

JS Investments Limited

Quarterly Report for the period
ended March 31, 2019

CONTENTS

Vision and Mission Statement	02
Company Information	03
Directors' Report to the Members	04
Condensed Interim Statement of Financial Position	10
Condensed Interim Profit & Loss Account	12
Condensed Interim Statement of Comprehensive Income	13
Condensed Interim Cash Flow Statement	14
Condensed Interim Statement of Changes in Equity	15
Notes to the Condensed Interim Financial Statements	16
Condensed Interim Consolidated Financial Statements	17



VISION

To be recognized as a responsible asset manager respected for continually 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

ORGANIZATION

Board of Directors	Mr. Basir Shamsie Mr. Hasnain Raza Nensey Mr. Suleman Lalani Mr. Kamran Jafar Mr. Babar Wajid Syed Tauqir Haider Rizvi Mr. Ahsen Ahmed Mr. Asif Reza Sana	Chairman Chief Executive Officer Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Independent Director/ Non-Executive Director 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 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	JS Investments Limited 19th Floor, The Centre, Plot # 28, SB-5 Abdullah Haroon Road, Saddar, Karachi-75600 Tel: (92-21) 111-222-626 Fax: (92-21)35165540 E-mail:info@jsil.com Website: www.jsil.com	



DIRECTORS' REPORT TO THE SHAREHOLDERS

For the period ended March 31, 2019

On behalf of the Board of Directors, we are pleased to present the unconsolidated financial statements of JS Investments Limited (JSIL) for the period ended March 31, 2019.

Macro Economic Highlights

GDP growth for FY20 is now expected at under 3% by the IMF and monetary tightening looks set to continue (the Discount rate was raised in January and March by a cumulative 75 bps). Yet an IMF program remains elusive as the government is set on negotiating softer terms in what it claims will be Pakistan's last IMF bailout.

The global economic environment is not encouraging either. After raising rates successively over 2018, the US Federal Reserve has backtracked on monetary tightening and the unwinding of the Fed's \$3 trillion plus balance sheet. The Fed has turned dovish as increasing signs point towards a weaker global economy, partly due to falling demand in China owing to the Sino-American trade war and partly due to an inflection point in the interest rate cycle as a decade of monetary easing (post 2008) comes to an end.

At a time where Pakistan desperately needs to raise exports to maintain balance of payments stability, a global economic slowdown does not help. In addition, Brent crude prices have risen despite widespread expectations at the end of 2018 that Brent prices would remain low. The rebound has been, in part, fueled by US sanctions on Venezuela and Iran and partly by Saudi Arabia's persistent efforts to keep global crude supply tight in the face of weakening demand.

The year 2019 began on a positive note as Current Account Deficit (CAD) for the two months ended February 28, 2019 (2MCY19) stood at USD1.17 billion, down 61% year on year (YoY), primarily driven by 26% YoY decline in the trade deficit and 7.5% YoY increase in remittances. The government's import restrictive measures have started to yield results as 2MCY19 imports recorded 17% decline year on year (YoY). However, exports remained constant (0.3% YoY) during the period under review despite currency devaluation and pro-export policies brought forward by the government. These austerity measures have adversely affected the country's economic growth that is evident from January's LSM growth (down 4.64% YoY).

During the period under review, the government received a cumulative foreign inflow of USD 5.1 billion from China, UAE, and Saudi Arabia that helped to bridge the country's external funding gap. However, these foreign flows only provide a short term solution and the government must negotiate an IMF programme to generate sustainable foreign flows until structural reforms are devised to plug the funding gap. As of March 31, 2019, Pakistan's total foreign reserves were reported at USD17.4 billion while SBP's reserves stood at USD10.5 billion, down 2.3% YoY and 9.6% YoY respectively.

During the first three months of 2019 (3MCY19), State Bank of Pakistan (SBP) announced the MPS (Monetary Policy Statement) twice (Jan'19 and Mar'19) wherein it raised the discount rate by 75 bps to 11.25%. This decision is meant to maintain SBP's monetary tightening policy in an effort to curb aggregate demand to further reduce the import bill. Consumer Price Index (CPI) inflation in March 2019 stood at 9.41% year on year (YoY) against 3.25% YoY in the same month last year. This increase was primary led by the Food Index (having a weight of ~34.8%) that increased by +3.16%MoM, driven mainly by an increase in prices of perishable goods. We believe that inflationary pressures will continue in the coming months as the government is expected to increase utility (electricity and gas) tariffs to reduce the burden on the fiscal deficit and reign in circular debt.

Equity Market Performance

It was a tumultuous start to the year, one that observed the stock market make gains before uncertainty over the much needed IMF program, disappointing results season, and rising interest rates, eroded equity returns. Stocks started out strong with the KSE-100 rising by almost ~10% at the beginning of year - its strongest start since 2007. The themes of synchronized global growth, improved foreign reserves, and impact of tax exemptions/reliefs doled out in the Economic Reforms Package, drove equities higher. However, with the Rupee losing another 1.4% over the period, and SBP having hiked interest rates by a further 75bps, equity markets slumped for the rest of the period. The downward slide was further aggravated by heightened tensions across the border as Pakistan and India went head to head in a series of cross border attacks that threatened to derail all diplomatic progress made in years gone by and instigate an all out war.

JS Investments Limited

The KSE100 Index ended 3MCY19 at 38,649 points; rising by 1.70% during the period. Favorable sector dynamics coupled with rising oil prices (up by 13% during the period) and interest rate hikes (75bps increase during the period) resulted in Fertilizers, Commercial Banks, Oil & Gas Exploration and Glass and Ceramics dominating index performance. On the contrary, Engineering, Automobile Parts and Accessories and Food & Personal Care emerged as major index laggards. Similarly, KSE30 Index rose by 2.9% while the KMI30 Index declined by a meager 0.1% during 3MCY19.

Going forward, the equity market is expected to remain volatile as Pakistan prepares for yet another IMF bailout programme. In order to arrest the deteriorating economy, IMF loan conditions could potentially include a number of measures such as further PKR devaluation, rise in interest rates, elimination of subsidies and further increases in gas and power tariffs. These measures could dent the profitability of local businesses and slow down the GDP growth to under 3% in the near future.

Money Market Performance

During 1QCY19, average CPI clocked in at 8.27% YoY in comparison to 3.8% in the same period last year. The Food Index and House, Water, Electricity, Gas and Fuels Index contributed 34.83% and 29.41% respectively, causing the CPI to increase.

SBP borrowed funds worth PKR 3,603 billion in the Treasury Bills (T-bill) auctions held during the period against a target of PKR 6,050 billion. The bidding pattern was skewed towards 3-month tenure, at the cut-off yield of 10.55%. Furthermore, SBP raised PKR 398 billion in fixed rate Pakistan Investment Bonds (PIB) auctions held during the period against the target of PKR 200 billion. Participation concentration in 3, 5 and 10 years PIB was 47%, 23% and 30% respectively, whereas the weighted average yield was 12.15%, 12.56% and 12.90% respectively. In the floating rate PIBs, the SBP borrowed funds worth PKR 88 billion against the target of PKR 250 billion. The applicable cut-off for floating rate PIB was weighted average six months T-Bill cutoff + 70bps.

On the Islamic side, out of the four Ijara Sukuks, three of them matured in December, February and March respectively. Currently, only Ijara XVIII is being traded in the market at a yield of 6.75%. During 1QCY19, there was no news on the issuance of fresh Ijara Sukuk. However, in order to facilitate Islamic Banking industry in their liquidity management, the government purchased Ijara Sukuk on deferred payment basis (Bai Muajjal) against the respective maturities of each Ijara Sukuk.

During 1QCY19, the government raised PKR 200 billion for the partial settlement of circular debt, easing out excess liquidity from Islamic Banks. The expected rental return on Islamic Sukuk is six months KIBOR plus 100 basis points. The bonds entail half yearly repayments from the date of drawdown and repayment would be made directly by the State Bank of Pakistan on basis of a budgetary allocation by the finance ministry.

During the period under review, activity in Islamic Corporate Bonds was restricted to a single PKR 200 billion sukuk, which was issued for partial clearance of circular debt.

The AMC Industry

At the end of 1QCY19, Assets Under Management (AUM) of the mutual fund industry stood at PKR 583 billion (excluding Fund of Funds) showing an increase of 0.6% | PKR3 billion from the December 2018 level of PKR 579 billion. AUMs of Conventional schemes posted a decrease of PKR 3 billion reaching PKR 353 billion (excluding Fund of Funds) at the end of the period. However, AUMs of Shariah compliant schemes recorded an increase of PKR 5 billion reaching PKR 211 billion (excluding Fund of Funds).

