ANNUAL REPORT
2018

Annual Report 2018

JS investments

Managing Mutual Funds Better!

CONTENTS

VISION

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

MISSION

To build JS Investments 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

COMPANY INFORMATION

Board of Directors

Mr. Basir Shamsie	Chairman
Mr. Hasnain Raza Nensey	Chief Executive Officer
Mr. Suleman Lalani	Non-Executive Director
Mr. Kamran Jafar	Non-Executive Director
Mr. Babbar Wajid	Non-Executive Director
Syed Tauqir Haider Rizvi	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

Statutory Auditors
EY Ford Rhodes

Legal Advisors
Bawaney and Partners

BOARD COMMITTEES

Audit Committee
Mr. Asif Reza Sana (Chairman)
Mr. Ahsen Ahmed
Mr. Suleman Lalani

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

Executive Risk Management Committee
Mr. Basir Shamsie
Mr. Babbar Wajid
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
Email: info@jsil.com
Website: www.jsil.com

Mr. Basir Shamsie – Chairman

Mr. Basir Shamsie is President & CEO of JS Bank Limited.

Mr. Shamsie has received his Bachelors in Business Administration from University of Texas at Austin. He has also completed the Program for Leadership Development from Harvard Business School. Mr. Shamsie joined Bear Stearns Jahangir Siddiqui & Co. in 1994 in the Money and Bond Markets business. His particular expertise is in Treasury and Investment Banking and he is credited with over 60 capital market deals, many of which have been landmark transactions for Pakistan.

He was part of the core team responsible for acquisition of American Express Bank's Pakistan operations in 2006 and its merger into JS Bank Ltd. Mr. Shamsie has since been associated with JS Bank in various senior roles such as Group Head of Treasury, Wholesale & International Banking which he held till May of 2017. His last assignment was Deputy CEO, JS Bank.

In the year 2016, he joined as a member/Chairman of the 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 24 years of which around 16 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 Chairman of JS Bank Limited, the holding company of JSIL and as a director on the board of Al-Abbas Sugar Mills Limited.

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

Mr. Kamran Jafar is the Deputy CEO of JS Bank Limited

Mr. Jafar is a seasoned banker with twenty years of a proven track record in Banking. He has received his Bachelors in Business Administration from University of Houston, University Park, Texas. Mr. Jafar joined JS Bank in February 2008 in Retail Banking Group. His expertise is in Retail Banking, Consumer Banking, SME, Commercial and Corporate Banking. He has been associated with JS Bank in various senior roles such as Group Head Retail Banking and Group Head Corporate and Retail Banking, to which he held till August 2018. 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

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

Mr. Babbar Wajid

Babbar Wajid is an Executive Vice President at JS Bank, heading Product Development & Consumer Banking business. He has a demonstrated history of 18 years working at leading banks in Pakistan, in a variety of retail and consumer banking product and business roles.

He has been associated with JS Bank for over five years, and is directly responsible for product development. Babbar also leads the consumer banking business at JS Bank, along with supervising wealth management, home remittances, retail lending & alternate delivery channels. He began his career at Union Bank, followed by HBL, Atlas Bank & Silkbank, before joining JS Bank in 2012. He has also been associated with Szabist as an adjunct faculty member between 2006 and 2012, teaching various Marketing & Strategy courses.

Babbar Wajid is an MBA from Institute of Business Administration, Karachi.

Address: C/o JS Investments Ltd. 7th Floor, The Forum, Block 9, Clifton, Karachi.

Syed Tauqir Haider Rizvi

Presently Syed Tauqir Haider Rizvi is working in the capacity of SEVP and Business Head North, JS Bank Limited. The North covers the area of Northern Punjab i.e. from Jhelum, Chakwal, Dina, Rawalpindi, Islamabad, Taxila, Attock, Entire KPK province, Gilgit Baltistan and Sate of Azad Jammu & Kashmir. Mr. Rizvi has a vast & diversified experience of over 27 years in senior managerial capacity with different financial institution like Gulf Commercial Bank, PICIC Bank, Habib Bank, Askari and Bank Al Habib. He had key positions in mentioned banks and remained active member of various committees like Credit, Man Com, ALCO, DAC etc; there. He has leadership qualities to develop the team & meet the challenges/targets assigned/set by higher management. He is DAIBP and holds International certificate in Banking Risks and Regulations from GARP(Global Association of Risk Professionals), New Jersey, USA. He has attended many courses, seminars and workshops on Banking, Finance and management. He has done M.Sc. (Mathematics) from University of Punjab, Lahore.

CORPORATE SOCIAL RESPONSIBILITY

JSIL strongly believes in giving back to society and regularly conducts events that benefit the larger community. One such event was conducted in Karachi in Ramadan 2018 at "Dar ul Sukoon" - a home for children with special needs and disabilities. JSIL's team spent time with the children and served them with Iftar/dinner. JSIL also contributes to philanthropic activities in partnership with Mahvash & Jahangir Siddiqui Foundation and Future Trust. These entities are actively engaged in the areas of education, health care, improvement of socio-economic conditions and humanitarian relief. The business practices of JSIL have no adverse impact on the environment. We are continuously looking at options to become environmentally friendly with efforts such as reducing paper by switching to electronic forms and methods especially in the area of customer statements and marketing collateral.

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). PFBP-WO'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 fourth (24th) Annual General Meeting of the members of JS Investments Limited, (the "Company") will be held at 10:30 a.m. on Wednesday, April 10, 2019 at Ramada Creek Hotel, DHA Phase VIII, Karachi to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the separate and consolidated audited financial statements of the Company for the year ended December 31, 2018, together with the Directors' and Auditors' reports thereon and Chair man's Review Report.

2. To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that 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 Businesses:

3. To ratify and approve balances and the transactions carried out by the Company and funds under its man agement in the ordinary course of business on arm's length basis with JS Bank Limited (Related Party) as at and during the financial year ended December 31, 2018 under the authority of the resolution passed by the members in the last annual general meeting held on April 10, 2018.

4. To authorize the Chief Executive of the Company to approve all transactions carried out or to be carried out with Related Parties in the ordinary course of business on arm's length basis till next Annual General Meeting.

5. To consider and approve the disposal of Company's assets comprising office space measuring 27,604.5 square feet located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi to JS Bank Limited, the parent company of JS Investments.

Attached to this Notice is a statement of material facts in relation to the aforesaid special business, as required under Section 134(3) of the Companies Act, 2017. This statement has been dispatched to the shareholders by post along with the notice. The notice of meeting as well as statement has also been placed on the Company's website: (www.jsil.com)

By order of the Board

Muhammad Khawar Iqbal
Company Secretary

Karachi: March 18, 2019

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 2018 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 Wednesday, April 03, 2019 to Wednesday, April 10, 2019 (both days inclusive) for attending the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business on April 2, 2019 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")** 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 Deposi tory 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 updat ed address for correspondence.

7. **Payment of cash dividend through electronic mode.** 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 Com pany'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, 2018 effective 01 July 2018, 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 physi cal 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 in the standard format placed on the website of the company within the time frame mentioned in the form.

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.

Agenda Item No. 3 of the Notice – Ratification / Approval of Transactions carried out with related parties during the year ended 31 December, 2018.

The Company and funds under its management carried out transactions as detailed in the below draft resolu tion with JS Bank Limited in the ordinary course of business on arm's length basis under the authority of the special resolution of the members as approved by them during the last annual general meeting held on April 10, 2018. All such transactions and balances appearing on balance sheet date are presented before the Board of Directors for their review and consideration on recommendation of the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017.

However, since majority of the Company's Directors (namely Mr. Basir Shamsie, Mr. Kamran Jafar, Mr. Babbar Wajid, Syed Tauqir Haider Rizvi and Mr. Suleman Lalani) were considered interested in the transactions carried out with JS Bank Limited as mentioned in the below draft resolution. Therefore, these transactions conducted by the Company and Funds under its management with JS Bank Limited during the calendar year ended 31 December, 2018 are being placed before the shareholders for their consideration and approval. These transac tions with related party are entered in ordinary course of business on arm's length basis.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

"Resolved that following transactions carried out by the Company and Funds under its management in the ordinary course of business with JS Bank Limited during the financial year ended December 31, 2018 be and are hereby ratified, approved and confirmed.

Entity	Expense Incurred	Expense Reimbursed	Rent Payable	Rent Receivable	Rent Expense
JS Investments Ltd	1,739,478	2,213,643	478,766	3,894,359	7,166,952

Fund / Entity	Bank Balance/ TDR Balance in JSBL	Mark up income	Mark up receivable	Bank Charges deducted	Rent Income
JS Investments Ltd	20,947,481	1,986,105	65,484	42,035	6,914,147
Fund / Entity	**Bank balance/ TDR Balance in JSBL**	**Mark up income**	**Mark up receivable**	**Bank charges deducted**	
JS Income Fund	15,364,575	8,017,119	459,448	11,458	
JS Islamic Income Fund	782,443	1,372	-	200	
JS Fund of Funds	664,754	2,011,070	29,452	1,079	
JS Cash Fund	383,037	110,284	75,965	3,224	
JS Growth Fund	53,385,072	5,728,923	615,552	432	
JS Value Fund	12,879,799	3,051,770	301,471	4,875	
JS Pension Savings Fund	185,391	645,818	39	6,862	
JS Islamic Hybrid Fund of Funds	70,000	-	-	-	
JS Large Cap. Fund	910,039	1,950,895	145,804	8,521	
Unit Trust of Pakistan	9,130,939	3,220,201	138,979	4,880	
JS Islamic Fund	7,679,452	-	-	4,457	

Agenda Item No. 4 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 funds under its management shall continue to carry out transactions with JS Bank Limited in its ordinary course of business at arm's length basis till next annual general meeting. The majority of the Directors are interested in these transactions. Therefore, these transactions with related parties have to be approved by the shareholders in terms of Section 208 of the Companies Act, 2017 and Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2017.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions to be carried out in the ordinary course of business on arm's length basis with related parties as mentioned in the following draft resolution (with or without modifications) till next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

> **"Resolved** that the Chief Executive of the Company be and is hereby authorized to approve transactions to be carried out with related parties in the ordinary course of business on arm's length basis till next Annual General Meeting.
>
> **Resolved further** that these transactions shall be placed before the shareholders in the next Annual General Meeting for ratification/approval."

Interest of Directors:

Mr. Suleman Lalani and Mr. Basir Shamsie are common directors in JSIL and JSBL

Mr. Basir Shamsie, Mr. Kamran Jafar, Mr. Babbar Wajid, and Syed Tauqir Haider Rizvi are the employees of JSBL.

Agenda No. 5 of the Notice - To consider and approve the disposal of Company's assets comprising office space measuring 27,604.5 square feet located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi to JS Bank Limited, the parent company of JS Investments

This Statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on April 10, 2019.

It is proposed to dispose of Company's assets comprising of Office Premises Nos. 714 – 717, collectively measuring 8,710.50 Sq. feet and Office Premises Nos. 718 – 727, collectively measuring 18,894 Sq. feet [total area being 27,604.5 Sq. feet] at 7th Floor, The Forum, Block-9, KDA Scheme No. 5, Clifton, Karachi to JS Bank Limited, the holding company. However, since the majority of directors are interested in this transaction, therefore, the same is being placed before the shareholders for passing resolution(s) as special resolution(s) with or without any modification, addition or deletion:

The information regarding office premises is as follows:

Description / Name of Asset(s)	Acquisition & Revaluation date of Assets*	Cost as at December 31, 2018 including surplus on revaluation	Book Value as at December 31, 2018 (including surplus on revaluation)	Proposed Transaction Value Amount
		----------- Rupees ------------		
Office premises 27,604.5 square feet located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi	Acquisition Date: June & October 2004 Last revaluation Date: May 2014	372,660,000	287,258,750	607,299,000

*** Assets were acquired during the year 2004.**
*** The revaluation of freehold land and building on freehold land was carried out as as May 31, 2014 by M/s. KG Traders (Private) Ltd.**

Where expected sale price is lower than book value or fair value, reasons thereof:

The expected sale price is not lower than book value

The proposed manner of disposal

By negotiation

Purpose of Sale of Assets

The Company is shifting its registered office from "The Forum", Khayaban-e-Jami, Block 9, Clifton to "The Centre", Saddar, Karachi. Accordingly, it intends to sell the existing premises.

The disposal of assets under reference is expected by June 30, 2019.

Utilization of proceeds

The Company will utilize the proceeds in its normal course of business and also invest in its own mutual funds and / or other instruments including (but not limited to) bank deposits, Government Securities, Term Finance Certificates / Sukuks in order to generate competitive returns.

Effect on operational capacity of the Company

No impact

Quantitative and Qualitative Benefits expected to accrue to the members

The proceeds from the disposal of assets which would not only increase the shareholder's wealth but would also generate cash that can be invested in funds under management against competitive returns. This will result in better performance of the Company as a whole.

Interest of Directors:

Mr. Suleman Lalani and Mr. Basir Shamsie are common directors in JSIL and JSBL

Mr. Basir Shamsie, Mr. Kamran Jafar, Mr. Babbar Wajid, and Syed Tauqir Haider Rizvi are the employees of JSBL.

The following resolution resolution(s) is proposed to be passed as special resolution(s) with or without any modification, addition or deletion:

RESOLVED THAT approval of the members of JS Investments Limited (the "Company") be and is hereby accorded to dispose of the Company's assets comprising office space measuring 27,604.5 square feet located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi to JS Bank Limited, the holding company at a cash consideration of PKR 607,299,000 (Rupees Six Hundred & Seven Million Two Hundred and Ninety Nine Thousand Only). .

FURTHER RESOLVED THAT as part and parcel of the foregoing consent, Mr. Hasnain Raza Nensey, CEO and/or Mr. Muhammad Khawar Iqbal, Company Secretary be and are hereby authorized and empowered to act on behalf of the Company in carrying out and performing all acts, matters, things and deeds to implement and/or give effect to the sale and to take all actions incidental or ancillary thereto including but not limited to the execution of agreements/documents and appearance before the concerned sub registrar with regard to sale of office premises.

FINANCIAL AND BUSINESS HIGHLIGHTS

		2018	2017	2016	2015	2014	2013
KEY INDICATORS							
Performance							
Return on assets	%	1.66	1.14	7.06	6.34	26.03	29.24
Total assets turnover	Days	56.31	45.40	59.52	53.87	127.17	178.78
Receivables turnover	Days	211.11	202.81	270.64	216.04	120.29	26.34
Return on equity	%	2.02	1.36	8.53	7.65	30.58	39.51
Leverage							
Debt:Equity	%	0.02	-	-	-	-	-
Interest cover	times	18.14	232.81	11,878.71	13,628.04	1,279.60	14.00
Liquidity							
Current	times	7.56	9.28	11.72	10.93	14.06	14.72
Quick	times	7.56	9.25	11.70	10.91	14.03	14.67
Valuation							
Earnings per shares	Rs.	0.52	0.40	2.49	1.75	6.49	5.98
Breakup value per share	Rs.	24.66	26.97	32.10	26.29	24.50	17.98
Price earning ratio	times	15.37	23.39	6.22	9.89	1.93	1.83
Market price to break up value	times	0.32	0.35	0.48	0.66	0.51	0.61
Market value per share - year end	Rs.	8.00	9.40	15.50	17.30	12.56	10.92
Market value per share - High	Rs.	11.50	17.50	17.49	18.64	14.22	11.47
Market value per share - Low	Rs.	7.65	9.95	13.51	12.04	10.32	6.34
Market capitalization (Rs. in Million)		641.37	753.62	1,242.66	1,386.97	1,256.00	1,092.00
Historical trends							
Management fee (Rs. in Million)		195.07	198.37	155.35	159.72	201.68	222.74
Operating profit (Rs. in Million)		17.18	35.58	181.89	170.38	641.49	776.86
Profit before tax (Rs. in million)		57.01	67.50	209.80	199.30	660.82	624.54
Profit after tax (Rs. in million)		41.73	32.22	199.70	174.27	649.48	598.18
Assets under management (Rs. in million)		20,847.76	14,453.00	13,521.00	9,548.00	10,867.94	12,854.00
No. of funds under management		14	14	12	11	13	13
Share capital (Rs. in million)		801.72	801.72	801.72	801.72	1,000.00	1,000.00
Shareholders equity (Rs. in million)		1,976.79	2,161.94	2,573.74	2,107.58	2,449.70	1,797.66
Total assets (Rs. in million)		2,435.73	2,599.12	3,074.01	2,586.12	2,915.53	2,074.08
Contribution to the national exchequer (Rs. in million)		51.31	30.58	29.01	27.34	15.12	39.00
Payouts							
Cash dividend	%	-	-	5	-	-	10

Chairman's Review

2018 was a challenging year on multiple fronts for not only, JS Investments Limited (JSIL) but for the entire asset management industry. Nonetheless, the progress and development shown in terms of Assets under Management (AUM) at JSIL reveal that we are truly well positioned for the long term. First and foremost, I would like to express my gratitude to all our stakeholders for their continued support and encouragement and place on record the appreciation for the valuable services rendered by the employees of the Company.

The year under review was marked with major events on the political landscape in Pakistan. With a new government being elected amidst a challenging economic environment, domestic equity markets showed increased volatility throughout 2018. The second half of the year saw major adjustments on the interest rate and currency fronts – factors which point towards the upcoming year being incrementally challenging as structural adjustments take place. The asset management industry shrunk by 4% in 2018 in terms of AUM to close the year at PKR 562 billion. Despite the challenges, JSIL managed to grow from PKR 12 billion to PKR 18.6 Billion (excluding Fund of Funds and Separately Managed Accounts). Key highlights of the year included strong inflows into the Principal Preservation Series as well as into the Cash Funds. Distribution of JSIL products by JS Bank showed tremendous results, both in terms of addition of AUMs and an increase in the client base. This was achieved by a focused approach to create a sustainable wealth management platform.

The overall governance of JSIL, through the Board's oversight of the management during the year, has improved significantly. The Board's focus has remained on key areas such as fund performance improvement, rationalization of the product suite as well as improved technology to ensure a higher standard of operational excellence and service delivery. During the year, the Board and its various committees met frequently to provide strategic direction to the management and deliberate extensively on key issues such as the product suite viability / enhancement, target market segmentation and how to overcome human resources related challenges.

In addition to the committees already functioning, the Executive Committee of the Board was given an incremental mandate of risk management and consequently named the Executive Risk Management Committee.

The Board of Directors approved a detailed and aggressive business plan presented by the management for 2019. The same was deliberated at length and featured amongst other factors, a clear focus on technology and a major shift in the sales model for internal sales teams / investment advisors. Supported by the long-term vision of the Board, the management also successfully acquired the Private Equity and Venture Capital Fund Management Services license from SECP – becoming the fourth such entity in Pakistan to have acquired the same.

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 climb up the ladder very fast and be a significant player in the AMC industry.

Basir Shamsie
Chairman

Report of the Directors to the Shareholders

For the year ended December 31, 2018

We are pleased to present the unconsolidated audited financial statements and auditors' report of JS Investments Limited (JSIL) for the year ended December 31, 2018.

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. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from SECP.

The Economy

The year 2018 saw Pakistan face significant economic challenges such as a mediocre growth rate, high fiscal and current account deficits, and low levels of foreign exchange reserves. A looming balance-of-payments crisis caused by exports lagging expectations and an import bill, a third made up of payments for oil, expanding uncomfortably raised the country's Current Account Deficit (CAD) to over 5% of GDP. CAD for the first half of Calendar Year 2018 (CY18) stood at USD 7.98 billion compared to USD 8.35 billion in the same period last year.

The fiscal deficit rose from 5.8% of GDP in 2017 to 6.6% of GDP in 2018 due to falling revenues and a higher primary deficit. A surging trade deficit led by a 3% increase in imports over the previous year with exports stagnating at USD 24.8 billion exacerbated the situation. Like the currency of other emerging economies, the Pakistani Rupee (PKR) came under heavy pressure with multiple devaluations taking place from its previous levels. Headline inflation picked up towards the end of the year, remaining above 6% and well above the 2017 average of 4%, with the country's loose fiscal policy and rapidly growing domestic credit being one of the primary reasons. SBP's foreign exchange reserves plunged to USD 7.3 billion by the end of financial year 2018 (CY18), while total foreign exchange reserves stood at USD 13.8 billion. The Pakistani stock market never recovered from its low of 2017, giving its worst performance for over a year. Then there was the resurfacing of the circular debt which could only be resolved by reducing energy subsidies, raising energy taxes and recapitalizing state entities.

All news was not bad news, however. A depreciation of the rupee to boost exports, interest rate increases to stem inflation, large increase in gas tariffs closer to cost recovery levels, and the proposed increase in electricity tariffs were all steps looked upon positively by lenders. The drop in oil prices from a high of USD 87 continued to support demand and economic activity not only in Pakistan but globally. The inflow of Chinese investments under CPEC continued to help growth and was predicted to further improve the country's growth potential. The country also become more open for business jumping 11 places on the World Bank's Ease of Doing Business Index. With a history of going to the IMF in times of duress, the new government was able to secure approximately USD 12 billion in financing from Saudi Arabia and the United Arab Emirates. Negotiations with the IMF continue, albeit at a slower pace as the government looks for a less severe austerity package from the Fund with a stricter focus on structural reforms. The pouring in of investments and growing interest in the country from across the globe in recent months shows the world's confidence in a re-emerging Pakistan.

Equity Market Performance

During CY18, the KSE-100 index performed below par with a negative return of 8% to close at the 37,067 level, making it the second consecutive decline in 22 years. In terms of the United States Dollar (USD), the index fared worse with a negative return of 27% year-on-year (YoY) due to a 20% devaluation of the local currency resulting in a market capitalization loss of USD 231 billion. Investors' concerns over sharp interest rate increase, PKR devaluation against the greenback, lack of clarity over external funding, political uncertainty and deteriorating twin deficits were cited as the major reasons for the market's performance. However, announcement of funding arrangements from friendly countries by the new government during the latter half of the year brought some cause for celebration. The local index underperformed global benchmark indices, which were already under pressure on account of a global slowdown. Foreign investors continued the selling spree on the KSE-100 with cumulative net selling of USD 523 million during CY18, which was broadly absorbed by the insurance sector.

Going forward, we believe that equity performance will be selective. The banking sector is expected to be the biggest beneficiary of rising interest rates while oil and gas (O&G) exploration will benefit from higher revenues due to PKR devaluation. On the other hand, fertilizers and power generation sectors would continue to maintain stable earnings as their business model is not linked to broader economic performance.

Money Market Performance

The State Bank of Pakistan raised the Discount Rate (DR) from 6.25% to 10.50% in 2018 in order to curb aggregate demand and reduce the current account deficit. The market for government securities shifted towards the shorter end in 2018. In the government auction, the offered amount for Pakistan Investment Bonds (PIBs) totaled PKR 289 billion in 2018, 60% of this was in the shortest tenor three year category. Against this only PKR 79 billion were accepted i.e. 27.4% of the offered amount at a weighted average yield of 9.3%. In contrast, PKR 676 billion PIBs were auctioned in 2017; out of which PKR 290 billion were accepted at a weighted average yield of 6.6%.

The government shifted focus from longer term pricier PIBs to shorter tenor treasury bills during 2018, which led to the decline in auction amount. Participation was low, despite the higher interest rate due to expectation that rates would rise further. The market expects that like previous IMF programs, the Fund will require the government to reduce borrowing from SBP and increase maturity of the total debt profile. This could lead to a significant jump in PIB yields like 2014.

