JS Investments Limited
19th Floor, The Centre,
Plot No. 28, SB-5,
Abdullah Haroon Road,
Saddar Karachi, Pakistan.
www.jsil.com

UAN: (+92-21) 111-222-626

Ref: FIN-JSIL-AMC/2020/

FORM - 5

March 30, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: **Transmission of Annual Report for the Year ended December 31, 2019**

Dear Sir,

We have to inform you that the Annual Report of the Company for the year ended December 31, 2019 has been transmitted through PUCARS and is also available on Company's website.

You may inform the TRE Certificate Holders of the Exchange accordingly.

Yours Sincerely,

Muhammad Khawar Iqbal
Director Finance & Company Secretary

ANNUAL REPORT
2019

Annual Report 2019

JS investments

Managing Mutual Funds Better!

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VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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

COMPANY INFORMATION

Board of Directors

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

Chief Executive Officer
Mr. Hasnain Raza Nensey

Chief Financial Officer
Mr. Zafar Iqbal Ahmed

Director Finance/Company Secretay
Mr. Muhammad Khawar Iqbal

Statutory Auditors
EY Ford Rhodes

Legal Advisors
Bawaney and Partners

BOARD COMMITTEES

Audit Committee
Mr. Asif Reza Sana (Chairman)
Mr. Hasan Shahid
Ms. Aisha Fariel Salahuddin

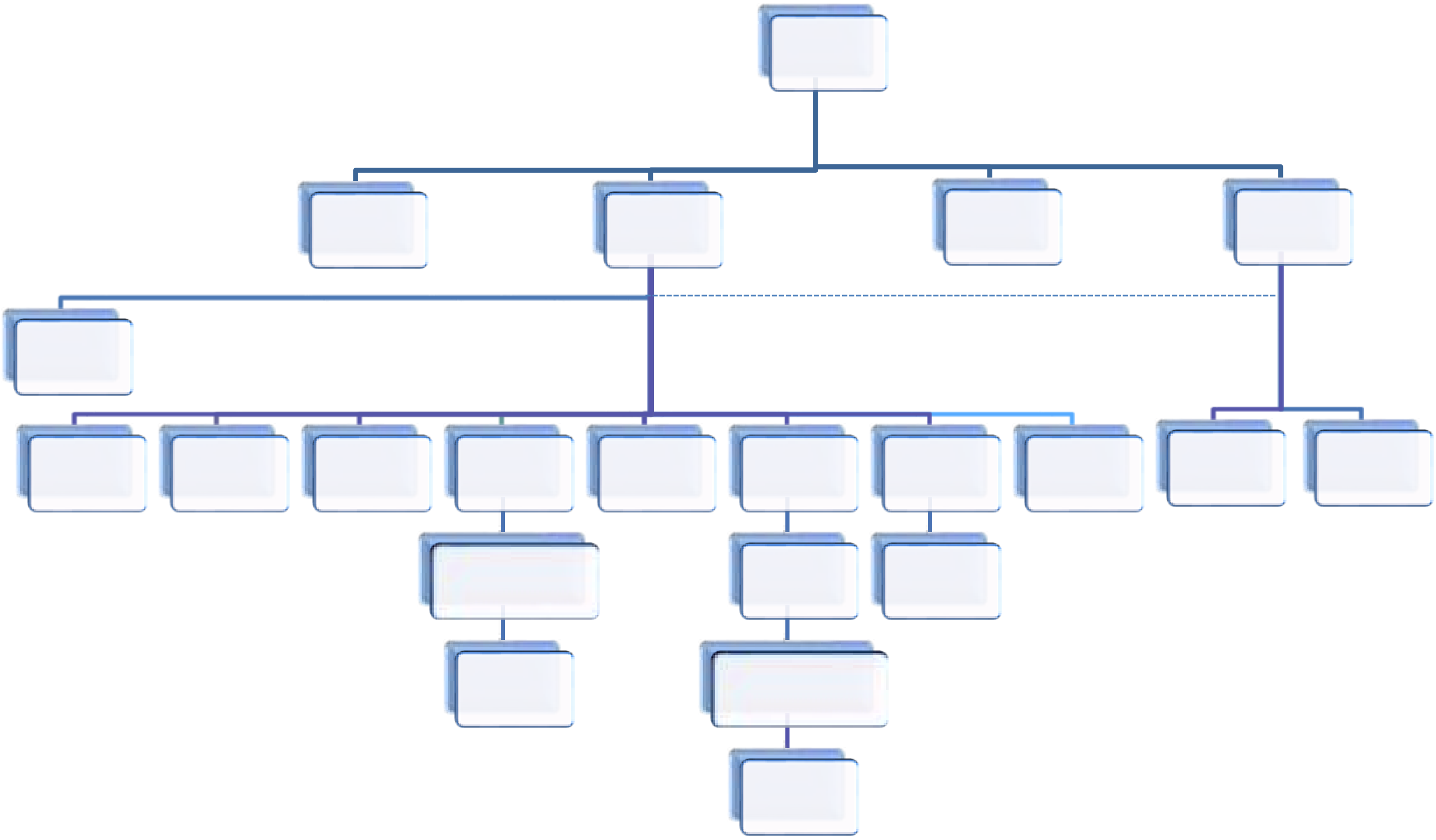
HR Committee
Mr. Kamran Jafar
Ms. Aisha Fariel Salahuddin
Mr. Hasnain Raza Nensey

Executive Committee
Mr. Babbar Wajid
Mr. Kamran Jafar
Ms. Aisha Fariel Salahuddin
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
19 th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540
E-mail:info@jsil.com
Website: www.jsil.com

ORGANIZATIONAL STRUCTURE & EXTERNAL ENVIRONMENT

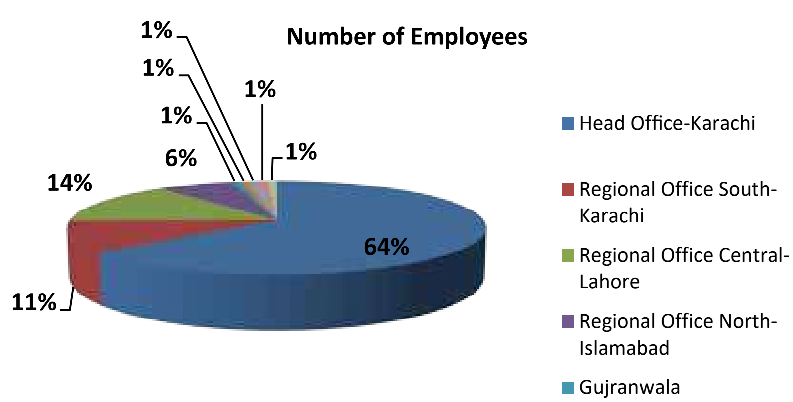


Legends

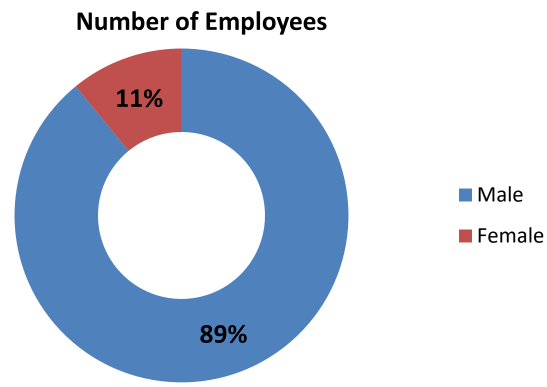
BOD: Board of Directors
ERMC: Executive Risk Management Committee
HR&RC: Human Resources & Remuneration Committee
HOHR&A: Head of HR & Admin
HOIT: Head of Information Technology
CHBD: Country Head Business Development
DF&CS: Director Finance & Company Secretary
Head of Internal Audit
PD: Product Development

CEO: Chief Executive Officer
AC: Audit Committee
IC: Investments Committee
HOO: Head of Operations
CIO: Chief Investment Officer
CSO: Chief Strategy Officer
HOC&RM: Head of Compliance & Risk Management
IAOS: Internal Audit Outsourced Company
CFO: Chief Financial Officer

S.#	Location	Number of Employees
1	Head Office-Karachi	76
2	Regional Office South-Karachi	13
3	Regional Office Central-Lahore	17
4	Regional Office North-Islamabad	8
5	Gujranwala	1
6	Faisalabad	1
7	Multan	1
8	Sialkot	1
9	Muzaffarabad Azad Kashmir	1
	Total	**119**



Gender	Number of Employees
Male	106
Female	13
Total	**119**



Significant factors effecting the external environment

JS Investments' primary business is to provide investment solutions to customers seeking savings and investment avenues. Therefore, any changes in external environment that can impact the savings habits of customers can impact the organization's business. Some of the key factors are listed below:

Political & Economic factors: Healthy political environment, macro-economic indicators and capital market returns encourage savings / investments, and therefore benefit the asset management business. On the contrary, economic uncertainty and high volatility in capital markets have a negative impact on the business.

Regulatory / Legal environment: A balanced regulatory / legal regime allowing for convenient customer experience, while also ensuring the avenues are not mis-used by nefarious elements, is the key to sustainable growth of the Asset management industry. Overly tight regulatory environment limits business growth potential, and also keeps potential customers from availing the regulated services.

Technological environment: Technology can be a significant factor in improving the customer experience in any financial services business. Recent technological developments have started impacting the financial services industry. However, true disruption of traditional financial services models is still to be seen.

Social factors: Social factors drive the overall tendency towards savings for a population. Pakistan has traditionally had a low savings rate due to a culture of dependence on social safety nets. However, with urbanization and modernization of the population, the availability of, and dependence on such safety-nets is reducing. Such changes in the social structure are likely to encourage individuals to take responsibility of their own financial security – leading to higher saving rates.

Seasonality: Seasonality impact if limited for Asset management industry. However, a spike in new investments is witnessed whenever sub-sections of the population receive exceptional liquidity e.g: at the time annual bonus disbursements for salaried individuals, and at crop harvest times in rural areas.

Sensitivity analysis due to Foreign Currency Fluctuation

JS Investments is in the business of providing savings & investment solutions. There is no direct dependence on any imported materials for providing these services. However, foreign currency fluctuations can impact the preference of investors towards or away from foreign currency savings, which in turn impacts the demand for saving / investment solutions denominated in Pakistani ruppee.

Competitive landscape and market positioning

The Asset Management Industry is highly competitive with majority of companies offering similar products to the same customer-base. There is a high sensitivity to product performance, specially for corporate customers. Due to the nature of asset management business, the competition does not translate into bargaining power for customers, but rather customers shifting frequently from one asset management company to another.

Being a tightly regulated sector, the barriers to entry for new asset management companies are fairly high. Also, considering the thin-margins in the business, it will be challenging for a new entrant to achieve the economies of scale where the business becomes sustainable.

The underlying asset-classes for investment products are unlikely to change significantly. However, the packaging and structuring of investment products can be significantly impacted by technology or otherwise.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty fifth 25th Annual General Meeting of the members of JS Investments Limited, (the "Company") will be held at 10:30 a.m. on Thursday, April 9, 2020 at Ramada Creek Hotel, DHA Phase VIII, Karachi to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the separate and consolidated audited financial statements of the Company for the year ended December 31, 2019, together with the Directors' and Auditors' reports thereon and Chairman's Review Report.

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

Special Businesses:

3. To ratify and approve balances and the transactions carried out by the Company and funds under its management in the ordinary course of business on arm's length basis with JS Bank Limited (Related Party) as at and during the financial year ended December 31, 2019 under the authority of the resolution passed by the members in the last annual general meeting held on April 10, 2019.

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

5. To consider, approve and adopt the changes as well as the addition of new Memorandum 3B in the Memo randum of Association and, if thought fit, for this purpose to pass the following resolution as a special resolution, with or without modification:

RESOLVED FURTHER THAT the Company's Memorandum of Association ("MoA") be altered after seeking prior approval of the Commission under Rule 5(6)(h) of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("NBFC Rules") to enable the Company to undertake the business of REIT Management Services under REIT Regulations, as under:-

a. The title should be changed as "THE COMPANIES ACT, 2017".

b. The law "Companies Ordinance, 1984" wherever appearing in the MoA should be replaced with "Companies Act, 2017" and where pertinent Section of Companies Ordinance, 1984 has been mentioned, the para materia Section of the Companies Act, 2017 should be mentioned.

c. After the existing Clause 3A, the following new Clause to be numbered as 3B should be incorporated:

3B To act as REIT Management Company ("RMC") under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 ("NBFC Rules") and carry on the business of REIT Management Services under the Real Estate

Investment Trust Regulations, 2015, as amended ("REIT Regulations"), to plan, lunch and operate REIT Schemes of various kinds permissible under the REIT Regulations, such as Rental REIT Schemes, Developmental REIT Schemes and Hybrid REIT Schemes with the approval of the Commission and for the said purposes to apply for and obtain license to undertake REIT Management Services and to fulfill all requisite compliances and formalities in connection therewith; to appoint trustee qualified under the REIT Regulations for each REIT Scheme and to execute trust deed and get the same registered with the concerned Sub-Registrar; to select Real Estates for Developmental REIT projects, to acquire or transfer any existing Real Estate for Rental REITs, to be vested in the respective trustees, as may be approved by the Commission; to appoint or arrange for appointment of development advisor, architects/civil engineers, contractors, insurance/Takaful coverage, valuers, material providers/suppliers, property managers, Shariah advisors (in case of Shariah Compliant REIT Schemes), auditors, rating agencies and all other service providers required under the REIT Regulations and wherever necessary, with the consent of the pertinent trustees and approval of the Commission, to prepare and publish Business Plan, Information Memorandum and Offering Document; to hold minimum number of units of REIT Scheme as specified in REIT Regulation; to get the REIT Scheme listed at Pakistan Stock Exchange Limited, to issue units of REIT Scheme to investors, and to fulfill all requirements, obligations and formalities that may required under REIT Regulations and other applicable laws for REIT Management Services and for launching and operating REIT Schemes.

d. The law "Investment Companies and Investment Advisers rules, 1971" wherever appearing in the MoA should be replaced with "NBFC Rules and NBFC Regulations".

e. The term "Corporate Law Authority" be replaced with the term "Commission".

f. The law "Companies' share capital (variation in rights and privileges) Rules 2000" be replaced with "Companies (Further Issue of Shares) Regulations, 2018

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

By order of the Board

Muhammad Khawar Iqbal
Company Secretary

Karachi: March 18, 2020

Notes:

1. The Company, in accordance with Section 223(7) of the Companies Act 2017, has placed the Audited Financial Statements for the year ended 31 December 2019 along with Auditors' and Directors' Reports thereon and Chairman's Review Report on its website: www.jsil.com

2. The share transfer books of the Company will remain closed from Thursday, April 02, 2020 to Thursday, April 9, 2020 (both days inclusive) for attending the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business on April 1, 2020 by the Independent Share Registrar of the Company, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi, will be treated as being in time for entitlement to attend the meeting.

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

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

A. For Attending the Meeting

a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the meeting.

b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.

b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.

c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.

d. The proxy shall produce his original CNIC or original passport at the time of the meeting.

e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

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

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

7. **Payment of cash dividend through electronic mode.** The provisions of Section 242 of the Companies Act, 2017 provides that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, the shareholders of the Company are requested to provide electronic dividend mandate on E-Dividend Form available on the Company's website (www.jsil.com) enabling the Company to credit their future cash dividends directly to their designated bank accounts.

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

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

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

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

Pursuant to the provisions of Finance Act, 2019 effective 01 July 2019, deduction of income tax from dividend payments shall be made on the following basis:

S.No.	Nature of Shareholders	Rate of deduction
1	Person appearing in the Active Tax Payers' List	15%
2	Person not appearing in the Active Tax Payers' List	30%

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

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

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

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

10. Unclaimed Dividend and Bonus Shares

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

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

11. Video Conference Facility

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

In order to avail video conference/link facility, interested members may send to company consent as mentioned in standard format placed on the website of the company within the time frame mentioned in the form.

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

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

Agenda Item No. 3 of the Notice – Ratification / Approval of Transactions carried out with related parties during the year ended December 31, 2019.
The Company and funds under its management carried out transactions as detailed in the below draft resolution with JS Bank Limited in the ordinary course of business on arm's length basis under the authority of the special resolution of the members as approved by them during the last annual general meeting held on April 10, 2019. All such transactions and balances appearing on balance sheet date are presented before the Board of Directors for their review and consideration on recommendation of the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

However, since majority of the Company's Directors (namely Mr. Kamran Jafar, Mr. Babbar Wajid, Syed Tauqir Haider Rizvi, Mr. Tahir Ali Sheikh and Mr. Hasan Shahid) were considered interested in the transactions carried out with JS Bank Limited as mentioned in the below draft resolution. Therefore, these transactions conducted by the Company and Funds under its management with JS Bank Limited during the calendar year ended December 31, 2019 are being placed before the shareholders for their consideration and approval. These transactions with related party are entered in ordinary course of business on arm's length basis.

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

"Resolved that following transactions carried out by the Company and Funds under its management in the ordinary course of business with JS Bank Limited during the financial year ended December 31, 2019 be and are hereby ratified, approved and confirmed.

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

Fund / Entity	Bank balance/ TDR balance in JSBL	Mark up income	Mark up receivable	Bank charges deducted	Rent income
JS Investments Ltd	20,947,481	1,986,105	65,484	42,035	6,914,147

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

11. Agenda Item No. 4 of the Notice – Authorisation to the Chief Executive for the approval of transactions carried out and to be carried out with JS Bank Limited (related party) till next Annual General Meeting.

The Company and funds under its management shall continue to carry out transactions with JS Bank Limited in the ordinary course of business on arm's length basis till next annual general meeting. The majority of the Directors are considered interested in these transactions. Therefore, these transactions with related parties have to be approved by the shareholders in terms of Section 208 of the Companies Act, 2017 and Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

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

"Resolved that the Chief Executive of the Company be and is hereby authorized to approve transactions to be carried out with related parties in the ordinary course of business on arm's length basis till next Annual General Meeting.

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

Interest of Directors:
Mr. Kamran Jafar, Mr. Babbar Wajid, Mr. Tahir Ali Sheikh, Mr. Hasan Shahid and Syed Tauqir Haider Rizvi are the employees of JSBL and holds shares of JSIL , as detailed below.

Interested Directors	JSIL's Shares
Mr. Hasan Shahid	1000
Mr. Kamran Jafar	1
Mr. Tahir Ali Sheikh	1
Mr. Babbar Wajid	1
Syed Tauqir Haider Rizvi	1

Agenda No. 5 of the Notice -To consider and approve the alterations in the Memorandum of Association of the Company

This Statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on April 09, 2020.

The Company intends to obtain the License for operating as a REIT Management Company ("RMC") and subsequently launch various REIT schemes under its ambit. A "REIT Management Company" (RMC) license will enable JS Investments to manage Real Estate Investment Trusts (REITs).

REITs are schemes that invest in properties and derive income from such investments for its unit holders. There are three types of REITS, that are, Rental REIT, Developmental REIT and Hybrid REIT. REITs hold physical property in its portfolio, and pays dividends to its investors from its rental income or capital gains.

The Board of Directors of the Company at its meeting held on February 21, 2020, has decided that the Company may obtain License to undertake the business of REIT Management Services under the Real Estate Investment Trust Regulations, 2015, in combination with its existing business, subject to the prior approval of Securities & Exchange Commission of Pakistan ("SECP"). For this purpose, the Board has also approved the necessary alterations in the Memorandum of Association of the Company, subject to the prior in principle approval of SECP and subsequent approval of the shareholders by a special resolution

All legal and corporate formalities will be fulfilled

AUDIT COMMITTEE AND ITS TERMS OF REFERENCES

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

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

Mr, Asif Reza Sana (Chairman)..............................5
Mr. Suleman Lalani (Member)*..............................1
Mr. Ahsen Ahmed (Member)..................................5
Mr. Hasan Shahid (Member)*.................................1

* Mr. Suleman Lalani resigned as Directors of JSIL, effective from April 30, 2019 and Mr, Hasan Shahid filled the casual vacancy.

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

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

The board of directors of every listed company shall determine the terms of reference of the audit committee. The board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be explicitly documented and shall also include the following:

a) Determination of appropriate measures to safeguard the listed company's assets;
b) Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:
(i) Major judgmental areas;
(ii) Significant adjustments resulting from the audit;
(iii) Going concern assumption;
(iv) Any changes in accounting policies and practices;
(v) Compliance with applicable accounting standards;
(vi) Compliance with listing regulations and other statutory and regulatory requirements; and
(vii) Significant related party transactions.
c) Review of preliminary announcements of results prior to publication;
d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
e) Review of management letter issued by external auditors and management's response thereto;
f) Ensuring coordination between the internal and external auditors of the listed company;
g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;
h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
j) Review of the listed company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
l) Determination of compliance with relevant statutory requirements;
m) Monitoring compliance with the these regulations and identification of significant violations thereof;
n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the listed company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise and shall record the reasons thereof.
p) Consideration of any other issue or matter as may be assigned by the board of directors.

CORPORATE GOVERNANCE

Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **JS Investments Limited** (the Company) for the year ended **31 December 2019** in accordance with the requirements of regulation 36 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Regulations as applicable to the Company for the year ended 31 December 2019.

EY Ford Rhodes
Chartered Accountants
Date: 05 March 2020
Place: Karachi

JS investments

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019
For the year ended December 31, 2019

This statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2019, where JS Investments Limited (the Company) is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 8 as per the following;
   Male: 7
   Female: 1

2. The composition of the Board is as follows:

Category		Names
Independent Directors	Female	Ms. Aisha Fariel Salahuddin
	Male	Mr. Asif Reza Sana
Executive Directors		Mr. Hasnain Raza Nensey – Chief Executive Officer
Non-Executive Directors		Mr. Kamran Jafar Mr. Hasan Shahid Mr. Tahir Ali Sheikh Syed Tauqir Hyder Rizvi Mr. Babbar Wajid

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

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

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

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

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

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

9. Following directors & executive have duly completed the Directors' Training Program .

Directors	Executive
Mr. Kamran Jafar	Hasnain Raza Nensey, Chief Executive Officer
Mr. Asif Reza Sana	Muhammad Khawar Iqbal, Director Finance & Company Secretary
Mr. Babbar Wajid	
Mr. Hasan Shahid	
Syed Tauqir Haider Rizvi	
Ms. Aisha Fariel Salahuddin	

10. There was no change of Company Secretary and Head of Internal Audit during the year. However the Board has approved the appointment of chief financial officer, together with his remuneration and terms and conditions of employment which is complied with relevant requirements of the Regulations

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

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

Committees	Members
Audit Committee	1. Mr. Asif Reza Sana 2. Mr. Hasan Shahid 3. Ms. Aisha Fariel Salahuddin
Human Resource Committee	1. Ms. Aisha Fariel Salahuddin 2. Mr. Kamran Jafar 3. Mr. Hasnain Raza Nensey
Executive Risk Management Committee	1. Mr. Kamran Jafar 2. Mr. Babbar Wajid 3. Mr. Tahir Ali Sheikh 4. Mr. Hasnain Raza Nensey

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

14. The frequency of meetings of the committee were as per following,-

a) Audit Committee (quarterly); five meeting of the committee were held during the year
b) HR and Remuneration Committee (on need basis); three meeting of the committee were held during the year
c) Executive Risk Management Committee (on need basis); three meeting of the committee were held during the year

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

16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and

19. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations under which hereby fulfill the necessary requirements; not warrant the appointment of a third independent director

February 21, 2020
Karachi

Hasnain Raza Nensey
Chief Executive Officer

ROLE OF BOARD

A well-composed board of JSIL recognizes its responsibilities for value creation through sustainable business performance, ethics, transparency and well-defined corporate governance processes. Board is aware of the trust entrusted upon it by the shareholders for safeguarding their interest.

The role of the Board of Directors have been defined in reference to applicable provisions of law such as Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, Articles of Association of the Company etc. The types of decisions taken by the Board includes the following:

- to issue shares
- to issue debentures or any instrument in the nature of redeemable capital
- to borrow moneys otherwise than on debenture
- to invest and divest funds of the company
- to determine the nature of loans and advances made by the Company and to fix monetary limit thereof
- to authorise a director or the firm of which he is a partner or any partner of such firm or a private company of which he is a member or director to enter into any contract with the company for making sale, purchase or supply of goods or rendering services with the company
- to approve financial statements
- to approve bonus to employees
- to incur capital expenditure on any single item or dispose of a fixed asset in accordance with the limits as may be specified
- to undertake obli gations under leasing contracts exceeding such amount as may be notified
- to declare interim dividend
- having regard to such amount as may be determined to be material (as construed in Generally Accepted Accounting Principles) by the board
- to write off bad debts, advances and receivables
- to write off inventories and other assets of the company
- to determine the terms of and the circumstances in which a law suit may be compromised and a claim or right in favour of a company may be released, extinguished or relinquished
- to take over a company or acquire a controlling or substantial stake in another company
- any other matter which may be specified

Matters Delegated to the Management

The primary responsibility of the Management is to conduct routine business operations in an effective and ethical manner adhering to the core values, Boards' approved strategies and annual targets. It is also the responsibility of the management to establish and maintain a system of internal controls, in conformity with the applicable accounting standards and the requirements of the applicable laws. It is also the role of the management is to establish a corporate culture that is imprinted in the day-to-day running of the company and maintain inspiration and motivation of employees towards achievement of company goals.

Annual Evaluation of the Board

We have outsourced the Board evaluation process to Pakistan Institute of Corporate Governance

Directors Orientation

Every new member of the Board upon induction apprised about business operations, strategy, goals organizational / group structure, subsidiaries, associates and other related parties, Company's visions etc, in addition, to the training programs offered to the Directors for enhancement of their skills. On every quarterly board meeting, management also acquaints the board about new laws introduced during the period as well as amendments in the existing laws and accounting standards.

Directors Training Program

Following directors & executive have duly completed the Directors' Training Program.

Directors	Executive
Mr. Kamran Jafar	Hasnain Raza Nensey, Chief Executive Officer
Mr. Asif Reza Sana	Muhammad Khawar Iqbal, Director Finance & Company Secretary
Mr. Babbar Wajid	
Mr. Hasan Shahid	
Syed Tauqir Haider Rizvi	
Ms. Aisha Fariel Salahuddin	

Directors Remuneration Policy

Preamble

This policy has been developed pursuant to the provisions of clause 17 of Chapter VI of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (hereinafter referred to as the **"Regulations"**). Section 17 of the Regulations bears the heading "Formal Policy" which is reproduced herein below:

> The board of directors shall have in place a formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the board and its committees.

In respect of Directors' Remuneration, The Articles of the Company states that;

> "The remuneration of directors for attending meetings of the Board shall from time to time be determined by the directors in their meeting, provided that neither the Chief Executive nor any directors in whole time remunerated service with the Company shall be entitled to any payment for attending meetings of the Board. A Director may also be paid all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Directors or any Committee of the Directors or General Meeting of the Company or in connection with the business of the company"

Guiding Factors

1. The Remuneration of Directors including the Chairman, Chief Executive Officer, Executive Directors, non-Executive and Independent Directors will be fixed by the Board.

2. The remuneration to be paid to any director for attending the meetings of the board or a committee of directors shall not exceed the scale approved by the company or the board, as the case may be, in accordance with the provisions of the articles or as may from time to time be permissible by Law.

3. Neither the Chief Executive nor any directors in whole time remunerated service with the Company shall be entitled to any payment for attending meetings of the Board and/or sub-committees.

1. A Director shall be entitled to be paid reasonable travelling expenses, hotel charges and other expenses incurred by him for attending Board, Sub-Committee and General Meetings.

2. If any Director is called upon to perform extra services within or outside Pakistan for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a Committee, the Company may remunerate the Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for his or their share in the remuneration above provided for the Directors.

Chairman of the Board

The Chairman of the Board of Directors may be entitled to such extra remuneration as the Board of Directors may determine.

Chief Executive Officer

The remuneration of Chief Executive Officer shall be governed by the terms and conditions of his contract of employment as approved by the Board keeping in view of his qualifications, expertise, effectiveness etc. The annual increases and performance bonuses, if any, will be determined by the Board from time to time in line with the contract of employment.

Executive Directors

The remuneration of Executive Directors shall be fixed by the Board keeping in view of their qualifications, expertise, effectiveness and the time given to the Company. The remuneration may include but not limited to salary, transport, medical, telephone, medical insurance for self and spouse, club and/or other memberships and other privileges and benefits incidental or relating to their office in accordance with Company's policies.

The annual increases will be determined by the Board, in consultation with Human Resource and Remuneration Committee with effect from January 1st every year. He may also be entitled to annual performance bonus as determined by the Board. The Board as it may deem fit consult the Human Resource & Remuneration Committee in fixing the increases.

Non-Executive Directors and Independent Directors

The remuneration of Non- Executive Directors for attending the meetings of Board and its Sub-Committees shall be fixed by the Board from time to time. Similarly, the remuneration of Non-Executive Directors for the extra services performed shall be fixed by the Board from time to time as and when they perform extra services

Application of governance practices exceeding legal requirement

The Board has ensured good corporate governance by maintaining high levels of professional and business conduct, implementing effective internal controls and audit functions including risk management framework. The Board recognizes that well-defined corporate governance processes are vital to enhance corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain shareholders value.

The strong business ethics of JSIL creates a level of trust in all of our business relationships, and we ensure all employees understand the importance of ethical behavior in conducting business on behalf of the Company, in order to maintain these standards.

JSIL's commitment towards moral and ethical values is demonstrated by voluntary adoption of best business practices in addition to the applicable regulatory requirements. Some of the governance practices exceeding legal requirements that have been adopted by the Company include:

- Best reporting practices recommended by ICAP / ICMAP
- Adoption of Pakistan Stock Exchange criteria for selecting top companies
- Disclosure of various financial analysis including ratios, reviews, risk matrix and graphs etc.
- Implementation of Directors training program ahead of prescribed timeframe

Objective set for implementing the policy

In accordance with the Companies Act 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, Articles of Association of the Company and other applicable provisions, JSIL's Board composed of skilled, competent and diverse group of highly qualified professionals from varied disciplines

The Board consists of 8 Directors, among which seven are nonexecutive Directors whereas only one executive Director, exceeding the legal requirement of 25% representation by non-executive Directors. The non-executive Directors include 2 independent Directors. In line with the Board policy of diversity and gender mix, JSIL maintains female representation on the Board of Directors with one member representing female directorship on the Board.

The independent Directors have submitted along with their consent to act as Director, a declaration to the Company that they qualify the criteria of independence notified under the Companies Act, 2017.

Policy on Related Party Transactions

DEFINITIONS

“Applicable Laws” means all applicable laws, statutes, ordinances, rules, and regulations, applicable to the Company in the context of Related Party Transactions, whether or not having the force of law, and including all official directives, consents, approvals, authorizations, guidelines, orders and policies of any Authority having or purporting to have authority over the Company and all general principles of common law and equity, including but not limited to Companies Act, 2017, COCG and NBFC Laws, and rules and regulations issued thereunder.

“Board” means the Board of the Company.

“COCG” means the Code of Corporate Governance for Listed Companies issued by the Commission as amended from time to time.

“Commission” means the Securities and Exchange Commission of Pakistan.

“Committee” means the Audit Committee of the Board.

“Company” means JS Investment Company Limited.

“NBFC Laws” means NBFC (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 as amended from time to time.

“Policy” means this Policy for the regulation of Related Party Transactions.

“Related Party” means a Related Party as defined under the Applicable Laws.

“Related Party Transaction” means a transaction between the Company and a Related Party with respect to a subject matter provided under Applicable Laws, provided that transactions executed between the funds, under the management of the Company, and/ or transactions executed between funds and the Company or any of its associated or group companies shall also be deemed to be a Related Party Transaction.

PREAMBLE

The Policy has been developed to ensure compliance with the Applicable Laws in relation to Related Party Transactions. In the event of any inconsistency between the provisions of this Policy and any Applicable Laws, existing or new laws or directives applicable to the Company, the latter shall take precedence over this Policy. Management of JSIL will ensure that all applicable laws / regulations / requirements are complied with in letter and spirit for undertaking Related Party Transactions.

PURPOSE

This Policy is intended to ensure the approval and reporting of Related Party Transactions between the Company and a Related Party in accordance with Applicable Laws.

EFFECTIVE DATE

This Policy shall be deemed to be effective from the date of its approval by the Board and shall continue to remain in force until amended or rescinded by the Board.

APPROVALS FOR RELATED PARTY TRANSACTIONS

1. The Company may enter into Related Party Transactions in its ordinary course of business on an arm’s length basis without the prior approval of the Board.
2. The details of all Related Party Transactions other than clause (1) above, shall be placed before the Committee for review and upon recommendations of the Committee, the same shall be placed before the Board for its approval.
3. If the Committee determines not to recommend a Related Party Transaction to the Board, the Committee, as it deems appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.
4. In case of a Related Party Transaction which is not on an arm’s length basis, necessary justification shall be placed before the Committee and the Board explaining why the transaction is proposed to be executed other than on an arm’s length basis.
5. If a Related Party Transaction requires approvals or clearance from the Committee/Board in terms of clause (2) above, the same shall be obtained before the execution of such transaction provided that the Board may, at its discretion, modify or waive any provisions/requirements of this Policy.
6. Where appropriate, the following factors amongst others should be evaluated and presented by the Management to the Committee/ Board, for approval of a Related Party Transaction:
   (a) the Company's interest, benefit and purpose of the transaction;

   (b) whether the anticipated transaction falls under the normal course of Company’s business;

(a) is there any Related Party's interest in the transaction,
(b) whether the terms and conditions are on an arm's length basis;
(c) conflicts of interest in the proposed transaction, if any;
(d) whether the transaction is proposed to be executed at a group level;
(e) whether parties other than a Related Party is also participating in the proposed transaction;
(f) whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with such proposed transaction.

1. If the Board or the Committee requires further clarification before approving or recommending a Related Party Transaction, as the case may be, it may direct the management to submit such information or take such actions as it deems necessary.

CONFLICT OF INTEREST

1. Any Board member who has any interest in a Related Party Transaction shall restrain from participating and voting on the approval of such transaction at the Committee/Board level.
2. If majority of Board members are interested in any Related Party Transaction, the matter shall be placed before the general meeting for approval through a special resolution.

RECORD RETENTION AND DISCLOSURES

1. The Company shall maintain a detailed record of all Related Party Transactions (including those covered under clause (1) above) entered into in each financial year, along with all relevant documents and information in the manner as may be prescribed under the Applicable Laws.
2. All Related Party Transactions shall be disclosed in the Director's Report / Annual Report as per the disclosure requirement(s) set forth in the Applicable Laws and accounting standards.
3. The particulars of all the Related Party Transaction entered into with the approval of the Board of Directors shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the provisions of the Companies Act, 2017.

RATIFICATION

1. Any Related Party Transaction entered into by a director or employee of the Company, without following the procedures laid out in this Policy, may be ratified by the Board or shareholders in a general meeting, as the case may be, within ninety (90) days from the date such transaction is executed or such other period as may be prescribed under Applicable Laws. If the transaction is not ratified, as above, it may be voidable at the discretion of the Board.

Avoiding Conflict of Interest Policy

The Code provides guidance on what constitutes a conflict of interest and how such a conflict will be managed. In order to avoid any actual or perceived conflict of interest, formal disclosure of vested interests is required by the Code.

All Directors are obligated to avoid actual, potential and perceived conflicts of interest. Agenda points for the Board's proceedings are finalized after obtaining relevant information regarding vested interests and quantification thereof, whereas all observations / suggestions of Board members during their proceedings are accordingly recorded.

