

# **JS Investments Limited**

Quarterly Report for the period  
ended 30 September, 2018





**CONTENTS**

Vision and Mission Statement.....02

Company Information.....03

Directors' Report to the Shareholders.....04

Condensed Interim Statement of Financial Position.....10

Condensed Interim Profit and Loss Account.....11

Condensed Interim Statement of Comprehensive Income.....12

Condensed Interim Cash Flow Statement.....13

Condensed Interim Statement of Changes in Equity.....14

Notes to the Condensed Interim Financial Statements.....15

Condensed Interim Consolidated Financial Statements.....27

**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

<b>Board of Directors</b>	Mr. Basir Shamsie Mr. Hasnain Raza Nensey Mr. Suleman Lalani Mr. Kamran Jafar Mr. Babbar Wajid . Mr. Ahsen Ahmed Mr. Asif Reza Sana	Chairman Chief Executive Officer Non-Executive Director Non-Executive Director Non-Executive Director Independent Director/ Non-Executive Director Independent Director / Non-Executive Director
	Mr. Muhammad Yousuf Amanullah *	
<b>Chief Executive</b>	Mr. Hasnain Raza Nensey	
<b>Chief Financial Officer/ Company Secretary</b>	Mr. Muhammad Khawar Iqbal	
<b>Statutory Auditors</b>	EY Ford Rhodes	
<b>Legal Advisors</b>	Bawaney and Partners	
<b>BOARD COMMITTEES</b>		
<b>Audit Committee</b>	Mr. Asif Reza Sana (Chairman) Mr. Suleman Lalani Mr. Ahsen Ahmed	
<b>HR Committee</b>	Mr. Basir Shamsie Mr. Kamran Jafar Mr. Ahsen Ahmed Mr. Hasnain Raza Nensey	
<b>Executive Committee</b>	Mr. Basir Shamsie Mr. Babbar Wajid Mr. Kamran Jafar Mr. Ahsen Ahmed Mr. Hasnain Raza Nensey	
<b>Share Registrar</b>	Central Depository Company of Pakistan Limited (CDC) CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi.	
<b>Registered Office</b>	7th Floor, The Forum, G-20 Khayaban-e-Jami, Block-9, Clifton Karachi-75600 Tel: (92-21) 111-222-626 Fax: (92-21)35361724 E-mail:info@jsil.com Website: www.jsil.com	

\* Mr. Muhammad Yousuf Amanullah resigned from the Board of Directors position on August 24, 2018

## JS Investments Limited

### DIRECTOR'S REPORT TO THE SHAREHOLDERS

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

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 September 30, 2018.

#### Principal Business

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

#### Economic Review

During the period under review, macroeconomic vulnerabilities continued to persist as the Current Account Deficit (CAD) for the eight months ended August 2018 (8MCY18) stood at USD12.6 billion, up by 30% year on year (YoY). Despite the import restrictive measures and currency depreciation, 8MCY18 imports recorded 12% growth that can be attributed to 24% accretion in oil prices during the period. Moreover, exports also recorded 13% growth mainly driven by textiles; however due to the low base relative to imports, growth in exports failed to lower the CAD during the period. With exports totaling to USD 17.0 billion and imports at USD 39.4 billion, the trade deficit for 8MCY18 stood at USD 22.4 billion (+11% YoY).

External debt servicing coupled with the growing trade gap has led to increased depletion of official liquid foreign reserves. As of September 30, 2018, Pakistan's total foreign reserves were reported at USD14.9 billion (down 24.7% YoY CYTD) while SBP's reserves stood at USD 8.4 billion (down 39.3% YoY CYTD). The dwindling reserves and weak external position have resulted in PKR depreciating 12.3% against the greenback during the period under review.

During the nine months of 2018, the State Bank of Pakistan (SBP) announced the MPS (Monetary Policy Statement) five times (Jan'18, Mar'18, May'18, Jul'18, Sep'18) wherein it raised the discount rate by 275 bps to 8.5%. This decision was taken to maintain Pakistan's interest rate parity with other countries and curb aggregate demand to reduce the rising import bill. Consumer Price Index (CPI) inflation in September stood at 5.8% year over year (YoY) against 3.9% YoY in the same month last year. Going forward, CPI is expected to remain on the higher side owing to expected increase in domestic energy tariffs, rising international oil prices, and further currency devaluation.

#### Equity Market Review

The KSE100 Index ended 9MCY18 at 40,999 points raised by 1.30% during the period. Favorable sector dynamics coupled with rising oil prices (up by 25% during the period) and interest rate hikes (275bps increased during the period) has resulted the dominance of Fertilizers, Commercial Banks, Oil & Gas Exploration and Tobacco in the index performance. On the contrary, Cements, Automobile Assemblers and Food & Personal Care emerged as major index laggards. Moreover, KSE30 Index was down by 1.47% while the KMI30 Index increased by 0.90% during 9MCY18.

Going forward, the equity market is expected to remain volatile as Pakistan prepares for yet another IMF bailout program. In order to arrest the deteriorating economic situation, the IMF loan's conditions could 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 corporate profitability and slow down the GDP growth to 4.0% in the near future.



### Income / Money Market Review

During 9MCY18, average CPI clocked in at 4.58% YoY compared to 4.08% in 9MCY17. The increase in inflation is attributable to the rise in global oil prices, higher food inflation and PKR devaluation. Due to mounting pressure on the external account, the SBP has increased the policy rate by 275bps since January 2018 to 8.50%.

SBP borrowed funds worth PKR 14,016 billion in the Treasury Bills (T-bill) auctions against a target of PKR 14,925 billion with the total maturing amount of PKR 14,762 billion. The bidding pattern was skewed towards 3-month T-bills. Furthermore, SBP raised PKR 67 billion in Pakistan Investment Bonds (PIB) auctions against the target of PKR 550 billion. Four of the total nine PIB auctions were rejected in the period under review. In May 2018, the Government of Pakistan (GoP) announced the issuance of floating rate PIBs with a target of PKR 150 billion cumulative in three subsequent auctions. The coupon rate was set as weighted average yield of 6-month T-Bill cut-off plus Quoted Margin (QM) decided during the auction.

Going forward we expect State Bank to increase the policy rate further. The rationale behind the rate hike is to curb aggregate demand in order to reduce imports and maintain a positive interest rate differential with the US, where interest rates are on the rise. Pakistan's entry into an IMF program will speed up this process as the Fund has traditionally advocated strong use of monetary and fiscal policy to deal with external vulnerabilities.

The strategy for the coming months will revolve around maximizing yield while remaining on the shorter end of the yield curve, preferably in floating rate notes, in order to ensure instruments are repriced quickly with minimal mark-to-market losses and to earn a risk adjusted positive spread.

### AMC Industry Overview

At the end of 9MCY18, Assets Under Management (AUM) of the mutual fund industry stood at PKR 586 billion (excluding Fund of Funds) showing an increase of 0.2% | PKR1.2 billion from the December 2017 level of PKR 584 billion. AUMs of Conventional schemes posted an increase of PKR 18 billion (+5%) to reach PKR 373 billion (excluding Fund of Funds) at the end of period. However, AUMs of Shariah compliant schemes recorded a decrease of PKR 18 billion (-8%) to reach PKR 212 billion (excluding Fund of Funds).

### Performance Review

JSIL posted a net profit of PKR 15 million as of September 30, 2018 which translates into an earnings per share (EPS) of PKR 0.19. The Company recorded total revenue of PKR 321 million vs PKR 274 million during the corresponding period of last year. The company earned management remuneration from funds under management (including SMAs) of PKR 148 million compared to PKR 159 million during the corresponding period last year. The assets under management (including Separately Managed Accounts - SMAs & Fund of Funds) were PKR 20.2 billion compared to PKR 14.4 billion as at December 31, 2017 depicting an increase of 40 percent.

### Future Outlook

JSIL closed 9MCY18 with AUMs at PKR 20.2 billion (PKR 18.1 excluding FOF Investments). The Company is focused on a strategy to tap the retail market aggressively by developing a quality sales team, as well as launch of new funds and investment plans. Quarterly plans shall be launched under the successful Islamic capital preservation series. Institutional investors shall also be an important component of building a sustainable aum-base for the company. Considering the prevailing interest rate scenario, the company shall target Institutional investors through value-added solutions in the fixed-income and money market space.

## JS Investments Limited

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### Asset Manager and Entity Rating

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

### Board of Directors

During the period, Mr. Muhammad Raza Dyer resigned from the Board and was replaced by Mr. Muhammad Kamran Mirza for the remainder term. However, subsequent to Mr. Muhammad Kamran Mirza's resignation, Mr. Babbar Wajid was appointed by the Board as Director in his place for the remainder of the term. Moreover, casual vacancy created due to the resignation of Mr. Muhammad Yousuf Amanullah is yet to be filled.

### Acknowledgment

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

On behalf of the Board

Karachi: October 24, 2018

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## JS Investments Limited

آنے والے مہینوں کی سخت عملی پیداوار کو زیادہ سے زیادہ کرنے کے ارد گرد گردش کرے گی جبکہ، خطرات سے محفوظ ثابت پھیلاؤ کا نمانے اور کم سے کم ہارک ٹو مارکیٹ نقصانات کے ساتھ تیزی سے آلات کی قیمتوں کے دوبارہ تئیں کو یقینی بنانے کے لئے فلوئنگ۔ ریٹ ڈس میں ترقی، پیداواری خط کے مختصر اختتام پر رہے گی۔

### AMC صنعت کا جائزہ

9MCY18 کے اختتام پر، میچل فنڈ انڈسٹری کا ایسٹ انڈیٹریمنٹ (AUM) 586 ملین روپے رہا (فنڈز آف فنڈ کے علاوہ) جو دسمبر 2017 کی 584 ملین روپے کی سطح سے 1.2 بلین روپے [0.2% کا اضافہ ظاہر کر رہا ہے۔ کنوینشل آئیٹوں کے AUMs نے 18 بلین روپے (+5%) کا اضافہ درج کیا جو مدت کے اختتام پر 373 ملین روپے (فنڈز آف فنڈ کے علاوہ) تک پہنچ گیا۔ تاہم، شریعہ کی پابندی کے تحت آئیٹوں کے AUMs نے 18 بلین روپے (-8%) کی کمی درج کی جو 212 ملین روپے (فنڈز آف فنڈ کے علاوہ) تک پہنچ گیا۔