The Treasury Bills (T-Bills) market was considerably more active in 2018. T-Bills auctions rose 177% from 2017 levels to PKR 28.3 trillion. As government borrowing through treasury bills rose, rollover of treasury bills led to significantly higher auctions. Total participation was at PKR 19.2 trillion i.e. 68% of the offered amount; participation was primarily tilted towards 3-month papers. Interestingly despite the rise in interest rates, market participants strongly favor 3-month bills; longer maturity paper remains out of favor.

Going forward we believe interest rates may peak in 2019. If Pakistan does enter an IMF program, the requirement to reduce government borrowing from the State Bank may be imposed like previous programs. Such a requirement would increase activity in government securities. Participation in PIBs is also expected to be higher than 2018, if interest rates peak out. This may lead to a sharp jump in fixed income mutual fund yields which may further reduce the incentive to invest in the equity market.

The AMC Industry

At the end of 2018, Assets Under Management (AUM) of the mutual fund industry stood at PKR 562 billion (excluding Fund of Funds) showing a decrease of 3.9% (PKR 22.6 billion from the December 2017 level of PKR 584 billion). AUMs of conventional schemes posted an increase of just PKR2.2 billion reaching PKR356 billion (excluding Fund of Funds) at the end of period. However, AUMs of shariah-compliant schemes recorded a decrease of PKR 24.9 billion reaching PKR205 billion (excluding Fund of Funds).

Overall, thirty (30) new funds and plans were launched in the industry during the period. At JSIL's end, 4 new plans were successfully launched in the shariah-compliant capital preservation space in which the cumulative AUM raised was PKR 7 billion.

Principal Risks & Uncertainties

JSIL's management has performed a robust and systemic review of those risks that could affect the company's performance, prospects, reputation or its ability to deliver on its commitments. JSIL's overall risk management program 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 such as 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 posted a net profit of PKR 42 million as of December 31, 2018 which translates into earnings per share (EPS) of PKR 0.52. JSIL recorded a total revenue of PKR 388 million vs PKR 353 million during the corresponding period last year. JSIL earned management remuneration from funds under management (including SMAs) of PKR 199.5 million compared to PKR 204 million during the corresponding period last year. The assets under management (including Separately Managed Accounts – SMAs & Fund of Funds) were PKR 20.8 billion compared to PKR 14.4 billion as at December 31, 2017 depicting an increase of 44%.

Summary of operating results for the year	Year ended December 31, 2018	Year ended December 31, 2017
	PKR(000)	
Shareholders' Equity	2,150,677	2,345,002
Financial Performance		
Income	388,376	352,842
Operating expenses	(371,200)	(317,264)
Operating profit	17,176	35,578
Other net operating income	39,834	31,923
Profit before tax	57,010	67,501
Taxation -net	(15,282)	(35,285)
Profit after tax	41,728	32,216
Earnings per share - basic and diluted	0.52	0.40

During the period, 4 CPPI plans were launched by JSIL raising an aggregate PKR 7 billion. Flows were mainly geared towards the Cash Fund segment which recorded an appreciable growth for JSIL by end 2018.

Future Outlook

JS Investments will continue with its two-pronged approach of increasing AUMs and retail investor-base. The strategy of launching tranche-based limited-life investment plans has borne fruit over the year and will continue in the coming year to help raise AUMs as well as expand the retail investor-base. The management shall also launch innovative investment products to cater to previously under-served market segments. Offering value-added services and market-leading service quality shall help expand market-share and improve customer loyalty.

Asset Manager and Entity Rating

JCR-VIS Credit Rating Company Limited has affirmed JS Investments' Management Quality Rating of "AM2"(AM-Two) and has upgraded the outlook to "Positive". The rating denotes High Management Quality.

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 the state of affairs, 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 there from 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 Listed Companies (Code of Corporate Governance) Regulations, 2017.
h. A summary of key financial data of last six years is given on page 18 of this Annual Report.
i. Outstanding taxes, duties, levies and charges have been fully disclosed in 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. Based on 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, 2018 were PKR 1.72 million.

Meetings of the Directors

During the year six 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. Hasnain Raza Nensey	06
Mr. Suleman Lalani	06
Mr. Asif Reza Sana	04
Mr. Kamran Jafar	05
Mr. Babbar Wajid	04
Mr. Ahsen Ahmed	04
Mr. Muhammad Yousuf Amanullah*	03
Syed Tauqir Haider Rizvi	01

* Mr. Muhammad Yousuf Amanullah resigned as Director of JSIL during the year effective from August 24, 2018.

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	03
Mr. Suleman Lalani	04
Mr. Ahsen Ahmed	01

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

During the year, one meeting of the HR&R Committee was held, which was attended by following directors

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

Meetings of the Executive Risk Managment Committee (Formerly: Executive Committee)

During the year, three meetings of the Executive Risk Managment Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Basir Shamsie	02
Mr. Kamran Jafar	03
Mr. Muhammad Yousuf Amanullah*	01
Mr. Babbar Wajid	02
Mr. Hasnain Raza Nensey	03

* Mr. Yousuf Amanullah resigned as Director of JSIL during the year w.e.f August 24, 2018

Casual Vacancy

During the year three casual vacancies occurred on the Board of JSIL, the Board of directors appointed Mr. Muhammad Kamran Mirza (subsequently resigned), Mr. Babbar Wajid and Syed Tauqir Haider Rizvi against these casual vacancies. The casual vacancies were created due to the resignations of Mr. Muhammad Raza Dyer. Mr. Muhammad Kamran Mirza and Mr. Muhammad Yousuf Amanullah effective from February 1, 2018, April 10, 2018 & August 24, 2018 respectively.

Directors' Training Program

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

Directors' Remuneration

The Remuneration of Directors including the Chairman, Chief Executive Officer, Executive Directors, non-Executive and Independent Directors is fixed by the Board within the permissible limits, if any. A Director is entitled to be paid travelling, hotel and other expenses incurred by him to attend the meetings. The Board of Directors have approved the Directors' Remuneration Policy, as required by the law.

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017, the performance evaluation of Board is conducted by the Pakistan Institute of Corporate Governance (PICG) annually.

Parent Company

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

Pattern of Shareholding

A statement showing pattern of shareholding in JSIL and additional information as at December 31, 2018 is given on page 149 of the Annual Report.

Disclosure of interest by Directors

No trades have been carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, executives and their spouses and minor children during 2018

Dividend

Given the requirements for a renewed focus on expansion of teams, increase in value added services and other alignments with the aggressive business strategy, the Board of Directors has opted to not declare a dividend for the year ended December 2018.

Corporate Social Responsibility

JSIL strongly believes in giving back to society and regularly conducts events that benefit the larger community. One such event was conducted in Karachi in Ramadan 2018 at "Dar ul Sukoon" - a home for children with special needs and disabilities. JSIL's team spent time with the children and served them with Iftar/dinner. JSIL also contributes to philanthropic activities in partnership with Mahvash & Jahangir Siddiqui Foundation and Future Trust. These entities are actively engaged in the areas of education, health care, improvement of socio-economic conditions and humanitarian relief. The business practices of JSIL have no adverse impact on the environment. We are continuously looking at options to become environmentally friendly with efforts such as reducing paper by switching to electronic forms and methods 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, 2019.

Additional Matters

a. No changes have occurred during the financial year concerning the nature of the business of the company or of its subsidiary, or any other company in which the company has interest
b. JSIL is not involved in defaults in payment of any debts

List of Directors

Mr. Basir Shamsie	Chairman
Mr. Hasnain Raza Nensey	Chief Executive Officer
Mr. Babbar Wajid	Non-Executive Director
Mr. Suleman Lalani	Non-Executive Director
Mr. Kamran Jafar	Non-Executive Director
Syed Tauqir Haider Rizvi	Non-Executive Director
Mr. Ahsen Ahmed	Independent Director/ Non-Executive Director
Mr. Asif Reza Sana	Independent Director / Non-Executive Director
Mr. Muhammad Yousuf Amanullah	Resigned
Mr. Muhammad Kamran Mirza	Resigned
Mr. Muhammad Raza Dyer	Resigned

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.

On behalf of the Board

February 21, 2019
Karachi

Ahsen Ahmed
Director

Hasnain Raza Nensey
Chief Executive Officer

چیئر مین کا جائزہ ۔ جے ایس انویسٹمنٹس لمیٹڈ

سال 2018ء نہ صرف جے ایس انویسمینٹ (JSIL) کے لیے بلکہ تمام ایسیٹ مینیجمنٹ انڈسٹری کے لیے مختلف زاویوں سے مشکل تھا۔ بہر حال، JSIL میں اثاثہ جات کی تنظیمِ نو (AUM) کے تحت ترقی اور اسکی پیش رفت نے ظاہر کیا ہے کہ ہم طویل مدت کے لیے واقعی اچھے مقام پر ہیں۔ سب سے پہلے میں اپنے شراکت داروں کا انکی مسلسل حمایت اور حوصلہ افزائی کے لیے شکریہ ادا کرنا چاہتا ہوں اور کمپنی کے ملازمین کی قابلِ قدر خدمات کے عوض خراجِ تحسین بھی ریکارڈ پر لانا چاہتا ہوں۔

زیرِ جائزہ سال کے دوران پاکستان کے سیاسی منظر نامے میں بڑے واقعات پیش آئے۔ نئی منتخب حکومت کے سامنے معاشی ماحول کا بڑا چیلنج تھا جب کہ 2018 میں پورے سال مقامی ایکویٹی مارکیٹس میں وَلیٹیلیٹی میں اضافہ دیکھنے میں آیا۔ سال کی دوسری ششماہی میں شرح سود اور کرنسی کے محاذ پر بڑی ایڈجسٹمنٹ دیکھنے میں آئیں۔ آنے والے سال میں ایڈجسٹمنٹ کا اشارہ دینے والے عوامل اسٹرکچرل ایڈجسٹمنٹس کے دوران میں زیادہ چیلنجنگ ہو رہے ہیں۔ ایسیٹ منیجمنٹ کی صنعت 4% تک سکڑ گئی جب سال کے اختتام پر AUM 562 بلین پاکستانی روپے پر ہوا۔ چیلنجز کے باوجود JSIL نے 12 بلین پاکستانی روپے سے بڑھ کر 18.6 بلین پاکستانی روپے کی رقم حاصل کر لی (اس میں فنڈ آف فنڈز اور سیپریٹ منیجڈ اکاؤنٹس شامل نہیں ہیں)۔ سال کی بنیادی مالی جھلکیوں میں پرنسپل پریزرویشن سیریز اور کیش فنڈز میں مضبوط اندرونی بہاؤ شامل ہے۔ جے ایس بینک کے ذریعہ JSIL کی ڈسٹری بیوشن کے شاندار نتائج برآمد ہوئے ہیں جو AUMs اور کلائنٹس کے بیس، دونوں لحاظ سے بہترین ہیں۔ یہ نتائج ایک مستحکم ویلتھ منیجمنٹ کی تخلیق پر بھرپور توجہ کے باعث حاصل ہوئے۔

مجموعی طور پر سال کے دوران بورڈ کی منیجمنٹ پر نگرانی کے ذریعہ JSIL کی گورننس میں نمایاں بہتری نظر آئی۔ بورڈ کی توجہ بنیادی شعبہ جات، جیسے فنڈ کی کارکردگی میں بہتری، پروڈکٹس کی انواع کو مربوط بنانے کے ساتھ ساتھ جدید ٹیکنالوجی پر مرکوز رہی تاکہ آپریشنز کی مہارت اور خدمات کی فراہمی کا معیار بلندتر ہونے کو یقینی بنایا جا سکے۔ سال کے دوران بورڈ اور اس کی مختلف کمیٹیز کے کئی اجلاس منعقد ہوئے جن میں منیجمنٹ کو حکمت کا رخ متعین کرنے اور بنیادی مسائل جیسے پروڈکٹ کی انواع کا فروغ/اضافہ، ٹارگٹ مارکیٹ کی درجہ بندی اور افرادی وسائل کی کمی کو پورا کرنے سے متعلق چیلنجز پر خصوصی توجہ دی گئی۔

ان کے علاوہ پہلے ہی سے مصروف عمل کمیٹیز میں بورڈ کی ایگزیکٹیو کمیٹی کو رسک منیجمنٹ کا اضافی اختیار دیا گیا جس کے مطابق اس کا نام اب ایگزیکٹیو اینڈ رسک منیجمنٹ کمیٹی ہو گیا۔

بورڈ آف ڈائریکٹرز نے ایک تفصیلی اور پرجوش بزنس پلان کی بھی منظوری دی جو منیجمنٹ نے 2019 کیلئے پیش کیا تھا۔ اس پلان کو شعوری طور پر نہایت تفصیل کے ساتھ رکھا گیا تھا جس میں دوسرے عوامل کے علاوہ ٹیکنالوجی پر بھرپور توجہ اور اندرونی سیلز ٹیمز/انوسٹمنٹ ایڈوائزرز کیلئے سیلز ماڈل میں بڑی ردوبدل شامل تھی۔ بورڈ کی دوراندیشی کے ساتھ، منیجمنٹ نے SECP سے پرائیویٹ ایکویٹی اور وینچر کیپٹل فنڈ منیجمنٹ سروسز کیلئے لائسنس حاصل کر لیا اور اس شعبہ کا پاکستان کا چوتھا لائسنس یافتہ ادارہ بن گیا۔

مجھے امید ہے کہ یہ قابل ٹیم اور JSIL کے ملازمین ہمارے کلائنٹس کے بہترین مفاد میں اسی لگن کے ساتھ کام کرتے رہیں گے جس کے سبب لوگوں کو جے ایس گروپ اور اس کی اقدار کے ساتھ وابستہ ہونے پر فخر محسوس ہوگا۔ آنے والے سالوں میں ہم اپنی حکمت عملی کے پلان پر عمل درآمد سے ترقی کی بلندیوں پر تیزی سے بڑھتے رہیں گے اور اے ایم سی کی صنعت میں اہم مقام حاصل کر لیں گے۔

باصر شمسی

چیئرمین

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ سال 31دسمبر 2018

ہم دسمبر 2018 کو ختم ہونے والے سال کے لیے جے ایس انویسمنٹ لمٹیڈ (JSIL) کے غیر مجتمع آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مرکزی کاروبار

JSIL 1995 میں پاکستان میں قائم شدہ ایک پبلک لسٹڈ کمپنی ہے۔ کمپنی سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) قابلِ اطلاق قوانین کے تحت حاصل شدہ ایک انویسٹمنٹ ایڈوائزر، ایسیٹ مینجمنٹ کمپنی اور پینشن فنڈ زمینیجر کے لائسنسز کے تحت کام کرتی ہے۔ حال ہی میں JSIL کو SECP کی طرف سے پرائیوٹ ایکیویٹی اور وینچر کیپیٹل فنڈ مینیجر سروسز کا لائسنس بھی حاصل ہوا۔

معیشت

سال 2018 میں پاکستان کو شدید معاشی چیلنجز کا سامنا رہا جن میں درمیانے درجہ کا گروتھ ریٹ، مالی اور کرنٹ اکاؤنٹ میں بڑا خسارہ اور زرمبادلہ کے ذخائر کی سطح کا کم ہونا شامل ہے۔ پھر توقع سے کم برآمدات اور امپورٹ بل کے باعث توازنِ ادائیگی کی مشکلات میں بھی اضافہ ہوا جب کہ آئل کیلئے ادائیگیوں کے تیسرے مجموعے اور بڑھتی ہوئی ہیجان کی کیفیت سے کرنٹ اکاؤنٹ کا خسارے (CAD) جی ڈی پی سے 5% سے بھی زیادہ ہوگیا۔ کلینڈر سال 2018(CY18) کی پہلی ششماہی میں CAD 7.98 بلین امریکی ڈالر پر تھا جب کہ گزشتہ سال کی اسی مدت میں یہ رقم 8.35 بلین امریکی ڈالر تھی۔

مالی خسارے کی شرح جو 2017 میں جی ڈی پی کا 5.8% تھی 2018 میں بڑھ کر جی ڈی پی کا 6.6% ہوگئی جس کی وجہ آمدنی میں کمی اور بلند تر ابتدائی خسارہ تھی۔ بڑھتے ہوئے تجارتی خسارے کے ساتھ ساتھ درآمدات میں گزشتہ سال کے مقابلے میں 3% اضافہ ہو جب کہ برآمدات کی حد صرف 24.8 بلین امریکی ڈالر رہی جس سے صورتحال مزید خراب ہوگئی۔ دوسری ابھرتی ہوئی معیشتوں کو طرح پاکستانی روپیہ (PKR) بھی سخت دباؤ کا شکار ہوا اور اس کی قدر کی گزشتہ سطح میں کئی بار کمی ہوئی۔ سال کے اختتام پر افراطِ زر بھی 6% کی بلندی کی سطح بر قرار رہی جو کہ 2017 میں اوسطاً 4% تھی اس کی بنیادی وجوہات میں ملک کی ڈھیلی مالی پالیسی اور ملکی کریڈٹ میں تیزی سے اضافہ ہونا تھی۔ مالی سال 2018(FY18) کے آخر تک اسٹیٹ بینک آف پاکستان (SBP) کے زرمبادلہ کے ذخائر بھی 7.3 بلین امریکی ڈالر تک آ گئے جب کہ زرمبادلہ کے کل ذخائر کی رقم 13.8 بلین امریکی ڈالر تھی۔ پاکستانی اسٹاک مارکیٹ 2017 کی کم ترین سطح سے ابھی تک بحال نہیں ہوسکی ہے جس کے باعث سال بھر کی کارکردگی انتہائی مایوس کن رہی۔ پھر گردشی قرضہ جات کی سطح کو بھی بحال کرنے کی کوشش کی گئی جس کا حل صرف توانائی کی سبسڈی میں کمی، توانائی کے ٹیکس میں اضافے اور سرکاری اداروں میں دوبارہ سرمایہ کاری سے ممکن تھا۔

لیکن سب خبریں ہی بری نہیں تھیں۔ برآمدات میں اضافہ کیلئے روپے کی قدر میں کمی کی گئی، افراطِ زر پر قابو کیلئے شرح سود میں اضافہ کیا گیا، گیس کے نرخوں کو ریکوری کی سطح تک لانے کیلئے ان میں خاصہ اضافہ کیا گیا اور بجلی کے نرخوں میں اضافہ کی تجویز، ان تمام اقدامات کو قرض دینے والوں نے مثبت قرار دیا۔ آئل کی قیمتوں میں 87 امریکی ڈالر کی اونچی سطح سے کمی کی گئی جو نہ صرف پاکستان میں بلکہ عالمی سطح پر طلب اور معاشی سرگرمیوں میں اضافہ کا سبب بنی۔ چین پاکستان معاشی راہداری (CPEC) کے تحت چین کی جانب سے سرمایہ کاری کے داخلی بہاؤ سے ترقی کے عمل کو آگے بڑھنے میں مدد ملی اور پیش گوئی ہے کہ ملک کی ترقی کے مزید امکانات روشن ہوں گے۔ ہمارا ملک ورلڈ بینک کے Ease of Doing Business Index میں 11 درجہ بڑھ کر کے کاروبار کے لئے مزید نمایاں مقام حاصل کرلیا ہے۔ دباؤ کے زمانے میں عالمی مالیاتی ادارے (IMF) کے پاس جانے کی تاریخ کے پس منظر میں نئی حکومت نے سعودی عرب اور یونائیٹڈ عرب امارات سے فنانسنگ حاصل کر کے تقریباً 12 بلین امریکی ڈالر محفوظ کر لئے ہیں۔ تاہم آئی ایم ایف کے ساتھ گفت وشنید کا سلسلہ جاری ہے البتہ اس کی رفتار کافی کم ہے کیونکہ حکومت فنڈ سے نرم شرائط کے پیکیج چاہتی ہے اور اسٹرکچر کی اصلاحات پر زیادہ توجہ مرکوز رکھنا چاہتی ہے۔ حالیہ مہینوں میں بڑی تعداد میں سرمایہ کاری اور دنیا بھر سے ہمارے ملک میں دلچسپی بڑھنے سے ظاہر ہوتا ہے کہ دوبارہ ابھرتے ہوئے پاکستان پر دنیا کا بھروسہ بڑھ رہا ہے۔

ایکویٹی مارکیٹ کی کارکردگی

CY18میں KSE-100انڈیکس کی کارکردگی انتہائی نچلی سطح پر آ گئی اور 8% کے منفی ریٹرن سے 37,967 کے درجہ پر بند ہوئی جو گزشتہ 22 سالوں کے دوران میں پہلی بار مسلسل دو سال کمی کا شکار رہی۔ امریکی ڈالر (USD) کے لحاظ سے انڈیکس ملکی کرنسی کی قدر میں 20% کمی کے باعث مسلسل دو سالوں میں 27% منفی ریٹرن کی بدترین سطح پر رہا جس کے نتیجے میں مارکیٹ میں کیپٹل کے سلسلے میں 231 بلین امریکی ڈالر کا نقصان اٹھانا پڑا۔ شرحِ سود میں معمولی اضافہ پر سرمایہ کاروں کی تشویش، بڑی کرنسی کے مقابلے میں پاکستانی روپے کی قدر میں کمی، بیرونی فنڈنگ کا غیر واضح ہونا، سیاسی غیر یقینی اور دوہرے خسارے کی بگڑتی ہوئی صورتحال، مارکیٹ کی کارکردگی کی بڑی وجوہات ہیں۔ مقامی انڈیکس میں عالمی سطح کے اشارات سے کم کارکردگی کا مظاہرہ کیا جو پہلے ہی عالمی سست روی کے سبب دباؤ میں تھا۔ بین الاقوامی سرمایہ کاروں نے KSE-100 پر فروخت کا عمل جاری رکھا اور CY18 میں مجموعی طور پر 523 ملین امریکی ڈالر کی خالص فروخت ہوئی جو بڑی حد تک بیمہ کے شعبہ نے حاصل کی۔

اس کے علاوہ ہمیں یقین ہے کہ ایکویٹی کی کارکردگی انتخاب پر مبنی رہے گی۔ توقع ہے کہ بڑھتی ہوئی شرحِ سود کا سب سے زیادہ فائدہ بینکنگ کے شعبہ کو ہوگا جب کہ آئل اینڈ گیس (O&G) ایکسپلوریشن کو پاکستانی روپے کی قدر میں کمی کی وجہ سے زیادہ آمدنی حاصل ہوگی۔ دوسری جانب فرٹیلائزرز اور پاور جنریشن کے شعبوں کی آمدنی مستحکم رہے گی کیونکہ ان کے کاروباری ماڈل وسیع تر معاشی کارکردگی کے ساتھ منسلک نہیں ہیں۔

منی مارکیٹ کی کارکردگی

اسٹیٹ بینک آف پاکستان نے 2018 میں طلب میں اضافہ اور کرنٹ اکاؤنٹ کا خسارہ کم کرنے کیلئے ڈسکاؤنٹ ریٹ (DR) 6.25% سے بڑھا کر 10.50% کر دیا۔ 2018 میں حکومتی سیکورٹیز کے لئے مارکیٹ زیادہ مختصر خاتمہ کی طرف بدل گئیں۔ حکومت نے 2018 میں ایک نیلام کے ذریعہ کل 289 بلین پاکستانی روپے مالیت کے پاکستان انویسٹمنٹ بانڈز پیش کئے جن کا 60% تین سال کی مختصر مدت کی کیٹگری کے تھے۔ اس کے لئے صرف 79 بلین پاکستانی روپے یعنی پیش کردہ رقم کے 27.4% قبول کئے گئے یعنی اوسط نتائج 9.3% رہے۔ اس کے برخلاف 2017 میں 676 بلین پاکستانی روپے کے PIBs کی نیلامی کی گئی تھی جن میں سے 290 بلین پاکستانی روپے کی مالیت کے قبول کئے گئے جس کے اوسط نتائج 6.6% رہے تھے۔