The Directors' of the Company excuse themselves from the meetings when the matters under discussion involve a conflict or potential conflict of interest with the activities of any undertaking in which they may hold a real or beneficial interest

Investors' Grievance Policy.

All queries including grievances and information requests lodged by shareholders are handled on priority by the Company. All matters are resolved in line with the legal requirements and in a timely manner. Key elements of the Compliant mechanism include:

- JSIL ensures quality services with uncompromising focus on investors' concerns and transparency in execution
- Ensuring timely response to investor grievances and complaints
- Multiple mediums to lounge a complaint are available on the JSIL website such as toll free number, email, fax, etc.

Appropriate remedial action is taken immediately to ensure that Investor's grievances are resolved in a timely manner.

Policy for Protection of Data of the Company.

Record Management in JSIL ensures that the valuable record evidencing and organizational activities that have legal, financial, administrative value are protected and maintained. Hence, JSIL has put in place a comprehensive process, controls, retention and retrieval of recorded business and information generated daily that are of ongoing importance to overall service capability and regulatory compliance.

Further, the Company's Policy for safety of records falls in the ambit of a comprehensively formulated Business Continuity Plan (BCP), which ensures integrity and confidentiality of sensitive data through secure back-up and real time recovery of all data critical to continuity of smooth operations. JSIL sufficient Information Security Management System signifying that the Company has maintained necessary threats.

Disclosure of IT Governance Policy.

JSIL has a very competitive, experienced and qualified IT team aligned with management's strategy and vision with a state of the art IT Datacenter with completely digitized salesforce, online web portal and mobile platform, complete virtualized infrastructure and fully automated and robust DR/BCP and archiving followed by satisfactory observations by audits.

JSIL has a proper, approved IT governance plan which is properly divided and covered into following policy:

1. User acceptable policy
2. Information security policy
3. Change management policy
4. Infrastructure related policy
5. Network policy
6. Group user policy
7. Systems related policy
8. Applications related policy
9. and other related policies and procedures

These policies are regularly reviewed by IT Steering and Management Committees of the management. In addition to that the Internal Audit assess and review these policies based on TORS and procedure in line with organization vision and strategy

Disclosure of Whistle Blowing Policy.

The objective of the Whistle Blowing Policy is to address the concerns of Company's staff (Employees) and other stakeholder about irregularities, impropriety, financial malpractices, frauds & forgeries, personnel harassment and improper conduct or wrongdoing without any fear of reprisal or adverse consequences in order to strengthen the Company's reputation and its overall performance.

The Whistle Blowing Policy is applicable to all its employees working across the country and other stakeholders that includes but not limited to customers, venders, brokers etc.

Employees are encouraged to report concerns directly to immediate supervisors or where impractical to senior level management without fear of reprisal. The policy also encourages stakeholders to raise concern against any unsatisfactory inquiry or proceedings.

Disclosure of Human Resource Management Policy.

JSIL believes that its human capital is one of the most valuable assets of the Company and the key to success. The company acknowledges the importance of having a competent and motivated workforce to create value for its shareholders and therefore, framed its Human Resources policies focusing on the following long term objectives:

1. Develop the highest caliber people in the right number.
2. Ensure corporate culture fostering strong working relationships and competitiveness amongst the employees of JSIL.
3. Improving the organization's relationship with its employees and the communication channels, leading to improved and informed decision making and operations through effective communication of goals and strategies.
4. Provide a working environment conducive to professional development of employees and providing them with opportunities to build a long-term career in JSIL.
5. Improving our ability to retain, motivate, develop and reward employees.
6. To provide JSIL with uniform rules in order to ensure equitable and consistent application of the policies and eliminate the need for personal decisions.

Equal Opportunity Employer

JSIL is an equal opportunity employer. All employees are treated on their merits, without regard to race, age, color, sex, religion, sect, relationship status or any other factor not applicable to the position. Employees are valued according to how well they perform their duties, and on their ability to maintain Company standards of service. JSIL aims to create a working environment which is free from discrimination and where all members of staff are treated in a fair and reasonable manner that is, being just and working within commonly accepted rules exercising sound judgment, and taking a sensible approach.

Learning Culture

At its core, JSIL's strength lies in its valued people and a culture based on growth mindset. We have developed an environment which enables our people to learn, unlearn, relearn and grow. We believe potential can be nurtured with constant mentoring and is not pre-determined, and we should always be learning and curious - trying new things without fear of failure. JSIL ensures its achievement through firm commitment and flexible approach.

Our Commitment and Approach

At JSIL, we're focused on bringing out the best in people, supporting their goals, and allowing them to find deep meaning in their work. We strive to create a respectful, rewarding, diverse, and inclusive work environment that enables our employees to provide invaluable services that create difference in people lives.

Training and Development

Our growth mindset culture begins with valuing learning with applications over knowing, seeking out new ideas, embracing challenges, learning from failure, and improving over time. To support this culture, we offer a diverse range of learning and development opportunities. We believe training can be more than formal instructions, and our training philosophy focuses on providing the right learning, at the right time, in the right way. Opportunities include:

- New employee orientation covering a range of topics including company values, culture, and Standards of Business Conduct and processes.
- Personalized learning sessions through our E-learning portal.
- In-the-classroom learning with participative approach.
- One to One coaching opportunities with in-house dedicated trainer.
- Training through practical assignments and activities.
- Exclusive sessions on Meditation and Mind Body relaxation.
- Regular sessions on product understanding, clients' needs and regulatory requirements.
- Preparation for the exam of regulatory certification required by Institute of Financial Markets of Pakistan.

JSIL, an ACCA Approved Employer

JSIL is now recognized as an ACCA approved employer under the professional development and trainee development – Gold provisions.

Growth Opportunity

The Company encourages existing employees for taking up high level of responsibilities i.e. promotion from within and focuses on enhancing their skill-set through relevant learning initiatives and on-the-job training in addition to providing them with competitive remuneration. It also helps the company transform existing talent into a competent workforce and become successor to take up a critical role/position in the Company.

Human Resource Planning, Talent Acquisition & Induction

JSIL management team engages into a vigorous HR planning exercise each year to ascertain the new hiring / skill-set requirement in consonance to the goals set out for the following year.

The Company aims to employ right person for the right job by deploying evaluation tools such as psychometric test, interviewing stages based on the level of position etc. following the job specifications and job description. JSIL ensures that the new employee is being equipped with the required set of knowledge and tools both technical as well as others to enable him/her settling down within the diverse culture / environment of the Company.

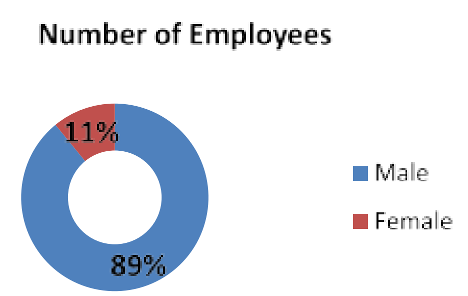
Workforce Diversity

JSIL acknowledges the importance of workforce diversity in the workplace because it helps building a multitalented competitive environment, leading to achieve the desired results. The following composition of our diverse workforce reflects human resources belong to different gender, religion, age group, locations:

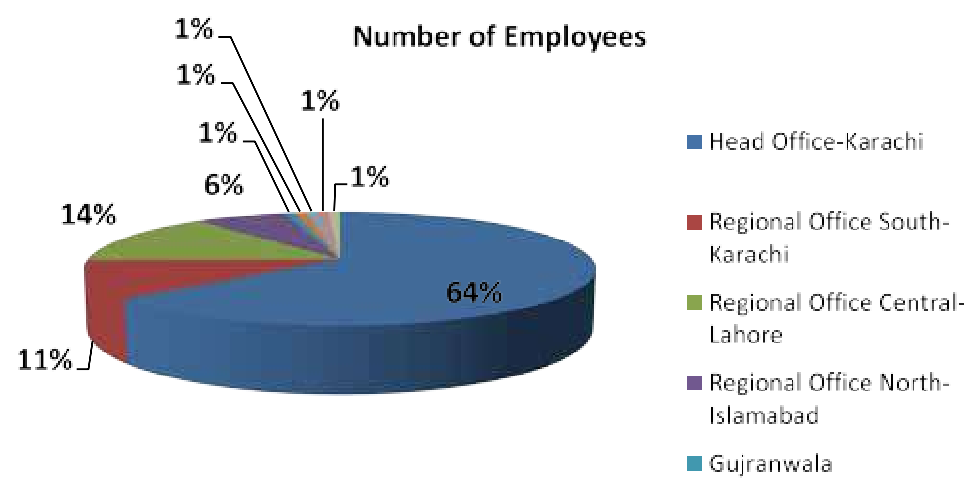
Total Number of Employees

119 2019

Employees Breakdown by Gender



Employees Breakdown by Location



Employees Breakdown by Gender, Minority Group and Age Group

	Minority Group		Age Group		
	Muslim	**Non Muslim**	**<30**	**30-50**	**>50**
Male	98%	2%	27%	70%	3%
Female	85%	15%	54%	46%	0%

Employee Engagement

At JSIL, we encourage greater employee engagement through various activities depending upon their function and level of involvement in achieving the Company's strategic objectives. Employees involved in business driving functions are encouraged to participate in the strategy formulation deliberation and its implementation and monthly meetings, whereas activities such as sports, annual picnic, independence day, new year celebrations etc. are organized to keep the employees motivated and engaged.

A Decent and Productive Workplace

JSIL is committed to provide a decent and productive workplace to its employees. The company relocated its Head Office to a newly renovated office, located at the center of the city. The new office is equipped with the latest furniture, lights, ambiance, provision of adequate work space, departmentalization, safety measures, accompanied with all necessary facilities such as Prayer Hall, Cafeteria, GYM etc.

Employee Benefits

JSIL ensures to provide competitive benefits to its employees and makes consistent efforts in bringing improvements in its benefits structure from time to time. At present, the employees of JSIL enjoy a number of benefits which includes but not limited to:

Medical Benefit

JSIL offers medical benefit to help employees in maintaining a high standard of physical fitness needed to perform their jobs and also to help reduce the employees' financial burden. JSIL employees and their dependents are provided with health insurance coverage to facilitate their hospitalization needs and efforts are made to extend best possible support whenever needed.

Life Insurance and Pay Continuation Plan

JSIL employees are covered under life insurance policy and in addition, they are also being covered under pay continuation plan which is a special benefit being offered whereby the beneficiary of the demised employee continues to receive the pay till next 5 to 10 years or retirement age whichever comes earlier.

Leaves

JSIL recognizes the importance of self-renewal through recreation and rest to reduce stress around personal needs, and accordingly offers annual leaves, besides casual and sick leaves so as to enable the staff to contribute to JSIL's work at their highest level of competency and creativity.

Loans Facility

JSIL acknowledges that there are situations in which the employee looks up for financial assistance and accordingly offers multiple loan facilities to extend necessary support to its employees.

Retirement benefit

JSIL recognizes the need of financial security after retirement and accordingly offers contributory provident fund scheme to its permanent employees.

Disclosure of Social and Environmental Responsibility Policy.

As a responsible corporate entity, JS Investments Limited (JSIL) strives to support Corporate Social Responsibility (CSR) initiatives that support economic growth, social progress and environmental protection in Pakistan. JSIL carries out major philanthropic activities in partnership with the Mahvash & Jahangir Siddiqui Foundation (MJSF) and Future Trust. In times of humanitarian disasters, we also run and execute fundraising programs in a joint fashion.

Roles of Chairman and Chief Executive Officer.

The Code of Corporate Governance ("**Code**") requires that the Chairman and the Chief Executive **("CEO"),** by whatever name called, shall not be the same person except where provided for under any other law. Further, the Chairman shall be elected from among the non-executive directors of the listed company. The Code also requires that the Board of Directors of a listed company shall clearly define the respective roles and responsibilities of the Chairman and CEO.

Accordingly, the following description set out clear division between the roles and responsibilities of the Chairman and CEO.

Role and Responsibility of Chairman of Board

The Chairman shall be responsible for leadership of the board and shall ensure that the board plays an effective role in fulfilling all its responsibilities. In particular, he shall:

1. Ensure effective functioning of the Board Room and committees of the Board in accordance with the highest standards of corporate governance;

2. Ensure effective communication with shareholders and other stakeholders of the Company to understand their views.

3. Ensure that such an agenda for the Company is set which primarily focus on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are regularly considered by the Board.

4. Ensure that the Board discussions promote constructive debate and effective decision-making.

5. Ensure that the Board determines the nature and extent of the significant risks to the Company and that the Board reviews regularly the effectiveness of risk management and internal control systems.

6. Ensure that adequate time is allowed for discussion of all agenda items and to ensure that complex or contentious issues are dealt with effectively, making sure in particular that non-executive directors have sufficient time to consider them.

7. Ensure that the Board members receive accurate, timely and clear information relating to agenda items and, in particular, about the company's performance.

8. Ensure that the Board delegate appropriate authority to the management.

9. Ensure that all Board committees as required under the Code are properly established, composed and effectively operated.

10. Ensure to build an effective Board, its composition and balance, diversity, including gender, and succession planning for the Board and the appointment of senior executives.

11. Liaise with the Human Resource & Remuneration Committee regarding remuneration of the executive directors and senior executives.

12. Ensure that the chairman of the Board Committees properly brief the Board regarding proceedings of their Committees.

13. Ensure proper disclosure in the annual report as required under the Code of Corporate Governance;

14. Ensure that the directors continually update their skills and the knowledge and familiarity with the company to fulfill their role both on Board and Board Committees including in terms of the code of corporate governance.

15. Communicate with the Chief Executive whenever need be.

16. Ensure that the performance and effectiveness of the Board, its committees and individual directors is formally evaluated on an annual basis.

17. Establish a harmonious and open relationship with all executive directors and Chief Executive in particular providing advice and support while respecting the executive responsibilities.

18. Ensure that conflict of interest issues are adequately addressed at Board level.

Role and Responsibility of the CEO

The Chief Executive shall be responsible for the leadership of business and subject to the control and direction of and the authorities delegated to him by the Board of Directors, be responsible for the management of affairs of the company. In particular, he shall:

1. Develop strategy for the Company for Board approval and ensure that approved corporate strategy is duly reflected in the business.

2. In conjunction with the Chief Financial Officer, develop an annual budget and the cash flow plan consistent with approved corporate strategies, for presentation to the Board for approval. This should include developing processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps are taken to manage the risk to the business.

3. Be responsible to the Board for the performance of the Business consistent with approved business plans, corporate strategies and policies and keep the Board as a whole update on progress made against such approved plans, corporate strategies and policies.

4. Plan human resourcing to ensure that the company has the capabilities and resources required to achieve its plans and ensure that robust management succession and management development plans are in place and presented to the Board from time to time.

5. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.

6. Ensure that financial results, business strategies and, where appropriate, targets and milestones are placed before the Board.

7. Develop and promote effective communication with shareholders and other stakeholders.

6. Ensure that business is conducted in accordance with the highest standards of corporate governance.

7. Ensure that the flow of information to the Board is accurate, timely and clear.

8. Ensure that business is conducted in accordance with the highest standards of corporate governance.

9. Ensure that the flow of information to the Board is accurate, timely and clear.

10. Establish a close relationship of trust with the Chairman, reporting key developments to him in timely manner and seeking advice and support as appropriate.

11. Ensure that the reporting lines within the Company are clearly established and are effective.

12. Ensure that proper procedures are in place to ensure compliance with all applicable laws, rules and regulations.

13. Ensure an effective framework of internal controls including risk management in relation to all business activities.

14. Ensure that the company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.

15. Ensure that conflict of interest issues are adequately addressed at management level.

Business Continuity Plan and Disaster Recovery Plan.

A disaster is defined as any event that renders a business facility inoperable or unusable so that it interferes with the organization's ability to deliver essential business services. The objective of the Business Continuity Plan is to coordinate recovery of critical business functions in managing and supporting the business recovery in the event of a facilities (office building) disruption or disaster.

This can include short or long-term disasters or other disruptions, such as fires, earthquakes, explosions, terrorism, tornadoes, extended power interruptions and other natural or man-made disasters including IT Infrastructure/Systems breakdowns.

The Company's comprehensive Business Continuity Plan (BCP) covers safety of investors records beyond the legal requirements to ensure sustained business operation in case of occurrence of any God forbid disaster or crisis. All material record is efficiently archived in digital form and uploaded on Company's secure onsite and off-site servers, ensuring safety of record, easy retrieval thereof as well as transactional data to provide uninterrupted services to investors to get their money back and to invest further to meet their financial needs.

The investors' data has been archived in a well preserved manner as follows: • Real-time back up of investors' data is maintained at on and off-site locations • Storage of data at secure location with state of the art protections against physical deterioration, fire, natural disasters etc. • Establishment of remote Disaster Recovery site to provide immediate backup of all primary data, in line with business continuity practices.

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

Engagement with Share-holders:

Share-holders are represented by the Board of directors. The management is fully engaged with the Board of Directors via quarterly meetings in a formal setting, and on a much more frequent basis in in-formal settings.

During the period the company ensures to keep up to date website related to latest developments. Company also conducted Analyst Briefing session and the queries and concerns are adequately handled through proper channels. During 2019 AGM, the shareholders were encouraged to raise queries and they were thoroughly briefed about the plans of the company and the structure thereof.

Engagement with Customers:

JS Investments sees our customers as key stake-holders in our business. We are committed to engaging customers on a continuous basis. Apart from dedicated customer servicing teams, a dedicated "investor relations" team is available to our investors via a help-desk / call-center. Further, digital modes such as the company website, internet portal, mobile app, and social-media presence provide avenues for customer engagement.

JS Investments' website has a dedicated "Investor's Relations" section. The section is designed according to SECP's subject guidelines for asset management companies.

MANAGEMENT REVIEW AND REPRESENTATIONS

CHAIRMAN'S REVIEW

I am pleased to present this report to the shareholders of JS Investments Limited on the overall performance of the Board and its effectiveness in achieving the Company's objectives.

We are committed towards fulfilling our mission of becoming one of the leading asset management companies in Pakistan. This commitment is reflected through the milestones we achieved in 2019. In acknowledgment of the confidence and trust shown by our esteemed shareholders, the Company has bought back its 18.39 million ordinary shares at PKR 18 per share, against a consideration of PKR 331 million. Additionally, the Company disbursed cash dividend of PKR 247 million at PKR 4 per share.

JS Investments' Assets under Management (AUM) grew from (approx) PKR 19 Bn to PKR 24 Bn in CY 2019. During a year of macro-economic headwinds and volatile market movements, the growth was driven by investor demand for low-risk investment solutions like "JS Cash Fund" and investment Plans offering preservation of capital. Going forward, the AMC shall target sustainable AUM growth by offering innovative niche products, as well as a complete suite of standard mutual funds covering the entire risk / return spectrum.

The AMC's profitability shall improve further by changes in the organizational structure. There has been a shift towards a leaner and more cost efficient model, driven by technology and automation. The optimization in organizational structure is aligned with the aspirations of the Board and the shareholders.

A new board was elected for a term of three years effective from December 26, 2019. I would like to acknowledge the contribution of all members of the previous Board who put in a lot of time and effort over the course of three years. A well-composed board brings a diverse range of expertise, perspectives and knowledge to provide quality strategic direction to the management. The board has performed its duties and responsibilities diligently and has contributed effectively in guiding the Company in its strategic affairs. The Board recognizes that well-defined corporate governance processes are vital to enhance corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain shareholders value.

The board has constituted highly effective Human Resource & Remuneration, Audit and Executive Risk Management Committees with clear charters and adequate representation of independent and non-executive directors. During the year, the Board and its various committees met frequently to provide strategic guidance to the management. The Board has engaged Pakistan Institute of Corporate Governance to evaluate the Boards' own performance.

The Board of JSIL has played a critical role in reviewing and approving risk management policies and procedures within JSIL, to help clearly define risk management framework and recognize the fiduciary responsibility of the organization. This framework has been successfully implemented by the Company's senior executives and risk managers in line with the Company's strategy. The Committee also deliberated extensively on the Anti Money Laundering / Counter Financing Terrorism Regulations, 2018 and approved a Policy which was adopted and implemented across JSIL.

At the end, I wish to place on record my appreciation for the support received by the Company from Securities & Exchange Commission of Pakistan, the dedicated staff of JS Investments, the unit holders who entrusted us with their savings and our shareholders for their continued support and confidence.

Kamran Jafar
Chairman

چیئرمین کا جائزہ

میں جے ایس انویسٹمنٹس لمیٹڈ کے شیئر ہولڈرز کو بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کی تاثیر پر رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

ہم پاکستان کی لیڈنگ ایسیٹ مینجمنٹ کمپنیز میں سے ایک بننے کے اپنے مشن کی تکمیل کیلئے پُرعزم ہیں۔ 2019 میں تکمیل پانے والے سنگِ میل کے ذریعے اس عزم کا مظاہرہ کر چکے ہیں۔ ہمارے معزز شیئرز ہولڈرز کی طرف سے دکھائے جانے والے اعتماد اور بھروسے کے اعتراف میں، کمپنی نے 331 ملین پاکستانی روپے پر غور وفکر کرنے کے برخلاف، اپنے 18.39 ملین پاکستانی روپے کے عمومی حصص کو 18 روپے فی حصہ واپس خرید لیا ہے۔ مزید براں، کمپنی نے 4 روپے فی حصہ پر 247 ملین پاکستانی روپے کا کیش ڈیویڈنڈ تقسیم کیا۔

کلینڈر سال 2019 میں جے ایس انویسٹمنٹ کے ایسیٹس انڈر منیجمنٹ (AUM) 19 بلین پاکستانی روپے سے بڑھ کر (تقریباً) 24 بلین روپے ہو گئے۔ میکرو اکنامک کی بادِ مخالف اور مارکیٹ کی معدوم نقل وحرکت پر مبنی سال کے دوران میں سرمایہ کار کی جانب سے کم رسک والی سرمایہ کاری کے حل جیسے "جے ایس کیش فنڈ" اور محفوظ سرمایہ کے پلان کے سبب یہ اضافہ ممکن ہوا۔ آگے چل کر AMC کا ہدف AUM کی مستحکم ترقی ہوگا جو جدت پر مبنی مخصوص پروڈکٹس کے ساتھ ساتھ معیاری میوچوئل فنڈز کی پیشکش کے ذریعے حاصل ہوگا جس میں مکمل رسک / آمدنی کو کور کیا جائے گا۔

ادارے کے ڈھانچے میں تبدیلی سے AMC کی منفعت میں مزید بہتری آئے گی۔ یہ تبدیلی ٹیکنالوجی اور آٹومیشن کے ذریعے ایک معاون اور زیادہ باکفایت ماڈل سے ہوگی۔ ادارے کے ڈھانچے کا انتخاب بورڈ اور شیئر ہولڈرز کی امنگوں سے ہم آہنگ ہوگا۔

ایک نئے بورڈ کا انتخاب کیا گیا ہے جو 26 دسمبر 2019 سے تین سال کی مدت کیلئے ہے۔ میں گزشتہ بورڈ کے تمام ممبرز کی خدمات کا اعتراف کرتا ہوں جنھوں نے تین سال کے دوران اپنا قیمتی وقت اور کاوشیں صرف کیں۔ ایک عمدہ تشکیل شدہ بورڈ مہارت، تصور اور علم کے لحاظ سے متنوع رینج کا باعث ہوتا ہے جو انتظامیہ کو معیاری حکمت عملی کے مشورے فراہم کرتا ہے۔ بورڈ نے اپنے فرائض اور اپنی ذمہ داریاں بخوبی نبھائی ہیں اور کمپنی کو اس کی حکمت عملی کے معاملات میں موثر رہنمائی فراہم کی ہے۔

بورڈ اعتراف کرتا ہے کہ ایک عمدہ کارپوریٹ گورننس کا طریقہء کار اجتماعی جوابدہی میں اضافہ کیلئے لازمی ہے اور شیئر ہولڈرز کی اقدار کو محفوظ اور قائم ودائم رکھنے کیلئے کارپوریٹ گورننس کے اعلیٰ معیار کا یقین دلانے کیلئے پرعزم ہے۔

بورڈ نے انتہائی موثر ہیومن ریسورس اینڈ ریمونریشن، آڈٹ اور ایگزیکٹیو منیجمنٹ کمیٹیاں تشکیل دی ہیں جو واضح چارٹر اور خودمختار اور نان ایگزیکٹیو ڈائریکٹرز کی درست نمائندگی کرتی ہیں۔ سال کے دوران انتظامیہ کی حکمت عملی کیلئے رہنمائی فراہم کرنے کیلئے بورڈ اور اس کی مختلف کمیٹیوں کی باقاعدہ میٹنگز ہوئی ہیں۔ بورڈ نے خود اپنی کارکردگی کی جانچ کیلئے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کو مقرر کیا ہے۔ JSIL کے بورڈ نے JSIL میں انتظامیہ کی پالیسیز اور طریقہء کار کے جائزے اور منظوری، رسک منیجمنٹ فریم ورک کی واضح تشریح اور ادارے کی ایماندارانہ ذمہ داری کو تسلیم کرنے میں نہایت اہم کردار ادا کیا ہے۔ کمپنی کے سینئر ایگزیکٹیوز اور رسک منیجرز نے اس فریم ورک پر کمپنی کی حکمت عملی کے مطابق کامیابی کے ساتھ عمل درآمد کیا ہے۔ کمیٹی نے اینٹی منی لانڈرنگ / کاؤنٹر فنانسنگ ٹیررزم ریگولیشن 2018 پر پوری توجہ سے غور کیا اور ایک پالیسی منظور کی ہے جو پورے JSIL میں اختیار اور نافذ کی گئی ہے۔

آخر میں، میں کمپنی کی طرف سے موصول ہونے والی معاونت پر سیکیوریٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، جے ایس انویسٹمنٹس کے پُرلگن اسٹاف، یونٹ ہولڈرز جو اپنی سیونگز سے ہم پر بھروسے کرتے ہیں اور ہمارے شیئر ہولڈرز کی ان کی مسلسل تعاون اور بھروسے پر اپنی تحسین ریکارڈ کرنے کا خواہشمند ہوں۔

کامران جعفر

چیئرمین

DIRECTORS' REPORT TO THE SHARE HOLDERS FOR THE YEAR ENDED DECEMBER 31, 2019

We are pleased to present the unconsolidated audited financial statements and auditors' report of JS Investments Limited (JSIL) for the year ended December 31, 2019.

PRINCIPAL BUSINESS

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

ECONOMY:

After a 12-year high GDP growth rate in 2018, the economy contracted significantly in 2019. This contraction was attributed to monetary tightening significantly, devaluation of the Pakistani Rupee (PKR), rising inflation figures and the ambitious tax drive initiated by the current government to increase the numbers of taxpayers.

2019 was also the year which saw Pakistan enter into its 22nd IMF program with a 3 Year Extended Fund Facility (EFF) Program. The IMF program brought with it stringent requirements and much needed changes to set the grounds for sustainable growth in the future.

These changes included a re-adjustment in the PKR through devaluation in a bid to make it more competitive, monetary tightening to reign in devaluation linked inflation, tighter controls on central bank financing of the fiscal deficit, accumulation of foreign exchange reserves and a comprehensive plan to tackle circular debt including rationalization of the electricity tariff to account for a costlier fuel mix.

These changes bore fruit as Pakistan successfully managed to curb its balance of payments (BoP) crises by reducing imports. In the calendar year till November, the Current Account Deficit (CAD) came in at United States Dollar (USD) 20 billion, significantly down by 32% as compared to the year before. The decline was primarily led by an 18% decline in imports from USD 52 billion to USD 43 billion. The services deficit similarly declined by 15% while net current transfers rose 3% due to an increase in remittances. More importantly, the CAD averaged USD 160 million per month during the last 3 months of the year as the full impact of austerity measures reflected in the performance of the BoP.

On the back of an improved BoP position, liquid foreign exchange reserves held by the banking regulator, State Bank of Pakistan (SBP) increased from USD 7,199 million to USD 11,489 million, an increase of 60% from the year before. Reserves held by the banking sector remained flat with a slight growth of 0.4%. Total liquid foreign exchange reserves rose by 31% during the year.

Moreover, the Consumer Price Index (CPI) inflation figures averaged 10.2% during CY19 compared to 5.1% during CY18. The rise in inflation was primarily due to the devaluation of the PKR which has led to an increase in food prices and an increase in electricity and gas tariffs. CPI inflation for December 2019 came in at 12.4%. Going forward, it is expected that inflation will recede as more adjustments in the currency, electricity and gas tariffs that were needed have already taken place.

The fiscal deficit for the first quarter of financial year 2020 (1QFY20) came in at 0.7%. This was the first quarter after the IMF program was implemented, and fiscal accounts have started to improve on the back of growth in domestic tax collection due to the unprecedented tax drive initiated by the Federal Board of Revenue (FBR). Going forward, improved economic growth should translate into higher imports and yield higher revenues for the FBR as well. In Pakistan, nearly 40% of all taxes are collected at the import stage. Improved fiscal management going forward has the potential to generate room for the government to ramp up the Public Sector Development Program (PSDP) and follow an expansionary fiscal policy over the medium term.

Interest rates rose during the year as SBP raised the discount rate from 10.75% to 13.75%. It is likely that as inflation recedes in 2020, it may lead to monetary easing.

EQUITY MARKET PERFORMANCE:

During CY19, equity market performance remained volatile. The benchmark index (KSE100) started the year at 37,167 points and declined to a low of 28,764 points on 16th August 2019. The decline was attributed to the monetary tightening carried out by SBP and a shift of investment flows from equity to other asset classes, particularly fixed income. Over the remainder of the year, the KSE100 recovered dramatically as market participants priced in the improved outlook on the economic front and its positive implications for corporate earnings growth going forward. The KSE100 ended 2019 at 40,735 points i.e. up by 9.6%. The KMI30 and KSE30 similarly increased by 7.9% and 8.6% respectively.

The improvement in the index was primarily led by a decline in secondary market fixed income yields and pricing of an economic recovery in 2020 due to the decline in the CAD, improved tax collection and reform measures undertaken by the government.

The recovery in the index was broad based. Commercial banks, fertilizers and oil & gas (O&G) exploration were the largest contributors to the index at 1,720 points, 1,088 points and 956 points respectively. Notably, cement continued to be a negative contributor to the overall index with the sector recording a negative 260 points due to the sharp deterioration in earnings power for the sector. The cement sector was closely followed by tobacco and refinery as negative contributors to overall return.

Foreigners were net buyers during the year with a net inflow of USD 56 million. In comparison, foreigners were net sellers of USD 472 million in CY18 and USD 620 million in CY19.

MONEY MARKET PERFORMANCE:

Investors' preference remained tilted towards the short end of the yield curve to benefit from higher yields in the shorter tenure treasury bills (T-Bills) as compared to the longer tenure Pakistan Investment Bonds (PIBs). This has led to an inverted yield curve. The yields of the longer tenure PIBs have already adjusted downwards due to an expected policy rate cut in CY20 and increased liquidity in the market on account of a large number of PIB maturities in 2019. The yields of 3 years, 5 years and 10 years bonds decreased from 12.1%, 12.7% and 13.2% to 11.6%, 10.9% and 11.0% respectively. T-Bill yields for the 3 months, 6 months and 12 months tenures increased from 10.3%, 10.53% and 11.07% to 13.4%, 13.35% and 13.10% respectively during CY19. The total borrowed amount in T-Bills was PKR 17,998 billion, against the total maturity of PKR 12,949 billion, while the total target was PKR 18,952 billion. In the PIB market, the government borrowed PKR 2,224 billion against the total target of PKR 800 billion.

During the year, the government also issued floating rate PIBs. The government successfully borrowed PKR 684 billion against the total target of PKR 1,000 billion in 10 years floating rate bond with an average spread of 73 basis points over six months weighted averaged T-Bill cut-off. The SBP also issued fresh bonds on September 19, 2019 with coupon rates of 9.0%, 9.5% and 10.0% for the 3 years, 5 years and 10 years bond respectively.

During the period under review, the saving rates of National Savings Scheme (NSS) decreased by 1.8%, 1.8%, and 1.1% to 10.7%, 12.5% and 10.9% for Defence Saving Certificates, Behbood Savings Certificates and Regular Income Certificates respectively.

During CY19, Government of Pakistan (GoP) Ijarah Sukuks worth PKR 196 billion have matured with no fresh issuance while the outstanding amount is PKR 71 billion. The Islamic money market witnessed lackluster activity in FY19. Furthermore, demand for GoP Ijarah sukuks remained subdued due to their fixed coupon structure in a rising interest rate scenario.

THE AMC INDUSTRY

At the end of CY19, Assets Under Management (AUM) of the mutual fund industry stood at PKR 673 billion (excluding Fund of Funds structures) showing a growth of 18% (PKR 104 billion) from a December 2018 level of PKR 569 billion. The AUMs of the AMC industry had been stagnant for the past 4 years, and the sharp growth witnessed in the last quarter of CY19 was a welcome relief for the overall industry. AUMs of conventional schemes recorded a growth of around PKR 61 billion reaching PKR 424 billion (excluding Fund of Funds structures) at the end of the year. AUMs of shariah compliant schemes recorded an increase of nearly PKR 43 billion reaching PKR 248 billion (excluding Fund of Funds structures).

JSIL has successfully launched the JS Islamic Capital Preservation Allocation Plans 5, 6, 7 & 8 in the shariah compliant capital preservation space. The cumulative AUMs raised during January to December 2019 under the JS Islamic Capital Preservation Allocation Plans was PKR 3.5 billion.

PRINCIPAL RISKS & UNCERTAINTIES

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

JSIL's profi¬tability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geo-political environment, commodities prices, and movements in exchange rates also impact the performance of the capital markets and hence the profi¬tability of JSIL.

The competitive nature of the industry and sluggish equity markets performance in CY19 has led to increased pressure on the key revenue drivers such as management fee and sales load. The competitive pressure has been witnessed in the income / money market funds space and this has in turn led to earnings volatility.

PERFORMANCE REVIEW

JSIL posted a net after tax loss of PKR 86.64 million (LPS of PKR 1.17) as of December 31, 2019 vs a profit of PKR 41.7 million (EPS of PKR 0.52) in 2018, loss is mainly due to higher administrative costs pertaining to the sale of premises expenses as well as depreciation, amortization & financing cost and due to adoption of IFRS 16. Pre-tax loss of PKR 58.99 million was recorded in 2019 vs a profit of PKR 57.01 Million in 2018. JSIL recorded a total revenue of PKR 320 million vs. PKR 389 million during the corresponding period last year. The Company earned management remuneration from funds under management (including including Separately Managed Accounts - SMAs) of PKR 201 million compared to PKR 199 million during the corresponding period last year. The assets under management (including SMAs & Fund of Funds) were PKR 25.03 billion compared to PKR 20.8 billion as at December 31, 2018 depicting an increase of 19%.

Summary of operating results for the year	Year ended December 31, 2019	Year ended December 31, 2018
	PKR(000)	
Shareholders' Equity	1,814,785	2,150,677
Management Fee (Including SMA)	201,407	199,534
Sales Load (Net)	9.058	4,319
Investment Income	109,879	185,528
Total Revenue	320,344	389,381
Operating expenses	(429,110)	(371,200)
Operating (loss)/profit	(108,766)	18,180
Other net operating income	49,771	38,830
Profit (loss) before tax	(58,995)	57,010
Taxation-net	(27,650)	(15,282)
(Loss) / Profit after tax	(86,645)	41,728
Earnings per share - basic and diluted	(1.17)	0.52

FUTURE OUTLOOK

JSIL has successfully closed CY19 with an AUM level of PKR 25.03 billion (including Separately Managed Accounts (SMAs) and Fund of Funds). Increase in JSIL's AUMs was driven by growth in JS Cash Fund's AUMs, and the successful launch of plans under the shariah-compliant Capital Preservation Allocation Plan series.

