JS Investments Limited

Quarterly Report for the period ended 30 September, 2019

JS investments
Managing Mutual Funds Better!

CONTENTS

VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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

ORGANIZATION

Board of Directors

Mr. Kamran Jafar	Chairman
Mr. Hasnain Raza Nensey	Chief Executive Officer
Mr. Babbar Wajid	Non-Executive Director
Syed Tauqir Haider Rizvi	Non-Executive Director
Mr. Hasan Shahid	Non-Executive Director
Mr. Tahir Ali Sheikh	Non-Executive Director
Mr Ahsen Ahmed	Independent Director/ Non-Executive Director
Mr. Asif Reza Sana	Independent Director/ Non-Executive Director

Chief Executive Officer

Mr. Hasnain Raza Nensey

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Director Finance /Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

EY Ford Rhodes

Legal Advisors

Bawaney and Partners

BOARD COMMITTEES

Audit Committee

Mr. Asif Reza Sana (Chairman)
Mr. Ahsen Ahmed
Mr. Hasan Shahid

HR Committee

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

Executive Committee

Mr. Kamran Jafar
Mr. Babbar Wajid
Mr. Ahsen Ahmed
Mr. Hasnain Raza Nensey

Share Registrar

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

Registered Office

JS Investments Limited 19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
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E-mail:info@jsil.com
Website: www.jsil.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

For the period ended September 30, 2019

Economy:

The economic slowdown that began in 2017 intensified during the current year. The slowdown was initially caused by a dramatic and unsustainable rise in aggregate demand leading to a worsening balance of payments position and falling reserves. Resultantly, during 2019, the SBP pursued a policy of monetary tightening and exchange rate flexibility to set the foundations for more stable growth going forward.

In the Calendar year 2019 (8M CY 2019), the Current Account Deficit (CAD) came in at USD 6.4 billion, down 52% from USD 13.4 billion year on year (YoY). The decline has been mainly led by sharp import compression wherein a decline of 18.4% YoY has been seen. Although the total volume of exports has risen, in dollar terms, exports have fallen by 3.5% YoY. Primary income balance improved 12.2% YoY due to improved remittances. We believe, due to consensus expectations of PKR devaluation, overseas Pakistanis may have held back remittances in the past. These are now starting to pick up as the PKR's imbalance has been largely corrected.

The decrease in the CAD has been driven by steep monetary tightening and PKR devaluation. Together they have raised the cost of doing business and contributed to a slowdown in aggregate demand and hence imports. The State Bank of Pakistan has raised the Discount Rate from 10.5% in December 2018 to 13.75% at present.

The PKR has similarly devalued from a USD/PKR rate of 138.8 as of December 2018 to PKR 156.3. Resultantly the Real Effective Exchange Rate (REER) has decreased from 97.4 in December 2018 to 92.7 at present. We believe the lag in currency adjustment has been accounted for and going forward the PKR should continue to adjust in line with Pakistan's interest rate differential with its trading partners provided that the State Bank maintains a market based exchange rate regime.

The current year also saw the culmination of Pakistan's long awaited IMF program. Pakistan has entered into a USD 6.0 billion Extended Fund Facility (EFF) with the IMF. Amongst other performance criteria, the authorities (in consultation with the IMF) have set a FY20 primary deficit target of 0.6% of GDP. In order to achieve this target, the Federal Board of Revenue (FBR) will have to raise PKR 5.5 trillion in revenues which is a very challenging target to say the least.

Due to the steep currency devaluation, monthly CPI has risen from 6.2% as of December 2018 to 12.6% for September 2019. While the Pakistan Bureau of Statistics has rebased CPI to a new basket of goods (which reflects changing consumption trends) that has reduced inflation to 11.5% (on the new base), the reality remains that inflation has risen sharply over the year. The SBP remains committed to controlling inflation and their expectations are to see it receding to mid-single digits by June 2019. The SBP Governor has also hinted at easing the monetary stance once inflation decreases.

Equity:

The KSE100 declined 13.7% from 37,167 points as of 31st December 2018 to 32,078 points as at 30th September 2019. The KMI 30 and the KSE30 have declined by 16.4% and 12.6% respectively during the same period. The decline has been precipitated by worsening corporate earnings due to PKR devaluation, rising interest rates and slowing aggregate demand.

The largest contributors to the KSE100 index decline have been Cements, Oil & Gas Marketing Companies, Power Generation and Pharmaceuticals. While the decline has been broad based, cyclical sectors have taken a particularly strong hit. This is evidenced by the fact that despite their low weights in the KSE100, Cements, OMCs and Pharmaceuticals have been the Top 5 contributors to the index decline.

Foreigners have been net buyers in the equity market of USD 71 million against USD 471 million outflow in 2018. The change in flows, perhaps reflects that investment opportunities have opened up in several sectors of the equity market (especially in dollar terms) and that equities, as an asset class, generally outperform over the long term as the economic cycle turns.

Fixed Income:

During 2019, SBP has raised the Discount Rate from 10.5% to 13.75% in order to rein in inflation. Under the new SBP Governor, the yield curve has inverted considerably. SBP has moderated its supply of PIBs while demand remains high, particularly from the Insurance and Banking sector. Over CYTD 2019, the SBP received PKR 1.8 trillion, PKR 1.3 trillion and PKR 1.3 trillion bids respectively for the 3Y, 5Y and 10Y PIBs. Against this the SBP accepted 52.5%, 25% and 28.2% of the bids respectively in the 3Y, 5Y and 10Y tenors. Due to the supply demand imbalance, PIB cut-offs have decreased.

The 3Y PIB cutoff has decreased from a high of 14.25% to 12.95%. Secondary market yields have corrected further and the 3Y now trades at 11.75%. Similarly, the 5Y and 10Y PIB cutoffs have declined from 13.8% to 12.5% and 13.7% to 12.25% respectively. In the secondary market, the 5Y trades at 11.65% while the 10Y trades at 11.25%. Cumulatively, secondary market yields for longer tenor PIBs have contracted by ~200bps from their highs.

The SBP has been more conducive to borrowing at the shorter end of the yield curve. Cumulatively PKR 23.7 trillion bids were received for 3-12 month treasury bills and 66% of these were accepted. The bidding has risen considerably recently as the market has resorted to borrowing at the shorter end in the absence of supply at the longer end. As a result, yields have started to invert at the 12M Treasury Bill as well. The cut-off for the 12M Treasury Bill has come down from 14.25% to 13.47%. Secondary market yields have contracted another 15-20bps.

We believe investors are pricing in an interest rate cut in 2020 as expectations of moderating inflation become the norm. The SBP Governor's strong hints towards monetary policy following the inflation trend have also influenced this view in addition to the SBP's reluctance to borrow excessively at the longer end.
The Islamic money market continued to witness lackluster activity in CYTD 2019. The Ministry of Energy issued its first Pakistan Energy Sukuk worth PKR 200 billion on 1st March 2019. Another PKR 200 billion issue is in the works however the issue is being delayed to the inability of the government to provide a sovereign guarantee due to IMF conditions. The sukuk is based on the ijarah mode of financing, has a 10 year tenor and is priced at an 80bps premium to 6M KIBOR.

The AMC Industry

At the end of 9MCY19, Assets Under Management (AUM) of the mutual fund industry stood at PKR 561 billion (excluding Fund of Funds structures) showing a decrease of 1.5%| (PKR 8.5 billion) from December 2018 level of PKR. 569 billion. AUMs of Conventional schemes recorded a decrease of around PKR 10 billion reaching PKR. 354 billion (excluding Fund of Funds structures) at the end of the period. Moreover, AUMs of Shariah compliant schemes recorded an increase of nearly PKR1.7 billion reaching PKR 207 billion (excluding Fund of Funds structures).

JSIL successfully launched JS Islamic Capital Preservation Allocation Plans 5, 6 & 7 in the Shariah compliant capital preservation space. The cumulative AUM raised during January to September 2019 under the JS Islamic Capital Preservation Allocation Plans is PKR 3.1 billion.

Performance Review

JSIL posted a net loss of PKR 286.38 million as of September 30, 2019 which translates into loss per share of PKR 3.66. JSIL recorded a total revenue of PKR. 188.46 million, compared to PKR 278.36 million during the corresponding period. JSIL earned management remuneration from funds under management (incl. SMAs) of PKR 149.15 million compared to PKR 148.23 million during the corresponding period.

The assets under management (Incl. Separately Managed Accounts / SMAs and Fund of Funds) were PKR. 22.3 billion, compared to PKR 20.8 billion as at December 31, 2018 depicting an increase of 7%.

Significant Changes during the Reporting Period

The Company, with the approval of the Company's shareholders in extraordinary general meeting held on July 24, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019, accorded to buy back upto to a maximum of its 27,973,840 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs.18 per share from August 02, 2019 to August 31, 2019 (both days inclusive). Consequently 18,397,562 issued, subscribed and paid-up ordinary shares were bought back.

Board of Directors

During the period, Mr. Suleman Lalani and Mr. Basir Shamsi resigned from the Board. Mr. Suleman Lalani was replaced by Mr. Hasan Shahid and Mr. Basir Shamsie was replaced by Mr. Tahir Ali Sheikh.

Future Outlook

JSIL has successfully closed 9M CY19 with an AUM level of PKR 22.3 billion (Incl. Separately managed accounts SMAs and Fund of Funds). So far, the Company has successfully launched a series of Shariah compliant Capital Preservation Allocation Plans under JS Islamic Hybrid Fund-of-Funds.

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

With the improving sentiments in the equity markets, the strategy of the Company towards improving the product mix towards equities for long term investors also remains a priority.

Asset Manager and Entity Rating

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

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan (SECP) and Trustees of Funds under its management for their valuable support, assistance and guidance. The Board also thanks the employees of JSIL for their dedication and hard work and the shareholders for their confidence in the management.

On behalf of the Board

October 22, 2019
Karachi

Director

Hasnain Raza Nensey
Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے نو ماھی مختتمہ مدت30ستمبر 2019

معیشت

2017 میں معیشت کی رفتار میں جوسست روی سے شروع ہوئی تھی موجودہ سال کے دوران میں شدید ہوگئی۔اس سست روی کی ابتدائی وجہ مجموعی طلب میں ڈرامائی اور غیر مستحکم اضافہ ہونا تھی جس سے توازنِ ادائیگی کی صورتحال خراب تر ہوتی گئی اور ذخائر بھی کم ہونے لگے۔اس کے نتیجے میں 2019 کے دوران SBP نے مانیٹری سختی اور شرح تبادلہ کی لچک کی پالیسی اختیار کی تاکہ آئندہ کیلئے زیادہ مستحکم ترقی کی بنیاد رکھی جائے۔

کلینڈر سال 2019 (8M CY 2019) میں کرنٹ اکاؤنٹ کا خسارہ (CAD) 6.4 بلین امریکی ڈالر رہا جو سال بہ سال (YoY) کے 13.4 بلین امریکی ڈالر سے 52% کم ہے۔اس کمی کی بڑی وجہ درآمدات پر شدید دباؤ تھی جن میں (YoY) 18.4% کمی دیکھنے میں آئی۔اگرچہ برآمدات کے کل حجم میں اضافہ ہوالیکن ڈالر کے لحاظ سے YoY 3.5% کمی آئی۔ترسیلات میں بہتری آنے کے سبب ابتدائی آمدنی کے توازن میں YoY 12.2% بہتری آئی۔ہمیں یقین ہے کہ متفقہ طور پر پاکستانی روپے کی قدر میں کمی کی توقعات کے باعث ماضی میں بیرونِ ملک پاکستانیوں نے ترسیلات روک لی تھیں۔اب ان ترسیلات کا سلسلہ شروع ہوگیا ہے کیونکہ پاکستانی روپے کا عدم توازن عمومی طور پر درست ہوگیا ہے۔