اس کے بعد حکومت نے 2018 کے دوران میں طویل مدت کے کی قیمت کے PIBs سے قلیل مدت کے ٹریژری بلز پر توجہ مبذول کی جس سے نیلام کی قیمت میں کمی آئی۔ اس میں شرح کے مزید بڑھنے کی توقع کی بنیاد پر بلند تر شرح سود رکھی گئی مگر اس کے باوجود کم لوگوں نے شرکت کی۔ مارکیٹ کو توقع ہے کہ گزشتہ مرتبہ آئی ایم ایف پروگرامز کی طرح فنڈز کیلئے حکومت کو SBP سے کم قرضہ لینا ہوگا اور کل قرضہ کی پروفائل کی میچورٹی میں اضافہ ہوگا۔ اس کے نتیجے میں PIB کے نتائج 2014 کی طرح اچانک نمایاں طور پر بڑھ جائیں گے۔

2018 میں ٹریژری بلز (ٹی بلز) مارکیٹ خاصی حد تک فعال ہوگئی۔ ٹی بلز کی نیلامی 2017 کے مقابلے میں 177% اضافہ کے ساتھ 28.3 ٹریلین پاکستانی روپے کی سطح کو پہنچ گئے۔ حکومت کے ٹی بلز کے ذریعہ قرضہ میں اضافہ ہوا اور نمایاں طور پر بلند تر قیمت کے ٹریژری بلز نیلام ہوئے۔ کل شرکت 19.2 ٹریلین پاکستانی روپے ہوئی جو پیش کی گئی رقم کا 68% تھی؛ شرکت کا رخ ابتدائی طور پر تین ماہ کے پیپرز کی جانب تھا۔ دلچسپ بات یہ ہے کہ شرح سود میں اضافہ کے باوجود مارکیٹ کی توجہ بھرپور طور سے 3 ماہ کی مدت کے بلز کی طرف رہی؛ جب کہ طویل میچورٹی پیپرز کو نظر انداز کیا گیا۔

مزید یہ کہ ہمارا یقین ہے کہ 2019 میں شرح سود بلند ترین سطح تک پہنچ سکتی ہے۔ اگر پاکستان آئی ایم ایف پروگرام میں شامل نہیں ہوتا تو گزشتہ پروگرامز کی طرح حکومت کی جانب سے اسٹیٹ بینک آف پاکستان سے قرضہ کی ضرورت کو کم کرنا پڑے گا۔ اس ضرورت کے باعث حکومتی سیکورٹیز کی سرگرمیوں میں اضافہ ہوگا۔ اگر شرح سود بلند ترین رہی تو توقع ہے کہ PIBs میں 2018 کے مقابلے میں زیادہ شرکت ہوگی۔ اس کے نتیجے میں فکسڈ انکم میوچوئل فنڈ کے نتائج میں نمایاں اضافہ ہوگا اور اس سے ایکویٹی مارکیٹ میں سرمایہ کاری کی ترغیب میں کمی آسکتی ہے۔

AMC انڈسٹری

سال2018 کے اختتام پر میوچل فنڈ انڈسٹری کے زیرِ انتظام اثاثہ جات(AUM) 562بلین روپے رہی (علاوہ فنڈ زآف فنڈ) %3.9 کی کمی ظاہر کی (دسمبر 2017 کی سطح22.6 بلین روپے سے584بلین روپے)۔کنوینشنل اسکیم کےAUM's نے صرف2.2بلین روپے کا اضافہ ظاہر کیا جوکہ اس مدت کے اختتام پر356بلین روپے(علاوہ فنڈ زآف فنڈ) تک پہنچ گیا۔جبکہ شریعہ کمپلائنٹ اسکیم کےAUM's 24.9بلین روپے کی کمی ریکارڈ کرنے کے بعد 205 بلین روپے(علاوہ فنڈ زآف فنڈ) تک پہنچ گیا ہے۔

مجموعی طور پر اس مدت کے دوران تقریباً تمیں(30) فنڈز اور پلانز لانچ ہوئے۔JSIL کی طرف سے چار نئے پلانز شریعہ کمپلائنٹ کیپیٹل پریزرویشن کی جگہ کامیابی سے لانچ کئے گئے جس میں مجموعیAUM کا اضافہ 7بلین روپے تھا۔

مرکزی خطرات اور بے یقینی

JSIL کی انتظامیہ نے ان خطرات کا ایک ٹھوس اور منظم جائزہ لیا ہے جو کمپنی کی کارکردگی، مستقبل کے امکانات، شہرت یا اپنے وعدوں کے مطابق انجام دہی کی صلاحیت متاثر کر سکتے 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 جڑی 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 زرِمبادلہ کی شرحوں میں ردوبدل بھی کیپیٹل مارکیٹس کی کارکردگی اور اس طرحJSIL کی منافع کمانے کی اہلیت کارکردگی اور اس طرحJSIL 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 فنڈ زپر 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۔

کارکردگی کا جائزہ

JSIL نے31دسمبر2018 کو 42ملین روپے کا مجموعی منافع درج کروایا جو0.52روپے آمدنی فی حصص میں منتقل ہوگئی۔JSIL نے پچھلے سال کے یکساں مدت کے دوران353 ملین روپے کے مقابلے میں388 ملین روپے کی کُل آمدنی ریکارڈ کروائی۔ JSIL نے پچھلے سال اسی مدت کے لیے 204 ملین روپے کے مقابلے میں 199.5 ملین روپے کے انتظامیہ کے زیرِ نگرانی فنڈز (بشمولSMAs) سے مینجمنٹ ریمیونیریشن کمائے۔انتظامیہ کے زیرِ نگرانی اثاثہ جات (بشمول سیپریٹلی مینجڈ اکاؤنٹس۔ SMAsاورفنڈ زآف فنڈز)31دسمبر2017 کے14.4بلین روپے کے مقابلے میں20.8بلین روپے تھا،یعنی %44 کا اضافہ ظاہر کیا۔

سال کے لیے کاروباری نتائج کا خلاصہ	مختتمہ سال31دسمبر 2018	مختتمہ سال31دسمبر2017
	روپے(000)	
شیئر ہولڈرز کی ایکویٹی	2,150,677	2,345,002
مالیاتی کارکردگی		
آمدنی	388,376	352,842
آپریٹنگ اخراجات	(371,200)	(317,264)
آپریٹنگ منافع	17,176	35,578
کل دیگر آپریٹنگ آمدنی	39,834	31,923
قبل از ٹیکس منافع	57,010	67,501
ٹیکسیشن نیٹ	(15,282)	(35,285)
بعد از ٹیکس منافع	41,728	32,216
فی شیئر آمدنی۔بنیادی اور تحلیل شدہ	0.52	0.40

اس مدت کے دوران JSIL نے تقریباً 7 بلین روپے بڑھا کر چار CPPI پلانز کا اجراء کیا۔ کیش فنڈ سیگمینٹ کی طرف زیادہ تر بہاؤ تھا جس نے 2018 کے اختتام پر JSIL کے لیے خاطر خواہ اضافہ ریکارڈ کروایا۔

مستقبل کے امکانات

JS انویسمنٹس AUMs اور ریٹیلر انویسٹر بیس کو بڑھانے کے لیے اپنی دورخی حکمت عملی کو قائم رکھے گی۔ قسط وار اور محدود مدت پر مبنی سرمایہ کاری کے پلانز کے اجراء کی تدبیر سال کے دوران بھرپور فائدہ مند ثابت ہوئی اور یہ حکمت عملی آئندہ سال بھی جاری رہے گی تاکہ AUMs کو بڑھانے کی ساتھ ساتھ ریٹیلر انویسٹر بیس کو پھیلایا جا سکے۔ انتظامیہ ایسے جدید سرمایہ کاری کے پلانز کا اجراء کرے گی جہاں مارکیٹ کے پسماندہ حصوں کو اہمیت دی جائے۔ عمدہ قسم اور مارکیٹ کی قیادت کرنے والی خدمات مہیا کرنے کی خوبی کے باعث مارکیٹ شیئر بڑھنے اور کسٹمر کی وفاداری کو بہتر بنانے میں مدد ملے گی۔

ایسیٹ منیجر اور اینٹیٹی ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی نے جے ایس انویسمنٹ لمیٹڈ کو "AM2" (اے ایم ٹو) کی مینجمنٹ کوالٹی ریٹنگ تفویض کی ہے اور امکانات کو بڑھا کر "positive" کر دیا ہے۔ یہ ریٹنگ مینجمیٹ کے اعلی معیار کی نشاندہی کرتی ہے۔

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۔

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

VII کارپوریٹ گورنینس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے، جیسا کہ لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورنینس) ریگولیشن 2017 میں درج ہے۔

viii- گزشتہ چھے سالوں کے اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ کے صفحہ 18 پر دیا گیا ہے۔

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

x-JSIL موثر اور کارآمد انٹرنل فنانشل کنٹرولز سسٹم رکھتی ہے کو لگاتار 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۔

xii-JSIL کے اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2018 کو 1.72 ملین روپے تھی۔

ڈائریکٹرز کے اجلاس

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

نام	اجلاس میں حاضری
جناب باصر شفیع	05
جناب حسنین رضا نینسی	06
جناب سلیمان لالانی	06
جناب آصف رضا ثنا	04
جناب کامران جعفر	05
جناب بابر واجد	04
جناب احسن احمد	04
جناب محمد یوسف امان اللہ*	03
سید توقیر حیدر رضوی	01

*جناب محمد یوسف امان اللہ نے 24 اگست 2018 کو سال کے دوران بطور JSIL کے استعفیٰ دے دیا۔

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	03
جناب سلیمان لالانی	04
جناب احسن احمد	01

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

سال کے دوران HR&R کمیٹی کا ایک اجلاس منعقد ہوا۔ جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

جناب باصر شفیع

جناب کامران جعفر

جناب احسن احمد

جناب حسنین رضا نینسی

بورڈ ایگزیکٹیو رسک مینجمینٹ کمیٹی کے اجلاس

سال کے دوران ایگزیکٹیو رسک مینجمینٹ کمیٹی کے تین اجلاس منعقد ہوئے - ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل رہی:

نام	اجلاس میں حاضری
جناب باصر شفیع	02
جناب کامران جعفر	03
جناب محمد یوسف امان اللہ*	01
جناب احسن احمد	00
جناب بابر واجد	02
جناب حسنین رضا نینسی	03

*جناب محمد یوسف امان اللہ نے 24 اگست 2018 کو سال کے دوران بطور JSIL کے استعفیٰ دے دیا۔

JS investments

اتفاقیہ اسامی

سال کے دوران JSIL کے بورڈ میں اتفاقیہ طور پر تین اسامیاں سامنے آئیں۔ بورڈ آف ڈائریکٹرز نے ان اسامیوں کی جگہ پر جناب محمد کامران مرزا (فوراً مستعفی ہو گئے) جناب بابر واجد اور سید توقیر رضوی کو مقرر کیا۔ یہ اتفاقیہ اسامیاں جناب محمد رضا ڈائر، جناب محمد کامران اور جناب محمد یوسف امان اللہ کے مستعفی ہونے کے باعث خالی ہوئیں جو کہ بالترتیب یکم فروری 2018، 10 اپریل 2018 اور 24 اگست 2018 کو مستعفی ہوئے۔

ڈائریکٹرز کا ٹریننگ پروگرام

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

ڈائریکٹرز ریمیونیریشن

بورڈ کی طرف سے ڈائریکٹرز کی ریمیونیریشن کی حدود متعین شدہ ہیں جس میں چیئرمین، چیف ایگزیکٹیو آفیسر، ایگزیکٹیو ڈائریکٹرز، غیر اختیاری ڈائریکٹرز اور آزاد/غیر اختیاری ڈائریکٹرز شامل ہیں۔ ڈائریکٹرز اس بات کے حقدار ہیں کہ جو سفری، ہوٹل اور دیگر اخراجات اجلاس کی شرکت کے دوران اُن کو پیش آتے وہ ادا کئے جائیں۔ بورڈ آف ڈائریکٹرز نے قانون کے تحت ڈائریکٹرز ریمیونیریشن پالیسی کی منظوری دی ہوئی ہے۔

بورڈ جانچ

بورڈ کی کارکردگی کی سالانہ جانچ پاکستان انسٹیٹیوٹ آف کارپوریٹ گورنینس (PICG) کے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورنینس) ریگولیشن 2017 کے بتائے ہوئے اصولوں پر ہوگی۔

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 2018 کا ایک گوشوارہ سالانہ رپورٹ کے صفحہ____ پر دیا گیا ہے۔

ڈائریکٹرز کی عدم دلچسپی

سال 2018 کے دوران ڈائریکٹرز، چیف ایگزیکٹیو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، ایگزیکٹیو اور اُن کے شریکِ حیات اور کم عمر بچوں نے کسی بھی قسم کی تجارت نہیں کی۔

منافع منقسمہ (ڈیویڈنڈ)

ٹیمز کی توسیع، ویلیو ایڈڈ سروسز میں اضافے اور جارحانہ کاروباری حکمتِ عملی سے ہم آہنگ دیگر اقدامات پر از سرِ نو توجہ کے تقاضوں کے پیش نظر، بورڈ آف ڈائریکٹرز نے مختتمہ سال 31 دسمبر 2018 کے لیے کسی ڈیویڈنڈ کا اعلان نہ کرنے کا فیصلہ کیا ہے۔

کاروباری سماجی ذمہ داری

JISL معاشرے کی فلاح میں شرکت پر پختہ یقین رکھتی ہے اور معاشرے کے بڑے حصہ کے فائدے کیلئے تقریبات کا انعقاد کرتی رہتی ہے۔ ایسی ہی ایک تقریب 2018 میں ماہِ رمضان میں دارالسکون میں منعقد کی گئی جو خصوصی اور معذور بچوں کا گھر ہے۔ JISL کی ٹیم نے بچوں کے ساتھ کچھ وقت گزارا اور ان کو افطار/ڈنر دیا۔ JISL مہ وش اینڈ جہانگیر صدیقی فاؤنڈیشن اور فیوچر ٹرسٹ کے اشتراک سے فلاحی سرگرمیوں میں بھی حصہ لیتا ہے۔ یہ ادارے تعلیم، صحت اور سماجی و معاشی حالات کی بہتری اور انسانی خدمت کی سرگرمیوں میں سرگرم عمل ہیں۔ JISL کے کاروباری عمل میں ماحولیات پر کوئی برا اثر نہیں پڑتا۔ ہم زیادہ سے زیادہ ماحول دوست سرگرمیوں میں حصہ لیتے ہیں اور اس سلسلے میں کاغذ کے استعمال کو کم سے کم اور اس کی جگہ الیکٹرونک طریقہ اور ذریعہ کا استعمال زیادہ کرتے ہیں، جو خاص طور پر صارفین سے رابطوں اور مارکیٹ کے طریقہء کار کی مناسبت سے کیا جاتا ہے۔

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 2019 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی تجویز پیش کی ہے۔

اضافی معاملات

ا۔ مالیاتی سال کے دوران میں کمپنی یا اس کی ذیلی کمپنی یا کسی اور کمپنی میں جہاں کمپنی کا مفاد ہو، کاروبار کی نوعیت کے لحاظ سے کوئی تبدیلی نہیں کی گئی ہے۔

ب۔ JISL کسی قرضہ کی ادائیگی کیلیئے نادہندہ ہونے میں ملوث نہیں ہے۔

ڈائریکٹرز کی فہرست

جناب باصر شمسی	چیئرمین
جناب حسنین رضا نینسی	چیف ایگزیکٹیو آفیسر
جناب بابر واجد	غیر اختیاری ڈائریکٹر
جناب سلیمان لالانی	غیر اختیاری ڈائریکٹر
جناب کامران جعفر	غیر اختیاری ڈائریکٹر
سید توقیر حیدر رضوی	غیر اختیاری ڈائریکٹر
جناب احسن احمد	آزاد اور غیر اختیاری ڈائریکٹر
جناب آصف رضا ثنا	آزاد اور غیر اختیاری ڈائریکٹر
جناب محمد یوسف امان اللہ	مستعفی
جناب محمد کامران مرزا	مستعفی
جناب محمد رضا ڈار	مستعفی.

اظہارِ تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکیورٹیز 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 ایگزیکٹیو آفیسر	ڈائریکٹر

کراچی: 21 فروری 2019

Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of JS Investments Limited (the Company) for the year ended 31 December 2018 in accordance with the requirements of regulation 40 of the Regulations.

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

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

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of Section 208 of the Companies Act. 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the company's process for identification of related party s and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Regulations as applicable to the Company for the year ended 31 December 2018.

Further, we highlight below instance of non-compliance with the requirement of the Listed Companies (Code of Corporate Governance) Regulations, 2017 as reflected in the paragraph reference where it is stated in the Statement of Compliance:

Reference	Description
i.20	The position of Chief Financial Officer and Company Secretary is currently held by the same individual.

E&Y Ford Rhodes
Chartered Accountants
Date: 21 February 2019
Place: Karachi

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017
For the year ended December 31, 2018

This statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2017, 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 complied with the requirements of the Regulations in the following manner :

1. The total number of directors are 8 and all are male members.
2. 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 Syed Tauqir Hyder Rizvi Mr. Babbar Wajid

The independent directors meets the criteria of independence as defined under section 166 of Companies Act, 2017

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

4. 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.

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 relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

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. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

9. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

10. Following five out of eight directors on the Board have duly completed the Directors' Training Program .

    Mr. Basir Shamsie
    Mr. Asif Reza Sana
    Mr. Suleman Lalani
    Mr. Ahsen Ahmed
    Syed Tauqir Haider Rizvi

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

12. The Directors Report for this year has been prepared in compliance with the requirements of the code and fully describes the salient matters required to be disclosed.

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

14. 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.

15. The board has formed committees comprising of members given below:

Committies	Members	Frequency
Audit Committee	1. Mr. Asif Reza Sana (Chairman) 2. Mr. Suleman Lalani 3. Mr. Ahsen Ahmed	Quarterly
Human Resource Commitee	1. Mr. Ahsen Ahmed (Chairman) 2. Mr. Kamran Jafar 3. Mr. Basir Shamsie 4. Mr. Hasnain Raza Nensey	Yearly
Executive Risk Management Committee	1. Mr. Basir Shamsie (Chairman) 2. Mr. Babbar Wajid 3. Mr. Kamran Jafar 4. Mr. Ahsen Ahmed 5. Mr. Hasnain Raza Nensey	Half-yearly

16. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

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

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard

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 and registered with Audit Oversight Board of Pakistan, 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 Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. We confirm that all other applicable material principles enshrined in the Regulations have been duly com plied with by the Company except that segregation of roles of Company Secretary and Chief Financial Officer is in process..

Hasnain Raza Nensey
Chief Executive Officer

Date: February 21, 2018
Karachi:

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)................................3
Mr. Suleman Lalani (Member)................................4
Mr. Ahsen Ahmed (Member)..................................1

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:

The board of directors of every listed company shall determine the terms of reference of the audit committee. The board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be explicitly documented and 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 approv al by the Board of Directors, focusing on:
(i) Major judgmental areas;
(ii) Significant adjustments resulting from the audit;
(iii) Going concern assumption;
(iv) Any changes in accounting policies and practices;
(v) Compliance with applicable accounting standards;
(vi) Compliance with listing regulations and other statutory and regulatory requirements; and
(vii) 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, audit plan, reporting framework and procedures 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 chief executive officer 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 these regulations and identification of significant violations thereof;
n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the listed company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise and shall record the reasons thereof.
p) Consideration of any other issue or matter as may be assigned by the board of directors.

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed unconsolidated financial statements of JS Investments Limited (the Company), which comprise the statement of financial position as at 31 December 2018, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of the profit or loss, comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. Existence and valuation of investments	
As disclosed in note 11.1 to the accompanying financial statements of the Company for the year ended 31 December 2018, the Company has investments in units of open end mutual funds amounting to Rs.1.157 billion, which have been classified under the available for sale category. These investments are valued based on the quoted prices and considered for impairment in case of a significant or prolonged decline in value. We have identified the valuation of investments as a key audit matter due to volatility of share prices during the year, its impact on the financial statements and the management judgements that may be required in making the assessments about the impairment of financial assets.	Our key procedures included the following: - We reviewed the appropriateness of the accounting policies and practices followed by the Company to recognize impairment of investments on the basis of the requirements of the financial reporting standards. - We obtained an understanding of the procedures applied by the Company to identify impairments in the investments and observed the applications of such procedures. - We evaluated management's assessment of the indicators for impairment and compared the quoted values of investments with their average costs to assess whether any significant or prolonged and other than temporary decline in value exists. We also checked that the Company's policy for impairment is consistently applied and impairment charge, if any, is appropriately recognized. - We checked the valuations of investments on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at 31 December 2018. - We also assessed the adequacy of the overall disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the financial reporting framework as applicable to the Company.

Key audit matter	How our audit addressed the key audit matter
1. Preparation of financial statements under Companies Act, 2017	
As referred to in note 2.1 to the accompanying financial statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual financial statements for the year ended 31 December 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements. In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 2.1 to the financial statements. Further, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 3.2 to the financial statements. The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.	We assessed the procedures applied by the management for identification of the changes required in the financial statements due the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the financial statements. In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 14 to the financial statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is suffi cient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, inten tional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclo sures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclu sions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclo sures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Chartered Accountants

Date: March 05, 2019

Karachi

FINANCIAL STATEMENTS

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Note	2018	2017	2016
			----------- (Restated) -----------	
		---------------------------Rupees---------------------------		
ASSETS				
Non - current assets				
Property and equipment	4	**485,306,147**	381,270,208	373,686,528
Intangible assets	5	**16,315,422**	8,464,922	1,617,337
Long-term investment in a subsidiary	6	**37,500,000**	37,500,000	37,500,000
Long-term loans and prepayments - considered good	7	**4,209,830**	4,235,554	7,168,287
		543,331,399	431,470,684	419,972,152
Current assets				
Balances due from funds under management - related parties	8	**112,825,238**	110,221,608	115,188,859
Loans and advances - considered good	9	**2,436,861**	5,612,073	1,905,138
Trade deposits, short term prepayments and other receivables	10	**60,455,636**	72,102,307	28,317,112
Other financial assets - investments	11	**1,604,144,245**	1,875,545,886	2,383,626,304
Taxation - net		**89,518,144**	88,635,731	113,853,242
Cash and bank balances	12	**23,014,578**	15,534,837	11,144,714
		1,892,394,702	2,167,652,442	2,654,035,369
Total assets		**2,435,726,101**	2,599,123,126	3,074,007,521
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital				
Authorized capital		**2,500,000,000**	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	**801,718,180**	801,718,180	801,718,180
Unappropriated profit		**751,736,003**	700,840,694	700,155,016
Capital repurchase reserve account		**198,281,820**	198,281,820	198,281,820
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net		**225,049,381**	461,102,049	873,584,690
Surplus on revaluation of fixed assets - net of tax	14	**173,891,692**	183,058,851	191,614,859
		2,150,677,076	2,345,001,594	2,765,354,565
LIABILITIES				
Non - current liabilities				
Deferred tax liability - net	15	-	15,590,093	82,222,385
Liability against asset subject to finance lease	16	**34,634,633**	3,508,147	-
Current liabilities				
Accrued and other liabilities	17	**235,674,385**	230,094,008	223,311,062
Unclaimed dividend		**2,952,805**	3,405,084	3,119,509
Current maturity of liability against asset subject to finance lease	16	**11,787,202**	1,524,200	-
Total liabilities		**285,049,025**	254,121,532	308,652,956
Total equity and liabilities		**2,435,726,101**	2,599,123,126	3,074,007,521
Contingencies and commitments	18			

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

Chief Executive Officer	**Director**	**Chief Financial Officer**

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		----------- Rupees -----------	
Income			
Remuneration from funds under management - net	19	**195,074,253**	198,371,204
Commission from open end funds under management	20	**4,319,519**	8,281,530
Dividend income	21	**3,882,418**	40,746,025
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**2,778,670**	2,959,496
Net gain on sale of investments classified as 'available-for-sale'	11.4	**175,736,478**	95,392,424
Return on bank deposits		**2,125,280**	1,387,815
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	22	**4,459,869**	5,703,483
		388,376,487	352,841,977
Administrative and marketing expenses	23	**(283,166,433)**	(240,206,912)
Selling and distribution expenses	24	**(88,033,932)**	(77,057,572)
Operating profit		**17,176,122**	35,577,493
Other expenses	25	**(1,163,256)**	(1,323,592)
Financial charges	26	**(3,326,506)**	(291,187)
		12,686,360	33,962,714
Other income	27	**44,323,483**	33,537,797
Profit before taxation		**57,009,843**	67,500,511
Taxation - net	28	**(15,281,693)**	(35,284,935)
Profit for the year		**41,728,150**	32,215,576
Earnings per share for the year - basic and diluted	29	**0.52**	0.40

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		----------- Rupees -----------	
Profit for the year		**41,728,150**	32,215,576
Other comprehensive loss to be reclassified to profit and loss account in subsequent periods			
Unrealised diminution on remeasurement of investments classified as 'available-for-sale' - net	11.4	**(69,256,500)**	(363,213,145)
Reclassification adjustments relating to sale of investments	11.4	**(175,736,478)**	(95,392,424)
Related tax		**8,940,310**	46,122,928
		(236,052,668)	(412,482,641)
Total comprehensive loss for the year		**(194,324,518)**	(380,267,065)

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Act, 2017, in a separate account below equity.

