs.586.50) million respectively.

23. ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2017	2016
		......Rupees......	
Salaries and benefits		**132,372,858**	115,388,616
Directors' fee		**475,000**	450,000
Staff retirement benefits	23.1	**7,180,664**	5,433,132
Staff bonus		**21,697,020**	10,000,000
Amortisation of intangible assets	5	**1,462,096**	556,405
Depreciation	4.1	**32,483,982**	26,062,259
Printing and stationery		**3,989,484**	4,554,561
Rent, rates, taxes and maintenance		**17,728,748**	14,411,275
Travelling, conveyance and vehicle maintenance		**10,596,544**	7,354,523
Transfer agent remuneration		**6,882,698**	7,836,060
Postage and telephone		**5,410,127**	4,431,323
Legal and professional		**12,969,123**	16,124,374
Fees and subscription		**8,452,176**	5,888,604
IT services		**11,420,133**	9,083,400
Utilities		**8,017,502**	10,095,792
Office security		**1,388,582**	1,485,526
Insurance		**8,219,499**	5,682,567
Newspaper		**202,438**	185,772
Royalty and advisory fee	23.5	**10,000,000**	10,000,000
Shariah advisory fee	23.6	**208,579**	954,168
Auditors' remuneration	23.7	**1,476,600**	1,284,000
Fees and commission		**3,795,568**	1,919,846
Donation	23.8	**657,461**	4,073,957
Training and development		**964,703**	481,228
Miscellaneous expenses		**3,295,178**	2,725,468
Advertisement, selling and marketing expense	23.9	**5,917,722**	13,175,070
		317,264,484	279,637,926

23.1 Staff retirement benefits include contributions to defined contribution plan of Rs.7.18 (2016: Rs.5.43) million.

		2017	2016
23.2	Number of employees at the end of the year	**144**	148
23.3	Average number of employees during the year	**143**	137

23.4 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The unaudited information related to provident fund as at December 31, 2017 is as follows:

	2017	2016
Number of employees	**101**	83
Size of provident fund (Rupees)	**22,460,201**	29,685,424
Cost of investments (Rupees)	**7,125,502**	18,310,958
Percentage of investments	**31%**	72%
Fair value of investment (Rupees)	**6,969,712**	21,430,664
Break-up of investments		
- Balance in JS Islamic Fund, a related party		
Amount of investment (Rupees)	**-**	4,982,753
Percentage of size of investment	**0%**	17%
- Balance in other listed securities		
Amount of investment (Rupees)	**6,969,712**	16,447,911
Percentage of size of investment	**31%**	55%
Total investments in listed securities	**6,969,712**	21,430,664
Percentage of size of investment	**31%**	72%
- Balance in scheduled banks		
Amount of investment (Rupees)	**13,683,918**	7,884,679
Percentage of size of investment	**61%**	27%

23.4.1 Based on un-audited financial statements of the Fund, the investments out of provident fund have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the Rules formulated for this purpose.

23.5 Royalty and advisory fee represents amounts paid to Mr. Jahangir Siddiqui on account of his name and advisory services, respectively.

23.6 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund, JS Islamic Income Fund and JS Islamic Hybrid Fund of Funds.

23.7 Auditors' remuneration

	2017	2016
	..........................Rupees..........................	
Annual audit fee	**920,000**	800,000
Fee for review of the statement of compliance on Code of Corporate Governance	**57,500**	50,000
Out of pocket expenses	**172,500**	150,000
Fee for review of half yearly financial statements	**230,000**	200,000
Sindh sales tax	**96,600**	84,000
	1,476,600	1,284,000

23.8 This represents donation to Future Trust, where in Mr. Suleman Lalani (Director of the Company) and Mr. Kalim-ur-Rahman are trustees. Mr. Suleman Lalani is the Chief Executive Officer and Director of Jahangir Siddiqui & Co. Limited (JSCL), the ultimate Parent Company of JSIL. Further, Mr. Kalim-ur-Rahman is a Director in JSCL and JS Bank Limited. No other directors / executives or their living spouses have any interest in the donees.

23.9 The SECP vide Circular 40/2016 dated December 30, 2016, prescribed certain conditions on Asset Management Companies (AMC) for charging of selling and marketing expenses to open end equity funds, for opening of new branches in cities, except Karachi, Lahore, Islamabad and Rawalpindi. Expenses can be charged to the extent of 0.4% per annum of net assets of fund or actual expenses whichever is lower. Selling and marketing expenses for the period ended December 31, 2017 recovered from Funds were amounting to Rs.2.65 (2016: Rs.Nil) million.

24. OTHER EXPENSES

In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has recognized a net provision of Rs.1.323 (2016: Rs.4.282) million for the year, aggregating to Rs.9.672 (2016: Rs.8.349) million as at December 31, 2017. Accordingly, the Company has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no.1459 dated June 2, 2017. The said suit is currently pending before the SHC.

25. FINANCIAL CHARGES

	Note	**2017**	2016
		..........................Rupees..........................	
Bank charges		**3,924**	17,663
Financial charges for liability against asset subject to finance lease		**287,263**	-
		291,187	17,663

26. OTHER INCOME

	Note	**2017**	2016
Income from financial assets			
Mark-up on loans to employees		**196,295**	96,544
Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	11.2	**1,369,443**	4,338,414
Accrued liabilities no longer required	26.1	**9,171,106**	5,091,000
Others		**-**	1,799,417
Income from non-financial assets			
Rental income	26.2	**22,202,466**	20,878,797
Gain on disposal of property and equipment		**598,487**	-
		33,537,797	32,204,172

26.1 This represents reversal of certain provisions no longer required to be payable by the Company.

26.2 This represents rental income earned during the year from related parties.

27. TAXATION - Net

	2017	2016
	......Rupees......	
Current	**41,154,299**	44,436,579
Prior years	**14,639,998**	(7,429,257)
Deferred	**(20,509,362)**	(26,909,180)
	35,284,935	10,098,142

27.1 The income tax assessments of the Company has been finalized up to and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2017 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax Ordinance, 2001. The details of tax years 2006 and 2009 have been described in note 17.1 abov6

27.2 Relationship between accounting profit and tax expense is as follows:

	2017	2016
Accounting profit before taxation	**67,500,511**	209,795,995
Tax at applicable rate of 30% (2016: 31%)	**20,250,153**	65,036,758
Tax impact of income under FTR and differential in tax rates	**(8,463,127)**	(4,957,121)
Tax impact of exempt capital gains	**(23,436,013)**	(63,164,093)
Tax impact of minimum tax	**18,448,352**	14,612,244
Tax impact of provision u/s 5A	**5,062,738**	-
Tax impact of permanent differences	**1,332,148**	1,294,485
Tax impact of prior year	**14,639,998**	(7,429,257)
Tax impact of expenses allocated to FTR income	**7,787,752**	6,692,398
Deferred tax recognised at higher rate	**-**	(632,160)
Others	**(337,065)**	(1,355,112)
	35,284,935	10,098,142

28. EARNINGS PER SHARE - Basic and diluted

	2017	2016
Profit for the year after taxation	**32,215,576**	199,697,853
	......Number of share......	
Weighted average number of ordinary shares outstanding during the year	**80,171,818**	80,171,818
Earnings per share (Rupees)	**0.40**	2.49

28.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2017 and December 31, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Executives	
	2017	**2016**	**2017**	**2016**
	......Rupees......			
Managerial remuneration	**15,295,451**	6,951,056	**74,662,372**	26,032,077
House rent allowance	**-**	1,025,000	**-**	3,866,167
Utilities allowance	**-**	341,667	**-**	1,288,726
Bonus paid	**2,500,000**	750,000	**7,654,520**	1,965,000
Car allowance	**-**	-	**476,093**	6,085,258
Retirement benefits	**1,032,864**	605,435	**5,078,780**	2,188,602
Medical allowance	**1,529,549**	694,827	**7,466,237**	2,687,422
Other benefits	**3,500**	21,000	**4,787,327**	650,056
	20,361,364	10,388,985	**100,125,329**	44,763,308
Number of persons	**2**	1	**59**	15

29.1 During the period Dr. Ali Akhtar Ali remained CEO till February 28, 2017, and from March 2017 Mr. Hasnain Raza Nensey has appointed as new CEO of the company.

29.2 The Chief Executive Officer of the Company is provided with free use of company owned and maintained vehicle during the year.

29.3 The Company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

29.4 In addition, meeting fee of Rs.50,000 (2016: Rs.50,000) per meeting was paid to two non-executive (independent directors) directors for meetings attended during the year. The non-executive (independent directors) directors are not entitled to any remuneration except meeting fee.

29.5 The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

30 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company), JS Abamco Commodities Limited (subsidiary company), funds under management and other companies with common directorship, staff provident fund and key management employees. Contributions to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plans. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms. Transactions and balances with related parties can be summarised below:

30.1 Transactions during the year

	2017	2016
	..........................**Rupees**..........................	
30.1.1 Transactions with the funds under management		
Remuneration - net of taxes	**198,371,204**	155,352,581
Commission income	**8,281,530**	8,650,537
Investments made	**574,512,100**	771,731,275
Investments disposed off / matured	**723,708,302**	887,202,466
Expenses incurred by the Company on behalf of funds	**22,637,820**	14,873,262
Reimbursements of expenses by the funds	**16,620,102**	11,915,307
Dividend income	**40,746,025**	26,879,322
30.1.2 Transactions with Ultimate Parent - Jahangir Siddiqui & Co. Limited		
Expenses incurred by the Company on behalf of JSCL	**61,300**	73,615
Reimbursements of expenses incurred by the company on behalf of JSCL	**87,545**	25,531
30.1.3 Transactions with the Parent Company - JS Bank Limited (JSBL)		
Rent income	**6,389,108**	5,785,236
Rent expense	**7,291,590**	5,801,932
Management fee sharing on distribution of mutual funds	**286,963**	381,963
Expenses incurred by the Company on behalf of JSBL	**2,489,774**	930,355
Reimbursements of expenses incurred by the company on behalf of JSBL	**2,070,619**	307,389
Return on bank deposits	**1,266,033**	1,210,702

		Note	2017	2016
			..........................Rupees..........................	
30.1.4	**Transactions with other related parties**			
	Rent income		**15,813,358**	15,093,562
	Insurance premium paid		**4,267,489**	3,068,017
	Provident fund contributions made		**7,180,664**	5,433,132
	Expenses incurred on behalf of companies		**6,293,292**	6,983,137
	Reimbursements of expenses by the companies		**6,606,169**	4,102,816
	Other payments made	30	**-**	11,111,060

30. This amount was received by the Company on behalf of JS Securities Services Limited (JSSSL) and the Company returned the same to JSSSL.

		2017	2016
30.1.5	**Transactions made with Subsidiary Company**		
	Expenses incurred on behalf of Company	**125,085**	135,900
	Reimbursements of expenses incurred by the Company	**125,085**	132,800
30.1.6	**Transactions made with companies - Common Directorship**		
	Donations paid	**4,073,957**	3,556,536
30.1.7	**Transactions with Key Management personnel**		
	Remuneration	**73,878,961**	55,152,262
	Directors' meeting fee	**475,000**	450,000
	Disbursements of personal loans and advances	**1,855,000**	2,391,437
	Repayments of loans and advances	**1,081,194**	1,522,687
	Royalty and advisory for the period	**10,000,000**	10,000,000
30.2	**Balances outstanding as at the year end**		
30.2.1	**Balance due from funds Under Management**		
	Receivable from Funds under Management	**119,187,282**	118,155,294
	Payable Funds under Management	**1,843,599**	134,470
30.2.2	**Balances outstanding from Ultimate Parent - Jahangir Siddiqui & Co. Limited**		
	Receivable against expenses incurred on behalf of company	**21,839**	48,084
30.2.3	**Balances outstanding from Parent Company - JS Bank Limited (JSBL)**		
	Receivable against expenses incurred on behalf of bank	**1,180,396**	761,241
	Rent payable	**2,836,482**	1,349,332
	Rent receivable	**3,542,347**	6,210,845
	Profit on bank deposits	**70,171**	85,048
30.2.4	**Balances outstanding from other related parties**		
	Receivable against expenses incurred on behalf of companies	**4,615,244**	4,903,290
	Payable against contribution to Provident Fund	**8,566**	456,318
	Rent receivable	**4,107,658**	1,524,394
	Rent payable	**2,237,580**	2,289,734

30.2.5 Balances outstanding from related parties under common directorship

Receivable against expenses incurred on behalf of companies	-	597,249

30.2.6 Balances outstanding from Subsidiary Company

Receivable against expenses incurred on behalf of the Company	**20,000**	20,000

30.2.7 Balances outstanding from Key Management personnel

Balance as at the year end	**2,279,805**	1,505,999

30.3 Other balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

30.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

30.5 There are no transactions with key management personnel other than under their terms of employment.

30.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 29 to the financial statements.