CAD میں کمی کا سبب شدید مالیاتی سختی اور پاکستانی روپے کی قدر میں کمی ہونا تھی۔ان دونوں کے باعث کاروباری عمل کی لاگت میں اضافہ ہوگیا اور مجموعی طلب میں اور درآمدات سست روی کا شکار ہوئیں۔اسٹیٹ بینک آف پاکستان نے ڈسکاؤنٹ ریٹ دسمبر 2018 کی 10.5% کی شرح سے بڑھادیا جو اس وقت 13.75% ہے۔

اسی طرح پاکستانی روپے کی قدر میں کمی آئی جو دسمبر 2018 میں امریکی ڈالر/ 138.8 پاکستانی روپے تھی کم ہوکر اب 156.3 پاکستانی روپے ہے۔اس کے نتیجے میں Real Effective Exchange Rate (REER) جو دسمبر 2018 میں 97.4 تھا، گھٹ کر اب 92.7 ہوگیا ہے۔ہمیں یقین ہے کہ کرنسی ایڈجسٹمنٹ کے فرق کا حساب لگالیا گیا ہے اور آئندہ پاکستانی روپے کو اس کے تجارتی پارٹنر کے ساتھ پاکستان کی شرح سود کے فرق کے مطابق ایڈجسٹ کرنے کا سلسلہ جاری رہے گا بشرطیکہ اسٹیٹ بینک مارکیٹ پر مبنی زرمبادلہ کے ریٹس کے نظام کو برقرار رکھے۔

موجودہ سال میں پاکستان کے آئی ایم ایف پروگرام کیلئے انتظار کی طویل گھڑیاں ختم ہوئیں۔پاکستان آئی ایم ایف کے ساتھ 6.0 بلین امریکی ڈالر کے Extended Fund Facility (EFF) کے معاہدے میں شامل ہوگیا ہے۔کارکردگی کے دیگر معیارات کے علاوہ اتھارٹی نے (آئی ایم ایف سے مشاورت کے ساتھ) مالی سال 20 کیلئے ابتدائی طور پر خسارے کا ہدف جی ڈی پی کا 0.6% طے کیا ہے۔اس ہدف کے حصول کیلئے فیڈرل بورڈ آف ریونیو (ایف بی آر) کو 5.5 ٹریلین پاکستانی روپے کی آمدنی حاصل کرنا ہوگی جو ایک بڑا چیلنج والا ہدف ہے۔کرنسی کی قدر میں تیزی سے کمی کے سبب، ماہانہ CPI جو دسمبر 2018 میں 6.2% تھی، بڑھ کر ستمبر 2019 میں 12.6% ہوگئی ہے۔

پاکستان بیورو آف اسٹیٹکس نے CPI کو اشیاء کے ایک دوسرے زمرے میں ڈال دیا ہے (جس سے استعمال کے رجحانات کا پتہ چلتا ہے) جس کے مطابق افراطِ زر کی شرح کم ہوکر 11.5% ہوگئی ہے (نئے زمرے کی بنیاد پر) جبکہ حقیقت یہ ہے کہ سال کے دوران میں افراطِ زر میں نمایاں اضافہ ہوا ہے۔SBP افراطِ زر پر قابو پانے کیلئے پرعزم ہے اور اس کی توقع ہے کہ جون 2019 تک اس کی شرح یک ہندسی ہوجائے گی۔SBP کے گورنر نے بھی اشارہ دیا ہے کہ جیسے ہی افراطِ زر کم ہوگی تو مالیاتی کیفیت بھی بہتر ہوجائے گی۔

ایکویٹی

KSE 100 31 دسمبر 2018 کے 37,167 پوائنٹس سے گر کر 30 ستمبر 2019 کو 32,078 پوائنٹس پر آگیا۔اسی عرصے کے دوران میں KMI 30 اور KSE 30 کم ہوکر بالترتیب 16.4% اور 12.6% ہوگئے۔یہ کمی پاکستانی روپے کی قدر میں کمی، شرح سود میں اضافے اور مجموعی طلب میں سست روی کے سبب کارپوریٹ آمدنی کی صورتحال خراب تر ہونے کے نتیجے میں پیدا ہوئی۔

KSE 100 انڈیکس میں کمی کی سب سے بڑی وجہ سیمنٹ، آئل اینڈ گیس مارکیٹنگ کمپنیز، پاور جنریشن اور فارماسیوٹیکلز کے کاروبار میں کمی تھی۔چونکہ کمی کا دائرہ وسیع تھا، اس لئے cyclical سیکٹرز کو بھی بڑا دھچکا لگا۔اس کا اظہار اس حقیقت سے ہوتا ہے کہ KSE 100 میں سیمنٹ، او ایم سی اور فارماسیوٹیکل کا حصہ کم ہونے کے باوجود انڈیکس کی کمی کے اسباب میں یہ 5 شعبے سرفہرست تھے۔

ایکویٹی مارکیٹ میں غیر ملکی خالص خریدار رہے اور 2018 کے 471 ملین امریکی ڈالر کے خارجی بہاؤ کے مقابلے میں 71 ملین امریکی ڈالر کا خارجی بہاؤ رہا۔بہاؤ میں اس تبدیلی سے غالباً یہ اندازہ ہوتا ہے کہ ایکویٹی مارکیٹ کے مختلف شعبہ جات میں سرمایہ کاری کے مواقع کھل گئے ہیں (خاص طور پر ڈالر کے لحاظ سے) اور یہ ایکویٹیز طویل مدت میں جیسے ہی معاشی سائیکل بدلے گا، ایک اثاثہ کے طور پر بہتر کارکردگی کا مظاہرہ کریں گی۔

فکسڈ انکم

2019 کے دوران SBP نے افراطِ زر پر قابو پانے کیلئے ڈسکاؤنٹ ریٹ %10.5 سے %13.75 تک بڑھادیا۔اسٹیٹ بینک آف پاکستان کے نئے گورنر کی تقرری کے بعد yield cover میں نمایاں طور پر تبدیلی آئی۔SBP نے PIBs کی فراہمی کو اعتدال کی حد میں کر دیا ہے جب کہ خاص طور پر انشورنس اور بینکنگ کے شعبہ میں طلب ابھی بھی زیادہ ہے۔ CYTD 2019 میں SBP کو 3 سال، 5 سال اور 10 سال کی مدت کی PIBs کیلئے بالترتیب 1.8 ٹریلین 1.3 ٹریلین اور 1.3 ٹریلین پاکستانی روپے کی بولیاں موصول ہوئیں۔SBP نے 3 سال، 5 سال اور 10 سال کی مدت کیلئے بالترتیب %52.5، %25 اور %28.2 بولیاں منظور کیں۔طلب ورسد کے عدم توازن کے باعث PIB کے کٹ آف میں کمی آئی۔

3Y PIB کٹ آف %14.25 سے گھٹ کر کر %12.95 ہو گیا۔سیکنڈری مارکیٹ کے نتائج اب مزید درست کر دیئے گئے ہیں اور 3Y کے سودے اب %11.75 پر کئے جارہے ہیں۔اسی طرح 5Y اور 10Y کیلئے PIB کٹ آف بالترتیب %13.8 سے کم ہوکر %12.5 اور %13.7 سے کم ہوکر %12.25 ہوگئے۔سیکنڈری مارکیٹ میں 5Y کے سودے %11.65 پر اور 10 سال کے سودے %11.25 پر ہوئے۔مجموعی طور پر سیکنڈری مارکیٹ میں زیادہ طویل مدت کی PIBs کے نتائج اپنی بلند سطح سے -200bps تک کم ہو گئے۔

SBP نے yield cover کے چھوٹے end پر قرضہ لینے کی صورتحال کو زیادہ سازگار بنایا۔3-12 ماہ کے ٹریژری بلز کیلئے مجموعی طور پر کل 23.7 ٹریلین پاکستانی روپے کی بولیاں موصول ہوئیں جن میں سے %66 منظور کی گئیں۔بولیوں میں حال ہی میں نمایاں اضافہ ہوا ہے جب طویل end کی عدم فراہمی کی وجہ سے مارکیٹ چھوٹے end پر قرضہ کا سہارا لے رہی ہے۔اس کے نتیجے میں yields بھی 12M ٹریژری بلز میں تبدیل ہونا شروع ہوگئے ۔12M ٹریژری بل کا کٹ آف %14.25 سے کم ہوکر %13.47 ہوگیا ہے۔سیکنڈری مارکیٹ yields بھی 15-20bps تک کم ہوگئیں۔

ہمیں یقین ہے کہ سرمایہ کار 2020 میں شرحِ سود میں کمی کے ساتھ قیمتوں کا تعین کر رہے ہیں کیونکہ افراطِ زر کے اعتدال میں آنے کی توقعات عام ہوگئی ہیں۔SBP کے گورنر کی جانب سے افراطِ زر کے رجحان کے بعد مانیٹری پالیسی کے بارے میں ٹھوس اشاروں کے اس نظریئے کو تقویت ملتی ہے،اس کے علاوہ SBP کی جانب سے طویل end پر اضافی قرضہ کے حصول میں بھی ہچکچاہٹ نظر آرہی ہے۔

اسلامک منی مارکیٹ نے CYTD 2019 میں تخفیف کی سرگرمیاں جاری رہیں۔وزارتِ توانائی نے یکم مارچ 2019 کو 200 بلین پاکستانی روپے کے پہلے پاکستان انرجی صکوک جاری کردیئے۔دوسرے 200 بلین پاکستانی روپے کے اجراء کا کام جاری ہے۔تاہم حکومت کی جانب سے آئی ایم ایف کی شرائط کے باعث قانونی ضمانت فراہم نہ ہونے کی وجہ سے اجرا تاخیر کا شکار ہے۔یہ صکوک اجارہ طرز کی فنانسنگ پر مبنی ہیں جو 10 سال کی مدت کیلئے ہیں اور ان کی قیمت کا تعین 6M KIBOR کے 80bps پریمیم پر کیا جارہا ہے۔

AMC انڈسٹری

کلینڈر سال 2019 کی نو ماہی مدت کے اختتام پر میوچل فنڈ انڈسٹری کے زیرِ انتظام اثاثے جات (AUM) 561 بلین روپے رہی (علاوہ فنڈ ز آف فنڈ) %1.5 (8.5 بلین روپے) کی کمی ظاہر کی دسمبر 2018 کی سطح 569 بلین روپے سے۔کنوینشنل اسکیم کے AUM's نے صرف 10 بلین روپے کی کمی ظاہر کی جو کہ اس مدت کے اختتام پر 354 بلین روپے (علاوہ فنڈ ز آف فنڈ) تک پہنچ گیا۔مزید برآں شریعہ کمپلائنٹ اسکیم کے AUM's 1.7 بلین روپے کا اضافہ ریکارڈ کرنے کے بعد 207 بلین روپے (علاوہ فنڈز آف فنڈ) تک پہنچ گیا ہے۔

مجموعی طور پر اس مدت کے دوران تقریباً نو (09) فنڈز اور پلانز لانچ ہوئے۔JSIL نے شریعہ کمپلائنٹ کیپیٹل پریزرویشن میں JS اسلامک کیپیٹل پریزرویشن ایلوکیشن پلان 7 & 5,6 کا کامیابی سے اجراء کیا۔JS اسلامک کیپیٹل پریزرویشن ایلوکیشن پلانز میں جنوری سے ستمبر 2019 کے دوران مجموعی AUM میں اضافہ 3.1 بلین روپے ہے۔

کارکردگی کا جائزہ

JSIL نے 30 ستمبر 2019 کو 286.38 ملین روپے کا مجموعی نقصان درج کروایا جو 3.66 روپے نقصان فی حصص میں منتقل ہوگئی۔JSIL نے پچھلے سال کے یکساں مدت کے دوران 278.36 ملین روپے کے مقابلے میں 188.46 ملین روپے کی کل آمدنی ریکارڈ کروائی۔ JSIL نے پچھلے سال اسی مدت کے لیے 148.23 ملین روپے کے مقابلے میں 149.15 ملین روپے کے انتظامیہ کے زیرِ نگرانی فنڈز (بشمول SMAs) سے مینیجمنٹ ریمو نیریشن کمائے۔