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

Chief Executive Officer **Director** **Chief Financial Officer**

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2018

		Reserves				
		Capital reserve			Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account	Surplus on revaluation of fixed assets - net of tax	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Unappropriated profit	Total
	----------	----------	----------	Rupees	----------	----------
Balance as at January 01, 2017 - previously reported	801,718,180	198,281,820	-	873,584,690	700,155,016	2,573,739,706
Adjustment due to change in accounting policy (note 3.2)	-	-	191,614,859	-	-	191,614,859
Balance as at January 01, 2017 - (restated)	**801,718,180**	**198,281,820**	**191,614,859**	**873,584,690**	**700,155,016**	**2,765,354,565**
Total comprehensive (loss) / income						
Profit for the year	-	-	-	-	32,215,576	32,215,576
Other comprehensive loss - 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)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(8,556,008)	-	8,556,008	-
Final dividend at the rate of Re.0.5 per share for the year ended December 31, 2017	-	-	-	-	(40,085,906)	(40,085,906)
Balance as at December 31, 2017 (restated)	**801,718,180**	**198,281,820**	**183,058,851**	**461,102,049**	**700,840,694**	**2,345,001,594**
Balance as at January 01, 2018 (restated)	801,718,180	198,281,820	183,058,851	461,102,049	700,840,694	2,345,001,594
Total comprehensive (loss) / income						
Profit for the period	-	-	-	-	41,728,150	41,728,150
Other comprehensive income - net of tax	-	-	-	(236,052,668)	-	(236,052,668)
Total comprehensive (loss) / income for the year	-	-	-	(236,052,668)	41,728,150	(194,324,518)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(9,167,159)	-	9,167,159	-
Balance as at December 31, 2018	**801,718,180**	**198,281,820**	**173,891,692**	**225,049,381**	**751,736,003**	**2,150,677,076**

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		----------- Rupees -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**57,009,843**	67,500,511
Adjustment for:			
Remuneration from funds under management - net	19	**(195,074,253)**	(198,371,204)
Commission from open end funds under management	20	**(4,319,519)**	(8,281,530)
Dividend income	21	**(3,882,418)**	(40,746,025)
Depreciation	4.1	**34,686,862**	32,483,982
Amortization of intangible assets	5	**3,270,118**	1,462,096
Financial charges	26	**3,326,506**	291,187
Return on bank deposits		**(2,125,280)**	(1,387,815)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**(2,778,670)**	(2,959,496)
Net gain on sale of investments classified as 'available-for-sale'		**(175,736,478)**	(95,392,424)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	27	**(1,004,831)**	(1,369,443)
Gain on disposal of property and equipment	27	**(966,980)**	(598,487)
		(287,595,100)	(247,368,648)
Increase / (decrease) in assets and liabilities			
Loans and advances		**2,807,730**	(1,167,404)
Trade deposits, short term prepayments and other receivables		**12,080,548**	(43,406,870)
Accrued and other liabilities		**46,969,944**	11,815,306
		61,858,222	(32,758,968)
		(225,736,878)	(280,127,616)
Taxes paid - net		**(22,813,960)**	(30,576,789)
Remuneration and commission received from funds under management		**196,790,140**	211,619,985
Net cash used in operating activities		**(51,760,698)**	(99,084,420)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(1,642,626,251)**	(574,512,100)
Sale proceeds from disposal of investments		**1,848,554,891**	723,708,302
Dividends received		**3,882,418**	40,746,025
Payment for purchase of property and equipment		**(141,359,988)**	(41,244,490)
Payment for purchase of intangible assets		**(11,120,618)**	(8,309,681)
Return on bank deposits		**2,084,607**	1,402,691
Sale proceeds from disposal of property and equipment		**3,604,166**	1,775,315
Net cash generated from investing activities		**63,019,225**	143,566,062
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(452,279)**	(39,800,332)
Financial charges paid		**(3,326,507)**	(291,187)
Net cash used in financing activities		**(3,778,786)**	(40,091,519)
Net increase in cash and cash equivalents		**7,479,741**	4,390,123
Cash and cash equivalents at beginning of the year		**15,534,837**	11,144,714
Cash and cash equivalents at end of the year	32	**23,014,578**	15,534,837

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

Chief Executive Officer **Director** **Chief Financial Officer**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

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 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. Recently JSIL has also acquired the Private Equity & Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

Geographical location and addresses of business units of the Company are as under:

Location	Address	Purpose
Karachi	7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi	Head Office
Karachi	Plot No. 16-C, Phase -1, Near Nadra Mega Centre, DHA, Karachi.	Branch Office
Lahore	1st Floor, Block C, Abul Hassan Isfahani Road, Faisal Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

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 Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2
- JS Islamic Dedicated Equity Fund

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.

1.4 Summary of significant transactions and events occurred during the year

- Launch of JS Islamic Dedicated Equity Fund, JS Islamic Capital Preservation Allocation Plan - 1,JS Islamic Capital Preservation Allocation Plan - 2, JS Islamic Capital Preservation Allocation Plan - 3 and JS Islamic Capital Preservation Allocation Plan - 4 under JS Islamic Hybrid Fund of Funds - 2.
- Acquitsion of Private Equity and Venture Capital Fund Management Services license from SECP.
- JS Capital Protected Fund V has matured; and
- Adoption of Companies Act, 2017 (refer note 2.1).

2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting

Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act;

- Provisions of 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).

Where the provisions of and directives issued under the Act, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Act, the NBFC Rules and the NBFC Regulations have been followed.

The Act is applicable for the current year's financial statements and has brought certain changes with regard to the preparation and presentation of these financial statements. These changes, amongst others, included change in respect of presentation and measurement of surplus on revaluation of property and equipment as fully explained in note 3.2 of these financial statements and changes in nomenclature of the primary statements. Disclosure of significant transactions and events affecting the Company's financial position and performance (refer note 1.4), management assessment of sufficiency of tax provision (refer note 28.1), change in threshold for identification of executives for disclosing their remuneration (refer note 30) and additional disclosure requirements for related parties (refer note 31) etc.

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.

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 3.4 and 5);

ii) Provision for taxation (notes 3.12 and 28);

iii) Classification and valuation of investments (notes 3.5 and 11);

iv) Determination and measurement of useful life and residual value of property and equipment (notes 3.3 and 4.1);

v) Valuation of office premises (notes 3.3 and 4.1.3); 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

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

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

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

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Improvements to Accounting Standards Issued by the IASB in December 2016

IFRS 1 First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

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

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 9 – Financial Instruments	July 01, 2018
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	January 01, 2019
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 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 – Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	January 01, 2019
Definition of a Business – Amendments to IFRS 3	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application. However, the Company is currently evaluating the requirements of IFRS-9 and IFRS-16, and their potential impacts on the financial statements of the Company.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after January 01, 2019. 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.

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

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except for the changes in accounting policies as explained in the note 3.2 below and 2.5 above:

3.2 Change in accounting policy

The new Companies Act, 2017 have applied during the year. The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets and required that the surplus on revaluation be presented separately under equity. Accordingly, after the new Companies Act, 2017 and in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

A revaluation deficit is recognised in the unconsolidated statement of profit or loss, except that the deficit offsets a previous surplus on same category of asset, in which case, the deficit is charged to the balance of surplus on revaluation.

The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". Due to the above change in accounting policy, the Company has presented its statement of financial position as at the beginning of the earliest comparative period i.e January 01, 2017 and related notes in accordance with requirement of IAS 1 – Presentation of Financial Statements (Revised) (IAS 1). The effect of change in accounting policy is summarised below:

Statement of financial position and statement of changes in equity

	As previously reported	Impact of change in accounting policy	As restated
	----------	(Rupees)	----------
January 01, 2017			
Assets	**3,074,007,521**	**-**	**3,074,007,521**
Liabilities	**308,652,956**	**-**	**308,652,956**
Share capital and reserves	**2,573,739,706**	**191,614,859**	**2,765,354,565**
Separate line item below equity			
Surplus on revaluation of fixed assets - net of tax	**191,614,859**	**(191,614,859)**	**-**

	As previously reported	Impact of change in accounting policy	As restated
	----------	(Rupees)	----------
December 31, 2017			
Assets	**2,599,123,126**	**-**	**2,599,123,126**
Liabilities	**254,121,532**	**-**	**254,121,532**
Share capital and reserves	**2,161,942,743**	**183,058,851**	**2,345,001,594**
Separate line item below equity			
Surplus on revaluation of fixed assets - net of tax	**183,058,851**	**(183,058,851)**	**-**

The change of accounting policy does not have any impact on statement of profit or loss, statement of comprehensive income and statement of cash flows.

3.3 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 on the outstanding liability.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

3.11 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.

3.12 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 recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilised. 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.

3.13 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.

3.14 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.

3.15 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.

3.16 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.

3.17 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	2018	2017
4. PROPERTY AND EQUIPMENT		------------ Rupees	------------
Operating fixed assets	4.1	**364,873,701**	367,085,044
Capital work-in-progress - advance against capital expenditure	4.2	**120,432,447**	14,185,164
		485,306,147	381,270,208

4.1 Operating fixed assets

	2018					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles (note 4.1.1)	Total
	------------------	------------------	------------------ Rupees	------------------	------------------	------------------
At January 01, 2018						
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**	**46,602,907**	**367,085,044**
Year ended December 31, 2018						
Opening net book value	**305,891,750**	**-**	**2,259,937**	**12,330,450**	**46,602,907**	**367,085,044**
Additions	**-**	**-**	**3,071,709**	**16,130,321**	**15,910,675**	**35,112,705**
Disposals	**-**	**-**	**(26,396)**	**-**	**(2,610,790)**	**(2,637,186)**
Depreciation charge for the year	**(18,633,000)**	**-**	**(433,796)**	**(7,192,581)**	**(8,427,485)**	**(34,686,862)**
Closing net book value	**287,258,750**	**-**	**4,871,454**	**21,268,190**	**51,475,307**	**364,873,701**
At December 31, 2018						
Cost / revalued amount	**372,660,000**	**2,990,894**	**28,597,348**	**119,071,316**	**67,627,788**	**590,947,346**
Accumulated depreciation	**(85,401,250)**	**(2,990,894)**	**(23,725,894)**	**(97,803,126)**	**(16,152,481)**	**(226,073,645)**
Net book value	**287,258,750**	**-**	**4,871,454**	**21,268,190**	**51,475,307**	**364,873,701**
Depreciation rate % per annum	**5%**	**20%**	**10%**	**25%**	**20%**	

	2017					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	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	12,330,450	46,602,907	367,085,044
Depreciation rate % per annum	5%	20%	10%	25%	20%	

4.1.1 Vehicles with a net book value of Rs.49.690 (2017: Rs.7.083) million are held under finance lease. The leased vehicles are pledged as security for the related finance lease obligation.

4.1.2 Details of operating fixed assets disposed of:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
Assets with Individual book value exceeding rupees 500,000							
Vehicles							
Suzuki cultus VXR	**1,158,200**	**361,938**	**796,262**	**859,000**	**62,738**	Employee via bid	Raja Kamran
Suzuki cultus VXR	**1,140,240**	**356,325**	**783,915**	**975,000**	**191,085**	Third party via bid	Automotive Progress Services care of Mandviwalla Motors
Suzuki cultus VXR	**1,155,000**	**360,937**	**794,063**	**847,000**	**52,937**	Employee via bid	Asma Gilani
Aggregate of other items of asset in own use with individual book value not exceeding Rupees 500,000	**13,699,951**	**13,437,005**	**262,946**	**923,166**	**660,220**		
Total as at December 31, 2018	**17,153,391**	**14,516,205**	**2,637,186**	**3,604,166**	**966,980**		
Total as at December 31, 2017	7,472,388	6,295,560	1,176,828	1,775,315	598,487		

4.1.3 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.173.892 (2017: Rs.183.058) million net of tax remains undepreciated as at December 31, 2018.

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.

4.1.4 Had there been no revaluation, the net book value of the office premises would have been Rs.38.093 (2017: Rs.44.504) million. The forced sale value of the office premises amounts to Rs.298.128 million.

4.1.5 The details of immovable fixed asset (i.e. office premises) are as follows:

Description of Location	Address	Total Area of Land Square Feet
Head office	Office No. 714-717 and 718 to 727 7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi	27,604.5

4.1.6 The cost of fully depreciated assets as at December 31, 2018 is Rs.99.903 (2017: Rs.106.107) million.

4.2 This represents advances paid to various contractors and suppliers in respect of civil works pertaining to new premises where the Company will be shifted once the construction is completed. The additions and transfers during the year amounted to Rs.126.680 (2017: Rs.53.477) million and Rs.17.995 (2017: Rs.53.612) million, respectively.

5. INTANGIBLE ASSETS - SOFTWARE

	2018	2017
	------------ Rupees ------------	
At January 01		
Cost	**42,097,846**	33,788,165
Accumulated amortization	**(33,632,924)**	(32,170,828)
Net book value	**8,464,922**	1,617,337
Year ended December 31		
Opening net book value	**8,464,922**	1,617,337
Additions during the year	**11,120,618**	8,309,681
Amortization for the year	**(3,270,118)**	(1,462,096)
Closing net book value	**16,315,422**	8,464,922
At December 31		
Cost	**53,218,464**	42,097,846
Accumulated amortization	**(36,903,042)**	(33,632,924)
Net book value	**16,315,422**	8,464,922
Amortization rate % per annum	**20%**	20%

6. LONG-TERM INVESTMENT - INVESTMENT IN A SUBSIDIARY

	2018	2017
3,750,000 (2017: 3,750,000) unquoted ordinary shares of Rs.10 each held in JS ABAMCO Commodities Limited (Net assets value as per the audited financial statements as at December 31, 2018: Rs.60.95 (2017: Rs.58.28) million	**37,500,000**	37,500,000

The investment in subsidiary have been made in accordance with the requirements under the Companies Act, 2017.

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	2018	2017
		------------ Rupees ------------	
Loans to employees	7.1	**2,456,478**	4,501,634
Less: Current portion	9	**(805,390)**	(3,218,026)
		1,651,088	1,283,608
Long term prepayment	7.2	**3,935,342**	3,935,342
Less: Amortisation		**(983,066)**	(589,862)
Less: Current portion	10	**(393,534)**	(393,534)
		2,558,742	2,951,946
		4,209,830	4,235,554

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 5.99% to 10.30% (2017: 2.94% to 5.99%) 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.4.58 (2017: Rs.4.63) 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)		
JS Value Fund	**15,915,115**	16,144,341
JS Growth Fund	**36,395,386**	37,041,495
JS Large Cap. Fund	**12,547,909**	12,410,678
Unit Trust of Pakistan	**17,855,869**	17,891,651
JS Income Fund	**5,144,214**	5,700,065
JS Islamic Fund	**6,985,224**	7,906,235
JS Fund of Funds	**595,433**	653,135
JS Pension Savings Fund	**3,529,450**	3,790,699
JS Islamic Pension Savings Fund	**1,920,294**	2,097,802
JS Islamic Income Fund	**1,319,391**	1,302,934
JS Cash Fund	**4,685,689**	4,655,115
JS Capital Protected Fund V	**-**	279,949
JS Islamic Hybrid Fund of Funds	**142**	11,565
JS Islamic Dedicated Equity Fund	**1,993,509**	-
JS Islamic Hybrid Fund of Funds - 2	**3,937,613**	335,944
	112,825,238	110,221,608

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

Current portion of long-term loans to employees	7	**805,390**	3,218,026
Unsecured advances to			
- employees		**1,268,978**	1,762,902
- suppliers		**362,493**	631,145
		1,631,471	2,394,047
		2,436,861	5,612,073

10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

	Note	2018	2017
		------------ Rupees ------------	
Rent and other receivable from related parties	10.1	**31,481,853**	22,843,058
Advance rent		**9,196,474**	33,387,200
Deposits		**4,246,956**	4,246,956
Prepayments		**11,282,803**	8,175,105
Others		**4,247,550**	3,449,988
		60,455,636	72,102,307

10.1 This includes Rs.24.400 (2017: Rs.17.903) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.4.455 (2017: Rs.4.567) million of expenses incurred on the formation cost on behalf of funds under management.

11. OTHER FINANCIAL ASSETS - INVESTMENTS

Investments by category	Note	2018	2017
		------------ Rupees ------------	
'Available-for-sale'			
Units of mutual funds - related parties	11.1	**1,157,454,903**	1,728,711,404
'At fair value through profit or loss - held-for-trading'			
Units of mutual funds - related parties	11.2	**321,689,342**	146,834,482
Listed debt security - Term finance certificate	11.3	**125,000,000**	-
		446,689,342	146,834,482
		1,604,144,245	1,875,545,886

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

Number of units		Name of fund	Note	2018		2017
2018	2017			Average cost	Fair value	Fair value
				---------------------- Rupees ----------------------		
1,716,379	2,565,210	JS Value Fund		**349,797,996**	**349,386,065**	514,145,110
1,903,901	3,554,958	JS Growth Fund		**319,948,392**	**302,072,879**	641,172,136
205,210	240,000	JS Pension Savings Fund - Equity		**12,634,788**	**85,297,643**	108,962,400
137,349	177,761	JS Pension Savings Fund - Debt		**13,734,899**	**34,079,032**	41,411,248
177,463	177,463	JS Pension Savings Fund - Money Market		**17,746,342**	**35,329,417**	33,230,025
2,772,987	3,441,521	JS Fund of Funds		**146,285,668**	**141,034,115**	174,244,213
182,354	200,000	JS Islamic Pension Savings Fund - Equity		**16,566,831**	**101,071,344**	125,186,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt		**21,385,170**	**44,359,257**	42,314,835
222,303	222,303	JS Islamic Pension Savings Fund - Money Market		**22,230,337**	**39,990,151**	38,029,437
150,000	-	JS Islamic Capital Preservation - Allocation Plan 4		**15,000,000**	**15,054,000**	-
100,000	100,000	JS Islamic Hybrid Fund of Funds-2		**10,000,000**	**9,781,000**	10,016,000
				945,330,423	**1,157,454,903**	1,728,711,404
		Unrealised appreciation on remeasurement at fair value	11.4	**212,124,480**	**-**	-
				1,157,454,903	**1,157,454,903**	1,728,711,404

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

Number of units 2018	Number of units 2017		2018 Average cost	2018 Fair value	2017 Fair value
			---------------------- Rupees ----------------------		
2,358,284	418,688	JS Cash Fund	**240,736,661**	**241,040,244**	43,618,949
346,078	-	JS Income Fund	**34,508,937**	**34,247,920**	-
442,295	1,007,964	JS Islamic Income Fund	**45,438,913**	**46,401,178**	103,215,533
			320,684,511	**321,689,342**	146,834,482
		Unrealised gain on remeasurement at fair value	**1,004,831**	**-**	-
			321,689,342	**321,689,342**	146,834,482

11.3 Investment in Debt Security - Term Finance Certificate

This represents investment in AA- rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Bank AL Habib Limited, having face value of Rs.5,000 per certificate and carries profit at the rate of 6 Months KIBOR + 1.50% per annum.

	Note	2018	2017
		------------ Rupees ------------	
11.4 Unrealised appreciation on remeasurement at fair value			
Market value of investments		**1,157,454,903**	1,728,711,404
Less: Cost of investments		**(945,330,423)**	(1,271,593,946)
		212,124,480	457,117,458
Unrealised appreciation at the beginning of the year		**457,117,458**	915,723,027
Appreciation transferred to profit and loss account during the year upon disposal of investments		**(175,736,478)**	(95,392,424)
Diminution on remeasurement at fair value during the year		**(69,256,500)**	(363,213,145)
		(244,992,978)	(458,605,569)
		212,124,480	457,117,458

12. CASH AND BANK BALANCES

	Note	2018	2017
Cash in hand		**86,788**	64,296
Cash at bank in:			
Current accounts		**568,596**	169,048
Saving accounts	12.1	**22,359,194**	15,301,493
	12.2	**22,927,790**	15,470,541
		23,014,578	15,534,837

12.1 These carry mark-up at the rates ranging from 4.50% to 8.75% (2017: 3.75% to 6.2%) per annum.

12.2 It includes Rs.20.947 (2017: Rs.13.934) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2018	2017		2018	2017
------------ Shares ------------			------------ Rupees ------------	
		Authorised capital		
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 (2017:52,236,978) shares in the Company.

13.2 There is only one class of ordinary shares issued.

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

14. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	2018	2017
	------------ Rupees ------------	
Surplus on revaluation of fixed assets as at 1st January	**261,470,731**	273,693,602
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to upappropriated profit during the year - net of deferred tax	**(9,167,159)**	(8,556,008)
Related deferred tax liability	**(3,055,719)**	(3,666,863)
	(12,222,878)	(12,222,871)
	249,247,853	261,470,731
Less: Related deferred tax liability on:		
- revaluation reserves from last year	**(78,411,880)**	(82,078,743)
- incremental depreciation charged during the year transferred to profit and loss account	**3,055,719**	3,666,863
	(75,356,161)	(78,411,880)
	173,891,692	183,058,851

15. DEFERRED TAX LIABILITY - net

	2018			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / Other Comprehensive income	Closing
	---------- Rupees ----------			
Taxable temporary differences on:				
Accelerated tax depreciation	**9,347,758**	**2,052,910**	**-**	**11,400,668**
Surplus on revaluation of fixed assets	**78,413,191**	**(16,101,228)**	**-**	**62,311,963**
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	**241,220**	**(152,362)**	**-**	**88,858**
Unrealized appreciation on 'available-for-sale' investments	**(3,984,585)**	**-**	**(8,940,310)**	**(12,924,895)**
Deductible temporary differences on:				
Provision for Workers' Welfare Fund	**(20,187,423)**	**3,072,771**	**-**	**(17,114,652)**
Provision for donation	**(197,238)**	**10,801**	**-**	**(186,437)**
Deferred tax asset on carried forward tax losses	**(48,042,830)**	**4,467,325**	**-**	**(43,575,505)**
	15,590,093	**(6,649,783)**	**(8,940,310)**	**-**

15.1 The Company has not recognized deferred tax asset of Rs.28.575 million on account of carried forward tax losses in accordance with its accounting policy.