	2017	2016
	..........................Rupees..........................	
31. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**15,534,837**	11,144,714

32. FINANCIAL RISK MANAGEMENT

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 Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Company are being managed by the Company's management in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company financial assets primarily comprise of balance with banks, balances due from funds under management - related parties, loans and advances - considered good, other financial assets - investments classified as: 'At fair value through profit or loss - held-for-trading' - units of mutual funds - related parties, 'available-for-sale' - units of mutual funds - related parties. The Company also has profit receivable, deposits and other receivables. The Company's principal financial liabilities includes accrued and other liabilities.

32.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

32.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

32.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Company does not hold any variable profit based investment except balances with bank in deposit account exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2017, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs.0.153 (2016: Rs.0.109) million.

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2017 the Company does not hold any fixed rate instruments, therefore the Company is not exposed to fair value profit rate risk.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

	2017					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
		..........Rupees..........				
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	2.94% to 5.99%	-	-	1,283,608	-	1,283,608
Balances due from funds under management - related parties		-	-	-	110,221,608	110,221,608
Loans and advances - considered good	2.94% to 5.99%	-	3,218,026	-	-	3,218,026
Trade deposits and other receivables		-	-	-	63,927,202	63,927,202
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'		-	-	-	146,834,482	146,834,482
'Available-for-sale'		-	-	-	1,728,711,404	1,728,711,404
Bank balances	3.75% - 6.25%	-	-	-	15,470,541	15,470,541
		-	3,218,026	1,283,608	2,065,165,236	2,069,666,870
Financial liabilities						
Accrued and other liabilities		-	-	-	56,133,057	56,133,057
Liability against asset subject to finance lease		379,301	1,144,899	3,508,147	-	5,032,347
		379,301	1,144,899	3,508,147	56,133,057	61,165,404
On-balance sheet gap		(379,301)	2,073,127	(2,224,539)	2,009,032,179	2,008,501,466

	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
	2016					
		Exposed to yield / interest rate risk				
		..........Rupees..........				
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.78% to 6.16%	-	-	3,823,137	-	3,823,137
Balances due from funds under management - related parties		-	-	-	115,188,859	115,188,859
Loans and advances - considered good	5.78% to 6.16%	-	-	1,005,938	-	1,005,938
Trade deposits and other receivables		-	-	-	22,507,600	22,507,600
Other financial assets - investments classified:						
'At fair value through profit or loss - held-for-trading'		-	-	-	246,820,765	246,820,765
'Available-for-sale'		-	-	-	2,136,805,539	2,136,805,539
Bank balances	4% - 6.5%	-	-	-	11,073,238	11,073,238
		-	-	4,829,075	2,532,396,001	2,537,225,076
Financial liabilities						
Accrued and other liabilities		-	-	-	52,059,484	52,059,484
		-	-	-	52,059,484	52,059,484
On-balance sheet gap		-	-	4,829,075	2,480,336,517	2,485,165,592

32.1.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Company manages its exposure to price risk by investing in Companys as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2017, the equity of the Company would increase / decrease by Rs.93.777 (2016: Rs.119.181) million, as a result of reduction / increase in unrealized gains / (losses).

3.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to fulfil their obligations. There is a possibility of default of issuers of the instrument, financial institutions or counter parties.

Management of credit risk

The Company's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. In addition the credit risk is also minimized due to the fact that the Company only invests in liquid equity and money market based collective investment schemes (CIS).

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

Chief Executive Officer **Chairman**

	2017	2016
	..........Rupees..........	
Long-term loans - considered good	**1,283,608**	3,823,137
Balances due from funds under management - related parties	**110,221,608**	115,188,859
Loans and advances - considered good	**3,218,026**	1,005,938
Trade deposits and other receivables	**63,927,202**	22,507,600
Other financial assets - investments	**1,875,545,886**	2,383,626,304
Bank balances	**15,470,541**	11,073,238
	2,069,666,871	2,537,225,076

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2017.

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.

95.95% (2016: 98.49%) of the financial assets aggregating to Rs.1,985.767 (2016: Rs.2,498.822) million are invested in the Funds managed by the Company. The Company believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Company to any major concentration risk.

Details of the credit ratings of the bank balances are as follows:

	2017	2016
	Bank balances	
	..........%..........	
AAA	**0.4%**	0.5%
AA-	**99.5%**	12.7%
A+	**0.0%**	86.6%
AA	**0.2%**	0.2%

32.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business.

Maturity analysis for financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2017				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	..........Rupees..........				
Liabilities					
Accrued and other liabilities	**56,133,057**	**1,633,157**	**54,499,900**	**-**	**-**
Liability against asset subject to finance lease	**5,032,347**	**129,502**	**249,799**	**1,144,899**	**3,508,147**
	61,165,404	**1,762,659**	**54,749,699**	**1,144,899**	**3,508,147**

	2016				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	...Rupees...				
Liabilities					
Accrued and other liabilities	52,059,484	2,257,660	49,801,824	-	-
	52,059,484	2,257,660	49,801,824	-	-

32.4 Financial instruments by category

	2017			
	Loans and Receivables	At fair value through profit and loss - held-for-trading	Available-for-sale	Total
	(Rupees in '000)			
Assets				
Long-term loans - considered good	**1,283,608**	**-**	**-**	**1,283,608**
Balances due from funds under management - related parties	**110,221,608**	**-**	**-**	**110,221,608**
Loans and advances - considered good	**3,218,026**	**-**	**-**	**3,218,026**
Trade deposits and other receivables	**63,927,202**	**-**	**-**	**63,927,202**
Other financial assets - investments	**-**	**146,834,482**	**1,728,711,404**	**1,875,545,886**
Cash and bank balances	**15,470,541**	**-**	**-**	**15,470,541**
	194,120,985	**146,834,482**	**1,728,711,404**	**2,069,666,870**

	2017	
	Other financial liabilities	Total
	(Rupees)	
Liabilities		
Accrued and other liabilities	**56,133,057**	**56,133,057**
Liability against asset subject to finance lease	**5,032,347**	**5,032,347**
	61,165,404	**61,165,404**

	2016			
	Loans and Receivables	At fair value through profit and loss - held-for-trading	Available-for-sale	Total
	(Rupees in '000)			
Assets				
Long-term loans - considered good	3,823,137	-	-	3,823,137
Balances due from funds under management - related parties	115,188,859	-	-	115,188,859
Loans and advances - considered good	1,005,938	-	-	1,005,938
Trade deposits and other receivables	22,507,600	-	-	22,507,600
Other financial assets - investments	-	246,820,765	2,136,805,539	2,383,626,304
Cash and bank balances	11,073,238	-	-	11,073,238
	153,598,772	246,820,765	2,136,805,539	2,537,225,076

	2016	
	Other financial liabilities	Total
Liabilities	------------ (Rupees) ------------	
Accrued and other liabilities	52,059,484	52,059,484
	52,059,484	52,059,484

33. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurementsand disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It 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 (i.e. an exit price). Adoption of IFRS 13, has not affected the financial statements.

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Office premises are revalued by professional valuer (see note 4.2). The valuation is based on their assessment of market value of the underlying properties and this categorised under Level 2.

The table below analyse financial instruments measured at the end of the reporting half year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2017			
	Level 1	**Level 2**	**Level 3**	**Total**
	------------ (Rupees) ------------			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	**-**	**1,728,711,404**	**-**	**1,728,711,404**
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	**-**	**146,834,482**	**-**	**146,834,482**
Office premises	**-**	**305,891,750**	**-**	**305,891,750**
	-	**2,181,437,636**	**-**	**2,181,437,636**

	2016			
	Level 1	**Level 2**	**Level 3**	**Total**
	------------ (Rupees) ------------			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	2,136,805,539	-	2,136,805,539
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	246,820,765	-	246,820,765
Office premises	-	324,524,750	-	324,524,750
	-	2,708,151,054	-	2,708,151,054

33.1 Valuation techniques used in determination of fair values within level 2:

33.1.1 Fair values of investment in mutual funds are measured on the basis of closing net asset value as announced by the respective Asset Management Company.

33.1.2 Fair value of office premises is measured using the comparable price method after detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the premises, condition, size, utilization, and other relevant factors. The highest and best use of the premises is its current use.

33.2 During the year ended December 31, 2017, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

34. 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 maximize 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.

35. GENERAL

35.1 These financial statements were authorised for issue on February 23, 2018 by the Board of Directors of the Company.

35.2 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA+ by a rating agency registered with the Commission, against financial losses that may be caused as a result of gross negligence of its employees.

35.3 Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current year. However, there are no material reclassification / re-arrangement to report.

35.4 The figures in the unconsolidated financial statements have been rounded off to the nearest rupees.

Chief Executive Officer | Chief Financial Officer | Director

CONSOLIDATED FINANCIAL STATEMENTS

Report of the Directors to the Members on Consolidated Financial Statements

For the year ended December 31, 2017

The Directors of your Company feel pleasure in presenting the annual audited consolidated financial statements of the Company along with auditors' report thereon for the year ended December 31, 2017.

Summary of operating results for the year

	Year ended December 31, 2017	Year ended December 31, 2016
Shareholders' Equity	**2,182,738**	**2,592,421**
Financial Performance		
Income	354,189	463,859
Operating expenses	(317,692)	(280,053)
Operating profit	**36,497**	**183,806**
Other expenses	(1,369)	(4,346)
Financial charges	(293)	(19)
Other operating income	34,953	33,514
Profit before tax	**69,788**	**212,955**
Taxation-net	(35,459)	(10,527)
Profit after tax	**34,329**	**202,428**
Earnings per share - basic and diluted	**0.43**	**2.52**

Subsidiary Company

JS ABAMCO Commodities Limited

JS ABAMCO Commodities Limited (the Company) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984 and is a wholly owned subsidiary of JS Investments Limited (the holding company). The principal object of the Company is to carry out business in commodity market and related brokerage, advisory and consultancy services. The Company has not commenced its core operations of commodity, brokerage and related advisory services up to the balance sheet date.

Auditors

The retiring auditors M/s EY Ford Rhodes & Co. Chartered Accountants being eligible offer themselves for reappointment. The Board of Directors, on recommendations of the Audit Committee, has proposed reappointment of M/s EY Ford Rhodes & Co. Chartered Accountants for the ensuing year ending December 31, 2018.

Internal Control Framework

The Board of Directors of the Company has a responsibility to ensure that internal financial controls systems of the company are adequate and effective.

Board of Directors

During the financial year ended December 31, 2017, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

Name
Mr.Ali Akhtar Ali*
Mr.Hasnian Raza Nencey*
Mr. Munawar Alam Siddiqui
Mr.Muhammad Khawar Iqbal
Mr.Malik Zafar Javed

* Mr. Ali Akhtar Ali resigned as Director of the Company during the year ended December 31, 2017.
* Mr. Hasnain Raza Nensey has joined the Company as Director during the year ended December 31, 2017.

Pattern of Shareholding

The statement of pattern of Shareholding as on December 31, 2017 is annexed to this report.