### کارکردگی کا جائزہ

JSIL نے 30 دسمبر 2018 کو 15 ملین روپے کا خالص منافع درج کی جس کے نتیجے میں فی شیئر آمدنی (EPS) 0.19 روپے حاصل ہوئی۔ کھپنی نے گزشتہ سال کی اسی مدت کے دوران 274 ملین روپے کے برعکس موجودہ مدت میں 321 ملین روپے کی کل آمدنی درج کی ہے۔ کھپنی نے گزشتہ سال کی اسی مدت کے دوران 159 ملین روپے کے مقابلے میں بیٹمنٹ کے تحت فنڈز (بشمول SMAs) سے 148 ملین روپے کا بیٹمنٹ معاوضہ کیا ہے۔ بیٹمنٹ کے تحت اثاثے (بشمول الگ الگ فیڈا کا ڈینس۔ SMAs & فنڈز کے فنڈ) 31 دسمبر 2017 کو 14.4 بلین روپے کے مقابلے میں 20.2 بلین روپے تھے جو 40 فیصد اضافہ ظاہر کر رہے ہیں۔

### مستقبل کے امکانات

JSIL کی 9MCY18 کا اختتام AUMs کے 20.2 بلین روپے (FOF) انویسٹمنٹ کے 18.1 بلین روپے کے علاوہ) پر ہوا۔ کھپنی نے کوآئی ٹیلڈیم کی ڈیولپمنٹ اور نئے فنڈز اور سرمایہ کاری منصوبوں کے آغاز کے ذریعے جارحانہ طور پر خوردہ مارکیٹ میں راستہ بنانے کے لئے ایک سخت عملی پروجیکٹ کوڈ کی ہے۔ سرمایہ منصوبے کا ماب اسٹاک کیٹل پر پوزیشن سیریز کے تحت آغاز کئے جائیں گے۔ ادارتی سرمایہ کاری کا بھی کھپنی کے لئے مستحکم بنیاد کی تعمیر کے اہم عناصر ہونگے۔ موجودہ شرح سود کے منظر پر غور کرتے ہوئے، کھپنی فکڈ انکم اور مشی مارکیٹ خلاء میں ویلیو ایڈڈ سٹیٹن کے ذریعے ادارتی سرمایہ کاروں کو مدد بنانے کی ہے۔

### ایسٹ منیجر اینڈ اینٹنی ریشنگ

JCR-VIS کریڈٹ رینٹنگ کھپنی لیونڈ نے جے ایس انویسٹمنٹس لمیٹڈ کو بیٹمنٹ کو ایٹی رینٹنگ "AM2" (اے ایم ٹو) تفویض کیے۔ یہ رینٹنگ بیٹمنٹ کھپنی کی اعلیٰ بیٹمنٹ کو ایٹی کی نشاندہی کرتی ہے۔

### بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب محمد رضا ڈائریکٹرز سے مستعفی ہو گئے اور باقی مدت کے لئے ان کی جگہ جناب محمد کامران مرزا کا تقرر کیا گیا۔ تاہم، جناب محمد کامران مرزا کے استعفیے کے بعد، باقی ماندہ مدت کے لئے ان کی جگہ بورڈ کی طرف سے جناب بارو اجد کو ڈائریکٹری کی حیثیت سے تقرر کیا گیا۔ اس کے علاوہ جناب محمد یوسف امام اللہ کے استعفیے کے باعث خالی آسامی ابھی بھری جاتی ہے۔

### اظہار تشکر

ڈائریکٹرز قابل قدر معاونت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور بیٹمنٹ آف پاکستان اسٹاک ایکسچینج (PSX) کے شکر گزار ہیں۔ اس کے علاوہ بیٹمنٹ ہائی سٹریٹ ڈیپازٹری کھپنی آف پاکستان کے تحت ہمارے فنڈز کے گزشتہ سال اور اہم بی بی ٹی ٹرانزیشن سروسز لمیٹڈ کی بھی مسلسل حمایت اور تعاون کو سراہتے ہیں۔ بورڈ ممبران اور بیٹمنٹ پر JSIL کے ملازمین اور بیٹمنٹ میں اعتماد پر بھروسہ داران کا بھی شکریہ ادا کرتے ہیں۔

منجانب بورڈ

کراچی، 24 اکتوبر، 2018ء

ڈائریکٹر

چیف ایگزیکٹو آفیسر

## 30 ستمبر 2018 کو ختم ہونے والی مدت کے لئے ڈائریکٹرز کی حصص داران کو رپورٹ

جے ایس انویسٹمنٹ لمیٹڈ (JSIL) کے بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 ستمبر 2018 کو ختم ہونے والی مدت کے غیر مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

### بنیادی کاروبار:

JSIL ایک پبلک لیسٹڈ کمپنی 1995 میں قائم ہوئی۔ کمپنی قابل اطلاق قوانین کے مطابق سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے حاصل کردہ انویسٹمنٹ ایڈوائزر، ایٹ مینجمنٹ کمپنی، پینشن فنڈ مینجرا اینڈ پرائیویٹ ایجوکیٹڈ اینڈ وینچر کپٹل فنڈ مینجرا کے لائسنسوں کے تحت کاروبار کرتی ہے۔

### اقتصادی جائزہ:

زیر جائزہ مدت کے دوران، اقتصادی بحران کے حالات مسلسل خراب رہے کیونکہ اگست 2018 کو ختم ہونے والے آٹھ ماہ (8MCY18) کے لئے کرنٹ اکاؤنٹ خسارہ (CAD) سالانہ 30% اضافہ سے 12.6 بلین امریکی ڈالر رہا۔ درآمد پر پابندیوں کے اقدامات اور کرنسی کی قدر میں کمی کے باوجود، 8MCY18 کی درآمدات میں 12% نمو درج کی گئی جو مدت کے دوران تیل کی قیمتوں میں 24% اضافہ میں حد شامل کر سکتی ہیں۔ اس کے علاوہ، بنیادی طور پر نیٹا عمل کی طرف سے درآمدات میں بھی 13% نمو درج کرائی گئی، تاہم، درآمدات کے نسبتاً کم بنیادی چیز سے، درآمدات میں نمو مدت کے دوران CAD کو کم کرنے میں ناکام رہی۔ کمپنی کی درآمدات 17.0 بلین امریکی ڈالر اور درآمدات 39.4 بلین امریکی ڈالر کے نتیجے میں، 8MCY18 کا تجارتی خسارہ 22.4 بلین امریکی ڈالر (YoY +11%) رہا۔

تجارتی غلام بڑھنے کے ساتھ ساتھ بیرونی قرضہ کی خدمات کی برداشت ملک کے غیر ملکی زرمبادلہ کے ذخائر میں کمی ہو گئے ہیں۔ 30 ستمبر 2018 کو پاکستان کے کل غیر ملکی زرمبادلہ کے ذخائر 14.9 بلین امریکی ڈالر (سالانہ CYTD سے 24.7% کم) تھے۔ گئے جبکہ ایس بی بی کے ذخائر 8.4 بلین امریکی ڈالر (سالانہ CYTD سے 39.3% کم) رہے۔ ذخائر کی کمی اور کمزور بیرونی پوزیشن کے نتیجے میں جائزہ مدت کے دوران گرین بیک کے خلاف پاکستانی روپیہ کی قدر میں 12.3% کمی ہوئی ہے۔

2018 کے نو ماہ کے دوران، منیٹ بینک آف پاکستان (SBP) نے پانچ دفعہ ایم پی اینس (مائٹیری پالیسی ٹینٹ) کا اعلان کیا (جنوری 2018، مارچ 2018، مئی 2018، جولائی 2018) جس نے ڈسکونٹ ریٹ 27.5% پی اینس 8.5% تک بڑھا دیا۔ یہ فیصلہ پاکستان کی شرح سود کی براہ راست کو برقرار رکھنے اور درآمدات کے بڑھتے ہوئے بل کو کم کرنے کے مجموعی مطلب کو روکنے کے لئے کیا گیا۔ ستمبر میں کمزور پرائس انڈیکس (CPI) سالانہ 5.8 فیصد رہی جو گزشتہ سال میں 3.9 فیصد تھی۔ آئندہ سی بی بی آئی کو بڑھانے کے لیے صرف میں متوقع اضافہ، بین الاقوامی تیل کی قیمتوں میں اضافہ اور کرنسی کی قدر میں کمی کی وجہ سے زیادہ رہنے کی توقع ہے۔

### ایکونومی مارکیٹ کا جائزہ

8MCY18 کے اختتام پر کے ایس ای-1100 انڈیکس 40,999 پوائنٹس کی سطح پر پہنچا جس میں مدت کے دوران 1.30% کا اضافہ ہوا۔ تیل کی قیمتوں میں اضافہ (مدت کے دوران 25% تک زیادہ) اور شرح سود میں اضافہ (مدت کے دوران 27.5% پی اینس تک زیادہ) کے ساتھ معززوں شعبہ کے محرکات کے نتیجے میں، کمیشن بینکوں، ہتیل اور گیس کی قیمتوں اور تیل کو کا انڈیکس کارڈ کی پر غلبہ رہا ہے۔ اس کے برعکس، سینٹ، آٹوموبائل آسمبلر زاور فوڈ اینڈ پریسل کیونکہ انضمام اہم انڈیکس کی کمی کے طور پر سامنے آیا ہے۔ مزید برآں، کے ایس ای 30 انڈیکس 1.47% تک نیچے گیا جبکہ کے ایس ای 30 انڈیکس 9MCY18 کے دوران 0.90% تک بڑھ گیا۔ آئندہ، ایجوکیٹڈ مارکیٹ غیر مستحکم رہنے کی توقع ہے کیونکہ پاکستان ابھی ایک اور آئی ایم ایف تیل آؤٹ پروگرام کی تیاری کر رہا ہے۔ غراب اقتصادی صورتحال پر قابو پانے کے لئے، آئی ایم ایف قرضہ کی شرائط میں پاکستانی روپیہ کی قدر میں کمی، سود کی شرح میں اضافہ، سودی کا خاتمہ اور گیس اور بجلی کے برف میں مزید اضافہ کے اقدامات شامل ہیں۔ یہ اقدامات کارپوریٹ منافع کو کم اور مستقبل قریب میں جی ڈی پی کو 4.0% تک کم کر سکتے ہیں۔