Overall, 9 new funds and plans were launched in the industry during the period. JSIL successfully launched JS Islamic Capital Preservation Allocation Plan 5 in the shariah compliant capital preservation space with an AuM of PKR 1.4 billion.

Performance Review

JSIL posted a net loss of PKR 32 million as of March 31, 2019 which translates into a loss per share (LPS) of PKR (0.39). The Company recorded total revenue of PKR 79 million vs. PKR 113 million during the corresponding period of last year. The company earned management remuneration from funds under management (including SMAs) of PKR 54 million compared to PKR 47 million during the corresponding period last year. The assets under management (including Separately Managed Accounts – SMAs & Fund of Funds) were PKR 22 billion compared to PKR 21 billion as at December 31, 2018 depicting an increase of 5 percent.



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.

Significant Changes during the Period

Shifting of Registered Office to new location

The registered office of JS Investments Limited has been shifted from 7th Floor, The Forum, Khayaban-e-Jami, G-20, Block 9, Clifton to 19th Floor, The Centre, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar Karachi, effective from April 1, 2019.

Progress on Sale of JSIL's Premises

The shareholders of JS Investments Limited in the Annual General Meeting held on April 10, 2019, approved the disposal of the Company's assets comprising office premises collectively measuring 27,604.5 square feet located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi to JS Bank Limited, at a lump sum consideration of PKR 607,299,000/= through special resolution.

International Financial Reporting Standard [IFRS 16 - Leases]

The IASB has developed a new Leases Standard, IFRS 16, which was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. IFRS 16 supersedes IAS 17 Leases and makes significant changes to the way in which leasing transactions are reported in the financial statements. IAS 17 does not have specific requirements for the presentation of right-of-use (ROU) assets and lease liabilities in the financial statements. In contrast, IFRS 16 includes specific requirements for the presentation of the ROU asset and lease liability and the corresponding effects on the results and cash flows in the primary financial statements

IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan (SECP) and Trustees of Funds under its management for their valuable support, assistance and guidance. 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

April 26, 2019
Karachi

Director

Hasnain Raza Nensey
Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ سال 31 مارچ 2019

بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2019 کو ختم ہونے والی مدت کے لیے بے ایس انویسٹمنٹ لمیٹڈ (JSIL) کے غیر مجتمع آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

میکرو اکنامکس کی جھلکیاں

بین الاقوامی مالیاتی فنڈ (IMF) کے مطابق مالی سال 20 کیلئے GDP میں اضافہ کی شرح اب 3% کے اندر رہنے کی توقع ہے، اور کرنسی کی سختی بھی برقرار رہنے کا امکان ہے (ڈسکاؤنٹ ریٹ میں جنوری میں اضافہ کیا گیا تھا اور مارچ میں مجموعی طور پر 75 bps کا اضافہ ہوا)۔ ابھی IMF پروگرام سے گریز کی صورتحال موجود ہے اور حکومت زیادہ نرم شرائط پر گفت و شنید کرنا چاہتی ہے اور دوجائی کرنسی کے لیے یہ آفری IMF تیل آؤٹ ہے۔

عالمی معاشی ماحول بھی کچھ زیادہ موملہ افزا نہیں ہے۔ 2018 میں متواتر ترقی برہانے کے بعد امریکہ کے وفاقی ذخائر نے کرنسی کو محدود رکھنے کے عمل میں کمی کی ہے اور Fed کی 3 ٹریلین ڈالر سے زیادہ کی پینٹلس شیٹ کو کھول دیا ہے۔ Fed بھی خاموش ہو کر بیٹھ گئی ہے کیونکہ معیشت کے کمزور تر ہونے کے اشارات میں اضافہ ہوا ہے جو جزوی طور پر چین امریکہ کی تجارتی جنگ کی وجہ سے چین میں طلب کی کمی کا نتیجہ ہیں اور جزوی طور پر شرح سود کی گردش میں تفریق کے پوائنٹ کے باعث ہے کیونکہ کرنسی کی قدر کم ہونے کی دہائی (2008 کے بعد) عمل ہو جائے گی۔

اس وقت جب کہ پاکستان کو توازن ادائیگی مستحکم رکھنے کیلئے اپنی برآمدات برہانے کی شدید ضرورت ہے لیکن عالمی معیشت کی سست روی اس میں مددگار ثابت نہیں ہو رہی۔ اس کے علاوہ Brent خام تیل کی قیمتیں بھی برآمدگی ہیں باوجود اس کے کہ 2018 کے اختتام تک عام توقعات تھیں کہ Brent کی قیمتیں کم ہوں گی لیکن صورتحال اس کے الٹ ہو گئی جزوی طور پر امریکہ کی ویتیز یٹا اور ایران پر پابندیوں کے سبب اور جزوی طور پر طلب میں کمی کی وجہ سے سعودی عرب کی جانب سے دنیا کو تیل کی فراہمی محدود رکھنے کی کوششیں جاری رکھنے کے باعث ہوا۔

2019 کے سال کا آغاز ایک مثبت خبر کے ساتھ ہوا کہ دو ماہ چھتہ (28 فروری 2019) کیلینڈر سال 2019 کے 2 ماہ میں کرنٹ اکاؤنٹ کا خسارہ (CAD) 1.17 بلین امریکی ڈالر پر قائم رہا جو سال (YoY) کی نسبت 61% کم تھا، جو ابتدائی طور پر تجارتی خسارے میں سالانہ بنیاد پر 26% کی کمی اور تریلین زریں سالانہ بنیاد پر 7.5% کے اضافے کے سبب تھا۔ حکومت کی جانب سے درآمدات کو محدود کرنے کے اقدام کے نتائج آثار شروع ہو گئے ہیں اور سال بہ سال کے مطابق کیلینڈر سال 2019 کے 2 ماہ میں درآمدات میں 17% کمی ریکارڈ کی گئی۔ تاہم زریں جائزہ مدت کے دوران میں روپے کی قدر میں کمی اور حکومت کی برآمدات کے حق میں لائی گئی پالیسی کے باوجود برآمدات کی شرح (سالانہ بنیاد پر 0.3%) کی سطح پر برقرار رہی۔ ان سادہ اقدامات کا ملکی معیشت کی ترقی پر الٹا اثر ہوا جو جنوری کے LSM کی شرح (سالانہ بنیاد پر 4.64%) کی سے ظاہر ہوتا ہے۔

زیر جائزہ مدت کے دوران حکومت کو چین، متحدہ عرب امارات (UAE) اور سعودی عرب کی جانب سے مجموعی طور پر 5.1 بلین امریکی ڈالر موصول ہونے جس سے ملک کے بیرونی فنڈز کے خلاء کو پر کرنے میں مدد ملی۔ تاہم غیر ممالک سے آنے والی یہ رقم ایک وقتی حل پیش کرتی ہے اس لئے حکومت کو اس وقت تک بیرون ملک سے خاطر خواہ فنڈز حاصل کرنے کیلئے آئی ایم پروگرام سے گفت و شنید کرنی چاہیے جب تک فنڈز کے خلاء کو مکمل طور پر پُر نہ کیے۔ اسٹریٹجی ریفارمز میں وضع کی گئیں 31 مارچ 2019 کو پاکستان کے زریں درآمدات کے ذخائر 17.4 بلین امریکی ڈالر تھے جب کہ اسٹیٹ بینک آف پاکستان (SBP) کے ذخائر کی رقم 10.5 بلین امریکی ڈالر تھی اور یہ ان کی شرح با ترتیب YoY 2.3% اور YoY 9.6% کم تھی۔

کیلینڈر سال 2019 کے پہلے تین ماہ (31 مارچ 2019) کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے دو مرتبہ (جنوری اور مارچ 2019) میں MPS (Monetary Policy) کا اعلان کیا، جس میں ڈسکاؤنٹ کی شرح 75bps 11.25% کا اضافہ کر دیا۔ اس فیصلے کا مقصد ایس بی پی کی زریں رکھنا اور معیشت کی پالیسی کو جاری رکھنا تھا جو درآمدی مدد میں مزید کمی کی بڑی طلب کو پورا کرنے کی ایک کوشش ہے۔ مارچ 2019 میں صارف کی قیمت کے اشارے (CPI) کے مطابق افراط زر کی شرح سال بہ سال (YoY) 9.41% تھی جب کہ گزشتہ سال ہی میں شرح سالانہ بنیاد پر 3.25% تھی۔ یہ اضافہ بنیادی طور پر فوڈ اینڈ نیس (34.8% - وزن) میں 3.16% MoM اضافے کے باعث ہوا، جس کی وجہ سے ہو جانے والے سامان کی قیمتوں میں اضافہ تھی۔ ہم سمجھتے ہیں کہ افراط زر کا یہ دباؤ آنے والے مہینوں میں بھی جاری رہے گا کیونکہ حکومت کی جانب سے مالی خسارے اور گردش قرضوں کی مدد کو کرنے کیلئے توقع ہے کہ پینٹیلیٹی (جنگلی اور گیس) کے نرخوں میں اضافہ کیا جائے گا۔