Karachi: February 23, 2018

Ahsen Ahmed
Director

Hasnain Raza Nencey
Chief Executive Officer

JS investments

ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ
برائے مختتمہ سال31دسمبر2017

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2017ء کوختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مجتمع مالیاتی گوشوارے مع ان پر آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال کے لیے کاروباری نتائج کا خلاصہ	مختتمہ سال31دسمبر2017	مختتمہ سال31دسمبر2016
	روپے(000)	
شیئرہولڈرز کی ایکویٹی	2,182,738	2,592,421
مالیاتی کارکردگی		
آمدنی	354,189	463,859
آپریٹنگ اخراجات	(317,692)	(280,053)
آپریٹنگ منافع	**36,497**	**183,806**
دیگراخراجات	(1,369)	(4,346)
مالیاتی چارجز	(293)	(19)
دیگرآپریٹنگ آمدنی	34,953	33,514
قبل ازٹیکس منافع	**69,788**	**212,955**
ٹیکسیشن نیٹ	(35,459)	(10,527)
بعدازٹیکس منافع	**34,329**	**202,428**
فی شیئرآمدنی۔ بنیادی اور تحلیل شدہ	**0.43**	**2.52**

ذیلی کمپنی

JS ABAMCO کموڈیٹیزلمیٹڈ

JS ABAMCO کموڈیٹیزلمیٹڈ (دی کمپنی) کا قیام25 ستمبر2007 کمپنیز آرڈیننس1984 کے تحت بطور ایک پبلک لمیٹڈ کمپنی، پاکستان میں عمل میں آیا اور JS انویسٹمنٹ لمیٹڈ (دی ہولڈنگ کمپنی) کا کُلی ملکیتی ذیلی ادارہ ہے۔ کمپنی کا بنیادی مقصد کموڈیٹی مارکیٹ اور متعلقہ بروکریج، ایڈوائزری اور کنسلٹینسی سروسز میں کاروبار کرنا ہے۔ کمپنی نے بیلنس شیٹ تیار ہونے تک اپنے کموڈیٹی، بروکریج اور متعلقہ ایڈوائزری سروسز کے مرکزی کاروباروں کا آغاز نہیں کیا ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹس نے بر بنائے اہلیت خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی سفارش پر میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹس کی 31 دسمبر 2018 کو ختم ہونے والے آئندہ سال کے لیے دوبارہ تقرری کی تجویز پیش کی ہے۔

انٹرنل کنٹرول فریم ورک

کمپنی کا بورڈ آف ڈائریکٹرز یہ یقینی بنانے کا ذمہ دار ہے کہ کمپنی کے انٹرنل فنانشل کنٹرولز سسٹمز مناسب اور موثر ہوں۔

بورڈ آف ڈائریکٹرز

مختتمہ مالی سال 31 دسمبر 2017 کے دوران JS ABAMCO کموڈیٹیز لمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے:

نام

جناب علی اختر علی*

جناب حسنین رضا نینسی*

جناب منور عالم صدیقی

جناب محمد خاور اقبال

ملک ظفر جاوید

*جناب علی اختر علی نے مختتمہ مالی سال 31 دسمبر 2017 کے دوران کمپنی کے ڈائریکٹر کی حیثیت سے استعفیٰ دے دیا تھا۔

*جناب حسنین رضا نینسی نے مختتمہ مالی سال 31 دسمبر 2017 کے دوران ڈائریکٹر کی حیثیت سے کمپنی میں شمولیت اختیار کی۔

شیئر ہولڈنگ کا پیٹرن

شیئر ہولڈنگ پیٹرن کا گوشوارہ بمطابق 31 دسمبر 2017 اس رپورٹ کے ساتھ منسلک ہے۔

کراچی: 23 فروری 2018

حسنین رضا نینسی
چیف ایگزیکٹو آفیسر

احسن احمد
ڈائریکٹر

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of JS Investments Limited (the Holding Company) and its subsidiary company, JS ABAMCO Commodities Limited (together referred to as "the Group") as at 31 December 2017 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on the financial statements of the Holding Company and its subsidiary company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary company as at 31 December 2017 and the results of their operations for the year then ended.

Chartered Accountants

Audit Engagement Partner: **Shaikh Ahmed Salman**

Date: **February 27. 2018**

Karachi

CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2017

	Note	2017	2016
ASSETS	**Note**	......................Rupees	
Non - current assets			
Property and equipment	5	**381,270,208**	373,686,528
Intangible assets	6	**8,464,922**	1,617,337
Deposit for office premises		**2,500,000**	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)		**1,000,000**	1,000,000
Long-term loans and prepayments - considered good	7	**4,235,554**	7,168,287
		397,470,684	385,972,152
Current assets			
Balances due from funds under management - related parties	8	**110,221,608**	115,188,859
Loans and advances - considered good	9	**5,612,073**	1,905,138
Trade deposits, short term prepayments and other receivables	10	**72,099,821**	28,314,625
Other financial assets - investments	11	**1,929,960,988**	2,436,812,890
Taxation - net		**89,373,380**	113,861,832
Cash and bank balances	12	**15,842,831**	11,327,725
		2,223,110,701	2,707,411,069
Total assets		**2,620,581,385**	3,093,383,221
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital	13	**801,718,180**	801,718,180
Unappropriated profit		**721,635,486**	718,836,118
Capital repurchase reserve account		**198,281,820**	198,281,820
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net		**461,102,049**	873,584,690
		2,182,737,535	2,592,420,808
Surplus on revaluation of fixed assets - net of tax	14	**183,058,851**	191,614,859
LIABILITIES			
Non - current liabilities			
Deferred tax liability - net	15	**15,600,544**	82,380,050
Liability against asset subject to finance lease	16	**3,508,147**	-
Current liabilities			
Accrued and other liabilities	17	**234,152,108**	226,967,504
Current maturity of liability against asset subject to finance lease	16	**1,524,200**	-
Total liabilities		**254,784,999**	309,347,554
Total equity and liabilities		**2,620,581,385**	3,093,383,221
Contingencies and commitments	18		

The annexed notes 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

JS investments

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		......................Rupees	....
Income			
Remuneration from funds under management - net	19	**198,371,204**	155,352,581
Commission from open end funds under management	20	**8,281,530**	8,650,537
Dividend income	21	**40,746,025**	29,203,440
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**4,254,181**	2,591,601
Net gain on sale of investments classified as 'available-for-sale'	11.3	**95,392,424**	261,128,788
Return on bank deposits		**1,440,082**	1,302,231
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	22	**5,703,483**	5,629,603
		354,188,929	463,858,781
Administrative and marketing expenses	23	**(317,691,530)**	(280,053,245)
Operating profit		**36,497,399**	183,805,536
Other expenses	24	**(1,369,320)**	(4,346,018)
Financial charges	25	**(293,171)**	(18,532)
		34,834,908	179,440,986
Other income	26	**34,952,899**	33,513,879
Profit before taxation		**69,787,807**	212,954,865
Taxation - net	27	**(35,458,541)**	(10,526,999)
Profit for the year		**34,329,266**	202,427,866
Earnings per share for the year - basic and diluted	28	**0.43**	2.52

The annexed notes 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		......................Rupees	....
Profit for the year		**34,329,266**	202,427,866
Other comprehensive (loss) / income to be reclassified to profit and loss account in subsequent periods			
Unrealised (diminution) / appreciation on remeasurement of investments classified as 'available-for-sale' - net	11.3	**(363,213,145)**	549,799,746
Reclassification adjustments relating to sale of investments	11.3	**(95,392,424)**	(261,128,790)
Related tax		**46,122,928**	(30,764,034)
		(412,482,641)	257,906,922
Total comprehensive (loss) / income for the year		**(378,153,375)**	460,334,788

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity.

The annexed notes 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

JS investments

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2017

	Note	2017	2016
		......................Rupees	....
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**69,787,807**	212,954,865
Adjustment for:			
Remuneration from funds under management - net	19	**(198,371,204)**	(155,352,581)
Commission from open end funds under management	20	**(8,281,530)**	(8,650,537)
Dividend income	21	**(40,746,025)**	(29,203,440)
Depreciation	5.1	**32,483,982**	26,062,259
Amortization of intangible assets	6	**1,462,096**	556,405
Financial charges	25	**293,171**	18,532
Return on bank deposits		**(1,440,082)**	(1,302,231)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**(4,254,181)**	(2,591,601)
Net gain on sale of investments classified as 'available-for-sale'		**(95,392,424)**	(261,128,788)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	26	**(2,784,545)**	(5,648,121)
Gain on disposal of property and equipment	26	**(598,487)**	-
		(247,841,422)	(224,285,238)
(Increase) / decrease in assets and liabilities			
Loans and advances		**(1,167,404)**	(2,747,669)
Trade deposits, short term prepayments and other receivables		**(43,406,870)**	(19,175,850)
Accrued and other liabilities		**12,905,249**	26,609,295
		(31,669,025)	4,685,776
		(279,510,447)	(219,599,462)
Taxes paid - net		**(31,305,844)**	(29,452,758)
Remuneration and commission received from funds under management		**211,619,985**	143,350,598
Net cash used in operating activities		**(99,196,306)**	(105,701,622)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(627,512,100)**	(773,617,703)
Sale proceeds from disposal of investment		**776,894,888**	887,602,566
Dividends received		**40,746,025**	29,203,440
Payment for purchase of property and equipment		**(41,244,490)**	(39,889,125)
Payment for purchase of intangible assets		**(8,309,681)**	(438,750)
Return on bank deposits		**1,454,958**	1,367,477
Sale proceeds from disposal of property and equipment		**1,775,315**	-
Net cash generated from investing activities		**143,804,915**	104,227,905
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(39,800,332)**	-
Financial charges paid		**(293,171)**	(18,532)
Net cash used in financing activities		**(40,093,503)**	(18,532)
Net increase / (decrease) in cash and cash equivalents		**4,515,106**	(1,492,249)
Cash and cash equivalents at beginning of the year		**11,327,725**	12,819,975
Cash and cash equivalents at end of the year	31	**15,842,831**	11,327,725

The annexed notes 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2017

		Reserves			
		Capital reserve	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account		Unappropriated profit	Total
	....Rupees..				
Balance as at Januray1, 2016	801,718,180	198,281,820	615,677,768	507,852,239	2,123,530,007
Total comprehensive income					
Profit for the year	-	-	-	202,427,866	202,427,866
Other comprehensive income - net of tax	-	-	257,906,922	-	257,906,922
Total comprehensive income for the year	-	-	257,906,922	202,427,866	460,334,788
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	8,556,012	8,556,012
Balance as at December 31, 2016	**801,718,180**	**198,281,820**	**873,584,690**	**718,836,118**	**2,592,420,808**
Total comprehensive income					
Profit for the year	-	-	-	34,329,266	34,329,266
Other comprehensive income - net of tax	-	-	(412,482,641)	-	(412,482,641)
Total comprehensive (loss) / income for the year	-	-	(412,482,641)	34,329,266	(378,153,375)
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	8,556,008	8,556,008
Final Dividend at the rate of Rs.0.5 per share for the year ended December 31 , 2017	-	-	-	(40,085,906)	(40,085,906)
Balance as at December 31, 2017	**801,718,180**	**198,281,820**	**461,102,049**	**721,635,486**	**2,182,737,535**

The annexed notes 1 to 35 form an integral part of these consolidated financial statements.

Chief Executive Officer | Chief Financial Officer | Director

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. THE GROUP AND ITS OPERATIONS

The group consists of:

- JS Investments Limited (JSIL) - Holding Company
- JS ABAMCO Commodities Limited (JSACL) - wholly owned subsidiary company

1.1 Holding company

JS Investments Limited (the Holding Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Holding Company are quoted on the Pakistan Stock Exchange Limited (Formerly known as "Karachi Stock Exchange Limited") since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Holding Company is a subsidiary of JS Bank Limited (the Parent Company has 65.16 percent direct holding in the holding Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co .Limited), ultimate parent.

The Holding Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Holding Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

The Holding Company is an asset management company and pension fund manager for the following at year ended:

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Capital Protected Fund - V
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds-2

Pension funds
- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2 Subsidiary company

JS ABAMCO Commodities Limited (the Subsidiary Company) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984 and is a wholly owned subsidiary of JS Investments Limited (the holding company). The principal object of the subsidiary Company is to carry out business in commodity market and related brokerage, advisory and consultancy services. The registered office of the Company is situated at 7th Floor, The Forum, Block-9 Clifton, Karachi.

2. BASIS OF PREPARATION AND CONSOLIDATION

2.1 The consolidated financial statements include the financial statements of JS Investments Limited and its subsidiary company together - "the Group".

- The financial statements of the subsidiary is prepared for the same reporting year as the holding company for the purpose of consolidation, using consistent accounting policies

- The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis.

- Non-Controlling Interest, if any, in equity of the subsidiary company is measured at proportionate share of net assets of the acquiree as of the acquisition date.

- Material intra-group balances and transactions have been eliminated.

3. BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 237 of the Companies Ordinance 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.
Effective May 30, 2017, the Companies Act, 2017 (the Act) has been promulgated, however, the Securities and Exchange Commission of Pakistan (SECP) vide its circular No. 23 of 2017 dated October 04, 2017 decided that the companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984.

Currently, in accordance with the requirements of repealed Companies Ordinance, 1984, the surplus on revaluation of fixed assets is shown below equity. However, the Companies Act, 2017 have removed the section relating to the treatment of surplus on revaluation of fixed assets as stated above, and the same is to be accounted for in accordance with the requirements of applicable accounting standards as the surplus to become part of equity after being routed through other comprehensive income. This change in accounting treatment will be reflected in the financial statements of the Company once the requirements for preparation of the financial statements as per the Companies Act, 2017 become effective

Currently, the Group is assessing the impact of the requirements of the Companies Act 2017, inculding the one mentioned above, on the financial statements for the future periods in terms of accounting as well as disclosure requirements.

3.2 Basis of measurement

These consolidated financial statements have been prepared under historical cost convention except for certain investments and office premises which are measured at fair value.

3.3 Functional and presentation currency

These consolidated financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are as follows:

i) Amortisation of intangible assets (note 3.2 and 5);

ii) Provision for taxation (note 3.12 and 26);

iii) Classification and valuation of investments (notes 3.3 and 11);

iv) Determination and measurement of useful life and residual value of property and equipment (note 3.1 and 4.1);

v) Valuation of office premises (note 3.1 and 4.2); and

vi) Recognition and measurement of deferred tax assets and liabilities (note 3.12 and 15).