JS Investments Limited will continue with its two-pronged approach of increasing AUMs and the retail investor base. In the traditional mutual-fund space, tranche-based limited-life investment plans shall continue to be a key driver of AUM growth and investor-base. JSIL also plans to focus on niche market spaces and customer segments with unique needs, by offering specialized solutions to address these needs. The JS Motion Picture Fund - the 1st PE/VC fund by JS Investments, was launched in 2019. This will be followed by additional funds such as a Private Fund to service private investors.

Offering technology-driven value-added services and market-leading service quality shall help expand market-share and improve customer loyalty.

The equity market sentiments have improved, and the Company will continue with the general strategy of recommending a tilt towards equities for long term investors.

SIGNIFICANT EVENTS 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 bought back 18,397,562 issued, subscribed and paid-up ordinary shares of the Company at Rs. 18 per share. This reduced the outstanding share capital from 80,171,818 shares to 61,774,256 shares.

During the year AKD Investments Management Limited, AKD Opportunity Fund and Golden Arrow Selected Stock Fund Limited, have challenged the Company's shares buyback vide Petition No. 5016 of 2019 in the honorable High Court of Sindh. However, the honorable Judges of the Sindh High Court in their judgment announced on December 5, 2019 dismissed the petition considering it was not maintainable.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Directors are pleased to state as follows:

a. The financial statements, prepared by the management of JSIL present fairly the state of affairs, results of its operations, cash flows and changes in equity
b. Proper books of account have been maintained by JSIL
c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment
d. International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in preparation of the financial statements and any departures there from has been adequately disclosed and explained
e. The system of internal controls is sound in design and has been effectively implemented and monitored
f. There are no significant doubts upon JSIL's ability to continue as a going concern
g. There has been no material departure from the best practices of Corporate Governance as contained in Listed Companies (Code of Corporate Governance) Regulations, 2019
h. A summary of key financial data of last six years is given on page 59 of this Annual Report
i. Outstanding taxes, duties, levies and charges have been fully disclosed in annexed audited financial statements
j. JSIL keeps effective and efficient internal financial controls system which remain active through consistent innovation and monitoring. The internal audit and compliance functions of JSIL evaluate the financial controls and ensure that there is an effective control environment throughout the company. Based on the evaluation processes, the BoD considers that the existing internal financial control system is adequate and has been effectively implemented
k. The Code of Conduct has been disseminated throughout JSIL along with supporting policies and procedures
l. The value of investments of the Staff Provident Fund of JSIL as per the audited accounts as at June 30, 2019 were PKR 2.2 million

CORPORATE AFFAIRS

The following directors served on the board during the year

Mr. Kamran Jafar	Chairman, Non-executive Director
Mr. Hasnain Raza Nensey	Chief Executive Officer
Syed Tauqir Haider Rizvi	Non-executive Director
Mr. Babbar Wajid	Non-executive Director
Mr. Hasan Shahid	Non-executive Director
Mr. Tahir Ali Sheikh	Non-executive Director
Mr. Asif Reza Sana	Independent, Non-executive Directors
Ms. Aisha Fariel Salahuddin	Independent, Non-executive Directors
Mr. Basir Shamsie	Resigned
Mr. Suleman Lalani	Resigned
Mr. Ahsen Ahmed	Resigned

Details of Directors

At present the board of the Company comprised of 8 directors, composition of whom is given below;

Executive Director	01
Non-executive Director	05
Independent / Non-executive Directors [including one female director]	02

Casual Vacancy

During the year, two casual vacancies occurred on the Board of JSIL due to the resignations of Mr. Suleman Lalani and Mr. Basir Shamsie effective from April 30, 2019 and May 21, 2019 respectively. The Board of directors appointed Mr. Hasan Shahid and Mr. Tahir Ali Sheikh against these casual vacancies.

Election of Directors

The election of Directors of the Company was held in an Extraordinary General Meeting of the members held on December 24, 2019. Following person were elected unopposed as directors of the company for the next tenure.

Mr. Kamran Jafar	Non-executive Director
Mr. Babbar Wajid	Non-executive Director
Mr. Hasan Shahid	Non-executive Director
Mr. Tahir Ali Sheikh	Non-executive Director
Syed Tauqir Haider Rizvi	Non-executive Director
Mr. Asif Reza Sana	Non-executive / Independent Director
Ms. Aisha Fariel Salahuddin	Non-executive / Independent Director

Meetings of the Directors

During the year seven meetings of the Board of Directors were held, the attendance of each director for these meetings is as follo

Name	Meetings Eligibility	Meetings attended
Mr. Basir Shamsie*	Three	Three
Mr. Kamran Jafar	Seven	Seven
Mr. Hasnain Raza Nensey	Seven	Seven
Mr. Suleman Lalani*	Three	One
Mr. Asif Reza Sana	Seven	Four
Syed Tauqir Haider Rizvi	Seven	Five
Mr. Babbar Wajid	Seven	Seven
Mr. Ahsen Ahmed	Seven	Six
Mr. Hasan Shahid	Three	Three
Mr. Tahir Ali Sheikh	Two	Two

* Mr. Suleman Lalani and Mr. Basir Shamsie resigned as Directors of JSIL, during the year, effective from April 30, 2019 and May 21, 2019 respectively.

Meetings of the Board Audit Committee

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

Name	Meetings Eligibility	Meetings attended
Mr. Asif Reza Sana	Five	Five
Mr. Suleman Lalani	One	One
Mr. Ahsen Ahmed	Five	Five
Mr. Hasan Shahid	Two	One

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

During the year, three meetings of the Board Human Resources & Remuneration (HR&R) Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings Eligibility	Meetings attended
Mr. Basir Shamsie	Two	Two
Mr. Kamran Jafar	Three	Three
Mr. Ahsen Ahmed	Three	Three
Mr. Hasnain Raza Nensey	Three	Three

Meetings of the Board Executive Risk Management Committee

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

Name	Meetings Eligibility	Meetings attended
Mr. Kamran Jafar	Three	Three
Mr. Ahsen Ahmed	Three	Three
Mr. Babbar Wajid	Three	Three
Mr. Hasnain Raza Nensey	Three	Three

Directors' Training Program

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

Directors' Remuneration Policy

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

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the performance evaluation of the Board is conducted by the Pakistan Institute of Corporate Governance (PICG) annually. The Institute is charged with promoting good corporate governance practices in Pakistan and is involved in training and education, creating awareness, undertaking research, publishing guidelines and other resource material.

Disclosure of interest by Directors

No trades in JSIL shares have been carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, executives and their spouses and minor children during 2019.

PARENT COMPANY

JS Bank is the holding company of JS Investments Limited and holds 84.56% of the equity.

PATTERN OF SHAREHOLDING

A statement showing pattern of shareholding in JSIL and additional information as at December 31, 2019 is given on page _____ of the Annual Report.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed at Note 30 to the unconsolidated financial statements and note 30 to the consolidated financial statements for the year ended December 31, 2019.

DIVIDEND

The Board of Directors of the Company has approved the interim cash dividend of Rs. 4 per unit or 40% during the year 2019.

CORPORATE SOCIAL RESPONSIBILITY

JSIL strongly believes in giving back to society and regularly conducts events that benefit the larger community. JSIL also contributes to philanthropic activities in partnership with Future Trust. Future Trust is actively engaged in the areas of education, health care, improvement of socio-economic conditions and humanitarian relief. The business practices of JSIL have no adverse impact on the environment. We are continuously looking at options to become environmentally friendly with efforts such as reducing paper by switching to electronic forms and methods especially in the area of customer statements and marketing collateral.

ADDITIONAL MATTERS

a. No changes have occurred during the fi¬nancial year concerning the nature of the business of the company or of its subsidiary, or any other company in which the company has interest
b. JSIL is not involved in defaults in payment of any debt
c. Subsequent to the balance sheet date the Company has outsourced the Internal Audit Function to a profes sional firm, M/s BDO Ebrahim & Co., Chartered Accountants

ASSET MANAGER AND ENTITY RATING

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

AUDITORS

The retiring auditors M/s EY Ford Rhodes & Co. Chartered Accountants being eligible offer themselves for reappointment. The Board of Directors, on recommendations of the Audit Committee, has proposed reappointment of M/s EY Ford Rhodes & Co. Chartered Accountants for the ensuing year ending December 31, 2020.

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

Babbar Wajid
Director

Hasnain Raza Nensey
Chief Executive Officer

February 21, 2020
Karachi

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

ہم 31 دسمبر 2019 کوختم ہونے والے سال کے لیے جے ایس انویسمنٹ لمیٹڈ(JSIL) کے غیر مجتمع آڈٹ شدہ مالیاتی گوشوارے اورآڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

مرکزی کاروبار

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

معیشت

2018 میں 12 سالہ GDP کی شرحِ نمو میں اونچائی کے بعد، 2019 میں معیشت خاطرخواہ سکڑ گئی۔یہ سکیڑ نمایاں طور پر مانیٹری ٹائٹیٹنگ، پاکستانی روپے(PKR) کی قدر میں کمی، بڑھتے ہوئے افراطِ زر کے اعدادوشماراورٹیکس دہندگان کی تعداد میں اضافے کے لیے موجودہ حکومت کی طرف سے شروع کی جانے والی جرات مندانہ ٹیکس ڈرائیوکو قرار دیا گیا تھا۔

2019 بھی وہ سال تھا جس نے دیکھا کہ پاکستان اپنے 22 ویں آئی ایم ایف پروگرام میں 3 سالہ توسیعی فنڈ سہولت(EFF) پروگرام کے ساتھ داخل ہوا۔آئی ایم ایف پروگرام اپنے ساتھ سخت ضروریات اور مستقبل میں پائیدار ترقی کی بنیاد قائم کرنے کے لیے انتہائی ضروری تبدیلیاں لایا ہے۔

ان تبدیلیوں میں شامل ہے مزید مسابقتی بنانے کیلئے بولی کی قدر میں کمی کے ذریعہ پاکستانی روپے کی دوبارہ ایڈجسٹمنٹ، قدر میں کمی سے منسلک افراطِ زر پر قابو پانے کیلئے مانیٹری کوسخت کرنا، مالی خسارے کی مرکزی بینک فنانسنگ پر سخت کنٹرولز، زرمبادلہ کے ذخائر کا جمع ہوتا اور گردشی قرضوں سے نمٹنے کیلئے جامع پلان بشمول زیادہ قیمت کے فیول کیلئے مکس بجلی کے نرخوں کو معقول بنانا۔

پاکستان میں تبدیلیوں کے نتائج سامنے آنے لگے اور ملک نے درآمدات میں کمی کرکے اپنے توازنِ ادائیگی(BoP) کے بحران پر قابو پالیا۔اس کلینڈر سال میں نومبر کے مہینے تک کرنٹ اکاؤنٹ کا خسارہ(CAD) امریکی ڈالر(USD) کے لحاظ سے 20 بلین تک آ گیا جو گزشتہ سال کے مقابلے میں 32% کم ہے۔یہ کمی بنیادی طور پر درآمدات کو 52 بلین امریکی ڈالر سے کم کرکے 43 بلین امریکی ڈالر تک لانے سے آئی۔اسی طرح سروسز کا خسارہ بھی 15% کم ہوا جب کہ خالص کرنٹ ٹرانسفرز میں 3% اضافہ دیکھنے میں آیا جس کی بڑی وجہ ترسیل زر میں اضافہ تھی۔اہم بات یہ ہے کہ گزشتہ تین ماہ کے دوران میں CAD کی ماہانہ اوسط 160 ملین امریکی ڈالر رہی کیونکہ BoP کی کارکردگی پر اقدامات کے بھرپور اثرات نظر آرہے تھے۔

توازنِ ادائیگی کی بہتر پوزیشن کے پس منظر میں بینکنگ کے نظام کے نگران، اسٹیٹ بینک آف پاکستان(SBP) کے پاس لیکویڈ زرمبادلہ کے ذخائر 7,199 ملین امریکی ڈالر سے بڑھ کر 11,489 ملین امریکی ڈالر ہوگئے جو گزشتہ سال کے مقابلے میں 60% زیادہ ہے۔بینکنگ کے شعبہ کے پاس ذخائر 0.4% کے معمولی اضافے کے ساتھ تقریباً یکساں سطح پر رہے۔سال کے دوران میں لیکویڈ زرمبادلہ کے ذخائر میں مجموعی طور پر 31% اضافہ ریکارڈ کیا گیا۔

اس کے علاوہ مالی سال 2019 میں کنزیومر پرائس انڈیکس(CPI)، افراطِ زر اوسطاً 10.2% رہا جو 2018 کے دوران 5.1% تھا۔افراطِ زر میں یہ اضافہ بنیادی طور پر پاکستانی روپے کی قدر میں کمی کی وجہ سے ہوا جس سے کھانے پینے کی قیمتیں بڑھ گئیں اور بجلی اور گیس کے نرخوں میں بھی اضافہ کیا گیا۔دسمبر 2019 میں CPI افراطِ زر 12.4% کی سطح تک پہنچ گیا۔آئندہ کیلئے افراطِ زر میں کمی آنے کی توقع ہے کیونکہ کرنسی، بجلی اور گیس کے نرخوں میں مزید ایڈجسٹمنٹ کی گئی ہے جس کی اشد ضرورت محسوس کی جارہی تھی۔

مالی سال 2020 کی پہلی سہ ماہی(1QFY20) میں مالی خسارے میں 0.7% کی کمی آئی۔یہ آئی ایم ایف پروگرام کے نفاذ کے بعد پہلی سہ ماہی تھی اور مالی حسابات میں بہتری آنا شروع ہوئی تھی جو فیڈرل بورڈ آف ریونیو(FBR) کی غیر معمولی ٹیکس مہم کے نتیجے میں ملک میں ٹیکس کی وصولی میں اضافہ ہونے کے سبب سے آئی تھی۔آئندہ کیلئے بہتر معاشی ترقی کو زیادہ درآمدات اور FBR کی زیادہ آمدنی پر محمور سمجھنا چاہیئے۔پاکستان میں وصول ہونے والے کل ٹیکس کا تقریباً 40% درآمدات کے مرحلے پر حاصل ہوتا ہے۔تاہم بہتر مالیاتی انتظامات سے آئندہ پبلک سیکٹر ڈیویلپمنٹ پروگرام(PSDP) کے آگے بڑھنے اور درمیانی مدت کیلئے توسیعی مالیاتی پالیسی کی بناء پر حکومت کیلئے اضافی آمدنی کے امکانات موجود ہیں۔

اس سال شرحِ سود میں اضافہ ہوا جیسا اسٹیٹ بینک آف پاکستان (SBP) نے ڈسکاؤنٹ ریٹ 10.75% سے بڑھا کر 13.75% کر دیا۔ یہ ممکن ہے کہ جیسے 2020 میں افراطِ زر میں کمی ہو، جو مانیٹری آسانی کا باعث ہو۔

ایکیویٹی مارکیٹ کی کارکردگی

کلینڈر سال 2019 میں ایکویٹی مارکیٹ کی کارکردگی معدوم رہی۔ سال کے معیاری انڈیکس (KSE100) کا آغاز 37,167 پوائنٹس سے ہوا اور کم ہوکر 16 اگست 2019 کو 28,764 پوائنٹس پر ختم ہوا۔ اس کمی کا سبب SBP کی جانب سے سخت مانیٹری اقدام اور سرمایہ کاری کے بہاؤ کا ایکویٹی کی طرف سے دیگر اثاثہ جات، خاص طور پر فکسڈ انکم کے درجہ پر منتقل ہونا تھا۔ سال کی بقیہ مدت میں KSE100 میں ڈرامائی طور پر بحالی آئی اور مارکیٹ کے شرکاء نے معاشی محاذ پر بہتر منظر نامہ پر قیمت لگائی اور کارپوریٹ آمدنی میں اضافہ کیلئے اس کے مثبت مضمرات سامنے آئے۔ 2019 کے اختتام پر KSE100 9.6% اضافے کے ساتھ 40,735 پوائنٹس پر تھا۔ اسی طرح KMI30 اور KSE30 میں بھی بالترتیب 7.9% اور 8.6% کا اضافہ ہوا۔

انڈیکس میں بہتری بنیادی طور پر ثانوی مارکیٹ میں طے شدہ آمدنی کی پیداوار میں کمی اور CAD میں کمی کی وجہ سے 2020 میں معاشی بحالی کی قیمتوں میں کمی کی وجہ سے ہوئی، ٹیکس کی وصولی میں بہتری اور حکومت کی جانب سے کی جانے والی اصلاحاتی اقدامات کی وجہ سے تھا۔

انڈیکس میں ریکوری وسیع بنیادوں پر ہوئی تھی۔ کمرشل بینکس، فرٹیلائزرز اور آئل اینڈ گیس (O&G) ایکسپلوریشن بالترتیب 1,720 پوائنٹس، 1,088 پوائنٹس اور 956 پوائنٹس کے ساتھ انڈیکس میں اضافے کے سب سے بڑے حصہ دار تھے۔ مجموعی انڈیکس میں خاص طور پر سیمنٹ منفی حصہ دار رہا اور اس شعبہ نے منفی 260 پوائنٹس ریکارڈ کئے جس کی وجہ شعبہ کی آمدنی کی قوت میں نمایاں کمی آنا تھی۔ سیمنٹ کے شعبہ کے قریب ترین تمباکو اور ریفائنری رہے جو مجموعی آمدنی میں منفی حصہ دار تھے۔

سال کے دوران غیر ملکی خالص خریدار تھی جن کی خالص آمدنی 56 ملین امریکی ڈالر تھی۔ اس مقابلے میں، غیر ملکی کلینڈر سال 18 میں 472 ملین امریکی ڈالر اور کلینڈر سال 19 میں 620 ملین امریکی ڈالر کے خالص فروخت کنندہ تھے۔

منی مارکیٹ کی کارکردگی

سرمایہ کاروں کی ترجیح کا جھکاؤ چھوٹے سرے کے نتائج کے خم کی طرف رہا کہ طویل مدت کے پاکستان انویسٹمنٹ بونڈ (PIBs) کے مقابلے میں کم مدت کے ٹریژری بلز (ٹی بلز) سے زیادہ منافع حاصل ہو۔ اس سے نتائج میں ایک خم آیا۔ کلینڈر سال 20 میں متوقع پالیسی ریٹ اور 2019 میں PIB کی بڑی تعداد میں تکمیلِ مدت کے سبب مارکیٹ کی لیکویڈیٹی میں اضافے کی بناء پر طویل مدت کے PIBs کے نتائج پہلے کی نیچے کی سطح پر ایڈجسٹ کر لئے گئے ہیں۔ 3، 5 اور 10 سال کے بانڈز کی پیداوار 12.1%، 12.7% اور 13.2% سے بالترتیب کم ہو کر 11.6%، 10.9% اور 11.0% ہوگئی۔ کلینڈر سال 19 کے دوران 3، 6 اور 12 ماہ کی مدت کیلئے ٹی بلز کی پیداوار 10.3%، 10.53% اور 11.07% سے بالترتیب بڑھ کر 13.4%، 13.35% اور 13.10% ہوگئی۔ ٹی بلز میں قرضے کی کُل رقم 17,998 بلین پاکستانی روپے بالمقابل 12,949 بلین پاکستانی روپے کی کُل میچوریٹی کے تھی، جبکہ کُل ہدف 18,952 بلین روپے تھا۔ PIB مارکیٹ میں، حکومت نے 2,224 بلین روپے کے قرضے 800 بلین روپے کے کُل ہدف کے مقابلے میں لیے تھے۔

اس سال کے دوران، حکومت نے فلوٹنگ ریٹ PIBs کا اجراء کیا۔ حکومت نے کامیابی کے ساتھ 684 بلین پاکستانی روپے کے قرضے لیے جو 10 سالہ فلوٹنگ ریٹ بانڈ میں 1,000 بلین پاکستانی روپے کے کل ہدف کے مقابلے میں چھ ماہ کے دوران 73 بیسس پوائنٹس کے اوسط پھیلاؤ کے ساتھ اوسط ٹی بل کٹ آف کے ہم وزن رکھا گیا۔ اسٹیٹ بینک آف پاکستان (SBP) نے 19 ستمبر 2019 کو 3، 5 اور 10 سالہ بانڈ کے بالترتیب 9.0%، 9.5% اور 10.0% کے کوپن ریٹ کے ساتھ تازہ بانڈز بھی جاری کیے۔

زیرِ جائزہ مدت کے دوران، قومی بچت اسکیم (NSS) کے بچت کی شرحوں میں ڈیفنس سیوونگز سرٹیفکیٹ، بہبود سیوونگز سرٹیفکیٹ اور ریگولر انکم سرٹیفکیٹ میں 1.8%، 1.8% اور 1.1% سے 10.7%، 12.5% اور 10.9% بالترتیب کی کمی واقع ہوئی۔

کلینڈر سال 19 کے دوران، حکومتِ پاکستان کے 196 بلین پاکستانی روپے کی مالیت کے اجارہ سکوک میچور ہوگئے ہیں بغیر کسی نئے اجارہ سکوک کی اجراء کے ساتھ جبکہ بقایا رقم 71 بلین پاکستانی روپے رہی۔ معاشی سال 19 میں اسلامی منی مارکیٹ میں شاندار سرگرمی دیکھنے میں آئی۔ مزید یہ کہ، بڑھتے ہوئے شرحِ سود کی صورتحال کے تناظر میں ان کے فکسڈ کوپن کے خاکے کی وجہ سے حکومتِ پاکستان کے اجارہ سکوکس کا مطالبہ دب گیا۔

AMC انڈسٹری

کلینڈر سال 2019 کے اختتام پر میوچل فنڈ انڈسٹری کے زیرِ انتظام اثاثے جات (AUM) 673 بلین روپے رہی (علاوہ فنڈز آف فنڈ) 18% کا اضافہ ظاہر کیا (دسمبر

2018 کی سطح 569 بلین روپے سے 104 بلین روپے)۔AMC انڈسٹری کے AUM's پچھلے 4 سالوں کیلئے جمود کا شکار رہے، اور کلینڈر سال 19 کی آخری سہ ماہی میں تیزی سے نمو دیکھنے میں آئی جو مجموعی انڈسٹری کیلئے خوش آئند سکون کا باعث تھا۔ کنوینشنل اسکیم کے AUM's نے 61 بلین روپے کا اضافہ ظاہر کیا جو کہ اس سال کے اختتام پر 424 بلین روپے (علاوہ فنڈز آف فنڈ) تک پہنچ گیا۔ جبکہ شریعہ کمپلائنٹ اسکیم کے AUM's 43 بلین پاکستانی روپے کا اضافہ ریکارڈ کرنے کے بعد 248 بلین روپے (علاوہ فنڈز آف فنڈ) تک پہنچ گیا ہے۔

JSIL کی طرف سے جے ایس اسلامک کیپیٹل پریزرویشن ایلوکیشن پلانز 5، 6، 7 اور 8 شریعہ کمپلائنٹ کیپیٹل پریزرویشن کی جگہ کامیابی سے لانچ کے گئے۔ جنوری سے دسمبر 2019 کے دوران جے ایس اسلامک کیپیٹل پریزرویشن ایلوکیشن پلانز کے تحت مجموعی AUM کا اضافہ 3.5 بلین روپے تھا۔

مرکزی خطرات اور بے یقینی

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

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

کلینڈر سال 19 میں انڈسٹری کی مسابقتی نوعیت اور ایکیوٹی مارکیٹس کی خراب کارکردگی کے نتیجے میں آمدنی کے کلیدی محرکات، مثلاً مینجمنٹ فیس اور سیلز لوڈ پر دباؤ میں اضافہ ہوا۔ انڈسٹری میں متعدد انکم/منی مارکیٹ فنڈز نے مسابقتی دباؤ کو دیکھا اور اس کے نتیجے میں آمدنی میں اتار چڑھاؤ کی صورت سامنے آئی۔

کارکردگی کا جائزہ

JSIL نے 2018 میں 41.7 ملین روپے (0.52 روپے کا EPS) کے مقابلے میں 31 دسمبر 2019 کو 86.64 ملین روپے (1.17 پاکستانی روپے کا LPS) کا مجموعی نقصان ٹیکس خسارے کے بعد درج کروایا، نقصان کی بنیادی وجہ احاطے کے اخراجات کی فروخت سے متعلق اعلی انتظامی اخراجات کے ساتھ ساتھ IFRS 16 کو اپنانے کی وجہ سے قیمت کا گرنا، اثاث کی مالیت میں کمی آنا اور مالی اخراجات ہیں۔ 2018 کے 57.01 ملین روپے کے منافع کے مقابلے میں 2019 میں 58.99 ملین روپے کا ٹیکس سے پہلے نقصان درج کرایا۔JSIL نے پچھلے سال کے یکساں مدت کے دوران 389 ملین روپے کے مقابلے میں 320 ملین روپے کی کُل آمدنی ریکارڈ کروائی۔ JSIL نے پچھلے سال اسی مدت کے لیے 199 ملین روپے کے مقابلے میں 201 ملین روپے کے انتظامیہ کے زیرِ نگرانی فنڈز (بشمول SMAs) سے مینجمنٹ ریمیونیریشن کمائے۔ انتظامیہ کے زیرِ نگرانی اثاثہ جات (بشمول سیپریٹلی مینجڈ اکاؤنٹس۔ SMAs اور فنڈز آف فنڈز) 31 دسمبر 2018 کے 20.8 بلین روپے کے مقابلے میں 25.03 بلین روپے تھا، یعنی 19% کا اضافہ ظاہر کیا۔

سال کے لیے کاروباری نتائج کا خلاصہ	مختتمہ سال 31 دسمبر 2019	مختتمہ سال 31 دسمبر 2018
	روپے (000)	
شیئرز ہولڈرز کی ایکیویٹی	1,814,785	2,150,677
انتظامی فیس (بشمول ایس ایم اے)	201,407	199,534
سیلس لوڈ (کُل)	9.058	4,319
سرمایہ کاری کی آمدنی	109,879	185,528
کل آمدنی	320,344	389,381
آپریٹنگ اخراجات	(429,110)	(371,200)
آپریٹنگ (نقصان)/منافع	(108,766)	18,180
کل دیگر آپریٹنگ آمدنی	49,771	38,830
قبل از ٹیکس منافع (نقصان)	(58,995)	57,010
ٹیکسیشن نیٹ	(27,650)	(15,282)
بعداز ٹیکس منافع/(نقصان)	(86,645)	41,728
آمدنی فی شیئر۔ بنیادی اور تحلیل شدہ	(1.17)	0.52

مستقبل کے امکانات

JSIL نے کلینڈر سال 2019 کا اختتام 25.03 بلین پاکستانی روپے کی AUM سطح (بشمول سیپریٹلی مینجڈ اکاؤنٹس۔ SMAs اور فنڈز آف فنڈز) کے ساتھ کامیابی سے کیا۔ JSIL کے AUM's میں اضافہ جے ایس کیش فنڈ کے AUMs میں نمو اور شریعہ کمپلائنٹ کیپیٹل پریزرویشن ایلوکیشن پلان سیریز کے تحت پلانز کے کامیاب اجراء سے کارفرما ہوا۔

JS انویسٹمنٹس AUMs اور ریٹیلر انویسٹر بیس کو بڑھانے کے لیے اپنی دورخی حکمت عملی کو قائم رکھے گی۔ روایتی میوچل فنڈ کی جگہ میں، قسط وار محدود مدت پر مبنی سرمایہ کاری کے منصوبے AUM کی ترقی اور انویسٹر بیس کا ایک اہم محرک رہیں گے۔ JSIL ان ضروریات کو حل کرنے کیلئے خصوصی حل پیش کرتے ہوئے مناسب مارکیٹ کی جگھوں اور انفرادی ضروریات کے ساتھ کسٹمر طبقات پر بھی توجہ دینے کا ارادہ کیا ہے۔ 2019 میں جے ایس انویسٹمنٹس کے پہلے PE/VC فنڈ - جے ایس موشن پکچر فنڈ کا اجراء ہوا تھا۔ اس کے بعد نجی فنڈ جیسے اضافی فنڈ زنجی سرمایہ کاروں کی خدمت کیلئے آتے جائیں گے۔

ٹیکنالوجی سے کارفرما 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 مارکیٹ کے جذبات میں بہتری آئی، اور کمپنی طویل مدتی سرمایہ کاروں کیلئے ایکیویٹی کی طرف جھکاؤ کی تجویز کی عام حکمتِ عملی کے ساتھ جاری رکھے گی۔

رپورٹنگ مدت کے دوران آنے والے اہم واقعات

کمپنی، 24 جولائی 2019 کو منعقد ہونے والے غیر معمولی اجلاسِ عام میں کمپنی کے حصص یافتگان کی منظوری کے ساتھ اور کمپنیز ایکٹ 2017 کے سیکشن 88 کے تحت جسے لسٹڈ کمپنیز (Buy-Back of Shares) ریگولیشنز، 2019 کے ساتھ پڑھا جائے، کمپنی کے 18,397,562 جاری کردہ، سبسکرائبڈ اور ادا شدہ عمومی حصص -/Rs.18 فی شیئر کی قیمت پر واپس خریدے گئے۔ اس نے بقایا شیئر کیپیٹل 80,171,818 حصص سے 61,774,256 حصص تک کم کردیا۔

اس سال کے دوران AKD انویسٹمنٹس مینجمنٹ لمیٹڈ، AKD آپرچینیٹی فنڈ اور گولڈن ایرو سلیکٹڈ اسٹاک فنڈ لمیٹڈ نے کمپنی کے حصص کی واپس خرید کو پٹیشن نمبر 5016 of 2019 کے مطابق معزز ہائی کورٹ آف سندھ میں چیلنج کیا۔ تاہم، سندھ ہائی کورٹ کے معزز ججوں نے 5 دسمبر 2019 کو اپنے فیصلے میں درخواست کو برقرار رکھنے کے لائق نہ ہونے کی وجہ سے خارج کردیا۔

کارپوریٹ گورنینس اور فنانشل رپورٹنگ فریم ورک

مطابق ڈائریکٹرز بصدِ خوشی اطلاع دیتے ہیں کہ:

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

ب۔ JSIL کی طرف سے اکاؤنٹس کے درست کھاتے برقرار رکھے گئے۔

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

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

ٹ۔اندرونی اختیار کا نظام ساخت کے اعتبار سے محفاظ ہے اور اس کا موثر اطلاق اور نگرانی کی گئی ہے۔

ث۔JSIL کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابلِ ذکر خدشات نہیں ہیں۔

ج۔ کارپوریٹ گورنینس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے، جیسا کہ لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورنینس) ریگولیشن 2019 میں درج ہے۔

چ۔گزشتہ چھے سالوں کے اہم مالیاتی اعداد و شمار کا خلاصہ اس سالانہ رپورٹ کے صفحہ 59 پر دیا گیا ہے۔

ح۔واجب الاداٹیکسز، ڈیوٹیز، محصولات اور چارجز کا منسلک آڈٹ شدہ مالیاتی گوشواروں کے نوٹ میں پوری طرح اظہار کیا گیا ہے۔

خ۔JSIL مئوثر اور کارآمد انٹرنل فنانشل کنٹرولز سسٹم رکھتی ہے جو لگاتار تنوع اور نگرانی کے ذریعے فعال رہتا ہے۔JSIL کے انٹرنل آڈٹ اور کمپلائنس فنکشنز فنانشل کنٹرولز کی جانچ کرتے ہیں اور یقینی بناتے ہیں کہ پوری کمپنی میں مئوثر نگرانی کا ماحول موجود ہو۔جانچ پڑتال کے طریقہء کار کی بنیاد پر، بورڈ آف ڈائریکٹرز سمجھتا ہے کہ موجودہ انٹرنل فنانشل کنٹرولز سسٹمز مناسب ہیں اور مئوثر انداز میں نافذ کیے گئے ہیں۔

د۔ضابطہء عمل معاون پالیسیز اور طریقہء کار کے ہمراہ پورے JSIL میں تقسیم کر دیا گیا ہے۔

ڈ۔JSIL کے اسٹاف کے پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2019 کو 2.2 ملین روپے تھی۔

کارپوریٹ افئیرز

سال کے دوران مندرجہ ذیل ڈائریکٹرز نے بورڈ میں خدمات پیش کیں۔

جناب کامران جعفر	چیئرمین، نان ایگزیکیٹیو ڈائریکٹر
جناب حسنین رضا نینسی	چیف ایگزیکیٹیو آفیسر
جناب سید توقیر حیدر رضوی	نان ایگزیکیٹیو ڈائریکٹر
جناب بابر جاوید	نان ایگزیکیٹیو ڈائریکٹر
جناب حسن شاہد	نان ایگزیکیٹیو ڈائریکٹر
جناب طاہر علی شیخ	نان ایگزیکیٹیو ڈائریکٹر
جناب آصف رضا ثناء	انڈیپینڈ ینٹ، نان ایگزیکیٹیو ڈائریکٹر
محترمہ عائشہ فیرل صلاح الدین	انڈیپینڈ ینٹ، نان ایگزیکیٹیو ڈائریکٹر
جناب باصر شمشی	مستعفی
جناب سلیمان لالانی	مستعفی
جناب احسن احمد	مستعفی

ڈائریکٹرز کی تفصیلات

اس وقت کمپنی کا بورڈ 8 ڈائریکٹرز پر مشتمل ہے، جن کی تشکیل درجِ ذیل ہے:

ایگزیکیٹیو ڈائریکٹر	01
نان ایگزیکیٹیو ڈائریکٹر	05
انڈیپینڈینٹ/نان ایگزیکیٹیو ڈائریکٹر (بشمول ایک خاتون ڈائریکٹر)	02

اتفاقیہ اسامی

سال کے دوران JSIL کے بورڈ میں اتفاقیہ طور پر دو اسامیاں جناب سلیمان لالانی اور جناب باصر شمسی کے بالترتیب 30 اپریل 2019 اور 21 مئی 2019 پر مستعفی ہونے سے سامنے آئیں۔ بورڈ آف ڈائریکٹرز نے ان اتفاقیہ اسامیوں کی جگہ پر جناب حسن شاہد اور جناب طاہر علی شیخ کو مقرر کیا۔

ڈائریکٹرز کا الیکشن

کمپنی کے ڈائریکٹرز کا چناؤ 24 دسمبر 2019 کو منعقد ہونے والے غیر معمولی اجلاسِ عام میں ہوا۔ آئندہ مدت کیلئے کمپنی کے بلا مقابلہ ڈائریکٹرز کے طور پر مندرجہ ذیل فرد منتخب ہوئے۔

جناب کامران جعفر	نان ایگزیکیٹیو ڈائریکٹر
جناب بابر جاوید	نان ایگزیکیٹیو ڈائریکٹر
جناب حسن شاہد	نان ایگزیکیٹیو ڈائریکٹر
جناب طاہر علی شیخ	نان ایگزیکیٹیو ڈائریکٹر
جناب سید تو قیر حیدر رضوی	نان ایگزیکیٹیو ڈائریکٹر
جناب آصف رضا ثناء	نان ایگزیکیٹیو/انڈیپینڈینٹ ڈائریکٹر
محترمہ عائشہ فیرل صلاح الدین	نان ایگزیکیٹیو/انڈیپینڈینٹ ڈائریکٹر