انتظامیہ کے زیرِنگرانی اثاثہ جات (بشمول سیپریٹلی مینیجڈ اکاؤنٹس۔ SMAs اور فنڈز آف فنڈز) 31 دسمبر 2018 کے 20.8 بلین روپے کے مقابلے میں 22.3 بلین روپے تھا،یعنی %7 کا اضافہ ظاہر کیا۔

رپورٹنگ مدت کے دوران خاطر خواہ تبدیلی

24 جولائی 2019 کو منعقد ہونے والے غیر معمولی اجلاسِ عام میں کمپنی کے شراکت داروں کی منظوری سے اور کمپنیز ایکٹ 2017 کے سیکشن 88 کے تحت جسے لسٹڈ کمپنیز (Buy-Back) ریگولیشنز، 2019 کے ساتھ پڑھا جائے، کے مطابق کمپنی کے جاری کردہ، سبسکرائبڈ اور ادا شدہ زیادہ سے زیادہ 27,934,840 عمومی شیئرز کو ٹینڈر آفر کے ذریعے -/Rs.18 فی شیئر کی قیمت پر 2 اگست 2019 سے 31 اگست 2019 (بشمول دونوں ایاّم) خریداری/واپس خریدنے کیلئے پیش کیا۔

اس لیے 18,397,562 جاری کردہ، سبسکرائبڈ اور ادا شدہ عمومی شیئرز آفر کیے گئے اور دوبارہ خریدے گئے۔

بورڈ آف ڈائریکٹرز

مدت کے دوران، جناب سلیمان لالانی اور جناب باصر شمسی بورڈ سے مستعفی ہوگئے۔ جناب سلیمان لالانی کی جگہ جناب حسن شاہد اور جناب باصر شمسی کی جگہ جناب طاہر علی شیخ نے لے لی۔

مستقبل کے امکانات

JSIL نے کلینڈر سال 19 کے 9 ماہ 22.3 بلین روپے کے AUM کی سطح کے ساتھ (بشمول سیپریٹلی مینجڈ اکاؤنٹس۔ SMAs اور فنڈز آف فنڈز) کامیابی کے ساتھ اختتام پذیر ہوئے۔ اب تک، کمپنی نے JS اسلامک ہائبرڈ فنڈ آف فنڈز میں شریعہ کمپلائنٹ کیپیٹل پریزرویشن میں ایلوکیشن پلانز کی سیریز کا کامیابی سے اجراء کیا۔

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

ایکیویٹی مارکیٹس میں بہتری کے جذبات کے ساتھ، طویل مدتی سرمایہ کاروں کے لیے ایکیوٹیز کی طرف پراڈکٹ مکس کو بہتر بنانے کی سمت کمپنی کی حکمتِ عملی بھی ہمیشہ ایک ترجیح ہے۔

ایسیٹ منیجر اور اینٹیٹی ریٹنگ

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

اظہارِ تشکر

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

بجانب بورڈ

حسنین رضا نینسی	
چیف ایگزیکٹو آفیسر	ڈائریکٹر
کراچی: 22 اکتوبر 2019	

FINANCIAL STATEMENTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2019

	Note	(Un- Audited) September 30, 2019	(Audited) December 31, 2018
ASSETS		------Rupees------	
Non - current assets			
Property and equipment	5	**471,987,928**	485,306,148
Intangible assets	6	**16,496,975**	16,315,422
Long-term investment in a subsidiary		**37,500,000**	37,500,000
Long-term loans and prepayments - considered good		**2,129,634**	4,209,830
Deferred tax asset - net	7	**5,390,134**	-
		533,504,671	543,331,400
Current assets			
Balances due from funds under management - related parties		**109,626,817**	112,825,238
Loans and advances - considered good		**3,475,137**	2,436,861
Trade deposits, short term prepayments and other receivables		**69,578,840**	60,455,636
Other financial assets - investments	8	**1,590,045,147**	1,604,144,245
Taxation - net		**89,229,007**	89,518,143
Cash and bank balances	9	**22,653,047**	23,014,578
		1,884,607,995	1,892,394,701
Total assets		**2,418,112,666**	2,435,726,101
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital	14.2	**617,742,560**	801,718,180
Unappropriated profit		**1,253,100,475**	751,736,003
Capital repurchase reserve account		-	198,281,820
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net		-	225,049,381
Surplus on revaluation of fixed assets - net of tax		-	173,891,692
		1,870,843,035	2,150,677,076
LIABILITIES			
Non - current liabilities			
Liability against assets subject to finance lease		**269,186,134**	34,634,633
Current liabilities			
Accrued and other liabilities	10	**263,684,232**	235,674,385
Unclaimed dividend		**2,952,805**	2,952,805
Current maturity of liability against assets subject to finance lease		**11,446,460**	11,787,202
Total liabilities		**547,269,631**	285,049,025
Total equity and liabilities		**2,418,112,666**	2,435,726,101
Contingencies and commitments	11		

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Note	Nine Months ended		Quarter ended	
		September 30, 2019	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
		---Rupees---			
INCOME					
Remuneration from funds under management - gross		**165,910,326**	164,170,112	**50,469,804**	56,798,358
Less: Sindh sales tax		**(19,087,029)**	(18,886,827)	**(5,806,261)**	(6,534,324)
		146,823,297	145,283,285	**44,663,543**	50,264,034
Commission from open end funds under management		**796,719**	3,938,417	**151,359**	753,105
Dividend income		**18,594,552**	3,882,418	**909,588**	3,250,061
Net gain on sale of investments		**13,305,061**	120,961,515	**11,917,834**	41,936,368
Return on bank deposits under interest / mark-up arrangements		**6,610,187**	1,349,570	**3,602,784**	422,919
Remuneration and share of profit from management of discretionary and non discretionary client portfolios		**2,327,908**	2,946,622	**699,420**	1,051,222
		188,457,724	278,361,826	**61,944,528**	97,677,709
Administrative expenses	12	**(254,588,098)**	(228,635,110)	**(84,347,513)**	(84,884,879)
Selling and distribution expenses		**(75,536,955)**	(64,712,009)	**(27,032,178)**	(23,878,663)
OPERATING LOSS		**(141,667,329)**	(14,985,292)	**(49,435,163)**	(11,085,833)
Financial charges		**(27,857,508)**	(2,869,885)	**(8,650,639)**	(1,150,001)
		(169,524,837)	(17,855,178)	**(58,085,802)**	(12,235,834)
Other (loss) / income	13	**(55,446,754)**	42,977,843	**(15,392,952)**	21,742,758
(Loss) / profit for the period before tax		**(224,971,591)**	25,122,666	**(73,478,754)**	9,506,924
Income tax					
- Current		**(19,858,624)**	(24,080,584)	**(6,010,903)**	(7,339,499)
- Deferred		**(41,548,406)**	13,829,496	**(81,150,868)**	(2,663,870)
		(61,407,030)	(10,251,088)	**(87,161,771)**	(10,003,369)
(Loss) / profit for the period after tax		**(286,378,621)**	14,871,578	**(160,640,525)**	(496,445)
(Loss) / earnings per share for the period - basic and diluted	14	**(3.66)**	0.19	**(2.05)**	(0.01)

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Nine Months ended		Quarter ended	
	September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
	----------Rupees----------			
(Loss) / profit for the period after tax	**(286,378,621)**	14,871,578	**(160,640,525)**	(496,445)
Other comprehensive income / (loss) to be reclassified to statement of profit or loss in subsequent periods				
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	-	63,386,675	-	(19,775,733)
Reclassification adjustments relating to sale of investments	-	(118,919,506)	-	(41,936,368)
Related tax	-	1,760,597	-	2,663,871
	-	(53,772,234)	-	(59,048,230)
Total comprehensive (loss) / income for the period	**(286,378,621)**	(38,900,656)	**(160,640,525)**	(59,544,675)

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
	------Rupees------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	**(224,971,591)**	25,122,666
Adjustment for:		
Remuneration from funds under management - net	**(146,823,297)**	(145,283,285)
Commission from open end funds under management	**(796,719)**	(3,938,417)
Dividend income	**(18,594,552)**	(3,882,418)
Depreciation expense	**64,530,797**	25,497,172
Amortisation expense	**3,428,696**	2,183,303
Financial charges	**27,857,508**	2,869,885
Return on bank deposits under interest / mark-up arrangements	**(6,610,187)**	(1,349,570)
Net gain on sale of investments classified as 'at fair value through profit or loss'	**(13,305,061)**	(120,961,515)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	**118,211,147**	858,582
Gain on disposal of property and equipment	**(38,756,103)**	(654,894)
	(235,829,362)	(219,538,491)
Working capital changes		
Loans and advances - considered good	**1,041,920**	2,071,183
Trade deposits, short term prepayments and other receivables	**(9,123,204)**	13,829,563
Accrued and other liabilities	**28,009,847**	42,596,273
	19,928,563	58,497,019
	(215,900,799)	(161,041,472)
Taxes paid - net	**(66,508,028)**	(16,956,893)
Remuneration and commission received from funds under management	**150,818,437**	146,976,565
Net cash used in operating activities	**(131,590,390)**	(31,021,800)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Investments made) / proceeds from sale of investments - net	**(90,806,988)**	139,928,639
Payment of lease liability	**(340,742)**	-
Payments for purchase of property, equipment and intangible assets	**(54,822,826)**	(108,774,177)
Dividends received	**18,594,552**	3,882,418
Return on bank deposits under interest / mark-up arrangements	**6,610,187**	1,401,085
Sale proceeds from disposal of property and equipment	**611,008,301**	896,000
Net cash generated from investing activities	**490,242,484**	37,333,965
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(452,279)
Financial charges paid	**(27,857,508)**	(2,869,885)
Buy Back of shares	**(331,156,116)**	
Net cash used in financing activities	**(359,013,624)**	(3,322,164)
Net (decrease) / increase in cash and cash equivalents	**(361,531)**	2,990,001
Cash and cash equivalents at beginning of the period	**23,014,578**	15,534,836
Cash and cash equivalents at end of the period	**22,653,047**	18,524,837

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Issued, subscribed and paid-up capital	Reserves				Total
			Capital reserve			Revenue reserve	
			Capital repurchase reserve account	Surplus on revaluation of fixed assets - net of tax	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Unappropriated profit	
		Rupees					
Balance as at January 01, 2018 (restated)		801,718,180	198,281,820	183,058,851	461,102,051	700,840,694	2,345,001,596
Total comprehensive income for the nine months ended Sep 30, 2018							
Profit for the period		-	-	-	-	14,871,578	14,871,578
Other comprehensive income - net of tax		-	-	-	(53,772,234)	-	(53,772,234)
Total comprehensive income for the half year		-	-	-	(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		-	-	(4,583,582)	-	4,583,582	-
Balance as at September 30, 2018		**801,718,180**	**198,281,820**	**178,475,269**	**407,329,817**	**720,295,854**	**2,306,100,940**
Balance as at January 01, 2019		801,718,180	198,281,820	173,891,692	225,049,381	751,736,003	2,150,677,076
Adjustment due to reclassification as per IFRS 9	**4.1.2**	-	-	-	(225,049,381)	225,049,381	-
Total comprehensive loss for the nine months ended September 30, 2019		-	-	-	-	(286,378,621)	(286,378,621)
Surplus on revaluation during the period	**5**	-	-	290,762,157	-	-	290,762,157
Transfer from surplus on account of disposal		-	-	(519,713,860)	-	519,713,860	-
Buy back of 18,397,562 shares having face value of Rs. 10/- each at a purchase price of Rs. 18/- each	**14**	(183,975,620)	-	-	-	(147,180,496)	(331,156,116)
Incremental Depreciation during the period		-	-	(4,803,422)	-	4,803,422	-
Reversal of Related Deferred Tax (Asset)/ liability		-	-	59,863,434	-	(12,924,895)	46,938,539
Transfer from Capital Re-purchases reserve account	**14**	-	(198,281,820)	-	-	198,281,820	-
Balance as at September 30, 2019		**617,742,560**	**-**	**-**	**-**	**1,253,100,475**	**1,870,843,035**

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

NOTES TO THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

1. STATUS AND NATURE OF BUSINESS

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the 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 has been changed from 7th Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi to The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited (which has 84.56 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. The Company has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

1.2 The Company is an asset management company and pension fund manager for the following funds at nine months period ended September 30, 2019:

1.2.1 Asset management company of the following funds:

Open-end mutual funds

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2
- JS Islamic Dedicated Equity Fund
- JS Islamic Hybrid Fund of Funds - 3

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

2. STATEMENT OF COMPLIANCE

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

- International 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 These unconsolidated interim financial statements do not include all the information and disclosures required in the unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company as at December 31, 2018.