	2017			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / OCI	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 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

	Note	2018	2017
		------------ Rupees ------------	

16. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

	Note	2018	2017
Present value of minimum lease payments	16.1	**46,421,835**	5,032,347
Current maturity shown under current liabilities		**(11,787,202)**	(1,524,200)
		34,634,633	3,508,147

16.1. The liability against asset subject to finance lease represents the lease entered into with a Modaraba for 34 different vehicles (2017: 01 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2017: KIBOR 6M plus 1.5% with floor of 7.5% and ceiling of 20%) per annum. The Company, shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

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

	2018		
	Minimum lease payments	Financial charges	Present value of minimum lease payments
	---------------------------- Rupees ----------------------------		
Year ended December 31			
2019	**14,800,894**	**3,013,692**	**11,787,202**
2020	**13,922,648**	**2,139,818**	**11,782,830**
2021	**12,034,873**	**1,307,985**	**10,726,888**
2022	**10,814,992**	**551,992**	**10,263,000**
2023	**1,893,853**	**31,938**	**1,861,915**
Total	**53,467,260**	**7,045,425**	**46,421,835**

	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

17. ACCRUED AND OTHER LIABILITIES

	Note	2018	2017
		------------ Rupees ------------	
Salary payable		**1,747,225**	1,710,677
Staff bonus accrued		**20,000,000**	20,000,000
Accrued expenses		**30,324,477**	18,670,542
Fee and commission payable		**4,261,560**	9,281,989
Sales tax payable		**17,240,883**	17,694,418
Federal excise duty payable	17.1	**92,244,587**	92,283,608
Provision for Sindh Workers' Welfare Fund	25	**10,839,549**	9,672,351
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 & 17.4	**1,397,046**	3,161,365
		235,674,385	230,094,008

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 as 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.

During the year, FED amounting to Rs.0.039 million related to JS Capital Protected Fund V has been reversed pursuant to the revocation of the said Fund.

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.

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 (2017: Rs.57.619) million against WWF as at the year end (including Rs.31.310 million maintained on behalf of certain funds under management).

17.3 It includes Rs.0.365 (2017: Rs.1.844) million payable to funds under management, due to reversal of management fee and exposure of expense ratios in funds.

17.4 It also includes Rs.0.005 (2017: Rs.0.017) million payable in respect of contributions to defined contribution plan.

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). The DCIR consider our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million. The appeal was heard and reserved for order however the order is not received till date.The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 to reduce the refund claimed of Rs.8.499 million to Rs.3.102 million. The Company submitted appeal against the above order before the CIR (Appeal), the appeal was heard and reserved for order, however, the order is not received till date.

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

	Note	2018	2017
		------------ Rupees ------------	
18.2 Commitments in respect of:			
Use of name and advisory payment - a related party		**15,000,000**	10,000,000

19. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

	2018	2017
Open end Funds		
JS Value Fund	**23,536,981**	27,021,621
JS Growth Fund	**47,658,659**	58,471,777
Unit Trust of Pakistan	**32,442,508**	36,413,356
JS Income Fund	**21,790,979**	22,951,610
JS Islamic Fund	**27,262,320**	34,751,928
JS Fund of Funds	**1,564,656**	2,729,996
JS Islamic Hybrid Fund of Funds	**-**	530,719
JS Islamic Hybrid Fund of Funds - 2	**14,081,205**	69,418
JS Pension Savings Fund	**6,003,311**	8,496,305
JS Islamic Pension Savings Fund	**3,647,915**	5,153,494
JS Cash Fund	**2,501,348**	3,228,308
JS Islamic Income Fund	**4,401,629**	1,645,878
JS Capital Protected Fund V	**1,399,113**	3,167,510
JS Islamic Dedicated Equity Fund	**16,571,027**	-
JS Large Cap Fund	**17,572,255**	19,527,540
	220,433,906	224,159,460
Less: Sindh sales tax	**(25,359,653)**	(25,788,256)
	195,074,253	198,371,204

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, 2018 the Company has charged management fee at the rates ranging from 0.00% to 2.00% (2017: 0.50% to 2.00%).

19.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2018 amounts to Rs.20,379 (2017: Rs.13,524) million.

20. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT

	Note	2018	2017
Unit Trust of Pakistan		**11,185**	234,758
JS Islamic Fund		**1,023,593**	3,164,605
JS Fund of Funds		**84,864**	1,672,652
JS Value Fund		**8,122**	91,966
JS Growth Fund		**1,103**	110,093
JS Islamic Income Fund		**40,572**	-
JS Income Fund		**39,044**	324,814
JS Pension Savings Fund		**63,682**	11,680
JS Islamic Pension Savings Fund		**805**	39,780
JS Cash Fund		**13,510**	3,701
JS Large Cap Fund		**263,596**	1,094,878
JS Islamic Hybrid Fund of Funds - 2		**2,756,201**	266,526
JS Islamic Hybrid Fund of Funds		**13,242**	1,266,077
	20.1	**4,319,519**	8,281,530

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

	Note	2018	2017
		------------ Rupees ------------	
'Available-for-sale'			
JS Fund of Funds		-	6,710,650
JS Value Fund		-	10,119,785
JS Growth Fund		-	20,835,674
		-	37,666,109
'At fair value through profit or loss - held-for-trading'			
JS Income Fund		**1,686,010**	-
JS Islamic Income Fund		**1,564,051**	3,079,916
		3,250,061	3,079,916
JS Aggressive Income Fund	21.1	**632,357**	-
		3,882,418	40,746,025

21.1 JS Aggressive Income Fund (JSAIF) had revoked on April 30, 2013. However, net assets of JSAIF could not be fully distributed as the matter regarding applicability of Workers' Welfare Fund (WWF) remained unsolved. During the financial year 2017, the Honorable Supreme Court of Pakistan passed a judgement declaring WWF as unlawful. Pursuant to the same, the Company has received the amount as distribution in the form of dividend.

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 Nine (2017: Thirteen) discretionary and One (2017: One) non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2018 was Rs.300.64 (2017: Rs.332.74) million and Rs.270.76 (2017: Rs.299.87) million respectively.

23. ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2018	2017
Salaries and benefits		**91,236,609**	82,058,238
Directors' fee		**525,000**	475,000
Staff retirement benefits	23.1	**5,482,596**	4,451,310
Staff bonus		**20,000,000**	21,697,020
Amortisation of intangible assets	5	**3,270,118**	1,462,096
Depreciation	4.1	**34,686,862**	32,483,982
Printing and stationery		**1,362,274**	3,751,884
Rent, rates, taxes and maintenance		**36,307,602**	17,603,355
Travelling, conveyance and vehicle maintenance		**14,935,903**	9,405,495
Share registrar / transfer agent remuneration		**542,578**	6,882,698
Postage and telephone		**3,597,800**	4,349,549
Legal and professional		**16,304,383**	12,969,123
Fees and subscription		**8,371,871**	8,452,176
IT services		**9,972,324**	3,409,037
Utilities		**6,569,239**	5,519,469
Office security		**993,624**	800,302

	Note	2018	2017
		------------ Rupees ------------	
Insurance		**9,796,578**	8,219,499
Newspaper		**188,533**	202,438
Use of name and advisory fee	23.5	**13,750,000**	10,000,000
Shariah advisory fee	23.6	**78,922**	208,579
Auditors' remuneration	23.7	**1,703,748**	1,476,600
Donation	23.8	**745,747**	657,461
Training and development		**867,855**	964,703
Miscellaneous expenses		**1,876,267**	2,706,898
		283,166,433	240,206,912

23.1 Staff retirement benefits include contributions to defined contribution plan of Rs.9.03 (2017: Rs.7.18) million.

		2018	2017
		------------ Rupees ------------	
23.2	Number of employees at the end of the year	**148**	144
23.3	Average number of employees during the year	**155**	143

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, 2018 is as follows:

Number of employees	**103**	101
Size of provident fund (Rupees)	**15,427,782**	22,460,201
Cost of investments (Rupees)	**1,716,119**	7,125,502
Percentage of investments	**14%**	31%
Fair value of investment (Rupees)	**2,134,208**	6,969,712

Break-up of investments

- Balance in JS Islamic Fund, a related party		
Amount of investment (Rupees)	**-**	-
Percentage of size of investment	**0%**	0%
- Balance in other listed securities		
Amount of investment (Rupees)	**2,134,208**	6,969,712
Percentage of size of investment	**14%**	31%
Total investments in listed securities	**2,134,208**	6,969,712
Percentage of size of investment	**14%**	31%
- Balance in scheduled banks		
Amount of investment (Rupees)	**14,021,702**	13,683,918
Percentage of size of investment	**91%**	61%

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 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

23.5 This represents the "Use of Name" and "Advisory" fees payable to Mr. Jahangir Siddiqui (associated person) on account of use of "JS" as a part of Company's name under two separate agreements dated August 01, 2006. The "Use of Name agreement" has been amended through addendum dated April 20, 2018 whereby the Company agreed to pay Rs.10 million per annum (previously Rs. 5 million per annum) effective from April 01, 2018. His current address is House no. D-185, Clifton, Karachi.

23.6 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund, JS Islamic Income Fund, JS Islamic Hybrid Fund of Funds, JS Islamic Hybrid Fund of Funds - 2 and JS Islamic Dedicated Equity Fund.

23.7 Auditors' remuneration

	2018	2017
	------------ Rupees ------------	
Annual audit fee	**970,000**	920,000
Fee for review of the statement of compliance on Code of Corporate Governance	**57,500**	57,500
Fee for review of half yearly financial statements	**230,000**	230,000
	1,257,500	1,207,500
Sindh sales tax	**100,600**	96,600
Out of pocket expenses	**345,648**	172,500
	1,703,748	1,476,600

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. Donation was not made to any other donees in which directors of the Company or their spouses had any interest.

24. SELLING AND DISTRIBUTION EXPENSES

	Note	2018	2017
		------------ Rupees ------------	
Salaries and benefits		**59,035,430**	50,314,620
Staff retirement benefits		**3,547,560**	2,729,354
Utilities		**2,399,425**	2,498,033
Postage and telephone		**1,284,021**	1,060,578
Office security		**493,752**	588,280
Printing and stationery		**275,739**	237,600
Rent, rates, taxes and maintenance		**7,753,578**	125,393
IT services		**5,137,327**	8,011,096
Travelling, conveyance and vehicle maintenance		**1,963,278**	1,191,049
Fees and commission		**8,800,000**	3,795,567
Advertisement, selling and marketing expense		**19,695,607**	8,572,850
Miscellaneous expenses		**1,090,336**	588,280
		111,476,053	79,712,700
Less: Reimbursement of selling and distribution expenses	24.1	**(23,442,121)**	(2,655,128)
		88,033,932	77,057,572

24.1 The SECP vide Circular 40/2016 dated December 30, 2016 and amendment vide Circular 5/2018 dated June 04, 2018, prescribed certain conditions on Asset Management Companies (AMC) for charging of selling and marketing expenses to all categories of open end funds, except for fund of funds and money market funds, for opening and maintenance of all branches in all cities. Expenses can be charged to the extent of 0.4% per annum of net assets of fund or actual expenses whichever is lower.

25. 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 provision of Rs.1.163 (2017: Rs.1.323) million for the year, aggregating to Rs.10.840 (2017: Rs.9.672) million as at December 31, 2018. Accordingly, the Company has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no.1459 dated June 02, 2017. The said suit is currently pending before the SHC.

26. FINANCIAL CHARGES

	2018	2017
	------------ Rupees	------------
Bank charges	**42,963**	3,924
Financial charges for liability against asset subject to finance lease	**3,283,543**	287,263
	3,326,506	291,187

27. OTHER INCOME

		2018	2017
Income from financial assets			
Mark-up on loans to employees		**174,564**	196,295
Mark-up on listed debt securities		**167,445**	-
Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	11.2	**1,004,831**	1,369,443
Accrued liabilities no longer required	27.1	**18,780,367**	9,171,106
Income from non-financial assets			
Rental income	27.2	**23,229,296**	22,202,466
Gain on disposal of property and equipment		**966,980**	598,487
		44,323,483	33,537,797

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

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

28. TAXATION - Net

	2018	2017
	------------ Rupees	------------
Current	**27,165,214**	41,154,299
Prior years	**(5,233,738)**	14,639,998
Deferred	**(6,649,783)**	(20,509,362)
	15,281,693	35,284,935

28.1 The comparison of tax provisions as per financial statements and tax assessments for prior years are as follows:

Tax year	Tax Provisions	Tax Assessments
2016	**33,170,283**	**25,741,026**
2017	**44,436,579**	**43,341,877**
2018	**41,154,299**	**36,032,265**

The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

28.2 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 2018 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.

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

	2018	2017
	------------ Rupees ------------	
Accounting profit before taxation	**57,009,843**	67,500,511
Tax at applicable rate of 29% (2017: 30%)	**16,532,854**	20,250,153
Tax impact of income under FTR and differential in tax rates	**(1,872,182)**	(8,463,127)
Tax impact of exempt capital gains	**(15,627,893)**	(23,436,013)
Tax impact of minimum tax	**18,037,885**	18,448,352
Tax impact of provision u/s 5A	**2,850,492**	5,062,738
Tax impact of permanent differences	**1,156,635**	1,332,148
Tax impact of prior year	**(5,233,738)**	14,639,998
Tax impact of expenses allocated to FTR income	**6,184,240**	7,787,752
Deferred tax recognised at higher rate	**(6,649,783)**	-
Others	**(96,817)**	(337,066)
	15,281,693	35,284,935

29. EARNINGS PER SHARE - Basic and diluted

	2018	2017
Profit for the year after taxation	**41,728,150**	32,215,576
	------- Number of shares -------	
Weighted average number of ordinary shares outstanding during the year	**80,171,818**	80,171,818
Earnings per share (Rupees)	**0.52**	0.40

29.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2018 and December 31, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

30. 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 *	
	2018	2017	2018	2017
	------ Rupees ------			
Managerial remuneration	**15,272,724**	15,295,451	**62,638,233**	44,250,697
Bonus paid	**5,000,000**	2,500,000	**7,656,639**	4,707,750
Car allowance	**-**	-	**30,520**	413,645
Retirement benefits	**1,119,492**	1,032,864	**4,495,870**	3,074,348
Medical allowance	**1,527,276**	1,529,549	**6,263,828**	4,425,070
Other benefits	**33,180**	3,500	**3,114,690**	2,014,353
	22,952,672	20,361,364	**84,199,780**	58,885,863
Number of persons	**1**	2	**24**	18

* These represent executives as prescribed under the Companies Act, 2017.

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

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

30.3 In addition, meeting fee amounting to total Rs.525,000 (2017: Rs.475,000) 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.

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

31. 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:

	2018	2017
	------------ Rupees ------------	

31.1 Transactions during the year

31.1.1 Transactions with the funds under management

	2018	2017
Remuneration - net of taxes	**195,074,252**	198,371,204
Commission income	**4,319,519**	8,281,530
Investments made	**1,517,626,251**	574,512,100
Investments disposed off / matured	**1,848,554,891**	723,708,302
Expenses incurred by the Company on behalf of funds	**42,242,476**	22,637,820
Reimbursements of expenses by the funds	**37,259,325**	16,620,102
Dividend income	**3,882,418**	40,746,025

31.1.2 Jahangir Siddiqui & Company Limited (JSCL)

Basis of relationship - Ultimate parent company

Percentage of shareholding - JSCL holds 70.42%shares of JS Bank Limited (JSBL)

	2018	2017
Expenses incurred on behalf of JSCL	**37,833**	61,300
Reimbursement of expenses incurred on behalf of JSCL	**25,000**	87,545
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	**4,197,000**	-

31.1.3 JS Bank Limited (JSBL)

Basis of relationship - Parent company

Percentage of shareholding - JSBL holds 65.16% shares of the Company

	2018	2017
Rent income	**6,914,147**	6,389,108
Rent and other expense	**7,166,952**	7,291,590
Management fee sharing on distribution of mutual funds	**4,853,045**	286,963
Expenses incurred on behalf of JSBL	**1,739,478**	2,489,774
Reimbursement of expenses by JSBL	**2,213,643**	2,070,619
Return on bank deposits	**1,986,105**	1,266,033

31.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSL)

Basis of relationship - Common directorship of JSCL

	2018	2017
Rent income	**10,816,703**	10,406,979
Expenses incurred on behalf of JSSL	**2,831,262**	2,810,913
Reimbursement of expenses by JSSL	**2,173,740**	2,740,970

	2018	2017
	------------ Rupees ------------	
31.1.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)		
Basis of relationship - Common directorship of JSCL		
Rent income	**2,753,730**	3,393,800
Expenses incurred on behalf of JSPE	**802,712**	1,146,757
Reimbursement of expenses by JSPE	**1,283,920**	1,724,882
31.1.6 Associated company - Mahvish & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Company		
Rent income	**1,323,759**	1,515,520
Expenses incurred on behalf of MJSF	**842,590**	1,413,316
Reimbursement of expenses by MJSF	**812,440**	1,560,587
31.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - common directorship of the Company		
Expenses incurred on behalf of FIF	**247,978**	205,043
31.1.8 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 20.60%		
Insurance premium paid	**2,855,251**	2,617,735
31.1.9 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	**2,317,901**	1,649,754
31.1.10 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Expenses incurred on behalf of the Fund	**1,524,114**	372,409
Reimbursement of expenses by the Fund	**1,597,880**	298,643
Provident fund contributions made	**9,030,156**	7,180,664

	2018	2017
	------------ Rupees ------------	
31.1.11 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 67.16% shares of JSGCL		
Rent income	**-**	13,068
Expenses incurred on behalf of JSGCL	**67,530**	141,400
Reimbursement of expenses by JSGCL	**-**	67,530
31.1.12 Subsidiary company - JS Abamco Commodities Limited (JSACL)		
Basis of Relationship - Subsidiary		
Percentage of shareholding - 100% of JSIL		
Expenses incurred on behalf of JSACL	**120,000**	125,085
Reimbursement of expenses by JSACL	**110,000**	125,085
31.1.13 Transactions made with key management personnel		
Remuneration	**88,120,197**	73,878,961
Directors' fee	**525,000**	475,000
Disbursements of personal loans and advances	**1,458,750**	1,855,000
Repayments of loans and advances	**3,220,290**	1,081,194
Royalty and Advisory for the period	**13,750,000**	10,000,000

31.2 Balance outstanding with related parties

	2018	2017
31.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	**126,783,451**	119,187,282
Payable to funds under management	**365,436**	1,843,599
31.2.2 Jahangir Siddiqui & Company Limited (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 70.42% shares of JS Bank Limited (JSBL)		
Receivable against expenses incurred on behalf of JSCL	**34,672**	21,839

		2018	2017
		------------ Rupees ------------	
31.2.3	**JS Bank Limited (JSBL)**		
	Basis of Relationship - parent company		
	Percentage of Shareholding - JSBL holds 65.16% shares of JSIL		
	Receivable against expenses incurred of JSBL	**706,231**	1,180,396
	Rent payable	**478,766**	2,836,482
	Rent receivable	**3,894,359**	3,542,347
	Expenses payables	**3,086,247**	-
	Profit on bank deposits	**65,484**	70,171
31.2.4	**Associated company - Jahangir Siddiqui & Sons Limited (JSSL)**		
	Basis of relationship - Common directorship of JSCL		
	Receivable against expenses incurred on behalf of JSSL	**1,717,192**	1,059,670
	Rent receivable	**2,270,018**	2,306,075
31.2.6	**Associated Company - Mahvish & Jahangir Siddiqui Foundation (MJSF)**		
	Basis of relationship - Common directorship of the Company		
	Receivable against expenses incurred on behalf of MJSF	**329,877**	299,727
	Rent receivable	**243,141**	357,868
31.2.7	**Associated company - Fakhr-e-Imdad Foundation (FIF)**		
	Basis of relationship - Common directorship of the Company		
	Receivable against expenses incurred on behalf of FIF	**954,347**	706,369
31.2.8	**Associated company - ABAMCO Limited Staff Provident Fund (the Fund)**		
	Basis of relationship - Employee benefit plan		
	Receivables against expenses incurred on behalf of company	**-**	73,766
	Payable against contribution to the Fund	**-**	8,566
31.2.9	**Associated company - JS Global Capital Limited (JSGCL)**		
	Basis of relationship - JSBL holds 67.16% shares of JSGCL		
	Receivable against expenses incurred on behalf of JSGCL	**357,579**	290,049
	Rent receivable	**181,957**	181,957
	Rent payable	**1,272,831**	2,237,580

	2018	2017
	------------ Rupees ------------	
31.2.10 Subsidiary company - JS Abamco Commodities Limited (JSACL)		
Basis of relationship - Subsidiary		
Percentage of Shareholding - 100% of the Company		
Receivable against expenses incurred on behalf of JSACL	**30,000**	20,000
31.2.11 Outstanding from key management personnel	**478,265**	2,279,805

31.2.12 Key mangement personnel and directors hold 6,514 shares in the Company

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

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

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

31.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 30 to the financial statements.

32. CASH AND CASH EQUIVALENTS

	2018	2017
Cash and bank balances	**23,014,578**	15,534,837

33. 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.

33.1 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.

33.1.1 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.

33.1.2 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 and investment in term finance certificate exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2018, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs.1.474 (2017: Rs.0.153) million.

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2018 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.

		2018				
		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	**5.99% to 10.30%**	**-**	**-**	**1,651,088**	**-**	**1,651,088**
Balances due from funds under management - related parties		**-**	**-**	**-**	**112,825,238**	**112,825,238**
Loans and advances - considered good	**5.99% to 10.30%**	**-**	**805,390**	**-**	**-**	**805,390**
Trade deposits and other receivables		**-**	**-**	**-**	**39,976,359**	**39,976,359**
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	**6M KIBOR+1.50%**	**-**	**-**	**125,000,000**	**321,689,342**	**446,689,342**
'Available-for-sale'		**-**	**-**	**-**	**1,157,454,903**	**1,157,454,903**
Cash and bank balances	**4.50% - 8.75%**	**22,359,194**	**-**	**-**	**655,384**	**23,014,578**
		22,359,194	**805,390**	**126,651,088**	**1,632,601,226**	**1,782,416,898**
Financial liabilities						
Accrued and other liabilities		**-**	**-**	**-**	**57,629,708**	**57,629,708**
Liability against asset subject to finance lease		**3,781,754**	**8,005,448**	**34,634,633**	**-**	**46,421,835**
		3,781,754	**8,005,448**	**34,634,633**	**57,629,708**	**104,051,543**
On-balance sheet gap		**18,577,440**	**(7,200,058)**	**92,016,455**	**1,574,971,518**	**1,678,365,355**

		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	2,065,165,237	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)	2,009,032,180	2,008,501,466

33.1.3 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 funds as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2018, the equity of the Company would increase / decrease by Rs.73.957 (2017: Rs.93.777) million, as a result of reduction / increase in unrealized gains / (losses).