### انکم / منی مارکیٹ کا جائزہ

8MCY18 کے دوران، اوسط سی بی آئی 4.58 فیصد کی شرح 9MCY17 میں 4.08 فیصد کے مقابلے سے زائد ہے۔ افریڈ زرمبادلہ میں اضافہ عالمی تیل کی قیمتوں میں اضافہ، اعلیٰ فوڈ انفلیشن اور پاکستانی روپیہ کی قدر میں کمی سے منسوب ہے۔ بیرونی اکاؤنٹ پر دباؤ بڑھنے کی وجہ سے، جنوری 2018 سے ایس بی بی نے پالیسی کی شرح میں 27.5% پی اینس تک 8.50% اضافہ کیا ہے۔

ایس بی بی نے پی اینس 14,762 بلین روپیہ کی کل بیوروٹیک رقم کے ساتھ 14,925 بلین روپیہ کے ہدف کے عوض فریڈری بڑ (بی بی) آکشنز میں 14,016 بلین روپیہ مالیت کے فنڈز ترس لیا ہے۔ پبلک بیٹن اچانک 3 ماہی بڑ کی طرف تہل ہو گیا۔ اس کے علاوہ، ایس بی بی نے 550 بلین روپیہ کے ہدف کے عوض پاکستان انویسٹمنٹ بانڈز (بی بی) کی بیٹن میں 67 بلین روپیہ اکٹھے کئے۔ زیر جائزہ مدت میں کل نو (9) پی اینس کی بیٹن میں سے چار (4) کو سزور کر دیا گیا۔ مئی 2018 میں، حکومت پاکستان نے بعد کی تین بیٹن میں مجموعی 150 بلین روپیہ کے ہدف کے ساتھ پی اینس کی بیٹن کو منسوخ کر دیا۔ ریٹ جاری کرنے کا اعلان کیا۔ کوپن کی شرح کو بنیادی کے دوران اعلان کردہ 6 ماہ کے بل ٹیکس آف ٹیکس محمولہ مارچن (QM) کی مجموعی اوسط پیداوار مقرر کیا گیا تھا۔

آئندہ، ہمیں توقع ہے کہ منیٹ بینک پالیسی کی شرح میں مزید اضافہ کرے گی۔ شرح بڑھنے کے پیچھے منطقی در آمد کو کم کرنے اور امریکہ کے ساتھ مثبت سود کی شرح، جہاں سود کی شرح بڑھ رہی ہے، کو برقرار رکھنے کے لئے مجموعی طلب کو کم کرنا ہے۔ آئی ایم ایف کے پروگرام میں پاکستان کا داخلہ اس عمل کو تیز کر دے گا کیونکہ فنڈز کے روایتی طور پر بیرونی خطرات سے منصفی کے لئے مائٹیری اور مالیاتی پالیسی کے مضبوط استعمال کا مطالبہ کیا ہے۔



JS Investments Limited

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# **FINANCIAL STATEMENTS**

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# JS Investments Limited

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	(Un-audited) Sep 30, 2018	(Audited) Dec 31, 2017 (Restated)	(Audited) Dec 31, 2016 (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment	5	455,446,207	381,270,208	373,686,528
Intangible assets	6	15,141,517	8,464,922	1,617,337
Long-term investment in subsidiary		37,500,000	37,500,000	37,500,000
Long-term loans and prepayments - considered good		4,434,270	4,235,554	7,168,287
		<b>512,521,994</b>	431,470,684	419,972,152
<b>Current assets</b>				
Balances due from funds under management - related parties		112,466,745	110,221,608	115,188,859
Loans and advances - considered good		3,047,268	5,612,073	1,905,138
Trade deposits, short term prepayments and other receivables		58,516,133	72,102,307	28,317,112
Other financial assets - investments	7	1,800,187,348	1,875,545,886	2,383,626,304
Taxation - net		81,512,046	88,635,733	113,853,242
Cash and bank balances	8	18,524,837	15,534,837	11,144,714
		<b>2,074,254,377</b>	2,167,652,444	2,654,035,369
<b>Total assets</b>		<b>2,586,776,371</b>	2,599,123,128	3,074,007,521
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
<b>Share capital</b>				
<b>Authorized capital</b>				
		<b>2,500,000,000</b>	2,500,000,000	2,500,000,000
<b>Issued, subscribed and paid-up capital</b>				
Issued, subscribed and paid-up capital		801,718,180	801,718,180	801,718,180
Unappropriated profit		722,587,641	700,840,694	700,155,016
Capital repurchase reserve account		198,281,820	198,281,820	198,281,820
Unrealised appreciation on remeasurement of available for sale investments - net		407,329,817	461,102,051	873,584,690
Surplus on revaluation of fixed assets - net of tax		176,183,482	183,058,851	191,614,859
		<b>2,306,100,940</b>	2,345,001,596	2,765,354,565
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
Deferred tax liability - net	9	-	15,590,093	82,222,385
Long term lease liability		38,732,837	3,508,147	-
		<b>38,732,837</b>	19,098,240	82,222,385
<b>Current liabilities</b>				
Accrued and other liabilities	10	226,719,168	230,094,008	223,311,062
Unclaimed dividend		2,952,805	3,405,084	3,119,509
Current maturity of lease liability		12,270,622	1,524,200	-
<b>Total current liabilities</b>		<b>241,942,595</b>	235,023,292	226,430,571
<b>Total liabilities</b>		<b>280,675,432</b>	254,121,532	308,652,956
<b>Contingencies and commitments</b>				
<b>Total equity and liabilities</b>	11	<b>2,586,776,371</b>	2,599,123,128	3,074,007,521

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



## JS Investments Limited

### UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

Note	Nine months ended		Quarter ended	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
Rupees				
<b>INCOME</b>				
Remuneration from funds under management - gross	164,170,112	174,570,367	56,798,358	57,037,964
Less: Sindh Sales tax	18,886,827	20,083,317	6,534,324	6,561,890
Less: Federal excise duty	-	-	-	-
Remuneration from funds under management - net	145,283,285	154,487,050	50,264,034	50,476,074
Commission from open end funds under management	3,938,417	7,700,396	753,105	1,311,849
Dividend Income	3,882,418	40,746,025	3,250,061	-
Net Gain on sale of investments - net	120,961,515	37,858,664	41,936,368	131,247
Return on bank deposits under interest arrangements	1,349,570	975,919	422,919	295,246
Management fee and share of profit from management of discretionary portfolios and non discretionary client portfolio	2,946,622	4,348,833	1,051,222	1,084,080
	278,361,826	246,116,887	97,677,708	53,298,496
Administrative and marketing expenses	(293,347,119)	(229,659,154)	(108,763,542)	(85,078,798)
<b>OPERATING PROFIT/(LOSS)</b>	<b>(14,985,292)</b>	16,457,733	<b>(11,085,833)</b>	(31,780,302)
Other expenses	515,068	878,237	196,380	(492,346)
Financial charges	2,354,817	192,796	953,621	104,501
	(17,855,178)	15,386,701	(12,235,834)	(31,392,457)
Other income	42,977,843	27,646,933	21,742,758	7,267,508
<b>Profit/(Loss) before taxation</b>	<b>25,122,666</b>	43,033,633	<b>9,506,924</b>	(24,124,949)
<b>Income tax expense</b>				
- Current	24,080,584	28,758,240	7,339,499	6,181,974
- Deferred	(13,829,496)	(10,730,885)	2,663,871	(8,282,107)
- Prior	-	15,734,700	-	-
	10,251,088	33,762,055	10,003,370	(2,100,133)
<b>Profit \ loss for period</b>	<b>14,871,578</b>	9,271,578	<b>(496,446)</b>	(22,024,817)
Earnings \ loss per share	12 0.19	0.12	(0.01)	(0.27)
- basic and diluted				

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

## JS Investments Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Nine months ended		Quarter ended	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
	-----Rupees-----			
<b>Profit / Loss for the period</b>	<b>14,871,578</b>	9,271,577	<b>(496,446)</b>	(22,024,817)
<b>Other comprehensive income to be reclassified to profit and loss account in subsequent period</b>				
Unrealised appreciation on remeasurement of available for sale investments - net	<b>63,386,675</b>	(219,321,592)	<b>(19,775,733)</b>	(215,872,972)
Reclassification adjustment relating to sale of investments	<b>(118,919,506)</b>	(36,645,969)	<b>(41,936,368)</b>	-
Related Tax	<b>1,760,597</b>	36,663,567	<b>2,663,871</b>	23,565,938
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(53,772,234)</b>	(219,303,994)	<b>(59,048,230)</b>	(192,307,034)
<b>Total comprehensive Income/ (loss) for the period</b>	<b>(38,900,656)</b>	(210,032,417)	<b>(59,544,676)</b>	(214,331,851)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer



## JS Investments Limited

### UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Sep 30, 2018	Sep 30, 2017
-----Rupees-----		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the period before taxation	25,122,666	43,033,634
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management	(145,283,285)	(154,487,050)
Commission from open end funds under management	(3,938,417)	(7,700,396)
Dividend Income	(3,882,418)	(40,746,025)
Depreciation	25,497,172	24,031,802
Amortisation of intangible assets	2,183,303	571,914
Financial charges	2,354,817	192,796
Return on bank deposits under interest arrangements	(1,349,570)	(975,919)
Net Gain on sale of investments	(120,961,515)	(37,858,664)
Gain/(loss) on disposal of fixed assets	(654,894)	(567,487)
Unrealized (appreciation) on revaluation of investments classified as HFT	858,582	(1,198,647)
	<u>(220,053,558)</u>	<u>(175,704,043)</u>
<b>Increase / decrease in assets and liabilities</b>		
Loans and advances	2,071,183	(917,455)
Deposits, prepayments and other receivables	13,829,563	(4,997,315)
Accrued and other liabilities	42,596,273	(6,282,218)
	<u>58,497,019</u>	<u>(12,196,988)</u>
	<u>(161,556,538)</u>	<u>(187,901,030)</u>
Taxes paid	(16,956,893)	(25,081,725)
Remuneration and commission received from funds under management	146,976,565	165,723,212
<b>Net cash generated from operating activities</b>	<u>(31,536,866)</u>	<u>(47,259,543)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	139,928,639	77,196,210
Payments for purchase of fixed assets	(108,774,177)	(29,157,313)
Dividend received	3,882,418	40,746,025
Return on bank deposits	1,401,085	918,069
Proceeds from disposal of fixed assets	896,000	1,744,315
<b>Net cash (used) / generated in investing activities</b>	<u>37,333,964</u>	<u>91,447,306</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Financial charges paid	(2,354,818)	(192,796)
Dividend paid	(452,279)	(40,085,909)
<b>Net cash used in financing activities</b>	<u>(2,807,097)</u>	<u>(39,989,876)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<u>2,990,001</u>	<u>4,197,887</u>
Cash and cash equivalents at beginning of the period	15,534,836	11,144,714
<b>Cash and cash equivalents at the end of the period</b>	<u>18,524,837</u>	<u>15,342,600</u>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