ڈائریکٹرز کے اجلاس

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

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب باصر شمسی*	تین	تین
جناب کامران جعفر	سات	سات
جناب حسنین رضا نینسی	سات	سات
جناب سلیمان لالانی*	تین	ایک
جناب آصف رضا ثناء	سات	چار
جناب سید توقیر حیدر رضوی	سات	پانچ
جناب بابر واجد	سات	سات
جناب احسن احمد	سات	چھ
جناب حسن شاہد	تین بابر واجد	تین
جناب طاہر علی شیخ	دو	دو

*اس سال کے دوران جناب سلیمان لالانی اور جناب باصر شمسی بطور JSIL کے ڈائریکٹرز کے بالترتیب 30 اپریل 2019 اور 21 مئی 2019 پر مستعفی ہوگئے۔

بورڈ آڈٹ کمیٹی کے اجلاس

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

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب آصف رضا ثناء	پانچ	پانچ
جناب سلیمان لالانی	ایک	ایک
جناب احسن احمد	پانچ	پانچ
جناب حسن شاہد	ایک	دو

بورڈ آف ہیومن ریسورسز اینڈ ریمیونیریشن کمیٹی کے اجلاس

سال کے دوران HR&R کمیٹی کے تین اجلاس ہوئے۔جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب باصر شمسی	دو	دو
جناب کامران جعفر	تین	تین
جناب احسن احمد	تین	تین
جناب حسنین رضا نینسی	تین	تین

بورڈ ایگزیکیٹیو رسک مینجمنٹ کمیٹی کے اجلاس

سال کے دوران ایگزیکیٹیو رسک مینجمنٹ کمیٹی کے تین اجلاس منعقد کیے گئے،ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل ہیں:

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب کامران جعفر	تین	تین
جناب احسن احمد	تین	تین
جناب بابر واجد	تین	تین
جناب حسنین رضا نینسی	تین	تین

ڈائریکٹرز کے تربیتی پروگرام

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

ڈائریکٹرز ریمیونیریشن

بورڈ کی طرف سے ڈائریکٹرز کی ریمیونیریشن کی حدود متعین شدہ ہیں جس میں چیئرمین، چیف ایگزیکیٹو آفیسر، ایگزیکیٹیو ڈائریکٹرز، غیر ایگزیکیٹیو اور غیر جانبدار ڈائریکٹرز شامل ہیں۔ڈائریکٹرز اس بات کے حقدار ہیں کہ جوسفری، ہوٹل اور دیگر اخراجات اجلاس کی شرکت کے دوران اُن کو پیش آتے وہ ادا کیے جائیں۔بورڈ آف ڈائریکٹرز نے قانون کے تحت ڈائریکٹرز ریمیونیریشن پالیسی کی منظوری دی ہوئی ہے۔

بورڈ جانچ

بورڈ کی کارکردگی کی سالانہ جانچ پاکستان انسٹیٹیوٹ آف کارپوریٹ گورنینس (PICG) کے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورنینس) ریگولیشن 2019 کے بتائے ہوئے اصولوں پر ہوگی۔یہ ادارہ پاکستان میں کارپوریٹ گورنینس کے اچھے طریقوں کو فروغ دینے کا حامل ہے اور تربیت اور تعلیم، آگاہی پیدا کرنے، تحقیق کرنے، ہدایت نامہ اور دیگر ریسورس میٹریئل شائع کرنیمیں شامل ہے۔

ڈائریکٹرز کی عدم دلچسپی

سال 2019 کے دوران ڈائریکٹرز، چیف ایگزیکیٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، ایگزیکیٹیوز اور اُن کے شریکِ حیات اور کم عمر بچوں نے JSIL کے حصص کی کسی بھی قسم کی تجارت نہیں کی۔

JS investments

پیرنٹ کمپنی

JS بینک JS انویسٹمنٹس لمیٹڈ کی ہولڈنگ کمپنی ہے اور 84.56% ایکویٹی اس کی ملکیت ہے۔

پیٹرن آف شیئر ہولڈنگ

JSIL میں پیٹرن آف شیئر ہولڈنگ اور اضافی معلامات بمطابق 31 دسمبر 2019 کا ایک گوشوارہ سالانہ رپورٹ کے صفحہ پر دیا گیا ہے۔

منسلک پارٹی کی لین دین

منسلک پارٹی کی لین دین سے متعلق 31 دسمبر 2019 کو اختتام پانے والے سال کیلئے غیر مجتمع مالیاتی گوشوارے کے نوٹ 30 اور مجتمع مالیاتی گوشوارے کے نوٹ 30 میں ظاہر ہے۔

منافع منقسمہ (ڈیویڈنڈ)

کمپنی کے بورڈ آف ڈائریکٹرز نے مختتمہ سال 31 دسمبر 2019 کے لیے ان ٹیرم کیش ڈیویڈنڈ 4 روپے فی یونٹ یا 40% کی منظوری دی ہے۔

کارپوریٹ سماجی ذمہ داری

JISL معاشرے کی فلاح میں شرکت پر پختہ یقین رکھتی ہے اور معاشرے کے بڑے حصہ کے فائدے کیلئے تقریبات کا انعقاد کرتی رہتی ہے۔ JISL فیوچر ٹرسٹ کے ساتھ شراکت میں مخیرّ سرگرمیوں میں بھی حصہ لیتا ہے۔ فیوچر ٹرسٹ تعلیم، صحت اور سماجی ومعاشی حالات کی بہتری اور انسانی خدمت کی سرگرمیوں میں سرگرم عمل ہیں۔ JISL کے کاروباری عمل میں ماحولیات پر کوئی برا اثر نہیں پڑتا۔ ہم زیادہ سے زیادہ ماحول دوست سرگرمیوں میں حصہ لیتے ہیں اور اس سلسلے میں کاغذ کے استعمال کو کم سے کم اور اس کی جگہ الیکٹرونک طریقہ اور ذریعہ کا استعمال زیادہ کرتے ہیں، جو خاص طور پر صارفین سے رابطوں اور مارکیٹ کے طریقہء کار کی مناسبت سے کیا جاتا ہے۔

اضافی معاملات

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

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

ج۔ بیلنس شیٹ کی تاریخ کے بعد کمپنی نے پروفیشنل فرم، میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو انٹرنل آڈٹ فنکشن کیلئے بیرونی ذرائع سے خدمات حاصل کی ہیں۔

ایسیٹ منیجر او ر 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 مینجمیٹ کے اعلی معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز فورڈ ھووڈز اینڈ کو، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی سفارش پر، میسرز فورڈ ھووڈز اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی تجویز پیش کی۔

اظہارِ تشکر

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

حسنین رضا نینسی

چیف ایگزیکیٹو آفیسر

ڈائریکٹر

کراچی: 21 فروری 2020

CORPORATE SOCIAL RESPONSIBILITY

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

JSIL in coordination with **Indus Hospital** conducted a Blood Donation Drive & and Awareness session for its employees.

The Indus Hospital (TIH), is a product of dedication and passion of doctors and entrepreneurs alike, stands as a metaphor for how life should come without a price tag. The 2.0 million lives saved through our valued beneficiaries, selflessly sharing their affluence. The Indus Hospital has now launched the first **CENTRALIZED BLOOD CENTER** of Pakistan.

In Pakistan arranging blood "in-time" is the responsibility of the patient's family "alone". The Indus Hospital Blood Centre is now shouldering the responsibility of maintaining blood inventories in hospitals – assuring availability "in-time".

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

MAHVASH & JAHANGIR SIDDIQUI FOUNDATION

In 2003, entrepreneur and former Karachi Stock Exchange President, Jahangir Siddiqui with his wife Mahvash, retired university professor, founded the Mahvash & Jahangir Siddiqui Foundation (MJSF).

The foundation aims to create sustainable livelihood opportunities and provide support to empower disadvantaged members of society. In addition to projects directly managed by MJSF, partnerships have also been formed with key international organizations including United Nations agencies, Acumen and Oxfam.

Following is an overview of MJSF's activities:

Education

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

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

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

Healthcare

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

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

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

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

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

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

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

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

FUTURE TRUST (FT)
The following is an overview of philanthropic activities of Future Trust:

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

Healthcare
Future Trust provides financial support to individuals suffering from cancer and other such terminal diseases.

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

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

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

JSIL Financial Performance

Profit & Loss Statement

The company attained a net loss of PKR87 MN compared to a net profit of PKR42 MN in the previous year. The decline in profitability is mainly attributed to lower income and high operating and financial expenses.

The company's income declined 18% YoY to stand at PKR320 MN as compared to PKR389 MN in the previous year. The decline in income was mainly driven by lower realized and unrealized gains on the company's investments due to dismal performance of the equity market. However, the company's assets under management increased by 23% YoY, which translated into 4% YoY growth in remuneration and commission from funds under management.

The administrative and marketing expenses increased by 19% YoY on the back of higher depreciation expense ..., whereas selling and distribution increased by 5% YoY due to launch on new Islamic Hybrid Plans.

The company's financial charges grew ten folds to PKR38 MN as compared to PKR3 MN in the previous year. The significant increase is mainly attributable to adoption of the new accounting standard IFRS 16 under which …

Lastly, the company's other income jumped 100% to PKR88 MN as compared to PKR43 MN in the previous year on the back Workers' Welfare Fund provisioning reversal.

Consequently, the company achieved net loss of PKR87 MN during 2019, translating into a loss per share of PKR1.17, compared to earnings per share of PKR0.52 in the previous year.

Statement of Financial Position

The company's net worth in 2019 stood at PKR1.8 BN, which translates into a breakup value of PKR29.3 per share. The net worth registered a decline of 16% over the last year on the back of 23% decline in paid-up capital and absence of revaluation surplus in 2019.

Liabilities against assets subject to finance lease increased significantly to PKR265 MN as compared to PKR34 MN in the previous year. This was mainly attributable to adoption of new accounting standard, IFRS 16 under which …

Accrued and other liabilities declined 21% YoY as the company reversed provisioning for Workers' Welfare Fund.

The company announced PKR4 per share dividend in 2019 due to which dividend payable of PKR247 MN was added to the liabilities.

Balances due from funds under management increased 9% in 2019, which was mainly due to an increase in management fee as the company launched new plans under the Islamic Hybrid Fund of Funds category.

The company's investments in financial assets increased 9% from PKR1.6 BN to PKR1.7 BN in 2019. The increase was solely driven by investments in the company's mutual funds.

The total asset base of the company increased by 5% to PKR2.6 BN, which was mainly driven by balances from funds under management and investments in financial assets.

Business Model:

JS Investments is an Asset Management Company. The business model is primarily based upon managing investor’s money with the objective of generating returns, and charging a management fee for providing these services.

The investment products are offered to the institutional and retail investors via an in-house sales-team as well as distribution partnerships. The investment products are structured and managed by in-house “Product development” and “Investment” teams. Back-office services are provided by an operations and Finance team, which are supported by a purpose-built software infrastructure. The business model is based upon economies of scale where the management-fee generated by managing investor’s funds covers the cost of maintaining the in-house professional teams and infrastructure.

Primary inputs:

- Assets under management
- Management Fee rate

Primary outputs and outcomes:

- Revenue generated via Management Fee
- Profit generated for customers / investors

FINANCIAL AND BUSINESS HIGHLIGHTS

		2019	2018	2017	2016	2015	2014
KEY INDICATORS							
Performance							
Return on assets	%	(3.47)	1.66	1.14	7.06	6.34	26.03
Total assets turnover	Days	46.79	56.31	45.40	59.52	53.87	127.17
Receivables turnover	Days	226.00	211.11	202.81	270.64	216.04	120.29
Return on equity	%	(4.57)	2.02	1.36	8.53	7.65	30.58
Leverage							
Debt:Equity	%	0.15	0.02	-	-	-	-
Interest cover	times	(0.54)	18.14	232.81	11,878.71	13,628.04	1,279.60
Liquidity							
Current	times	10.96	7.56	9.28	11.72	10.93	14.06
Quick	times	10.96	7.56	9.25	11.70	10.91	14.03
Valuation							
Earnings per shares	Rs.	(1.40)	0.52	0.40	2.49	1.75	6.49
Breakup value per share	Rs.	29.38	24.66	26.97	32.10	26.29	24.50
Price earning ratio	times	(11.56)	15.37	23.39	6.22	9.89	1.93
Market price to break up value	times	0.55	0.32	0.35	0.48	0.66	0.51
Market value per share - year end	Rs.	16.21	8.00	9.40	15.50	17.30	12.56
Market value per share - High	Rs.	18.50	11.50	17.50	17.49	18.64	14.22
Market value per share - Low	Rs.	6.31	7.65	9.95	13.51	12.04	10.32
Market capitalization (Rs. in Million)		1,001.36	641.37	753.62	1,242.66	1,386.97	1,256.00
Historical trends							
Management fee (Rs. in Million)		198.77	195.07	198.37	155.35	159.72	201.68
Operating profit (Rs. in Million)		(108.77)	17.18	35.58	181.89	170.38	641.49
Profit before tax (Rs. in million)		(59.00)	57.01	67.50	209.80	199.30	660.82
Profit after tax (Rs. in million)		(86.65)	41.73	32.22	199.70	174.27	649.48
Assets under management (Rs. in million)		25,130.95	20,847.76	14,453.00	13,521.00	9,548.00	10,867.94
No. of funds under management		16	14	14	12	11	13
Share capital (Rs. in million)		617.74	801.72	801.72	801.72	801.72	1,000.00
Shareholders equity (Rs. in million)		1,814.79	1,976.79	2,161.94	2,573.74	2,107.58	2,449.70
Total assets (Rs. in million)		2,562.03	2,435.73	2,599.12	3,074.01	2,586.12	2,915.53
Contribution to the national exchequer (Rs. in million)		48.13	51.31	30.58	29.01	27.34	15.12
Payouts							
Cash dividend	%	4	-	0.50	5	-	-

RISKS AND OPPORTUNITIES

Management doesn't see any risk in term of availability of capital as more than 95% of the Net Assets or 67% of the Total Assets of the company is available is a highly liquid short term investments and the majority of investment is with the Funds under Management of JSIL

Retention efforts particularly focusing on staff motivation, learning, growth and competitive compensation are necessary to avoid turnover of trained employees and succession planning of such critical positions is imperative to avoid instant skill gap.

Sources of risks and opportunities

JSIL's management performs regular review of those risks that could affect the company's prospects, reputation or its ability to deliver on its commitments. JSIL's overall risk management program focuses on the financial markets and seeks to mitigate the effects on the performance of the Funds, under its management.

JSIL's profitability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geo-political environment and movements in exchange rates also impact the performance of the capital markets and hence the profitability of JSIL.

However, the equity markets tend to be forward looking and investors have started to price in an expected economic recovery in 2020. This is based on a decreasing inflation outlook and improvements in the balance of payments and the fiscal deficit. Therefore, going forward, for the industry as a whole, we expect that a significant portion of Asset under Management will be in the equity asset class.

Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' of its effect if it does.

Management is confident that the opportunity to increase its market share and customer penetration through technological advances will materialize. We believe that there is a strong growth prospect and huge market for the mutual funds as well as the new avenues like Exchange Traded Funds and Real Estate Investment Trusts. JSIL already launched its first Private Equity & Venture Capital Fund and we hope to increase our traction in this avenue in future.

Risk type	Materiality Rating	Probability of Risk Occurrence	Monitoring and Measurement
Market Risk	High	High probability	The prices of scrips and the income generated by the securities held by the Fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the Fund, general economic and market conditions, regional or global economic instability, or currency and interest rate fluctuations. **Monitoring and** Measurement**:** JSIL monitors and measures market risk through various statistical tools to determine the value of a portfolio that can decrease due to change in the variables of the risk indicators. Some of these statistical tools are VaR reports, ratio analysis, etc.
Credit Risk	High	Medium probability	Credit Risk is the potential that the counterparty will fail to meet its obligations in accordance with agreed terms and conditions. The goal of credit risk management is to maximize the company's risk-adjusted return by maintaining credit risk exposure within acceptable parameters. **Measurement and Monitoring**: Credit Risk Management function measures, monitors and mitigates credit risk. Credit Risk is measured through detailed financial and non-financial analysis, including CAMEL approach also applied to evaluate credit risk for potential investments.
Regulatory Risk	High	High probability	Regulatory Risk is the risk of a change in Regulations and Laws that might affect a business. Such changes in regulations can make significant changes in the business framework, changes in processes, functions cost-structure, etc **Measurement and Monitoring:** With the promulgation of any change in applicable Laws, JSIL monitors/ reviews relevant areas/ function in order to ensure implementation of necessary changes required in the systems of JSIL.

Risk type	Materiality Rating	Probability of Risk Occurrence	Monitoring and Measurement
Liquidity Risk	High	Medium probability	Liquidity Risk arises from the lack of marketability/ availability of any investment that cannot be sold bought in a short time in order to prevent or minimize a loss. **Measurement and Monitoring:** To evaluate the nature of stocks into [liquid, IL-liquid or semi liquid] would provide an overview as to probable discount/ loss that could be confronted if the Fund Manager tries to offload required quantity of shares in the market. Further, it is also ensured that minimum cash and cash equivalent requirements shall be maintained at all times to fulfill payment obligations of the Funds.
Portfolio Performance Risk	High	Medium to High probability	A risk regarding uncertainty on performance of the Fund and to its ability to earn consistent income stream is also evaluated through various performance measurement tools. **Measurement and Monitoring** of portfolio performance carried out on regular basis through number of reports such as attribution report, benchmark, comparison with peer group etc.
Country and Political Risk	Medium	Medium probability	Stability of the Country and controlled law & order situation is a pre-requisite for any economic development and reposes investor confidence in the country, providing corporate a potential investment opportunity. **Measurement and Monitoring** Investment and disinvestment decisions are closely evaluated based on the law and order situation of the country, change in political and economic environment, governmental actions, legislative changes, etc.

Specific steps being taken to mitigate or manage key risks or to create value from key opportunities by identifying the associated strategic objectives, strategies, plans, policies, targets and KPIs.

The first step to managing risk and capitalizing on opportunities is to identify the areas/ functions that are relevant to evaluate the sources of risk and opportunities from both internally as well as externally. In this regard, JSIL's Investment, Research and Risk Management functions are responsible to categorize, measure, evaluate, and monitor different types of risks and evaluate opportunities at the optimum level.

Risk Management Function through various risk reports such as market risk, credit risk, operational risk and regulatory risk etc. identify, monitors and mitigate risk on a continuous basis.

Further, role of Research is most valuable ingredient in the investment process. Therefore, JSIL ensures that best ethical practices shall be adopted at every step of the overall research process. In this regard, the Research Analysts are obliged to:

a) Exercise diligence and thoroughness in making investment recommendations
b) Provide a reasonable and adequate investment case, supported by appropriate research and investigation
c) Make diligent efforts to avoid any material misrepresentation in any research report and/or investments recommendation
d) Maintain appropriate records to support such investment recommendations

Moreover, responsibility for the prudent investment of assets under management shall rest with the Investments department, under the broad umbrella of the Investment Committee. The primary objective of the Investment Committee is to maximize risk-adjusted returns to the unit-holders. IC ensured that the Funds' assets are prudently invested in accordance with Investment Policy as stated in its Trust Deed and Offering Document. Further, IC formulates periodic investment strategy for each fund, in the light of the current and expected market movements. IC is also responsible for monitoring performance in the Investment Management process.

Board's efforts for determining the company's level of risk tolerance by establishing risk management policies.

The Board of Directors has carried out an in depth and critical analysis of the principal risks / threats faced by the Company business, including those that would threaten the future performance of the Company and Funds under its management. The Board has delegated the responsibility of monitoring and control of business risks to the management of the Company through its directions and guidelines issued with the approved policies on Risk Management, Research and Investment Functions. Management is responsible for the overall implementation and oversight of risk identification and management policy and procedures. Further, all Functions / Departments of the Company are responsible for identification and evaluation of all types of risks relating to their areas, devising adequate mitigating strategies thereof and report any changes / additions therein to Board.

A statement from the Board of Directors that they have carried out a robust assessment of the principal risks facing the company, including those that would threaten the business model, future performance, solvency or liquidity.

Risk and Uncertainties already annexed with the Directors' Report

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

JSIL's profitability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geo-political environment, commodities prices, and movements in exchange rates also impact the performance of the capital markets and hence the profitability of JSIL.

The competitive nature of the industry and sluggish equity markets performance in CY19 has led to increased pressure on the key revenue drivers such as management fee and sales load. The competitive pressure has been witnessed in the income / money market funds space and this has in turn led to earnings volatility.

Inadequacy in the capital structure and plans to address such inadequacy.

JSIL have an adequate capital structure with nominal portion in car financing and strong asset

Information about defaults in payment of any debt
JSIL never defaulted in payments of any of its debt

Segmental review of business performance
There are no segments of JSIL current business model

Rational for Capital Expenditure
During the period the major capital expenditure was on lease hold improvements of JSIL new premises as the company sold the old premises and moved into a new location. There is no major capital expenditure are expected for the upcoming year

STRATEGY AND RESOURCE ALLOCATION

Short, medium and long term strategic objectives.

Short-term:

- Growth in Management Fee and Assets under Management via traditional mutual fund business model and physical sales teams.

Medium-term:

- Gain foot-hold in niche market spaces i.e. Real-Estate Management and Private Funds
- Increase weightage of Retail investors in the customer-base

Long-term:

- Shift to a low-cost digital model offering exceptional customer experience, and with minimal human-resource requirement.

Strategies in place or intended to be implemented to achieve those strategic objectives

Short-term strategies:

- The AMC has an aggressive sales strategy in place for offering investment solutions to customers via an in-house Sales team. In addition, the AMC is actively utilizing the outreach of the parent Bank's network for distribution of its products.

Medium-term strategies:

- The AMC has acquired license to manage Private Funds. "JS Motion Picture Fund" was launched as Pakistan's first entertainment oriented investment scheme.
- The AMC is also in the process of acquiring Real-Estate management license.
- Gradual increase in retail customer's weightage in the overall mix over the medium term is being targeted via the traditional sales and distribution strategy. The stickiness of retail customers translates into higher weightage of retail customers in the mix over time.

Long-term strategies:

- The company is focused on development of a "Digital AMC" solution which will provide unprecedented out-reach to customers across the country. The digital solution will also provide unmatched customer experience.

Resource Allocationa

The management company allocates the resources in line with the budget approved by the Board of Directors. The management is committed towards achieving the strategic objectives of the company and has accordingly allocates the resources towards sound assets building for sustainable growth and profitability

Key performance indicators (KPIs) to measure the achievement against strategic objectives including statement as to whether the indicators used will continue to be relevant in the future.

Due to the nature of the business and strategic objectives, the KPIs are inherently quantitative in nature.

- Management Fee generation – This KPI shall remain relevant in the future
- Assets under management - This KPI shall remain relevant in the future
- Customer-base - This KPI shall remain relevant in the future
- Weightage of Retail customers in overall customer-base - This KPI shall remain relevant in the future
- Weightage of revenues from Real-estate Management and Private Fund business-lines in the overall revenue mix - This KPI shall become increasingly more relevant in the future
  Weightage of AUMs raised via digital avenues in the overall revenue mix - This KPI shall become increasingly more relevant in the future

Strategy to overcome liquidity problem and the company's plan to manage its repayment of debts and meet operational losses.

Liquidity management and financing arrangement process being adequately managed by the management. Senior management monitors and manages liquidity and financing requirements on a daily basis. During the period under review, Liquidity of the company remained satisfactory

Significant plans and decisions such as corporate restructuring, business expansion and discontinuance of operations etc."

The business expansion plans are covered in the strategic objectives. Apart from these, the company has no significant corporate restructuring of operation discontinuation plans.

Significant changes in objectives and strategies from prior years."

Entry into the Private Fund and Real-estate management space mark strategic re-focusing for the company. The company, and the parent group, have ample pool of experience and skill-set to develop these nascent spaces into major revenue contributors over the coming years.

Digitization is revolutionizing industries across the globe. The board of directors and the management are committed to a digital future for the AMC business.

Products and Services

JS Investments Limited (JSIL) (estd. 1995) is the oldest private sector Asset Management Company in Pakistan. JSIL offers a wide range of investment products including mutual funds, voluntary pension schemes, and Separately Managed Accounts (SMAs) to cater to the needs of individual and institutional investors. The company has played a key role in defining the standards of Asset Management industry in Pakistan.

Asset Management Services

SECP has granted renewed license No. AMCW/08/JSIL/AMS/03/2016, dated May 04, 2016 to JS Investments Limited under Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended through S.R.O.1131 (1) 2007, S.R.O.271(I)/2010, S.R.O 570(I)/2012 and S.R.O 1002(i)/2015 (the "Rules"), to undertake asset management services.

Investment Advisory

SECP has granted renewed license No. AMCW/07/JSIL/IA/05/2016, dated May 04, 2016 to JS Investments Limited under Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended through S.R.O.1131 (1) 2007, S.R.O.271(I)/2010, S.R.O 570(I)/2012 and S.R.O 1002(i)/2015 (the "Rules"), to undertake investment advisory services.

Voluntary Pension Scheme Management

SECP has granted Registration No. SECP/PW/Reg-03/2007, dated January 8, 2007 to JS Investments Limited under Rule 5(2) of the Voluntary Pension System Rules 2005, to undertake business as a Pension Fund Manager.

History of Major Events

- 2019 – AUM PKR 25 Billion
- 2018 – Private Fund Management License Acquired | Launch of “Mobile-App” and “Internet Portal”
- 2017 – Wealth Management Products launched | AUM PKR 14.6 Billion
- 2010 – AUM PKR 16.5 Billion
- 2007 – Pension Fund Management License Acquired
- 2004 – AUM PKR 14 Billion
- 2003 – Investment Advisory License Acquired
- 2003 – Acquisition of ICP Funds | AUM PKR 5.5 Billion
- 2001 – AUM PKR 1.2 Billion
- 1995 – First AMC in the Private Sector with International Finance Corporation (IFC) and INVESCO PLC as founding partners

OUTLOOK

Pakistan is undergoing significant changes in the regulatory, economic and social environment. The longer-term trends are supportive of Mutual Funds business.

- On the regulatory front, there is a strong push to discourage informal and unregulated saving avenues. This is positive for formalized investment avenues like mutual funds.

- The economy is moving towards increased documentation. This opens up new pools of documented liquidity seeking investment avenues. As the overall pie of investible assets increases, the share of mutual funds in the pie also grows.
- The social and population dynamics are driven by urbanization. Also, Pakistani population mix is titled towards the young. As the youth gradually grow from 20s into 40s, the earning power and savings potential grows. These factors favour mutual funds, which are primarily an investment vehicle for individuals.
- Asset Management Companies in Pakistan face the challenge of limited outreach. However, with cheap cellular data availability across the country, and fast pace of digitization in financial sectors, outreach will grow exponentially in the coming years. Mutual Funds will become accessible to a much wider segment of the population.

However, in the short-term, changes in interest rates, equity market performance, and taxation on financial products impacts the demand for mutual funds. If any of these factors move unfavorably, growth of assets under management can be negatively impacted.

Critical challenges and uncertainties

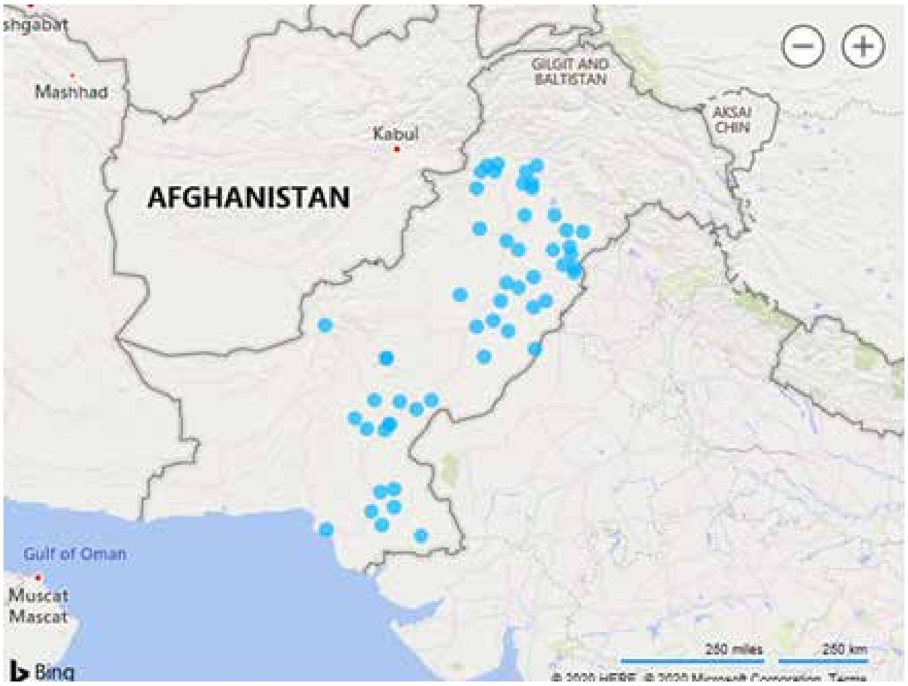
The major external risks relate to unfavorable interest rate changes, equity market movements, and taxation on financial products. The Board of directors and the management of JS Investments is committed to having a diversified product suite to weather weakness in equity or debt markets. Also, the entry into niche markets (REITs & Private Funds) will also hedge the business model from the above mentioned external risks.

Growing share of Retail customer-base also helps weather adverse external developments

Statement of value added and its distribution with graphical presentation

Employees as remuneration

Shareholders as dividends



Government as taxes

Even though the company was in taxable losses but during the period JSIL contributed Rs. 21.4 million in terms of indirect taxes (Sales Tax) to the exchequer

HORIZONTAL & VERTICAL ANALYSIS

Statement of Profit & Loss Horizontal Analysis

	2019	19Vs18	2018	18Vs17	2017	17Vs16	2016	16Vs15	2015
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
	-46.87%		26.81%		52.27%		4.81%		12.56%
Income	320,344	-18%	389,381	10%	352,842	-24%	461,529	14%	406,012
Administrative and Marketing Expense	336,949	19%	283,166	18%	240,207	-14%	279,638	19%	235,631
Selling and distribution expenses	92,162	5%	88,034	14%	77,058	NA	-	NA	-
Operating profit	**(108,767)**	NA	**18,181**	-49%	**35,577**	-80%	**181,891**	7%	**170,381**
Other expenses	-	-100%	1,163	-12%	1,324	-69%	4,282	5%	4,067
Financial charges	38,423	1055%	3,327	1042%	291	1549%	18	21%	15
Other income	88,195	104%	43,319	29%	33,538	4%	32,204	-2%	32,996
Profit before taxation	**(58,995)**	NA	**57,010**	-16%	**67,501**	-68%	**209,796**	5%	**199,295**
Taxation - net	27,650	81%	15,282	-57%	35,285	249%	10,098	-60%	25,023
Profit for the year	**(86,645)**	NA	**41,728**	30%	**32,216**	-84%	**199,698**	15%	**174,273**
EPS	**(1.17)**	-325%	**0.52**	30%	**0.40**	-84%	**2.49**	42%	**1.75**

Statement of Financial Position Horizontal Analysis

	2019	19Vs18	2018	18Vs17	2017	17Vs16	2016	16Vs15	2015
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
ASSETS									
Non - current assets	89%								
Property and equipment	476,087	-2%	485,306	27%	381,270	2%	373,687	4%	359,860
Intangible assets	15,324	-6%	16,315	93%	8,465	423%	1,617	-7%	1,735
Long-term investment in a subsidiary	37,500	0%	37,500	0%	37,500	0%	37,500	0%	37,500
Long-term loans and prepayments - considered good	3,387	-20%	4,210	-1%	4,236	-41%	7,168	694%	903
	532,298	-2%	**543,331**	26%	**431,471**	3%	**419,972**	5%	**399,998**
Current assets									
Balances due from funds under management - related parties	123,074	9%	112,825	2%	110,222	-4%	115,189	22%	94,536
Loans and advances - considered good	3,973	63%	2,437	-57%	5,612	195%	1,905	-8%	2,078
Trade deposits, short term prepayments and other receivables	59,510	-2%	60,456	-16%	72,102	155%	28,317	126%	12,552
Other financial assets - investments	1,741,946	9%	1,604,144	-14%	1,875,546	-21%	2,383,626	23%	1,942,368
Taxation - net	87,784	-2%	89,518	1%	88,636	-22%	113,853	-7%	121,849
Cash and bank balances	13,440	-42%	23,015	48%	15,535	39%	11,145	-13%	12,743
	2,029,727	7%	**1,892,395**	-13%	**2,167,652**	-18%	**2,654,035**	21%	**2,186,126**
Total assets	**2,562,025**	5%	**2,435,726**	-6%	**2,599,123**	-15%	**3,074,008**	19%	**2,586,124**
	-7%								
EQUITY AND LIABILITIES	-10%								
Share capital and reserves									
Share capital									
Authorised capital	2,500,000	0%	2,500,000	0%	2,500,000	0%	2,500,000	0%	2,500,000
Issued, subscribed and paid-up capital	617,743	-23%	801,718	0%	801,718	0%	801,718	0%	801,718
Reduction in share capital	-		-		-		-		-
Unappropriated profit	1,197,045	59%	751,736	7%	700,841	0%	700,155	42%	491,901
Capital repurchase reserve account	-	-100%	198,282	0%	198,282	0%	198,282	0%	198,282
Unrealised appreciation on remeasurement of "available-for-sale' financial assets - net	-	-100%	225,049	-51%	461,102	-47%	873,585	42%	615,678
Surplus on revaluation of fixed assets - net	-	-100%	173,892	-5%	183,059	-4%	191,615	-4%	200,171
	1,814,788	-16%	**2,150,677**	-8%	**2,345,002**	-15%	**2,765,355**	20%	**2,307,750**
LIABILITIES	-21%								
Non - current liabilities	186,540								
Deferred taxation	-		-		15,590	-81%	82,222	5%	78,368
Liabilities against assets subject to finance lease	264,908	665%	34,635	887%	3,508		-		-
	264,908	665%	**34,635**	81%	**19,098**	-77%	**82,222**	5%	**78,368**
Current liabilities									
Accrued and other liabilities	185,526	-21%	235,674	2%	230,094	3%	223,311	12%	200,006
Accrued mark-up	-		-		-		-		-
Short term running finance - secured	-		-		-		-		-
Securitisation of management fee receivables - debt	-		-		-		-		-
Dividend payable	247,097		-		-		-		-
Unclaimed dividend	2,953	0%	2,953	-13%	3,405	9%	3,120		-
Current maturity of liabilities against assets subject to finance lease	46,755	297%	11,787	673%	1,524		-		-
	482,330	93%	**250,414**	7%	**235,023**	4%	**226,431**	13%	**200,006**
Total liabilities	**747,237**	162%	**285,049**	12%	**254,122**	-18%	**308,653**	11%	**278,374**
Total equity and liabilities	**2,562,025**	5%	**2,435,726**	-6%	**2,599,123**	-15%	**3,074,008**	19%	**2,586,124**