33.2 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:

	2018	2017
	---------- Rupees ----------	
Long-term loans - considered good	**1,651,088**	1,283,608
Balances due from funds under management - related parties	**112,825,238**	110,221,608
Loans and advances - considered good	**805,390**	3,218,026
Trade deposits and other receivables	**39,976,359**	63,927,202
Other financial assets - investments	**1,604,144,245**	1,875,545,886
Cash and bank balances	**23,014,578**	15,470,541
	1,782,416,898	2,069,666,871

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2018.

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.

89.32% (2017: 95.95%) of the financial assets aggregating to Rs.1,591.969 (2017: Rs.1,985.767) 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:

	2018	2017
	Bank balances	
	------------- % -------------	
AAA	**0.3%**	0.4%
AA+	**0.1%**	0.0%
AA-	**97.6%**	99.5%
A+	**0.0%**	0.0%
AA	**2.0%**	0.2%

33.3 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.

	2018				
	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	**57,629,708**	**11,166,395**	**46,463,313**	**-**	**-**
Liability against asset subject to finance lease	**46,421,835**	**1,269,535**	**2,512,219**	**8,005,448**	**34,634,633**
	104,051,543	**12,435,930**	**48,975,532**	**8,005,448**	**34,634,633**

	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

33.4 Financial instruments by category

	2018			
	Loans and Receivables	At fair value through profit and loss - held-for-trading	Available-for-sale	Total
	--------------------- (Rupees) ---------------------			
Assets				
Long-term loans - considered good	**1,651,088**	**-**	**-**	**1,651,088**
Balances due from funds under management - related parties	**112,825,238**	**-**	**-**	**112,825,238**
Loans and advances - considered good	**805,390**	**-**	**-**	**805,390**
Trade deposits and other receivables	**39,976,359**	**-**	**-**	**39,976,359**
Other financial assets - investments	**-**	**446,689,342**	**1,157,454,903**	**1,604,144,245**
Cash and bank balances	**655,384**	**-**	**-**	**655,384**
	155,913,459	**446,689,342**	**1,157,454,903**	**1,760,057,704**

	2018	
	Other financial liabilities	Total
	----------- (Rupees) -----------	
Liabilities		
Accrued and other liabilities	**57,629,708**	**57,629,708**
Liability against asset subject to finance lease	**46,421,835**	**46,421,835**
	104,051,543	**104,051,543**

	2017			
	Loans and Receivables	At fair value through profit and loss' - held-for-trading	Available-for-sale	Total
	------------------------ (Rupees) ------------------------			
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

34. 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).

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:

	2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	---------- (Rupees) ----------			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	**-**	**1,157,454,903**	**-**	**1,157,454,903**
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	**-**	**321,689,342**	**-**	**321,689,342**
Term finance certificate	**-**	**125,000,000**	**-**	**125,000,000**
Office premises	**-**	**287,258,750**	**-**	**287,258,750**
	-	**1,891,402,995**	**-**	**1,891,402,995**

	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

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

34.1.1 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.

34.1.2 Investment in term finance certificate, issued by Bank AL Habib Limited, for the purpose of raising funds are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).

34.1.3 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.

34.2 During the year ended December 31, 2018, 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.

35. 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.

36. GENERAL

36.1 These financial statements were authorised for issue on February 21, 2019 by the Board of Directors of the Company.

36.2 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.

36.3 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.

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

Chief Executive Officer	Director	Chief Financial Officer

CONSOLIDATED FINANCIAL STATEMENTS

Report of the Directors to the Members on consolidated Financial Statements
For the year ended December 31, 2018

The Directors of your Company feel pleasure in presenting the annual audited consolidated financial statement of the Company along with auditors' report thereon for the year ended December 31, 2018.

Summary of operating results for the year	**Year ended December 31, 2018**	**Year ended December 31, 201**
	Rs. (000)	
Shareholders' Equity	**2,174,130**	**2,365,796**
Financial Performance		
Income	391,851	354,189
Operating expenses	(371,669)	(317,692)
Operating profit	**20,181**	**36,497**
Other expenses	(1,231)	(1,369)
Financial charges	(3,326)	(293)
Other operating income	44,722	34,953
Profit before tax	**60,345**	**69,788**
Taxation-net	(15,959)	(35,459)
Profit after tax	**44,386**	**34,329**
Earnings per sharebasic and diluted	**0.55**	**0.43**

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, 2018, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

Name

Mr. Hasnain Raza Nensey
Mr. Munawar Alam Siddiqui
Mr. Muhammad Khawar Iqbal
Mr. Malik Zafar Javaid

Pattern of Shareholding

The statement of pattern of Shareholding as on December 31, 2018 is annexed to this report.

Karachi: February 21, 2019

Director **Chief Executive Officer**

ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ
برائے مختتمہ سال31دسمبر2018

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2018ء کو ختم 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 سال 31 دسمبر 2018	مختتمہ سال 31 دسمبر 2017
	روپے (000)	
شیئر ہولڈرز کی ایکویٹی	2,174,130	2,365,796
مالیاتی کارکردگی		
آمدنی	391,851	354,189
آپریٹنگ اخراجات	(971,669)	(317,692)
آپریٹنگ منافع	**20,181**	**36,497**
دیگر اخراجات	(1,231)	(1,369)
مالیاتی چارجز	(3,326)	(293)
دیگر آپریٹنگ آمدنی	44,722	34,953
قبل از ٹیکس منافع	**60,345**	**69,788**
ٹیکسیشن نیٹ	(15,959)	(35,459)
بعد از ٹیکس منافع	**44,386**	**34,329**
فی شیئر آمدنی۔ بنیادی اور تحلیل شدہ	**0.55**	**0.43**

ذیلی کمپنی

JS ABAMCO کموڈیٹیز لمیٹڈ

JS ABAMCO کموڈیٹیز لمیٹڈ (دی کمپنی) کا قیام 25 ستمبر 2007 کو کمپنیز آرڈیننس 1984 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 مؤثر ہوں۔

بورڈ آف ڈائریکٹرز

مختتمہ مالی سال 31 دسمبر 2018 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 حسنین رضا نینسی

جناب منور عالم صدیقی

جناب محمد خاور اقبال

ملک ظفر جاوید

شیئر ہولڈنگ کا پیٹرن

شیئر ہولڈنگ پیٹرن کا گوشوارہ بمطابق 31 دسمبر 2018 اس رپورٹ کے ساتھ منسلک ہے۔

کراچی: 21 فروری 2019

چیف ایگزیکٹو آفیسر

ڈائریکٹر

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements of JS Investments Limited (the Company), which comprise the consolidated statement of financial position as at 31 December 2018, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the year then ended, and notes to the financial consolidated statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the consolidated statement of financial position, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of the profit or loss, comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. Existence and valuation of investments	
As disclosed in note 11.1 to the accompanying Consolidated Financial Statements of the Company for the year ended 31 December 2018, the Company has investments in units of open end mutual funds amounting to Rs.1.157billion, which have been classified under the available for sale category. These investments are valued based on the quoted prices and considered for impairment in case of a significant or prolonged decline in value. We have identified the valuation of investments as a key audit matter due to volatility of share prices during the year, its impact on the Consolidated Financial Statements and the management judgements that may be required in making the assessments about the impairment of financial assets.	Our key procedures included the following: - We reviewed the appropriateness of the accounting policies and practices followed by the Company to recognize impairment of investments on the basis of the requirements of the financial reporting standards. - We obtained an understanding of the procedures applied by the Company to identify impairments in the investments and observed the applications of such procedures. - We evaluated management's assessment of the indicators for impairment and compared the quoted values of investments with their average costs to assess whether any significant or prolonged and other than temporary decline in value exists. We also checked that the Company's policy for impairment is consistently applied and impairment charge, if any, is appropriately recognized. - We checked the valuations of investments on the basis of quoted market prices at the Pakistan Stock Exchange Limited as at 31 December 2018. - We also assessed the adequacy of the overall disclosures in the Consolidated Financial Statements in respect of the investment portfolio in accordance with the requirements of the financial reporting framework as applicable to the Company.

Key audit matter	How our audit addressed the key audit matter
1. Preparation of Consolidated Financial Statements under Companies Act, 2017	
As referred to in note 2.1 to the accompanying Consolidated Financial Statements, the Companies Act 2017 (the Act) became applicable for the first time for the preparation of the Company's annual Consolidated Financial Statements for the year ended 31 December 2018. The Act forms an integral part of the statutory financial reporting framework as applicable to the Company and amongst others, prescribes the nature and content of disclosures in relation to various elements of the Consolidated Financial Statements. In the case of the Company, specific additional disclosures and changes to the existing disclosures have been included in the financial statements as referred to note 2.1 to the Consolidated Financial Statements. Further, the Company has also changed its accounting policy relating to presentation and measurement of surplus on revaluation of fixed assets as a consequence of the application of the Act with retrospective effect. The impact of the said change in accounting policy has been disclosed in note 3.2 to the Consolidated Financial Statements. The above changes and enhancements in the financial statements are considered important and a key audit matter because of the volume and significance of the changes in the financial statements resulting from the transition to the new reporting requirements under the Act.	We assessed the procedures applied by the management for identification of the changes required in the Consolidated Financial Statements due the application of the Act. We considered the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures based on the new requirements. We also evaluated the sources of information used by the management for the preparation of the above referred disclosures and the internal consistency of such disclosures with other elements of the Consolidated Financial Statements. In respect of the change in accounting policy for the accounting and presentation of revaluation surplus as referred to note 14 to the Consolidated Financial Statements; we assessed the accounting implications in accordance with the applicable financial reporting standards and evaluated its application in the context of the Company.

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

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);

b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and

d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Chartered Accountants

Date: March 05, 2019

Karachi

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	Note	2018	2017	2016
			----------- (Restated) -----------	
		-----------------------------Rupees -----------------------------		
ASSETS				
Non - current assets				
Property and equipment	5	**485,306,147**	381,270,208	373,686,528
Intangible assets	6	**16,315,422**	8,464,922	1,617,337
Advance for office premises		**2,500,000**	2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)		**1,000,000**	1,000,000	1,000,000
Long-term loans and prepayments - considered good	7	**4,209,830**	4,235,554	7,168,287
		509,331,399	397,470,684	385,972,152
Current assets				
Balances due from funds under management - related parties	8	**112,825,238**	110,221,608	115,188,859
Loans and advances - considered good	9	**2,436,861**	5,612,073	1,905,138
Trade deposits, short term prepayments and other receivables	10	**60,440,136**	72,099,821	28,314,625
Other financial assets - investments	11	**1,661,398,935**	1,929,960,988	2,436,812,890
Taxation - net		**90,259,452**	89,373,380	113,861,832
Cash and bank balances	12	**23,353,558**	15,842,831	11,327,725
		1,950,714,180	2,223,110,701	2,707,411,069
Total assets		**2,460,045,579**	2,620,581,385	3,093,383,221
EQUITY AND LIABILITIES				
Share capital and reserves				
Share capital				
Authorized capital	13	**2,500,000,000**	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	**801,718,180**	801,718,180	801,718,180
Unappropriated profit		**775,188,683**	721,635,486	718,836,118
Capital repurchase reserve account		**198,281,820**	198,281,820	198,281,820
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net		**225,049,381**	461,102,049	873,584,690
Surplus on revaluation of fixed assets - net of tax	14	**173,891,692**	183,058,851	191,614,859
		2,174,129,756	2,365,796,386	2,784,035,667
LIABILITIES				
Non - current liabilities				
Deferred tax liability - net	15	**167,379**	15,600,544	82,380,050
Liability against asset subject to finance lease	16	**34,634,633**	3,508,147	-
Current liabilities				
Accrued and other liabilities	17	**236,373,804**	230,747,025	223,847,995
Unclaimed dividend		**2,952,805**	3,405,083	3,119,509
Current maturity of liability against asset subject to finance lease	16	**11,787,202**	1,524,200	-
Total liabilities		**285,915,823**	254,784,999	309,347,554
Total equity and liabilities		**2,460,045,579**	2,620,581,385	3,093,383,221
Contingencies and commitments	18			

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

Chief Executive Officer **Director** **Chief Financial Officer**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		----------- Rupees -----------	
Income			
Remuneration from funds under management - net	19	**195,074,253**	198,371,204
Commission from open end funds under management	20	**4,319,519**	8,281,530
Dividend income	21	**7,333,396**	40,746,025
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**2,787,120**	4,254,181
Net gain on sale of investments classified as 'available-for-sale'	11.4	**175,736,478**	95,392,424
Return on bank deposits		**2,140,614**	1,440,082
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	22	**4,459,869**	5,703,483
		391,851,249	354,188,929
Administrative and marketing expenses	23	**(283,635,927)**	(240,633,958)
Selling and distribution expenses	24	**(88,033,932)**	(77,057,572)
Operating profit		**20,181,390**	36,497,399
Other expenses	25	**(1,231,330)**	(1,369,320)
Financial charges	26	**(3,326,506)**	(293,171)
		15,623,554	34,834,908
Other income	27	**44,721,940**	34,952,899
Profit before taxation		**60,345,494**	69,787,807
Taxation - net	28	**(15,959,456)**	(35,458,541)
Profit for the year		**44,386,038**	34,329,266
Earnings per share for the year - basic and diluted	29	**0.55**	0.43

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		----------- Rupees -----------	
Profit for the year		**44,386,038**	34,329,266
Other comprehensive loss to be reclassified to profit and loss account in subsequent periods			
Unrealised diminution on remeasurement of investments classified as 'available-for-sale' - net	11.4	**(69,256,500)**	(363,213,145)
Reclassification adjustments relating to sale of investments	11.4	**(175,736,478)**	(95,392,424)
Related tax credit		**8,940,310**	46,122,928
		(236,052,668)	(412,482,641)
Total comprehensive loss for the year		**(191,666,630)**	(378,153,375)

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Act, 2017, in a separate account below equity.

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

Chief Executive Officer **Director** **Chief Financial Officer**

JS investments

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2018

	Reserves					
		Capital reserve			Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account	Surplus on revaluation of fixed assets - net of tax	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Unappropriated profit	Total
	Rupees					
Balance as at January 01, 2017 - previously reported	801,718,180	198,281,820	-	873,584,690	718,836,118	2,592,420,808
Adjustment due to change in accounting policy (note 3.2)	-	-	191,614,859	-	-	191,614,859
Balance as at January 01, 2017 - (restated)	**801,718,180**	**198,281,820**	**191,614,859**	**873,584,690**	**718,836,118**	**2,784,035,667**
Total comprehensive (loss) / income						
Profit for the year	-	-	-	-	34,329,266	34,329,266
Other comprehensive loss - 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)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(8,556,008)	-	8,556,008	-
Final dividend at the rate of Re.0.5 per share for the year ended December 31, 2017	-	-	-	-	(40,085,906)	(40,085,906)
Balance as at December 31, 2017 (restated)	**801,718,180**	**198,281,820**	**183,058,851**	**461,102,049**	**721,635,486**	**2,365,796,386**
Balance as at January 01, 2018 (restated)	801,718,180	198,281,820	183,058,851	461,102,049	721,635,486	2,365,796,386
Total comprehensive (loss) / income						
Profit for the period	-	-	-	-	44,386,038	44,386,038
Other comprehensive income - net of tax	-	-	-	(236,052,668)	-	(236,052,668)
Total comprehensive (loss) / income for the year	-	-	-	(236,052,668)	44,386,038	(191,666,630)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(9,167,159)	-	9,167,159	-
Balance as at December 31, 2018	**801,718,180**	**198,281,820**	**173,891,692**	**225,049,381**	**775,188,683**	**2,174,129,756**

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

Chief Executive Officer **Director** **Chief Financial Officer**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Note	2018	2017
		----------- Rupees -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**60,345,494**	69,787,807
Adjustment for:			
Remuneration from funds under management - net	19	**(195,074,253)**	(198,371,204)
Commission from open end funds under management	20	**(4,319,519)**	(8,281,530)
Dividend income	21	**(7,333,396)**	(40,746,025)
Depreciation	5.1	**34,686,862**	32,483,982
Amortization of intangible assets	6	**3,270,118**	1,462,096
Financial charges	26	**3,326,506**	293,171
Return on bank deposits		**(2,125,280)**	(1,440,082)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**(2,787,120)**	(4,254,181)
Net gain on sale of investments classified as 'available-for-sale'		**(175,736,478)**	(95,392,424)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	27	**(1,403,288)**	(2,784,545)
Gain on disposal of property and equipment	27	**(966,980)**	(598,487)
		(288,117,334)	(247,841,422)
(Increase) / decrease in assets and liabilities			
Loans and advances		**2,780,743**	(1,167,404)
Trade deposits, short term prepayments and other receivables		**12,110,548**	(43,406,870)
Accrued and other liabilities		**47,026,347**	12,905,249
		61,917,638	(31,669,025)
		(226,199,696)	(279,510,447)
Taxes paid - net		**(23,338,452)**	(31,305,844)
Remuneration and commission received from funds under management		**196,790,140**	211,619,985
Net cash used in operating activities		**(52,748,008)**	(99,196,306)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(1,645,559,582)**	(627,512,100)
Sale proceeds from disposal of investment		**1,849,055,540**	776,894,888
Dividends received		**7,333,396**	40,746,025
Payment for purchase of property and equipment		**(141,359,988)**	(41,244,490)
Payment for purchase of intangible assets		**(11,120,618)**	(8,309,681)
Return on bank deposits		**2,084,607**	1,454,958
Sale proceeds from disposal of property and equipment		**3,604,166**	1,775,315
Net cash generated from investing activities		**64,037,521**	143,804,915
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**(452,279)**	(39,800,332)
Financial charges paid		**(3,326,507)**	(293,171)
Net cash used in financing activities		**(3,778,786)**	(40,093,503)
Net increase in cash and cash equivalents		**7,510,727**	4,515,106
Cash and cash equivalents at beginning of the year		**15,842,831**	11,327,725
Cash and cash equivalents at end of the year	32	**23,353,558**	15,842,831

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

Chief Executive Officer | **Director** | **Chief Financial Officer**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

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 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, having 65.16 percent direct holding in the Holding Company), which is a subsidiary of Jahangir Siddiqui & Co .Limited (the Ultimate Parent Company).

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. Recently JSIL has also acquired the Private Equity & Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

Geographical location and addresses of business units of the Holding Company are as under:

Location	Address	Purpose
Karachi	7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi	Head Office
Karachi	Plot No. 16-C, Phase -1, Near Nadra Mega Centre, DHA, Karachi.	Branch Office
Lahore	1st Floor, Block C, Abul Hassan Isfahani Road, Faisal Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

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

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 Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds-2
- JS Islamic Dedicated Equity Fund

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 repealed 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 and geographical of the Subsidiary Company is situated at 7th Floor, The Forum, Block-9 Clifton, Karachi.

1.3 Summary of significant transactions and events occurred during the year

- Launch of JS Islamic Dedicated Equity Fund, JS Islamic Capital Preservation Allocation Plan - 1,JS Islamic Capital Preservation Allocation Plan - 2, JS Islamic Capital Preservation Allocation Plan - 3 and JS Islamic Capital Preservation Allocation Plan - 4 under JS Islamic Hybrid Fund of Funds - 2.
- Acquitsion of Private Equity and Venture Capital Fund Management Services license from SECP.
- JS Capital Protected Fund V has matured; and
- Adoption of Companies Act, 2017 (refer note 3.1).

2. BASIS OF 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 Company are 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 the accounting and reporting standards as applicable in Pakistan for interim financial reporting. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and

- Provisions of and directives issued under the Act;

- Provisions of 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).

Where the provisions of and directives issued under the Act, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Act, the NBFC Rules and the NBFC Regulations have been followed.

The Act is applicable for the current year's consolidated financial statements and has brought certain changes with regard to the preparation and presentation of these consolidated financial statements. These changes, amongst others, included change in respect of presentation and measurement of surplus on revaluation of property and equipment as fully explained in note 4.2 of these consolidated financial statements and changes in nomenclature of the primary statements. Disclosure of significant transactions and events affecting the Group's financial position and performance (refer note 1.3), management assessment of sufficiency of tax provision (refer note 28.1), change in threshold for identification of executives for disclosing their remuneration (refer note 30) and additional disclosure requirements for related parties (refer note 31) etc.

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.

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 Rupee, which is the Group's functional and presentation currency.

3.4 Use of estimates and judgments

The preparation of consolidated 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 4.4 and 6);

ii) Provision for taxation (notes 4.12 and 28);

iii) Classification and valuation of investments (notes 4.5 and 11);

iv) Determination and measurement of useful life and residual value of property and equipment (notes 4.3 and 5.1);

v) Valuation of office premises (notes 4.3 and 5.1.3); and

vi) Recognition and measurement of deferred tax assets and liabilities (notes 4.12 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

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

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

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

IFRIC 22 Foreign Currency Transactions and Advance Consideration

Improvements to Accounting Standards Issued by the IASB in December 2016

IFRS 1: First-time Adoption of International Financial Reporting Standards - Deletion of short-term exemptions for first-time adopters

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

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:

	Effective date (annual periods beginning on or after)
IFRS 9 – Financial Instruments *	June 30, 2019
IFRS 9 – Prepayment Features with Negative Compensation - (Amendments)	January 01, 2019
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 15 – Revenue from Contracts with Customers	July 01, 2018
IFRS 16 – Leases	January 01, 2019
IAS 19 – Plan Amendment, Curtailment or Settlement (Amendments)	January 01, 2019
IAS 28 – Long-term Interests in Associates and Joint Ventures – (Amendments)	January 01, 2019
IFRIC 23 – Uncertainty over Income Tax Treatments	January 01, 2019
Definition of a Business – Amendments to IFRS 3	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020

The above standards and amendments are not expected to have any material impact on the Group's financial statements in the period of initial application. However, the Group is currently evaluating the requirements of IFRS-16 and its potential impact on the financial statements of the Group.

* Subsequent to the period ended December 31, 2018, the SECP has modified the applicability of IFRS 9 vide its order no. S.R.O.229 (I)/2019 dated February 14, 2019 whereby the effective date for applicability of IFRS 9 (Financial Instruments) in place of IAS 39 (Financial Instruments: Recognition and Measurement) as "Reporting period / year ending on or after June 30, 2019".

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2017. Such improvements are generally effective for accounting periods beginning on or after 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.

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except for the changes in accounting policies as explained in the note 4.2 below and 3.5 above:

4.2 Change in accounting policy

The new Companies Act, 2017 have applied during the year. The specific provision / section in the repealed Companies Ordinance, 1984 relating to the surplus on revaluation of fixed assets has not been carried forward in the Companies Act, 2017. Previously, section 235 of the repealed Companies Ordinance, 1984 specified the accounting treatment and presentation of the surplus on revaluation of fixed assets and required that the surplus on revaluation be presented separately under equity. Accordingly, after the new Companies Act, 2017 and in accordance with the requirements of International Accounting Standard (IAS) 16, Property, Plant and Equipment, surplus on revaluation of fixed assets would now be presented under equity.

A revaluation deficit is recognised in the consolidated statement of profit or loss, except that the deficit offsets a previous surplus on same category of asset, in which case, the deficit is charged to the balance of surplus on revaluation.

The above change in the accounting policy has been applied retrospectively and comparative information have been restated in accordance with the requirement of IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors”. Due to the above change in accounting policy, the Group has presented its consolidated statement of financial position as at the beginning of the earliest comparative period i.e January 01, 2017 and related notes in accordance with requirement of IAS 1 – Presentation of Financial Statements (Revised) (IAS 1). The effect of change in accounting policy is summarised below.