ایکیٹیوی مارکیٹ کی کارکردگی

سال کا آغاز پر جوش انداز سے ہوا، انتہائی مطلوب آئی ایم ایف پروگرام کے بارے میں غیر یقینی کیفیت، مایوس کن نتائج کے سماں اور بروٹھی ہوئی شرح سود، ایکویٹی کی معمولی آمدنی سے پہلے اسٹاک مارکیٹ میں تیزی دیکھنے میں آئی۔ اسٹاکس کا آغاز بھی مضبوطی کے ساتھ ہوا اور سال کے آغاز پر KSE 100 میں تقریباً 10% کا اضافہ ہوا؛ جو 2007 سے اب تک کا سب سے مضبوط آغاز ہے۔ ہم اہنگ عالمی افراط زر، بہتر غیر ملکی ذخائر اور نیگیس سے انتہائی ریلیف کے موضوعات کو معاشرتی اصلاحات کے پیکج سے خارج کر دیا گیا اور ایکویٹی کو بڑھادیا گیا۔ تاہم اس عرصہ میں روپے کی قدر مزید 1.4% کی شرح سے گر گئی اور ایس بی پی نے شرح سود میں مزید 75bps کا اضافہ کر دیا، البتہ مدت کیلئے ایکویٹی مارکیٹس نیچے گری رہیں۔ گرنے کے عمل

مستقبل کے امکانات

JS انویسٹمنٹس AUMs اور ریٹائرمنٹ انویسٹمنٹس کو بڑھانے کے لیے اپنی دورنی حکمت عملی کو قائم رکھے گی۔ قسط وار اور محدود مدت پر مبنی سرمایہ کاری کے پلانز کے اجراء کی مدد سے سال کے دوران بھر پور فائدہ مند عبادت ہوئی اور یہ حکمت عملی آئندہ سال بھی جاری رہے گی تاکہ AUMs کو بڑھانے کی ساتھ ساتھ ریٹائرمنٹ انویسٹمنٹس کو بچھایا جاسکے۔ 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 ایٹینیٹی ریٹنگ

JCR-VIS کرڈٹ ریٹنگ کمپنی نے جے ایس انویسٹمنٹ لمیٹڈ کو "AM2" (اے ایم ٹو) کی بیجمنٹ کو ایٹنی ریٹنگ تفویض کی ہے اور امکانات کو بڑھا کر "positive" کر دیا ہے۔ یہ ریٹنگ بیجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

مدت کے دوران خاطر خواہ تبدیلیاں

رجسٹرڈ آفس کی نئی مقام پر منتقلی

JS انویسٹمنٹس لمیٹڈ کا رجسٹرڈ آفس ساتویں منزل، دی فورم، خیابان جامی، جی۔20، بلاک 9، کلنگٹن سے اٹیسویں منزل، دی سینٹر، پلاٹ نمبر 28، ایس۔بی۔5، عبداللہ ہارون روڈ، صدر، کراچی پر یکم اپریل 2019 سے منتقل ہو گیا ہے۔

JSIL کے احاطے کی فروخت کی پیش رفت

110 اپریل 2019 کو مستعد ہونے والی سالانہ اجلاس عام میں JS انویسٹمنٹس لمیٹڈ کے شیئر ہولڈرز نے کمپنی کے اثاثوں کو ختم کرنے کی منظوری دی، جس میں دفتر کا احاطہ شامل ہے جو کہ JS بینک لمیٹڈ کے ساتھ ہے، مجموعی طور پر 27,604.5 مربع فٹ پر مبنی، ساتویں منزل، دی فورم، خیابان جامی، جی۔20، بلاک 9، کلنگٹن پر واقع تھا، یکمشت غور و خوض پر 607,299,000 پاکستانی روپے پر خصوصی قرارداد کے ذریعے وقوع پذیر ہوا۔

انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (IFRS 16 - Leases)

انٹرنیشنل اکاؤنٹنگ اسٹینڈرڈ بورڈ (IASB) نے لیز اسٹینڈرڈ انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈ (IFRS 16) مرتب کیا، جس کا اجراء جنوری 2019 کو ہوا اور یکم جنوری 2019 یا اس کے بعد شروع ہونے والی سالانہ رپورٹنگ مدت کے لیے لاگو ہوا۔ IFRS 16 نے IAS 17 کو معدوم کیا اور جس طریقہ کار کے تحت لیزنگ ٹرانزیکشنز کو مالیاتی گوشواروں میں درج کیا جاتا تھا اس میں خاطر خواہ تبدیلی رونما ہوئی۔ IAS 17 کے پاس استعمال کا حق رکھنے والے (ROU) اثاثوں اور لیز کے اخراجات کو پیش کرنے کے لیے مخصوص ضروریات موجود تھیں۔ اس کے برعکس IFRS 16 میں استعمال کا حق رکھنے والے (ROU) اثاثوں اور لیز کے اخراجات کو پیش کرنے کے لیے مخصوص ضروریات اور بنیادی مالیاتی گوشواروں میں نتائج پر متعلقہ اثرات اور یکمشت بہاؤ شامل ہے۔

IFRS 16 اس بات کی وضاحت کرتا ہے کہ کس طرح سے ایک IFRS رپورٹر لیز کی جانچ، پیمائش، پیش اور ظاہر کرے گا۔ یہ اسٹینڈرڈ سنگل لیزی اکاؤنٹنگ ماڈل فراہم کرتا ہے، جس میں لیزی کی ذمہ داری ہے کہ وہ تمام لیز کے لیے اثاثوں اور اخراجات کی جانچ کرے جب تک لیز ٹرم 12 مہینے یا اس سے کم ہو یا بنیادی اثاثے کی قدر کم ہو۔ لیزرز لیزی درجہ بندی بطور آپریٹنگ یا فنانس کرتے رہے ہیں، ساتھ IFRS 16 کا نقطہ نظر لیزرز کا اکاؤنٹنگ سے متعلق اپنے سابقہ IAS 17 سے کافی تبدیل نہیں ہوا۔

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) سے اظہار تشکر کرتے ہیں اور اپنے زیر انتظام فنڈز کے فرسٹیز کی مسلسل معاونت اور تعاون کا اعتراف کرتے ہیں۔ بورڈ ممبران اور مین آف JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بجانب بورڈ

حسین رضا نیسی

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی 26 اپریل 2019



FINANCIAL STATEMENTS

JS Investments Limited

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	(Un- Audited) March 31, 2019	(Audited) DEC 31, 2018
ASSETS			
-----Rupees-----			
Non-current assets			
Property and equipment	5	495,424,954	485,306,147
Intangible assets	6	15,213,641	16,315,422
Long-term investment in subsidiary		37,500,000	37,500,000
Long-term loans and prepayments - considered good		3,877,679	4,209,830
Right of use Assets		268,979,939	-
		820,996,213	543,331,399
Current assets			
Balances due from funds under management - related parties		113,532,432	112,825,238
Loans and advances - considered good		3,202,512	2,436,861
Trade deposits, short term prepayments and other receivables		63,143,498	60,455,636
Other financial assets - investments	7	1,547,898,319	1,604,144,245
Taxation - net		89,051,748	89,518,144
Cash and bank balances	8	28,553,599	23,014,578
		1,845,382,107	1,892,394,702
Total assets		2,666,378,320	2,435,726,101
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital			
		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital			
		801,718,180	801,718,180
Unappropriated profit			
		722,448,178	751,736,003
Capital repurchase reserve account			
		198,281,820	198,281,820
Unrealised appreciation on remeasurement of available for sale investments - net			
		238,000,078	225,049,381
Surplus on revaluation of fixed assets - net of tax			
		171,599,904	173,891,692
		2,132,048,160	2,150,677,076
LIABILITIES			
Non current liabilities			
Liability against asset subject to finance lease		299,133,239	34,634,633
Current liabilities			
Accrued and other liabilities	9	220,763,804	235,674,385
Unclaimed dividends		2,952,805	2,952,805
Current maturity of lease liability against asset subject to finance lease		11,480,312	11,787,202
Total current liabilities		235,196,921	250,414,392
Total liabilities		534,330,159	285,049,025
Contingencies and commitments	10		
Total equity and liabilities		2,666,378,320	2,435,726,101