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

Standard or Interpretation

IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)

IAS 12 Income Taxes – Recognition of Deferred Tax Assets for Unrealized losses (Amendments)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 12 Disclosure of Interests in Other Entities - Clarification of the scope of the disclosure requirements in IFRS 12

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

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

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

IFRS 2: Share-based Payments – Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts – (Amendments)	January 01, 2018
IFRS 15 – Revenue from Contracts with Customers	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018
IFRS 9 – Financial Instruments: Classification and Measurement	July 01, 2018
IFRS 9 Prepayment Features with Negative Compensation – (Amendments)	January 01, 2019
IFRIC 23 Uncertainty over Income Tax Treatments	January 01, 2019

The above standards, amendments and interpretations are not expected to have any material impact on the Group's financial statements in the period of initial application.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after January 01, 2018 and January 01, 2019.The Group expects that such improvements to the standards will not have any impact on the Group's financial statements in the period of initial application.

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

Standard	
IFRS 14 – Regulatory Deferral Accounts	January 01, 2016
IFRS 16 – Leases	January 01, 2019
IFRS 17 – Insurance Contracts	January 01, 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

a) Owned assets

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less impairment, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress. The revaluation model, as described in IAS 16 'Property Plant and Equipment', is followed in respect of 'Office premises'. In estimating the fair value of an asset, the Holding Company engages third party qualified valuers to perform the valuation. Management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The Chief Financial Officer reports any related findings to the Board of Directors every year to explain the cause of fluctuations in the fair value of office premises.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

b) Assets subject to finance leases
Assets held under finance leases are initially recorded at the lower of the present value of minimum lease payments under the lease agreements and the fair value of the leased assets. The related obligations under the lease, net of financial charges allocated to future periods, are shown as a liability.

The financial charges are allocated to accounting periods in a manner so as to provide a period rate of interest on the outstanding liability.

4.2 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 rate specified in note 5 to these unconsolidated financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, 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 Holding Company. 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.

4.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged to the profit and loss account.

The Group classifies its investments in the following categories:

Financial assets 'at fair value through profit or loss - held-for-trading'

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held-for-trading'. Subsequent to initial recognition, these investments are marked to market and are carried on the balance sheet at fair value, except for investments in unquoted debt securities which are carried at cost. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity where the Group has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices or which are not classified as 'at fair value through profit and loss - held-for-trading' and 'held-to-maturity' are classified as 'available-for-sale'. Subsequent to initial measurement, available-for-sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to other comprehensive income are transferred to the profit and loss account.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued. Fair value of units of open end mutual funds and government securities are determined on the basis of relevant redemption prices for the open-end mutual funds and quotations obtained from the PKRV sheets for government securities respectively. Unquoted securities are valued at cost.

4.4 Trade and other receivables

Trade and other receivables are recognized at original invoice value less provision for impairment, if any. Provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Trade and other receivables are written off when considered irrecoverable.

4.5 Trade and other payables

Liabilities for trade and other amounts payable are recognized initially at cost which is the fair value of consideration to be paid in the future for goods and services whether or not billed to the Group. These are subsequently measured at amortized cost.

4.6 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds.

- Realized gains / losses on sale of investments is recognized in the profit and loss account at the time of sale.

- Dividend income is recorded when the right to receive the dividend is established.

- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognized on time proportionate basis by using effective rate of interest.

- Commission income from open end funds is recognized at the time of sale of units.

- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognized as services are rendered.

4.7 Defined contribution scheme

The Holding Company operates an approved contributory provident fund for all of its permanent employees. The Holding Company and employees make equal monthly contributions to the fund at the rate of 7.33 percent of the basic salary.

4.8 Provisions

Provisions are recognized 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 outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.9 Impairment

Financial assets

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

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

Non-financial assets

The carrying amount of the Group's' non-financial assets other than deferred tax asset is reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell. Impairment losses are recognized in profit and loss account immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit and loss account, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case it is recognized in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Group under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

4.11 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks, running finance facilities availed by the Company (if any), which are payable on demand and form an integral part of the Group's cash management.

4.12 Financial instruments

All financial assets and liabilities are recognized at the time when the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit and loss account.

The Group derecognizes a financial liability when, and only when, the Group's obligation is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid or payable is recognized in profit and loss account.

4.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognized amount and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.14 Earnings per share

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

4.15 Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in the consolidated financial statements in the periods in which these are approved.

		2017	2016
		......................Rupees......................	
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	**367,085,044**	359,366,319
Capital work-in-progress - advance against purchase of assets		**14,185,164**	14,320,209
		381,270,208	373,686,528

5.1 Operating fixed assets

	2017					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles (note 5.1.1)	Total
	......................Rupees......................					
At January 01, 2017						
Cost / revalued amount	**372,660,000**	**3,430,894**	**25,499,697**	**115,666,039**	**21,824,255**	**539,080,885**
Accumulated depreciation	**(48,135,250)**	**(3,430,894)**	**(23,317,270)**	**(100,795,126)**	**(4,036,026)**	**(179,714,566)**
Net book value	**324,524,750**	**-**	**2,182,427**	**14,870,913**	**17,788,229**	**359,366,319**
Year ended December 31, 2017						
Opening net book value	**324,524,750**	**-**	**2,182,427**	**14,870,913**	**17,788,229**	**359,366,319**
Additions	**-**	**-**	**393,382**	**4,734,943**	**36,251,210**	**41,379,535**
Disposals	**-**	**-**	**-**	**(69,315)**	**(1,107,513)**	**(1,176,828)**
Depreciation charge for the year	**(18,633,000)**	**-**	**(315,872)**	**(7,206,090)**	**(6,329,019)**	**(32,483,982)**
Closing net book value	**305,891,750**	**-**	**2,259,937**	**12,330,450**	**46,602,908**	**367,085,044**
At December 31, 2017						
Cost / revalued amount	**372,660,000**	**3,430,894**	**25,893,079**	**114,897,506**	**56,106,553**	**572,988,032**
Accumulated depreciation	**(66,768,250)**	**(3,430,894)**	**(23,633,142)**	**(102,567,056)**	**(9,503,646)**	**(205,902,988)**
Net book value	**305,891,750**	**-**	**2,259,937**	**12,330,450**	**46,602,908**	**367,085,044**
Depreciation rate % per annum	**5%**	**20%**	**10%**	**25%**	**20%**	

	2016					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles (note 5.1.1)	Total
	......................Rupees......................					
At January 01, 2016						
Cost / revalued amount	372,660,000	3,430,894	24,348,194	107,150,974	5,921,907	513,511,969
Accumulated depreciation	(29,502,250)	(3,430,894)	(23,004,378)	(94,356,574)	(3,358,210)	(153,652,307)
Net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Year ended December 31, 2016						
Opening net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Additions	-	-	1,151,503	8,515,065	15,902,348	25,568,916
Depreciation charge for the year	(18,633,000)	-	(312,892)	(6,438,552)	(677,815)	(26,062,259)
Closing net book value	324,524,750	-	2,182,427	14,870,913	17,788,229	359,366,319
At December 31, 2016						
Cost / revalued amount	372,660,000	3,430,894	25,499,697	115,666,039	21,824,255	539,080,885
Accumulated depreciation	(48,135,250)	(3,430,894	(23,317,270)	(100,795,126)	(4,036,026)	(179,714,566)
Net book value	324,524,750	-	2,182,427	14,870,913	17,788,230	359,366,319
Depreciation rate % per annum	5%	20%	10%	25%	20%	

5.1.1 Vehicle with a net book value of Rs.7.083 (2016: Nil) million are held under finance lease. The leased vehicle is pledged as security for the related finance lease obligation.

5.2 The Holding Company follows the revaluation model for its office premises. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on the panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on the panel of State Bank of Pakistan and possesses appropriate qualification and have recent experience in the fair value measurements in the relevant locations. The fair value of the office premises was determined using the comparable price method after performing detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the property/project, condition, size, utilization, and other relevant factors. In the estimating the fair value of the office premises, the highest and best use of the premises is its current use.

Out of the total revaluation surplus of Rs.378.835 million, Rs.183.059 (2016: Rs.191.615) million net of tax remains undepreciated as at December 31, 2017.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, the management believes that the carrying value of 'office premises' approximates its fair market value.

5.3 Had there been no revaluation, the net book value of the office premises would have been Rs.44.504 (2016: Rs.50.915) million.

6. INTANGIBLE ASSETS - SOFTWARE

	2017	2016
	......................Rupees.....................	
At January 01, 2017		
Cost	**33,788,165**	33,349,415
Accumulated amortization	**(32,170,828)**	(31,614,423)
Net book value	**1,617,337**	1,734,992
Year ended December 31, 2017		
Opening net book value	**1,617,337**	1,734,992
Additions during the year	**8,309,681**	438,750
Amortization for the year	**(1,462,096)**	(556,405)
Closing net book value	**8,464,922**	1,617,337
At December 31, 2017		
Cost	**42,097,846**	33,788,165
Accumulated amortization	**(33,632,924)**	(32,170,828)
Net book value	**8,464,922**	1,617,337
Amortization rate % per annum	**20%**	20%

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	**2017**	2016
		......................Rupees.....................	
Loans to employees	7.1	**4,501,634**	4,829,075
Less: Current portion	9	**(3,218,026)**	(1,005,938)
		1,283,608	3,823,137
Long term prepayment	7.2	**3,935,342**	3,935,342
Less: Amortisation		**(589,862)**	(196,658)
Less: Current portion	10	**(393,534)**	(393,534)
		2,951,946	3,345,150
		4,235,554	7,168,287

7.1 These represent loans given to employees for purchase of motor vehicles, house loans and staff personal loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and four years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and staff personal loan carry mark-up at rates ranging from 2.94% to 5.99% (2016: 5.78% to 6.16%) per annum. The company has not discounted these loans at market interest rates as the effect of such discounting is not material to these financial statements. The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.4.63 (2016: Rs.4.82) million.

7.2 This represents payment made in respect of club membership fee for ten years to Karachi Boat Club.

8. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

8.1 Balances due from funds under management

	2017	2016
	......................Rupees......................	
Open end Funds (see note 19.1)		
JS Value Fund	**16,144,341**	16,751,200
JS Growth Fund	**37,041,495**	38,147,395
JS Large Cap Fund	**12,410,678**	14,301,526
Unit Trust of Pakistan	**17,891,651**	18,967,688
JS Income Fund	**5,700,065**	5,490,857
JS Islamic Fund	**7,906,235**	7,701,863
JS Fund of Funds	**653,135**	1,816,535
JS Pension Savings Fund	**3,790,699**	3,745,196
JS Islamic Pension Savings Fund	**2,097,802**	2,089,103
JS Islamic Income Fund	**1,302,934**	1,196,708
JS Cash Fund	**4,655,115**	4,645,648
JS Capital Protected Fund V	**279,949**	335,140
JS Islamic Hybrid Fund of Funds	**11,565**	-
JS Islamic Hybrid Fund of Funds 2 (IAAP 2)	**335,944**	-
	110,221,608	115,188,859
	110,221,608	115,188,859

8.2 Balances due from funds under management primarily represent accrual of management fee, sales tax and federal excise duty. Management fee is received within next month from the date of accrual.

9. LOANS AND ADVANCES - CONSIDERED GOOD

	Note	2017	2016
		......................Rupees......................	
Current portion of long-term loans to employees	7	**3,218,026**	1,005,938
Unsecured advances to			
- employees		**1,762,902**	881,288
- suppliers		**631,145**	17,912
		2,394,047	899,200
		5,612,073	1,905,138

10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

	Note	2017	2016
Rent and other receivable from related parties	10.1	**22,823,058**	18,213,976
Advance rent		**33,387,200**	-
Deposits		**4,246,956**	1,224,006
Prepayments		**8,192,618**	5,827,025
Others		**3,449,988**	3,049,618
		72,099,821	28,314,625

10.1 This includes Rs.17.883 (2016: Rs.16.520) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.4.567 (2016: Rs.2.818) million of expenses incurred on the formation on behalf of funds under management.