3. BASIS OF MEASUREMENT

3.1 These unconsolidated interim financial statements have been prepared under historical cost convention except for certain investments.

3.2 These unconsolidated interim financial statements have 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 these unconsolidated interim financial statements are the same as those applied in the preparation of the unconsolidated annual financial statements of the Company for the year ended December 31, 2018, except as follows:

4.1.1 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 9 - Financial Instruments

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

Standard or Interpretation

IAS 28 - Long-term Interests in Associates and Joint Ventures - (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

The adoption of the above amendment to accounting standards did not have any effect on the unconsolidated interim financial statements, except as described in notes 4.1.2 and 4.1.3 below:

4.1.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9, with the initial application date of January 01, 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP).

Upon adoption of IFRS 9, the Company has not restated comparative information and impact from the adoption of IFRS 9 have been recognised directly in unappropriated profit as of January 01, 2019.

(a) Changes to Classification and measurement of financial assets

The IFRS 9 has replaced current categories of financial assets (Held For Trading (HFT), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of financial assets:

1) Debt instruments at amortised cost

2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to statement of profit or loss on derecognition

3) Equity instruments at FVOCI, with no recycling of gains or losses to statement of profit or loss on derecognition

4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Company's business model was made as at the date of initial application i.e. January 01, 2019, and then applied retrospectively to those financial assets that were not derecognised before January 01, 2019. As a result of the above assessment, the management has concluded as under:

i) *All the investments in units of mutual funds previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Company. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and interest.*

ii) *The investment in term finance certificate continue to be classified as 'at Fair Value through Profit or Loss' as such investment is managed on a fair value basis and is held for trading purposes.*

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

	As at December 31, 2018	Impact of adoption of IFRS 9	As at January 01, 2019
	----------------------	(Rupees)	----------------------
Impact on statement of assets and liabilities			
Investments - 'available for sale'	**1,157,454,903**	**(1,157,454,903)**	**-**
Investments - 'at fair value through profit or loss'	**446,689,342**	**1,157,454,903**	**1,604,144,245**
Impact on statement of changes in equity			
Unrealised appreciation on 'available-for-sale' investments	**225,049,381**	**(225,049,381)**	**-**
Unappropriated profit	**751,736,003**	**225,049,381**	**976,785,384**

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The financial assets subject to ECL in the case of the Company are:

i) Balances due from funds under management

ii) Bank balances

iii) Loans and advances

iv) Other receivables

Considering the nature of the financial assets, the Company has applied the simplified approach allowed under IFRS 9 and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using credit rating of the counterparties/instruments and the related probability of default factors.

Based on the above approach, the impact of ECL is not considered as material to the unconsolidated interim financial statements.

Summary of new accounting policies in respect of adoption of IFRS 9

Financial instruments

In the current period, the Company has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended December 31, 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity’s business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.1.3 IFRS 16 "Leases"

During the current year, the Company have adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its head office and various branches. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	January 01, 2019
	----- Rupees -----
Increase in RoU asset	**281,736,623**
Increase in lease liability against assets subject to finance lease	**(281,736,623)**
Increase in net assets	**-**

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of branches due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liabilities and interest liability and the movements during the period:

	September 30, 2019		
	RoU asset	**Lease liability**	**Interest Liability**
	----------	**Rupees**	----------
As at January 01, 2019	**281,736,623**	**281,736,623**	**98,659**
Depreciation expense	**(24,835,868)**	-	-
Interest expense	-	-	**24,709,108**
Payments	-	**(37,252,622)**	**(1,125,022)**
As at Sep 30, 2019	**256,900,755**	**244,484,001**	**23,682,745**

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

	Note	**(Un-Audited) September 30, 2019**	**(Audited) December 31, 2018**
		------------ **Rupees**	------------
5. PROPERTY AND EQUIPMENT			
Opening written down value		**364,873,701**	367,085,044
Revaluation during the period / year	5.1	**290,762,157**	-
Additions during the period / year	5.2	**169,106,738**	35,112,705
Disposals during the period / year	5.3	**(571,560,703)**	(2,637,186)
Depreciation for the period / year		**(39,736,054)**	(34,686,862)
		213,445,839	364,873,701
Capital work-in-progress - advance against purchase of assets		**1,641,333**	120,432,447
Right of use assets	4.1.3	**256,900,755**	-
		471,987,927	485,306,148

5.1 The Company follows the revaluation model for its office premises. The fair value measurement as at April 05, 2019 was performed by Pee Dee & Associates, independent valuer not related to the Company. Pee Dee & Associates is on all three panels of Pakistan Banks Association. It is also on the panel of State Bank of Pakistan as 'Category B' valuator 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. However, the office premises was sold during the period (see note 5.3.1) and the revaluation surplus included in statement of changes in equity was transferred to unappropriated profit.

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		------------ Rupees ------------	

5.2 The following additions were made to tangible - property and equipment during the period / year:

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
Furniture and fixtures		**12,755,200**	3,071,709
Office equipment		**29,778,824**	16,130,321
Leasehold improvements	5.2.1	**122,455,354**	-
Vehicles		**4,117,360**	15,910,675
		169,106,738	35,112,705

5.2.1 This represents leasehold improvements incurred by the Company upon transfer to new office location. These are to be depreciated at the rate of 20% per annum on straight line basis. This includes Rs.96.417 million being transferred from capital work-in-progress during the period.

5.3 The following disposals of tangible - property and equipment were made during the period / year:

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
Furniture and fixtures		**324,856**	26,396
Office equipment		**148,600**	-
Office premises	5.3.1	**568,584,635**	-
Vehicles		**2,502,612**	2,610,790
		571,560,703	2,637,186

5.3.1 The Company has sold its office premises on June 03, 2019 to JS Bank Limited (the Parent Company) for a cash consideration of Rs.606.832 million. The net gain of Rs.38.247 million was recognised as part of other income in statement of profit or loss.

6. INTANGIBLE ASSETS

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
Opening written down value		**16,315,422**	8,464,922
Additions during the period / year		**3,610,249**	11,120,618
Amortisation for the period / year		**(3,428,696)**	(3,270,118)
		16,496,975	16,315,422

7. DEFERRED TAX - NET

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
Taxable temporary differences on:			
Accelerated tax depreciation		**(84,451,172)**	(11,400,668)
Surplus on revaluation of fixed assets		**-**	(62,311,963)
Revaluation on investments classified as 'at fair value through profit or loss'		**(912,050)**	(88,858)
		(85,363,222)	(73,801,489)
Deductible temporary differences on:			
Unrealised appreciation on investments classified as 'available-for-sale' investments		**-**	12,924,895
Revaluation on investments classified as 'at fair value through profit or loss'		**-**	-
Liability against assets subject to finance lease - net		**70,900,360**	-
Provision for Workers' Welfare Fund		**19,852,996**	17,114,652
Provision for donation		**-**	186,437
Unused tax losses	7.1	**-**	43,575,505
		5,390,134	-

7.1 The Company has not recognized deferred tax asset of Rs.56.326 (December 31, 2018: Rs.28.575) million on account of carried forward tax losses in accordance with its accounting policy.

8. OTHER FINANCIAL ASSETS - INVESTMENTS

	Note	(Un-Audited) Sep 30, 2019	(Audited) December 31, 2018
		------------ Rupees	------------
Investments by category			
Classified as 'available-for-sale'			
Units of mutual funds - related parties	8.1	-	1,157,454,903
Classified as 'at fair value through profit or loss'			
Units of mutual funds - related parties	8.2	1,465,045,147	321,689,342
Term Finance Certificate	8.3	125,000,000	125,000,000
		1,590,045,147	446,689,342
		1,590,045,147	1,604,144,245

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

Number of Units Sep 30, 2019	Number of Units December 31, 2018	Name of fund	(Un-Audited) Sep 30, 2019 Average cost	(Un-Audited) Sep 30, 2019 Fair value	(Audited) December 31, 2018 Fair value
			------------	Rupees	------------
-	1,716,379	JS Value Fund	-	-	349,386,065
-	1,903,901	JS Growth Fund	-	-	302,072,879
-	205,210	JS Pension Savings Fund - Equity	-	-	85,297,643
-	137,349	JS Pension Savings Fund - Debt	-	-	34,079,032
-	177,463	JS Pension Savings Fund - Money Market	-	-	35,329,417
-	2,772,987	JS Fund of Funds	-	-	141,034,115
-	182,354	JS Islamic Pension Savings Fund - Equity	-	-	101,071,344
-	213,852	JS Islamic Pension Savings Fund - Debt	-	-	44,359,257
-	222,303	JS Islamic Pension Savings Fund - Money Market	-	-	39,990,151
-	150,000	JS Islamic Capital Preservation - Allocation Plan 4	-	-	15,054,000
-	100,000	JS Islamic Hybrid Fund of Funds - 2	-	-	9,781,000
			-	-	1,157,454,903
		Unrealised appreciation on remeasurement at fair value - net	-	-	-
			-	-	1,157,454,903

8.2 Units of mutual funds - 'at fair value through profit or loss' (related parties)

Number of Units Sep 30, 2019	Number of Units December 31, 2018	Name of fund	(Un-Audited) Sep 30, 2019 Average cost	(Un-Audited) Sep 30, 2019 Fair value	(Audited) December 31, 2018 Fair value
			------------	Rupees	------------
590,473	2,358,284	JS Cash Fund	**60,157,914**	**60,706,555**	241,040,244
3,076,714	346,078	JS Income Fund	**298,788,894**	**303,702,465**	34,247,920
481,356	442,295	JS Islamic Income Fund	**50,353,136**	**49,290,882**	46,401,178
			409,299,945	**413,699,903**	321,689,342
		Re-classified as per IFRS 9 (see note 4.1.2)			
1,716,379	-	JS Value Fund	**349,386,065**	**284,764,404**	-
1,903,901	-	JS Growth Fund	**302,072,879**	**252,171,642**	-
205,210	-	JS Pension Savings Fund - Equity	**85,297,643**	**72,535,625**	-
137,349	-	JS Pension Savings Fund - Debt	**34,079,032**	**36,563,675**	-
177,463	-	JS Pension Savings Fund - Money Market	**35,329,417**	**38,209,648**	-
2,772,987	-	JS Fund of Funds	**141,034,115**	**147,800,203**	-
182,354	-	JS Islamic Pension Savings Fund - Equity	**101,071,344**	**86,096,461**	-
213,852	-	JS Islamic Pension Savings Fund - Debt	**44,359,257**	**47,684,651**	-
222,303	-	JS Islamic Pension Savings Fund - Money Market	**39,990,153**	**42,962,349**	-
157,204	-	JS Islamic Capital Preservation - Allocation Plan 4	**15,776,968**	**16,196,702**	-
104,231	-	JS Islamic Hybrid Fund of Funds-2	**10,194,827**	**10,515,858**	-
153,647	-	JS Islamic Capital Preservation - Allocation Plan 5	**15,364,650**	**15,844,027**	
			1,583,256,293	**1,465,045,147**	321,689,342
		Unrealised loss on remeasurement at fair value - net	**(118,211,146)**	-	-
			1,465,045,147	**1,465,045,147**	321,689,342

8.3 Term Finance Certificate

This represents investment in AA- rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Bank AL Habib Limited, having face value of Rs.5,000 per certificate and carries profit at the rate of 6 Months KIBOR + 1.50% (December 31, 2018: 6 Months KIBOR +1.50%) per annum.