## JS Investments Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	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					
<b>Balance as at January 01, 2016</b>	801,718,180	198,281,820	-	615,677,768	491,901,151	2,107,578,919
Adjustment due to change in accounting policy (see note 4.1.2)	-	-	200,170,871	-	-	200,170,871
<b>Balance as at January 01, 2016 (restated)</b>	801,718,180	198,281,820	200,170,871	615,677,768	491,901,151	2,307,749,790
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	199,697,853	199,697,853
Other comprehensive income - net of tax	-	-	-	257,906,924	-	257,906,924
<b>Total comprehensive income for the year</b>	-	-	-	257,906,924	199,697,853	457,604,777
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(8,556,012)	-	8,556,012	-
<b>Balance as at December 31, 2016 (restated)</b>	<b>801,718,180</b>	<b>198,281,820</b>	<b>191,614,859</b>	<b>873,584,692</b>	<b>700,155,016</b>	<b>2,765,354,567</b>
<b>Balance as at January 01, 2017 (restated)</b>	801,718,180	198,281,820	191,614,859	873,584,692	700,155,016	2,765,354,567
<b>Total comprehensive income / (loss)</b>						
Profit for the year	-	-	-	-	32,215,576	32,215,576
Other comprehensive loss - net of tax	-	-	-	(412,482,641)	-	(412,482,641)
<b>Total comprehensive (loss) / income for the year</b>	-	-	-	(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)
<b>Balance as at December 31, 2017 (restated)</b>	<b>801,718,180</b>	<b>198,281,820</b>	<b>183,058,851</b>	<b>461,102,051</b>	<b>700,840,694</b>	<b>2,345,001,596</b>
<b>Balance as at January 01, 2018 (restated)</b>	801,718,180	198,281,820	183,058,851	461,102,051	700,840,694	2,345,001,596
<b>Total comprehensive income for the for nine months ended September 30, 2018</b>						
Profit for the period	-	-	-	-	14,871,578	14,871,578
Other comprehensive income - net of tax	-	-	-	(53,772,234)	-	(53,772,234)
<b>Total comprehensive income for the period</b>	-	-	-	(53,772,234)	14,871,578	(38,900,656)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(6,875,369)	-	6,875,369	-
<b>Balance as at September 30, 2018</b>	<b>801,718,180</b>	<b>198,281,820</b>	<b>176,183,482</b>	<b>407,329,817</b>	<b>722,587,641</b>	<b>2,306,100,940</b>

The annexed notes 1 to 15 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



**NOTES TO THE UNCONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

**1. STATUS AND NATURE OF BUSINESS**

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

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

- 1.2 The Company is an asset management company and pension fund manager for the following funds for the period ended September 30, 2018:

**1.2.1 Asset management company of the following funds:**

Open-end mutual funds

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap. Fund
- JS Capital Protected Fund - V
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2
- 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, 2017.

### **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, 2017, 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)



## JS Investments Limited

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.176.183 (December 31, 2017: would have been lower by Rs.183.059) million.

**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, 2017.

		(Un-Audited) September 30, 2018	(Audited) December 31, 2017
	Note	----- Rupees -----	
<b>5. PROPERTY AND EQUIPMENT</b>			
Opening written down value		<b>367,085,044</b>	359,366,319
Additions during the period / year	5.1	<b>13,672,245</b>	41,379,535
Disposals during the period / year	5.2	<b>(241,106)</b>	(1,176,828)
Depreciation for the period / year		<b>(25,497,172)</b>	(32,483,982)
		<b>355,019,011</b>	367,085,044
Capital work-in-progress - advance against purchase of assets		<b>100,427,196</b>	14,185,164
		<b>455,446,207</b>	381,270,208
<b>5.1</b>	The following additions were made to tangible - property and equipment during the period / year:		
		<b>1,772,797</b>	393,382
	Furniture and fixtures	<b>9,475,488</b>	4,734,943
	Office equipment	<b>2,423,960</b>	36,251,210
	Vehicles	<b>13,672,245</b>	41,379,535
<b>5.2</b>	The following disposals of tangible - property and equipment were made during the period / year:		
		<b>4,556</b>	-
	Furniture and fixtures	-	69,315
	Office equipment	<b>236,550</b>	1,107,513
	Vehicles	<b>241,106</b>	1,176,828

## JS Investments Limited

**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.0.656 million. The purchaser was neither a related party nor an employee of the Company.

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

Out of the total revaluation surplus of Rs.378.835 million, Rs.176.183 (December 31, 2017:Rs.183.058) million net of tax remains undepreciated as at September 30, 2018.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, the management believes that the carrying value of 'office premises' approximates its fair market value. Also, see note 4.1.2 for change in accounting policy in respect of surplus on revaluation of fixed assets.

		(Un-Audited) September 30, 2018	(Audited) December 31, 2017
		----- Rupees -----	
<b>6. INTANGIBLE ASSETS</b>			
Opening written down value		8,464,922	1,617,337
Additions during the period / year		8,859,898	8,309,681
Amortisation for the period / year		<u>(2,183,303)</u>	<u>(1,462,096)</u>
		<u>15,141,517</u>	<u>8,464,922</u>
<b>7. OTHER FINANCIAL ASSETS - INVESTMENTS</b>			
<b>Investments by category</b>			
<b>Classified as 'available-for-sale'</b>			
Units of mutual funds - related parties	7.1	1,729,098,080	1,728,711,404
<b>Classified as 'at fair value through profit or loss - held-for-trading'</b>			
Units of mutual funds - related parties	7.2	<u>71,089,268</u>	<u>146,834,482</u>
		<u>1,800,187,348</u>	<u>1,875,545,886</u>



## JS Investments Limited

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

Number of Units			(Un-Audited) September 30, 2018		(Audited) December 31, 2017
September 30, 2018	December 31, 2017	Name of fund	Average cost	Fair value	Fair value
			----- Rupees -----		
2,305,113	2,565,210	JS Value Fund	431,859,695	501,269,767	514,145,110
3,522,877	3,554,958	JS Growth Fund	592,015,585	639,578,336	641,172,136
		JS Islamic Hybrid Fund of			
100,000	100,000	Funds 2	10,000,000	10,004,000	10,016,000
240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	112,538,400	108,962,400
177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	43,181,749	41,411,248
		JS Pension Savings Fund -			
177,463	177,463	Money Market	17,746,342	34,676,351	33,230,025
3,441,521	3,441,521	JS Fund of Funds	181,553,403	182,090,881	174,244,213
		JS Islamic Pension Savings			
200,000	200,000	Fund - Equity	18,170,000	122,942,000	125,186,000
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	21,385,170	43,544,482	42,314,835
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	22,230,337	39,272,113	38,029,437
			<b>1,327,513,449</b>	<b>1,729,098,080</b>	<b>1,728,711,404</b>
		Unrealized appreciation on remeasurement at fair value - net	401,584,631	-	-
			<b>1,729,098,080</b>	<b>1,729,098,080</b>	<b>1,728,711,404</b>

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

Number of Units			(Un-Audited) September 30, 2018		(Audited) December 31, 2017
September 30, 2018	December 31, 2017	Name of fund	Average cost	Fair value	Fair value
			----- Rupees -----		
-	418,688	JS Cash Fund	-	-	43,618,949
264,101	-	JS Income Fund	26,508,937	25,612,486	-
442,295	1,007,964	JS Islamic Income Fund	45,438,913	45,476,782	103,215,533
			<b>71,947,850</b>	<b>71,089,268</b>	<b>146,834,482</b>
		Unrealized gain on remeasurement at fair value - net	(858,582)	-	-
			<b>71,089,268</b>	<b>71,089,268</b>	<b>146,834,482</b>

### 8. CASH AND BANK BALANCES

	(Un-Audited) September 30, 2018	(Audited) December 31, 2017
	----- Rupees -----	
Cash in hand	141,472	64,296
Cash at bank in:		
Current accounts	168,596	169,048
Savings accounts	18,214,769	15,301,493
	<b>18,383,365</b>	<b>15,470,541</b>
8.1	<b>18,524,837</b>	<b>15,534,837</b>

8.1 These carry mark-up at the rates ranging from 4.50% to 6.40% (December 31, 2017: 3.75% to 6.2%) per annum. It includes Rs.16.822 (December 31, 2017: Rs.13.934) million held with JS Bank Limited (the Parent Company).

## JS Investments Limited

		(Un-Audited) September 30, 2018	(Audited) December 31, 2017
		----- Rupees -----	
<b>9.</b>	<b>DEFERRED TAX LIABILITY - NET</b>		
	<b>Note</b>		
	<b>Taxable temporary differences on:</b>		
	Accelerated tax depreciation	6,878,957	9,347,758
	Surplus on revaluation of fixed assets	63,075,893	78,413,191
	Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	<u>(180,662)</u>	<u>241,220</u>
		<b>69,774,188</b>	88,002,169
	<b>Deductible temporary differences on:</b>		
	Unrealized appreciation on investments classified as 'available-for-sale' investments	(5,745,182)	(3,984,585)
	Provision for Workers' Welfare Fund	(16,952,565)	(20,187,423)
	Provision for donation	(77,095)	(197,238)
	Unused tax losses	9.1 (46,999,347)	(48,042,830)
		<u>-</u>	<u>15,590,093</u>

**9.1** The Company has not recognized deferred tax asset of Rs.16.979 million on account of carried forward tax losses in accordance with its accounting policy.