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

Note	March 31, 2019	March 31, 2018
	-----Rupees-----	
INCOME		
Remuneration from funds under management - gross	59,726,169	52,250,056
Less: Sindh Sales tax	<u>6,871,152</u>	<u>6,011,068</u>
Remuneration from funds under management - net	52,855,017	46,238,988
Commission from open end funds under management	430,638	2,096,373
Dividend Income	5,015,222	-
Net Gain on sale of investments - net	(171,695)	46,488,782
Return on bank deposits under interest arrangements	876,055	528,631
Management fee and share of profit from management of discretionary portfolios and non discretionary client portfolio	<u>672,761</u>	<u>814,268</u>
	59,677,998	96,167,042
Administrative and relevant expenses	(100,742,937)	(95,511,100)
OPERATING PROFIT/(LOSS)	<u>(41,064,939)</u>	<u>655,942</u>
Other expenses	-	339,091
Financial charges	<u>8,009,856</u>	<u>518,951</u>
	(49,074,795)	(202,100)
Other income	19,470,553	16,824,320
Profit/(Loss) before taxation	<u>(29,604,243)</u>	<u>16,622,220</u>
Income tax expense		
- Current	6,663,236	10,900,476
- Deferred	<u>(4,687,866)</u>	<u>(11,046,773)</u>
	1,975,369	(146,297)
Profit \ loss for period	<u>(31,579,612)</u>	<u>16,768,516</u>
Earnings \ loss per share	11	0.21
- basic and diluted	<u>(0.39)</u>	<u>0.21</u>

Chief Executive Officer

Director

Chief Financial Officer

JS Investments Limited

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees-----	
Profit / Loss for the period	(31,579,612)	16,768,516
Other comprehensive income to be reclassified to profit and loss account in subsequent period		
Unrealised appreciation on remeasurement of available for sale investments - net	17,638,561	163,816,852
Reclassification adjustment relating to sale of investments	-	(46,177,869)
Related Tax	(4,687,866)	(6,710,159)
Total items that may be reclassified subsequently to profit or loss	12,950,695	110,928,824
Total comprehensive Income/ (loss) for the period	<u>(18,628,918)</u>	<u>127,697,340</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERM CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period before taxation	(29,604,243)	16,622,218
Adjustment for non-cash and other items:		
Remuneration from funds under management	(52,855,017)	(46,238,988)
Commission from open end funds under management	(430,638)	(2,096,373)
Dividend Income	(5,015,222)	-
Depreciation	16,868,992	8,369,231
Amortisation of intangible assets	1,101,781	545,775
Financial charges	8,009,856	518,951
Return on bank deposits under interest arrangements	(876,055)	(528,631)
Net Gain on sale of investments	171,695	(46,488,782)
Gain/(loss) on disposal of fixed assets	(212,288)	(419,450)
Unrealized (appreciation) on revaluation of investments classified as HFT	(1,768,754)	(1,495,158)
	(64,609,893)	(71,211,205)
Increase / decrease in assets and liabilities		
Loans and advances	(531,801)	856,853
Deposits, prepayments and other receivables	(2,593,910)	393,332
Accrued and other liabilities	(34,212,668)	19,444,983
	(37,338,379)	20,695,168
	(101,948,272)	(50,516,037)
Taxes paid	(6,196,834)	(5,397,772)
Remuneration and commission received from funds under management	52,578,462	45,444,070
Net cash generated from operating activities	(55,566,644)	(10,469,740)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	75,481,546	4,999,948
Payments for purchase of fixed assets	(20,448,671)	(4,734,547)
Dividend received	5,015,222	-
Return on bank deposits	880,404	564,744
Proceeds from disposal of fixed assets	1,025,544	656,000
Net cash (used) / generated in investing activities	61,954,045	1,486,145
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	(848,379)	(518,951)
Net cash used in financing activities	(848,379)	(518,951)
Net increase / (decrease) in cash and cash equivalents	5,539,021	(9,502,545)
Cash and cash equivalents at beginning of the period	23,014,577	15,534,837
Cash and cash equivalents at the end of the period	28,553,599	6,032,292

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

	Reserves					
	Capital reserve		Surplus on revaluation of fixed assets - net of tax	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account			Unappropriated profit	Total
	Rupees					
Balance as at January 01, 2017 (restated)	801,718,180	198,281,820	191,614,859	873,584,692	700,155,016	2,765,354,567
Total comprehensive income / (loss)						
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	461,102,051	700,840,694	2,345,001,596
Balance as at January 01, 2018 (restated)	801,718,180	198,281,820	183,058,851	461,102,051	700,840,694	2,345,001,594
Profit for the period	-	-	-	-	41,728,150	41,728,150
Other comprehensive income - net of tax	-	-	-	(236,052,668)	-	(236,052,668)
Total comprehensive income for the period	-	-	-	(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	225,049,383	751,736,003	2,150,677,076
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,383	751,736,003	2,150,677,076
Profit for the period	-	-	-	-	(31,579,612)	(31,579,612)
Other comprehensive income - net of tax	-	-	-	12,950,695	-	12,950,695
Total comprehensive income for the period	-	-	-	12,950,695	(31,579,612)	(18,628,918)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(2,291,788)	-	2,291,788	-
Balance as at March 31, 2019	801,718,180	198,281,820	171,599,904	238,000,078	722,448,178	2,132,048,160

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



**NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION (UN-AUDITED)**

FOR THE QUARTER ENDED MARCH 31, 2019

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 The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar Karachi, Pakistan (previously: 7th Floor, the Forum, Khayaban-e-Jami Block-9, 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).

1.2 The Company is an asset management company and pension fund manager for the following funds at quarter ended March 31, 2019:

1.2.1 Asset management company of the following funds:

Open-end mutual funds

- JS Value Fund
- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap. Fund
- JS Islamic Hybrid Fund of Funds(JSIHFOF)
- JS Islamic Hybrid Fund of Funds -2 (JSIHFOF2)
- JS Islamic Dedicated Equity Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 This unconsolidated condensed interim financial information is separate financial information of the Company in which the investment in subsidiary is stated at cost.

2. STATEMENT OF COMPLIANCE

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

JS Investments Limited

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- 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 the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP differ with the requirements of IAS 34, the provisions of the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP have been followed.

- 2.2** 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 repealed Companies Ordinance, 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.3** This unconsolidated condensed interim financial information do not include all the information and disclosures required in the unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company as at December 31, 2018.

3. BASIS OF MEASUREMENT

- 3.1** This unconsolidated condensed interim financial information has been prepared under historical cost convention except for certain investments and office premises which are measured at fair value.
- 3.2** This unconsolidated condensed interim financial information has been presented in Pakistani Rupee, which is the Company's functional and presentation currency.

4. ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 4.1** The accounting policies adopted for the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the unconsolidated annual financial statements of the Company for the year ended December 31, 2018, except as follows:

4.1.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

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

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

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above amendment to accounting standards did not have any effect on the unconsolidated condensed interim financial information.

4.1.2 Up till December 31, 2017, the surplus on revaluation of fixed assets was shown below equity in accordance with the requirements of repealed Companies Ordinance, 1984. However, the Companies Act, 2017 has removed the section relating to the treatment of surplus on revaluation of fixed assets as stated above, and the same is to be accounted for in accordance with the requirements of applicable accounting standard (IAS -16 Property, Plant and Equipment). The said standard requires surplus to be shown as part of equity. This change in accounting policy is applied retrospectively in accordance with the requirements of International Accounting Standard 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Had there been no change, the total equity of the Company would have been lower by Rs.171.599 (December 31, 2017: would have been lower by Rs.173.891) million.

4.1.3 IFRS 16 [effective on or after January 1, 2019] supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces the single on balance sheet lease accounting model for lessees. The lessee recognizes the right of use assets representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard i.e. lessors continue classify leases as operating or finance leases. The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect recognized at the date of initial application.