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		------------ Rupees ------------	
9. CASH AND BANK BALANCES			
Cash in hand		**78,101**	86,788
Cash at bank in:			
Current accounts		**1,168,596**	568,596
Savings accounts	9.1	**21,406,350**	22,359,194
	9.2	**22,574,946**	22,927,790
		22,653,047	23,014,578

9.1 These carry mark-up at the rates ranging from 8.00% to 13.70% (December 31, 2018: 4.50% to 8.75%) per annum.

9.2 This includes Rs.19.747 (December 31, 2018: Rs.20.947) million held with JS Bank Limited (the Parent Company).

10. ACCRUED AND OTHER LIABILITIES

10.1 This includes Rs.92.245 (December 31, 2018: Rs.92.245) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 17.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.

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

10.3 This includes Rs.16.034 (December 31, 2018: Rs.Nil) million of interest liability recognised as a result of adoption of IFRS 16.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There are no material changes in the status of contingencies as disclosed in note 18.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.

11.2 Commitments in respect of:

Use of name and advisory payment - a related party	**11,250,000**	15,000,000

12. ADMINISTRATIVE EXPENSES

These mainly include salaries and benefits, depreciation, legal and professional, travelling, conveyance and vehicle maintenance, use of name and advisory fee, fees and subscription and IT service expenses aggregating to Rs.254.588 (Sep 30, 2018: Rs.228.635) million.

13. OTHER (LOSS) / INCOME

This mainly includes unrealised loss of Rs.118.211 (Sep 30, 2018: unrealised Loss of Rs.0.859) million on revaluation of investments classified as 'at fair value through profit or loss' (see note 8.2) and gain on disposal of property and equipment amounting to Rs.38.459 (Sep 30, 2018: Rs.Nil) million (see note 5.3.1).

		(Un-Audited)			
		Nine months ended		Quarter ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
14. EARNINGS PER SHARE					
(Loss) / profit for the period		**(286,378,621)**	14,871,578	**(160,640,525)**	(496,445)
Weighted average number of ordinary shares outstanding during the period	**Number:**	**78,253,754**	80,171,818	**78,253,754**	80,171,818
(Loss) / earnings per share	**Rupees:**	**(3.66)**	0.19	**(2.05)**	(0.01)

14.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2019 and September 30, 2018 which would have any effect on the earnings per share if the option to convert is exercised.

14.2 During the period ended September 30, 2019, the Company, with the approval of the Company's shareholders in extraordinary general meeting held on July 24, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019, accorded to buy back up to to a maximum of its 27,973,840 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs.18 per share from August 02, 2019 to August 31, 2019 (both days inclusive). Consequently 18,397,562 issued, subscribed and paid-up ordinary shares were bought back. JS Bank holding increased to 84.56% from 65.17%.

14.3 Capital repurchase reserve account was created in year 2015 by virtue of section 95A of repealed Companies Ordinance ,1984 upon buy back of 19,828,182 issued, subscribed and paid-up ordinary shares, however there is no specific requirement under Companies Act 2017 to maintain subject reserve. As a result entire reserve amounting to Rs. 198.28 million has been classified to unappropriated profit

15. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company holding 84.56% of shares of the company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company holding 75.02% of JS Bank Ltd), JS Abamco Commodities Limited (100% 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) ---------	
	Sep 30, 2019	Sep 30, 2018
	------------ Rupees ------------	
15.1 Transaction with related parties		
15.1.1 Funds under management		
Remuneration - net of taxes	**146,823,297**	145,283,285
Commission received	**796,719**	3,938,417
Amount paid	**28,839,838**	31,334,174
Amount received	**29,544,500**	24,646,093
Dividends received	**18,594,552**	3,882,418
Investments made	**1,460,849,438**	604,828,255
Investments disposed off / matured	**1,370,044,070**	744,756,896

		(Un-Audited) Sep 30, 2019	Sep 30, 2018
		------------ Rupees ------------	
15.1.2	**Jahangir Siddiqui & Co. Limited (JSCL)**		
	Amount paid	**45,667**	37,833
	Amount received	**45,667**	25,000
15.1.3	**JS Bank Limited (JSBL)**		
	Proceeds received from disposal of office premises	**606,831,542**	-
	Proceeds received from disposal of office equipment and furniture and fixtures	**467,458**	-
	Rent received	**2,763,395**	5,207,900
	Rent paid	**2,601,350**	5,607,756
	Management fee sharing on distribution of mutual funds	**18,299,571**	516,532
	Amount paid	**1,964,474**	1,278,399
	Amount received	**1,139,938**	1,419,174
	Return on bank deposits	**6,508,046**	1,302,992
15.1.4	**Jahangir Siddiqui & Sons Limited (JSSL)**		
	Rent received	**2,704,176**	8,112,527
	Amount paid	**618,175**	1,977,545
	Amount received	**1,675,202**	2,173,740
15.1.5	**JS Lands (Private) Limited**		
	Rent paid	**27,316,800**	24,281,600
	Amount paid	**11,602,484**	2,315,922
15.1.6	**EFU General Insurance**		
	Insurance premium paid	**3,570,603**	2,793,214
15.1.7	**EFU Life Assurance**		
	Insurance premium paid	**2,026,033**	2,138,163
15.1.8	**ABAMCO Limited Staff Provident Fund (the Fund)**		
	Amount paid	**112,460**	1,478,650
	Amount received	**112,460**	1,425,726
	Provident fund contributions made	**7,580,897**	6,726,448
15.1.9	**JS Global Capital Limited (JSGCL)**		
	Amount paid	**163,213**	67,530
	Amount received	**45,667**	-

		(Un-Audited) Sep 30, 2019	(Un-Audited) Sep 30, 2018
		Rupees	Rupees
15.1.10	**JS Abamco Commodities Limited (JSACL)**		
	Amount paid	**90,000**	90,000
	Amount received	**90,000**	80,000
15.1.11	**Future Trust**		
	Donation paid	**745,747**	305,885
15.1.12	**Transactions made with key management personnel**		
	Remuneration	**74,953,617**	69,342,215
	Directors' fee	**675,000**	450,000
	Disbursements of personal loans and advances	**3,318,605**	1,458,750
	Repayments of loans and advances	**1,753,071**	2,515,979
	Use of name and advisory for the period	**11,250,000**	10,000,000

		(Un-Audited) Sep 30, 2019	(Audited) December 31, 2018
		Rupees	Rupees
15.2	**Balances outstanding with related parties**		
15.2.1	**Funds under management**		
	Receivable from funds under management	**122,880,408**	126,783,451
	Payable to funds under management	**197,670**	365,436
15.2.2	**Jahangir Siddiqui & Co. Limited (JSCL)**		
	Other receivable	**23,372**	34,672
15.2.3	**JS Bank Limited (JSBL)**		
	Bank balances	**19,921,413**	20,947,481
	Other receivable	**1,520,767**	706,231
	Rent payable	**226,280**	478,766
	Rent receivable	**2,409,149**	3,894,359
	Other payables	**5,900,000**	3,086,247
	Profit on bank deposits	**55,441**	65,484
15.2.4	**Jahangir Siddiqui & Sons Limited (JSSONS)**		
	Other receivable	**660,165**	1,717,192
	Rent receivable	**2,486,352**	2,270,018
15.2.5	**JS Lands (Private) Limited**		
	Other payable	**626,010**	-
	Other receivable	**242,000**	-
15.2.6	**JS Global Capital Limited (JSGCL)**		
	Other receivable	**475,125**	357,579
	Rent receivable	**181,957**	181,957
	Rent payable	**1,272,831**	1,272,831

		(Un-Audited) Sep 30, 2019	(Audited) December 31, 2018
		------------ Rupees ------------	
15.2.7	**JS Abamco Commodities Limited (JSACL)**		
	Other receivable	**30,000**	30,000
15.2.8	**Future Trust**		
	Donation payable	**-**	745,747
15.2.9	**Outstanding receivable from key management personnel**	**2,177,134**	478,265

15.2.10 Key management personnel and directors hold 1,011 (December 31, 2018: 6,514) shares in the Company.

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

15.4 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

16. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

The following table shows the financial and non-financial assets 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).

The table below analyse financial and non-financial assets 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, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	----------	(Rupees)	----------	
Financial assets classified as 'at fair value through profit or loss'				
Units of mutual funds - related parties	-	**1,465,045,147**	-	**1,465,045,147**
Term finance certificate	-	**125,000,000**	-	**125,000,000**
	-	**1,590,045,147**	-	**1,590,045,147**

	December 31, 2018			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	1,157,454,903	-	1,157,454,903
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	321,689,342	-	321,689,342
Term finance certificate	-	125,000,000	-	125,000,000
Non-financial assets				
Office premises	-	287,258,750	-	287,258,750
	-	1,891,402,995	-	1,891,402,995

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

16.1.1 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.

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

16.2 During the period ended September 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

17 GENERAL

17.1 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.

17.2 These unconsolidated interim financial statements were authorised for issue on October 22, 2019 by the Board Directors of the Company.

17.3 The figures in the unconsolidated interim financial statements have been rounded off to the nearest rupee.

17.4 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, other than reclassification of trade deposits, short term prepayments and other receivables due to adoption of IFRS 16, as disclosed in note 4.1.3.

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

DIRECTORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS

For the period ended September 30, 2019

The Directors of your Company feel pleasure in presenting the consolidated financial statements of the Company for the period ended Sep 30, 2019.

Summary of operating results for the period	**Period ended Sep 30, 2019**	**Period ended Sep 30, 2018**
	Rs. (000)	
Shareholders' Equity	**1,898,046**	**2,328,721**
Financial Performance		
Income	193,091	281,084
Operating expenses	(330,551)	(293,685)
Operating profit	**(137,460)**	**(12,601)**
Financial charges	(27,857)	(2,918)
Other operating (loss) / income	(55,550)	42,978
(Loss) / Profit before tax	**(220,867)**	**27,458**
Taxation-net	(61,762)	(10,761)
(Loss) / Profit after tax	**(282,629)**	**16,697**
Earnings per share - basic and diluted	**(3.61)**	**0.21**

Subsidiary Company

JS ABAMCO Commodities Limited

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

Internal Control Framework

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

Board of Directors

During period ended Sep 30, 2019, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

Name

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

Karachi: October 22, 2019 **Director** **Chief Executive Officer**

30 ستمبر 2019 کوختم ہونے والی مدت کیلئے مجموعی مالیاتی تفصیلات پر حصص یافتگان کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 30 ستمبر 2019 کوختم ہونے والی مدت کیلئے کمپنی کی مجموعی مالیاتی تفصیلات کو بخوشی پیش کرتا ہوں۔

مذکورہ مدت کے فعال نتائج کا خلاصہ	30 ستمبر، 2019 کی اختتامی مدت	(000)روپے	30 ستمبر، 2018 کی اختتامی مدت
شیئرہولڈرا یکویٹی	1,898,046		2,328,721
مالیاتی کارکردگی			
آمدنی			
آپریٹنگ نتائج	193,091		281,084
آپریٹنگ منافع (نقصان)	(330,551)		(293,685)
دیگراخراجات	**(137,460)**		**(12,601)**
فنانشل چارجز	(27,857)		(2,918)
دیگرفعال آمدنی	(55,550)		42,978
منافع (نقصان) قبل ازٹیکس	**(220,867)**		**27,458**
خالص ٹیکس	(61,762)		(10,761)
منافع بعدازٹیکس	**(282,629)**		**16,697**
منافع (نقصان) فی حصص۔ بیسک اور ڈائیلیوٹڈ	**(3.61)**		**0.21**