Consolidated statement of financial position and consolidated statement of changes in equity

	As previously reported	Impact of change in accounting policy	As restated
	---------------------- (Rupees)	----------------------	
January 01, 2017			
Assets	**3,093,383,221**	**-**	**3,093,383,221**
Liabilities	**309,347,554**	**-**	**309,347,554**
Share capital and reserves	**2,592,420,808**	**191,614,859**	**2,784,035,667**
Separate line item below equity			
Surplus on revaluation of fixed assets - net of tax	**191,614,859**	**(191,614,859)**	**-**
December 31, 2017			
Assets	**2,620,581,385**	**-**	**2,620,581,385**
Liabilities	**254,784,999**	**-**	**254,784,999**
Share capital and reserves	**2,182,737,535**	**183,058,851**	**2,365,796,386**
Separate line item below equity			
Surplus on revaluation of fixed assets - net of tax	**183,058,851**	**(183,058,851)**	**-**

4.3 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 Group 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 Group 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.

4.4 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 6 to these consolidated 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 Group. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

4.5 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.

4.6 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.

4.7 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.

4.8 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.

4.9 Defined contribution scheme

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

4.10 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.

4.11 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.

4.12 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

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 recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-fontvard of unused tax losses can be utilised. 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 statement of profit or loss.

4.13 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 Group (if any), which are payable on demand and form an integral part of the Group's cash management.

4.14 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 statement of profit or loss.

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 statement of profit or loss.

4.15 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.

4.16 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.

4.17 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.

5. PROPERTY AND EQUIPMENT

	Note	2018	2017
		------------ Rupees	------------
Operating fixed assets	5.1	**364,873,701**	367,085,044
Capital work-in-progress - advance against purchase of assets	5.2	**120,432,446**	14,185,164
		485,306,147	381,270,208

5.1 Operating fixed assets

	2018					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles (note 5.1.1)	Total
	Rupees					
At January 01, 2018						
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	46,602,907	367,085,044
Year ended December 31, 2018						
Opening net book value	305,891,750	-	2,259,937	12,330,450	46,602,907	367,085,044
Additions	-	-	3,071,709	16,130,321	15,910,675	35,112,705
Disposals	-	-	(26,396)	-	(2,610,790)	(2,637,186)
Depreciation charge for the year	(18,633,000)	-	(433,796)	(7,192,581)	(8,427,485)	(34,686,862)
Closing net book value	287,258,750	-	4,871,454	21,268,190	51,475,307	364,873,701
At December 31, 2018						
Cost / revalued amount	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Accumulated depreciation	(85,401,250)	(2,990,894)	(23,725,894)	(97,803,126)	(16,152,481)	(226,073,645)
Net book value	287,258,750	-	4,871,454	21,268,190	51,475,307	364,873,701
Depreciation rate % per annum	5%	20%	10%	25%	20%	

	2017					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	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)	(7,206,091)	(6,329,019)	(32,483,982)
Closing net book value	305,891,750	-	2,259,937	12,330,450	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	12,330,450	46,602,907	367,085,044
Depreciation rate % per annum	5%	20%	10%	25%	20%	

5.1.1 Vehicles with a net book value of Rs.49.690 (2017: Rs.7.083) million are held under finance lease. The leased vehicles are pledged as security for the related finance lease obligation.

5.1.2 Details of operating fixed assets disposed of:

	Cost	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
Assets with Individual book value exceeding rupees 500,000							
Vehicles							
Suzuki cultus VXR	**1,158,200**	**361,938**	**796,262**	**859,000**	**62,738**	Employee via bid	Raja Kamran
Suzuki cultus VXR	**1,140,240**	**356,325**	**783,915**	**975,000**	**191,085**	Third party via bid	Automotive Progress Services care of Mandviwalla Motors
Suzuki cultus VXR	**1,155,000**	**360,937**	**794,063**	**847,000**	**52,937**	Employee via bid	Asma Gilani
Aggregate of other items of asset in own use with individual book value not exceeding Rupees 500,000	**13,699,951**	**13,437,005**	**262,946**	**923,166**	**660,220**		
Total as at December 31, 2018	**17,153,391**	**14,516,205**	**2,637,186**	**3,604,166**	**966,980**		
Total as at December 31, 2017	7,472,388	6,295,560	1,176,828	1,775,315	598,487		

5.1.3 The Group 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 Group. 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.173.892 (2017: Rs.183.058) million net of tax remains undepreciated as at December 31, 2018.

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.

5.1.4 Had there been no revaluation, the net book value of the office premises would have been Rs.38.093 (2017: Rs.44.504) million. The forced sale value of the office premises amounts to Rs.298.128 million.

5.1.5 The details of immovable fixed asset (i.e. office premises) are as follows:

Description of Location	Address	Total area of land Square Feet
Head office	Office No. 714-717 and 718 to 727 7th Floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi	**27,604.5**

5.1.6 The cost of fully depreciated assets as at December 31, 2018 is Rs.99.903 (2017: Rs.106.107) million.

5.2 This represents advances paid to various contractors and suppliers in respect of civil works pertaining to new premises where the Group will be shifted once the construction is completed. The additions and transfers during the year amounted to Rs.126.680 (2017: Rs.53.477) million and Rs.17.995 (2017: Rs.53.612) million, respectively.

6. INTANGIBLE ASSETS - SOFTWARE

	Note	2018	2017
		------------ Rupees ------------	
At January 01			
Cost		**42,097,846**	33,788,165
Accumulated amortization		**(33,632,924)**	(32,170,828)
Net book value		**8,464,922**	1,617,337
Year ended December 31			
Opening net book value		**8,464,922**	1,617,337
Additions during the year		**11,120,618**	8,309,681
Amortization for the year		**(3,270,118)**	(1,462,096)
Closing net book value		**16,315,422**	8,464,922
At December 31			
Cost		**53,218,464**	42,097,846
Accumulated amortization		**(36,903,042)**	(33,632,924)
Net book value		**16,315,422**	8,464,922
Amortization rate % per annum		**20%**	20%

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	2018	2017
		------------ Rupees ------------	
Loans to employees	7.1	**2,456,478**	4,501,634
Less: Current portion	9	**(805,390)**	(3,218,026)
		1,651,088	1,283,608
Long term prepayment	7.2	**3,935,342**	3,935,342
Less: Amortisation		**(983,066)**	(589,862)
Less: Current portion	10	**(393,534)**	(393,534)
		2,558,742	2,951,946
		4,209,830	4,235,554

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 Holding 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 5.99% to 10.30% (2017: 2.94% to 5.99%) per annum. The Holding Company has not discounted these loans at market interest rates as the effect of such discounting is not material to these consolidated financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.4.58 (2017: Rs.4.63) 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

	2018	2017
	------------ Rupees ------------	
Open end Funds (see note 19.1)		
JS Value Fund	**15,915,115**	16,144,341
JS Growth Fund	**36,395,386**	37,041,495
JS Large Cap Fund	**12,547,909**	12,410,678
Unit Trust of Pakistan	**17,855,869**	17,891,651
JS Income Fund	**5,144,214**	5,700,065
JS Islamic Fund	**6,985,224**	7,906,235
JS Fund of Funds	**595,433**	653,135
JS Pension Savings Fund	**3,529,450**	3,790,699
JS Islamic Pension Savings Fund	**1,920,294**	2,097,802
JS Islamic Income Fund	**1,319,391**	1,302,934
JS Cash Fund	**4,685,689**	4,655,115
JS Capital Protected Fund V	**-**	279,949
JS Islamic Hybrid Fund of Funds	**142**	11,565
JS Islamic Dedicated Equity Fund	**1,993,509**	-
JS Islamic Hybrid Fund of Funds 2	**3,937,613**	335,944
	112,825,238	110,221,608

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

Current portion of long-term loans to employees	7	**805,390**	3,218,026
Unsecured advances to:			
- employees		**1,268,978**	1,762,902
- suppliers		**362,493**	631,145
		1,631,471	2,394,047
		2,436,861	5,612,073

	Note	2018	2017
		------------ Rupees	------------
10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Rent and other receivable from related parties	10.1	**31,451,853**	22,823,058
Advance rent		**9,196,474**	33,387,200
Deposits		**4,246,956**	4,246,956
Prepayments		**11,297,303**	8,192,618
Others		**4,247,550**	3,449,989
		60,440,136	72,099,821

10.1 This includes Rs.24.397 (2017: Rs.17.883) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.4.455 (2017: Rs.4.567) million of expenses incurred on the formation 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	**1,157,454,903**	1,728,711,404
Classified as 'at fair value through profit or loss - held-for-trading'			
Units of mutual funds - related parties	11.2	**378,944,032**	201,249,584
Listed debt security - Term finance certificate	11.3	**125,000,000**	-
		503,944,032	201,249,584
		1,661,398,935	1,929,960,988

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

Number of units 2018	Number of units 2017	Name of fund	Note	2018 Average cost	2018 Fair value	2017 Fair value
				---------------------- Rupees	----------------------	
1,716,379	2,565,210	JS Value Fund		**349,797,996**	**349,386,065**	514,145,110
1,903,901	3,554,958	JS Growth Fund		**319,948,392**	**302,072,879**	641,172,136
205,210	240,000	JS Pension Savings Fund - Equity		**12,634,788**	**85,297,643**	108,962,400
137,349	177,761	JS Pension Savings Fund - Debt		**13,734,899**	**34,079,032**	41,411,248
177,463	177,463	JS Pension Savings Fund - Money Market		**17,746,342**	**35,329,417**	33,230,025
2,772,987	3,441,521	JS Fund of Funds		**146,285,668**	**141,034,115**	174,244,213
182,354	200,000	JS Islamic Pension Savings Fund - Equity		**16,566,831**	**101,071,344**	125,186,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt		**21,385,170**	**44,359,257**	42,314,835
222,303	222,303	JS Islamic Pension Savings Fund - Money Market		**22,230,337**	**39,990,151**	38,029,437
150,000	-	JS Islamic Capital Preservation - Allocation Plan 4		**15,000,000**	**15,054,000**	-
100,000	100,000	JS Islamic Hybrid Fund of Funds-2 (JS IAAP2)		**10,000,000**	**9,781,000**	10,016,000
				945,330,423	**1,157,454,903**	1,728,711,404
		Unrealised appreciation on remeasurement at fair value	11.4	**212,124,480**	**-**	-
				1,157,454,903	**1,157,454,903**	1,728,711,404

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

Number of units 2018	Number of units 2017	Name of fund	2018 Average cost	2018 Fair value	2017 Fair value
			---------------------- Rupees	----------------------	
2,358,284	418,688	JS Cash Fund	**240,736,661**	**241,040,244**	43,618,949
924,642	552,774	JS Income Fund	**91,365,170**	**91,502,610**	54,415,102
442,295	1,007,964	JS Islamic Income Fund	**45,438,913**	**46,401,178**	103,215,533
			377,540,744	**378,944,032**	201,249,584
		Unrealised gain on remeasurement at fair value	**1,403,288**	**-**	-
			378,944,032	**378,944,032**	201,249,584

11.3 Investment in Debt Security - Term Finance Certificate

This represents investment in AA- rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Bank AL Habib Limited, having face value of Rs.5,000 per certificate and carries profit at the rate of 6 Months KIBOR + 1.50% per annum.

	Note	2018	2017
		------------ Rupees	------------
11.4 Unrealised appreciation on remeasurement at fair value			
Market value of investments		**1,157,454,903**	1,728,711,404
Less: Cost of investments		**(945,330,423)**	(1,271,593,946)
		212,124,480	457,117,458
Unrealised appreciation at the beginning of the year		**457,117,458**	915,723,027
Appreciation transferred to profit and loss account during the year upon disposal		**(175,736,478)**	(95,392,424)
Diminution on remeasurement at fair value during the year		**(69,256,500)**	(363,213,145)
		(244,992,978)	(458,605,569)
		212,124,480	457,117,458

	Note	2018	2017
		------------ Rupees ------------	
11.4 Unrealised appreciation on remeasurement at fair value			
Market value of investments		**1,157,454,903**	1,728,711,404
Less: Cost of investments		**(945,330,423)**	(1,271,593,946)
		212,124,480	457,117,458
Unrealised appreciation at the beginning of the year		**457,117,458**	915,723,027
Appreciation transferred to profit and loss account during the year upon disposal		**(175,736,478)**	(95,392,424)
Diminution on remeasurement at fair value during the year		**(69,256,500)**	(363,213,145)
		(244,992,978)	(458,605,569)
		212,124,480	457,117,458

12. CASH AND BANK BALANCES

	Note	2018	2017
Cash in hand		**86,788**	64,296
Cash at bank in:			
Current accounts		**588,796**	189,048
Saving accounts	12.1	**22,677,974**	15,589,487
	12.2	**23,266,770**	15,778,535
		23,353,558	15,842,831

12.1 These carry mark-up at the rates ranging from 4.50% to 8.75% (2017: 3.75% to 6.25%) per annum.

12.2 It includes Rs.20.947 (2017: Rs.13.934) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2018	2017		2018	2017
------------ Shares ------------			------------ Shares ------------	
		Authorised capital		
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 Holding Company.

13.2 There is only one class of ordinary shares issued.

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

	2018	2017
	------------ Rupees ------------	
14. SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX		
Surplus on revaluation of fixed assets as at January 01	**261,470,731**	273,693,602
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to upappropriated profit during the year - net of deferred tax	**(9,167,159)**	(8,556,008)
Related deferred tax liability	**(3,055,719)**	(3,666,863)
	(12,222,878)	(12,222,871)
	249,247,853	261,470,731
Less: Related deferred tax liability on:		
- revaluation reserves from last year	**(78,411,880)**	(82,078,743)
- incremental depreciation charged during the year transferred to profit and loss account	**3,055,719**	3,666,863
	(75,356,161)	(78,411,880)
	173,891,692	183,058,851

15. DEFERRED TAX LIABILITY - NET

	2018			
	Opening	**Charge / (reversal) to profit and loss account**	**Charge to surplus on revaluation of fixed assets / other comprehensive income**	**Closing**
	------------------------------------ Rupees ------------------------------------			
Taxable temporary differences on:				
Accelerated tax depreciation	**9,347,757**	**2,052,911**	**-**	**11,400,668**
Surplus on revaluation of fixed assets	**78,413,191**	**(16,101,228)**	**-**	**62,311,963**
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	**453,485**	**(94,513)**	**-**	**358,972**
Unrealized appreciation on 'available-for-sale' investments	**(3,984,585)**	**-**	**(8,940,310)**	**(12,924,895)**
Deductible temporary differences on:				
Provision for Workers' Welfare Fund	**(20,389,236)**	**3,171,849**	**-**	**(17,217,387)**
Provision for donation	**(197,238)**	**10,801**	**-**	**(186,437)**
Deferred tax asset on carried forward tax losses	**(48,042,830)**	**4,467,325**	**-**	**(43,575,505)**
	15,600,544	**(6,492,855)**	**(8,940,310)**	**167,379**

15.1 The Holding Company has not recognized deferred tax asset of Rs.28.575 million on account of carried forward tax losses in accordance with its accounting policy.

	2017			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / other comprehensive 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 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

16. LIABILITY AGAINST ASSET SUBJECT TO FINANCE LEASE

	Note	2018	2017
		------ Rupees ------	
Present value of minimum lease payments	16.1	**46,421,835**	5,032,347
Current maturity shown under current liabilities		**(11,787,202)**	(1,524,200)
		34,634,633	3,508,147

16.1 The liability against asset subject to finance lease represents the lease entered into with a Modaraba for 34 different vehicles (2017: 01 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2017: KIBOR 6M plus 1.5% with floor of 7.5% and ceiling of 20%) per annum. The Group, shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

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

	2018		
	Minimum lease payments	Financial charges	Present value of minimum lease payments
	---------- Rupees ----------		
Year ended December 31			
2019	**14,800,894**	**3,013,692**	**11,787,202**
2020	**13,922,648**	**2,139,818**	**11,782,830**
2021	**12,034,873**	**1,307,985**	**10,726,888**
2022	**10,814,992**	**551,992**	**10,263,000**
2023	**1,893,853**	**31,938**	**1,861,915**
Total	**53,467,260**	**7,045,425**	**46,421,835**

	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

17. ACCRUED AND OTHER LIABILITIES

	Note	2018	2017
		------ Rupees ------	
Salary payable		**1,747,225**	1,710,677
Staff bonus accrued		**20,000,000**	20,000,000
Accrued expenses		**30,612,957**	19,107,506
Fee and commission payable		**4,261,560**	9,281,989
Sales tax payable		**17,240,883**	17,694,418
Federal Excise Duty payable	17.1	**92,244,587**	92,283,608
Provision for Sindh Workers' Welfare Fund	25	**11,080,465**	9,718,079
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	17.3 & 17.4	**1,397,046**	3,161,667
		236,373,804	230,747,025

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.

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 Group 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 (including Rs.31.310 million maintained on behalf of certain funds under management).

17.3 It includes Rs.0.365 (2017: Rs.1.844) million payable to funds under management, due to reversal of management fee and exposure of expense ratios in funds.

17.4 It also includes Rs.0.005 (2017: Rs.0.017) million payable in respect of contributions to defined contribution plan.

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 Holding Company filed appeal before the CIR(A). The DCIR consider our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million. The appeal was heard and reserved for order however the order is not received till date.The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 to reduce the refund claimed of Rs.8.499 million to Rs.3.102 million. The Holding Company submitted appeal against the above order before the CIR (Appeal), the appeal was heard and reserved for order, however, the order is not received till date.

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

	2018	2017
	------------ Rupees ------------	
18.2 Commitments in respect of:		
Use of name and advisory payment - a related party	**15,000,000**	10,000,000

19. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

	2018	2017
Open end Funds		
JS Value Fund	**23,536,981**	27,021,621
JS Growth Fund	**47,658,659**	58,471,777
Unit Trust of Pakistan	**32,442,508**	36,413,356
JS Income Fund	**21,790,979**	22,951,610
JS Islamic Fund	**27,262,320**	34,751,928
JS Fund of Funds	**1,564,656**	2,729,996
JS Islamic Hybrid Fund of Funds	**-**	530,719
JS Islamic Hybrid Fund of Funds 2	**14,081,205**	69,418
JS Pension Savings Fund	**6,003,311**	8,496,305
JS Islamic Pension Savings Fund	**3,647,915**	5,153,494
JS Cash Fund	**2,501,348**	3,228,308
JS Islamic Income Fund	**4,401,629**	1,645,878
JS Capital Protected Fund V	**1,399,113**	3,167,510
JS Islamic Dedicated Equity Fund	**16,571,027**	-
JS Large Cap Fund	**17,572,255**	19,527,540
	220,433,906	224,159,460
Less: Sindh sales tax	**(25,359,653)**	(25,788,256)
	195,074,253	198,371,204

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, 2018 the Group has charged management fee at the rates ranging from 0.00% to 2.00% (2017: 0.50% to 2.00%).

19.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2018 amounts to Rs.20,379 (2017: Rs.13,524) million.

	Note	2018	2017
		------------ Rupees	------------
20. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT			
Unit Trust of Pakistan		**11,185**	234,758
JS Islamic Fund		**1,023,593**	3,164,605
JS Fund of Funds		**84,864**	1,672,652
JS Value Fund		**8,122**	91,966
JS Growth Fund		**1,103**	110,093
JS Islamic Income Fund		**40,572**	-
JS Income Fund		**39,044**	324,814
JS Pension Savings Fund		**63,682**	11,680
JS Islamic Pension Savings Fund		**805**	39,780
JS Cash Fund		**13,510**	3,701
JS Large Cap Fund		**263,596**	1,094,878
JS Islamic Hybrid Fund of Funds 2		**2,756,201**	266,526
JS Islamic Hybrid Fund of Funds		**13,242**	1,266,077
	20.1	**4,319,519**	8,281,530

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.

	Note	2018	2017
21. DIVIDEND INCOME			
'Available-for-sale'			
JS Fund of Funds		**-**	6,710,650
JS Value Fund		**-**	10,119,785
JS Growth Fund		**-**	20,835,674
		-	37,666,109
'At fair value through profit or loss - held-for-trading'			
JS Income Fund		**5,136,988**	-
JS Islamic Government Securities Fund		**1,564,051**	3,079,916
		6,701,039	3,079,916
JS Aggressive Income Fund	21.1	**632,357**	-
		7,333,396	40,746,025

21.1 JS Aggressive Income Fund (JSAIF) had revoked on April 30, 2013. However, net assets of JSAIF could not be fully distributed as the matter regarding applicability of Workers' Welfare Fund (WWF) remained unsolved. During the financial year 2017, the Honorable Supreme Court of Pakistan passed a judgement declaring WWF as unlawful. Puruant to the same, the Group has received the amount as distribution in the form of dividend.

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 Group from management of discretionary portfolios and non-discretionary portfolio. Currently, the Group is managing Nine (2017: Thirteen) discretionary and One (2017: One) non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2018 was Rs.300.64 (2017: Rs.332.74) million and Rs.270.76 (2017: Rs.299.87) million respectively.

23. ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2018	2017
		------------ Rupees	------------
Salaries and benefits		**91,236,609**	82,058,238
Directors' fee		**525,000**	475,000
Staff retirement benefits	23.1	**5,482,596**	4,451,310
Staff bonus		**20,000,000**	21,697,020
Amortisation of intangible assets	6	**3,270,118**	1,462,096
Depreciation	5.1	**34,686,862**	32,483,982
Printing and stationery		**1,392,274**	3,781,884
Rent, rates, taxes and maintenance		**36,357,602**	17,658,440
Travelling, conveyance and vehicle maintenance		**14,935,903**	9,405,495
Transfer agent remuneration		**542,578**	6,882,698
Postage and telephone		**3,597,800**	4,349,549
Legal and professional		**16,382,383**	13,047,123
Fees and subscription		**8,543,897**	8,550,937
IT services		**9,972,324**	3,409,037
Utilities		**6,629,239**	5,579,469
Office security		**993,624**	800,302
Insurance		**9,796,578**	8,219,499
Newspaper		**188,533**	202,438
Use of name and advisory fee	23.5	**13,750,000**	10,000,000
Shariah advisory fee	23.6	**78,922**	208,579
Auditors' remuneration	23.7	**1,782,305**	1,581,800
Donation	23.8	**745,747**	657,461
Training and development		**867,855**	964,703
Miscellaneous expenses		**1,877,178**	2,706,898
		283,635,927	240,633,958

23.1 Staff retirement benefits include contributions to defined contribution plan of Rs.9.03 (2017: Rs.7.18) million.

23.2 Number of employees at the end of the year	**148**	144
23.3 Average number of employees during the year	**155**	143

23.4 The Group's staff retirement benefits includes provident fund - a defined contribution plan. The Group has established a separate provident fund. The unaudited information related to provident fund as at December 31, 2018 is as follows:

Number of employees	**103**	101
Size of provident fund (Rupees)	**15,427,782**	22,460,201
Cost of investments (Rupees)	**1,716,119**	7,125,502
Percentage of investments	**14%**	31%
Fair value of investment (Rupees)	**2,134,208**	6,969,712
Break-up of investments		
- Balance in JS Islamic Fund, a related party		
Amount of investment (Rupees)	**-**	-
Percentage of size of investment	**0%**	0%
- Balance in other listed securities		
Amount of investment (Rupees)	**2,134,208**	6,969,712
Percentage of size of investment	**14%**	31%
Total investments in listed securities	**2,134,208**	6,969,712
Percentage of size of investment	**14%**	31%
- Balance in scheduled banks		
Amount of investment (Rupees)	**14,021,702**	13,683,918
Percentage of size of investment	**91%**	61%

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 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

23.5 This represents the "Use of Name" and "Advisory" fees payable to Mr. Jahangir Siddiqui (associated person) on account of use of "JS" as a part of Group's name under two separate agreements dated August 01, 2006. The "Use of Name agreement" has been amended through addendum dated April 20, 2018 whereby the Group agreed to pay Rs.10 million per annum (previously Rs.5 million per annum) effective from April 01, 2018. His current address is House no. D-185, Clifton, Karachi.