Statement of Profit & Loss Vertical Analysis

	2019	19Vs18	2018	18Vs17	2017	17Vs16	2016	16Vs15	2015
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
Income	320,344	100%	389,381	100%	352,842	100%	461,529	100%	406,012
Administrative and Marketing Expense	336,949	105%	283,166	73%	240,207	68%	279,638	61%	235,631
Selling and distribution expenses	92,162	29%	88,034	23%	77,058	22%	-	0%	-
Operating profit	**(108,767)**	-34%	**18,181**	5%	**35,577**	10%	**181,891**	39%	**170,381**
Other expenses	-	0%	1,163	0%	1,324	0%	4,282	1%	4,067
Financial charges	38,423	12%	3,327	1%	291	0%	18	0%	15
Other income	88,195	28%	43,319	11%	33,538	10%	32,204	7%	32,996
Profit before taxation	**(58,995)**	-18%	**57,010**	15%	**67,501**	19%	**209,796**	45%	**199,295**
Taxation - net	27,650	8.63%	15,282	4%	35,285	10%	10,098	2%	25,023
Profit for the year	**(86,645)**	-27%	**41,728**	11%	**32,216**	9%	**199,698**	43%	**174,273**
EPS	**(1.17)**		**0.52**		**0.40**		**2.49**		**1.75**

Statement of Financial Position Vertical Analysis

	2019	19Vs18	2018	18Vs17	2017	17Vs16	2016	16Vs15	2015
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
ASSETS									
	(200,422)								
Non - current assets									
Property and equipment	476,087	19%	485,306	20%	381,270	15%	373,687	12%	359,860
Intangible assets	15,324	1%	16,315	1%	8,465	0%	1,617	0%	1,735
Long-term investment in a subsidiary	37,500	1%	37,500	2%	37,500	1%	37,500	1%	37,500
Long-term loans and prepayments - considered good	3,387	0%	4,210	0%	4,236	0%	7,168	0%	903
	532,298	21%	**543,331**	22%	**431,471**	17%	**419,972**	14%	**399,998**
Current assets									
Balances due from funds under management - related parties	123,074	5%	112,825	5%	110,222	4%	115,189	4%	94,536
Loans and advances - considered good	3,973	0%	2,437	0%	5,612	0%	1,905	0%	2,078
Trade deposits, short term prepayments and other receivables	59,510	2%	60,456	2%	72,102	3%	28,317	1%	12,552
Other financial assets - investments	1,741,946	68%	1,604,144	66%	1,875,546	72%	2,383,626	78%	1,942,368
Taxation - net	87,784	3%	89,518	4%	88,636	3%	113,853	4%	121,849
Cash and bank balances	13,440	1%	23,015	1%	15,535	1%	11,145	0%	12,743
	2,029,727	79%	**1,892,395**	78%	**2,167,652**	83%	**2,654,035**	86%	**2,186,126**
Total assets	**2,562,025**	100%	**2,435,726**	100%	**2,599,123**	100%	**3,074,008**	100%	**2,586,124**
EQUITY AND LIABILITIES									
Share capital and reserves									
Share capital									
Authorised capital	2,500,000		2,500,000		2,500,000		2,500,000		2,500,000
Issued, subscribed and paid-up capital	617,743	24%	801,718	33%	801,718	31%	801,718	26%	801,718
Reduction in share capital	-	0%	-	0%	-	0%	-	0%	-
Unappropriated profit	1,197,045	47%	751,736	31%	700,841	27%	700,155	23%	491,901
Capital repurchase reserve account	-	0%	198,282	8%	198,282	8%	198,282	6%	198,282
Unrealised appreciation on remeasurement of "available-for-sale' financial assets - net		0%	225,049	9%	461,102	18%	873,585	28%	615,678
Surplus on revaluation of fixed assets - net	-	0%	173,892	7%	183,059	7%	191,615	6%	200,171
	1,814,788	71%	**2,150,677**	88%	**2,345,002**	90%	**2,765,355**	90%	**2,307,750**
LIABILITIES									
Non - current liabilities									
Deferred taxation	-	0%	-	0%	15,590	1%	82,222	3%	78,368
Liabilities against assets subject to finance lease	264,908	10%	34,635	1%	3,508	0%	-	0%	-
	264,908	10%	**34,635**	1%	**19,098**	1%	**82,222**	3%	**78,368**
Current liabilities				0%					
Accrued and other liabilities	185,526	7%	235,674	10%	230,094	9%	223,311	7%	200,006
Accrued mark-up	-	0%	-	0%	-	0%	-	0%	-
Short term running finance - secured	-	0%	-	0%	-	0%	-	0%	-
Securitisation of management fee receivables - debt	-	0%	-	0%	-	0%	-	0%	-
Dividend payable	247,097	10%	-	0%	-	0%	-	0%	-
Unclaimed dividend	2,953	0%	2,953	0%	3,405	0%	3,120	0%	-
Current maturity of liabilities against assets subject to finance lease	46,755	2%	11,787	0%	1,524	0%	-	0%	-
	482,330	19%	**250,414**	10%	**235,023**	9%	**226,431**	7%	**200,006**
Total liabilities	**747,237**	29%	**285,049**	12%	**254,122**	10%	**308,653**	10%	**278,374**
Total equity and liabilities	**2,562,025**	100%	**2,435,726**	100%	**2,599,123**	100%	**3,074,008**	100%	**2,586,124**

COMMENTS ON HORIZONTAL & VERTICAL ANALYSIS

Horizontal Analysis Statement of Financial Position

Shareholders' Equity: JSIL's share capital declined in CY19 to Rs. 617.74mn after having remained unchanged over the previous four years. Reserves witnessed a gradual decline over the past four years, despite higher profit retention, mainly due to a decline in paid-up capital and capital reserve account while unrealized gain on investments and revaluation surplus were removed from the shareholders' equity. Resultantly, shareholders' equity stood at Rs 1.81 billion with a decrease of 21% since 2015.

Non-Current Assets: Property, plant & equipment, intangible assets, long term investments and long term loans constitute the Company's non-current assets. Investment in a new office premises besides routine capital expenditure has resulted in net increase of Rs 116 million since 2015 to Rs 476 million in property, plant and equipment, which constitutes 89% of total non-current assets.

Current Assets: The Company's investment portfolio forms around 85% of the total current assets and stands at Rs 1.74bn as of CY19. The volatility in investments during the last five years is due to correlation of the investment portfolio with KSE-100 index. Total investment value has declined by 10% since 2015, resultantly leading to a 7% overall decline in Current Assets.

Current Liabilities: Current Liabilities remained relatively stable till CY19, which saw a jump of 93% YoY, this was primarily on account of increase in Dividend Payables, as the company announced a dividend of 4rs per share bringing total Current Liability up to Rs 482million. Current maturity of long term borrowings also increased in 2019.

Non-Current Liabilities: Deferred taxation and financial lease constitute the Company's non-current liabilities. Lease entered into with a Modarba for 32 different vehicles in CY19 has resulted in a net increase of Rs 186 million since 2015 to 264 million in CY19.

Vertical Analysis Statement of Financial Position

Property and equipment: Property and Equipment increased from Rs 359 million in 2015 to Rs 476 million in 2019 mainly due to investment in new office premises besides investment in regular capital expenditure.

Investments: Value of the Company's Investments portfolio declined from Rs 1.94 billion in 2015 to Rs 1.74 billion in 2019 mainly due to lackluster equity market performance.

Horizontal Analysis Income Statement

Income: Classification changes

Administrative and Marketing Expenses: Administrative and Marketing cost have registered an average annualized increase of 7.4% since 2015 owing to rising inflationary pressure. Major escalation witnessed in 2019 was due to increased Depreciation expense as the company adopted IFRS 16.

Other Income: Other income registered gradual increase over the five years and stood at Rs 88.1 million during 2019 as compared to Rs 32.9 million in 2013. The increase in CY19 is mainly on account of Reversal of Provision against WWF and greater markup earned on debt securities.

Financial Charges: Classification Change

Net profit: The Company booked a Net Loss of Rs (86.6) million in CY19 as compared to Net Profit of Rs 174.3 million in 2015, having remained under pressure since CY17 which saw a decline of 84% in profitability as the stock market plummeted 28% from its all time high. JSIL's profitability is linked to the overall performance of the capital markets of the country. CY19 saw the company's profitability veer into red mainly due to an 18% decline in income coupled with increase in Administrative and Financial charges.

Vertical Analysis Income Statement

Administrative and Marketing Expenses: Administrative expenses as a percentage of income increased to 105% (CY18: 73%) due to a combination of an 18% decline in Income coupled with a 19% increase in Cost. This was largely due to increase in depreciation expenses, amounting to Rs 77 million, associated with the adoption of IFRS 16.

Operating Profit: Operating profit as a percentage of income has continued to decline over the past five years, with CY19 showcasing an operating loss of Rs 108.7mn (-34% contribution towards income) vs Rs 18.1mn profit in the year before (5% contribution towards income). The decline is largely attributed to a steady increase in operating costs (Admin and Selling Expenses) which cumulatively made up 134% of Total Income in CY19 (95% in CY18).

Taxation: Taxation charge stood at 8.64% of total income in CY19 as compared to 6.16 % in 2015. Variation in the taxation charge remained in line with profitability of the Company.

Net Profit: Net profit reduced from Rs 174.27 million in 2015 to a Net Loss of Rs 86.64 million in 2019 mainly because of increase in operating costs as explained above, in addition to a decline in total income, higher finance cost and higher tax expense.

JS investments

DUPONT ANALYSIS

JS Investments Limited	CY14	CY15	CY16	CY17	CY18	CY19
Profit & Loss Statement						
Income						
Remuneration from funds under management - net		159,721,956	155,352,581	198,371,204	195,074,253	198,773,230
Commission from open end funds under management		3,736,341	8,650,537	8,281,530	4,319,519	9,058,365
Dividend income		18,981,897	26,879,322	40,746,025	3,882,418	20,613,047
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss				-	1,004,831	76,814,744
Net gain on sale of investments classified as at fair value through profit or loss		38,139,128	2,591,700	2,959,496	2,778,670	5,017,074
Net gain on sale of investments classified as 'available-for-sale'		175,708,021	261,128,788	95,392,424	175,736,478	-
Return on bank deposits		2,377,871	1,296,432	1,387,815	2,125,280	7,433,571
Mark up on Term Finance Certificates		2,107,083	-	-	-	-
Remuneration and share of profit from management of discretionary and non discretionary client portfolio		5,239,429	5,629,603	5,703,483	4,459,869	2,634,368
	869,190,167	**406,011,726**	**461,528,963**	**352,841,977**	**389,381,318**	**320,344,399**
Administrative and marketing expenses		(235,630,824)	(279,637,926)	(240,206,912)	(283,166,433)	(336,948,704)
Selling and distribution expenses		-	-	(77,057,572)	(88,033,932)	(92,162,351)
Operating (Loss)/Profit		**170,380,902**	**181,891,037**	**35,577,493**	**18,180,953**	**(108,766,656)**
Other expenses		(4,067,208)	(4,281,551)	(1,323,592)	(1,163,256)	-
Financial charges		(14,625)	(17,663)	(291,187)	(3,326,506)	(38,423,472)
		166,299,069	**177,591,823**	**33,962,714**	**13,691,191**	**(147,190,128)**
Other income		32,996,404	32,204,172	33,537,797	43,318,652	88,194,954
(Loss)/Profit before taxation		**199,295,473**	**209,795,995**	**67,500,511**	**57,009,843**	**(58,995,174)**
Taxation - net		(25,022,933)	(10,098,142)	(35,284,935)	(15,281,693)	(27,650,041)
(Loss)/Profit for the year	**649,475,213**	**174,272,540**	**199,697,853**	**32,215,576**	**41,728,150**	**(86,645,215)**
(Loss) / earnings per share for the year - basic and diluted		**1.75**	**2.49**	**0.40**	**0.52**	**(1.17)**
		12.6%	4.8%	52.3%	26.8%	-46.9%
Statement of Financial Position						
ASSETS						
Non - Current Assets						
Property and equipment		359,859,663	373,686,528	381,270,208	485,306,147	476,086,870
Intangible assets		1,734,992	1,617,337	8,464,922	16,315,422	15,323,841
Long-term investment in a subsidiary		37,500,000	37,500,000	37,500,000	37,500,000	37,500,000
Long-term loans and prepayments - considered good		902,887	7,168,287	4,235,554	4,209,830	3,387,150
		399,997,542	**419,972,152**	**431,470,684**	**543,331,399**	**532,297,861**
Current Assets						
Balances due from funds under management - related parties		94,536,339	115,188,859	110,221,608	112,825,238	123,073,939
Loans and advances - considered good		2,077,719	1,905,138	5,612,073	2,436,861	3,973,499
Trade deposits, short term prepayments and other receivables		12,551,657	28,317,112	72,102,307	60,455,636	59,509,508
Other financial assets - investments		1,942,367,635	2,383,626,304	1,875,545,886	1,604,144,245	1,741,945,710
Taxation - net		121,849,376	113,853,242	88,635,731	89,518,144	87,784,493
Cash and bank balances		12,743,292	11,144,714	15,534,837	23,014,578	13,440,272
		2,186,126,018	**2,654,035,369**	**2,167,652,442**	**1,892,394,702**	**2,029,727,421**
Total Assets	**2,915,525,765**	**2,586,123,560**	**3,074,007,521**	**2,599,123,126**	**2,435,726,101**	**2,562,025,282**

JS Investments Limited	CY14	CY15	CY16	CY17	CY18	CY19
Profit & Loss Statement						
Statement of Financial Position						
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Share Capital						
Authorised Capital	**2,500,000,000**	**2,500,000,000**	**2,500,000,000**	**2,500,000,000**	**2,500,000,000**	**2,500,000,000**
Issued, subscribed and paid-up capital	1,000,000,000	801,718,180	801,718,180	801,718,180	801,718,180	617,742,560
Unappropriated profit	666,591,018	491,901,151	700,155,016	700,840,694	751,736,003	1,197,045,225
Capital repurchase reserve account	-	198,281,820	198,281,820	198,281,820	198,281,820	-
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	783,111,599	615,677,768	873,584,690	461,102,049	225,049,381	-
	2,449,702,617	**2,107,578,919**	**2,573,739,706**	**2,161,942,743**	**1,976,785,384**	**1,814,787,785**
Surplus on revaluation of fixed assets - net		200,170,871	191,614,859	183,058,851	173,891,692	-
		2,307,749,790	**2,765,354,565**	**2,345,001,594**	**2,150,677,076**	**1,814,787,785**
LIABILITIES						
Non - Current Liabilities						
Deferred taxation		78,367,529	82,222,385	15,590,093	-	-
Liabilities against assets subject to finance lease			-	3,508,147	34,634,633	264,907,566
Current Liabilities						
Accrued and other liabilities		200,006,241	223,311,062	230,094,008	235,674,385	185,525,504
Dividend payable						247,097,024
Unclaimed dividend			3,119,509	3,405,084	2,952,805	2,952,805
Current maturity of liabilities against assets subject to finance lease			-	1,524,200	11,787,202	46,754,598
		200,006,241	**226,430,571**	**235,023,292**	**250,414,392**	**482,329,931**
Total Liabilities		**278,373,770**	**308,652,956**	**254,121,532**	**285,049,025**	**747,237,497**
Total Equity and Liabilities		**2,586,123,560**	**3,074,007,521**	**2,599,123,126**	**2,435,726,101**	**2,562,025,282**

COMMENTS ON DUPONT ANALYSIS

DuPont Analysis	2018	2019
Net Profit Margin	10.7%	-27.0%
Asset Turnover	16.0%	12.5%
Equity Multiplier	1.13	1.41
Return on Equity	**1.9%**	**-4.8%**

Extended DuPont Analys	2018	2019
Tax Burden	73.2%	146.9%
Interest Burden	0.95	2.87
EBIT Margin	14.9%	-18.4%
Asset Turnover	0.16	0.13
Leverage	1.13	1.41
Return on Equity	**1.9%**	**-13.7%**

The company's ROE turned negative as it recorded a net loss of PKR87 MN during the year, compared to a net profit of PKR42 MN in the previous year. The company's profitabilty declined due to lackluster performance of the equity market, which eroded the gains on company's investments. Total assets of the company increased by 5%, which was driven by increased short term investments, whereas owners' equity declined 16% due to decrease in paid-up capital and absence of unrealized gain on investments and revaluation surplus. Therefore, negative net profit margin coupled with higher interest burden and financial leverage led to low ROE of -4.8%.

During the period the per unit Share Holder equity increased primarily due to sale of property and buy back of shares during the period, at the same time company distributed interim distribution of Rs. 4.00 per share but given tough market conditions especially on equity side and AUM increase in low margin management fee funds resulted in stagnant top line while at the same time legal expenses and expenses related to shifting to new premises increased losses for the year ended December 2019. Company is able to contained the salary and other expenses but due to implementation of IFRS 16 resulted in increased in losses.

6 YEARS CASH FLOW STATEMENT

	2019	2018	2017	2016	2015	2014
			------------ Rupees ------------			
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before taxation	**(58,995,174)**	57,009,843	67,500,511	209,795,995	199,295,473	660,816,237
Adjustment for:						
Remuneration from funds under management - net	**(198,773,230)**	(195,074,253)	(198,371,204)	(155,352,581)	(159,721,956)	(201,675,478)
Commission from open end funds under management	**(9,058,365)**	(4,319,519)	(8,281,530)	(8,650,537)	(3,736,341)	(610,676)
Remuneration of discretionary and non discretionary client portfolio	**(2,634,368)**	(4,459,869)	-	-	-	-
Dividend income	**(20,613,047)**	(3,882,418)	(40,746,025)	(26,879,322)	(18,981,897)	-
Depreciation	**77,838,441**	34,686,862	32,483,982	26,062,259	23,362,126	22,480,746
Amortisation of intangible assets	**4,601,830**	3,270,118	1,462,096	556,405	412,668	295,368
Financial charges	**38,423,472**	3,326,506	291,187	17,663	14,625	516,826
Return on bank deposits	**(7,433,571)**	(2,125,280)	(1,387,815)	(1,296,432)	(2,377,871)	(6,936,222)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	**(5,017,074)**	(2,778,670)	(2,959,496)	(2,591,700)	-	-
Net gain on sale of investments classified as 'available-for-sale'	**-**	(175,736,478)	(95,392,424)	(261,128,788)	(213,847,149)	(648,565,141)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	**(76,814,744)**	(1,004,831)	(1,369,443)	(4,338,414)	(6,747,467)	(6,374,193)
Gain on disposal of property and equipment	**(519,828)**	(966,980)	(598,488)	-	(100,035)	(5,607,265)
	(258,995,658)	(292,054,969)	(247,368,649)	(223,805,452)	(182,427,824)	(185,659,798)
Increase / (decrease) in assets and liabilities						
Loans and advances	**(713,958)**	2,807,730	(1,167,404)	(2,747,669)	514,695	(613,871)
Trade deposits, short term prepayments and other receivables	**(10,884,050)**	12,080,548	(43,406,870)	(19,175,850)	8,105,092	(4,630,440)
Accrued and other liabilities	**(62,516,714)**	46,969,944	11,815,306	26,424,330	22,185,424	61,731,921
	(74,114,722)	61,858,222	(32,758,968)	4,500,811	30,805,211	56,487,610
	(333,110,380)	(230,196,747)	(280,127,617)	(219,304,641)	(151,622,613)	(129,172,188)
Taxes paid - net	**(25,851,969)**	(22,813,960)	(30,576,788)	(29,011,188)	(27,343,256)	(15,124,584)
Remuneration and commission received from funds under management	**200,217,262**	201,250,009	211,619,985	143,350,598	135,385,385	151,895,461
Net cash used in operating activities	**(158,745,087)**	(51,760,698)	(99,084,420)	(104,965,231)	(43,580,484)	7,598,689
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	**(1,955,174,949)**	(1,642,626,251)	(574,512,100)	(771,731,275)	(1,230,261,093)	(1,538,716,198)
Sale proceeds from disposal of investments	**1,899,205,302**	1,848,554,891	723,708,302	887,202,466	1,618,508,757	1,506,202,908
Dividends received	**20,613,047**	3,882,418	40,746,025	26,879,322	18,981,897	-
Payment for purchase of property and equipment	**(56,750,125)**	(141,359,988)	(41,244,490)	(39,889,125)	(8,742,713)	(8,245,754)
Payment for purchase of intangible assets	**(3,610,249)**	(11,120,618)	(8,309,681)	(438,750)	(655,500)	(1,407,490)
Return on bank deposits	**7,433,571**	2,084,607	1,402,691	1,361,678	1,860,382	7,053,872
Sale proceeds from disposal of property and equipment	**610,310,565**	3,604,166	1,775,315	-	402,747	7,045,001
Net cash generated from investing activities	**522,027,162**	63,019,225	143,566,062	103,384,316	400,094,477	(28,067,661)
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	**-**	(452,279)	(39,800,332)	-	(27,160)	(3,940,191)
Payment of lease liabilities / Financial Charges	**(41,700,265)**	(3,326,507)	(291,187)	(17,663)	(14,625)	(640,317)
Buy back of shares	**(331,156,116)**	-	-	-	(356,907,276)	-
Net cash used in financing activities	**(372,856,381)**	(3,778,786)	(40,091,519)	(17,663)	(356,949,061)	(4,580,508)
Net increase in cash and cash equivalents	**(9,574,306)**	7,479,741	4,390,123	(1,598,578)	(435,068)	(25,049,480)
Cash and cash equivalents at beginning of the year	**23,014,578**	15,534,837	11,144,714	12,743,292	13,178,360	38,227,840
Cash and cash equivalents at end of the year	**13,440,272**	23,014,578	15,534,837	11,144,714	12,743,292	13,178,360

JSIL	Unit	FY15	FY16	FY17	FY18	FY19
Profitability						
Profit before tax ratio	%	49.09%	45.46%	19.13%	14.64%	-18.42%
Cost to revenue ratio	%	54.60%	57.51%	82.53%	86.82%	114.44%
ROE	%	7.55%	7.87%	1.26%	1.86%	-4.37%
Return on assets (RoA)	%	6.34%	7.06%	1.14%	1.66%	-3.47%
Income to expense ratio	Times	1.83	1.74	1.21	1.15	0.87
Growth in gross income	%	-53.3%	13.67%	-23.55%	10.36%	-17.73%
Growth in net profit after tax	%	-73.2%	14.59%	-83.87%	29.53%	-307.64%
Liquidity Ratios						
Current ratio	Times	10.9	11.7	9.2	7.6	4.2
Investment / Market Ratios						
Earnings / (loss) per share - Basic	Rs.	1.75	2.49	0.40	0.52	(1.17)
Price earnings ratio	Times	9.89	6.22	23.50	15.37	(13.85)
Price to book ratio	Times	0.46	0.35	0.25	0.23	0.55
Dividend yield ratio	%			5.3%		24.7%
Dividend payout ratio	Times			8.04		(0.01)
Dividend cover ratio	%			12.44%		-8378.02%
Dividend per share				0.5		4
Market Value per share						
At the end of the year	Rs.	17.3	15.5	9.4	8	16.21
High during the year	Rs.	18.64	17.49	17.19	11.5	23.5
Low during the year	Rs.	12.04	13.51	8.25	7.65	6.31
Average during the year	Rs.	14.95	14.54	13.47	9.5	12.48
No. of Shares		80,171,818	80,171,818	80,171,818	80,171,818	61,774,256
Market Cap		1,386,972,451	1,242,663,179	753,615,089	641,374,544	1,001,360,690
Capital Structure Ratios						
Earning assets to total assets ratio	Times	0.77	0.80	0.77	0.70	0.72
Net assets per share	Times	28.79	34.49	29.25	26.83	29.38
Total assets to shareholders' funds	Times	1.12	1.11	1.11	1.13	1.41

RATIOS

Profitability Ratios

Decreases in revenue coupled with increases in expenses has resulted in declining profitability till 2019. Improvements were seen in income in CY16 and CY18 but couldn't sustain in CY19 resulting a negative growth of -17.73%. Income to expense ratio has reduced consistently from 1.83 to 0.87. Resultantly, Return on Assets (RoA) and Return on Equity (RoE) hence reduced to -3.47% and -4.37%.

Liquidity Ratios

The current ratio of 4.2 times deteriorated over the last 5 years from 10.9 in CY15 owing to decreases in current financial assets and increases in current liabilities. However, CY19 current liabilities includes Rs.247 Million for dividends payable, excluding this portion will result in current ratio being 8.6 times which portrays that company's ability to pay short-term obligations is reasonably good.

Investment / Market Ratios

Earnings per share (EPS) has reduced consistently over the last 5 years from Rs.1.75 to Rs.-1.17 owing to decreases in profitability. Even though, company incurred a loss this year but it still paid out dividend per share of Rs.4 resulting in dividend payout ratio being negative.

Capital Structure Ratios

Earning assets to total assets has remained fairly stable throughout last 5 years. However, Net assets per share have reduced from 34.49 in CY16 times to 29.38 times in CY19. The total assets to shareholders' fund ratio has increased from 0.59 times in CY18 to 0.71 times in CY19.

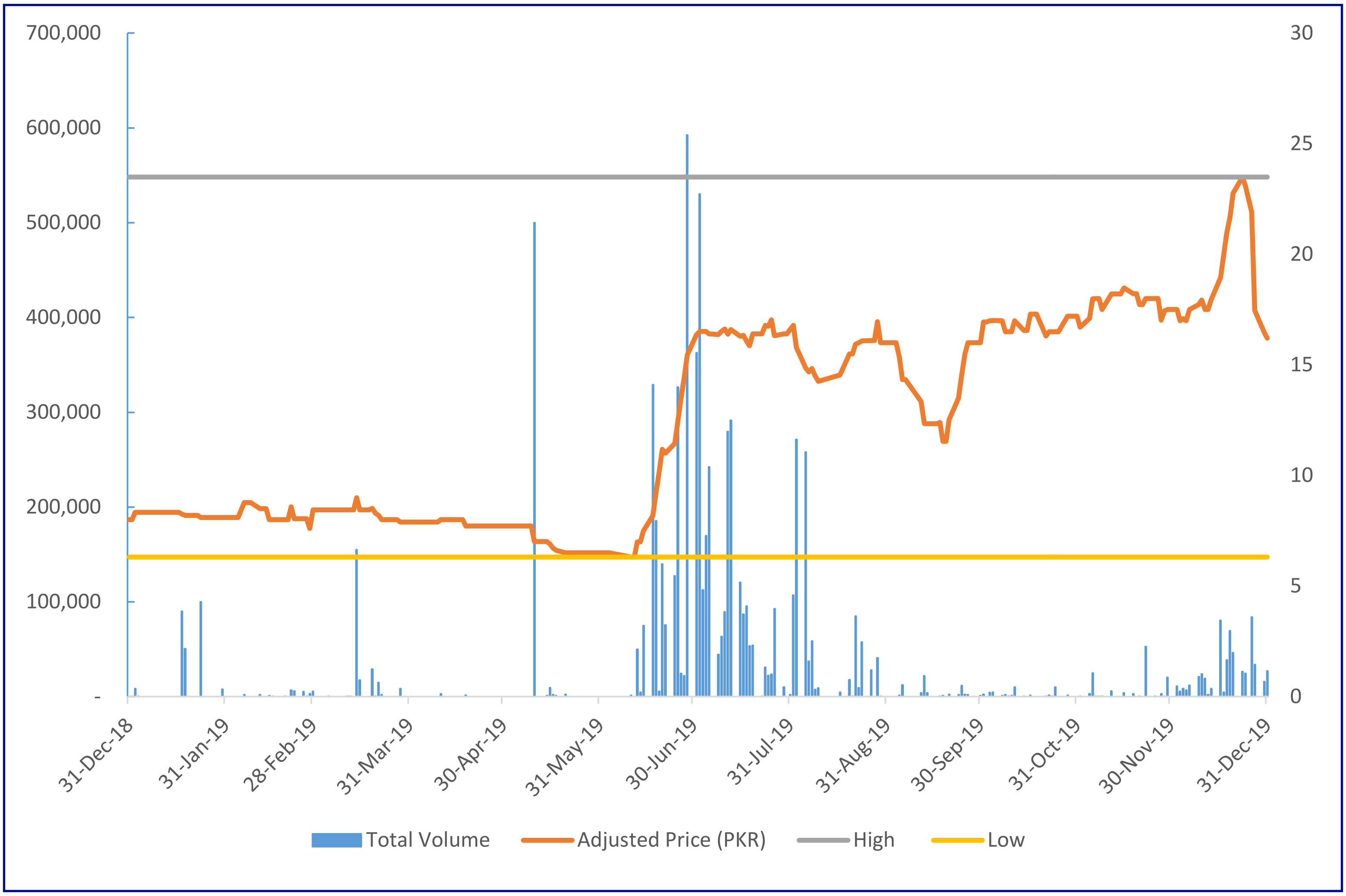
Capital Market & Market Capitalization

The Company's market capitalization stood at Rs.1 billion, depicting an increase of 56% as compared to last year, whereas the KSE-100 index increased from 37,067 points to 40,735 points at the end of the year, registering in a YoY increase of 9.89%.

Market price of the company experienced fluctuations between the highest of Rs.23.5 per share to the lowest of Rs.6.31 per share, with an average of Rs.12.48 per share.

Variations in share prices are principally caused by market psychology, occurrence of material events and speculative transactions by investors during the year.

MARKET PRICE & VOLUME



FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **JS Investments Limited** (the Company), which comprise the statement of financial position as at **31 December 2019**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of the profit or loss, comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. First time adoption of IFRS 9 and IFRS 16 (notes 2.5.1 and 2.5.2)	
Effective 01 January 2019, the Company has changed its accounting policies due to the adoption of the following new accounting standards: - IFRS 9 'Financial Instruments' (IFRS 9) addresses the classification, measurement, recognition and de-recognition of financial instruments and introduces a new impairment model for financial assets which requires the Company to make provision using expected credit loss (ECL) approach as against the incurred loss model. - IFRS 16 'Leases' (IFRS 16) 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 with corresponding recognition of right-of-use asset (ROU). Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17 'Leases' i.e. operating and finance leases. For lessees all leases will be classified as finance leases only. We have considered the first time application of IFRS 9 and IFRS 16 as a key audit matter due to the change in accounting methodology, involvement of significant estimates and judgments, presentation and incremental quantitative and qualitative disclosures.	Our key audit procedures amongst others, includes obtaining of an understanding of the analysis performed by management to identify all significant differences between previous accounting standards and the new accounting standards which can impact the financial statements. We also reviewed management's assessment of the impact of new accounting standards on the Company's financial statements. We further considered the key decisions made by the Company with respect to accounting policies, estimates and judgments in relation to adoption of new accounting standards and assessed their appropriateness based on our understanding of the Company's business and its operations. Our procedures to review the application of IFRS 9, amongst others, included the following: - Reviewed the methodology developed and applied by the management to estimate the allowance for ECL against the financial assets; - Considered and evaluated the approach and assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates; and - Assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records and information system of the Company as well as the external sources used for this purpose.

	Our audit procedures to review the application of IFRS 16, amongst others, included the following; - Review of managements' impact assessment of all operating lease contracts with lessor in light of application of the new standard. Our assessment included; - Considered the completeness, by testing the reconciliation to the Company's operating lease commitments (if any) and by inspecting terms; - Inspecting terms for a sample of operating lease contracts to determine whether the same are in scope of IFRS 16 and are also subject to recognition exemption under IFRS 16 for short-term and low value leases. We also reviewed contracts to identify whether it is a lease contract, and if so its various component, lease term, extended period, company historical experience, rental amount, payment terms, lease modifications terms, etc.; - Reviewed discount rate used by the Company to determine the present value of lease obligation and right of use ROU; - Reviewed and checked the period considered for depreciating ROU; - Tested calculation of PV of liability and ROU and its related finance cost and depreciation charge for the period; - We further tested the adjustments made in opening retained earnings as of 01 January 2019, where applicable as part of the transition process based on the differences identified; and - We also assessed the adequacy and appropriateness of financial statements presentation and disclosures in respect of IFRS 9 and IFRS 16 in accordance with the applicable financial reporting framework.