ذیلی کمپنی

جےایس ابیمکو کموڈیٹیزلمیٹڈ

جےایس ابا مکوکموڈیٹیزلمیٹڈ (کمپنی) کمپنیزآرڈیننس 1984 کے تحت 25 ستمبر 2007 کو پاکستان میں بحیثیت پبلک لمیٹڈ کمپنی قائم ہوئی اور یہ جےایس انوسٹمنٹس لمیٹڈ (دی ہولڈنگ کمپنی) کی کل ملکیتی ذیلی کمپنی ہے۔کمپنی کا بنیادی مقصد کموڈیٹی مارکیٹ میں کاروبار اور متعلقہ بروکریج، ایڈوائزری اور مشاورتی خدمات فراہم کرنا ہے۔کمپنی نے کموڈیٹی ، بروکریج اور متعلقہ مشاورتی خدمات کا آپریشن بیلنس شیٹ کی تاریخ تک شروع نہ کیا۔

انٹرل کنٹرول فریم ورک

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

بورڈ آف ڈائریکٹرز

مختتمہ مدت 30 ستمبر 2019 کے دوران JS ABAMCO کموڈیٹیزلمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے۔

نام

جناب حسنین رضا نینسی

جناب منورعالم صدیقی

جناب محمد خاور اقبال

جناب ملک ظفر جاوید

کراچی: 22 اکتوبر، 2019

ڈائریکٹر — چیف ایگزیکٹیو آفیسر

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	Note	(Un- Audited) September 30, 2019	(Audited) December 31, 2018
ASSETS		-------------------Rupees-------------------	
Non - current assets			
Property and equipment	5	**471,987,928**	485,306,147
Intangible assets	6	**16,496,975**	16,315,422
Deposit for membership		**1,000,000**	1,000,000
Deposit for office premises		**2,500,000**	2,500,000
Long-term loans and prepayments - considered good		**2,129,634**	4,209,830
Deferred tax asset - net	7	**5,390,134**	
		499,504,671	509,331,399
Current assets			
Balances due from funds under management - related parties		**109,626,817**	112,825,238
Loans and advances - considered good		**3,475,137**	2,436,861
Trade deposits, short term prepayments and other receivables		**69,720,695**	60,440,136
Other financial assets - investments	8	**1,650,825,338**	1,661,398,935
Taxation - net		**90,144,786**	90,259,452
Cash and bank balances	9	**22,911,909**	23,353,558
		1,946,704,682	1,950,714,180
Total assets		**2,446,209,353**	2,460,045,579
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital	14.2	**617,742,560**	801,718,180
Unappropriated profit		**1,280,303,206**	775,188,683
Capital repurchase reserve account		-	198,281,820
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net		-	225,049,381
Surplus on revaluation of fixed assets - net of tax		-	173,891,692
		1,898,045,766	2,174,129,756
LIABILITIES			
Non - current liabilities			
Liability against assets subject to finance lease		**269,186,134**	34,634,633
Current liabilities			
Accrued and other liabilities	10	**264,578,188**	236,541,183
Unclaimed dividend		**2,952,805**	2,952,805
Current maturity of liability against assets subject to finance lease		**11,446,460**	11,787,202
Total liabilities		**548,163,587**	285,915,823
Total equity and liabilities		**2,446,209,353**	2,460,045,579
Contingencies and commitments	11		

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Note	Nine Months ended		Quarter ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
		Rupees			
INCOME					
Remuneration from funds under management - gross		**165,910,326**	164,170,112	**50,469,804**	56,798,358
Less: Sindh sales tax		**(19,087,029)**	(18,886,827)	**(5,806,261)**	(6,534,324)
		146,823,297	145,283,285	**44,663,543**	50,264,034
Commission from open end funds under management		**796,719**	3,938,417	**151,359**	753,105
Dividend income		**23,223,064**	7,333,396	**909,588**	6,701,039
Net gain on sale of investments		**13,299,318**	120,222,865	**11,912,091**	39,474,734
Return on bank deposits under interest / mark-up arrangements		**6,620,687**	1,359,168	**3,607,796**	427,702
Remuneration and share of profit from management of discretionary and non discretionary client portfolios		**2,327,908**	2,946,622	**699,420**	1,051,222
		193,090,993	281,083,753	**61,943,797**	98,671,836
Administrative expenses	12	**(255,013,611)**	(228,972,760)	**(84,500,969)**	(84,995,091)
Selling and distribution expenses		**(75,536,955)**	(64,712,009)	**(27,032,178)**	(23,878,663)
OPERATING LOSS		**(137,459,573)**	(12,601,016)	**(49,589,350)**	(10,201,918)
Financial charges		**(27,857,508)**	(2,918,397)	**(8,602,387)**	(1,167,713)
		(165,317,081)	(15,519,413)	**(58,191,737)**	(11,369,631)
Other (loss) / income	13	**(55,549,505)**	42,977,843	**(13,546,346)**	21,742,758
(Loss) / profit for the period before tax		**(220,866,586)**	27,458,430	**(71,738,083)**	10,373,127
Income tax					
- Current		**(20,213,576)**	(24,590,968)	**(6,365,855)**	(7,846,695)
- Deferred		**(41,548,405)**	13,829,496	**(81,462,526)**	(2,373,873)
		(61,761,981)	(10,761,472)	**(87,828,381)**	(10,220,568)
(Loss) / profit for the period after tax		**(282,628,567)**	16,696,958	**(159,566,464)**	152,559
(Loss) / earnings per share for the period - basic and diluted	14	**(3.61)**	0.21	**(2.04)**	-

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

	Nine Months ended		Quarter ended	
	September 30, 2019	**September 30, 2018**	**September 30, 2019**	**September 30, 2018**
	----------Rupees----------			
(Loss) / profit for the period after tax	**(282,628,567)**	16,696,958	**(159,566,464)**	152,559
Other comprehensive income / (loss) to be reclassified to statement of profit or loss in subsequent periods				
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	-	63,386,675	-	(19,775,733)
Reclassification adjustments relating to sale of investments	-	(118,919,506)	-	(41,936,368)
Related tax	-	1,760,597	-	2,663,871
	-	(53,772,234)	-	(59,048,230)
Total comprehensive (loss) / income for the period	**(282,628,567)**	(37,075,276)	**(159,566,464)**	(58,895,671)

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

	September 30, 2019	September 30, 2018
	------------------Rupees------------------	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	**(220,866,586)**	27,458,430
Adjustment for:		
Remuneration from funds under management - net	**(146,823,297)**	(145,283,285)
Commission from open end funds under management	**(796,719)**	(3,938,417)
Dividend income	**(23,223,064)**	(7,333,396)
Depreciation expense	**64,530,797**	25,497,172
Amortisation expense	**3,428,696**	2,183,303
Financial charges	**27,857,508**	2,355,661
Return on bank deposits under interest / mark-up arrangements	**(6,620,687)**	(1,349,570)
Net gain on sale of investments classified as 'at fair value through profit or loss'	**(13,299,318)**	(120,222,865)
Net gain on sale of investments classified as 'available-for-sale'	**-**	-
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	**118,214,139**	858,582
Gain on disposal of property and equipment	**(38,756,103)**	(654,894)
	(236,354,634)	(220,429,278)
Working capital changes		
Loans and advances - considered good	**1,041,920**	2,071,183
Trade deposits, short term prepayments and other receivables	**(9,280,559)**	13,810,826
Accrued and other liabilities	**28,037,005**	42,560,151
	19,798,366	58,442,160
	(216,556,268)	(161,987,118)
Taxes paid - net	**(67,037,449)**	(16,963,165)
Remuneration and commission received from funds under management	**150,818,437**	146,976,565
Net cash used in operating activities	**(132,775,280)**	(31,973,718)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Investments made) / proceeds from sale of investments - net	**(94,341,224)**	136,978,311
Payment of lease liability	**(340,742)**	-
Payments for purchase of property, equipment and intangible assets	**(54,822,827)**	(108,774,177)
Dividends received	**23,223,064**	7,333,396
Return on bank deposits under interest / mark-up arrangements	**6,620,685**	1,401,085
Sale proceeds from disposal of property and equipment	**611,008,299**	896,000
Net cash generated from investing activities	**491,347,255**	37,834,614
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	**-**	(452,279)
Financial charges paid	**(27,857,508)**	(2,355,661)
Buy Back of shares	**(331,156,116)**	
Net cash used in financing activities	**(359,013,624)**	(2,807,939)
Net (decrease) / increase in cash and cash equivalents	**(441,649)**	3,052,957
Cash and cash equivalents at beginning of the period	**23,353,558**	15,842,831
Cash and cash equivalents at end of the period	**22,911,909**	18,895,788

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

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

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2019

	Note	Issued, subscribed and paid-up capital	Reserves: Capital reserve: Capital repurchase reserve account	Reserves: Capital reserve: Surplus on revaluation of fixed assets - net of tax	Reserves: Capital reserve: Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Reserves: Revenue reserve: Unappropriated profit	Total
		Rupees					
Balance as at January 01, 2018 (restated)		801,718,180	198,281,820	183,058,851	461,102,049	523,353,666	2,167,514,566
Total comprehensive income for the nine months ended Sep 30, 2018							
Profit for the period		-	-	-	-	16,696,958	16,696,958
Other comprehensive income - net of tax		-	-	-	(53,772,234)	-	(53,772,234)
Total comprehensive income for the half year		-	-	-	(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	-
Balance as at Sep 30, 2018		**801,718,180**	**198,281,820**	**176,183,482**	**407,329,815**	**546,925,993**	**2,130,439,290**
Balance as at January 01, 2019		801,718,180	198,281,820	173,891,692	225,049,381	775,188,681	2,174,129,754
Adjustment due to reclassification as per IFRS 9	**4.1.2**	-	-	-	(225,049,381)	225,049,381	-
Total comprehensive loss for the nine months period ended September 30, 2019		-	-	-	-	(282,628,567)	(282,628,567)
Surplus on revaluation during the period	**5**	-	-	290,762,157	-	-	290,762,157
Transfer from surplus on account of disposal		-	-	(519,713,860)		519,713,860	-
Buy back of 18,397,562 shares having face value of Rs. 10/- each at a purchase price of Rs. 18/- each	**14.2**	(183,975,620)				(147,180,496)	(331,156,116)
Reversal of Incremental Depreciation during the period		-	-	(4,803,422)	-	4,803,422	-
Reversal of Related Deferred Tax (Asset)/ liability		-	-	59,863,433	-	(12,924,895)	46,938,538
Transfer to Unappropriated profit	**14.3**	-	(198,281,820)	-	-	198,281,820	-
Balance as at September 30, 2019		**617,742,560**	**-**	**-**	**-**	**1,280,303,206**	**1,898,045,766**

The annexed notes 1 to 17 form an integral part of these unconsolidated interim financial statements.

Chief Executive Officer	Director	Chief Financial Officer

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2019

1. STATUS AND NATURE OF BUSINESS

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the 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 has been changed from 7th Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi to The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited (which has 84.56 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. The Company has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

1.2 The Company is an asset management company and pension fund manager for the following funds at nine months period ended September 30, 2019:

1.2.1 Asset management company of the following funds:

Open-end mutual funds

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2
- JS Islamic Dedicated Equity Fund
- JS Islamic Hybrid Fund of Funds - 3

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

2. STATEMENT OF COMPLIANCE

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

- International 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 These consolidated interim financial statements do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Company as at December 31, 2018.

3. BASIS OF MEASUREMENT

3.1 These consolidated interim financial statements have been prepared under historical cost convention except for certain investments.