### **10. ACCRUED AND OTHER LIABILITIES**

**10.1** This includes Rs.92.284 (December 31, 2017: 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, 2017.

**10.2** This includes Rs.57.619 (December 31, 2017: 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, 2017.

### **11. CONTINGENCIES AND COMMITMENTS**

#### **11.1 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, 2017.

#### **11.2 Commitments in respect of:**

Royalty and advisory payment - a related party	<u>3,750,000</u>	<u>10,000,000</u>
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## JS Investments Limited

		(Un-Audited)			
		Nine months period ended		Quarter ended	
		September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
		----- Rupees -----			
<b>12. EARNINGS PER SHARE</b>					
Profit for the period	<b>Rupees:</b>	<b>14,871,578</b>	9,271,578	<b>(496,446)</b>	(22,024,817)
Weighted average number of ordinary shares outstanding during the period	<b>Number:</b>	<b>80,171,818</b>	80,171,818	<b>80,171,818</b>	80,171,818
Earnings per share	<b>Rupees:</b>	<b>0.19</b>	0.12	<b>(0.01)</b>	(0.27)

**12.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2018 and September 30, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

### 13. 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) -----	
		September 30, 2018	September 30, 2017
		----- Rupees -----	
<b>13.1 Transaction with related parties</b>			
<b>13.1.1 Funds under management</b>			
<b>Basis of relationship - Funds managed by the Company</b>			
Remuneration - net of taxes		<b>145,283,285</b>	154,487,050
Commission income		<b>3,938,417</b>	7,700,396
Expenses incurred by the Company on behalf of funds		<b>31,334,174</b>	14,069,348
Reimbursements of expenses by the funds		<b>24,646,093</b>	11,424,200
Dividend income		<b>3,882,418</b>	40,746,025
Investments made		<b>604,828,255</b>	352,512,095
Investments disposed off / matured		<b>744,756,896</b>	429,708,302

## JS Investments Limited

		----- (Un-Audited) -----	
		September 30, 2018	September 30, 2017
		----- Rupees -----	
<b>13.1.2</b>	<b>Jahangir Siddiqui &amp; Company Limited (JSCL)</b>		
	<b>Basis of relationship - Ultimate parent company</b>		
	<b>Percentage of shareholding - JSCL holds 70.42% shares of JS Bank Limited (JSBL)</b>		
	Expenses incurred on behalf of JSCL	<b>37,833</b>	46,300
	Reimbursement of expenses incurred on behalf of JSCL	<b>25,000</b>	70,000
<b>13.1.3</b>	<b>JS Bank Limited (JSBL)</b>		
	<b>Basis of relationship - Parent company</b>		
	<b>Percentage of shareholding - JSBL holds 65.16% shares of the Company</b>		
	Rent income	<b>5,207,900</b>	4,734,729
	Rent expense	<b>5,607,756</b>	5,416,058
	Management fee sharing on distribution of mutual funds	<b>516,532</b>	134,810
	Expenses incurred on behalf of JSBL	<b>1,278,399</b>	2,064,238
	Reimbursement of expenses by JSBL	<b>1,419,174</b>	1,968,100
	Return on bank deposits	<b>1,302,992</b>	910,955
<b>13.1.4</b>	<b>Associated company - Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
	<b>Basis of relationship - Common directorship of JSCL</b>		
	Rent income	<b>8,112,527</b>	7,702,804
	Expenses incurred on behalf of JSSL	<b>1,977,545</b>	2,168,090
	Reimbursement of expenses by JSSL	<b>2,173,740</b>	2,067,128
<b>13.1.5</b>	<b>Associated company - Jahangir Siddiqui Private Equity (JSPE)</b>		
	<b>Basis of relationship - Common directorship of JSCL</b>		
	Rent income	<b>2,753,730</b>	2,503,674
	Expenses incurred on behalf of JSPE	<b>802,712</b>	854,796
	Reimbursement of expenses by JSPE	<b>1,283,920</b>	1,724,882
<b>13.1.6</b>	<b>Associated company - Mahvish &amp; Jahangir Siddiqui Foundation (MJSF)</b>		
	<b>Basis of relationship - Common directorship of the Company</b>		
	Rent income	<b>992,820</b>	1,184,580
	Expenses incurred on behalf of MJSF	<b>560,629</b>	715,882
	Reimbursement of expenses by MJSF	<b>607,711</b>	765,829
<b>13.1.7</b>	<b>Associated company - Fakhr-e-Imdad Foundation (FIF)</b>		
	<b>Basis of relationship - common directorship of the Company</b>		
	Expenses incurred on behalf of FIF	<b>153,509</b>	152,528
<b>13.1.8</b>	<b>Associated company - EFU General Insurance</b>		
	<b>Percentage of shareholding - JSCL holds 20.60%</b>		
	Insurance premium paid	<b>2,793,214</b>	2,595,463



## JS Investments Limited

		----- (Un-Audited) -----	
		September 30, 2018	September 30, 2017
		----- Rupees -----	
<b>13.1.9</b>	<b>Associated company - EFU Life Assurance</b>		
	<b>Percentage of shareholding - JSCL holds 20.05%</b>		
	Insurance premium paid	2,138,163	1,624,109
<b>13.1.10</b>	<b>Associated company - ABAMCO Limited Staff Provident Fund (the Fund)</b>		
	<b>Basis of relationship - Employee benefit plan</b>		
	Expenses incurred on behalf of the Fund	1,478,560	289,551
	Reimbursement of expenses by the Fund	1,425,726	274,125
	Provident fund contributions made	6,726,448	5,276,378
<b>13.1.11</b>	<b>Associated company - JS Global Capital Limited (JSGCL)</b>		
	<b>Basis of relationship - JSBL holds 67.16% shares of JSGCL</b>		
	Rent income	-	13,068
	Expenses incurred on behalf of JSGCL	67,530	140,200
<b>13.1.12</b>	<b>Subsidiary company - JS Abamco Commodities Limited (JSACL)</b>		
	<b>Basis of Relationship - Subsidiary</b>		
	<b>Percentage of shareholding - 100% of JSIL</b>		
	Expenses incurred on behalf of JSACL	90,000	90,000
	Reimbursement of expenses by JSACL	80,000	90,000
<b>13.1.13</b>	<b>Transactions made with key management personnel</b>		
	Remuneration	69,342,215	56,238,043
	Directors fee	450,000	275,000
	Disbursements of personal loans and advances	1,458,750	470,000
	Repayments of loans and advances	2,515,979	767,914
		<b>(Un-Audited)</b>	<b>(Audited)</b>
		<b>September 30,</b>	<b>December 31,</b>
		<b>2018</b>	<b>2017</b>
<b>13.2</b>	<b>Balance outstanding with related parties</b>	----- Rupees -----	
<b>13.2.1</b>	<b>Funds under management</b>		
	<b>Basis of relationship - Funds managed by the Company</b>		
	Receivable from funds under management	128,130,510	119,187,282
	Payable to funds under management	169,314	1,843,599
<b>13.2.2</b>	<b>Jahangir Siddiqui &amp; Company Limited (JSCL)</b>		
	<b>Basis of relationship - ultimate parent company</b>		
	<b>Percentage of shareholding - JSCL holds 70.42% shares of JS Bank Limited (JSBL)</b>		
	Receivable against expenses incurred on behalf of JSCL	34,672	21,839

## JS Investments Limited

	(Un-Audited) September 30, 2018	(Audited) December 31, 2017
	----- Rupees -----	
<b>13.2.3 JS Bank Limited (JSBL)</b>		
<b>Basis of Relationship - parent company</b>		
<b>Percentage of Shareholding - JSBL holds 65.16% shares of JSIL</b>		
Receivable against expenses incurred of JSBL	1,039,621	1,180,396
Rent payable	1,535,883	2,836,482
Rent receivable	3,537,482	3,542,347
Profit on bank deposits	18,657	70,171
<b>13.2.4 Associated company - Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Receivable against expenses incurred on behalf of JSSL	863,475	1,059,670
Rent receivable	1,152,292	2,306,075
<b>13.2.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Receivable against expenses incurred on behalf of JSPE	1,625,421	2,106,629
Rent receivable	1,396,013	1,175,714
<b>13.2.6 Associated Company - Mahvish &amp; Jahangir Siddiqui Foundation (MJSF)</b>		
<b>Basis of relationship - Common directorship of the Company</b>		
Receivable against expenses incurred on behalf of MJSF	252,645	299,727
Rent receivable	547,606	357,868
<b>13.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)</b>		
<b>Basis of relationship - Common directorship of the Company</b>		
Receivable against expenses incurred on behalf of FIF	859,878	706,369
<b>13.2.8 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)</b>		
<b>Basis of relationship - Employee benefit plan</b>		
Receivables against expenses incurred on behalf of company	126,600	73,766
Payable against contribution to the Fund	-	8,566
<b>13.2.9 Associated company - JS Global Capital Limited (JSGCL)</b>		
<b>Basis of relationship - JSBL holds 67.16% shares of JSGCL</b>		
Receivable against expenses incurred on behalf of JSGCL	357,579	290,049
Rent receivable	181,957	181,957
Rent payable	1,272,831	2,237,580
<b>13.2.10 Subsidiary company - JS Abamco Commodities Limited (JSACL)</b>		
<b>Basis of relationship - Subsidiary</b>		
<b>Percentage of Shareholding - 100% of the Company</b>		
Receivable against expenses incurred on behalf of JSACL	30,000	20,000
<b>13.2.11 Outstanding from key management personnel</b>	1,182,576	2,279,805
<b>13.2.12 Key management personnel and directors hold 6,514 shares in the company</b>		



## JS Investments Limited

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

**13.4** 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.

### 14. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

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

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

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

Office premises are revalued by professional valuer (see note 5.3). The valuation is based on their assessment of market value of the underlying properties and this categorised under Level 2.

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

	September 30, 2018			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
<b>Financial assets classified as 'available-for-sale'</b>				
Units of mutual funds - related parties	-	1,729,098,080	-	1,729,098,080
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	71,089,268	-	71,089,268
Office premises	-	291,917,000	-	291,917,000
	-	<b>2,092,104,348</b>	-	<b>2,092,104,348</b>

## JS Investments Limited

	December 31, 2017			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
<b>Financial assets classified as 'available-for-sale'</b>				
Units of mutual funds - related parties	-	1,728,711,404	-	1,728,711,404
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	146,834,482	-	146,834,482
Office premises	-	305,891,750	-	305,891,750
	-	<u>2,181,437,636</u>	-	<u>2,181,437,636</u>

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

**14.1.1** 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.

**14.1.2** 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.

**14.2** During the period ended September 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 15. GENERAL

**15.1** 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.

**15.2** These unconsolidated condensed interim financial information were authorised for issue on October 24, 2018 by the Board of Directors of the Company.

**15.3** The figures in the unconsolidated condensed interim financial information have been rounded off to the nearest rupee.

**15.4** 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

## JS Investments Limited

### DIRECTOR'S REPORT TO THE SHAREHOLDERS

FOR THE PERIOD ENDED SEPTEMBER 30, 2018

On behalf of the Board of Directors, I am pleased to present the consolidated financial statements of the company for the period ended September 30, 2018.