11. OTHER FINANCIAL ASSETS - INVESTMENTS

	Note	2017	2016
		......................Rupees.....................	
Investments by category			
Classified as 'available-for-sale'			
Units of mutual funds - related parties	11.1	**1,728,711,404**	2,136,805,539
Classified as 'at fair value through profit or loss - held-for-trading'			
Units of mutual funds - related parties	11.2	**201,249,584**	300,007,351
		1,929,960,988	2,436,812,890

11.1 Units of mutual funds - related parties

Number of units 2017	Number of units 2016	Name of fund	Note	2017 Average cost	2017 Fair value	2016 Fair value
				............................Rupees............................		
2,565,210	2,745,548	JS Value Fund		**416,726,980**	**514,145,110**	705,935,299
3,554,958	3,606,837	JS Growth Fund		**551,228,794**	**641,172,136**	804,829,563
240,000	240,000	JS Pension Savings Fund - Equity		**14,776,800**	**108,962,400**	129,504,000
177,761	177,761	JS Pension Savings Fund - Debt		**17,776,120**	**41,411,248**	39,590,973
177,463	177,463	JS Pension Savings Fund - Money Market		**17,746,342**	**33,230,025**	32,143,948
3,441,521	3,355,325	JS Fund of Funds		**181,553,403**	**174,244,213**	193,770,021
200,000	200,000	JS Islamic Pension Savings Fund - Equity		**18,170,000**	**125,186,000**	152,800,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt		**21,385,170**	**42,314,835**	41,262,685
222,303	222,303	JS Islamic Pension Savings Fund - Money Market		**22,230,337**	**38,029,437**	36,969,050
100,000	-	JS Islamic Hybrid Fund of Funds-2 (JS IAAP2)		**10,000,000**	**10,016,000**	-
				1,271,593,946	**1,728,711,404**	2,136,805,539
		Unrealised appreciation on remeasurement at fair value	11.3	**457,117,458**	**-**	-
				1,728,711,404	**1,728,711,404**	2,136,805,539

11.2 Units of mutual funds - related parties

Number of units 2017	Number of units 2016	Name of fund	2017 Average cost	2017 Fair value	2016 Fair value
			............................Rupees............................		
418,688	55,020	JS Cash Fund	**42,501,051**	**43,618,949**	5,789,732
552,774	1,439,650	JS Income Fund	**53,000,000**	**54,415,102**	143,345,924
1,007,964	1,469,339	JS Islamic Fund	**102,963,988**	**103,215,533**	150,871,695
			198,465,039	**201,249,584**	300,007,351
		Unrealised gain on remeasurement at fair value	**2,784,545**	**-**	-
			201,249,584	**201,249,584**	300,007,351

JS investments

11.3	Unrealised appreciation on remeasurement at fair value	Note	2017	2016
			......................Rupees......................	
	Market value of investments		**1,728,711,404**	2,136,805,539
	Less: Cost of investments		**(1,271,593,946)**	(1,221,082,512)
			457,117,458	915,723,027
	Unrealised appreciation at the beginning of the year		**915,723,027**	627,052,068
	Appreciation transferred to profit and loss account during the year		**(95,392,424)**	(261,128,788)
	(Diminution) / appreciation on remeasurement at fair value during the year		**(363,213,145)**	549,799,747
			(458,605,569)	288,670,959
			457,117,458	915,723,027

12.	CASH AND BANK BALANCES	Note	2017	2016
			......................Rupees......................	
	Cash in hand		**64,296**	71,476
	Cash at bank in:			
	Current accounts		**189,048**	169,048
	Saving accounts	12.1	**15,589,487**	10,904,190
			15,778,535	11,073,238
			15,842,831	11,144,714

12.1 These carry mark-up at the rates ranging from 3.75% to 6.2% (2016: 3.75% to 6.25%) per annum. It includes Rs.13.934 (2016: Rs.9.583) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITA

2017	2016		2017	2016
......................Rupees......................		**Authorised capitaL**	......................Rupees......................	
200,000,000	200,000,000	Ordinary shares of Rs.10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs.10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capitaL		
21,250,000	21,250,000	Ordinary shares of Rs.10 each issued as fully paid in casH	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs.10 each issued on amalgamation with Confidence Financial Services limited	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
(19,828,182)	(19,828,182)	Shares repurchased	**(198,281,820)**	(198,281,820)
80,171,818	80,171,818		**801,718,180**	801,718,180

13.1 As at year end, JS Bank Limited, the Parent Company, holds 52,236,978 (2016: 52,236,978) shares in the Company.

13.2 There is only one class of ordinary shares issued.

	2017	2016
	……………………Rupees……………………	
14. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
Surplus on revaluation of fixed assets as at 1st January	**273,693,602**	285,916,477
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to upappropriated profit during the year - net of deferred tax	**(8,556,008)**	(8,556,012)
Related deferred tax liability	**(3,666,863)**	(3,666,863)
	(12,222,871)	(12,222,875)
	261,470,731	273,693,602
Less: Related deferred tax liability on:		
- revaluation reserves from last year	**(82,078,743)**	(85,745,606)
- incremental depreciation charged during the year transferred to profit and loss account	**3,666,863**	3,666,863
	(78,411,880)	(82,078,743)
	183,058,851	191,614,859

15.DEFERRED TAX LIABILITY - net

	2017			
	Opening	**Charge / (reversal) to profit and loss account**	**Charge to surplus on revaluation of fixed assets / Other Comprehensiv e income**	**Closing**
	……………………Rupees……………………			
Taxable temporary differences on:				
Accelerated tax depreciation	**9,260,392**	**87,365**	**-**	**9,347,757**
Surplus on revaluation of fixed assets	**82,078,743**	**(3,665,552)**	**-**	**78,413,191**
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	**1,015,744**	**(562,259)**	**-**	**453,485**
Unrealized appreciation on 'available-for-sale' investments	**42,138,343**	**-**	**(46,122,928)**	**(3,984,585)**
Deductible temporary differences on:				
Short term provisions	**(470,644)**	**470,644**	**-**	**-**
Provision for Workers' Welfare Fund	**(19,879,485)**	**(509,751)**	**-**	**(20,389,236)**
Provision for donation	**(1,222,187)**	**1,024,949**	**-**	**(197,238)**
Deferred tax asset on carried forward tax losses	**(30,540,856)**	**(17,501,974)**	**-**	**(48,042,830)**
	82,380,050	**(20,656,578)**	**(46,122,928)**	**15,600,544**

	2016			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / Other Comprehensiv e income	Closing
	....................Rupees....................			
Taxable temporary differences on:				
Accelerated tax depreciation	9,654,667	(394,274)	-	9,260,393
Surplus on revaluation of fixed assets	85,745,606	(3,666,863)	-	82,078,743
Revaluation on investments classified at fair value through profit or loss' - held-for-trading	1,250,124	(234,380)	-	1,015,744
Unrealized appreciation on available for sale investments	11,374,307	-	30,764,036	42,138,343
Deductible temporary differences on:				
Short term provisions	(313,673)	(156,971)	-	(470,644)
Provision for Workers' Welfare Fund	(18,575,677)	(1,303,809)	-	(19,879,486)
Provision for donation	(1,067,179)	(155,008)	-	(1,222,187)
Deferred tax asset on carried forward tax losses	(9,532,443)	(21,008,413)	-	(30,540,856)
	78,535,732	(26,919,718)	30,764,036	82,380,050

15.1 The Holding Company has an aggregate amount of Rs.160.225 (2016: Rs.101.803) million in respect of unabsorbed tax losses as at December 31, 2017 on which a deferred tax asset has been recognised.

16. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

		2017	2016
		.........Rupees.........	
Present value of minium lease payments	16.1	**5,032,347**	-
Current maturity shown under current liabilites		**(1,524,200)**	-
		3,508,147	-

16.1 The liability against asset subject to finance lease represents the lease entered into with a Modaraba for Mercedez Benz to Chief Executive Officer (a related party). The periodic lease payments include rates of mark up of KIBOR 6M plus 1.5% with floor of 7.5% and ceiling of 20% (2016: Nil) per annum. The Holding Company, shall subject to compliance with the conditions specified in the lease agreement, purchase the asset from the lessor. There are no fianacial restriction in the lease agreements.

The amounts of future payments for the lease and the period in which the lease payments will become due are as follows:

	2017		
	Minimum lease payments	Financial charges	Present value of minimum lease payments
	....................Rupees....................		
Year ended December 31,			
2018	1,837,043	312,843	1,524,200
2019	1,720,189	195,989	1,524,200
2020	1,599,082	79,023	1,520,059
2021	465,475	1,587	463,888
Total	**5,621,789**	**589,442**	**5,032,347**

			2017	2016
		Note	......................Rupees......................	
17.	**ACCRUED AND OTHER LIABILITIES**			
	Salary payable		**1,710,677**	1,373,793
	Staff bonus accrued		**20,000,000**	10,000,000
	Accrued expenses		**19,107,506**	26,248,293
	Fee and commission payable		**9,281,989**	7,546,884
	Unclaimed dividend		**3,405,083**	3,119,509
	Provision for compensated absences		**-**	1,568,814
	Sales tax payable		**17,694,418**	16,035,663
	Federal Excise Duty payable	17.1	**92,283,608**	92,283,607
	Provision for Sindh Workers' Welfare Fund	24	**9,718,079**	8,475,873
	Provision for Workers' Welfare Fund	17.2	**26,478,628**	26,478,628
	Provision for Workers' Welfare Fund on behalf of funds under management	17.2	**31,310,453**	31,310,453
	Other liabilities		**3,161,667**	2,525,987
			234,152,108	226,967,504

17.1 This represents amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

17.2 Prior to certain amendments made through the Finance Acts of 2006 and 2008, Workers' Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, 2008, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, the Honorable High Court of Sindh in the year 2013 did not accept the above arguments and declared the amendments made through Finance Act as valid. Both these decisions were later challenged in the Honorable Supreme Court of Pakistan.

Last year, the Honorable Supreme Court of Pakistan passed a judgment on 10 November 2016, declaring the insertion of amendments introduced in the Finance Acts pertaining to WWF as unlawful and thereby striking down such amendments. However, a petition has been filed in the Honorable Supreme Court of Pakistan for the review of the aforementioned judgement. In view of the said review petition, the Company on the basis of abundant caution has continued to maintain provision of Rs.57.619 (2016: 57.619) million against WWF as at the year end.

18. CONTINGENCIES and COMMITMENTS

18.1 Contingencies

In respect of the appeals filed by the Holding Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of above said order of CIR (Appeals) for tax year 2006 and 2009, the Holding 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 was deleted the additions of tax amortization of management rights and remand back the issues of disallowed provisions and advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax year 2006 and 2009 whereby demands for these tax years were reduced at Rs 77.33 million and Rs 59.93 million respectively. As the allocation of expenditure in the said appeal effect orders were not made according to actual incurrence of expenditure to the various sources of income, therefore, the Holding Company again filed appeals before the CIR (Appeals) against the said orders

In respect of second appeal filed by the Holding Company before CIR (Appeals) against appeal effect orders for tax year 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

The CIR (Appeals) also rectified the order passed by his predecessor for tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs. 29 million. The tax authorities have filed 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 Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which Company filed appeal before the CIR(A).

Management, based on views of its legal counsel, is confident of a favorable outcome in respect of above matters.

	2017	2016
	......................**Rupees**.....................	
18.2 Commitments in respect of:		
Royalty and advisory payment - a related party	**10,000,000**	10,000,000

19 REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

	Note	2017	2016
		......................Rupees......................	
Open end Funds			
JS Value Fund		**27,021,621**	27,444,310
JS Growth Fund		**58,471,777**	55,388,963
Unit Trust of Pakistan		**36,413,356**	34,829,989
JS Income Fund		**22,951,610**	10,481,943
JS Islamic Fund		**34,751,928**	16,863,352
JS Fund of Funds		**2,729,996**	2,186,619
JS Islamic Hybrid Fund of Funds		**530,719**	-
JS Islamic Hybrid Fund of Funds 2 (IAAP 2)		**69,418**	-
JS Pension Savings Fund		**8,496,305**	7,641,286
JS Islamic Pension Savings Fund		**5,153,494**	4,541,634
JS Cash Fund		**3,228,308**	3,706,214
JS Islamic Income Fund		**1,645,878**	1,840,874
JS Capital Protected Fund V		**3,167,510**	1,995,615
JS Large Cap Fund		**19,527,540**	21,223,633
		224,159,460	188,144,432
		224,159,460	188,144,432
Less: Sindh sales ax		**(25,788,256)**	(20,939,013)
Less: Federal excise duty	17.1	**-**	(11,852,838)
		198,371,204	155,352,581

19.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management company / investment advisor of the Fund is entitled to an accrued remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the fund that has been verified by the trustee and is paid in arrears on monthly basis and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended December 31, 2017 the Holding Company has charged management fee at the rates ranging from 0.50% to 2% (2016: 0.50% to 2%).

19.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2017 amounts to Rs.13,524 (2016: Rs.12,545) million.