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

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

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

EY Ford Rhodes
Chartered Accountants

Date: 03 March 2020

Karachi

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	2019	2018
		---------------- Rupees	----------------
ASSETS			
Non - current assets			
Property and equipment	4	476,086,870	485,306,147
Intangible assets	5	15,323,841	16,315,422
Long-term investment in a subsidiary	6	37,500,000	37,500,000
Long-term loans and prepayments - considered good	7	3,387,150	4,209,830
		532,297,861	543,331,399
Current assets			
Balances due from funds under management - related parties	8	123,073,939	112,825,238
Loans and advances - considered good	9	3,973,499	2,436,861
Trade deposits, short term prepayments and other receivables	10	59,509,508	60,455,636
Other financial assets - investments	11	1,741,945,710	1,604,144,245
Taxation - net		87,784,493	89,518,144
Cash and bank balances	12	13,440,272	23,014,578
		2,029,727,421	1,892,394,702
Total assets		2,562,025,282	2,435,726,101
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorised capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	617,742,560	801,718,180
Unappropriated profit		1,197,045,225	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		-	173,891,692
		1,814,787,785	2,150,677,076
LIABILITIES			
Non - current liabilities			
Deferred taxation	14	-	-
Liabilities against assets subject to finance lease	15	264,907,566	34,634,633
Current liabilities			
Accrued and other liabilities	16	185,525,504	235,674,385
Dividend payable		247,097,024	
Unclaimed dividend		2,952,805	2,952,805
Current maturity of liabilities against assets subject to finance lease	15	46,754,598	11,787,202
Total liabilities		747,237,497	285,049,025
Total equity and liabilities		2,562,025,282	2,435,726,101
Contingencies and commitments	17		

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

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

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----------- Rupees -----------	
Income			
Remuneration from funds under management - net	18	**198,773,230**	195,074,253
Commission from open end funds under management	19	**9,058,365**	4,319,519
Dividend income	20	**20,613,047**	3,882,418
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss	11.2	**76,814,744**	1,004,831
Net gain on sale of investments classified as at fair value through profit or loss		**5,017,074**	2,778,670
Net gain on sale of investments classified as 'available-for-sale'	11.4	**-**	175,736,478
Return on bank deposits		**7,433,571**	2,125,280
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	21	**2,634,368**	4,459,869
		320,344,399	389,381,318
Administrative and marketing expenses	22	**(336,948,704)**	(283,166,433)
Selling and distribution expenses	23	**(92,162,351)**	(88,033,932)
Operating (loss) / profit		**(108,766,656)**	18,180,953
Other expenses	24	**-**	(1,163,256)
Financial charges	25	**(38,423,472)**	(3,326,506)
		(147,190,128)	13,691,191
Other income	26	**88,194,954**	43,318,652
(Loss) / profit before taxation		**(58,995,174)**	57,009,843
Taxation - net	27	**(27,650,041)**	(15,281,693)
(Loss) / profit for the year		**(86,645,215)**	41,728,150
(Loss) / earnings per share for the year - basic and diluted	28	**(1.17)**	0.52

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

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

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	----------- Rupees -----------	
(Loss) / profit for the year	**(86,645,215)**	41,728,150
Other comprehensive loss that may be reclassified to profit and loss account in subsequent periods		
Unrealised diminution on remeasurement of investments classified as 'available-for-sale' - net	-	(69,256,500)
Reclassification adjustments relating to sale of investments	-	(175,736,478)
Related tax	-	8,940,310
	-	(236,052,668)
Other comprehensive loss that will not be reclassified to profit and loss account in subsequent periods		
Surplus on revaluation of property during the year	**329,009,064**	-
Total comprehensive income for the year	**242,363,849**	(194,324,518)

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

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

JS investments

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2019

		Reserves				
		Capital reserve			Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account	Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Unappropriated profit	Total
	---------- Rupees ----------					
Balance as at January 01, 2018	801,718,180	198,281,820	183,058,851	461,102,049	700,840,694	2,345,001,594
Total comprehensive (loss) / income						
Profit for the year	-	-	-	-	41,728,150	41,728,150
Other comprehensive loss - net	-	-	-	(236,052,668)	-	(236,052,668)
Total comprehensive (loss) / income for the year	-	-	-	(236,052,668)	41,728,150	(194,324,518)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net	-	-	(9,167,159)	-	9,167,159	-
Balance as at December 31, 2018	**801,718,180**	**198,281,820**	**173,891,692**	**225,049,381**	**751,736,003**	**2,150,677,076**
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	-	-	-	(225,049,381)	225,049,381	-
Balance as at January 01, 2019 - (Adjusted)	801,718,180	198,281,820	173,891,692	-	976,785,384	2,150,677,076
Total comprehensive (loss) / income						
Loss for the year	-	-	-	-	(86,645,215)	(86,645,215)
Other comprehensive income - net	-	-	329,009,064	-	-	329,009,064
Total comprehensive (loss) / income for the year ended December 31, 2019	-	-	329,009,064	-	(86,645,215)	242,363,849
Transfer from surplus on account of disposal	-	-	(502,900,756)	-	502,900,756	-
Buy back of 18,397,562 shares having face value of Rs.10 each at a purchase price of Rs. 18/- each	(183,975,620)	-	-	-	(147,180,496)	(331,156,116)
Transfer from capital re-purchases reserve account	-	(198,281,820)	-	-	198,281,820	-
Interim distribution @ Rs.4.00 per share	-	-	-	-	(247,097,024)	(247,097,024)
Balance as at December 31, 2019	**617,742,560**	**-**	**-**	**-**	**1,197,045,225**	**1,814,787,785**

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

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

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		---------- Rupees ----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(58,995,174)**	57,009,843
Adjustment for:			
Remuneration from funds under management - net	18	**(198,773,230)**	(195,074,253)
Commission from open end funds under management	19	**(9,058,365)**	(4,319,519)
Remuneration of discretionary and non discretionary client portfolio		**(2,634,368)**	(4,459,869)
Dividend income	20	**(20,613,047)**	(3,882,418)
Depreciation	4.1	**77,838,441**	34,686,862
Amortisation of intangible assets	5	**4,601,830**	3,270,118
Financial charges	25	**38,423,472**	3,326,506
Return on bank deposits		**(7,433,571)**	(2,125,280)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**(5,017,074)**	(2,778,670)
Net gain on sale of investments classified as 'available-for-sale'		**-**	(175,736,478)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	26	**(76,814,744)**	(1,004,831)
Gain on disposal of property and equipment	26	**(519,828)**	(966,980)
		(258,995,658)	(292,054,969)
Increase / (decrease) in assets and liabilities			
Loans and advances		**(713,958)**	2,807,730
Trade deposits, short term prepayments and other receivables		**(10,884,050)**	12,080,548
Accrued and other liabilities		**(62,516,714)**	46,969,944
		(74,114,722)	61,858,222
		(333,110,380)	(230,196,747)
Taxes paid - net		**(25,851,969)**	(22,813,960)
Remuneration and commission received from funds under management		**200,217,262**	201,250,009
Net cash used in operating activities		**(158,745,087)**	(51,760,698)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(1,955,174,949)**	(1,642,626,251)
Sale proceeds from disposal of investments		**1,899,205,302**	1,848,554,891
Dividends received		**20,613,047**	3,882,418
Payment for purchase of property and equipment		**(56,750,125)**	(141,359,988)
Payment for purchase of intangible assets		**(3,610,249)**	(11,120,618)
Return on bank deposits		**7,433,571**	2,084,607
Sale proceeds from disposal of property and equipment		**610,310,565**	3,604,166
Net cash generated from investing activities		**522,027,162**	63,019,225
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**-**	(452,279)
Payment of lease liabilities		**(41,700,265)**	(3,326,507)
Buy back of shares		**(331,156,116)**	-
Net cash used in financing activities		**(372,856,381)**	(3,778,786)
Net increase in cash and cash equivalents		**(9,574,306)**	(7,479,741)
Cash and cash equivalents at beginning of the year		**23,014,578**	15,534,837
Cash and cash equivalents at end of the year	31	**13,440,272**	23,014,578

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

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

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 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. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

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

Location	Address	Purpose
Karachi	The Centre, 19th Floor, Plot No. 28, SB-5 Abdullah Harooon Road Saddar	Head Office
Karachi	Plot No. 16-C, Phase-I, Near Nadra Mega Centre, DHA, Karachi	Branch Office
Lahore	1st Floor, Block C, Abul Hassan Isfahani Road, Faisal Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

1.2 The Company is an asset management company, pension fund and private equity & venture capital manager for the following at year ended:

1.2.1 Asset management company of the following funds:

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

Private Equity & Venture Capital fund
- JS Motion Picture Fund

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

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

1.4 During the year, the Company announced public announcement of buy back for purchase of its own shares up to a maximum of 27,934,840 shares through tender offer for the purpose of cancellation. The payment for accepted shares was made on September 02, 2019. The unaccepted shares were subsequently returned to unsuccessful shareholders and accepted shares were subsequently cancelled on September 05, 2019.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

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

- Provisions of and directives issued under the Act;

- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

i) Amortisation of intangible assets (notes 3.3 and 5);

ii) Provision for taxation (notes 3.10 and 27);

iii) Classification and valuation of investments (notes 3.4 and 11);

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

v) Recognition and measurement of deferred tax assets and liabilities (notes 3.10 and 14).

vi) Leases (note 2.5.2)

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

Standard or Interpretation

IFRS 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)

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

IFRIC 23 - Uncertainty over income tax treatments

Improvements to Accounting Standards Issued by the IASB in December 2017

IFRS 3 Business Combinations - Previously held Interests in a joint operation exemptions for first-time adopters

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements except for IFRS 9 and IFRS 16. The impact of adoption of IFRS 9 and IFRS 16 are described below:

2.5.1 IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39, bringing together aspects of the accounting for financial instruments: classification, measurement and impairment.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Company has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in un-appropriated profit as of 1 January, 2019 and comparatives are not restated. Details of these new requirements as well as their impact on the Company's unconsolidated financial statements are described below:

Classification and measurement

The Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9 'Financial Instruments' are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

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.

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.

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 accounting for the Company's financial liabilities remains largely the same as it was under IAS 39. Accordingly, the adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

IFRS 9 has not resulted in changes in the carrying amount of the Company's financial instruments due to changes in measurement categories except for trade debts. All financial assets that were classified as available for sale under IAS 39 are classified as fair value through other comprehensive income under IFRS 9. All financial assets that were classified as held for trading under IAS 39 are classified as fair value profit and loss under IFRS 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

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 ECL approach. IFRS 9 requires the Company to record an allowance for ECL for all financial assets other than debt instruments classified as FVPL and equity instruments classified as FVPL or FVOCI.

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 financial statements.

The adoption of IFRS 9 resulted in following:

	As at December 31, 2018	Impact of adoption of IFRS 9	As at January 01, 2019
Impact on statement of assets and liabilities	-------------------	(Rupees)	-------------------
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**

2.5.2 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; and 'accrued and other liabilities' 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	293,665,460
Decrease) in trade deposits, short term prepayments and other receivables	(11,830,178)
	281,835,282
Increase in lease liability against assets subject to finance lease	(281,835,282)
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

The lease liabilities as at January 01, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

	----- Rupees -----
Operating lease commitments as at December 31, 2018	68,000
Weighted average incremental borrowing rate as at January 01, 2019	12.30%
Discounted operating lease commitments as at January 01, 2019	65,282
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 31 December 2018	281,770,000
Lease liabilities as January 01, 2019	281,835,282

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

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

	Effective date (annual periods beginning on or after)
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 14 – Regulatory Deferral Accounts	July 01, 2019
Definition of a Business – Amendments to IFRS 3	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020

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

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

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year except for the changes in accounting policies as explained in the notes 3.4, 3.15 below and 2.5 above:

3.2 Property and equipment

a) Owned assets

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

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

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.In order to reflect more appropriately the flow of economic benefits derived from the use of branch set-up, the useful life of these assets have been increased from 05 years to 10 years. The effect of these changes on actual and expected depriciation expense in current and future years respectively is as follows:

	2019	2020	From January 01, 2021 to December 31, 2023	From January 01, 2024 and onwards
	(Rupees)			
Increase / (decrease) in depriciation expense	(9,176,442)	(12,747,535)	(12,747,535)	12,747,535

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

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

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

3.3 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rate specified in note 5 to these unconsolidated financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

3.4 Financial instruments - Policy applicable from January 01, 2019

In the current period, the Company has adopted IFRS 9 Financial Instruments. See note 2.5.1 for an explanation of the impact. Comparative figures for the year ended 31 December 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.

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).

3.4.1 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

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

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.

Financial instruments - Policy applicable for the period ended or before December 31, 2018

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

Trade debts and other receivables

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

Impairment

Financial assets

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

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

Financial Liabilities

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

Offsetting of financial assets and liabilities

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

3.5 Investment in subsidiary

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

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

3.6 Revenue recognition

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

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

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

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

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

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

3.7 Defined contribution scheme

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

3.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.9 Impairment

Non-financial assets

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

3.10 Taxation

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

Current

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

Deferred

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

A deferred tax asset is recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-fontvard of unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

3.11 Cash and cash equivalents

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

3.12 Financial instruments

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

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

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

3.13 Earnings per share

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

3.14 Dividend and other appropriation to reserves

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

3.15 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 property 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 one 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 Company's head office and 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 operations if a replacement is not readily available.

	Note	2019	2018
		------------ Rupees ------------	
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	**215,524,830**	364,873,701
Right-of-use assets	4.2	**259,248,828**	-
Capital work-in-progress - advance against capex	4.3	**1,313,212**	120,432,447
		476,086,870	485,306,147

4.1 Operating fixed assets	**2019**					
	Office premises	**Lease hold improvement**	**Furniture and fixtures**	**Office equipment**	**Vehicles (note 4.1.1)**	**Total**
	Rupees					
At January 01, 2019						
Cost / revalued amount	**372,660,000**	**2,990,894**	**28,597,348**	**119,071,316**	**67,627,788**	**590,947,346**
Revaluation	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation	**(85,401,250)**	**(2,990,894)**	**(23,725,880)**	**(97,803,126)**	**(16,152,481)**	**(226,073,631)**
Net book value	**287,258,750**	**-**	**4,871,468**	**21,268,190**	**51,475,307**	**364,873,715**
Year ended December 31, 2019						
Opening net book value	**287,258,750**	**-**	**4,871,468**	**21,268,190**	**51,475,307**	**364,873,715**
Revaluation	**329,009,064**	**-**	**-**	**-**	**-**	**329,009,064**
Additions	**-**	**127,475,354**	**12,755,200**	**30,506,679**	**4,117,360**	**174,854,594**
Disposals	**(606,831,542)**	**-**	**(310,235)**	**(146,347)**	**(2,502,612)**	**(609,790,736)**
Depreciation charge for the year	**(9,436,272)**	**(9,218,440)**	**(1,528,501)**	**(13,296,754)**	**(9,941,838)**	**(43,421,805)**
Closing net book value	**-**	**118,256,914**	**15,787,932**	**38,331,768**	**43,148,217**	**215,524,830**
At December 31, 2019						
Cost / revalued amount	**-**	**130,466,248**	**41,042,313**	**149,431,648**	**69,242,536**	**390,182,745**
Accumulated depreciation	**-**	**(12,209,334)**	**(25,254,381)**	**(111,099,880)**	**(26,094,319)**	**(174,657,915)**
Net book value	**-**	**118,256,914**	**15,787,932**	**38,331,768**	**43,148,217**	**215,524,830**
Depreciation rate % per annum	**5%**	**10%**	**10%**	**25%**	**20%**	

	2018					
	Office premises	**Lease hold improvement**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Total**
	Rupees					
At January 01, 2018						
Cost / revalued amount	372,660,000	3,430,894	25,893,079	114,897,506	56,106,553	572,988,032
Accumulated depreciation	(66,768,250)	(3,430,894)	(23,633,142)	(102,567,056)	(9,503,646)	(205,902,988)
Net book value	305,891,750	-	2,259,937	12,330,450	46,602,907	367,085,044
Year ended December 31, 2018						
Opening net book value	305,891,750	-	2,259,937	12,330,450	46,602,907	367,085,044
Additions	-	-	3,071,709	16,130,321	15,910,675	35,112,705
Disposals	-	-	(26,396)	-	(2,610,790)	(2,637,186)
Depreciation charge for the year	(18,633,000)	-	(433,796)	(7,192,581)	(8,427,485)	(34,686,862)
Closing net book value	287,258,750	-	4,871,454	21,268,190	51,475,307	364,873,701
At December 31, 2018						
Cost / revalued amount	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Accumulated depreciation	(85,401,250)	(2,990,894)	(23,725,894)	(97,803,126)	(16,152,481)	(226,073,645)
Net book value	287,258,750	-	4,871,454	21,268,190	51,475,307	364,873,701
Depreciation rate % per annum	5%	20%	10%	25%	20%	

4.1.1 Vehicles with a net book value of Rs.42.394 (2018: Rs.49.690) million are held under finance lease. The leased vehicles are pledged as security for the related finance lease obligation.

4.1.2 Details of operating fixed assets disposed of:

	Cost / revalued	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
Assets with Individual book value exceeding rupees 500,000							
Office premises							
Forum office	**611,609,564**	**4,778,022**	**606,831,542**	**606,831,542**	-	Related party via bid	JS Bank Limited
Vehicles							
Suzuki cultus VXR	**1,145,240**	**372,202**	**773,038**	**976,000**	**202,962**	Third party via bid	Muhammad Arsalan Khan
Honda City	**1,921,750**	**192,175**	**1,729,575**	**1,910,000**	**180,425**	Third party via bid	Automotive brokerage services
Items having Book Values of Less than Rs.500,000 each*	**2,692,680**	**2,236,098**	**456,582**	**593,023**	**136,441**		
Total as at December 31, 2019	**617,369,234**	**7,578,497**	**609,790,737**	**610,310,565**	**519,828**		
Total as at December 31, 2018	17,153,391	14,516,205	2,637,186	3,604,166	966,980		

* Includes Disposals of all other class of operating fixed assets.

4.1.3 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 to JS Bank Limited (Parent Company) and the revaluation surplus included in statement of changes in equity was transferred to unappropriated profit.

4.1.4 The cost of fully depreciated assets as at December 31, 2019 is Rs.29.372 (2018: Rs.99.903) million.

	Note	2019	2018
		------------ Rupees ------------	
4.2 Right-of-use assets			
As at January 01	2.5.2	**293,665,460**	-
Additions		**-**	-
Depreciation expense		**(34,416,632)**	-
Deletion		**-**	-
As at December 31		**259,248,828**	-

4.3 This represents advances paid to various contractors and suppliers in respect of civil works pertaining to new premises and software. The additions and transfers during the year amounted to Rs.209.689 (2018: Rs.126.680) million and Rs.327.794 (2018: Rs.17.995) million, respectively.

	2019	2018
	------------ Rupees ------------	

5. INTANGIBLE ASSETS - SOFTWARE

	2019	2018
At January 01		
Cost	**53,218,464**	42,097,846
Accumulated amortization	**(36,903,042)**	(33,632,924)
Net book value	**16,315,422**	8,464,922
Year ended December 31		
Opening net book value	**16,315,422**	8,464,922
Additions during the year	**3,610,249**	11,120,618
Amortization for the year	**(4,601,830)**	(3,270,118)
Closing net book value	**15,323,841**	16,315,422
At December 31		
Cost	**56,828,713**	53,218,464
Accumulated amortization	**(41,504,872)**	(36,903,042)
Net book value	**15,323,841**	16,315,422
Amortization rate % per annum	**20%**	20%

6. LONG-TERM INVESTMENT - INVESTMENT IN A SUBSIDIARY

	2019	2018
3,750,000 (2018: 3,750,000) unquoted ordinary shares of Rs.10 each held in JS ABAMCO Commodities Limited (Net assets value as per the unaudited financial statements as at December 31, 2019: Rs.65.19 (2018: Rs.60.95) million	**37,500,000**	37,500,000

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	2019	2018
		------------ Rupees ------------	
Loans to employees	7.1	**1,970,713**	2,456,478
Less: Current portion	9	**(748,771)**	(805,390)
		1,221,942	1,651,088
Long term prepayment	7.2	**3,935,342**	3,935,342
Less: Amortisation		**(1,376,600)**	(983,066)
Less: Current portion		**(393,534)**	(393,534)
		2,165,208	2,558,742
		3,387,150	4,209,830

7.1 These represent loans given to employees for purchase of motor vehicles, house loans and staff personal loans. These loans are recovered through deduction from salaries over varying periods up to a maximum period of five years, fifteen years and four years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and staff personal loan carry mark-up at rates ranging from 5.15% to 13.74% (2018: 5.99% to 10.30%) per annum. The Company has not discounted these loans at market interest rates as the effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.1.97 (2018: Rs.4.58) million.

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

8. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

8.1 Balances due from funds under management

Open end Funds (see note 18.1)		
JS Value Fund	**15,642,014**	15,915,115
JS Growth Fund	**36,400,614**	36,395,386
JS Large Cap Fund	**12,057,113**	12,547,909
Unit Trust of Pakistan	**17,199,257**	17,855,869
JS Income Fund	**5,466,326**	5,144,214
JS Islamic Fund	**6,355,599**	6,985,224
JS Fund of Funds	**562,537**	595,433
JS Pension Savings Fund	**3,570,632**	3,529,450
JS Islamic Pension Savings Fund	**1,917,786**	1,920,294
JS Islamic Income Fund	**1,255,839**	1,319,391
JS Cash Fund	**5,567,821**	4,685,689
JS Islamic Hybrid Fund of Funds	**8,168,259**	142
JS Islamic Dedicated Equity Fund	**3,090,531**	1,993,509
JS Islamic Hybrid Fund of Funds - 2	**4,893,466**	3,937,613
JS Islamic Hybrid Fund of Funds - 3	**734,831**	-
JS Motion Picture Fund	**191,314**	-
	123,073,939	112,825,238

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

	Note	2019	2018
		------------ Rupees ------------	
9. LOANS AND ADVANCES - CONSIDERED GOOD			
Current portion of long-term loans to employees	7	**748,771**	805,390
Unsecured advances to			
- employees		**2,299,703**	1,268,978
- suppliers		**925,025**	362,493
		3,224,728	1,631,471
		3,973,499	2,436,861
10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Rent and other receivable from related parties	10.1	**41,827,290**	31,481,853
Advance rent		**-**	9,196,474
Deposits		**4,228,956**	4,246,956
Prepayments		**9,941,886**	11,282,803
Others		**3,511,376**	4,247,550
		59,509,508	60,455,636

10.1 This includes Rs.36.023 (2018: Rs.24.400) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.4.665 (2018: Rs.4.455) million of expenses incurred on the formation cost on behalf of funds under management.

	Note	2019	2018
11. OTHER FINANCIAL ASSETS - INVESTMENTS			
Investments by category			
'Available-for-sale'			
Units of mutual funds - related parties	11.1	**-**	1,157,454,903
At fair value through profit or loss'			
Units of mutual funds - related parties	11.2	**1,616,945,710**	321,689,342
Listed debt security - Term finance certificate	11.3	**125,000,000**	125,000,000
		1,741,945,710	446,689,342
		1,741,945,710	1,604,144,245

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

Number of units 2019	Number of units 2018	Name of fund	2019 Average cost	2019 Fair value	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	-	-	-
			-	-	1,157,454,903

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

Number of units 2019	Number of units 2018	Name of fund	2019 Average cost	2019 Fair value	2018 Fair value
			---------- Rupees	----------	
-	2,358,284	JS Cash Fund	-	-	**241,040,244**
2,925,657	346,078	JS Income Fund	**284,119,259**	**294,087,027**	**34,247,920**
-	442,295	JS Islamic Income Fund	-	-	**46,401,178**
1,000,000	-	JS Picture Motion Fund	**100,000,000**	**99,990,000**	-
			384,119,259	**394,077,027**	**321,689,342**
		Re-classified as per IFRS 9 (see note 2.5.1)			
1,716,379	-	JS Value Fund	**341,336,248**	**341,336,249**	-
1,903,901	-	JS Growth Fund	**302,072,879**	**322,482,694**	-
205,210	-	JS Pension Savings Fund - Equity	**85,297,643**	**86,654,082**	-
137,349	-	JS Pension Savings Fund - Debt	**34,079,032**	**38,530,512**	-
177,463	-	JS Pension Savings Fund - Money Market	**35,329,416**	**39,425,272**	-
2,772,987	-	JS Fund of Funds	**141,034,115**	**162,774,333**	-
182,354	-	JS Islamic Pension Savings Fund - Equity	**101,071,344**	**104,609,005**	-
213,852	-	JS Islamic Pension Savings Fund - Debt	**44,359,257**	**49,087,518**	-
222,303	-	JS Islamic Pension Savings Fund - Money Market	**39,990,153**	**44,231,701**	-
157,204	-	JS Islamic Capital Preservation - Allocation Plan 4	**15,776,968**	**16,839,666**	-
-	-	JS Islamic Hybrid Fund of Funds-2 *	-	-	-
3,305	-	JS Islamic Capital Preservation - JS Islamic Hybrid Fund Of Funds-Mustahkem	**300,000**	**288,464**	-
153,647	-	Allocation Plan 5	**15,364,650**	**16,609,187**	-
			1,540,130,964	**1,616,945,710**	**321,689,342**
		Unrealised gain on remeasurement at fair value - net	**76,814,747**	-	-
			1,616,945,710	**1,616,945,710**	**321,689,342**

11.3 Investment in Debt Security - Term Finance Certificate

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

	Note	2019	2018
		------------ Rupees ------------	
11.4 Unrealised appreciation on remeasurement at fair value			
Market value of investments		-	1,157,454,903
Less: Cost of investments		-	(945,330,423)
		-	212,124,480
Unrealised appreciation at the beginning of the year		**212,124,480**	212,124,480
Appreciation transferred to profit and loss account during the year upon disposal of investments		**(175,736,478)**	(175,736,478)
Diminution on remeasurement at fair value during the year		**(36,388,002)**	175,736,478
		(212,124,480)	-
		-	212,124,480

12. CASH AND BANK BALANCES

	Note	2019	2018
Cash in hand		**68,045**	86,788
Cash at bank in:			
Current accounts		**1,168,596**	568,596
Saving accounts	12.1	**12,203,631**	22,359,194
	12.2	**13,372,227**	22,927,790
		13,440,272	23,014,578

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

12.2 It includes Rs.10.717 (2018: Rs.20.947) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2019	2018		2019	2018
------------ Shares ------------			------------ Rupees ------------	
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs.10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs.10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs.10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs.10 each issued on amalgamation with Confidence Financial Services Limited	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
(38,225,744)	(19,828,182)	Shares repurchased (2015: 19.8 mln & 2019: 18.4 mln)	**(382,257,440)**	(198,281,820)
61,774,256	80,171,818		**617,742,560**	801,718,180

13.1 As at year end, JS Bank Limited, the Parent Company, holds 52,236,978 (2018: 52,236,978) shares in the Company.

13.2 There is only one class of ordinary shares issued.

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

14. DEFERRED TAXATION

As of December 31, 2019, the Company has accumulated losses of Rs. 240.758 million. The deferred tax on such losses works out to Rs. 69.819 million, however, the Company has recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs. 24.352 million. Unrecognized deferred tax asset on carried forward business losses as at 31 December 2019 amounted to Rs. 44.468 million.

	Note	2019	2018
		------------ Rupees ------------	
15. LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE			
As at January 01		**34,634,633**	3,508,147
Add: Impact of IFRS 16	2.5.2	**281,835,282**	-
Interest expense		**38,423,472**	3,326,506
Additions		**-**	41,389,488
Deletion		**(1,530,958)**	-
Payments		**(41,700,265)**	(1,802,306)
As at December 31		**311,662,164**	46,421,835
Less: Current Maturity		**(46,754,598)**	(11,787,202)
		264,907,566	34,634,633

15.1 The liability against asset subject to finance lease represents the lease entered into with a Modaraba for 32 different vehicles (2018: 34 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2018: KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20%) per annum. The Company, shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

	Note	2019	2018
		------------ Rupees ------------	
16. ACCRUED AND OTHER LIABILITIES			
Salary payable		**2,583,247**	1,747,225
Staff bonus accrued		**20,651,897**	20,000,000
Accrued expenses		**21,692,343**	30,324,477
Fee and commission payable		**6,519,476**	4,261,560
Sales tax payable		**19,982,152**	17,240,883
Federal excise duty payable	16.1	**92,244,586**	92,244,587
Provision for Sindh Workers' Welfare Fund	16.2	**10,839,549**	10,839,549
Provision for Workers' Welfare Fund	16.3	**-**	26,308,605
Provision for Workers' Welfare Fund on behalf of funds under management	16.3	**-**	31,310,453
Other liabilities	16.3 & 16.4	**11,012,254**	1,397,046
		185,525,504	235,674,385

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

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

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

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

16.2 In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Group has maintained an aggregated provision against Sindh Workers' Welfare Fund as the year end amounting to Rs.10.943 (2018: Rs.10.839) million. The Group has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no. 1459 dated June 02, 2017. The said suit is currently pending before the SHC.

16.3 During the year, based on the opinion obtained by the Group, provision against Federal Workers' Welfare Fund amounting to Rs.57.619 (2018: Rs.Nil) million has been reversed.

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

The Honorable Supreme Court of Pakistan passed a judgment on November 10, 2016, declaring the insertion of amendments introduced in the Finance Acts pertaining to WWF as unlawful and thereby striking down such amendments. During the year the Holding Company obtained an opinion with respect to the treatment WWF in the light of Supreme Court's decision and on that basis reversed the provision of Rs.57.619 (2018: Rs.57.619) million against WWF as at the year end (including Rs.31.310 million maintained on behalf of certain funds under management).

16.4 It also includes Rs.Nil (2018: Rs.0.005 million) amount payable in respect of contributions to defined contribution plan.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

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

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

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

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

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

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

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which Company filed appeal before the CIR(A). The DCIR consider our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million.The CIR(A) vide order dated May 6, 2019 was partly considered our submissions put before him. Company submitted appeal before the ATIR against the order of the CIR(A).

The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 and reduce the refund claimed of Rs.8.499 million to Rs.3.102 million for the tax year 2012. The learned CIR (Appeal) vide order dated May 6, 2019 was confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. Company submitted appeal before the ATIR against the order of the CIR(A).

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

	2019	2018
	------------ Rupees ------------	
17.2 Commitments in respect of:		
Use of name and advisory payment - a related party	**15,000,000**	15,000,000

18. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET	2019	2018
	------------ Rupees ------------	
Open end Funds		
JS Value Fund	**14,649,761**	23,536,981
JS Growth Fund	**32,810,531**	47,658,659
Unit Trust of Pakistan	**25,116,121**	32,442,508
JS Income Fund	**14,112,785**	21,790,979
JS Islamic Fund	**14,089,317**	27,262,320
JS Fund of Funds	**696,375**	1,564,656
JS Islamic Hybrid Fund of Funds	**96,087**	-
JS Islamic Hybrid Fund of Funds - 2	**72,628,480**	14,081,205
JS Pension Savings Fund	**5,000,813**	6,003,311
JS Islamic Pension Savings Fund	**2,741,747**	3,647,915
JS Cash Fund	**7,610,796**	2,501,348
JS Islamic Income Fund	**5,060,511**	4,401,629
JS Capital Protected Fund V	**-**	1,399,113
JS Islamic Dedicated Equity Fund	**11,142,944**	16,571,027
JS Large Cap Fund	**12,490,021**	17,572,255
JS Islamic Hybrid Fund of Funds - 3	**6,083,696**	-
JS Motion Picture Fund	**273,129**	-
	224,603,114	220,433,906
	224,603,114	220,433,906
Less: Sindh sales tax	**(25,829,884)**	(25,359,653)
	198,773,230	195,074,253

18.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management company / investment advisor of the Fund is entitled to an accrued remuneration the maximum rate of management fee chargable to Collective Investment Scheme within allowed expense ratio limit. An Asset Management Company shall be entitled to an accrued remuneration that has been verified by the trustee and is paid in arrears. During the year ended December 31, 2019 the Company has charged management fee at the rates ranging from 0.00% to 2.00% (2018: 0.00% to 2.00%).

18.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2019 amounts to Rs.23.37 (2018: Rs.20.38) billion.

19. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT

	Note	2019	2018
		------------ Rupees ------------	
Unit Trust of Pakistan		**50,554**	11,185
JS Islamic Fund		**17,290**	1,023,593
JS Fund of Funds		**1,033**	84,864
JS Value Fund		**18,738**	8,122
JS Growth Fund		**30,986**	1,103
JS Islamic Income Fund		**37,088**	40,572
JS Income Fund		**72,224**	39,044
JS Pension Savings Fund		**48,238**	63,682
JS Islamic Pension Savings Fund		**16,175**	805
JS Cash Fund		**150,054**	13,510
JS Large Cap Fund		**217,242**	263,596
JS Islamic Hybrid Fund of Funds - 2		**186,031**	2,756,201
JS Islamic Hybrid Fund of Funds - 3		**140,679**	-
JS Islamic Hybrid Fund of Funds		**8,072,033**	13,242
	19.1	**9,058,365**	4,319,519

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

20. DIVIDEND INCOME

	2019	2018
	------------ Rupees ------------	
'At fair value through profit or loss - held-for-trading'		
JS Income Fund	**2,613,422**	1,686,010
JS Islamic Income Fund	**5,669,513**	1,564,051
JS Cash Fund	**10,222,692**	-
JS Islamic Hybrid Fund of Fund-2	**1,764,500**	-
JS Islamic Active Allocation Plan	**342,920**	-
	20,613,047	3,250,061
JS Aggressive Income Fund	**-**	632,357
	20,613,047	3,882,418

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

This represents commission income and share of profit earned by the Company from management of discretionary portfolios and non-discretionary portfolio. Currently, the Company is managing Twelve (2018: Nine) discretionary and One (2018: One) non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2019 was Rs.1,431.804 (2018: Rs.300.64) million and Rs.1,437.605 (2018: Rs.270.76) million respectively.

22. ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2019	2018
		------------ Rupees ------------	
Salaries and benefits		**90,815,820**	91,236,609
Directors' fee		**875,000**	525,000
Staff retirement benefits	22.1	**7,181,183**	5,482,596
Staff bonus		**26,727,501**	20,000,000
Amortisation of intangible assets	5	**4,601,830**	3,270,118
Depreciation	4.1	**77,838,441**	34,686,862
Printing and stationery		**2,591,643**	1,362,274
Rent, rates, taxes and maintenance		**6,633,988**	36,307,602
Travelling, conveyance and vehicle maintenance		**15,256,639**	14,935,903
Share registrar / transfer agent remuneration		**665,919**	542,578
Postage and telephone		**4,171,568**	3,597,800
Legal and professional		**26,536,651**	16,304,383
Fees and subscription		**12,724,206**	8,371,871
IT services		**19,936,246**	9,972,324
Utilities		**5,973,431**	6,569,239
Office security		**656,944**	993,624
Insurance		**8,822,194**	9,796,578
Newspaper		**88,990**	188,533
Use of name and advisory fee	22.5	**15,000,000**	13,750,000
Shariah advisory fee	22.6	**46,461**	78,922
Auditors' remuneration	22.7	**1,800,610**	1,703,748
Donation		**-**	745,747
Training and development		**958,854**	867,855
Miscellaneous expenses		**7,044,585**	1,876,267
		336,948,704	283,166,433

22.1 Staff retirement benefits include contributions to defined contribution plan of Rs.9.99 (2018: Rs.9.03) million.

	2019	2018
	------------ Rupees ------------	
22.2 Number of employees at the end of the year	**120**	148
22.3 Average number of employees during the year	**138**	155

22.4 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The unaudited information related to provident fund as at December 31, 2019 is as follows:

	2019	2018
	------------ Rupees ------------	
Number of employees	**102**	103
Size of provident fund (Rupees)	**12,838,971**	15,427,782
Cost of investments (Rupees)	**2,214,735**	1,716,119
Percentage of investments	**19%**	14%
Fair value of investment (Rupees)	**2,417,253**	2,134,208
Break-up of investments		
- Balance in other listed securities		
Amount of investment (Rupees)	**2,417,253**	2,134,208
Percentage of size of investment	**19%**	14%
Total investments in listed securities	**2,417,253**	2,134,208
Percentage of size of investment	**19%**	14%
- Balance in scheduled banks		
Amount of investment (Rupees)	**11,805,898**	14,021,702
Percentage of size of investment	**92%**	91%

22.4.1 Based on un-audited financial statements of the Fund, the investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

22.5 This represents the "Use of Name" and "Advisory" fees payable to Mr. Jahangir Siddiqui (associated person) on account of use of "JS" as a part of Company's name under two separate agreements dated August 01, 2006. The "Use of Name agreement" has been amended through addendum dated April 20, 2018 whereby the Company agreed to pay Rs.15 million per annum (previously Rs.13.75 million per annum) effective from April 01, 2018. His current address is House no. D-185, Clifton, Karachi.

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

22.7 Auditors' remuneration

	2019	2018
	------------ Rupees ------------	
Annual audit fee	**1,000,000**	970,000
Fee for review of the statement of compliance on Code of Corporate Governance	**70,000**	57,500
Fee for review of half yearly financial statements	**260,000**	230,000
	1,330,000	1,257,500
Sindh sales tax	**100,600**	100,600
Out of pocket expenses	**370,010**	345,648
	1,800,610	1,703,748

	Note	2019	2018
		------------ Rupees ------------	
23. SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits		**60,257,512**	59,035,430
Staff retirement benefits	22.1	**2,811,272**	3,547,560
Utilities		**2,229,343**	2,399,425
Postage and telephone		**931,176**	1,284,021
Office security		**812,916**	493,752
Printing and stationery		**132,926**	275,739
Rent, rates, taxes and maintenance		**8,582,290**	7,753,578
IT services		**1,672,623**	5,137,327
Travelling, conveyance and vehicle maintenance		**2,206,943**	1,963,278
Fees and commission		**23,380,050**	8,800,000
Advertisement, selling and marketing expense		**10,831,542**	19,695,607
Miscellaneous expenses		**-**	1,090,336
		113,848,593	111,476,053
Less: Reimbursement of selling and distribution expenses	23.1	**(21,686,242)**	(23,442,121)
		92,162,351	88,033,932

23.1 The SECP vide Circular 11/2019 dated July 05, 2019, which supersede Circular No. 40 of 2016, Circular No. 05, of 2017 and Circular No. 05, of 2018. In this circular Selling and Marketing expense are allowed to be charged on all categories of Opend end Mutual Funds managed by Asset Management Compnay except Fund of Funds. These expenses are counted in the Total Expense Ratio Cap of the Fund.

24. OTHER EXPENSES

In view of the loss for the year ended 31 December 2019, no provision against Sindh Workers' Welfare Fund has been made during the year.