Summary of operating results for the period	Period ended September 30, 2018	Period ended September 30, 2017
	Rs. (000)	
<b>Financial Performance</b>		
Income	281,084	248,213
Operating expenses	<u>(293,685)</u>	<u>(229,987)</u>
<b>Operating (loss) / profit</b>	<b>(12,601)</b>	<b>18,226</b>
Other expenses	(563)	(913)
Financial charges	(2,356)	(194)
Other operating income	<u>42,978</u>	<u>27,645</u>
<b>Profit before tax</b>	<b>27,458</b>	<b>44,764</b>
Taxation-net	<u>(10,761)</u>	<u>(33,945)</u>
<b>Profit after tax</b>	<u>16,697</u>	<u>10,819</u>
<b>Earnings per share - basic and diluted</b>	<b>0.21</b>	<b>0.13</b>

#### 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.

Karachi: October 24, 2018

Director

Chief Executive Officer



## JS Investments Limited

30 ستمبر 2018 کو ختم ہونے والی مدت کے لئے ڈائریکٹرز کی حصص داران کو مجموعی مالی گوشواروں پر رپورٹ

بورڈ آف ڈائریکٹرز کی جانب سے، میں 30 ستمبر 2018 کو ختم ہونے والی مدت کے مجموعی مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

تختہ مدت 30 ستمبر 2017	تختہ مدت 30 ستمبر 2018	کاروباری نتائج کا خلاصہ برائے سال مالیاتی کارکردگی
	روپے (000)	
248,213	281,084	آمدنی
(229,987)	(296,685)	انتظامی اخراجات
<b>18,226</b>	<b>(12,601)</b>	آپریٹنگ (نقصان) / منافع
(913)	(563)	دیگر اخراجات
(194)	(2,356)	مالیاتی چارجز
27,645	42,978	دیگر آپریٹنگ آمدنی
<b>44,764</b>	<b>27,458</b>	منافع قبل از ٹیکس
(33,945)	(10,761)	ٹیکس خالص
<b>10,819</b>	<b>16,697</b>	منافع بعد از ٹیکس
<b>0.13</b>	<b>0.21</b>	فی شیئر آمدنی - بنیادی اور معتدل

ذیلی کمپنی

سے ایس ABAMCO کموڈٹی ریلیمینٹ

سے ایس ABAMCO کموڈٹی ریلیمینٹ (کمپنی) کمپنیز آرڈیننس 1984 کے تحت 25 ستمبر 2007 کو ایک پبلک لیمنڈ کمپنی کی حیثیت سے پاکستان میں قائم ہوئی اور سے ایس انویسٹمنٹ لمیٹڈ (ہولڈنگ کمپنی) کی مکمل ملکیتی ذیلی کمپنی ہے۔ کمپنی کا بنیادی مقصد کموڈٹی مارکیٹ میں اور مختلف بروکرنگ، ایڈوائزری اور مشاورتی خدمات میں کاروبار سرانجام دینا ہے۔ کمپنی نے بلیٹس شیٹ کی تاریخ تک کموڈٹی، بروکرنگ اور متعلقہ ایڈوائزری خدمات کے اپنے بنیادی آپریٹنگز کا آغاز نہیں کیا ہے۔

کراچی، 24 اکتوبر 2018ء

چیف ایگزیکٹو آفیسر

ڈائریکٹر

# JS Investments Limited

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	(Un-audited) Sep 30, 2018	(Audited) Dec 31, 2017 (Restated)	(Audited) Dec 31, 2016 (Restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment	5	455,446,207	381,270,208	373,686,528
Intangible assets	6	15,141,517	8,464,922	1,617,337
Deposit for membership		1,000,000	1,000,000	1,000,000
Deposit for office premises		2,500,000	2,500,000	2,500,000
Long-term loans and prepayments - considered good		4,434,270	4,235,554	7,168,287
		<b>478,521,994</b>	<b>397,470,684</b>	<b>385,972,152</b>
<b>Current assets</b>				
Balances due from funds under management - related parties		112,466,745	110,221,608	115,188,859
Loans and advances - considered good		3,047,268	5,612,073	1,905,138
Trade deposits, short term prepayments and other receivables		58,552,383	72,099,821	28,314,625
Other financial assets - investments	7	1,856,296,481	1,929,960,988	2,436,812,890
Taxation - net		82,252,778	89,373,380	113,861,832
Cash and bank balances	8	18,895,788	15,842,831	11,327,725
		<b>2,131,511,443</b>	<b>2,223,110,701</b>	<b>2,707,411,069</b>
<b>Total assets</b>		<b>2,610,033,437</b>	<b>2,620,581,385</b>	<b>3,093,383,221</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Share capital and reserves</b>				
<b>Share capital</b>				
<b>Authorized capital</b>		<b>2,500,000,000</b>	<b>2,500,000,000</b>	<b>2,500,000,000</b>
Issued, subscribed and paid-up capital		801,718,180	801,718,180	801,718,180
Unappropriated profit		745,207,813	721,635,486	718,836,118
Capital repurchase reserve account		198,281,820	198,281,820	198,281,820
Unrealised appreciation on remeasurement of available for sale investments - net		407,329,815	461,102,049	873,584,690
Surplus on revaluation of fixed assets - net of tax		176,183,482	183,058,851	191,614,859
		<b>2,328,721,110</b>	<b>2,365,796,386</b>	<b>2,784,035,667</b>
<b>LIABILITIES</b>				
<b>Non current liabilities</b>				
Deferred tax liability - net	9	-	15,600,544	82,380,050
Long term lease liability		38,732,837	3,508,147	-
		<b>38,732,837</b>	<b>19,108,691</b>	<b>82,380,050</b>
<b>Current liabilities</b>				
Accrued and other liabilities	10	227,356,064	230,747,024	223,847,995
Unclaimed dividend		2,952,805	3,405,084	3,119,509
Current maturity of lease liability		12,270,622	1,524,200	-
<b>Total current liabilities</b>		<b>242,579,490</b>	<b>235,676,308</b>	<b>226,967,504</b>
<b>Total liabilities</b>		<b>281,312,327</b>	<b>254,784,999</b>	<b>309,347,554</b>
<b>Contingencies and commitments</b>				
<b>Total equity and liabilities</b>	11	<b>2,610,033,437</b>	<b>2,620,581,385</b>	<b>3,093,383,221</b>

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



## JS Investments Limited

### CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

Note	Nine months ended		Quarter ended	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
-----Rupees-----				
<b>INCOME</b>				
Remuneration from funds under management - gross	164,170,112	174,570,367	56,798,358	57,037,964
Less: Sindh Sales tax	18,886,827	20,083,317	6,534,324	6,561,890
Less: Federal excise duty	-	-	-	-
Remuneration from funds under management - net	145,283,285	154,487,050	50,264,034	50,476,074
Commission from open end funds under management	3,938,417	7,700,396	753,105	1,311,849
Dividend Income	7,333,396	40,746,025	6,701,039	-
Net Gain on sale of investments - net	120,222,865	39,905,122	39,474,734	883,019
Return on bank deposits under interest arrangements	1,359,168	1,025,366	427,702	298,499
Management fee and share of profit from management of discretionary portfolios and non discretionary client portfolio	2,946,622	4,348,833	1,051,222	1,084,080
	281,083,753	248,212,792	98,671,836	54,053,520
Administrative and marketing expenses	(293,684,769)	(229,987,145)	(108,873,754)	(85,172,764)
<b>OPERATING PROFIT/(LOSS)</b>	<b>(12,601,016)</b>	18,225,646	<b>(10,201,918)</b>	(31,119,244)
Other expenses	562,737	913,334	214,058	(479,346)
Financial charges	2,355,661	194,779	953,656	104,500
	(15,519,413)	17,117,533	(11,369,630)	(30,744,399)
Other income	42,977,843	27,646,933	21,742,758	7,267,508
<b>Profit/(Loss) before taxation</b>	<b>27,458,430</b>	44,764,466	<b>10,373,127</b>	(23,476,890)
<b>Income tax expense</b>				
- Current	24,590,968	29,079,061	7,846,695	6,181,974
- Deferred	(13,829,496)	(10,868,443)	2,373,873	(8,169,341)
- Prior	-	15,734,700	-	-
	10,761,472	33,945,318	10,220,568	(1,987,367)
<b>Profit \ loss for period</b>	<b>16,696,958</b>	10,819,147	<b>152,559</b>	(21,489,524)
Earnings \ loss per share	12 0.21	0.13	0.00	(0.27)
- basic and diluted				

The annexed notes 1 to 15 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 NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Nine months ended		Quarter ended	
	Sep 30, 2018	Sep 30, 2017	Sep 30, 2018	Sep 30, 2017
	-----Rupees-----			
<b>Profit / Loss for the period</b>	<b>16,696,958</b>	10,819,147	<b>152,560</b>	(21,489,524)
<b>Other comprehensive income to be reclassified to profit and loss account in subsequent period</b>				
Unrealised appreciation on remeasurement of available for sale investments - net	63,386,675	(219,321,592)	(19,775,733)	(215,872,972)
Reclassification adjustment relating to sale of investments	(118,919,506)	(36,645,969)	(41,936,368)	-
Related Tax	1,760,597	36,663,567	2,663,871	23,565,938
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(53,772,234)</b>	(219,303,994)	<b>(59,048,230)</b>	(192,307,034)
<b>Total comprehensive Income/ (loss) for the period</b>	<b>(37,075,276)</b>	(208,484,847)	<b>(58,895,670)</b>	(213,796,558)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