20 COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT

	Note	2017	2016
		......................Rupees......................	
Unit Trust of Pakistan		**234,758**	663,545
JS Islamic Fund		**3,164,605**	1,758,779
JS Fund of Funds		**1,672,652**	2,951,181
JS Value Fund		**91,966**	568,223
JS Growth Fund		**110,093**	178,314
JS Islamic Income Fund		**-**	8,487
JS Income Fund		**324,814**	586,379
JS Pension Savings Fund		**11,680**	11,633
JS Islamic Pension Savings Fund		**39,780**	21,840
JS Cash Fund		**3,701**	61,300
JS Large Cap Fund		**1,094,878**	1,639,246
JS Capital Protected Fund V		**-**	201,610
JS Islamic Hybrid Fund of Funds 2 (IAAP 2)		**266,526**	-
JS Islamic Hybrid Fund of Funds		**1,266,077**	-
	20.1	**8,281,530**	8,650,537

20.1 This represents gross commission income earned by the Group on account of sale of units made on behalf of the funds under management.

		2017	2016
21	**DIVIDEND INCOME**	**...................Rupees...................**	
	'Available-for-sale'		
	JS Fund of Funds	**6,710,650**	10,324,687
	JS Value Fund	**10,119,785**	4,781,094
	JS Growth Fund	**20,835,674**	4,912,129
		37,666,109	20,017,910
	'At fair value through profit or loss - held-for-trading'		
	JS Income Fund	**-**	3,979,714
	JS Islamic Income Fund	**3,079,916**	5,205,816
		3,079,916	9,185,530
		40,746,025	29,203,440

22 REMUNERATION AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS AND NON DICRETIONARY CLIENT PORTFOLIO

This represents commission income and share of profit earned by the holding company from management of discretionary portfolios and non-discretionary portfolio. Currently, the holding company is managing Thirteen (2016: Eighteen) discretionary and one non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2017 was Rs.332.74 (2016: Rs.539.34) million and Rs. 299.87 (2916: Rs.586.50) million respectively.

		Note	**2017**	2016
23	**ADMINISTRATIVE AND MARKETING EXPENSES**		**...................Rupees...................**	
	Salaries and benefits		**132,372,858**	115,388,616
	Directors' fee		**475,000**	450,000
	Staff retirement benefits	23.1	**7,180,664**	5,433,132
	Staff bonus		**21,697,020**	10,000,000
	Amortisation of intangible assets	6	**1,462,096**	556,405
	Depreciation	5.1	**32,483,982**	26,062,259
	Printing and stationery		**4,019,484**	4,554,561
	Rent, rates, taxes and maintenance		**17,783,833**	14,461,275
	Travelling, conveyance and vehicle maintenance		**10,596,544**	7,354,523
	Transfer agent remuneration		**6,882,698**	7,836,060
	Postage and telephone		**5,410,127**	4,431,323
	Legal and professional		**13,047,123**	16,250,617
	Fees and subscription		**8,550,937**	5,980,180
	IT services		**11,420,133**	9,083,400
	Utilities		**8,077,502**	10,155,792
	Office security		**1,388,582**	1,485,526
	Insurance		**8,219,499**	5,682,567
	Newspaper		**202,438**	185,772
	Royalty and advisory fee	23.5	**10,000,000**	10,000,000
	Shariah advisory fee	23.6	**208,579**	954,168
	Auditors' remuneration	23.7	**1,581,800**	1,341,500
	Fees and commission		**3,795,568**	1,919,846
	Donation	23.8	**657,461**	4,073,957
	Training and development		**964,703**	481,228
	Miscellaneous expenses		**3,295,178**	2,725,468
	Advertisement, selling and marketing expense	23.9	**5,917,722**	13,175,070
			317,691,530	280,053,245

23.1 Staff retirement benefits include contributions to defined contribution plan of Rs.7.18 (2016: Rs.5.43) million.

		2017	2016
		......................Rupees......................	
23.2	Number of employees at the end of the year	**144**	148
23.3	Average number of employees during the year	**143**	137

23.4 The Holding Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The unaudited information related to provident fund as at December 31, 2017 is as follows:

	2017	2016
	......................Rupees......................	
Number of employees	**101**	83
Size of provident fund (Rupees)	**22,460,201**	29,685,424
Cost of investments (Rupees)	**7,125,502**	18,310,958
Percentage of investments	**31%**	72%
Fair value of investment (Rupees)	**6,969,712**	21,430,664
Break-up of investments		
- Balance in JS Islamic Fund, a related party		
Amount of investment (Rupees)	**-**	4,982,753
Percentage of size of investment	**0%**	17%
- Balance in other listed securities		
Amount of investment (Rupees)	**6,969,712**	16,447,911
Percentage of size of investment	**31%**	55%
Total investments in listed securities	**6,969,712**	21,430,664
Percentage of size of investment	**31%**	72%
- Balance in scheduled banks		
Amount of investment (Rupees)	**13,683,918**	7,884,679
Percentage of size of investment	**61%**	27%

23.4.1 Based on un-audited financial statements of the Fund, the investments out of provident fund have been made in accordance with the provisions of section 227 of the repealed Companies Ordinance, 1984 and the Rules formulated for this purpose.

23.5 Royalty and advisory fee represents amounts paid to Mr. Jahangir Siddiqui on account of his name and advisory services, respectively.

23.6 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund, JS Islamic Income Fund and JS Islamic Hybrid Fund of Funds.

		2017	2016
		......................Rupees......................	
23.7	**Auditors' remuneration**		
	Annual audit fee	**1,025,200**	857,500
	Fee for review of the statement of compliance on Code of Corporate Governance	**57,500**	50,000
	Out of pocket expenses	**172,500**	150,000
	Fee for review of half yearly financial statements	**230,000**	200,000
	Sindh sales tax	**96,600**	84,000
		1,581,800	1,341,500

23.8 This represents donation to Future Trust, wherein Mr. Suleman Lalani (Director of the Holding Company) and Mr. Kalim-ur-Rahman are trustees. Mr. Suleman Lalani is the Chief Executive Officer and Director of Jahangir Siddiqui & Co. Limited (JSCL), the ultimate Parent Company of JSIL. Further, Mr. Kalim-ur-Rahman is a Director in JSCL and JS Bank Limited. No other directors / executives or their living spouses have any interest in the donees.

23.9 The SECP vide Circular 40/2016 dated December 30, 2016, prescribed certain conditions on Asset Management Companies (AMC) for charging of selling and marketing expenses to open end equity, for opening of new branches in cities, except Karachi, Lahore, Islamabad and Rawalpindi, Minimum shall be 0.4% er annum of net assets of fund or actual expenses whichever is lower. Selling and marketing expenses for the period ended December 31, 2017 recovered from Funds were amounting to Rs.2.65 (2016: Rs.Nil) million.

24 OTHER EXPENSES

In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Group has recognized a net provision of Rs.1.369 (2016: Rs.4.346) million for the year, aggregating to Rs.9.718 (2016: Rs.8.476) million as at December 31, 2017. Accordingly, the Holding Company has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no.1459 dated June 2, 2017. The said suit is currently pending before the SHC.

25 FINANCIAL CHARGES

	Note	2017	2016
		......................Rupees......................	
Bank charges		**5,908**	18,532
Financial charges for laibility against asset subject to finance lease		**287,263**	-
		293,171	18,532

26 OTHER INCOME

	Note	2017	2016
Income from financial assets			
Mark-up on loans to employees		**196,295**	96,544
Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	11.2	**2,784,545**	5,648,121
Liabilities no longer required	26.1	**9,171,106**	5,091,000
Others		**-**	1,799,417
Income from non-financial assets			
Rental income	26.2	**22,202,466**	20,878,797
Gain on disposal of property and equipment		**598,487**	-
		34,952,899	33,513,879

26.1 This represents reversal of certain provisions no longer required to be payable by the Group.
26.2 This represents rental income earned during the year from related parties.

27 TAXATION - Net

	2017	2016
	......................Rupees......................	
Current	**41,475,119**	44,875,974
Prior years	**14,639,998**	(7,429,257)
Deferred	**(20,656,576)**	(26,919,718)
	35,458,541	10,526,999

27.1 The income tax assessments of the Holding Company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2017 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax Ordinance, 2001. The details of tax years 2006 and 2009 have been described in note 18.1 above.

27.2 Relationship between accounting profit and tax expense is as follows:

	2017	2016
	......................Rupees.....................	
Accounting profit before taxation	**69,787,807**	212,954,865
Tax at applicable rate of 30% (2016: 31%)	**20,936,342**	66,164,979
Tax impact of income under FTR and differential in tax rates	**(8,849,827)**	(5,239,908)
Tax impact of exempt capital gains	**(23,436,013)**	(63,568,396)
Tax impact of minimum tax	**18,544,849**	14,612,244
Tax impact of provision u/s 5A	**5,052,586**	-
Tax impact of permanent differences	**1,332,148**	1,294,485
Tax impact of prior year	**14,639,998**	(7,429,257)
Tax impact of expenses allocated to FTR income	**7,773,436**	6,692,398
Deferred tax recognised at higher rate	**-**	(632,160)
Others	**(534,979)**	(1,367,386)
	35,458,541	10,526,999

	2017	2016
	......................Rupees.....................	
28 EARNINGS PER SHARE - Basic and diluted		
Profit for the year after taxation	**34,329,266**	202,427,866
	------- Number of shares -------	
Weighted average number of ordinary shares outstanding during the year	**80,171,818**	80,171,818
Earnings per share (Rupees)	**0.43**	2.52

28.1 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2017 and December 31, 2016 which would have any effect on the earnings per share if the option to convert is exercised.

29 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Holding Company are as follows:

	Chief Executive Officer		**Executives**	
	2017	**2016**	**2017**	**2016**
	....................Rupees....................			
Managerial remuneration	**15,295,451**	6,951,056	**74,662,372**	26,032,077
House rent allowance	**-**	1,025,000	**-**	3,866,167
Utilities allowance	**-**	341,667	**-**	1,288,726
Bonus paid	**2,500,000**	750,000	**7,654,520**	1,965,000
Car allowance	**-**	-	**476,093**	6,085,258
Retirement benefits	**1,032,864**	605,435	**5,078,780**	2,188,602
Medical Allowance	**1,529,549**	694,827	**7,466,237**	2,687,422
Other benefits	**3,500**	21,000	**4,787,327**	650,056
	20,361,364	10,388,985	**100,125,329**	44,763,308
Number of persons	**2**	1	**59**	15

29.1 During the period Dr. Ali Akhtar Ali remained CEO till February 28, 2017, and from March 01, 2017 Mr. Hasnain Raza Nensey has appointed as new CEO of the Holding Company.

29.2 The Chief Executive Officer of the Holding Company is provided with free use of company owned and maintained vehicle during the year.

29.3 The Holding Company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

29.4 In addition, meeting fee of Rs.50,000 (2016: Rs.50,000) per meeting was paid to two non-executive directors for meetings attended during the year. The non-executive directors are not entitled to any remuneration except meeting fee.

29.5 The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

29.6 No remuneration is paid to the CEO of the Subsidiary Company.

30 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company),funds under management and other companies with common directorship, staff provident fund and key management employees. Contributions to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plans. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms. Transactions and balances with related parties can be summarised below:

30.1 Transactions during the year

	Note	2017	2016
30.1.1 Transactions with the funds under management		......................Rupees.....................	
Remuneration - net of taxes		**198,371,204**	155,352,581
Commission income		**8,281,530**	8,650,537
Investments made		**627,512,100**	773,617,703
Investments disposed off / matured		**776,894,888**	887,602,566
Expenses incurred by the Company on behalf of funds		**22,637,820**	14,882,880
Reimbursements of expenses by the funds		**16,620,102**	11,856,358
Dividend income		**40,746,025**	29,203,440
30.1.2 Transactions with Ultimate Parent - Jahangir Siddiqui & Co. Limited			
Expenses incurred by the Company on behalf of JSCL		**61,300**	73,615
Reimbursements of expenses incurred by the company on behalf of JSCL		**87,545**	25,531
30.1.3 Transactions with the Parent Company - JS Bank Limited (JSBL)			
Rent income		**6,389,108**	5,785,236
Rent expense		**7,291,590**	5,801,932
Management fee sharing on distribution of mutual funds		**286,963**	381,963
Expenses incurred by the Company on behalf of JSBL		**2,489,774**	930,355
Reimbursements of expenses incurred by the company on behalf of JSBL		**2,070,619**	307,389
Return on bank deposits		**1,266,033**	1,210,702
30.1.4 Transactions with other related parties			
Rent income		**15,813,357**	15,093,562
Insurance premium paid		**4,267,489**	3,068,017
Provident fund contributions made		**7,180,664**	5,433,132
Expenses incurred on behalf of companies		**6,293,292**	6,983,137
Reimbursements of expenses by the companies		**6,606,169**	4,102,816
Other payments made	30	**-**	11,111,060

30. This amount was received by the Company on behalf of JS Securities Services Limited (JSSSL) and the Company returned the same to JSSSL.