4.2 Further, the financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.

		(Un-Audited) March 31, 2019	(Audited) December 31, 2018
5. PROPERTY AND EQUIPMENT	Note		
Opening written down value		364,873,701	367,085,044
Additions during the period	5.1	4,970,022	35,112,705
Disposals during the period	5.2	(813,256)	(2,637,186)
Depreciation for the period		(9,516,606)	(34,686,862)
		359,513,861	364,873,701
Capital work-in-progress - advance against purchase of assets		135,911,093	120,432,447
		495,424,954	485,306,147

5.1 The following additions were made to tangible - property and equipment during the period:

Furniture and fixtures	-	3,071,709
Office equipment	852,662	16,130,321
Vehicles	4,117,360	15,910,675
		4,970,022

		(Un-Audited) March 31, 2019	(Audited) December 31, 2018
5.2	Note	----- Rupees -----	
The following disposals of tangible - property and equipment were made during the period / year:			
Furniture and fixtures		-	(26,396)
Office equipment		(40,219)	-
Vehicles	5.2	(773,037)	(2,610,790)
		(813,256)	(2,637,186)

5.2.1 During the period, a vehicle was disposed off and sold to an individual through bidding process as per the Company's policy at a sale proceed of Rs.0.976 million. The purchaser was neither a related party nor an employee of the Company.

		(Un-Audited) March 31, 2019	(Audited) December 31, 2018
6. INTANGIBLE ASSETS			
Opening written down value		16,315,422	8,464,922
Additions during the period / year		-	11,120,618
Amortisation for the period / year		(1,101,781)	(3,270,118)
		15,213,641	16,315,422

JS Investments Limited

7. OTHER FINANCIAL ASSETS - INVESTMENTS

Investments by category

Classified as 'available-for-sale'

Units of mutual funds - related parties	7.1	1,190,093,464	1,157,454,903
---	-----	----------------------	---------------

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

Units of mutual funds - related parties	7.2	232,804,855	321,689,342
Term Finance Certificate		125,000,000	125,000,000
		1,547,898,319	1,604,144,245

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.

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

Number of Units		Name of fund	(Un-audited)		(Audited)
March 31, 2019	December 31, 2018		Average cost	Fair value	December 31, 2018
			March 31, 2019		Fair value
			2019		2018
			Rupees		
1,716,379	1,716,379	JS Value Fund	349,797,996	345,369,738	349,386,065
1,903,901	1,903,901	JS Growth Fund	319,948,392	310,716,588	302,072,879
205,210	205,210	JS Pension Savings Fund - Equity	12,634,788	88,960,644	85,297,643
137,349	137,349	JS Pension Savings Fund - Debt	13,734,899	34,756,162	34,079,032
		JS Pension Savings Fund -			
177,463	177,463	Money Market	17,746,342	36,149,298	35,329,417
2,772,987	2,772,987	JS Fund of Funds	146,285,668	144,001,211	141,034,115
		JS Islamic Pension Savings			
182,354	182,354	Fund - Equity	16,566,831	103,328,882	101,071,344
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	21,385,170	45,330,144	44,359,257
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	22,230,337	40,843,797	39,990,151
		JS Islamic Asset Allocation			
100,000	100,000	Plan-2	10,000,000	10,109,000	9,781,000
		JS Islamic Capital Preservation			
150,000	150,000	Allocation Plan 4	15,000,000	15,457,500	15,054,000
150,000		JS Islamic Capital Preservation	15,000,000	15,070,500	-
		Allocation Plan 5			
			960,330,421	1,190,093,464	1,157,454,903
Unrealized appreciation on					
remeasurement at fair value - net			229,763,043	-	-
			1,190,093,464	1,190,093,464	1,157,454,903

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

Number of Units		Name of fund	(Un-Audited)		(Audited)
March 31, 2019	December 31, 2018		Average cost	Fair value	December 31, 2018
			March 31, 2019		Fair value
			2019		2018
			Rupees		
1,471,584	2,358,284	JS Cash Fund	150,387,001	150,484,203	241,040,244
346,078	346,078	JS Income Fund	34,247,920	34,933,155	34,247,920
442,295	442,295	JS Islamic Income Fund	46,401,178	47,387,496	46,401,178
			231,036,099	232,804,855	321,689,342
Unrealized gain on					
remeasurement at fair value - net			1,768,756	-	-
			232,804,855	232,804,855	321,689,342

	Note	(Un-Audited)	(Audited)
		March 31, 2019	December 31, 2018
		----- Rupees -----	
8. CASH AND BANK BALANCES			
Cash in hand		73,529	86,788
Cash at bank in:			
Current accounts		2,318,596	568,596
Savings accounts	8.1	26,161,474	22,359,194
		28,480,070	22,927,790
		28,553,599	23,014,578
8.1 These carry mark-up at the rates ranging from 8.00% to 10.95% (2018: 4.50% to 8.75%) per annum. It includes Rs.24.731 (December 31, 2018: Rs.20.947) million held with JS Bank Limited (the Parent Company).			
9. ACCRUED AND OTHER LIABILITIES			
9.1 This includes Rs.92.284 (December 31, 2018: Rs.92.284) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 17.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.			
9.2 This includes Rs.57.619 (December 31, 2018: Rs.57.619) million provision for Workers' Welfare Fund (WWF) levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). There is no change in the status of the WWF as reported in note 17.2 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.			
10. CONTINGENCIES AND COMMITMENTS			
10.1 Contingencies			
There is no change in the status of contingencies as disclosed in note 18.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.			
10.2 Commitments in respect of:			
Use of name and advisory payment - a related party		11,250,000	13,750,000
		(Un-Audited)	
		Quarter ended	
		March 31, 2019	March 31, 2018
		----- Rupees -----	
11. EARNINGS PER SHARE			
Profit for the period	Rupees:	(31,579,612)	16,768,516
Weighted average number of ordinary shares outstanding during the period	Number:	80,171,818	80,171,818
Earnings per share	Rupees:	(0.39)	0.21

JS Investments Limited

11.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2019 and March 31, 2018 which would have any effect on the earnings per share if the option to convert is exercised.

12. 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:

	----- (Un-Audited) -----	
	March 31, 2019	March 31, 2018
	----- Rupees -----	
12.1 Transaction with related parties		
12.1.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Remuneration - net of taxes	52,855,017	46,238,997
Commission Received	430,638	2,096,373
Amount Paid	10,168,384	9,339,947
Amount Received	9,722,879	5,360,838
Dividend Received	5,015,222	-
Investments made	19,518,452	267,543,032
Investments disposed off / matured	95,000,000	272,543,032
	----- (Un-Audited) -----	
	March 31, 2019	March 31, 2018
	----- Rupees -----	
12.1.2 Jahangir Siddiqui & Company Limited (JSCL)		
Basis of relationship - Ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Amount Paid	-	15,000
Amount Received	-	10,000
12.1.3 JS Bank Limited (JSBL)		
Basis of relationship - Parent company		
Percentage of shareholding - JSBL holds 65.16% shares of the Company		
Rent Received	1,615,674	1,679,647
Rent Paid	870,888	1,853,602
Management fee sharing on distribution of mutual funds	2,960,724	260,456
Amount Paid	263,072	357,787
Amount Received	45,656	20,000
Return on bank deposits	847,226	528,489



JS Investments Limited

	----- (Un-Audited) -----	
	March 31, 2019	March 31, 2018
	----- Rupees -----	
12.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Rent Received	2,704,176	2,704,176
Amount Paid	491,895	506,471
Amount Received	-	600,055
12.1.5 Associated company - Mahvish & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Company		
Rent Received	330,940	330,940
Amount Paid	142,978	144,818
Amount Received	67,584	239,955
12.1.6 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - common directorship of the Company		
Amount Paid	43,093	44,246
12.1.7 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 21.10%		
Insurance premium paid	3,414,543	2,874,364
12.1.8 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	1,564,192	120,259
12.1.9 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Amount Paid	84,259	-
Amount Received	84,259	9,166
Provident fund contributions made	2,524,494	2,250,563
12.1.10 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 67.16% shares of JSGCL		
Amount Paid	-	67,530
12.1.11 Subsidiary company - JS Abamco Commodities Limited (JSACL)		
Basis of Relationship - Subsidiary		
Percentage of shareholding - 100% of JSIL		
Amount Paid	30,000	30,000
Amount Received	30,000	40,000
12.1.12 Transactions made with key management personnel		
Remuneration	31,591,097	30,782,381
Directors fee	325,000	150,000
Disbursements of personal loans and advances	960,000	-
Repayments of loans and advances	339,549	833,104
Use of name and Advisory for the period	3,750,000	13,750,000

JS Investments Limited

	(Un-Audited) March 31, 2019	(Audited) December 31, 2018
	----- Rupees -----	
12.2 Balance outstanding with related parties		
12.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	127,937,975	126,783,451
Payable to funds under management	552,258	365,436
12.2.2 Jahangir Siddiqui & Company Limited (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other Receivable	23,372	34,672
12.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 65.16% shares of JSIL		
Other Receivable	913,647	706,231
Rent payable	113,140	478,766
Rent receivable	2,594,458	3,894,359
Other payables	2,960,724	3,086,247
Profit on bank deposits	37,458	65,484
12.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Other Receivable	2,209,087	1,717,192
Rent receivable	5,190,528	2,270,018
12.2.5 Associated Company - Mahvish & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Company		
Other Receivable	405,271	329,877
Rent receivable	379,929	243,141
12.2.6 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Company		
Other Receivable	997,441	954,347
12.2.7 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 67.16% shares of JSGCL		
Other Receivable	357,579	357,579
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831



	(Un-Audited) March 31, 2019	(Audited) December 31, 2018
	----- Rupees -----	
12.2.8 Subsidiary company - JS Abamco Commodities Limited (JSACL)		
Basis of relationship - Subsidiary		
Percentage of Shareholding - 100% of the Company		
Other Receivable	30,000	30,000
12.2.9 Outstanding from key management personnel	1,098,717	478,265
12.2.10 Key management personnel and directors hold 6,514 shares in the company		

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

12.4 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.

13. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has not affected the financial statements.

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

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from
- 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. 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 period by the level in the fair value hierarchy into which the fair value measurement is categorised:

March 31, 2019

	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	1,190,093,464	-	1,190,093,464
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	232,804,855	-	232,804,855
Term Finance Certificate		125,000,000		125,000,000
Office premises	-	282,600,500	-	282,600,500
	-	1,830,498,819	-	1,830,498,819

December 31, 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

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

13.1.1 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.

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

13.2 During the period ended March 31, 2019, 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.



14. GENERAL

- 14.1** In compliance of NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of Securities and Exchange commission of Pakistan, 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 result of gross negligence of its employees.
- 14.2** The disposal of the Company's assets comprising office premises, located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi to JS Bank Limited, at the rate of Rs. 22,000/- per square feet have been approved by shareholders of JS Investments Limited in the Annual General Meeting held on April 10, 2019, as the event occurred after reporting period of quarter ended March 31, 2019, therefore it is the non adjusting event.
- 14.3** These unconsolidated condensed interim financial information were authorised for issue on April 26, 2019 by the Board of Directors of the Company.
- 14.4** The figures in the unconsolidated condensed interim financial information have been rounded off to the nearest rupee.
- 14.5** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Director

Chief Financial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS

For the period ended March 31, 2019

The Directors of your Company feel pleasure in presenting the consolidated financial statements of the Company for the period ended March 31, 2019.

Summary of operating results for the period

	Period ended March 31, 2019	Period ended March 31, 2018
	Rs. (000)	
Shareholders' Equity	2,156,396	2,493,949
Financial Performance		
Income	60,828	96,990
Operating expenses	(100,888)	(95,646)
Operating profit	(40,060)	1,344
Other expenses	(20)	(353)
Financial charges	(8,008)	(519)
Other operating income	19,470	16,824
Profit before tax	(28,618)	17,296
Taxation-net	(2,066)	(72)
Profit after tax	(30,684)	17,224
Earnings per share - basic and diluted	(0.38)	0.21

Subsidiary Company

JS ABAMCO Commodities Limited

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

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 period ended March 31, 2019, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

Name

Mr.Hasnian Raza Nensey
Mr. Munawar Alam Siddiqui
Mr.Muhammad Khawar Iqbal
Mr.Malik Zafar Javed

31 مارچ، 2019 کو ختم ہونے والی ششماہی کیلئے مجموعی مالیاتی تفصیلات پر حصص یافتگان کیلئے ڈائریکٹرز کی رپورٹ

پورٹ فولیو ڈائریکٹرز کی جانب سے 31 مارچ 2019 کو ختم ہونے والی ششماہی کیلئے کمپنی کی مجموعی مالیاتی تفصیلات کو پیش کرتا ہوں۔

31 مارچ، 2018 کی	اختتامی مدت	31 مارچ، 2019 کی	اختتامی مدت	مذکورہ مدت کے فعال نتائج کا خلاصہ
	(000) روپے			
2,493,949		2,156,396		شیرز ہولڈر ایکویٹی
				مالیاتی کارکردگی
				آمدنی
96,990		60,828		آپریٹنگ نتائج
(95,646)		(100,888)		آپریٹنگ نتائج (تقصان)
1,344		(40,060)		دیگر اخراجات
(353)		(20)		فنانس چارجز
(519)		(8,008)		دیگر فعال آمدنی
16,824		19,470		منافع (تقصان) قبل از ٹیکس
17,296		(28,618)		خالص ٹیکس
(72)		(2,066)		منافع بعد از ٹیکس
17,224		(30,684)		منافع (تقصان) فی حصص - بیک اور ڈائیلیوٹڈ
0.21		(0.38)		ذیلی کمپنی

ہے ایس اینیکو کوڈ ٹریڈ لیبلڈ

ہے ایس ابا کو کوڈ ٹریڈ لیبلڈ (کمپنی) کمپنیز آرڈیننس 1984 کے تحت 25 ستمبر 2007 کو پاکستان میں شخصیت پبلک لیبلڈ کمپنی قائم ہوئی اور یہ ہے ایس این اسٹیمس لیبلڈ (دی ہولڈنگ کمپنی) کی کل ملکیتی ذیلی کمپنی ہے۔ کمپنی کا بنیادی مقصد کوڈڈ بی مارکیٹ میں کاروبار اور متعلقہ بروکرینج، ایڈوائزی اور مشاوری خدمات فراہم کرنا ہے۔ کمپنی نے کوڈڈ بی، بروکرینج اور متعلقہ مشاورتی خدمات کا آپریشن ٹیلنس ٹیٹ کی تاریخ تک شروع کیا۔

انٹرنل کنٹرول فریم ورک

کمپنی کے بورڈ آف ڈائریکٹرز یقینی بنانے کے ذمہ دار ہیں کہ کمپنی کے انٹرنل کنٹرول سسٹمز مناسب اور موثر ہیں۔

بورڈ آف ڈائریکٹرز

تختہ مدت 31 مارچ 2019 کے دوران JS ABAMCO (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے۔

نام

جناب حسین رضا نیسی

جناب منور عالم صدیقی

جناب محمد خاور اتوال

جناب ملک ظفر جاوید

کراچی: 26 اپریل، 2019

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2019

	Note	(Un-Audited) March 31, 2019	(Audited) Dec 31, 2018
-----Rupees-----			
ASSETS			
Non-current assets			
Property and equipment	5	495,424,954	485,306,147
Intangible assets	6	15,213,641	16,315,422
Deposit for membership		1,000,000	1,000,000
Deposit for office premises		2,500,000	2,500,000
Long-term loans and prepayments - considered good		3,877,679	4,209,830
Right of use Assets		268,979,939	-
		<u>786,996,213</u>	<u>509,331,399</u>
Current assets			
Balances due from funds under management - related parties		113,532,432	112,825,238
Loans and advances - considered good		3,202,512	2,436,861
Trade deposits, short term prepayments and other receivables		63,231,404	60,440,136
Other financial assets - investments	7	1,606,298,566	1,661,398,935
Taxation - net		89,793,461	90,259,452
Cash and bank balances	8	28,648,985	23,353,558
		<u>1,904,707,359</u>	<u>1,950,714,180</u>
Total assets		<u>2,691,703,571</u>	<u>2,460,045,579</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up capital		801,718,180	801,718,180
Unappropriated profit		746,796,326	775,188,683
Capital repurchase reserve account		198,281,820	198,281,820
Unrealised appreciation on remeasurement of available for sale investments - net		238,000,078	225,049,381
Surplus on revaluation of fixed assets - net of tax		171,599,904	173,891,692
		<u>2,156,396,308</u>	<u>2,174,129,756</u>
LIABILITIES			
Non current liabilities			
Liability against asset subject to finance lease		<u>299,391,261</u>	<u>34,802,012</u>
Current liabilities			
Accrued and other liabilities	9	221,482,886	239,326,609
Unclaimed dividends		2,952,805	2,952,805
Current maturity of lease liability against asset subject to finance lease		11,480,312	11,787,202
Total current liabilities		<u>235,916,003</u>	<u>251,113,811</u>
Total liabilities		<u>535,307,263</u>	<u>285,915,823</u>
Contingencies and commitments	10		
Total equity and liabilities		<u>2,691,703,571</u>	<u>2,460,045,579</u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