\_\_\_\_\_  
Chief Financial Officer



## JS Investments Limited

### CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Sep 30, 2018	Sep 30, 2017
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) for the period before taxation	27,458,430	44,764,466
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management	(145,283,285)	(154,487,050)
Commission from open end funds under management	(3,938,417)	(7,700,396)
Dividend Income	(7,333,396)	(40,746,025)
Depreciation	25,497,172	24,031,802
Amortisation of intangible assets	2,183,303	571,914
Financial charges	2,355,661	194,779
Return on bank deposits under interest arrangements	(1,349,570)	(1,025,366)
Net Gain on sale of investments	(120,222,865)	(39,905,122)
Gain/(loss) on disposal of fixed assets	(654,894)	(567,487)
Unrealized (appreciation) on revaluation of investments classified as HFT	858,582	(1,198,647)
	<b>(220,429,278)</b>	<b>(176,067,132)</b>
<b>Increase / decrease in assets and liabilities</b>		
Loans and advances	2,071,183	(917,455)
Deposits, prepayments and other receivables	13,810,826	(5,024,821)
Accrued and other liabilities	42,560,151	(6,213,233)
	<b>58,442,160</b>	<b>(12,155,509)</b>
	<b>(161,987,118)</b>	<b>(188,222,641)</b>
Taxes paid	(16,963,165)	(26,131,322)
Remuneration and commission received from funds under management	146,976,565	165,723,212
<b>Net cash generated from operating activities</b>	<b>(31,973,718)</b>	<b>(48,630,752)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	136,978,311	78,677,484
Payments for purchase of fixed assets	(108,774,177)	(29,157,311)
Dividend received	7,333,396	40,746,025
Return on bank deposits	1,401,085	967,516
Proceeds from disposal of fixed assets	896,000	1,744,315
<b>Net cash (used) / generated in investing activities</b>	<b>37,834,614</b>	<b>92,978,029</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Financial charges paid	(2,355,661)	(194,779)
Dividend paid	(452,279)	(40,085,909)
<b>Net cash used in financing activities</b>	<b>(2,807,939)</b>	<b>(39,991,860)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,052,957</b>	<b>4,355,418</b>
Cash and cash equivalents at beginning of the period	15,842,831	11,327,725
<b>Cash and cash equivalents at the end of the period</b>	<b>18,895,788</b>	<b>15,683,142</b>

The annexed notes 1 to 15 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 CHANGES IN EQUITY (UN-AUDITED) FOR NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	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					
<b>Balance as at January 01, 2016</b>	801,718,180	198,281,820	-	615,677,768	507,852,239	2,123,530,007
Adjustment due to change in accounting policy (see note 4.1.2)	-	-	200,170,871	-	-	200,170,871
<b>Balance as at January 01, 2016 (restated)</b>	801,718,180	198,281,820	200,170,871	615,677,768	507,852,239	2,323,700,878
<b>Total comprehensive income</b>						
Profit for the year	-	-	-	-	202,427,866	202,427,866
Other comprehensive income - net of tax	-	-	-	257,906,922	-	257,906,922
<b>Total comprehensive income for the year</b>	-	-	-	257,906,922	202,427,866	460,334,788
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(8,556,012)	-	8,556,012	-
<b>Balance as at December 31, 2016 (restated)</b>	<b>801,718,180</b>	<b>198,281,820</b>	<b>191,614,859</b>	<b>873,584,690</b>	<b>718,836,117</b>	<b>2,784,035,666</b>
<b>Balance as at January 01, 2017 (restated)</b>	801,718,180	198,281,820	191,614,859	873,584,690	718,836,117	2,784,035,666
<b>Total comprehensive income / (loss)</b>						
Profit for the year	-	-	-	-	34,329,266	34,329,266
Other comprehensive loss - net of tax	-	-	-	(412,482,641)	-	(412,482,641)
<b>Total comprehensive (loss) / income for the year</b>	-	-	-	(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)
<b>Balance as at December 31, 2017 (restated)</b>	<b>801,718,180</b>	<b>198,281,820</b>	<b>183,058,851</b>	<b>461,102,049</b>	<b>721,635,486</b>	<b>2,365,796,386</b>
<b>Balance as at January 01, 2018 (restated)</b>	801,718,180	198,281,820	183,058,851	461,102,049	721,635,486	2,365,796,386
<b>Total comprehensive income for nine months ended September 30, 2018</b>						
Profit for the period	-	-	-	-	16,696,958	16,696,958
Other comprehensive income - net of tax	-	-	-	(53,772,234)	-	(53,772,234)
<b>Total comprehensive income for the period</b>	-	-	-	(53,772,234)	16,696,958	(37,075,276)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(6,875,369)	-	6,875,369	-
<b>Balance as at September 30, 2018</b>	<b>801,718,180</b>	<b>198,281,820</b>	<b>176,183,482</b>	<b>407,329,815</b>	<b>745,207,813</b>	<b>2,328,721,110</b>

The annexed notes 1 to 15 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



**NOTES TO THE CONSOLIDATED CONDENSED  
INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

**1. STATUS AND NATURE OF BUSINESS**

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

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

- 1.2** The Company is an asset management company and pension fund manager for the following funds for the period ended September 30, 2018:

**1.2.1 Asset management company of the following funds:**

Open-end mutual funds

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

**Pension funds**

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

- 1.3** This Consolidated 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 Consolidated 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:

- 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).

## JS Investments Limited

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, 2017.

### **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 Consolidated annual financial statements of the Company for the year ended December 31, 2017, 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.176.183 (December 31, 2017: would have been lower by Rs.183.059) million.



## JS Investments Limited

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, 2017.

		(Un-Audited) September 30, 2018	(Audited) December 31, 2017
		----- Rupees -----	
<b>5. PROPERTY AND EQUIPMENT</b>	<b>Note</b>		
Opening written down value		<b>367,085,044</b>	359,366,319
Additions during the period / year	5.1	<b>13,672,245</b>	41,379,535
Disposals during the period / year	5.2	<b>(241,106)</b>	(1,176,828)
Depreciation for the period / year		<b>(25,497,172)</b>	(32,483,982)
		<b>355,019,011</b>	367,085,044
Capital work-in-progress - advance against purchase of assets		<b>100,427,196</b>	14,185,164
		<b>455,446,207</b>	381,270,208
<b>5.1</b>	The following additions were made to tangible - property and equipment during the period / year:		
	Furniture and fixtures	<b>1,772,797</b>	393,382
	Office equipment	<b>9,475,488</b>	4,734,943
	Vehicles	<b>2,423,960</b>	36,251,210
		<b>13,672,245</b>	41,379,535
<b>5.2</b>	The following disposals of tangible - property and equipment were made during the period / year:		
	Furniture and fixtures	<b>4,556</b>	-
	Office equipment	-	69,315
	Vehicles	<b>236,550</b>	1,107,513
		<b>241,106</b>	1,176,828

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.0.656 million. The purchaser was neither a related party nor an employee of the Company.

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

Out of the total revaluation surplus of Rs.378.835 million, Rs.176.183 (December 31, 2017: Rs.183.058) million net of tax remains undepreciated as at September 30, 2018.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, the management believes that the carrying value of 'office premises' approximates its fair market value. Also, see note 4.1.2 for change in accounting policy in respect of surplus on revaluation of fixed assets.

		(Un-Audited) September 30, 2018	(Audited) December 31, 2017
		----- Rupees -----	
<b>6. INTANGIBLE ASSETS</b>			
Opening written down value		<b>8,464,922</b>	1,617,337
Additions during the period / year		<b>8,859,898</b>	8,309,681
Amortisation for the period / year		<b>(2,183,303)</b>	(1,462,096)
		<b>15,141,517</b>	8,464,922

## JS Investments Limited

### 7. OTHER FINANCIAL ASSETS - INVESTMENTS

#### Investments by category

#### Classified as 'available-for-sale'

Units of mutual funds - related parties

7.1 **1,729,098,080** 1,728,711,404

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

Units of mutual funds - related parties

7.2 **127,198,401** 146,834,482  
**1,856,296,481** 1,875,545,886

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

Number of Units			(Un-Audited) September 30, 2018		(Audited) December 31, 2017
September 30, 2018	December 31, 2017	Name of fund	Average cost	Fair value	Fair value
			Rupees		
2,305,113	2,565,210	JS Value Fund	431,859,695	501,269,767	514,145,110
3,522,877	3,554,958	JS Growth Fund	592,015,585	639,578,336	641,172,136
		JS Islamic Hybrid Fund of			
100,000	100,000	Funds 2	10,000,000	10,004,000	10,016,000
240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	112,538,400	108,962,400
177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	43,181,749	41,411,248
		JS Pension Savings Fund -			
177,463	177,463	Money Market	17,746,342	34,676,351	33,230,025
3,441,521	3,441,521	JS Fund of Funds	181,553,403	182,090,881	174,244,213
		JS Islamic Pension Savings			
200,000	200,000	Fund - Equity	18,170,000	122,942,000	125,186,000
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	21,385,170	43,544,482	42,314,835
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	22,230,337	39,272,113	38,029,437
			1,327,513,449	1,729,098,080	1,728,711,404
		Unrealized appreciation on remeasurement at fair value - net	401,584,631	-	-
			<b>1,729,098,080</b>	<b>1,729,098,080</b>	<b>1,728,711,404</b>

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

Number of Units			(Un-Audited) September 30, 2018		(Audited) December 31, 2017
September 30, 2018	December 31, 2017	Name of fund	Average cost	Fair value	Fair value
			Rupees		
-	418,688	JS Cash Fund	-	-	43,618,949
842,665	552,774	JS Income Fund	79,508,937	81,721,620	54,415,102
442,295	1,007,964	JS Islamic Income Fund	45,438,913	45,476,782	103,215,533
			124,947,850	127,198,401	201,249,584
		Unrealized gain on remeasurement at fair value - net	2,250,551	-	-
			<b>127,198,401</b>	<b>127,198,401</b>	<b>201,249,584</b>

### 8. CASH AND BANK BALANCES

Note	(Un-Audited) September 30, 2018	(Audited) December 31, 2017
Rupees		
Cash in hand	141,472	64,296
Cash at bank in:		
Current accounts	188,596	189,048
Savings accounts	18,565,720	15,589,487
	18,754,316	15,778,535
	<b>18,895,788</b>	<b>15,842,831</b>

8.1 These carry mark-up at the rates ranging from 4.50% to 6.40% (December 31, 2017: 3.75% to 6.2%) per annum. It includes Rs.16.822 (December 31, 2017: Rs.13.934) million held with JS Bank Limited (the Parent Company).

### 9. DEFERRED TAX LIABILITY - NET

#### Taxable temporary differences on:

Accelerated tax depreciation	6,878,957	9,347,758
Surplus on revaluation of fixed assets	63,075,893	78,413,191
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	(180,662)	453,485
	<b>69,774,188</b>	<b>88,214,434</b>

#### Deductible temporary differences on:

Unrealized appreciation on investments classified as 'available-for-sale' investments	(5,820,676)	(3,984,585)
Provision for Workers' Welfare Fund	(16,903,510)	(20,389,236)
Provision for donation	(79,066)	(197,238)
Unused tax losses	9.1 (46,970,937)	(48,042,830)
	-	15,600,544



## JS Investments Limited

**9.1** The Company has not recognized deferred tax asset of Rs.16.979 million on account of carried forward tax losses in accordance with its accounting policy.