23.6 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund, JS Islamic Income Fund, JS Islamic Hybrid Fund of Funds, JS Islamic Hybrid Fund of Funds - 2 and JS Islamic Dedicated Equity Fund.

	Note	2018	2017
		------------ Rupees ------------	
23.7 Auditors' remuneration			
Annual audit fee		**1,036,200**	986,200
Fee for review of the statement of compliance on Code of Corporate Governance		**57,500**	57,500
Fee for review of half yearly financial statements		**230,000**	230,000
Other Services		**-**	25,000
		1,323,700	1,298,700
Sindh sales tax		**106,337**	102,541
Out of pocket expenses		**352,268**	180,559
		1,782,305	1,581,800

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 the Holding Company. Further, Mr. Kalim-ur-Rahman is a Director in JSCL and JS Bank Limited. Donation was not made to any other donees in which directors of the Holding Company or their spouses had any interest.

24. SELLING AND DISTRIBUTION EXPENSES

	Note	2018	2017
Salaries and benefits		**59,035,430**	50,314,620
Staff retirement benefits		**3,547,560**	2,729,354
Utilities		**2,399,425**	2,498,033
Postage and telephone		**1,284,021**	1,060,578
Office security		**493,752**	588,280
Printing and stationery		**275,739**	237,600
Rent, rates, taxes and maintenance		**7,753,578**	125,393
IT services		**5,137,327**	8,011,096
Travelling, conveyance and vehicle maintenance		**1,963,278**	1,191,049
Fees and commission		**8,800,000**	3,795,567
Advertisement, selling and marketing expense		**19,695,607**	8,572,850
Miscellaneous expenses		**1,090,336**	588,280
		111,476,053	79,712,700
Less: Reimbursement of selling and distribution expenses	24.1	**(23,442,121)**	(2,655,128)
		88,033,932	77,057,572

24.1 The SECP vide Circular 40/2016 dated December 30, 2016 and amendment vide Circular 5/2018 dated June 04, 2018, prescribed certain conditions on Asset Management Companies (AMC) for charging of selling and marketing expenses to all categories of open end funds, except for fund of funds and money market funds, for opening and maintenance of all branches in all cities. Expenses can be charged to the extent of 0.4% per annum of net assets of fund or actual expenses whichever is lower.

25. 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 provision of Rs.1.231 (2017: Rs.1.369) million for the year, aggregating to Rs.11.080 (2017: Rs.9.718) 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 02, 2017. The said suit is currently pending before the SHC.

	Note	2018	2017
		------------ Rupees ------------	
26. FINANCIAL CHARGES			
Bank charges		**42,963**	5,908
Financial charges for liability against asset subject to finance lease		**3,283,543**	287,263
		3,326,506	293,171
27. OTHER INCOME			
Income from financial assets			
Mark-up on loans to employees		**174,564**	196,295
Mark-up on listed debt securities		**167,445**	-
Net unrealised gain on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	11.2	**1,403,288**	2,784,545
Liabilities no longer required	27.1	**18,780,367**	9,171,106
Income from non-financial assets			
Rental income	27.2	**23,229,296**	22,202,466
Gain on disposal of property and equipment		**966,980**	598,487
		44,721,940	34,952,899

27.1 This represents reversal of certain provisions no longer required to be payable by the Group.

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

	2018	2017
	------------ Rupees ------------	
28. TAXATION - Net		
Current	**27,686,049**	41,475,119
Prior years	**(5,233,738)**	14,639,998
Deferred	**(6,492,855)**	(20,656,576)
	15,959,456	35,458,541

28.1 The comparison of tax provisions as per financial statements and tax assessments for prior years are as follows:

Tax year	Tax Provisions	Tax Assessments
2015	**33,221,856**	**25,744,527**
2016	**44,875,974**	**43,782,056**
2017	**41,475,119**	**36,358,840**

The Group computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Group has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Group.

28.2 The income tax assessments of the Holding and Subsidiary Companies have 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 2018 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.

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

	2018	2017
	------------ Rupees ------------	
Accounting profit before taxation	**60,345,494**	69,787,807
Tax at applicable rate of 29% (2017: 30%)	**17,500,193**	20,936,342
Tax impact of income under FTR and differential in tax rates	**(2,355,319)**	(8,849,827)
Tax impact of exempt capital gains	**(15,630,868)**	(23,436,013)
Tax impact of minimum tax	**18,037,885**	18,544,849
Tax impact of provision u/s 5A	**2,850,492**	5,052,586
Tax impact of permanent differences	**1,156,635**	1,332,148
Tax impact of prior year	**(5,233,738)**	14,639,998
Tax impact of expenses allocated to FTR income	**6,184,240**	7,773,436
Deferred tax recognised at higher rate	**(6,651,525)**	-
Others	**101,461**	(534,978)
	15,959,456	35,458,541

29. EARNINGS PER SHARE - Basic and diluted

	2018	2017
Profit for the year after taxation	**44,386,038**	34,329,266
	------- Number of shares -------	
Weighted average number of ordinary shares outstanding during the year	**80,171,818**	80,171,818
Earnings per share (Rupees)	**0.55**	0.43

29.1 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2018 and December 31, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executives *	
	2018	**2017**	**2018**	**2017**
	---------- Rupees ----------			
Managerial remuneration	**15,272,724**	15,295,451	**62,638,233**	44,250,697
Bonus paid	**5,000,000**	2,500,000	**7,656,639**	4,707,750
Car allowance	**-**	-	**30,520**	413,645
Retirement benefits	**1,119,492**	1,032,864	**4,495,870**	3,074,348
Medical allowance	**1,527,276**	1,529,549	**6,263,828**	4,425,070
Other benefits	**33,180**	3,500	**3,114,690**	2,014,353
	22,952,672	20,361,364	**84,199,780**	58,885,863
Number of persons	**1**	2	**24**	18

* These represent executives as prescribed under the Companies Act, 2017.

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

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

30.3 In addition, meeting fee amounting to total Rs.525,000 (2017: Rs.475,000) 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.

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

31. 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:

	2018	2017
	------------ Rupees ------------	

31.1 Transactions during the year

31.1.1 Transactions with the funds under management

Remuneration - net of taxes	**195,074,252**	198,371,204
Commission income	**4,319,519**	8,281,530
Investments made	**1,520,559,582**	627,512,100
Investments disposed off / matured	**1,849,055,540**	776,894,888
Expenses incurred by the Holding Company on behalf of funds	**42,242,476**	22,637,820
Reimbursements of expenses by the funds	**37,259,325**	16,620,102
Dividend income	**7,333,396**	40,746,025

31.1.2 Jahangir Siddiqui & Company Limited (JSCL)

Basis of relationship - Ultimate parent company

Percentage of shareholding - JSCL holds 70.42%shares of JS Bank Limited (JSBL)

Expenses incurred on behalf of JSCL	**37,833**	61,300
Reimbursement of expenses incurred on behalf of JSCL	**25,000**	87,545
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Holding Company	**4,197,000**	-

31.1.3 JS Bank Limited (JSBL)

Basis of relationship - Parent company

Percentage of shareholding - JSBL holds 65.16% shares of the Holding Company

Rent income	**6,914,147**	6,389,108
Rent and other expense	**7,166,952**	7,291,590
Management fee sharing on distribution of mutual funds	**4,853,045**	286,963
Expenses incurred on behalf of JSBL	**1,739,478**	2,489,774
Reimbursement of expenses by JSBL	**2,213,643**	2,070,619
Return on bank deposits	**1,986,105**	1,266,033

31.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSL)

Basis of relationship - Common directorship of JSCL

Rent income	**10,816,703**	10,406,979
Expenses incurred on behalf of JSSL	**2,831,262**	2,810,913
Reimbursement of expenses by JSSL	**2,173,740**	2,740,970

	2018	2017
	------------ Rupees ------------	
31.1.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)		
Basis of relationship - Common directorship of JSCL		
Rent income	**2,753,730**	3,393,800
Expenses incurred on behalf of JSPE	**802,712**	1,146,757
Reimbursement of expenses by JSPE	**1,283,920**	1,724,882
31.1.6 Associated company - Mahvish & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Rent income	**1,323,759**	1,515,520
Expenses incurred on behalf of MJSF	**842,590**	1,413,316
Reimbursement of expenses by MJSF	**812,440**	1,560,587
31.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Expenses incurred on behalf of FIF	**247,978**	205,043
31.1.8 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 20.60%		
Insurance premium paid	**2,855,251**	2,617,735
31.1.9 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	**2,317,901**	1,649,754
31.1.10 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Expenses incurred on behalf of the Fund	**1,524,114**	372,409
Reimbursement of expenses by the Fund	**1,597,880**	298,643
Provident fund contributions made	**9,030,156**	7,180,664
31.1.11 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 67.16% shares of JSGCL		
Rent income	**-**	13,068
Expenses incurred on behalf of JSGCL	**67,530**	141,400
Reimbursement of expenses by JSGCL	**-**	67,530

	2018	2017
	------------ Rupees ------------	

31.1.12 Transactions made with key management personnel

	2018	2017
Remuneration	**88,120,197**	73,878,961
Directors' fee	**525,000**	475,000
Disbursements of personal loans and advances	**1,458,750**	1,855,000
Repayments of loans and advances	**3,220,290**	1,081,194
Royalty and Advisory for the period	**13,750,000**	10,000,000

31.2 Balance outstanding with related parties

31.2.1 Funds under management

Basis of relationship - Funds managed by the Holding Company

	2018	2017
Receivable from funds under management	**126,783,451**	119,187,282
Payable to funds under management	**365,436**	1,843,599

31.2.2 Jahangir Siddiqui & Company Limited (JSCL)

Basis of relationship - ultimate parent company

Percentage of shareholding - JSCL holds 70.42% shares of JS Bank Limited (JSBL)

	2018	2017
Receivable against expenses incurred on behalf of JSCL	**34,672**	21,839

31.2.3 JS Bank Limited (JSBL)

Basis of Relationship - parent company

Percentage of Shareholding - JSBL holds 65.16% shares of JSIL

	2018	2017
Receivable against expenses incurred of JSBL	**706,231**	1,180,396
Rent payable	**478,766**	2,836,482
Rent receivable	**3,894,359**	3,542,347
Other payables	**3,086,247**	-
Profit on bank deposits	**65,484**	70,171

		2018	2017
		------------ Rupees ------------	
31.2.4	**Associated company - Jahangir Siddiqui & Sons Limited (JSSL)**		
	Basis of relationship - Common directorship of JSCL		
	Receivable against expenses incurred on behalf of JSSL	**1,717,192**	1,059,670
	Rent receivable	**2,270,018**	2,306,075
31.2.5	**Associated Company - Mahvish & Jahangir Siddiqui Foundation (MJSF)**		
	Basis of relationship - Common directorship of the Holding Company		
	Receivable against expenses incurred on behalf of MJSF	**329,877**	299,727
	Rent receivable	**243,141**	357,868
31.2.6	**Associated company - Fakhr-e-Imdad Foundation (FIF)**		
	Basis of relationship - Common directorship of the Holding Company		
	Receivable against expenses incurred on behalf of FIF	**954,347**	706,369
31.2.7	**Associated company - ABAMCO Limited Staff Provident Fund (the Fund)**		
	Basis of relationship - Employee benefit plan		
	Receivables against expenses incurred on behalf of Holding Company	**-**	73,766
	Payable against contribution to the Fund	**-**	8,566
31.2.8	**Associated company - JS Global Capital Limited (JSGCL)**		
	Basis of relationship - JSBL holds 67.16% shares of JSGCL		
	Receivable against expenses incurred on behalf of JSGCL	**357,579**	290,049
	Rent receivable	**181,957**	181,957
	Rent payable	**1,272,831**	2,237,580
31.2.9	**Outstanding from key management personnel**	**478,265**	2,279,805

31.2.10 Key mangement personnel and directors hold 6,514 shares in the Holding Company

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

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

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

31.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 30 to the financial

32. CASH AND CASH EQUIVALENTS

	2018	2017
	------------ Rupees ------------	
Cash and bank balances	**23,353,558**	15,842,831

33. 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 Group'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 Group 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.

33.1 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.

33.1.1 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 Rupee.

33.1.2 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 and investment in term finance certificate exposing the Group to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2018, with all other variables held constant, the equity of the Group and net profit for the year would have been higher / lower by Rs.1.477 (2017: Rs.0.155) million.

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2018 the Group 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.

	2018					
		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
On-balance sheet financial instruments		----------	----------	(Rupees)	----------	----------
Financial assets						
Long-term loans - considered good	**5.99% to 10.30%**	**-**	**-**	**1,651,088**	**-**	**1,651,088**
Advance 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		**-**	**-**	**-**	**112,825,238**	**112,825,238**
Loans and advances - considered good	**5.99% to 10.30%**	**-**	**805,390**	**-**	**-**	**805,390**
Trade deposits and other receivables		**-**	**-**	**-**	**39,946,359**	**39,946,359**
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	**6M KIBOR+1.50%**	**-**	**-**	**125,000,000**	**378,944,032**	**503,944,032**
'Available-for-sale'		**-**	**-**	**-**	**1,157,454,903**	**1,157,454,903**
Cash and bank balances	**4.50% - 8.75%**	**22,677,974**	**-**	**-**	**675,584**	**23,353,558**
		22,677,974	**805,390**	**126,651,088**	**1,693,346,116**	**1,843,480,568**
Financial liabilities						
Accrued and other liabilities		**-**	**-**	**-**	**57,912,451**	**57,912,451**
Liability against asset subject to finance lease		**3,781,754**	**8,005,448**	**34,634,633**	**-**	**46,421,835**
		3,781,754	**8,005,448**	**34,634,633**	**57,912,451**	**104,334,286**
On-balance sheet gap		**18,896,220**	**(7,200,058)**	**92,016,455**	**1,635,433,665**	**1,739,146,282**

On-balance sheet financial instruments	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)				
Financial assets						
Long-term loans - considered good	2.94% to 5.99%	-	-	1,283,608	-	1,283,608
Advance 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
Cash and 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

33.1.3 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, 2018, the equity of the Group would increase / decrease by Rs.76.820 (2017: Rs.96.498) million, as a result of reduction / increase in unrealized gains / (losses).

33.2 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.

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 the Group'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:

	2018	2017
	---------- Rupees ----------	
Long-term loans - considered good	**1,651,088**	1,283,608
Advance 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	**112,825,238**	110,221,608
Loans and advances - considered good	**805,390**	3,218,026
Trade deposits and other receivables	**39,946,359**	30,520,002
Other financial assets - investments	**1,661,398,935**	1,929,960,988
Bank balances	**23,353,558**	15,842,831
	1,843,480,568	2,094,547,063

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2018.

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.

89.46% (2017: 97.40%) of the financial assets aggregating to Rs.1,649.224 (2017: Rs.2,040.183) million are invested in the Funds managed by the Group. The Group believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Group to any major concentration risk.

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

	2018	2017
	Bank balances	
	------------- % -------------	
AAA	**3.1%**	3.7%
AA+	**47.1%**	0.0%
AA-	**48.8%**	96.2%
AA	**1.0%**	0.1%

33.3 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 Group'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.

			2018		
	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	**57,912,451**	**11,166,395**	**46,746,056**	**-**	**-**
Liability against asset subject to finance lease	**46,421,835**	**1,269,535**	**2,512,219**	**8,005,448**	**34,634,633**
	104,334,286	**12,435,930**	**49,258,275**	**8,005,448**	**34,634,633**

			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

33.4 Financial instruments by category

	2018			
	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	**1,651,088**	**-**	**-**	**1,651,088**
Advance 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	**112,825,238**	**-**	**-**	**112,825,238**
Loans and advances - considered good	**805,390**	**-**	**-**	**805,390**
Trade deposits and other receivables	**39,946,359**	**-**	**-**	**39,946,359**
Other financial assets - investments	**-**	**503,944,032**	**1,157,454,903**	**1,661,398,935**
Cash and bank balances	**23,353,558**	**-**	**-**	**23,353,558**
	182,081,633	**503,944,032**	**1,157,454,903**	**1,843,480,568**

	2018	
	Other financial liabilities	Total
	(Rupees)	
Liabilities		
Accrued and other liabilities	**57,912,451**	**57,912,451**
Liability against asset subject to finance lease	**46,421,835**	**46,421,835**
	104,334,286	**104,334,286**

	2017			
	Loans and Receivables	At fair value through profit and loss' - held-for-trading	Available-for-sale	Total
	(Rupees)			
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	30,520,002	-	-	30,520,002
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	2,094,547,062

	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

34. 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).

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 5.1.3). 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 year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2018			
	Level 1	Level 2	Level 3	Total
	---------------------------------- (Rupees) ----------------------------------			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	**1,157,454,903**	-	**1,157,454,903**
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	**378,944,032**	-	**378,944,032**
Term finance certificate	-	**125,000,000**	-	**125,000,000**
Office premises	-	**287,258,750**	-	**287,258,750**
	-	**1,948,657,685**	-	**1,948,657,685**

	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

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

34.1.1 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.

34.1.2 Investment in term finance certificate, issued by Bank AL Habib Limited, for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).

34.1.3 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.

34.2 During the year ended December 31, 2018, 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.

35. 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 shareholder value and reduce the cost of capital.

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

36. GENERAL

36.1 These consolidated financial statements were authorised for issue on February 21, 2019 by the Board of Directors of the Group.

36.2 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 Group 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.

36.3 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.

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

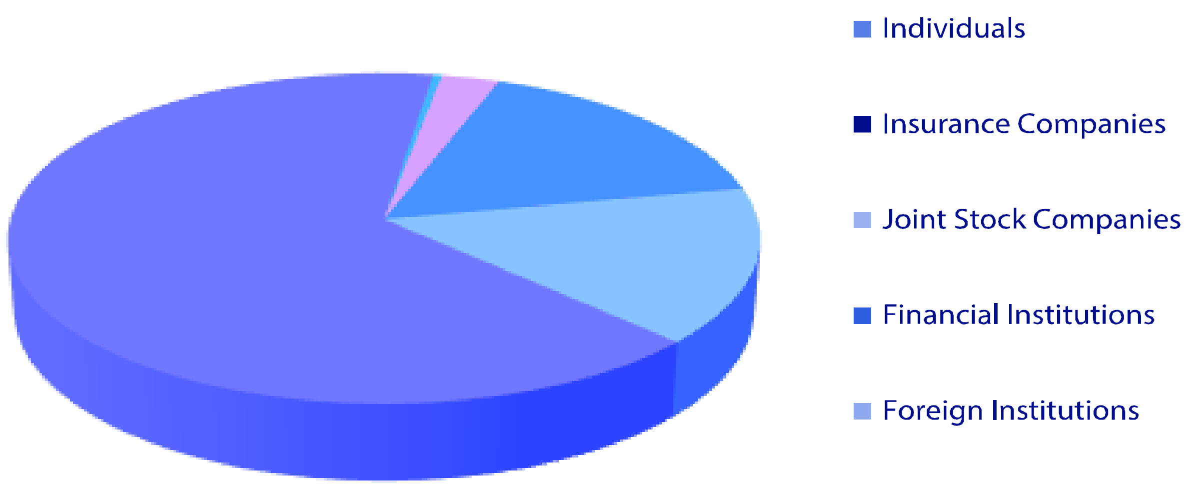
Chief Executive Officer	Director	Chief Financial Officer

PATTERN OF SHAREHOLDING
AS ON DECEMBER 31, 2018

No. of Shareholders	Shareholdings				Total Shares Held
546	Shareholding From	1	To	100	8,967
583	Shareholding From	101	To	500	258,278
247	Shareholding From	501	To	1000	235,289
341	Shareholding From	1001	To	5000	920,431
101	Shareholding From	5001	To	10000	814,776
29	Shareholding From	10001	To	15000	387,097
25	Shareholding From	15001	To	20000	481,255
14	Shareholding From	20001	To	25000	318,600
8	Shareholding From	25001	To	30000	220,505
7	Shareholding From	30001	To	35000	235,000
6	Shareholding From	35001	To	40000	234,500
2	Shareholding From	40001	To	45000	84,000
14	Shareholding From	45001	To	50000	695,500
3	Shareholding From	50001	To	55000	155,868
5	Shareholding From	55001	To	60000	288,500
3	Shareholding From	60001	To	65000	193,125
2	Shareholding From	65001	To	70000	140,000
3	Shareholding From	70001	To	75000	219,822
2	Shareholding From	75001	To	80000	157,000
1	Shareholding From	80001	To	85000	82,500
5	Shareholding From	95001	To	100000	494,168
3	Shareholding From	110001	To	115000	338,100
1	Shareholding From	115001	To	120000	116,000
1	Shareholding From	120001	To	130000	125,000
1	Shareholding From	130001	To	135000	134,500
1	Shareholding From	135001	To	140000	140,000
3	Shareholding From	145001	To	150000	446,000
1	Shareholding From	150001	To	155000	150,059
1	Shareholding From	155001	To	160000	157,500
1	Shareholding From	160001	To	170000	169,000
3	Shareholding From	170001	To	175000	521,500
1	Shareholding From	195001	To	200000	200,000
1	Shareholding From	200001	To	205000	202,000
1	Shareholding From	245001	To	250000	250,000

No. of Shareholders	Shareholdings				Total Shares Held
1	Shareholding From	270001	To	275000	275,000
1	Shareholding From	295001	To	300000	300,000
1	Shareholding From	300001	To	335000	303,000
1	Shareholding From	335001	To	340000	336,500
1	Shareholding From	365001	To	370000	369,000
1	Shareholding From	390001	To	395000	395,000
1	Shareholding From	395001	To	400000	400,000
1	Shareholding From	400001	To	405000	402,000
1	Shareholding From	475001	To	480000	480,000
1	Shareholding From	480000	To	585000	517,000
1	Shareholding From	585001	To	590000	589,500
1	Shareholding From	645001	To	650000	646,000
1	Shareholding From	650001	To	720000	717,500
1	Shareholding From	2225001	To	2230000	2,228,500
1	Shareholding From	3155001	To	3200000	3,168,000
1	Shareholding From	7230001	To	7235000	7,233,000
1	Shareholding From	52235001	To	52240000	52,236,978
1,983					**80,171,818**

S NO.	Category Of Shareholders	Number of Shareholders	Shares Held	Percentage
1	Individuals	1945	12,778,344	15.94
2	Insurance Companies	1	5,215	0.01
3	Joint Stock Companies	26	8,899,385	11.10
4	Financial Institutions	3	52,573,497	65.58
5	Foreign Institutions	2	341,014	0.43
6	Others	6	5,574,363	6.95
		1,983	**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.

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

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	395,000	
TOTAL	**3,553,000**	**4.43**

7. SHAREHOLDERS HOLDING SHARES 5% OR MORE

JS 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	1,505	
TOTAL	**1,505**	**0.00**

JS investments

FORM OF PROXY

ANNUAL GENERAL MEETING

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

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 April 10, 2019 and / or any adjournment thereof.

As witness my / our hand seal this ___________________________ day of _________,2019.

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 ۲۰۱۹ 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 ۲۰۱۹ 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 کرسکتا ہے۔

ii۔ ممبرز ذاتی طور پر بذریعہ ویڈیو لنک یا عیوضی (پراکسی) اجلاس میں شرکت کرسکتے 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 کرسکتا/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 کروادیا 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)۔

Annual Report 2018

Karachi (Head Office)
G-20, 7th Floor, The Forum,
Khayaban-e-Jami, Clifton, Block 9, Karachi.
021-111-222-626

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