JS Investments Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees-----	
Profit / Loss for the period	(30,684,145)	17,224,252
Other comprehensive income to be reclassified to profit and loss account in subsequent period		
Unrealised appreciation on remeasurement of available for sale investments - net	17,638,561	163,816,852
Reclassification adjustment relating to sale of investments	-	(46,177,869)
Related Tax	(4,687,866)	(6,710,159)
Total items that may be reclassified subsequently to profit or loss	12,950,695	110,928,824
Total comprehensive Income/ (loss) for the period	<u>(17,733,451)</u>	<u>128,153,076</u>

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2019

	March 31, 2019	March 31, 2018
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) for the period before taxation	(28,618,133)	17,296,328
Adjustment for non-cash and other items:		
Remuneration from funds under management	(52,855,017)	(46,238,997)
Commission from open end funds under management	(430,638)	(2,096,373)
Dividend Income	(5,015,222)	-
Depreciation	16,868,992	8,369,231
Amortisation of intangible assets	1,101,781	545,775
Financial charges	8,009,856	518,999
Return on bank deposits under interest arrangements	(876,055)	(528,631)
Net Gain on sale of investments	(973,862)	(47,312,029)
Gain/(loss) on disposal of fixed assets	(212,288)	(419,450)
Unrealized (appreciation) on revaluation of investments classified as HFT	(1,768,754)	(1,495,158)
	<u>(64,769,340)</u>	<u>(71,360,304)</u>
Increase / decrease in assets and liabilities		
Loans and advances	(531,801)	856,853
Deposits, prepayments and other receivables	(2,667,316)	360,210
Accrued and other liabilities	(34,222,997)	19,368,668
	<u>(37,422,114)</u>	<u>20,585,731</u>
	<u>(102,191,454)</u>	<u>(50,774,573)</u>
Taxes paid	(6,197,246)	(5,397,863)
Remuneration and commission received from funds under management	52,578,462	45,444,079
Net cash generated from operating activities	<u>(55,810,238)</u>	<u>(10,728,357)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	75,481,546	4,999,948
Payments for purchase of fixed assets	(20,448,671)	(4,734,547)
Dividend received	5,015,222	-
Return on bank deposits	880,405	564,744
Proceeds from disposal of fixed assets	1,025,544	656,000
Net cash (used) / generated in investing activities	<u>61,954,046</u>	<u>1,486,146</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	(848,380)	(518,999)
Net cash used in financing activities	<u>(848,380)</u>	<u>(518,999)</u>
Net increase / (decrease) in cash and cash equivalents	<u>5,295,427</u>	<u>(9,761,210)</u>
Cash and cash equivalents at beginning of the period	23,353,557	15,842,831
Cash and cash equivalents at the end of the period	<u><u>28,648,985</u></u>	<u><u>6,081,621</u></u>

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

	Reserves					Total
	Capital reserve		Surplus on revaluation of fixed assets - net of tax	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account			Unappropriated profit	
	Rupees					
Balance as at January 01, 2017 (restated)	801,718,180	198,281,820	191,614,859	873,584,692	718,836,118	2,784,035,669
Total comprehensive income / (loss)						
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	461,102,051	721,635,486	2,365,796,388
Balance as at January 01, 2018 (restated)	801,718,180	198,281,820	183,058,851	461,102,051	721,635,486	2,365,796,386
Profit for the period	-	-	-	-	44,386,038	44,386,038
Other comprehensive income - net of tax	-	-	-	(236,052,668)	-	(236,052,668)
Total comprehensive income for the period	-	-	-	(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	225,049,383	775,188,683	2,174,129,756
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,383	775,188,683	2,174,129,756
Profit for the period	-	-	-	-	(30,684,145)	(30,684,145)
Other comprehensive income - net of tax	-	-	-	12,950,695	-	12,950,695
Total comprehensive income for the period	-	-	-	12,950,695	(30,684,145)	(17,733,451)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(2,291,788)	-	2,291,788	-
Balance as at March 31, 2019	801,718,180	198,281,820	171,599,904	238,000,078	746,796,326	2,156,396,308

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



NOTES TO THE CONSOLIDATED CONDENSED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2019

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 The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar Karachi, Pakistan. 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).

1.2 The Company is an asset management company and pension fund manager for the following funds at quarter ended March 31, 2019:

1.2.1 Asset management company of the following funds:

Open-end mutual funds

- JS Value Fund
- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap. Fund
- JS Islamic Hybrid Fund of Funds(JSIHFOF)
- JS Islamic Hybrid Fund of Funds -2 (JSIHFOF2)
- JS Islamic Dedicated Equity Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 This unconsolidated condensed interim financial information is separate financial information of the Company in which the investment in subsidiary is stated at cost.

2. STATEMENT OF COMPLIANCE

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

JS Investments Limited

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- 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 the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP differ with the requirements of IAS 34, the provisions of the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP have been followed.

- 2.2** 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 repealed Companies Ordinance, 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.3** This consolidated condensed interim financial information do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Company as at December 31, 2018.

3. BASIS OF MEASUREMENT

- 3.1** This consolidated condensed interim financial information has been prepared under historical cost convention except for certain investments and office premises which are measured at fair value.
- 3.2** This consolidated condensed interim financial information has been presented in Pakistani Rupee, which is the Company's functional and presentation currency.

4. ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 4.1** The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the unconsolidated annual financial statements of the Company for the year ended December 31, 2018, except as follows:

4.1.1 New / Revised Standards, Interpretations and Amendments

The Company has adopted the following standards and amendment to IFRSs which became effective for the current period:

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

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

IFRIC 22 Foreign Currency Transactions and Advance Consideration

The adoption of the above amendment to accounting standards did not have any effect on the consolidated condensed interim financial information.

4.1.2 Up till December 31, 2017, the surplus on revaluation of fixed assets was shown below equity in accordance with the requirements of repealed Companies Ordinance, 1984. However, the Companies Act, 2017 has removed the section relating to the treatment of surplus on revaluation of fixed assets as stated above, and the same is to be accounted for in accordance with the requirements of applicable accounting standard (IAS -16 Property, Plant and Equipment). The said standard requires surplus to be shown as part of equity. This change in accounting policy is applied retrospectively in accordance with the requirements of International Accounting Standard 8 – Accounting Policies, Changes in Accounting Estimates and Errors. Had there been no change, the total equity of the Company would have been lower by Rs.171.599 (December 31, 2017: would have been lower by Rs.173.891) million.

4.1.3 IFRS 16 [effective on or after January 1, 2019] supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. IFRS 16 introduces the single on balance sheet lease accounting model for lessees. The lessee recognizes the right of use assets representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short term leases and leases of low value items. Lessor accounting remains similar to the current standard i.e. lessors continue classify leases as operating or finance leases. The Company adopted IFRS 16 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect recognized at the date of initial application.

4.2 Further, the financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the consolidated annual financial statements of the Company for the year ended December 31, 2018.

5. PROPERTY AND EQUIPMENT	Note	(Un-Audited)	(Audited)
		March 31, 2019	December 31, 2018
		----- Rupees -----	
Opening written down value		364,873,701	367,085,044
Additions during the period	5.1	4,970,022	35,112,705
Disposals during the period	5.2	(813,256)	(2,637,186)
Depreciation for the period		(9,516,606)	(34,686,862)
		359,513,861	364,873,701
Capital work-in-progress - advance against purchase of assets		135,911,093	120,432,447
		495,424,954	485,306,147

5.1 The following additions were made to tangible - property and equipment during the period :

Furniture and fixtures	-	3,071,709
Office equipment	852,662	16,130,321
Vehicles	4,117,360	15,910,675
	4,970,022	35,112,705

5.2	Note	(Un-Audited)	(Audited)
		March 31, 2019	December 31, 2018
		----- Rupees -----	
The following disposals of tangible - property and equipment were made during the period / year:			
Furniture and fixtures		-	(26,396)
Office equipment		(40,219)	-
Vehicles	5.2.1	(773,037)	(2,610,790)
		(813,256)	(2,637,186)

5.2.1 During the period, a vehicle was disposed off and sold to an individual through bidding process as per the Company's policy at a sale proceed of Rs.0.976 million. The purchaser was neither a related party nor an employee of the Company.

6. INTANGIBLE ASSETS		(Un-Audited)	(Audited)
		March 31, 2019	December 31, 2018
		----- Rupees -----	
Opening written down value		16,315,422	8,464,922
Additions during the period / year		-	11,120,618
Amortisation for the period / year		(1,101,781)	(3,270,118)
		15,213,641	16,315,422

JS Investments Limited

7. OTHER FINANCIAL ASSETS - INVESTMENTS

Investments by category

Classified as 'available-for-sale'

Units of mutual funds - related parties	7.1	1,190,093,464	1,157,454,903
---	-----	----------------------	---------------

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

Units of mutual funds - related parties	7.2	291,205,102	378,944,032
Term Finance Certificate		125,000,000	125,000,000
		1,606,298,566	1,661,398,935

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.