### 10. ACCRUED AND OTHER LIABILITIES

**10.1** This includes Rs.92.284 (December 31, 2017: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, 2017.

**10.2** This includes Rs.57.619 (December 31, 2017: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, 2017.

### 11. CONTINGENCIES AND COMMITMENTS

#### 11.1 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, 2017.

#### 11.2 Commitments in respect of:

Royalty and advisory payment - a related party	<b>3,750,000</b>	10,000,000
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(Un-Audited)			
Nine months period ended		Quarter ended	
September 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017
----- Rupees -----			

### 12. EARNINGS PER SHARE

Profit for the period	<b>Rupees: 16,696,958</b>	10,819,147	<b>152,559</b>	(21,489,524)
Weighted average number of ordinary shares outstanding during the period	<b>Number: 80,171,818</b>	80,171,818	<b>80,171,818</b>	80,171,818
Earnings per share	<b>Rupees: 0.21</b>	0.13	<b>0.00</b>	(0.27)

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2018 and September 30, 2017 which would have any effect on the earnings per share if the option to convert is exercised.

### 13. 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:

## JS Investments Limited

		----- (Un-Audited) -----	
		September 30, 2018	September 30, 2017
		----- Rupees -----	
<b>13.1</b>	<b>Transaction with related parties</b>		
<b>13.1.1</b>	<b>Funds under management</b>		
	<b>Basis of relationship - Funds managed by the Company</b>		
	Remuneration - net of taxes	<b>145,283,285</b>	154,487,050
	Commission income	<b>3,938,417</b>	7,700,396
	Expenses incurred by the Company on behalf of funds	<b>31,334,174</b>	14,069,348
	Reimbursements of expenses by the funds	<b>24,646,093</b>	11,424,200
	Dividend income	<b>7,333,396</b>	40,746,025
	Investments made	<b>604,828,255</b>	352,512,095
	Investments disposed off / matured	<b>744,756,896</b>	429,708,302
<b>13.1.2</b>	<b>Jahangir Siddiqui &amp; Company Limited (JSCL)</b>		
	<b>Basis of relationship - Ultimate parent company</b>		
	<b>Percentage of shareholding - JSCL holds 70.42% shares of JS Bank Limited (JSBL)</b>		
	Expenses incurred on behalf of JSCL	<b>37,833</b>	46,300
	Reimbursement of expenses incurred on behalf of JSCL	<b>25,000</b>	70,000
<b>13.1.3</b>	<b>JS Bank Limited (JSBL)</b>		
	<b>Basis of relationship - Parent company</b>		
	<b>Percentage of shareholding - JSBL holds 65.16% shares of the Company</b>		
	Rent income	<b>5,207,900</b>	4,734,729
	Rent expense	<b>5,607,756</b>	5,416,058
	Management fee sharing on distribution of mutual funds	<b>516,532</b>	134,810
	Expenses incurred on behalf of JSBL	<b>1,278,399</b>	2,064,238
	Reimbursement of expenses by JSBL	<b>1,419,174</b>	1,968,100
	Return on bank deposits	<b>1,302,992</b>	910,955
<b>13.1.4</b>	<b>Associated company - Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
	<b>Basis of relationship - Common directorship of JSCL</b>		
	Rent income	<b>8,112,527</b>	7,702,804
	Expenses incurred on behalf of JSSL	<b>1,977,545</b>	2,168,090
	Reimbursement of expenses by JSSL	<b>2,173,740</b>	2,067,128
<b>13.1.5</b>	<b>Associated company - Jahangir Siddiqui Private Equity (JSPE)</b>		
	<b>Basis of relationship - Common directorship of JSCL</b>		
	Rent income	<b>2,753,730</b>	2,503,674
	Expenses incurred on behalf of JSPE	<b>802,712</b>	854,796
	Reimbursement of expenses by JSPE	<b>1,283,920</b>	1,724,882



## JS Investments Limited

		----- (Un-Audited) -----	
		September 30, 2018	September 30, 2017
		----- Rupees -----	
<b>13.1.6</b>	<b>Associated company - Mahvish &amp; Jahangir Siddiqui Foundation (MJSF)</b>		
	<b>Basis of relationship - Common directorship of the Company</b>		
	Rent income	<b>992,820</b>	1,184,580
	Expenses incurred on behalf of MJSF	<b>560,629</b>	715,882
	Reimbursement of expenses by MJSF	<b>607,711</b>	765,829
<b>13.1.7</b>	<b>Associated company - Fakhr-e-Imdad Foundation (FIF)</b>		
	<b>Basis of relationship - common directorship of the Company</b>		
	Expenses incurred on behalf of FIF	<b>153,509</b>	152,528
<b>13.1.8</b>	<b>Associated company - EFU General Insurance</b>		
	<b>Percentage of shareholding - JSCL holds 20.60%</b>		
	Insurance premium paid	<b>2,793,214</b>	2,595,463
<b>13.1.9</b>	<b>Associated company - EFU Life Assurance</b>		
	<b>Percentage of shareholding - JSCL holds 20.05%</b>		
	Insurance premium paid	<b>2,138,163</b>	1,624,109
<b>13.1.10</b>	<b>Associated company - ABAMCO Limited Staff Provident Fund (the Fund)</b>		
	<b>Basis of relationship - Employee benefit plan</b>		
	Expenses incurred on behalf of the Fund	<b>1,478,560</b>	289,551
	Reimbursement of expenses by the Fund	<b>1,425,726</b>	274,125
	Provident fund contributions made	<b>6,726,448</b>	5,276,378
<b>13.1.11</b>	<b>Associated company - JS Global Capital Limited (JSGCL)</b>		
	<b>Basis of relationship - JSBL holds 67.16% shares of JSGCL</b>		
	Rent income	-	13,068
	Expenses incurred on behalf of JSGCL	<b>67,530</b>	140,200
<b>13.1.12</b>	<b>Transactions made with key management personnel</b>		
	Remuneration	<b>69,342,215</b>	56,238,043
	Directors fee	<b>450,000</b>	275,000
	Disbursements of personal loans and advances	<b>1,458,750</b>	470,000
	Repayments of loans and advances	<b>2,515,979</b>	767,914

## JS Investments Limited

### 13.2 Balance outstanding with related parties

	(Un-Audited) September 30, 2018	(Audited) December 31, 2017
	----- Rupees -----	
<b>13.2.1 Funds under management</b>		
<b>Basis of relationship - Funds managed by the Company</b>		
Receivable from funds under management	128,130,510	119,187,282
Payable to funds under management	169,314	1,843,599
<b>13.2.2 Jahangir Siddiqui &amp; Company Limited (JSCL)</b>		
<b>Basis of relationship - ultimate parent company</b>		
<b>Percentage of shareholding - JSCL holds 70.42% shares of JS Bank Limited (JSBL)</b>		
Receivable against expenses incurred on behalf of JSCL	34,672	21,839
<b>13.2.3 JS Bank Limited (JSBL)</b>		
<b>Basis of Relationship - parent company</b>		
<b>Percentage of Shareholding - JSBL holds 65.16% shares of JSIL</b>		
Receivable against expenses incurred of JSBL	1,039,621	1,180,396
Rent payable	1,535,883	2,836,482
Rent receivable	3,537,482	3,542,347
Profit on bank deposits	18,657	70,171
<b>13.2.4 Associated company - Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Receivable against expenses incurred on behalf of JSCL	863,475	1,059,670
Rent receivable	1,152,292	2,306,075
<b>13.2.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Receivable against expenses incurred on behalf of JSPE	1,625,421	2,106,629
Rent receivable	1,396,013	1,175,714
<b>13.2.6 Associated Company - Mahvish &amp; Jahangir Siddiqui Foundation (MJSF)</b>		
<b>Basis of relationship - Common directorship of the Company</b>		
Receivable against expenses incurred on behalf of MJSF	252,645	299,727
Rent receivable	547,606	357,868
<b>13.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)</b>		
<b>Basis of relationship - Common directorship of the Company</b>		
Receivable against expenses incurred on behalf of FIF	859,878	706,369



## JS Investments Limited

	(Un-Audited) September 30, 2018	(Audited) December 31, 2017
	----- Rupees -----	
<b>13.2.8 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)</b>		
<b>Basis of relationship - Employee benefit plan</b>		
Receivables against expenses incurred on behalf of company	126,600	73,766
Payable against contribution to the Fund	-	8,566
<b>13.2.9 Associated company - JS Global Capital Limited (JSGCL)</b>		
<b>Basis of relationship - JSBL holds 67.16% shares of JSGCL</b>		
Receivable against expenses incurred on behalf of JSGCL	357,579	290,049
Rent receivable	181,957	181,957
Rent payable	1,272,831	2,237,580
<b>13.2.10 Outstanding from key management personnel</b>	<b>1,182,576</b>	<b>2,279,805</b>
<b>13.2.12 Key management personnel and directors hold 6,514 shares in the company</b>		

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

**13.4** 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.

#### **14. FAIR VALUE OF FINANCIAL AND OTHER ASSETS**

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

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

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

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

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

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

## JS Investments Limited

Office premises are revalued by professional valuer (see note 5.3). The valuation is based on their assessment of market value of the underlying properties and this categorised under Level 2.

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

	September 30, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'available-for-sale'</b>				
Units of mutual funds - related parties	-	1,729,098,080	-	1,729,098,080
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	127,198,401	-	127,198,401
Office premises	-	291,917,000	-	291,917,000
	<u>-</u>	<u>2,148,213,481</u>	<u>-</u>	<u>2,148,213,481</u>
	December 31, 2017			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'available-for-sale'</b>				
Units of mutual funds - related parties	-	1,728,711,404	-	1,728,711,404
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	201,249,584	-	201,249,584
Office premises	-	305,891,750	-	305,891,750
	<u>-</u>	<u>2,235,852,738</u>	<u>-</u>	<u>2,235,852,738</u>

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

**14.1.1** 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.

**14.1.2** 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.

**14.2** During the period ended September 30, 2018, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

### 15. GENERAL

**15.1** 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.

## JS Investments Limited

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- 15.2** These consolidated condensed interim financial information were authorised for issue on October 24, 2018 by the Board of Directors of the Company.
- 15.3** The figures in the consolidated condensed interim financial information have been rounded off to the nearest rupee.
- 15.4** 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.

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Chief Executive Officer

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Director

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Chief Financial Officer

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