3.2 These consolidated interim financial statements have 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 these consolidated interim financial statements are the same as those applied in the preparation of the consolidated annual financial statements of the Company for the year ended December 31, 2018, except as follows:

4.1.1 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 9 - Financial Instruments

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)
Standard or Interpretation

IAS 28 - Long-term Interests in Associates and Joint Ventures - (Amendments)

IFRIC 23 - Uncertainty over Income Tax Treatments

The adoption of the above amendment to accounting standards did not have any effect on the consolidated interim financial statements, except as described in notes 4.1.2 and 4.1.3 below:

4.1.2 IFRS 9 "Financial Instruments"

IFRS 9 "Financial Instruments" has replaced IAS 39 "Financial Instruments: Recognition and Measurement" for annual periods beginning on or after July 01, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9, with the initial application date of January 01, 2019 as notified by the Securities and Exchange Commission of Pakistan (SECP).

Upon adoption of IFRS 9, the Company has not restated comparative information and impact from the adoption of IFRS 9 have been recognised directly in unappropriated profit as of January 01, 2019.

(a) Changes to Classification and measurement of financial assets

The IFRS 9 has replaced current categories of financial assets (Held For Trading (HFT), Available For Sale (AFS), held-to-maturity and amortised cost) by the following classifications of financial assets:

1) Debt instruments at amortised cost

2) Debt instruments at Fair Value Through Other Comprehensive Income (FVOCI), with gains or losses recycled to statement of profit or loss on derecognition

3) Equity instruments at FVOCI, with no recycling of gains or losses to statement of profit or loss on derecognition

4) Financial assets at Fair Value through Profit or Loss

The accounting for financial liabilities remains largely the same as it was under IAS 39.

Under IFRS 9, the classification is based on two criteria, a) the entity's business model for managing the assets; and b) whether the instruments' contractual cashflows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion'). The assessment of the Company's business model was made as at the date of initial application i.e. January 01, 2019, and then applied retrospectively to those financial assets that were not derecognised before January 01, 2019. As a result of the above assessment, the management has concluded as under:

i) *All the investments in units of mutual funds previously classified as 'Available for Sale' will be re-classified as 'at Fair Value through Profit or Loss' as such investments are managed on a fair value basis and are held for trading purposes in accordance with the objectives of the Company. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and interest.*

ii) *The investment in term finance certificate continue to be classified as 'at Fair Value through Profit or Loss' as such investment is managed on a fair value basis and is held for trading purposes.*

The table below shows information relating to financial assets that have been reclassified as a result of transition to IFRS 9:

	As at December 31, 2018	Impact of adoption of IFRS 9	As at January 01, 2019
	----------------------	(Rupees)	----------------------
Impact on statement of assets and liabilities			
Investments - 'available for sale'	**1,157,454,903**	**(1,157,454,903)**	**-**
Investments - 'at fair value through profit or loss'	**503,944,032**	**1,157,454,903**	**1,661,398,935**
Impact on statement of changes in equity			
Unrealised appreciation on 'available-for-sale' investments	**225,049,381**	**(225,049,381)**	**-**
Unappropriated profit	**775,188,681**	**225,049,381**	**1,000,238,062**

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive. The financial assets subject to ECL in the case of the Company are:

i) Balances due from funds under management

ii) Bank balances

iii) Loans and advances

iv) Other receivables

Considering the nature of the financial assets, the Company has applied the simplified approach allowed under IFRS 9 and has calculated ECL based on life time ECL. For this purpose, the management has conducted an exercise to assess the impairment of its financial assets using credit rating of the counterparties/instruments and the related probability of default factors.

Based on the above approach, the impact of ECL is not considered as material to the consolidated interim financial statements.

Summary of new accounting policies in respect of adoption of IFRS 9

Financial instruments

In the current period, the Company has adopted IFRS 9 "Financial Instruments". See above for an explanation of the impact. Comparative figures for the year ended December 31, 2018 have not been restated as allowed by IFRS 9. Therefore, financial instruments in the comparative period are still accounted for in accordance with IAS 39 "Financial Instruments Recognition and Measurement".

Initial recognition and measurement

Financial assets and liabilities, with the exception of bank balances, loans and advances to employees / counter parties and due to counterparties, are initially recognised on the trade date, i.e., the date that the bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'.

Classification

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;

ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or

iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

(a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or

(b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or

(c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

(a) Transferred substantially all of the risks and rewards of the asset; or

(b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability

4.1.3 IFRS 16 "Leases"

During the current year, the Company have adopted IFRS 16 as issued by the International Accounting Standards Board (IASB) in January 2016.

IFRS 16 supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases-Incentives" and SIC-27 "Evaluating the Substance of Transactions Involving the Legal Form of a Lease". The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged under IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Company is the lessor.

The Company has lease contracts for its head office and various branches. Before the adoption of IFRS 16, the Company classified each of its leases (as lessee) at the inception date as an operating lease. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in statement of profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Trade deposits, short term prepayments and other receivables, respectively.

Upon adoption of IFRS 16, the Company initially recognized a lease liability for the obligation to make lease payments and a right-of-use (RoU) asset for the right to use the underlying asset for the lease term against a consideration. The lease liability is measured at the present value of the consideration (lease payments) to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease, unless it is not readily determinable, in which case the lessee may use the incremental rate of borrowing. The RoU asset is initially measured at the present value of lease liability, adjusted for lease prepayments and borrowing costs.

As permitted by the transitional provisions of IFRS 16, the Company elected not to restate the comparative figures and not to adjust the opening unappropriated profit. Accordingly, adjustment to the carrying amount of assets and liabilities were recognised in the current period.

The effect of adoption of IFRS 16 as at January 01, 2019 is as follows:

	----- Rupees -----
Increase in RoU asset	**281,736,623**
Increase in lease liability against assets subject to finance lease	**(281,736,623)**
Increase in net assets	-

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application

Summary of new accounting policies in respect of adoption of IFRS 16

Set out below are the new accounting policies of the Company upon adoption of IFRS 16, which have been applied from the date of initial application:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of branches due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on production if a replacement is not readily available.

Set out below, are the carrying amounts of the Company's right-of-use assets, lease liabilities and interest liability and the movements during the period:

	September 30, 2019		
	RoU asset	**Lease liability**	**Interest Liability**
	----------	**Rupees**	----------
As at January 01, 2019	**281,736,623**	**281,736,623**	**98,659**
Depreciation expense	**(24,835,868)**	**-**	**-**
Interest expense	**-**	**-**	**24,709,108**
Payments	**-**	**(37,252,622)**	**(1,125,022)**
As at Sep 30, 2019	**256,900,755**	**244,484,001**	**23,682,745**

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

	Note	**(Un-Audited) September 30, 2019**	**(Audited) December 31, 2018**
		------------ **Rupees**	------------
5. PROPERTY AND EQUIPMENT			
Opening written down value		**364,873,701**	367,085,044
Revaluation during the period / year	5.1	**290,762,157**	-
Additions during the period / year	5.2	**169,106,738**	35,112,705
Disposals during the period / year	5.3	**(571,560,703)**	(2,637,186)
Depreciation for the period / year		**(39,736,054)**	(34,686,862)
		213,445,839	364,873,701
Capital work-in-progress - advance against purchase of assets		**1,641,333**	120,432,447
Right of use assets	4.1.3	**256,900,755**	-
		471,987,927	485,306,148

5.1 The Company follows the revaluation model for its office premises. The fair value measurement as at April 05, 2019 was performed by Pee Dee & Associates, independent valuer not related to the Company. Pee Dee & Associates is on all three panels of Pakistan Banks Association. It is also on the panel of State Bank of Pakistan as 'Category B' valuator 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. However, the office premises was sold during the period (see note 5.3.1) and the revaluation surplus included in statement of changes in equity was transferred to unappropriated profit.

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		------------ Rupees ------------	
5.2 The following additions were made to tangible - property and equipment during the period / year:			
Furniture and fixtures		**12,755,200**	3,071,709
Office equipment		**29,778,824**	16,130,321
Leasehold improvements	5.2.1	**122,455,354**	-
Vehicles		**4,117,360**	15,910,675
		169,106,738	35,112,705

5.2.1 This represents leasehold improvements incurred by the Company upon transfer to new office location. These are to be depreciated at the rate of 20% per annum on straight line basis. This includes Rs.96.417 million being transferred from capital work-in-progress during the period.

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
5.3 The following disposals of tangible - property and equipment were made during the period / year:			
Furniture and fixtures		**324,856**	26,396
Office equipment		**148,600**	-
Office premises	5.3.1	**568,584,635**	-
Vehicles		**2,502,612**	2,610,790
		571,560,703	2,637,186

5.3.1 The Company has sold its office premises on June 03, 2019 to JS Bank Limited (the Parent Company) for a cash consideration of Rs.606.832 million. The net gain of Rs.38.247 million was recognised as part of other income in statement of profit or loss.

6. INTANGIBLE ASSETS

	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
Opening written down value	**16,315,422**	8,464,922
Additions during the period / year	**3,610,249**	11,120,618
Amortisation for the period / year	**(3,428,696)**	(3,270,118)
	16,496,975	16,315,422

7. DEFERRED TAX - NET

	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
Taxable temporary differences on:		
Accelerated tax depreciation	**(84,451,172)**	(11,400,668)
Surplus on revaluation of fixed assets	**-**	(62,311,963)
Revaluation on investments classified as 'at fair value through profit or loss'	**(912,050)**	(88,858)
	(85,363,222)	(73,801,489)

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		------------ Rupees ------------	
Deductible temporary differences on:			
Unrealised appreciation on investments classified as 'available-for-sale' investments		-	12,924,895
Revaluation on investments classified as 'at fair value through profit or loss'		-	-
Liability against assets subject to finance lease - net		**70,900,360**	-
Provision for Workers' Welfare Fund		**19,852,996**	17,114,652
Provision for donation		-	186,437
Unused tax losses	7.1	-	43,575,505
		5,390,135	-

7.1 The Company has not recognized deferred tax asset of Rs.56.326 (December 31, 2018: Rs.28.575) million on account of carried forward tax losses in accordance with its accounting policy.

8. OTHER FINANCIAL ASSETS - INVESTMENTS

	Note	(Un-Audited) Sep 30, 2019	(Audited) December 31, 2018
		----------- Rupees -----------	
Investments by category			
Classified as 'available-for-sale'			
Units of mutual funds - related parties	8.1	-	1,157,454,903
Classified as 'at fair value through profit or loss'			
Units of mutual funds - related parties	8.2	**1,525,825,338**	378,944,032
Term Finance Certificate	8.3	**125,000,000**	125,000,000
		1,650,825,338	503,944,032
		1,650,825,338	1,661,398,935

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

Number of Units Sep 30, 2019	Number of Units December 31, 2018	Name of fund	(Un-Audited) Sep 30, 2019 Average cost	(Un-Audited) Sep 30, 2019 Fair value	(Audited) December 31, 2018 Fair value
			---------------------- Rupees ----------------------		
-	1,716,379	JS Value Fund	-	-	349,386,065
-	1,903,901	JS Growth Fund	-	-	302,072,879
-	205,210	JS Pension Savings Fund - Equity	-	-	85,297,643
-	137,349	JS Pension Savings Fund - Debt	-	-	34,079,032
-	177,463	JS Pension Savings Fund - Money Market	-	-	35,329,417
-	2,772,987	JS Fund of Funds	-	-	141,034,115
-	182,354	JS Islamic Pension Savings Fund - Equity	-	-	101,071,344
-	213,852	JS Islamic Pension Savings Fund - Debt	-	-	44,359,257
-	222,303	JS Islamic Pension Savings Fund - Money Market	-	-	39,990,151
-	150,000	JS Islamic Capital Preservation - Allocation Plan 4	-	-	15,054,000
-	100,000	JS Islamic Hybrid Fund of Funds - 2	-	-	9,781,000
			-	-	1,157,454,903
		Unrealised appreciation on remeasurement at fair value - net	-	-	-
			-	-	1,157,454,903