		2017	2016
		......................Rupees.....................	
30.1.5	**Transactions made with companies - Common Directorship**		
	Donations Paid	**4,073,957**	3,556,536
30.1.6	**Transactions with Key Management personnel**		
	Remuneration	**73,878,961**	55,152,262
	Directors' meeting fee	**475,000**	450,000
	Disbursements of personal loans and advances	**1,855,000**	2,391,437
	Repayments of loans and advances	**1,081,194**	1,522,687
	Royalty and advisory payment	**10,000,000**	10,000,000

30.2 Balances outstanding as at the year end

30.2.1	**Balance due from funds Under Management**		
	Receivable from Funds under Management	**119,187,282**	118,155,294
	Payable Funds under Management	**1,843,599**	134,470
30.2.2	**Balances outstanding from Ultimate Parent -** Jahangir Siddiqui & Co. Limited		
	Receivable against expenses incurred on behalf of companies	**21,893**	48,084
30.2.3	**Balances outstanding from Parent Company - JS Bank Limited (JSBL)**		
	Receivable against expenses incurred on behalf of bank	**1,180,396**	761,241
	Rent payable	**2,836,482**	1,349,332
	Rent receivable	**3,542,347**	6,210,845
	Profit on bank deposits	**70,171**	85,048
30.2.4	**Balances outstanding from other related parties**		
	Receivable against expenses incurred on behalf of companies	**4,615,244**	4,903,290
	Payable against contribution to Provident Fund	**8,566**	456,318
	Rent receivable	**4,107,658**	1,524,394
	Rent payable	**2,237,580**	2,289,734
30.2.5	**Balances outstanding from related parties under common directorship**		
	Receivable against expenses incurred on behalf of companies	**-**	597,249
30.2.6	**Balances outstanding from Key Management personnel**		
	Balance as at the year end	**2,279,805**	1,505,999

30.3 Other balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

30.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

30.5 There are no transactions with key management personnel other than under their terms of employment.

30.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 29 to the financial statements.

	2017	2016
	......................**Rupees**.....................	
31 CASH AND CASH EQUIVALENTS		
Cash and bank balances	**15,842,831**	11,327,725

32 FINANCIAL RISK MANAGEMENT

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 Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the group are being managed by the Company's management in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the holding Company has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's financial assets primarily comprise of balance with banks, balances due from funds under management - related parties, loans and advances - considered good, other financial assets - investments classified as: 'At fair value through profit or loss - held-for-trading' - units of mutual funds - related parties, 'available-for-sale' - units of mutual funds - related parties. The Group also has profit receivable, deposits and other receivables. The Group's principal financial liabilities includes accrued and other liabilities.

32.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Group manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

32.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

32.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Group does not hold any variable profit based investment except balances with bank in deposit account exposing the Group to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2017, with all other variables held constant, the equity of the Group and net profit for the year would have been higher / lower by Rs.0.155 (2016: Rs.0.111) million.

b) **Sensitivity analysis for fixed rate instruments**

As at December 31, 2017 theGroup does not hold any fixed rate instruments, therefore the Group is not exposed to fair value profit rate risk.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.

	2017					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
		....Rupees..				
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	2.94% to 5.99%	-	-	1,283,608	-	1,283,608
Deposit for office premises				-	2,500,000	2,500,000
Deposit for membership				-	1,000,000	1,000,000
Balances due from funds under management - related parties		-	-	-	110,221,608	110,221,608
Loans and advances - considered good	2.94% to 5.99%	-	3,218,026	-	-	3,218,026
Trade deposits and other receivables		-	-	-	30,520,002	30,520,002
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'		-	-	-	201,249,584	201,249,584
'Available-for-sale'		-	-	-	1,728,711,404	1,728,711,404
Bank balances	3.75% - 6.25%	-	15,589,487	-	253,344	15,842,831
-		-	18,807,513	1,283,608	2,074,455,942	2,094,547,063
Financial liabilities						
Accrued and other liabilities		-	-	-	56,666,922	56,666,922
Liability against asset subject to finance lease		379,301	1,144,899	3,508,147	-	5,032,347
		379,301	1,144,899	3,508,147	56,666,922	61,699,269
On-balance sheet gap		(379,301)	17,662,614	(2,224,539)	2,017,789,020	2,032,847,794

	2016					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
		....Rupees..				
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.78% to 6.16%	-	-	3,823,137	-	3,823,137
Deposit for office premises					2,500,000	2,500,000
Deposit for membership					1,000,000	1,000,000
Balances due from funds under management - related parties		-	-	-	115,188,859	115,188,859
Loans and advances - considered good	5.78% to 6.16%	-	1,005,938	-	-	1,005,938
Trade deposits and other receivables		-	-	-	22,487,600	22,487,600
Other financial assets - investments classified:						
'At fair value through profit or loss - held-for-trading'		-	-	-	300,007,351	300,007,351
'Available-for-sale'		-	-	-	2,136,805,539	2,136,805,539
Bank balances	3.75% - 6.25%	-	11,067,001	-	260,724	11,327,725
		-	12,072,939	3,823,137	2,578,250,073	2,594,146,149
Financial liabilities						
Accrued and other liabilities		-	-	-	52,383,280	52,383,280
	-	-	-	52,383,280	52,299,280	52,383,280
On-balance sheet gap		-	12,072,939	3,823,137	2,525,866,793	2,541,762,869

32.1.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Group manages its exposure to price risk by investing in Companies as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2017, the equity of the Holding Company would increase / decrease by Rs.96.498 (2016: Rs.121.841) million, as a result of reduction / increase in unrealized gains / (losses).

32.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to fulfil their obligations. There is a possibility of default of issuers of the instrument, financial institutions or counter parties.

Management of credit risk

The Group's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The Investment Committee closely monitors the creditworthiness of theGroup's counterparties (e.g., issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Group only invests in liquid equity and money market based collective investment schemes (CIS).

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2017	2016
	......................Rupees.....................	
Long-term loans - considered good	**1,283,608**	3,823,137
Deposit for office premises	**2,500,000**	2,500,000
Deposit for membership	**1,000,000**	1,000,000
Balances due from funds under management - related parties	**110,221,608**	115,188,859
Loans and advances - considered good	**3,218,026**	1,005,938
Trade deposits and other receivables	**30,520,002**	22,487,600
Other financial assets - investments	**1,929,960,988**	2,436,812,890
Bank balances	**15,842,831**	11,327,725
	2,094,547,063	2,594,146,149

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2017.

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

97.40% (2016: 98.38%) of the financial assets aggregating to Rs.2,040.183 (2016: Rs.2,552.002) million are invested in the Funds managed by the Holding Company.The Holding Company believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Company to any major concentration risk.

Details of the credit ratings of the bank balances are as follows:

	2017	2016
	Bank balances	
	................%................	
AAA	**3.7%**	0.7%
AA-	**96.2%**	12.5%
A+	**0.0%**	85.2%
AA	**0.1%**	1.7%

32.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Holding Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

Maturity analysis for financial liabilities

The table below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

JS investments

	2017				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	........Rupees........				
Liabilities					
Accrued and other liabilities	**56,666,922**	**1,633,157**	**55,033,765**	**-**	**-**
Liability against asset subject to finance lease	**5,032,347**	**129,502**	**249,799**	**1,144,899**	**3,508,147**
	61,699,269	**1,762,659**	**55,283,564**	**1,144,899**	**3,508,147**

	2016				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	........Rupees........				
Liabilities					
Accrued and other liabilities	52,299,280	2,257,660	50,041,620	-	-
	52,299,280	2,257,660	50,041,620	-	-

32.4 Financial instruments by category

	2017			
	Loans and Receivables	At fair value through profit and loss - held-for-trading	Available-for-sale	Total
	---------- (Rupees in '000) ----------			
Assets				
Long-term loans - considered good	**1,283,608**	**-**	**-**	**1,283,608**
Deposit for office premises	**2,500,000**			**2,500,000**
Deposit for membership	**1,000,000**			**1,000,000**
Balances due from funds under management - related parties	**110,221,608**	**-**	**-**	**110,221,608**
Loans and advances - considered good	**3,218,026**	**-**	**-**	**3,218,026**
Trade deposits and other receivables	**63,907,202**	**-**	**-**	**63,907,202**
Other financial assets - investments	**-**	**201,249,584**	**1,728,711,404**	**1,929,960,988**
Cash and bank balances	**15,842,831**	**-**	**-**	**15,842,831**
	164,586,075	**201,249,584**	**1,728,711,404**	**2,094,547,063**

	2017	
	Other financial liabilities	Total
	------ (Rupees) ------	
Liabilities		
Accrued and other liabilities	**56,666,922**	**56,666,922**
Liability against asset subject to finance lease	**5,032,347**	**5,032,347**
	61,699,269	**61,699,269**

	2016			
	Loans and Receivables	At fair value through profit and loss - held-for-trading	Available-for-sale	Total
	(Rupees in '000)			
Assets				
Long-term loans - considered good	3,823,137	-	-	3,823,137
Deposit for office premises	2,500,000	-	-	2,500,000
Deposit for membership	1,000,000	-	-	1,000,000
Balances due from funds under management - related parties	115,188,859	-	-	115,188,859
Loans and advances - considered good	1,005,938	-	-	1,005,938
Trade deposits and other receivables	22,487,600	-	-	22,487,600
Other financial assets - investments	-	300,007,351	2,136,805,539	2,436,812,890
Cash and bank balances	11,327,725	-	-	11,327,725
	157,333,259	300,007,351	2,136,805,539	2,594,146,149

	2016	
	Other financial liabilities	Total
	(Rupees)	
Liabilities		
Accrued and other liabilities	52,383,280	52,383,280
	52,383,280	52,383,280

33 FAIR VALUE OF FINANCIAL AND OTHER ASSETS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It 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 (i.e. an exit price). Adoption of IFRS 13, has not affected the financial statements.

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

The following table shows financial instruments recognised at fair value, analysed between those whose fair value is based on:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Office premises are revalued by professional valuer (see note 5.2). The valuation is based on their assessment of market value of the underlying properties and this categorised under Level 2.

The table below analyse financial instruments measured at the end of the reporting half year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2017			
	Level 1	Level 2	Level 3	Total
	-------------------------Rupees-------------------------			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	**-**	**1,728,711,404**	**-**	**1,728,711,404**
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	**-**	**201,249,584**	**-**	**201,249,584**
Office premises	**-**	**305,891,750**	**-**	**305,891,750**
	-	**2,235,852,738**	**-**	**2,235,852,738**

	2016			
	Level 1	Level 2	Level 3	Total
	-------------------------Rupees-------------------------			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	2,136,805,539	-	2,136,805,539
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	300,007,351	-	300,007,351
Office premises	-	324,524,750	-	324,524,750
	-	2,761,337,640	-	2,761,337,640

33.1 Valuation techniques used in determination of fair values within level 2:

33.1.1 Fair values of investment in mutual funds are measured on the basis of closing net asset value as announced by the respective Asset Management Company.

33.1.2 Fair value of office premises is measured using the comparable price method after detailed enquiries and verification from various estate agents, brokers and builders keeping in view the location of the premises, condition, size, utilization, and other relevant factors. The highest and best use of the premises is its current use.

33.2 During the year ended December 31, 2017, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

34 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 maximize shareh older 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 company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

35 GENERAL

35.1 These Consolidated financial statements were authorised for issue on February 23, 2018 by the Board of Directors of the Group.

35.2 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Holding Company has sufficient insurance coverage from an insurance company, rated AA+ by a rating agency registered with the Commission, against financial losses that may be caused as a result of gross negligence of its employees.

35.3 Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current year. However, there are no material reclassification / re-arrangement to report.