	Note	2019	2018
		------------ Rupees ------------	
25. FINANCIAL CHARGES			
Bank charges		**78,894**	42,963
Financial charges for liability against asset subject to finance lease		**38,344,578**	3,283,543
		38,423,472	3,326,506
26. OTHER INCOME			
Income from financial assets			
Mark-up on loans to employees		**179,675**	174,564
Mark-up on listed debt securities		**16,828,238**	167,445
Reversal of provision against Workers' Welfare Fund	16.3	**57,619,058**	-
Liabilities no longer required written back		**6,205,974**	18,780,367

Income from non-financial assets	Note	2019	2018
		------------ Rupees ------------	
Rental income	26.1	**6,842,181**	23,229,296
Gain on disposal of property and equipment	4.1.2	**519,828**	966,980
		88,194,954	43,318,652

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

27. TAXATION - Net

	2019	2018
	------------ Rupees ------------	
Current	**24,984,288**	27,165,214
Prior years	**2,665,753**	(5,233,738)
Deferred	**-**	(6,649,783)
	27,650,041	15,281,693

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

Tax year	Tax Provisions	Tax Assessments
2017	**44,436,579**	**43,341,877**
2018	**41,154,299**	**36,032,265**
2019	**27,165,214**	**29,830,967**

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

27.2 The income tax assessments of the Company has been finalized up to and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2019 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax Ordinance, 2001. The details of tax years 2006 and 2009 have been described in note 17.1 above.

27.3 The numerical reconciliation is not provided as the tax charge of the Company is mainly comprise of minimum tax and tax at reduced rates under the relevant sections of Income Tax Ordinance, 2001.

28. EARNINGS PER SHARE - Basic and diluted

(Loss) / profit for the year after taxation	**(86,645,215)**	41,728,150
	------- Number of shares -------	
Weighted average number of ordinary shares outstanding during the year	**74,324,922**	80,171,818
(Loss) / earnings per share (Rupees)	**(1.17)**	0.52

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

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executives *	
	2019	2018	2019	2018
	Rupees			
Managerial remuneration	**16,800,000**	15,272,724	**75,977,353**	62,638,233
Bonus paid	**5,000,000**	5,000,000	**13,342,601**	7,656,639
Car allowance	**-**	-	**-**	30,520
Retirement benefits	**1,231,440**	1,119,492	**5,529,637**	4,495,870
Medical allowance	**1,680,000**	1,527,276	**7,597,754**	6,263,828
Other benefits	**30,720**	33,180	**4,478,429**	3,114,690
	24,742,160	22,952,672	**106,925,774**	84,199,780
Number of persons	**1**	1	**28**	24

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

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

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

29.3 In addition, meeting fee amounting to total Rs.875,000 (2018: Rs.525,000) was paid to two non-executive (independent directors) directors for meetings attended during the year. The non-executive (independent directors) directors are not entitled to any remuneration except meeting fee.

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

30. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

30.1 Transactions during the year

30.1.1 Transactions with the funds under management

	2019	2018
	------------ Rupees	------------
Remuneration - net of taxes	**198,773,230**	195,074,252
Commission received	**9,058,365**	4,319,519
Investments made	**1,955,173,329**	1,517,626,251
Investments disposed off / matured	**1,899,205,309**	1,848,554,891
Amount paid	**46,374,316**	42,242,476
Amount received	**37,911,873**	37,259,325
Dividend received	**20,613,046**	3,882,418

30.1.2 Jahangir Siddiqui & Co. Limited (JSCL)

Basis of relationship - Ultimate parent company

Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)

	2019	2018
	------------ Rupees	------------
Amount paid	**45,667**	37,833
Amount received	**45,667**	25,000
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	**4,197,000**	-

	2019	2018
	------------ Rupees ------------	

30.1.3 JS Bank Limited (JSBL)

Basis of relationship - Parent company

Percentage of shareholding - JSBL holds 84.56% shares of the Company

	2019	2018
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**	6,914,147
Rent paid	**3,434,874**	7,166,952
Management fee sharing on distribution of mutual funds	**23,955,467**	4,853,045
Amount paid	**1,964,474**	1,739,478
Amount received	**1,195,641**	2,213,643
Return on bank deposits	**7,289,172**	1,986,105

30.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)

Basis of relationship - Common directorship of JSCL

	2019	2018
Rent received	**2,704,176**	10,816,703
Amount paid	**618,175**	2,831,262
Amount received	**1,675,202**	2,173,740

30.1.5 Associated company - JS Private Equity (JSPE)

Basis of relationship - Common directorship of JSCL

	2019	2018
Rent received	**917,910**	2,753,730
Amount paid	**354,660**	802,712
Amount received	**-**	1,283,920

30.1.6 Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)

Basis of relationship - Common directorship of the Company

	2019	2018
Rent received	**330,940**	1,323,759
Amount paid	**223,048**	842,590
Amount received	**375,819**	812,440

30.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)

Basis of relationship - common directorship of the Company

	2019	2018
Amount paid	**62,821**	247,978

	2019	2018
	------------ Rupees ------------	
30.1.8 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 21.10%		
Insurance premium paid	**3,590,700**	2,855,251
30.1.9 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	**2,202,835**	2,317,901
30.1.10 Associated company - ABAMCO Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Amount paid	**120,884**	1,524,114
Amount received	**120,884**	1,597,880
Provident fund contributions made	**9,992,454**	9,030,156
30.1.11 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Rent received	**-**	-
Amount paid	**566,669**	67,530
Amount received	**45,667**	-
30.1.12 Subsidiary company - JS Abamco Commodities Limited (JSACL)		
Basis of Relationship - Subsidiary		
Percentage of shareholding - 100% of JSIL		
Amount paid	**347,956**	120,000
Amount received	**90,000**	110,000
30.1.13 Common Substantial Shareholder - JS Land (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Rent paid	**36,422,400**	33,387,200
Amount paid	**17,074,352**	2,315,922

	2019	2018
	------------ Rupees ------------	

30.1.14 Common Directorship - Future Trust

Basis of relationship - common directorship of the Company

	2019	2018
Donation Paid	**745,747**	305,885

30.1.15 Transactions made with key management personnel

	2019	2018
Remuneration	**97,424,985**	88,120,197
Directors' fee	**875,000**	525,000
Disbursements of personal loans and advances	**4,116,105**	1,458,750
Repayments of loans and advances	**3,321,125**	3,220,290
Royalty and Advisory for the period	**15,000,000**	13,750,000

30.2 Balance outstanding with related parties

30.2.1 Funds under management

Basis of relationship - Funds managed by the Company

	2019	2018
Receivable from funds under management	**145,494,632**	126,783,451
Payable to funds under management	**3,010,722**	365,436

30.2.2 Jahangir Siddiqui & Co. Limited (JSCL)

Basis of relationship - ultimate parent company

Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)

	2019	2018
Other receivables	**23,372**	34,672
Other Payable	**75,000**	-
Payable against Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	**2,397,000**	4,197,000

30.2.3 JS Bank Limited (JSBL)

Basis of Relationship - parent company

Percentage of Shareholding - JSBL holds 84.56% shares of JSIL

	2019	2018
Bank Balance	**10,717,477**	20,947,481
Other receivable	**1,465,064**	706,231
Rent payable	**56,570**	478,766
Rent receivable	**2,409,149**	3,894,359
Other payable	**5,595,075**	3,086,247
Profit on bank deposits	**-**	65,484
Dividend Payable	**208,947,912**	-

		2019	2018
		------------ Rupees ------------	
30.2.4	**Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)**		
	Basis of relationship - Common directorship of JSCL		
	Other receivable	**660,165**	1,717,192
	Rent receivable	**2,486,352**	2,270,018
30.2.5	**Associated company - JS Private Equity (JSPE)**		
	Basis of relationship - Common directorship of JSCL		
	Other receivable	**2,346,023**	1,991,363
	Rent receivable	**930,938**	1,775,416
30.2.6	**Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)**		
	Basis of relationship - Common directorship of the Company		
	Other receivable	**177,106**	329,877
	Rent receivable	**379,929**	243,141
30.2.7	**Associated company - Fakhr-e-Imdad Foundation (FIF)**		
	Basis of relationship - Common directorship of the Company		
	Other receivable	**1,017,169**	954,347
30.2.8	**Associated company - JS Global Capital Limited (JSGCL)**		
	Basis of relationship - JSBL holds 83.53% shares of JSGCL		
	Other receivable	**878,581**	357,579
	Rent receivable	**181,957**	181,957
	Rent payable	**1,272,831**	1,272,831
30.2.9	**Common Directorship - Future Trust**		
	Basis of relationship - common directorship of the Company		
	Donation Payable	**-**	745,747
30.2.10	**Subsidiary company - JS Abamco Commodities Limited (JSACL)**		
	Basis of relationship - Subsidiary		
	Percentage of Shareholding - 100% of the Company		
	Other receivable	**287,956**	30,000

	2019	2018
	------------ Rupees ------------	
30.2.11 Common Substantial Shareholder - JS Land (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other payable	**626,010**	-
Other receivable	**242,000**	-
30.2.12 Outstanding from key management personnel	**1,406,580**	478,265

30.2.13 Key management personnel and directors hold 1,009 shares in the Company

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

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

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

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

31. CASH AND CASH EQUIVALENTS

	2019	2018
Cash and bank balances	**13,440,272**	23,014,578

32. FINANCIAL RISK MANAGEMENT

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

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

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

32.1 Market risk

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

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

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

32.1.1 Currency risk

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

32.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Company does not hold any variable profit based investment except balances with bank in deposit account and investment in term finance certificate exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2019, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs.1.372 (2018: Rs.1.474)

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2019 the Company does not hold any fixed rate instruments, therefore the Company is not exposed to fair value profit rate risk.

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

	2019					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
			------------------------------ (Rupees) ------------------------------			
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	**5.15% to 13.74%**	**-**	**-**	**1,221,942**	**-**	**1,221,942**
Balances due from funds under management - related parties		**-**	**-**	**-**	**123,073,939**	**123,073,939**
Loans and advances - considered good	**5.15% to 13.74%**	**-**	**748,771**	**-**	**-**	**748,771**
Trade deposits and other receivables		**-**	**-**	**-**	**49,567,622**	**49,567,622**
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	**6M KIBOR+1.50%**	**-**	**-**	**125,000,000**	**1,616,945,710**	**1,741,945,710**
'Available-for-sale'		**-**	**-**	**-**	**-**	**-**
Cash and bank balances	**8.00% - 13.70%**	**12,203,631**	**-**	**-**	**1,236,641**	**13,440,272**
		12,203,631	**748,771**	**126,221,942**	**1,790,823,912**	**1,929,998,256**
Financial liabilities						
Accrued and other liabilities		**-**	**-**	**-**	**62,358,617**	**62,358,617**
Liability against asset subject to finance lease		**3,781,754**	**42,972,844**	**264,907,566**	**-**	**311,662,164**
		3,781,754	**42,972,844**	**264,907,566**	**62,358,617**	**374,020,781**
On-balance sheet gap		**8,421,877**	**(42,224,073)**	**(138,685,624)**	**1,728,465,295**	**1,555,977,475**

	2018					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
			------------------------------ (Rupees) ------------------------------			
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.99% to 10.30%	-	-	1,651,088	-	1,651,088
Balances due from funds under management - related parties		-	-	-	112,825,238	112,825,238
Loans and advances - considered good	5.99% to 10.30%	-	805,390	-	-	805,390
Trade deposits and other receivables		-	-	-	39,976,359	39,976,359
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	6M KIBOR+1.50%	-	-	125,000,000	321,689,342	446,689,342
'Available-for-sale'		-	-	-	1,157,454,903	1,157,454,903
Cash and bank balances	3.75% - 6.25%	22,359,194	-	-	655,384	23,014,578
		22,359,194	805,390	126,651,088	1,632,601,226	1,782,416,898
Financial liabilities						
Accrued and other liabilities		-	-	-	57,629,708	57,629,708
Liability against asset subject to finance lease		3,781,754	8,005,448	34,634,633	-	46,421,835
		3,781,754	8,005,448	34,634,633	57,629,708	104,051,543
On-balance sheet gap		18,577,440	(7,200,058)	92,016,455	1,574,971,518	1,678,365,355

32.1.3 Other price risk

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

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2019, the equity of the Company would increase / decrease by Rs.80.847 (2018: Rs.73.957) million, as a result of reduction / increase in unrealized gains / (losses).

32.2 Credit risk

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

Management of credit risk

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

Exposure to credit risk

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

	2019	2018
	---------- Rupees ----------	
Long-term loans - considered good	**1,221,942**	1,651,088
Balances due from funds under management - related parties	**123,073,939**	112,825,238
Loans and advances - considered good	**748,771**	805,390
Trade deposits and other receivables	**49,567,622**	39,976,359
Other financial assets - investments	**1,741,945,710**	1,604,144,245
Cash and bank balances	**13,440,272**	23,014,578
	1,929,998,256	1,782,416,898

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2019.

Concentration of the credit risk

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

90.10% (2018: 89.32%) of the financial assets aggregating to Rs.1,739.828 (2018: Rs.1,591.969) million are invested in the Funds managed by the Company. The Company believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Company to any major concentration risk.

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

	2019	2018
	Bank balances	
	------------- % -------------	
AAA	**0.4%**	0.3%
AA+	**0.2%**	0.1%
AA-	**91.4%**	97.6%
A+	**0.0%**	0.0%
AA	**8.0%**	2.0%

32.3 Liquidity risk

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

Maturity analysis for financial liabilities

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

	2019				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	-------------	-------------	(Rupees)	-------------	-------------
Liabilities					
Accrued and other liabilities	**62,358,617**	**11,166,395**	**51,192,222**	**-**	**-**
Liabilities against assets subject to finance lease	**311,662,164**	**1,269,535**	**2,512,219**	**42,972,844**	**264,907,566**
	374,020,781	**12,435,930**	**53,704,441**	**42,972,844**	**264,907,566**

	2018				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	-------------	-------------	(Rupees)	-------------	-------------
Liabilities					
Accrued and other liabilities	57,629,708	11,166,395	46,463,313	-	-
Liability against assets subject to finance lease	46,421,835	1,269,535	2,512,219	8,005,448	34,634,633
	104,051,543	12,435,930	48,975,532	8,005,448	34,634,633

32.4 Financial instruments by category

	2019			
	Amortized Cost	At fair value through profit and loss	Fair value through other comprehensive income	Total
	(Rupees)			
Assets				
Long-term loans - considered good	**1,221,942**	**-**	**-**	**1,221,942**
Balances due from funds under management - related parties	**123,073,939**	**-**	**-**	**123,073,939**
Loans and advances - considered good	**748,771**	**-**	**-**	**748,771**
Trade deposits and other receivables	**49,567,622**	**-**	**-**	**49,567,622**
Other financial assets - investments	**-**	**1,741,945,710**	**-**	**1,741,945,710**
Cash and bank balances	**1,236,641**	**-**	**-**	**1,236,641**
	175,848,915	**1,741,945,710**	**-**	**1,917,794,625**

	2019	
	Amortized Cost	Total
	(Rupees)	
Liabilities		
Accrued and other liabilities	**62,358,617**	**62,358,617**
Liability against asset subject to finance lease	**311,662,164**	**311,662,164**
	374,020,781	**374,020,781**

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

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

33. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

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

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

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

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

	2019			
	Level 1	Level 2	Level 3	Total
	---------------------------------- (Rupees) ----------------------------------			
Financial assets at fair value through profit or loss				
Units of mutual funds - related parties	-	**1,616,945,710**	-	**1,616,945,710**
Term finance certificate	-	**125,000,000**	-	**125,000,000**
Office premises	-	-	-	-
	-	**1,741,945,710**	-	**1,741,945,710**

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

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

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

33.1.2 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).

33.2 During the year ended December 31, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

34. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

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

35. GENERAL

35.1 These financial statements were authorised for issue on 21, February 2020 by the Board of Directors of the Company.

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

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

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

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

CONSOLIDATED FINANCIAL STATEMENTS

Report of the Directors to the Members on consolidated Financial Statements For the year ended December 31, 2019

The Directors of your Company feel pleasure in presenting the annual audited consolidated financial statement of the Company along with auditors' report thereon for the year ended December 31, 2019.

Summary of operating results for the year	Year ended December 31, 2019	Year ended December 31, 2018
	Rs. (000)	
Shareholders' Equity	**1,842,475**	**2,174,130**
Financial Performance		
Income	326,100	393,254
Operating expenses	(429,695)	(371,669)
Operating profit	**(103,594)**	**21,585**
Other expenses	(104)	(1,231)
Financial charges	(38,423)	(3,326)
Other operating income	88,195	43,319
Profit before tax	**(53,926)**	**60,345**
Taxation-net	(28,485)	(15,959)
Profit after tax	**(82,411)**	**44,386**
Earnings per share - basic and diluted	**(1.11)**	**0.55**

Subsidiary Company

JS ABAMCO Commodities Limited

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

Auditors

The retiring auditors M/s EY Ford Rhodes & Co. Chartered Accountants being eligible offer themselves for reappointment. The Board of Directors, on recommendations of the Audit Committee, has proposed reappointment of M/s EY Ford Rhodes & Co. Chartered Accountants for the ensuing year ending December 31, 2019.

Internal Control Framework

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

Board of Directors

During the financial year ended December 31, 2019, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

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

Pattern of Shareholding

The statement of pattern of Shareholding as on December 31, 2019 is annexed to this report.

Karachi: February 21, 2020

Director **Chief Executive Officer**

ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ برائے مختتمہ سال 31 دسمبر 2019

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2019ء کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مجتمع مالیاتی گوشوارے مع ان پر آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال کے لیے کاروباری نتائج کا خلاصہ	مختتمہ سال 31 دسمبر 2019	مختتمہ سال 31 دسمبر 2018
	روپے (000)	
شیئر ہولڈرز کی ایکویٹی	1,842,475	2,174,130
مالیاتی کارکردگی		
آمدنی	326,100	393,254
آپریٹنگ اخراجات	(429,695)	(371,669)
آپریٹنگ منافع	**(103,594)**	**21,585**
دیگر اخراجات	(104)	(1,231)
مالیاتی چارجز	(38,423)	(3,326)
دیگر آپریٹنگ آمدنی	88,195	43,319
قبل از ٹیکس منافع	**(53,926)**	**60,345**
ٹیکسیشن نیٹ	(28,485)	(15,959)
بعد از ٹیکس منافع	**(82,411)**	**44,386**
فی شیئر آمدنی۔ بنیادی اور تحلیل شدہ	**(1.11)**	**0.55**

ذیلی کمپنی

JS ABAMCO کموڈیٹیز لمیٹڈ

JS ABAMCO کموڈیٹیز لمیٹڈ (دی کمپنی) کا قیام 25 ستمبر 2007 کو کمپنیز آرڈیننس 1984 کے تحت بطور ایک پبلک لمیٹڈ کمپنی، پاکستان میں عمل میں آیا اور JS انویسٹمنٹ لمیٹڈ (دی ہولڈنگ کمپنی) کا کُلی ملکیتی ذیلی ادارہ ہے۔ کمپنی کا بنیادی مقصد کموڈیٹی مارکیٹ اور متعلقہ بروکریج، ایڈوائزری اور کنسلٹینسی سروسز میں کاروبار کرنا ہے۔ کمپنی نے بیلنس شیٹ تیار ہونے تک اپنے کموڈیٹی، بروکریج اور متعلقہ ایڈوائزری سروسز کے مرکزی کاروباروں کا آغاز نہیں کیا ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹس نے بر بنائے اہلیت خود کو دوبارہ تقرری کے لیے پیش کیا ہے۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی کی سفارش پر میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹس کی 31 دسمبر 2019 کو ختم ہونے والے آئندہ سال کے لیے دوبارہ تقرری کی تجویز پیش کی ہے۔

انٹرنل کنٹرول فریم ورک

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

بورڈ آف ڈائریکٹرز

مختتمہ مالی سال 31 دسمبر 2019 کے دوران JS ABAMCO کموڈیٹیز لمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے:

نام

جناب حسنین رضا نینسی

جناب منور عالم صدیقی

جناب محمد خاور اقبال

ملک ظفر جاوید

شیئر ہولڈنگ کا پیٹرن

شیئر ہولڈنگ پیٹرن کا گوشوارہ بمطابق 31 دسمبر 2019 اس رپورٹ کے ساتھ منسلک ہے۔

کراچی: 21 فروری 2020

چیف ایگزیکٹو آفیسر

ڈائریکٹر

INDEPENDENT AUDITOR'S REPORT
Report on the Audit of the Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **JS Investments Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at **31 December 2019,** and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

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

Key Audit Matters

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

Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
1. First time adoption of IFRS 9 and IFRS 16 (notes 3.5.1 and 3.5.2)	
Effective 01 January 2019, the Company has changed its accounting policies due to the adoption of the following new accounting standards: - IFRS 9 'Financial Instruments' (IFRS 9) addresses the classification, measurement, recognition and de-recognition of financial instruments and introduces a new impairment model for financial assets which requires the Company to make provision using expected credit loss (ECL) approach as against the incurred loss model. - IFRS 16 'Leases' (IFRS 16) 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 with corresponding recognition of right-of-use asset (ROU). Lessor accounting under IFRS 16 is substantially unchanged from accounting under IAS 17 'Leases' i.e. operating and finance leases. For lessees all leases will be classified as finance leases only. We have considered the first time application of IFRS 9 and IFRS 16 as a key audit matter due to the change in accounting methodology, involvement of significant estimates and judgments, presentation and incremental quantitative and qualitative disclosures.	Our key audit procedures amongst others, includes obtaining of an understanding of the analysis performed by management to identify all significant differences between previous accounting standards and the new accounting standards which can impact the financial statements. We also reviewed management's assessment of the impact of new accounting standards on the Company's financial statements. We further considered the key decisions made by the Company with respect to accounting policies, estimates and judgments in relation to adoption of new accounting standards and assessed their appropriateness based on our understanding of the Company's business and its operations. Our procedures to review the application of IFRS 9, amongst others, included the following: - Reviewed the methodology developed and applied by the management to estimate the allowance for ECL against the financial assets; - Considered and evaluated the approach and assumptions used in applying the ECL model based on historical information and qualitative factors as relevant for such estimates; and - Assessed the integrity and quality of the data used for allowance for ECL computation based on the accounting records and information system of the Company as well as the external sources used for this purpose.

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

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

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

	Our audit procedures to review the application of IFRS 16, amongst others, included the following; - Review of managements' impact assessment of all operating lease contracts with lessor in light of application of the new standard. Our assessment included; - Considered the completeness, by testing the reconciliation to the Company's operating lease commitments (if any) and by inspecting terms; - Inspecting terms for a sample of operating lease contracts to determine whether the same are in scope of IFRS 16 and are also subject to recognition exemption under IFRS 16 for short-term and low value leases. We also reviewed contracts to identify whether it is a lease contract, and if so its various component, lease term, extended period, company historical experience, rental amount, payment terms, lease modifications terms, etc.; - Reviewed discount rate used by the Company to determine the present value of lease obligation and right of use ROU; - Reviewed and checked the period considered for depreciating ROU; - Tested calculation of PV of liability and ROU and its related finance cost and depreciation charge for the period; - We further tested the adjustments made in opening retained earnings as of 01 January 2019, where applicable as part of the transition process based on the differences identified; and - We also assessed the adequacy and appropriateness of financial statements presentation and disclosures in respect of IFRS 9 and IFRS 16 in accordance with the applicable financial reporting framework.

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

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

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

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

EY Ford Rhodes
Chartered Accountants

Date: 03 March 2020

Karachi

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2019

	Note	2019	2018
		---------------- Rupees	----------------
ASSETS			
Non - current assets			
Property and equipment	5	476,086,870	485,306,147
Intangible assets	6	15,323,841	16,315,422
Advance for office premises		2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)		1,000,000	1,000,000
Long-term loans and prepayments - considered good	7	3,387,150	4,209,830
		498,297,861	509,331,399
Current assets			
Balances due from funds under management - related parties	8	123,073,939	112,825,238
Loans and advances - considered good	9	3,973,499	2,436,861
Trade deposits, short term prepayments and other receivables	10	59,588,008	60,440,136
Other financial assets - investments	11	1,803,840,399	1,661,398,935
Taxation - net		88,528,207	90,259,452
Cash and bank balances	12	13,866,415	23,353,558
		2,092,870,467	1,950,714,180
Total assets		2,591,168,328	2,460,045,579
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital	13	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	617,742,560	801,718,180
Unappropriated profit		1,224,732,253	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		-	173,891,692
		1,842,474,813	2,174,129,756
LIABILITIES			
Non - current liabilities			
Deferred taxation	14	306,446	167,379
Liabilities against assets subject to finance lease	15	264,907,566	34,634,633
Current liabilities			
Accrued and other liabilities	16	186,675,076	236,373,804
Dividend payable		247,097,024	
Unclaimed dividend		2,952,805	2,952,805
Current maturity of liabilities against assets subject to finance lease	15	46,754,598	11,787,202
Total liabilities		748,693,515	285,915,823
Total equity and liabilities		2,591,168,328	2,460,045,579
Contingencies and commitments	17		

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

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

JS investments

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----------- Rupees -----------	
Income			
Remuneration from funds under management - net	18	**198,773,230**	195,074,253
Commission from open end funds under management	19	**9,058,365**	4,319,519
Dividend income	20	**25,241,559**	7,333,396
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss	11.2	**77,926,251**	1,403,288
Net gain on sale of investments classified as at fair value through profit or loss		**5,011,332**	2,787,120
Net gain on sale of investments classified as 'available-for-sale'		**-**	175,736,478
Return on bank deposits		**7,455,388**	2,140,614
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	21	**2,634,368**	4,459,869
		326,100,493	393,254,537
Administrative and marketing expenses	22	**(337,532,506)**	(283,635,927)
Selling and distribution expenses	23	**(92,162,351)**	(88,033,932)
Operating (loss) / profit		**(103,594,364)**	21,584,678
Other expenses	24	**(103,647)**	(1,231,330)
Financial charges	25	**(38,423,472)**	(3,326,506)
		(142,121,483)	17,026,842
Other income	26	**88,194,954**	43,318,652
(Loss) / profit before taxation		**(53,926,529)**	60,345,494
Taxation - net	27	**(28,484,636)**	(15,959,456)
(Loss) / profit for the year		**(82,411,165)**	44,386,038
(Loss) / earnings per share for the year - basic and diluted	28	**(1.11)**	0.55

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018
	----------- Rupees -----------	
(Loss) / profit for the year	**(82,411,165)**	44,386,038
Other comprehensive loss to be reclassified to profit or loss account in subsequent periods		
Unrealised diminution on remeasurement of investments classified as 'available-for-sale' - net	-	(69,256,500)
Reclassification adjustments relating to sale of investments	-	(175,736,478)
Related tax credit	-	8,940,310
	-	(236,052,668)
Other comprehensive loss that will not be reclassified to profit or loss account in subsequent periods		
Surplus on revaluation of property during the year	**329,009,064**	-
Total comprehensive income / (loss) for the year	**246,597,899**	(191,666,630)

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2019

		Reserves				
		Capital reserve			Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account	Surplus on revaluation of fixed assets -net	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Unappropriated profit	Total
	------- Rupees -------					
Balance as at January 01, 2018	801,718,180	198,281,820	183,058,851	461,102,049	721,635,486	2,365,796,386
Total comprehensive (loss) / income						
Profit for the year	-	-	-	-	44,386,038	44,386,038
Other comprehensive loss - net	-	-	-	(236,052,668)	-	(236,052,668)
Total comprehensive (loss) / income for the year	-	-	-	(236,052,668)	44,386,038	(191,666,630)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net	-	-	(9,167,159)	-	9,167,159	-
Balance as at December 31, 2018	**801,718,180**	**198,281,820**	**173,891,692**	**225,049,381**	**775,188,683**	**2,174,129,756**
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,381	775,188,683	2,174,129,756
Adjustment due to reclassification as per IFRS 9	-	-	-	(225,049,381)	225,049,381	-
Balance as at January 01, 2019 - (Adjusted)	801,718,180	198,281,820	173,891,692	-	1,000,238,064	2,174,129,756
Total comprehensive (loss) / income						
Profit for the period	-	-	-	-	(82,411,165)	(82,411,165)
Other comprehensive income - net	-	-	329,009,064	-	-	329,009,064
Total comprehensive (loss) / income for the year	-	-	329,009,064	-	(82,411,165)	246,597,899
Transfer from surplus on account of disposal	-	-	(502,900,756)	-	502,900,756	-
Buy back of 18,397,562 shares having face value of Rs.10 each at a purchase price of Rs. 18/- each	(183,975,620)	-	-	-	(147,180,496)	(331,156,116)
Transfer from capital re-purchases reserve account	-	(198,281,820)	-	-	198,281,820	-
Interim distribution @ Rs.4.00 per share	-	-	-	-	(247,097,024)	(247,097,024)
Balance as at December 31, 2019	**617,742,560**	**-**	**-**	**-**	**1,224,731,955**	**1,842,474,515**

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Note	2019	2018
		----------- Rupees -----------	
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		**(53,926,529)**	60,345,494
Adjustment for:			
Remuneration from funds under management - net	18	**(198,773,230)**	(195,074,253)
Commission from open end funds under management	19	**(9,058,365)**	(4,319,519)
Remuneration of discretionary and non discretionary client portfolio	21	**(2,634,368)**	(4,459,869)
Dividend income	20	**(25,241,559)**	(7,333,396)
Depreciation	5.1	**77,838,441**	34,686,862
Amortisation of intangible assets	6	**4,601,830**	3,270,118
Financial charges	25	**38,423,472**	3,326,506
Return on bank deposits		**(7,433,571)**	(2,125,280)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		**(5,011,332)**	(2,787,120)
Net gain on sale of investments classified as 'available-for-sale'		**-**	(175,736,478)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	26	**(77,926,251)**	(1,403,288)
Gain on disposal of equipment	26	**(519,828)**	(966,980)
		(259,661,290)	(292,577,203)
(Increase) / decrease in assets and liabilities			
Loans and advances		**(713,958)**	2,780,743
Trade deposits, short term prepayments and other receivables		**(10,948,050)**	12,110,548
Accrued and other liabilities		**(62,096,260)**	47,026,347
		(73,758,268)	61,917,638
		(333,419,558)	(230,659,565)
Taxes paid - net		**(26,549,905)**	(23,338,452)
Remuneration and commission received from funds under management		**200,217,262**	201,250,009
Net cash used in operating activities		**(159,752,201)**	(52,748,008)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		**(1,959,109,184)**	(1,645,559,582)
Sale proceeds from disposal of investment		**1,899,605,302**	1,849,055,540
Dividends received		**25,241,559**	7,333,396
Payment for purchase of property and equipment		**(56,750,125)**	(141,359,988)
Payment for purchase of intangible assets		**(3,610,249)**	(11,120,618)
Return on bank deposits		**7,433,571**	2,084,607
Sale proceeds from disposal of property and equipment		**610,310,565**	3,604,166
Net cash generated from investing activities		**523,121,439**	64,037,521
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		**-**	(452,279)
Payment of lease liabilities		**(41,700,265)**	-
Buy back of shares		**(331,156,116)**	(3,326,507)
Net cash used in financing activities		**(372,856,381)**	(3,778,786)
Net increase in cash and cash equivalents		**(9,487,143)**	7,510,727
Cash and cash equivalents at beginning of the year		**23,353,558**	15,842,831
Cash and cash equivalents at end of the year	31	**13,866,415**	23,353,558

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019

1. THE GROUP AND ITS OPERATIONS

The group consists of:
- JS Investments Limited (JSIL) - Holding Company
- JS ABAMCO Commodities Limited (JSACL) - wholly owned Subsidiary Company

1.1 Holding company

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

The Holding Company has obtained the license of an 'Investment Adviser' and 'Asset Management Company' (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Holding Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

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

Location	Address	Purpose
Karachi	The Centre, 19th Floor, Plot No. 28, SB-5 Abdullah Harooon Road Saddar	Head Office
Karachi	Plot No. 16-C, Phase-I, Near Nadra Mega Centre, DHA, Karachi	Branch Office
Lahore	1st Floor, Block C, Abul Hassan Isfahani Road, Faisal Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

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

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

Private Equity & Venture Capital fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2 Subsidiary company

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

1.3 During the year, the Parent Company announced public announcement of buy back for purchase of its own shares up to a maximum of 27,934,840 shares through tender offer for the purpose of cancellation. The payment for accepted shares was made on September 02, 2019. The unaccepted shares were subsequently returned to unsuccessful shareholders and accepted shares were subsequently cancelled on September 05, 2019.

2. BASIS OF CONSOLIDATION

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

- The financial statements of the Subsidiary Company are prepared for the same reporting year as the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of Subsidiary Company have been consolidated on a line by line basis.
- Non-Controlling Interest, if any, in equity of the Subsidiary Company is measured at proportionate share of net assets of the acquiree as of the acquisition date.
- Material intra-group balances and transactions have been eliminated.

3. BASIS OF PREPARATION

3.1 Statement of compliance

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

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

- Provisions of and directives issued under the Act;

- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

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

3.2 Basis of measurement

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

3.3 Functional and presentation currency

These consolidated financial statements have been presented in Pakistani Rupees, which is Group functional and presentation currency.

3.4 Use of estimates and judgments

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

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

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

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

i) Amortisation of intangible assets (notes 4.3 and 6);

ii) Provision for taxation (notes 4.10 and 27);

iii) Classification and valuation of investments (notes 3.5.1 and 11);

iv) Determination and measurement of useful life and residual value of property and equipment (notes 4.2 and 5.1);

v) Recognition and measurement of deferred tax assets and liabilities (notes 4.10 and 14).

vi) Leases (note 3.5.2)

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

Standard or Interpretation

IFRS 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)

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

IFRIC 23 - Uncertainty over income tax treatments

Improvements to Accounting Standards Issued by the IASB in December 2017

IFRS 3 Business Combinations - Previously held Interests in a joint operation
exemptions for first-time adopters

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Group's financial statements except for IFRS 9 and IFRS 16. The impact of adoption of IFRS 9 and IFRS 16 are described below:

3.5.1 IFRS 9 "Financial Instruments"

IFRS 9 replaces IAS 39, bringing together aspects of the accounting for financial instruments: classification, measurement and impairment.

IFRS 9 permits either a full retrospective or a modified retrospective approach for adoption. The Group has adopted the standard using the modified retrospective approach for classification, measurement and impairment. This means that the cumulative impact, if any, of the adoption is recognized in un-appropriated profit as of January 01, 2019 and comparatives are not restated. Details of these new requirements as well as their impact on the Group consolidated financial statements are described below:

Classification and measurement

The Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9 'Financial Instruments' are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent solely payments of principal and interest (SPPI) on the principal amount outstanding.

The assessment of the Group 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.

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 Group. The impact has been disclosed in table below. Further, return on Mutual funds is not considered as solely payments of principal and interest.

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 accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Accordingly, the adoption of IFRS 9 has not had a significant effect on the Group's accounting policies related to financial liabilities.

IFRS 9 has not resulted in changes in the carrying amount of the Group's financial instruments due to changes in measurement categories except for trade debts. All financial assets that were classified as available for sale under IAS 39 are classified as fair value through other comprehensive income under IFRS 9. All financial assets that were classified as held for trading under IAS 39 are classified as fair value profit and loss under IFRS 9. All financial assets that were classified as loans and receivables and measured at amortised cost continue to be.

Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking ECL approach. IFRS 9 requires the Group to record an allowance for ECL for all financial assets other than debt instruments classified as FVPL and equity instruments classified as FVPL or FVOCI.