8.2 Units of mutual funds - 'at fair value through profit or loss' (related parties)

Number of Units Sep 30, 2019	Number of Units December 31, 2018		(Un-Audited) Sep 30, 2019 Average cost	(Un-Audited) Sep 30, 2019 Fair value	(Audited) December 31, 2018 Fair value
			---------- Rupees ----------		
590,473	2,358,284	JS Cash Fund	**60,157,914**	**60,706,555**	241,040,244
3,692,459	924,642	JS Income Fund	**359,572,076**	**364,482,656**	91,365,170
481,356	442,295	JS Islamic Income Fund	**50,353,136**	**49,290,882**	45,438,913
			470,083,127	**474,480,094**	377,844,327
		Re-classified as per IFRS 9 (see note 4.1.2)			
1,716,379	-	JS Value Fund	**349,386,065**	**284,764,404**	-
1,903,901	-	JS Growth Fund	**302,072,879**	**252,171,642**	-
205,210	-	JS Pension Savings Fund - Equity	**85,297,643**	**72,535,625**	-
137,349	-	JS Pension Savings Fund - Debt	**34,079,032**	**36,563,675**	-
177,463	-	JS Pension Savings Fund - Money Market	**35,329,417**	**38,209,648**	-
2,772,987	-	JS Fund of Funds	**141,034,115**	**147,800,203**	-
182,354	-	JS Islamic Pension Savings Fund - Equity	**101,071,344**	**86,096,461**	-
213,852	-	JS Islamic Pension Savings Fund - Debt	**44,359,257**	**47,684,651**	-
222,303	-	JS Islamic Pension Savings Fund - Money Market	**39,990,153**	**42,962,349**	-
157,204	-	JS Islamic Capital Preservation - Allocation Plan 4	**15,776,968**	**16,196,702**	-
104,231	-	JS Islamic Hybrid Fund of Funds-2	**10,194,827**	**10,515,858**	-
153,647	-	JS Islamic Capital Preservation - Allocation Plan 5	**15,364,650**	**15,844,027**	
			1,644,039,476	**1,525,825,338**	377,844,327
		Unrealised loss on remeasurement at fair value - net	**(118,214,138)**	**-**	-
			1,525,825,338	**1,525,825,338**	377,844,327

8.3 Term Finance Certificate

This represents investment in AA- rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Bank AL Habib Limited, having face value of Rs.5,000 per certificate and carries profit at the rate of 6 Months KIBOR + 1.50% (December 31, 2018: 6 Months KIBOR +1.50%) per annum.

	Note	(Un-Audited) September 30, 2019	(Audited) December 31, 2018
		------ Rupees ------	
9. CASH AND BANK BALANCES			
Cash in hand		**336,963**	86,788
Cash at bank in:			
Current accounts		**1,168,596**	568,596
Savings accounts	9.1	**21,406,350**	22,359,194
	9.2	**22,574,946**	22,927,790
		22,911,909	23,014,578

9.1 These carry mark-up at the rates ranging from 8.00% to 13.70% (December 31, 2018: 4.50% to 8.75%) per annum.

9.2 This includes Rs.19.747 (December 31, 2018: Rs.20.947) million held with JS Bank Limited (the Parent Company).

10. ACCRUED AND OTHER LIABILITIES

10.1 This includes Rs.92.245 (December 31, 2018: Rs.92.245) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 17.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.

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

10.3 This includes Rs.16.034 (December 31, 2018: Rs.Nil) million of interest liability recognised as a result of adoption of IFRS 16.

11. CONTINGENCIES AND COMMITMENTS

11.1 Contingencies

There are no material changes in the status of contingencies as disclosed in note 18.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2018.

11.2 Commitments in respect of:

Use of name and advisory payment - a related party	**11,250,000**	15,000,000

12. ADMINISTRATIVE EXPENSES

These mainly include salaries and benefits, depreciation, legal and professional, travelling, conveyance and vehicle maintenance, use of name and advisory fee, fees and subscription and IT service expenses aggregating to Rs.255.014 (Sep 30, 2018: Rs.228.973) million.

13. OTHER (LOSS) / INCOME

This mainly includes unrealised loss of Rs.118.228 (Sep 30, 2018: unrealised loss of Rs.1.606) million on revaluation of investments classified as 'at fair value through profit or loss' (see note 8.2) and gain on disposal of property and equipment amounting to Rs.38.459 (Sep 30, 2018: Rs.Nil) million (see note 5.3.1).

		(Un-Audited)			
		Nine months ended		Quarter ended	
		September 30, 2019	September 30, 2018	September 30, 2019	September 30, 2018
14. EARNINGS PER SHARE					
(Loss) / profit for the period		**(282,628,567)**	16,696,958	**(159,566,464)**	152,559
Weighted average number of ordinary shares outstanding during the period	**Number:**	**78,253,754**	80,171,818	**78,253,754**	80,171,818
(Loss) / earnings per share	**Rupees:**	**(3.61)**	0.21	**(2.04)**	0.00

14.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2019 and September 30, 2018 which would have any effect on the earnings per share if the option to convert is exercised.

14.2 During the period ended September 30, 2019, the Company, with the approval of the Company's shareholders in extraordinary general meeting held on July 24, 2019 and in compliance of Section 88 of The Companies Act, 2017 read in conjunction with the Listing Companies (Buy Back of Shares) Regulations, 2019, accorded to buy back upto to a maximum of its 27,973,840 issued, subscribed and paid-up ordinary shares through tender offer at a price of Rs.18 per share from August 02, 2019 to August 31, 2019 (both days inclusive). Consequently 18,397,562 issued, subscribed and paid-up ordinary shares were bought back. JS Bank holding increased to 84.56% from 65.17%.

14.3 Capital repurchase reserve account was created in year 2015 by virtue of section 95A of repealed Companies Ordinance ,1984 upon buy back of 19,828,182 issued, subscribed and paid-up ordinary shares, however there is no specific requirement under Companies Act 2017 to maintain subject reserve. As a result entire reserve amounting to Rs. 198.28 million has been classified to unappropriat profit.

15. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company holding 84.56% of shares of the company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company holding 75.02% of JS Bank Ltd), JS Abamco Commodities Limited (100% 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) ---------	
	Sep 30, 2019	**Sep 30, 2018**
	------------ Rupees ------------	
15.1 Transaction with related parties		
15.1.1 Funds under management		
Remuneration - net of taxes	**146,823,297**	145,283,285
Commission received	**796,719**	3,938,417
Amount paid	**28,839,838**	31,334,174
Amount received	**29,544,500**	24,646,093
Dividends received	**23,223,064**	3,882,418
Investments made	**1,464,783,673**	604,828,255
Investments disposed off / matured	**1,370,444,070**	744,756,896
15.1.2 Jahangir Siddiqui & Co. Limited (JSCL)		
Amount paid	**45,667**	37,833
Amount received	**45,667**	25,000
15.1.3 JS Bank Limited (JSBL)		
Proceeds received from disposal of office premises	**606,831,542**	-
Proceeds received from disposal of office equipment and furniture and fixtures	**467,458**	-
Rent received	**2,763,395**	5,207,900
Rent paid	**2,601,350**	5,607,756
Management fee sharing on distribution of mutual funds	**18,299,571**	516,532
Amount paid	**1,964,474**	1,278,399
Amount received	**1,139,938**	1,419,174
Return on bank deposits	**6,508,046**	1,302,992
15.1.4 Jahangir Siddiqui & Sons Limited (JSSL)		
Rent received	**2,704,176**	8,112,527
Amount paid	**618,175**	1,977,545
Amount received	**1,675,202**	2,173,740
15.1.5 JS Lands (Private) Limited		
Rent paid	**27,316,800**	24,281,600
Amount paid	**11,602,484**	2,315,922
15.1.6 EFU General Insurance		
Insurance premium paid	**3,570,603**	2,793,214

		--------- (Un-Audited) ---------	
		Sep 30, 2019	Sep 30, 2018
		------------ Rupees ------------	
15.1.7	**EFU Life Assurance**		
	Insurance premium paid	**2,026,033**	2,138,163
15.1.8	**ABAMCO Limited Staff Provident Fund (the Fund)**		
	Amount paid	**112,460**	1,478,650
	Amount received	**112,460**	1,425,726
	Provident fund contributions made	**7,580,897**	6,726,448
15.1.9	**JS Global Capital Limited (JSGCL)**		
	Amount paid	**163,213**	67,530
	Amount received	**45,667**	-
15.1.10	**Future Trust**		
	Donation paid	**745,747**	305,885
15.1.11	**Transactions made with key management personnel**		
	Remuneration	**74,953,617**	69,342,215
	Directors' fee	**675,000**	450,000
	Disbursements of personal loans and advances	**3,318,605**	1,458,750
	Repayments of loans and advances	**1,753,071**	2,515,979
	Use of name and advisory for the period	**11,250,000**	10,000,000

		(Un-Audited)	(Audited)
		Sep 30, 2019	December 31, 2018
		------------ Rupees ------------	
15.2	**Balances outstanding with related parties**		
15.2.1	**Funds under management**		
	Receivable from funds under management	**122,880,408**	126,783,451
	Payable to funds under management	**197,670**	365,436
15.2.2	**Jahangir Siddiqui & Co. Limited (JSCL)**		
	Other receivable	**23,372**	34,672
15.2.3	**JS Bank Limited (JSBL)**		
	Bank balances	**19,921,413**	20,947,481
	Other receivable	**1,520,767**	706,231
	Rent payable	**226,280**	478,766
	Rent receivable	**2,409,149**	3,894,359
	Other payables	**5,900,000**	3,086,247
	Profit on bank deposits	**55,441**	65,484

		(Un-Audited) Sep 30, 2019	(Audited) December 31, 2018
		------------ Rupees ------------	
15.2.4	**Jahangir Siddiqui & Sons Limited (JSSONS)**		
	Other receivable	**660,165**	1,717,192
	Rent receivable	**2,486,352**	2,270,018
15.2.5	**JS Lands (Private) Limited**		
	Other Payable	**626,010**	-
	Other Receivable	**242,000**	-
15.2.6	**Fakhr-e-Imdad Foundation (FIF)**		
	Other receivable	**1,017,169**	954,347
15.2.7	**JS Global Capital Limited (JSGCL)**		
	Other receivable	**475,125**	357,579
	Rent receivable	**181,957**	181,957
	Rent payable	**1,272,831**	1,272,831
15.2.8	**Future Trust**		
	Donation payable	**-**	745,747
15.2.9	**Outstanding receivable from key management personnel**	**2,177,134**	478,265

15.2.10 Key management personnel and directors hold 1,011 (December 31, 2018: 6,514) shares in the Company.

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

15.4 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

16. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

IFRS 13 - 'Fair Value Measurement' establishes a single source of guidance under IFRS for all fair value measurements and disclosures about fair value measurement where such measurements are required as permitted by other IFRSs. It defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price).

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

The following table shows the financial and non-financial assets 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).

The table below analyse financial and non-financial assets 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, 2019			
	Level 1	**Level 2**	**Level 3**	**Total**
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss'				
Units of mutual funds - related parties	**-**	**1,525,825,338**	**-**	**1,525,825,338**
Term finance certificate	**-**	**125,000,000**	**-**	**125,000,000**
	-	**1,650,825,338**	**-**	**1,650,825,338**

	December 31, 2018			
	Level 1	**Level 2**	**Level 3**	**Total**
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	-	1,157,454,903	-	1,157,454,903
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	378,944,032	-	378,944,032
Term finance certificate	-	125,000,000	-	125,000,000
Non-financial assets				
Office premises	-	287,258,750	-	287,258,750
	-	1,948,657,685	-	1,948,657,685

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

16.1.1 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.

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

16.2 During the period ended September 30, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

17 GENERAL

17.1 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.

17.2 These consolidated interim financial statements were authorised for issue on October 22, 2019 by the Board of Directors of the Company.

17.3 The figures in the consolidated interim financial statements have been rounded off to the nearest rupee.

17.4 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, other than reclassification of trade deposits, short term prepayments and other receivables due to adoption of IFRS 16, as disclosed in note 4.1.3.

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

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