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

Number of Units			(Un-audited)		(Audited)
March 31, 2019	December 31, 2018	Name of fund	March 31, 2019		December 31, 2018
			Average cost	Fair value	Fair value
			Rupees		
1,716,379	1,716,379	JS Value Fund	349,797,996	345,369,738	349,386,065
1,903,901	1,903,901	JS Growth Fund	319,948,392	310,716,588	302,072,879
205,210	205,210	JS Pension Savings Fund - Equity	12,634,788	88,960,644	85,297,643
137,349	137,349	JS Pension Savings Fund - Debt	13,734,899	34,756,162	34,079,032
177,463	177,463	JS Pension Savings Fund - Money Market	17,746,342	36,149,298	35,329,417
2,772,987	2,772,987	JS Fund of Funds	146,285,668	144,001,211	141,034,115
182,354	182,354	JS Islamic Pension Savings Fund - Equity	16,566,831	103,328,882	101,071,344
213,852	213,852	JS Islamic Pension Savings Fund - Debt	21,385,170	45,330,144	44,359,257
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	22,230,337	40,843,797	39,990,151
100,000	100,000	JS Islamic Asset Allocation Plan-2	10,000,000	10,109,000	9,781,000
150,000	150,000	JS Islamic Capital Preservation Allocation Plan 4	15,000,000	15,457,500	15,054,000
150,000		JS Islamic Capital Preservation Allocation Plan 5	15,000,000	15,070,500	-
			960,330,421	1,190,093,464	1,157,454,903
		Unrealized appreciation on remeasurement at fair value - net	229,763,043	-	-
			1,190,093,464	1,190,093,464	1,157,454,903

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

Number of Units			(Un-Audited)		(Audited)
March 31, 2019	December 31, 2018	Name of fund	March 31, 2019		December 31, 2018
			Average cost	Fair value	Fair value
			Rupees		
1,471,584	2,358,284	JS Cash Fund	150,387,001	150,484,203	241,040,244
924,642	346,078	JS Income Fund	87,247,920	93,333,402	91,502,610
442,295	442,295	JS Islamic Income Fund	46,401,178	47,387,496	46,401,178
			284,036,099	291,205,102	378,944,032
		Unrealized gain on remeasurement at fair value - net	7,169,002	-	-
			291,205,102	291,205,102	378,944,032

		(Un-Audited) March 31, 2019	(Audited) December 31, 2018
	Note	----- Rupees -----	
8. CASH AND BANK BALANCES			
Cash in hand		73,529	86,788
Cash at bank in:			
Current accounts		<u>2,338,796</u>	588,796
Savings accounts	8.1	<u>26,236,660</u>	22,677,974
		<u>28,575,456</u>	23,266,770
		<u>28,648,985</u>	23,353,558

8.1 These carry mark-up at the rates ranging from 8.00% to 10.95% (2018: 4.50% to 8.75%) per annum. It includes Rs.24.731 (December 31, 2018: Rs.20.947) million held with JS Bank Limited (the Parent Company).

9. ACCRUED AND OTHER LIABILITIES

9.1 This includes Rs.92.284 (December 31, 2018: Rs.92.284) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 17.1 to the consolidated annual financial statements of the Company for the year ended December 31, 2018.

9.2 This includes Rs.57.619 (December 31, 2018: Rs.57.619) million provision for Workers' Welfare Fund (WWF) levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). There is no change in the status of the WWF as reported in note 17.2 to the consolidated annual financial statements of the Company for the year ended December 31, 2018.

10. CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

There is no change in the status of contingencies as disclosed in note 18.1 to the consolidated annual financial statements of the Company for the year ended December 31, 2018.

10.2 Commitments in respect of:

Royalty and advisory payment - a related party

<u>11,250,000</u>	<u>13,750,000</u>
-------------------	-------------------

11. EARNINGS PER SHARE

		(Un-Audited) Quarter ended	
		March 31, 2019	March 31, 2018
		----- Rupees -----	
Profit for the period	Rupees:	<u>(30,684,145)</u>	17,224,252
Weighted average number of ordinary shares outstanding during the period	Number:	<u>80,171,818</u>	80,171,818
Earnings per share	Rupees:	<u>(0.38)</u>	0.21

	----- (Un-Audited) -----	
	March 31, 2019	March 31, 2018
	----- Rupees -----	
12.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Rent Received	2,704,176	2,704,176
Amount Paid	491,895	506,471
Amount Received	-	600,055
12.1.5 Associated company - Mahvish & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Company		
Rent Received	330,940	330,940
Amount Paid	142,978	144,818
Amount Received	67,584	239,955
12.1.6 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - common directorship of the Company		
Amount Paid	43,093	44,246
12.1.7 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 21.10%		
Insurance premium paid	3,414,543	2,874,364
12.1.8 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	1,564,192	120,259
12.1.9 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Amount Paid	84,259	-
Amount Received	84,259	9,166
Provident fund contributions made	2,524,494	2,250,563
12.1.10 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 67.16% shares of JSGCL		
Amount Paid	-	67,530
12.1.11 Transactions made with key management personnel		
Remuneration	31,591,097	30,782,381
Directors fee	325,000	150,000
Disbursements of personal loans and advances	960,000	-
Repayments of loans and advances	339,549	833,104
Royalty and Advisory for the period	3,750,000	13,750,000

	(Un-Audited) March 31, 2019	(Audited) December 31, 2018
	----- Rupees -----	
12.2 Balance outstanding with related parties		
12.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	127,937,975	126,783,451
Payable to funds under management	552,258	365,436
12.2.2 Jahangir Siddiqui & Company Limited (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other Receivable	23,372	34,672
12.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 65.16% shares of JSIL		
Other Receivable	913,647	706,231
Rent payable	113,140	478,766
Rent receivable	2,594,458	3,894,359
Other payables	2,960,724	3,086,247
Profit on bank deposits	37,458	65,484
	(Un-Audited)	(Audited)
	March 31,	December 31,
	2019	2018
	----- Rupees -----	
12.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Other Receivable	2,209,087	1,717,192
Rent receivable	5,190,528	2,270,018
12.2.5 Associated Company - Mahvish & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Company		
Other Receivable	405,271	329,877
Rent receivable	379,929	243,141
12.2.6 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Company		
Other Receivable	997,441	954,347

(Un-Audited) March 31, 2019	(Audited) December 31, 2018
----- Rupees -----	

12.2.7 Associated company - JS Global Capital Limited (JSGCL)
Basis of relationship - JSBL holds 67.16% shares of JSGCL

Other Receivable	357,579	357,579
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831

12.2.8 Outstanding from key management personnel	1,098,717	478,265
---	------------------	----------------

12.2.9 Key management personnel and directors hold 6,514 shares in the company

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

12.4 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.

13. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). Adoption of IFRS 13, has not affected the financial statements.

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

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from)
- 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. 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 period by the level in the fair value hierarchy into which the fair value measurement is categorised:

JS Investments Limited

March 31, 2019

	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	1,190,093,464	-	1,190,093,464
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	291,205,102	-	291,205,102
Term Finance Certificate		125,000,000		125,000,000
Office premises	-	282,600,500	-	282,600,500
	-	1,888,899,066	-	1,888,899,066

December 31, 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

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

13.1.1 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.

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

13.2 During the period ended March 31, 2019, 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.



14. GENERAL

- 14.1** In compliance of NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of Securities and Exchange commission of Pakistan, 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 result of gross negligence of its employees.
- 14.2** The disposal of the Company's assets comprising office premises, located at 7th Floor, the Forum, Khayaban-e-Jami Block-9, Clifton, Karachi to JS Bank Limited, at the rate of Rs. 22,000/- per square feet have been approved by shareholders of JS Investments Limited in the Annual General Meeting held on April 10, 2019, as the event occurred after reporting period of quarter ended March 31, 2019, therefore it is the non adjusting event.
- 14.3** These consolidated condensed interim financial information were authorised for issue on April 26, 2019 by the Board of Directors of the Company.
- 14.4** The figures in the consolidated condensed interim financial information have been rounded off to the nearest rupee.
- 14.5** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Director

Chief Financial Officer

BOOK POST
PRINTED MATTER



JS Investments Limited

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600

Tel: (92-21) 111-222-626

Fax: (92-21)35165540

E-mail: info@jsil.com

Website: www.jsil.com