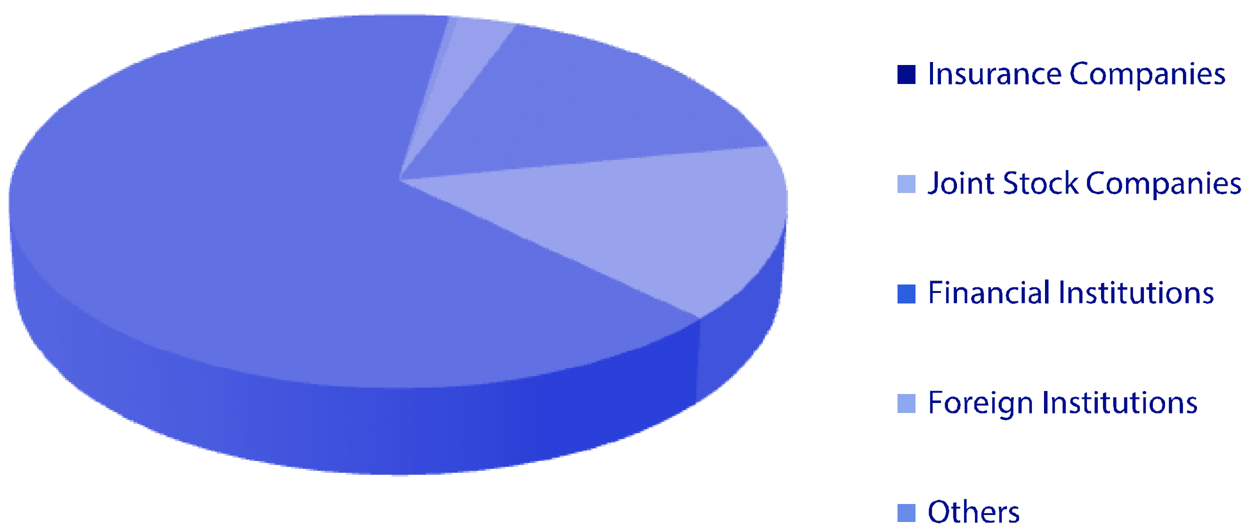
35.4 The figures in the consolidated financial statements have been rounded off to the nearest rupees.

Chief Executive Officer	Chief Financial Officer	Director

PATTERN OF SHAREHOLDING
AS ON DECEMBER 31, 2017

No. of Shareholders	Shareholdings				Total Shares Held
557	Shareholding From	1	To	100	9,230
593	Shareholding From	101	To	500	262,561
252	Shareholding From	501	To	1000	239,889
374	Shareholding From	1001	To	5000	1,022,118
97	Shareholding From	5001	To	10000	785,799
31	Shareholding From	10001	To	15000	411,597
29	Shareholding From	15001	To	20000	555,650
12	Shareholding From	20001	To	25000	275,100
8	Shareholding From	25001	To	30000	220,505
9	Shareholding From	30001	To	35000	302,250
6	Shareholding From	35001	To	40000	234,500
2	Shareholding From	40001	To	45000	83,000
13	Shareholding From	45001	To	50000	649,500
4	Shareholding From	50001	To	55000	210,368
4	Shareholding From	55001	To	60000	232,000
4	Shareholding From	60001	To	65000	255,625
1	Shareholding From	65001	To	70000	70,000
4	Shareholding From	70001	To	75000	294,821
1	Shareholding From	75001	To	80000	78,500
1	Shareholding From	80001	To	85000	82,500
1	Shareholding From	85001	To	90000	87,500
5	Shareholding From	95001	To	100000	494,168
3	Shareholding From	110001	To	115000	338,100
1	Shareholding From	115001	To	120000	116,000
2	Shareholding From	135001	To	140000	280,000
5	Shareholding From	145001	To	150000	743,500
1	Shareholding From	150001	To	155000	150,059
3	Shareholding From	170001	To	175000	521,500
1	Shareholding From	190001	To	195000	194,500
1	Shareholding From	195001	To	200000	200,000
1	Shareholding From	200001	To	205000	202,000
1	Shareholding From	225001	To	230000	225,500
1	Shareholding From	245001	To	250000	250,000
1	Shareholding From	250001	To	255000	255,000
2	Shareholding From	270001	To	275000	548,000
1	Shareholding From	275001	To	280000	279,000
1	Shareholding From	280001	To	285000	281,000
1	Shareholding From	295001	To	300000	300,000
1	Shareholding From	335001	To	340000	336,500
1	Shareholding From	365001	To	370000	369,000
1	Shareholding From	390001	To	395000	394,000
1	Shareholding From	475001	To	480000	480,000
1	Shareholding From	585001	To	590000	589,500
1	Shareholding From	645001	To	650000	646,000
1	Shareholding From	755001	To	760000	759,000
1	Shareholding From	2225001	To	2230000	2,228,500
1	Shareholding From	3155001	To	3160000	3,158,000
1	Shareholding From	7230001	To	7235000	7,233,000
1	Shareholding From	52235001	To	52240000	52,236,978
2045					**80,171,818**

S.No.	Category Of Shareholders	Number of Shareholders	Shares Held	Percentage
1	Individuals	2008	13,102,344	16.34
2	Insurance Companies	1	5,215	0.01
3	Joint Stock Companies	28	12,251,485	15.28
4	Financial Institutions	2	52,236,997	65.16
5	Foreign Institutions	2	341,014	0.43
6	Others	4	2234763	2.79
		2,045	**80,171,818**	**100.00**



1. DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN

Name	Shares Held	Percentage
MR. SULEMAN LALANI	5,502	
MR. HASNAIN RAZA NENSEY	3	
MR. KAMRAN JAFAR	1	
MR. AHSEN AHMED	1	
MR. MUHAMMAD RAZA DYER	1	
MR. BASIR SHAMSIE	1	
MR. ASIF REZA SANA	1	
MR. MUHAMMAD YOUSUF AMANULLAH	1	
TOTAL	**5,511**	**0.01**

2. ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES.

J S BANK LIMITED.	52,236,978	
JAHANGIR SIDDIQUI & SONS LIMITED	7,233,000	
TOTAL	**59,469,978**	**75.18**

3. NIT AND ICP	**NIL**	**NIL**

4. BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS & NON BANKING FINANCE COMPANIES

NATIONAL BANK OF PAKISTAN	19	
TOTAL	**19**	**0.00**

5. INSURANCE COMPANIES

STATE LIFE INSURANCE CORP. OF PAKISTAN	5,215	
TOTAL	**5,215**	**0.01**

6. MODARABAS AND MUTUAL FUNDS

CDC - TRUSTEE AKD OPPORTUNITY FUND	3,158,000	
GOLDEN ARROW SELECTED STOCKS FUND LIMITED	394,000	
TOTAL	**3,552,000**	**4.43**

7. SHAREHOLDERS HOLDING SHARES 5% OR MORE

J S BANK LIMITED.	52,236,978	
JAHANGIR SIDDIQUI & SONS LIMITED	7,233,000	
TOTAL	**59,469,978**	**74.18**

8.EXCUTIVES

Employees of the Company other than CEO and Directors	1,557	
TOTAL	**1,557**	**0.00**

FORM OF PROXY
ANNUAL GENERAL MEETING

The Company Secretary
JS Investments Limited
7th Floor, The Forum, G-20,
Khayaban-e-Jami, Clifton,
Karachi- 75500.

I/We_________________________________of___________________________________ being member(s) of JS Investments Limited, holding __________________ ordinary shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS) ________________________hereby appoint Mr. / Mrs. / Miss _____________________________ of__________________ (Folio no. CDC A/c No.) ____________________ or failing him/her Mr. / Mrs. / Mss ______________________________ of __________________ (Folio no. CDC A/c No.) _______________________ being member of the company, as my / our proxy to attend, act and vote for me / us and my / our behalf at the Annual General Meeting of the Company to be held on 10th April, 2018 and / or any adjournment thereof.

As witness my / our hand seal this _________________________ day of 2018. Signed by _______________

In the presence of

Witnesses:

1. Name ______________________________________
   Signature ____________________________________
   Address _____________________________________
   ____
   CNIC / Passport No.___________________________

2. Name ______________________________________
   Signature ____________________________________
   Address _____________________________________
   ____
   CNIC / Passport No.___________________________

Signature on Rs. 5/- Revenue Stamp

The Signature should agree with the specimen registered with the Company

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.

2. This proxy form, duly completed and signed, must be received at the office of Company situated at 7th Floor, The Forum, G-20, Khayaban-e-Jami, Clifton, Karachi not later than 48 hours before the scheduled time of the meeting.

3. No person shall act as proxy unless he / she himself / herself is a member with the Company, except that a Corporation may appoint a person who is not a member.

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. 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 CNIC or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature shall be submitted along with proxy form..

AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Investments Limited
7th Floor, The Forum, G-20,
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600.

فارم برائے پراکسی

سالانہ اجلاس عام

کمپنی سیکریٹری،
جے ایس انویسٹمنٹس لمیٹڈ
۷فلور، دی فورم، G-۲۰،
خیابانِ جامی، بلاک 9 کلفٹن
کراچی۔ ۷۵،۶۰۰

میں/ہم --------- از --------- جے ایس انویسٹمنٹس لمیٹڈ کے ممبران اور بمطابق رجسٹرڈ فولیو نمبر/سی ڈی سی/اکاؤنٹ نمبر (CDC میں حصص رکھنے والے ممبران کیلئے) ---------، --------- عمومی حصص کے مالکان ہیں، جناب --------- از --------- (فولیو نمبر ---------) یا ان کی عدم دستیابی کی صورت میں جناب --------- از --------- (فولیو نمبر ---------) کو کمپنی کے ممبر کی حیثیت سے کمپنی کے سالانہ اجلاس عام منعقدہ ۱۰ اپریل ۲۰۱۸ یا کسی ملتوی شدہ تاریخ پر اپنی جانب سے حاضر ہونے، حصہ لینے اور ووٹ دینے کیلئے عیوضی (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

گواہان کے (نام اور پتے کی موجودگی میں آج بروز ---------، --------- ماہ ۲۰۱۸ کو میں نے ذاتی طور پر دستخط کئے/مہر ثبت کی ---------------------------------

گواہ:

۱۔ نام: ---------------------------
دستخط: ---------------------------
پتہ: ---------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: ---------

۲۔ نام: ---------------------------
دستخط: ---------------------------
پتہ: ---------------------------

کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ نمبر: ---------

۵ روپے کی ریونیو اسٹیمپ
پر دستخط کئے جائیں

دستخط کمپنی میں موجود دستخط کے نمونے
کے مطابق ہونا چاہئیں

اہم نوٹ:

i۔ تمام ممبران اجلاس میں شرکت کرنے اور ووٹ دینے کے اہل ہیں۔ کمپنی کا کوئی ممبر کسی دوسرے ممبر یا غیر۔ممبر کو اپنی جگہ اجلاس میں حاضر ہونے، حصہ لینے اور ووٹ دینے کیلئے عیوضی (پراکسی) مقرر کر سکتا ہے۔

ii۔ ممبرز ذاتی طور پر بذریعہ ویڈیو لنک یا عیوضی (پراکسی) اجلاس میں شرکت کر سکتے ہیں۔ مجموعی ادا شدہ شیئر کیپٹل کی ۱۰ فیصد ملکیت رکھنے والے شہر کا/کے رہائشی ممبر/ممبران میٹنگ میں شرکت کیلئے ویڈیو لنک کی سہولت فراہم کرنے کیلئے مطالبہ کر سکتا/سکتی/سکتے ہیں۔ ویڈیو لنک کا مطالبہ اجلاس کی تاریخ سے کم از کم 7 دن پہلے کرنا ضروری ہے۔

iii۔ باقاعدہ مکمل اور دستخط شدہ پراکسی فارم اجلاس عام کے انعقاد سے کم از کم ۴۸ گھنٹے قبل کمپنی کے رجسٹرڈ دفتر بمقام ۷فلور، دی فورم، G-۲۰، خیابانِ جامی، بلاک 9 کلفٹن، کراچی پر موصول ہو جانا چاہئیں۔

iv۔ اگر کوئی ممبر ایک سے زائد عیوضی (پراکسی) مقرر کرتا ہے اور ایک سے زائد عیوضی (پراکسی) انسٹرومنٹ کمپنی کو موصول ہوتے ہیں تو ایسے تمام انسٹرومنٹس منسوخ تصور کئے جائیں گے۔

v۔ فزیکل حصص کے مالکان اور سی ڈی سی میں رجسٹرڈ حصص کے مالکان اور/یا ان کے عیوضی (پراکسی) کو اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ شناخت کے مقاصد کیلئے پیش کرنا ہوگا۔ باقاعدہ مکمل اور دستخط شدہ پراکسی فارم کمپنی میں مقررہ وقت پر جمع کروا دیا جائے، جس پر دو گواہوں کے دستخط، نام، پتہ، کمپیوٹرائزڈ قومی شناختی کارڈ نمبر یا پاسپورٹ نمبر درج ہو۔ اس کے ہمراہ بینیفشل مالک اور پراکسی کے کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل بھی منسلک ہونا ضروری ہے۔ کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ دستخط کے نمونے جمع کروائی جائے (اگر پہلے سے پراکسی فارم کے ہمراہ جمع نہیں کروائی گئی)۔

JS investments

درست ٹکٹ چپکائیں

کمپنی سیکریٹری
جے ایس انویسٹمنٹس لمیٹڈ
۷ فلور، دی فورم، G-۲۰
خیابانِ جامی، بلاک ۔ ۹، کلفٹن

Annual Report 2017

Karachi (Head Office)
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