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

The adoption of IFRS 9 resulted in following:

	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**

3.5.2 IFRS 16 "Leases"

During the current year, the Group 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 Group is the lessor.

The Group has lease contracts for its head office and various branches. Before the adoption of IFRS 16, the Group 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; and 'accrued and other liabilities' respectively.

Upon adoption of IFRS 16, the Group 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 Group 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	**293,665,460**
Decrease) in trade deposits, short term prepayments and other receivables	**(11,830,178)**
	(281,736,623)
Increase in lease liability against assets subject to finance lease	**(281,736,623)**
Increase in net assets	**-**

The Group 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

The lease liabilities as at January 01, 2019 can be reconciled to the operating lease commitments as of December 31, 2018 as follows:

	----- Rupees -----
Operating lease commitments as at December 31, 2018	**68,000**
Weighted average incremental borrowing rate as at January 01, 2019	**12.30%**
Discounted operating lease commitments as at January 01, 2019	**65,282**
Add: Lease payments relating to renewal periods not included in operating lease commitments as at December 31, 2018	**281,770,000**
Lease liabilities as January 01, 2019	**281,835,282**

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

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

	Effective date (annual periods beginning on or after)
IFRS 10 Consolidated Financial Statements and IAS 28 Investment in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalized
IFRS 14 – Regulatory Deferral Accounts	July 01, 2019
Definition of a Business – Amendments to IFRS 3	January 01, 2020
Definition of Material – Amendments to IAS 1 and IAS 8	January 01, 2020

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

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

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

Standard	IASB Effective date (annual periods beginning on or after)
IFRS 1 – First time adoption of IFRSs	January 01, 2004
IFRS 17 – Insurance Contracts	January 01, 2021

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year except for the changes in accounting policies as explained in the notes 3.4, 4.15 below and 3.5 above:

4.2 Property and equipment

a) Owned assets

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

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

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date. In order to reflect more appropriately the flow of economic benefits derived from the use of branch set-up, the useful life of these assets have been increased from 05 years to 10 years. The effect of these changes on actual and expected depreciation expense in current and future years respectively is as follows:

	2019	2020	2021	From January 01, 2022 and onwards
		---------------------------- (Rupees) ----------------------------		
Increase / (decrease) in depreciation expense	(9,176,442)	(12,747,535)	(12,747,535)	12,747,535

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

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

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

4.3 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rate specified in note 5 to these consolidated financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Group. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each reporting date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

4.4 Financial instruments - Policy applicable from January 01, 2019

In the current period, the Group has adopted IFRS 9 Financial Instruments. See note 3.5.1 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.

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

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 Group 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).

4.4.1 Financial assets

The Group 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 Group 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 Group 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 Group 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 Group 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 Group 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 Group's continuing involvement in the asset. In that case, the Group 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 Group has retained. The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The Group 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 Group does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group'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 Group 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 Group 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.

Financial instruments - Policy applicable for the period ended or before December 31, 2018

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

Trade debts and other receivables

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

Impairment

Financial assets

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

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

Financial Liabilities

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

Offsetting of financial assets and liabilities

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

4.5 Investment in subsidiary

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

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

4.6 Revenue recognition

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

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

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

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

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

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

4.7 Defined contribution scheme

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

4.8 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

4.9 Impairment

Non-financial assets

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

4.10 Taxation

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

Current

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

Deferred

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

A deferred tax asset is recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

4.11 Cash and cash equivalents

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

4.12 Financial instruments

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

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

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

4.13 Earnings per share

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

4.14 Dividend and other appropriation to reserves

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

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

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

Right-of-use assets

The Group 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 Group 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 Group 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 Group 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 Group applies the short-term lease recognition exemption to its short-term leases of property 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 Group 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 Group has the option, under some of its leases to lease the assets for additional terms of one to five years. The Group 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 Group 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 Group included the renewal period as part of the lease term for leases of Group's head office and 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 operations if a replacement is not readily available.

JS investments

	Note	2019	2018
		------------ Rupees ------------	

5. PROPERTY AND EQUIPMENT

	Note	2019	2018
Operating fixed assets	5.1	**215,524,830**	364,873,701
Right-of-use assets	5.2	**259,248,828**	-
Capital work-in-progress - advance against capex	5.3	**1,313,212**	120,432,447
		476,086,870	485,306,147

5.1 Operating fixed assets

	2019					
	Office premises	**Branch set-up**	**Furniture and fixtures**	**Office equipment**	**Vehicles (note 4.1.1)**	**Total**
	---------- Rupees ----------					
At January 01, 2019						
Cost / revalued amount	**372,660,000**	**2,990,894**	**28,597,348**	**119,071,316**	**67,627,788**	**590,947,346**
Revaluation	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation	**(85,401,250)**	**(2,990,894)**	**(23,725,880)**	**(97,803,126)**	**(16,152,481)**	**(226,073,631)**
Net book value	**287,258,750**	**-**	**4,871,468**	**21,268,190**	**51,475,307**	**364,873,715**
Year ended December 31, 2019						
Opening net book value	**287,258,750**	**-**	**4,871,468**	**21,268,190**	**51,475,307**	**364,873,715**
Revaluation	**329,009,064**	**-**	**-**	**-**	**-**	**329,009,064**
Additions	**-**	**127,475,354**	**12,755,200**	**30,506,679**	**4,117,360**	**174,854,593**
Disposals	**(606,831,542)**	**-**	**(310,235)**	**(146,347)**	**(2,502,612)**	**(609,790,736)**
Depreciation charge for the year	**(9,436,272)**	**(9,218,440)**	**(1,528,501)**	**(13,296,754)**	**(9,941,838)**	**(43,421,806)**
Closing net book value	**-**	**118,256,914**	**15,787,932**	**38,331,768**	**43,148,217**	**215,524,830**
At December 31, 2019						
Cost / revalued amount	**-**	**130,466,248**	**41,042,313**	**149,431,648**	**69,242,536**	**390,182,745**
Accumulated depreciation	**-**	**(12,209,334)**	**(25,254,381)**	**(111,099,880)**	**(26,094,319)**	**(174,657,915)**
Net book value	**-**	**118,256,914**	**15,787,932**	**38,331,768**	**43,148,217**	**215,524,830**
Depreciation rate % per annum	**5%**	**10%**	**10%**	**25%**	**20%**	

	2018					
	Office premises	**Branch set-up**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Total**
	---------- Rupees ----------					
At January 01, 2018						
Cost / revalued amount	372,660,000	3,430,894	25,893,079	114,897,506	56,106,553	572,988,032
Accumulated depreciation	(66,768,250)	(3,430,894)	(23,633,142)	(102,567,056)	(9,503,646)	(205,902,988)
Net book value	305,891,750	-	2,259,937	12,330,450	46,602,907	367,085,044
Year ended December 31, 2018						
Opening net book value	305,891,750	-	2,259,937	12,330,450	46,602,907	367,085,044
Additions	-	-	3,071,709	16,130,321	15,910,675	35,112,705
Disposals	-	-	(26,396)	-	(2,610,790)	(2,637,186)
Depreciation charge for the year	(18,633,000)	-	(433,796)	(7,192,581)	(8,427,485)	(34,686,862)
Closing net book value	287,258,750	-	4,871,454	21,268,190	51,475,307	364,873,701
At December 31, 2018						
Cost / revalued amount	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Accumulated depreciation	(85,401,250)	(2,990,894)	(23,725,894)	(97,803,126)	(16,152,481)	(226,073,645)
Net book value	287,258,750	-	4,871,454	21,268,190	51,475,307	364,873,701
Depreciation rate % per annum	5%	20%	10%	25%	20%	

5.1.1 Vehicles with a net book value of Rs.42.394 (2018: Rs.49.690) million are held under finance lease. The leased vehicles are pledged as security for the related finance lease obligation.

5.1.2 Details of operating fixed assets disposed of:

	Cost / revalued	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
Assets with Individual book value exceeding rupees 500,000							
Office premises							
Forum office	**611,609,564**	**4,778,022**	**606,831,542**	**606,831,542**	-	Related party via bid	JS Bank Limited
Vehicles							
Suzuki cultus VXR	**1,145,240**	**372,202**	**773,038**	**976,000**	**202,962**	Third party via bid	Muhammad Arsalan Khan
Honda City	**1,921,750**	**192,175**	**1,729,575**	**1,910,000**	**180,425**	Third party via bid	Automotive brokerage services
Items having Book Values of Less than Rs.500,000 each*	**2,692,680**	**2,236,098**	**456,582**	**593,023**	**136,441**		
Total as at December 31, 2019	**617,369,234**	**7,578,497**	**609,790,737**	**610,310,565**	**519,828**		
Total as at December 31, 2018	17,153,391	14,516,205	2,637,186	3,604,166	966,980		

* Includes Disposals of all other class of operating fixed assets.

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

5.1.4 The cost of fully depreciated assets as at December 31, 2019 is Rs.29.372 (2018: Rs.99.903) million.

	Note	2019	2018
		------------ Rupees ------------	
5.2 Right-of-use assets			
As at January 01	3.5.2	**293,665,460**	-
Additions		**-**	-
Depreciation expense		**(34,416,632)**	-
Deletion		**-**	-
As at December 31		**259,248,828**	-

5.3 This represents advances paid to various contractors and suppliers in respect of civil works pertaining to new premises and software. The additions and transfers during the year amounted to Rs.208.674 (2018: Rs.126.680) million and Rs.327.794 (2018: Rs.17.995) million, respectively.

6. INTANGIBLE ASSETS - SOFTWARE

	2019	2018
	------------ Rupees ------------	
At January 01		
Cost	**53,218,464**	42,097,846
Accumulated amortization	**(36,903,042)**	(33,632,924)
Net book value	**16,315,422**	8,464,922
Year ended December 31		
Opening net book value	**16,315,422**	8,464,922
Additions during the year	**3,610,249**	11,120,618
Amortization for the year	**(4,601,830)**	(3,270,118)
Closing net book value	**15,323,841**	16,315,422
At December 31		
Cost	**56,828,713**	53,218,464
Accumulated amortization	**(41,504,872)**	(36,903,042)
Net book value	**15,323,841**	16,315,422
Amortization rate % per annum	**20%**	20%

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	2019	2018
		------------ Rupees ------------	
Loans to employees	7.1	**1,970,713**	2,456,478
Less: Current portion	9	**(748,771)**	(805,390)
		1,221,942	1,651,088
Long term prepayment	7.2	**3,935,342**	3,935,342
Less: Amortisation		**(1,376,600)**	(983,066)
Less: Current portion		**(393,534)**	(393,534)
		2,165,208	2,558,742
		3,387,150	4,209,830

7.1 These represent loans given to employees for purchase of motor vehicles, house loans and staff personal loans. These loans are recovered through deduction from salaries over varying periods up to a maximum period of five years, fifteen years and four years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Holding Company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and staff personal loan carry mark-up at rates ranging from 5.15% to 13.74% (2018: 5.99% to 10.30%) per annum. The Holding Company has not discounted these loans at market interest rates as the effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.1.97 (2018: Rs.4.58) million.

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

8. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

8.1 Balances due from funds under management

Open end Funds (see note 18.1)		
JS Value Fund	**15,642,014**	15,915,115
JS Growth Fund	**36,400,614**	36,395,386
JS Large Cap Fund	**12,057,113**	12,547,909
Unit Trust of Pakistan	**17,199,257**	17,855,869
JS Income Fund	**5,466,326**	5,144,214
JS Islamic Fund	**6,355,599**	6,985,224
JS Fund of Funds	**562,537**	595,433
JS Pension Savings Fund	**3,570,632**	3,529,450
JS Islamic Pension Savings Fund	**1,917,786**	1,920,294
JS Islamic Income Fund	**1,255,839**	1,319,391
JS Cash Fund	**5,567,821**	4,685,689
JS Islamic Hybrid Fund of Funds	**8,168,259**	142
JS Islamic Dedicated Equity Fund	**3,090,531**	1,993,509
JS Islamic Hybrid Fund of Funds - 2	**4,893,466**	3,937,613
JS Islamic Hybrid Fund of Funds - 3	**734,831**	-
JS Motion Picture Fund	**191,314**	-
	123,073,939	112,825,238

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

	Note	2019	2018
		------------ Rupees ------------	
9. LOANS AND ADVANCES - CONSIDERED GOOD			
Current portion of long-term loans to employees	7	**748,771**	805,390
Unsecured advances to			
- employees		**2,299,703**	1,268,978
- suppliers		**925,025**	362,493
		3,224,728	1,631,471
		3,973,499	2,436,861

10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

	Note	2019	2018
Rent and other receivable from related parties	10.1	**41,827,290**	31,451,853
Advance rent		**-**	9,196,474
Deposits		**4,228,956**	4,246,956
Prepayments		**10,020,386**	11,297,303
Others		**3,511,376**	4,247,550
		59,588,008	60,440,136

10.1 This includes Rs.36.023 (2018: Rs.24.400) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.4.665 (2018: Rs.4.455) million of expenses incurred on the formation cost on behalf of funds under management.

	Note	2019	2018
		------------ Rupees ------------	
11. OTHER FINANCIAL ASSETS - INVESTMENTS			
Investments by category			
'Available-for-sale'			
Units of mutual funds - related parties	12.1	**-**	1,157,454,903
At fair value through profit or loss'			
Units of mutual funds - related parties	12.2	**1,678,840,399**	378,944,032
Listed debt security - Term finance certificate	12.3	**125,000,000**	125,000,000
		1,803,840,399	503,944,032
		1,803,840,399	1,661,398,935

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

Number of units		Name of fund	2019		2018
2019	2018		Average cost	Fair value	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	-	-	-
			-	-	1,157,454,903

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

Number of units		Name of fund	2019		2018
2019	2018		Average cost	Fair value	Fair value
-	2,358,284	JS Cash Fund	-	-	241,040,244
3,504,221	924,642	JS Income Fund	**344,902,442**	**355,981,716**	91,502,610
-	442,295	JS Islamic Income Fund	-	-	46,401,178
1,000,000	-	JS Picture Motion Fund	**100,000,000**	**99,990,000**	-
			444,902,442	**455,971,716**	378,944,032
		Re-classified as per IFRS 9 (see note 2.5.1)			
1,716,379	-	JS Value Fund	**341,336,248**	**341,336,249**	-
1,903,901	-	JS Growth Fund	**302,072,879**	**322,482,694**	-
205,210	-	JS Pension Savings Fund - Equity	**85,297,643**	**86,654,082**	-
137,349	-	JS Pension Savings Fund - Debt	**34,079,032**	**38,530,512**	-
177,463	-	JS Pension Savings Fund - Money Market	**35,329,417**	**39,425,272**	-
2,772,987	-	JS Fund of Funds	**141,034,115**	**162,774,333**	-
182,354	-	JS Islamic Pension Savings Fund - Equity	**101,071,344**	**104,609,005**	-
213,852	-	JS Islamic Pension Savings Fund - Debt	**44,359,257**	**49,087,518**	-
222,303	-	JS Islamic Pension Savings Fund - Money Market	**39,990,153**	**44,231,701**	-
157,204	-	JS Islamic Capital Preservation - Allocation Plan 4	**15,776,968**	**16,839,666**	-
-	-	JS Islamic Hybrid Fund of Funds-2 *	-	-	-
3,305	-	JS Islamic Capital Preservation - JS Islamic Hybrid Fund Of Funds-Mustahkem	**300,000**	**288,464**	-
153,647	-	Allocation Plan 5	**15,364,650**	**16,609,187**	-
			1,600,914,148	**1,678,840,399**	378,944,032
		Unrealised gain on remeasurement at fair value - net	**77,926,251**	-	-
			1,678,840,399	**1,678,840,399**	378,944,032

11.3 Investment in Debt Security - Term Finance Certificate

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

	Note	2019	2018
11.4 Unrealised appreciation on remeasurement at fair value		------------ Rupees	------------
Market value of investments		**-**	1,157,454,903
Less: Cost of investments		**-**	(945,330,423)
		-	212,124,480
Unrealised appreciation at the beginning of the year		**212,124,480**	457,117,458
Appreciation transferred to profit and loss account during the year upon disposal		**(176,847,985)**	(175,736,478)
Diminution on remeasurement at fair value during the year		**(35,276,495)**	(69,256,500)
		(212,124,480)	(244,992,978)
		-	212,124,480

12. CASH AND BANK BALANCES

	Note	2019	2018
Cash in hand		**68,045**	86,788
Cash at bank in:			
Current accounts		**1,188,796**	588,796
Saving accounts	12.1	**12,609,574**	22,677,974
	12.2	**13,798,370**	23,266,770
		13,866,415	23,353,558

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

12.2 It includes Rs.10.717 (2018: Rs.20.947) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2019	2018		2019	2018
------------ Shares ------------			------------ Rupees ------------	
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs.10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs.10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs.10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs.10 each issued on amalgamation with Confidence Financial Services Limited	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
(38,225,744)	(19,828,182)	Shares repurchased (2015; 19.8m & 2019; 18.4m)	**(382,257,440)**	(198,281,820)
61,774,256	80,171,818		**617,742,560**	801,718,180

13.1 As at year end, JS Bank Limited, the Parent Company, holds 52,236,978 (2018: 52,236,978) shares in the Holding Company.

13.2 There is only one class of ordinary shares issued.

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

14. DEFERRED TAXATION

	2019		
	Opening	Charge / (reversal) to profit and loss account	Closing
	------------------------- Rupees	-------------------------	
Taxable temporary differences on:			
Revaluation on investments classified as 'at fair value through profit or loss	**270,114**	**155,504**	**425,618**
Deductible temporary differences on:			
Provision for Workers' Welfare Fund	**(102,735)**	**-**	**(119,172)**
	167,379	**155,504**	**306,446**

14.1 The reconciliation above relates to the subsidiary company. As of December 31, 2019, the Holding Company has accumulated losses of Rs.240.758 million. The deferred tax on such losses works out to Rs.69.819 million, however, the Holding company has recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.24.352 million. Unrecognized deferred tax asset on carried forward business losses as at December 31, 2019 amounted to Rs.45.468 million.

	2018		
	Opening	Charge / (reversal) to profit and loss account	Closing
	------------------------- Rupees	-------------------------	
Taxable temporary differences on:			
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	113,311	156,803	270,114
Deductible temporary differences on:			
Provision for Workers' Welfare Fund	(111,628)	8,893	(102,735)
	1,683	165,696	167,379

	Note	2019	2018
		------------ Rupees	------------
15. LIABILITIES AGAINST ASSET SUBJECT TO FINANCE LEASE			
As at January 01		**34,634,633**	3,508,147
Add: Impact of IFRS 16	3.5.2	**281,835,282**	-
Interest expense		**38,423,472**	3,326,506
Additions		**-**	41,389,488
Deletion		**(1,530,958)**	-
Payments		**(41,700,265)**	(1,802,306)
As at December 31		**311,662,164**	46,421,835
Less: Current Maturity		**(46,754,598)**	(11,787,202)
		264,907,566	34,634,633

15.1 The liability against asset subject to finance lease represents the lease entered into with a Modaraba for 32 different vehicles (2018: 34 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2018: KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20%) per annum. The Group, shall be subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

	Note	2019	2018
		------------ Rupees ------------	
16. ACCRUED AND OTHER LIABILITIES			
Salary payable		**2,583,247**	1,747,225
Staff bonus accrued		**20,651,897**	20,000,000
Accrued expenses		**22,322,829**	30,612,957
Fee and commission payable		**6,519,476**	4,261,560
Sales tax payable		**19,982,152**	17,240,883
Federal excise duty payable	16.1	**92,244,586**	92,244,587
Provision for Sindh Workers' Welfare Fund	16.2	**11,080,465**	11,080,465
Provision for Workers' Welfare Fund	16.3	**273,669**	26,478,628
Provision for Workers' Welfare Fund on behalf of funds under management	16.3	**-**	31,310,453
Other liabilities	16.3 & 16.4	**11,016,755**	1,397,046
		186,675,076	236,373,804

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

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

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

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

16.2 In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Group has maintained an aggregated provision against Sindh Workers' Welfare Fund as the year end amounting to Rs.10.943 (2018: Rs.11.08) million. The Group has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no. 1459 dated June 02, 2017. The said suit is currently pending before the SHC.

16.3 During the year, based on the opinion obtained by the Group, provision against Federal Workers' Welfare Fund amounting to Rs.57.619 (2018: Rs.Nil) million has been reversed.

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

The Honorable Supreme Court of Pakistan passed a judgment on November 10, 2016, declaring the insertion of amendments introduced in the Finance Acts pertaining to WWF as unlawful and thereby striking down such amendments. During the year the Holding Company obtained an opinion with respect to the treatment WWF in the light of Supreme Court's decision and on that basis reversed the provision of Rs.57.619 (2018: Rs.57.619) million against WWF as at the year end (including Rs.31.310 million maintained on behalf of certain funds under management).

16.4 It also includes Rs.Nil (2018: Rs.0.005 million) amount payable in respect of contributions to defined contribution plan.

17. CONTINGENCIES AND COMMITMENTS

17.1 Contingencies

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

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

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

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

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

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

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

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which Holding Company filed appeal before the CIR(A). The DCIR consider our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million. The CIR(A) vide order dated May 6, 2019 was partly considered our submissions put before him. Holding Company submitted appeal before the ATIR against the order of the CIR(A).

The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 and reduce the refund claimed of Rs.8.499 million to Rs.3.102 million for the tax year 2012. The learned CIR (Appeal) vide order dated May 06, 2019 was confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. Holding Company submitted appeal before the ATIR against the order of the CIR(A).

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

	2019	2018
	------------ Rupees	------------
17.2 Commitments in respect of:		
Use of name and advisory payment - a related party	**15,000,000**	15,000,000

18. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

	2019	2018
	------------ Rupees ------------	
Open end Funds		
JS Value Fund	**14,649,761**	23,536,981
JS Growth Fund	**32,810,531**	47,658,659
Unit Trust of Pakistan	**25,116,121**	32,442,508
JS Income Fund	**14,112,785**	21,790,979
JS Islamic Fund	**14,089,317**	27,262,320
JS Fund of Funds	**696,375**	1,564,656
JS Islamic Hybrid Fund of Funds	**96,087**	-
JS Islamic Hybrid Fund of Funds - 2	**72,628,480**	14,081,205
JS Pension Savings Fund	**5,000,813**	6,003,311
JS Islamic Pension Savings Fund	**2,741,747**	3,647,915
JS Cash Fund	**7,610,796**	2,501,348
JS Islamic Income Fund	**5,060,511**	4,401,629
JS Capital Protected Fund V	**-**	1,399,113
JS Islamic Dedicated Equity Fund	**11,142,944**	16,571,027
JS Large Cap Fund	**12,490,021**	17,572,255
JS Islamic Hybrid Fund of Funds - 3	**6,083,696**	-
JS Motion Picture Fund	**273,129**	-
	224,603,114	220,433,906
	224,603,114	220,433,906
Less: Sindh sales tax	**(25,829,884)**	(25,359,653)
	198,773,230	195,074,253

18.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management Holding Company / investment advisor of the Fund is entitled to an accrued remuneration the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. An Asset Management Company shall be entitled to an accrued remuneration that has been verified by the trustee and is paid in arrears. During the year ended December 31, 2019 the Group has charged management fee at the rates ranging from 0.00% to 2.00% (2018: 0.00% to 2.00%).

18.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2019 amounts to Rs.23.37 (2018: Rs.20.38) billion.

19. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT

	Note	2019	2018
		------------ Rupees ------------	
Unit Trust of Pakistan		**50,554**	11,185
JS Islamic Fund		**17,290**	1,023,593
JS Fund of Funds		**1,033**	84,864
JS Value Fund		**18,738**	8,122
JS Growth Fund		**30,986**	1,103
JS Islamic Income Fund		**37,088**	40,572
JS Income Fund		**72,224**	39,044
JS Pension Savings Fund		**48,238**	63,682
JS Islamic Pension Savings Fund		**16,175**	805
JS Cash Fund		**150,054**	13,510
JS Large Cap Fund		**217,242**	263,596
JS Islamic Hybrid Fund of Funds - 2		**186,031**	2,756,201
JS Islamic Hybrid Fund of Funds - 3		**140,679**	-
JS Islamic Hybrid Fund of Funds		**8,072,033**	13,242
	19.1	**9,058,365**	4,319,519

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

20. DIVIDEND INCOME

	2019	2018
	------------ Rupees ------------	
'At fair value through profit or loss - held-for-trading'		
JS Income Fund	**7,241,934**	5,136,988
JS Islamic Government Securities Fund	**-**	1,564,051
JS Islamic Income Fund	**5,669,513**	-
JS Cash Fund	**10,222,692**	-
JS Islamic Hybrid Fund of Fund-2	**1,764,500**	-
JS Islamic Active Allocation Plan	**342,920**	-
	25,241,559	6,701,039
JS Aggressive Income Fund	**-**	632,357
	25,241,559	7,333,396

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

This represents commission income and share of profit earned by the Group from management of discretionary portfolios and non-discretionary portfolio. Currently, the Group is managing Twelve (2018: Nine) discretionary and One (2018: One) non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2019 was Rs.1,431.804 (2018: Rs.300.64) million and Rs.1,437.605 (2018: Rs.270.76) million respectively.

22. ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2019	2018
		------------ Rupees ------------	
Salaries and benefits		**90,815,820**	91,236,609
Directors' fee		**875,000**	525,000
Staff retirement benefits	22.1	**7,181,183**	5,482,596
Staff bonus		**26,727,501**	20,000,000
Amortisation of intangible assets	5	**4,601,830**	3,270,118
Depreciation	4.1	**77,838,441**	34,686,862
Printing and stationery		**2,621,643**	1,392,274
Rent, rates, taxes and maintenance		**6,704,988**	36,357,602
Travelling, conveyance and vehicle maintenance		**15,256,639**	14,935,903
Share registrar / transfer agent remuneration		**665,919**	542,578
Postage and telephone		**4,201,568**	3,597,800
Legal and professional		**22,717,986**	16,382,383
Fees and subscription		**12,883,512**	8,543,897
IT services		**19,966,246**	9,972,324
Utilities		**6,003,431**	6,629,239
Office security		**656,944**	993,624
Insurance		**8,822,194**	9,796,578
Newspaper		**88,990**	188,533
Use of name and advisory fee	22.5	**15,000,000**	13,750,000
Shariah advisory fee	22.6	**46,461**	78,922
Ijarah rentals		**-**	-
Auditors' remuneration	22.7	**1,917,460**	1,782,305
Donation		**-**	745,747
Training and development		**958,854**	867,855
Miscellaneous expenses		**10,978,250**	1,877,178
		337,530,860	283,635,927

22.1 Staff retirement benefits include contributions to defined contribution plan of Rs.9.99 (2018: Rs.9.03) million.

		2019	2018
		------------ Rupees ------------	
22.2	Number of employees at the end of the year	**120**	148
22.3	Average number of employees during the year	**138**	155

22.4 The Group's staff retirement benefits includes provident fund - a defined contribution plan. The Group has established a separate provident fund. The unaudited information related to provident fund as at December 31, 2019 is as follows:

	2019	2018
Number of employees	**102**	103
Size of provident fund (Rupees)	**12,838,971**	15,427,782
Cost of investments (Rupees)	**2,214,735**	1,716,119
Percentage of investments	**19%**	14%
Fair value of investment (Rupees)	**2,417,253**	2,134,208
Break-up of investments		
- Balance in other listed securities		
Amount of investment (Rupees)	**2,417,253**	2,134,208
Percentage of size of investment	**19%**	14%
Total investments in listed securities	**2,417,253**	2,134,208
Percentage of size of investment	**19%**	14%
- Balance in scheduled banks		
Amount of investment (Rupees)	**11,805,898**	14,021,702
Percentage of size of investment	**92%**	91%

23.4.1 Based on un-audited financial statements of the Fund, the investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

22.5 This represents the "Use of Name" and "Advisory" fees payable to Mr. Jahangir Siddiqui (associated person) on account of use of "JS" as a part of Group's name under two separate agreements dated August 01, 2006. The "Use of Name agreement" has been amended through addendum dated April 20, 2018 whereby the Group agreed to pay Rs.15 million per annum (previously Rs.13.75 million per annum) effective from April 01, 2018. His current address is House no. D-185, Clifton, Karachi.

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

		2019	2018
		------------ Rupees ------------	
22.7 Auditors' remuneration			
Annual audit fee		**1,095,000**	970,000
Fee for review of the statement of compliance on Code of Corporate Governance		**70,000**	57,500
Fee for review of half yearly financial statements		**260,000**	230,000
		1,425,000	1,257,500
Sindh sales tax		**109,948**	100,600
Out of pocket expenses		**382,512**	345,648
		1,917,460	1,703,748

23. SELLING AND DISTRIBUTION EXPENSES

	Note	2019	2018
		------------ Rupees ------------	
Salaries and benefits		**60,257,512**	59,035,430
Staff retirement benefits	22.1	**2,811,272**	3,547,560
Utilities		**2,229,343**	2,399,425
Postage and telephone		**931,176**	1,284,021
Office security		**812,916**	493,752
Printing and stationery		**132,926**	275,739
Rent, rates, taxes and maintenance		**8,582,290**	7,753,578
IT services		**1,672,623**	5,137,327
Travelling, conveyance and vehicle maintenance		**2,206,943**	1,963,278
Fees and commission		**23,380,050**	8,800,000
Advertisement, selling and marketing expense		**10,831,542**	19,695,607
Miscellaneous expenses		**-**	1,090,336
		113,848,593	111,476,053
Less: Reimbursement of selling and distribution expenses	23.1	**(21,686,242)**	(23,442,121)
		92,162,351	88,033,932

23.1 The SECP vide Circular 11/2019 dated July 05, 2019, which supersede Circular No. 40 of 2016, Circular No. 05, of 2017 and Circular No. 05, of 2018. In this circular Selling and Marketing expense are allowed to be charged on all categories of Opened end Mutual Funds managed by Asset Management Company except Fund of Funds. These expenses are counted in the Total Expense Ratio Cap of the Fund.

24. OTHER EXPENSES

In view of the loss for the year ended 31 December 2019, no provision against Sindh Workers' Welfare Fund has been made during the year.

25. FINANCIAL CHARGES

	Note	2019	2018
		------------ Rupees ------------	
Bank Charges Rs .1646-to be added			
Mark-up on short term borrowings -		**-**	-
Bank charges		**80,540**	42,963
Financial charges for liability against asset subject to finance lease		**38,344,578**	3,283,543
		38,425,118	3,326,506

26. OTHER INCOME

	Note	2019	2018
Income from financial assets			
Mark-up on loans to employees		**179,675**	174,564
Mark-up on listed debt securities		**16,828,238**	167,445
Reversal of provision against Workers' Welfare Fund	16.3	**57,619,058**	
Liabilities no longer required written back		**6,205,974**	18,780,367
Income from non-financial assets			
Rental income	26.1	**6,842,181**	23,229,296
Gain on disposal of property and equipment	4.1.3	**519,828**	966,980
		88,194,954	43,318,652

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

27. TAXATION - Net

	2019	2018
	------------ Rupees ------------	
Current	**25,679,816**	27,686,049
Prior years	**2,804,820**	(5,233,738)
Deferred	**-**	(6,492,855)
	28,484,636	15,959,456

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

Tax year	Tax Provisions	Tax Assessments
2017	**44,875,974**	**43,782,056**
2018	**41,475,119**	**36,358,840**
2019	**27,686,049**	**30,353,996**

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

27.2 The income tax assessments of the Holding and Subsidiary Company has been finalized up to and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2019 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax Ordinance, 2001. The details of tax years 2006 and 2009 have been described in note 17.1 above.

27.3 The numerical reconciliation is not provided as the tax charge of the Company is mainly comprise of minimum tax and tax at reduced retesunder the relevant sections of Income Tax Ordinance, 2001.

28. EARNINGS PER SHARE - Basic and diluted

Profit for the year after taxation	**(82,411,165)**	41,728,150
	------- Number of shares -------	
Weighted average number of ordinary shares outstanding during the year	**74,324,922**	80,171,818
Earnings per share (Rupees)	**(1.11)**	0.52

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

29. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	Chief Executive Officer		Executives *	
	2019	**2018**	**2019**	**2018**
	---------- Rupees ----------			
Managerial remuneration	**16,800,000**	15,272,724	**75,977,353**	62,638,233
Bonus paid	**5,000,000**	5,000,000	**13,342,601**	7,656,639
Car allowance	**-**	-	**-**	30,520
Retirement benefits	**1,231,440**	1,119,492	**5,529,637**	4,495,870
Medical allowance	**1,680,000**	1,527,276	**7,597,754**	6,263,828
Other benefits	**30,720**	33,180	**4,478,429**	3,114,690
	24,742,160	22,952,672	**106,925,774**	84,199,780
Number of persons	**1**	1	**28**	24

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

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

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

29.3 In addition, meeting fee amounting to total Rs.875,000 (2018: Rs.525,000) was paid to two non-executive (independent directors) directors for meetings attended during the year. The non-executive (independent directors) directors are not entitled to any remuneration except meeting fee.

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

30. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

	2019	2018
	------------ Rupees ------------	
30.1 Transactions during the year		
30.1.1 Transactions with the funds under management		
Remuneration - net of taxes	**198,773,230**	195,074,252
Commission received	**9,058,365**	4,319,519
Investments made	**1,955,173,329**	1,517,626,251
Investments disposed off / matured	**1,899,205,309**	1,848,554,891
Amount paid	**46,374,316**	42,242,476
Amount received	**37,911,873**	37,259,325
Dividend received	**20,613,046**	3,882,418

	2019	2018
	------------ Rupees ------------	

30.1.2 Jahangir Siddiqui & Co. Limited (JSCL)

Basis of relationship - Ultimate parent company

Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)

	2019	2018
Amount paid	**45,667**	37,833
Amount received	**45,667**	25,000
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Holding Company	**4,197,000**	-

30.1.3 JS Bank Limited (JSBL)

Basis of relationship - Parent company

Percentage of shareholding - JSBL holds 84.56% shares of the Holding Company

	2019	2018
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**	6,914,147
Rent paid	**3,434,874**	7,166,952
Management fee sharing on distribution of mutual funds	**23,955,467**	4,853,045
Amount paid	**1,964,474**	1,739,478
Amount received	**1,195,641**	2,213,643
Return on bank deposits	**7,289,172**	1,986,105

30.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)

Basis of relationship - Common directorship of JSCL

	2019	2018
Rent received	**2,704,176**	10,816,703
Amount paid	**618,175**	2,831,262
Amount received	**1,675,202**	2,173,740

30.1.5 Associated company - JS Private Equity (JSPE)

Basis of relationship - Common directorship of JSCL

	2019	2018
Rent received	**917,910**	2,753,730
Amount paid	**354,660**	802,712
Amount received	**-**	1,283,920

		2019	2018
		------------ Rupees ------------	
30.1.6	**Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)**		
	Basis of relationship - Common directorship of the Group		
	Rent received	**330,940**	1,323,759
	Amount paid	**223,048**	842,590
	Amount received	**375,819**	812,440
30.1.7	**Associated company - Fakhr-e-Imdad Foundation (FIF)**		
	Basis of relationship - common directorship of the Group		
	Amount paid	**62,821**	247,978
30.1.8	**Associated company - EFU General Insurance**		
	Percentage of shareholding - JSCL holds 21.10%		
	Insurance premium paid	**3,590,700**	2,855,251
30.1.9	**Associated company - EFU Life Assurance**		
	Percentage of shareholding - JSCL holds 20.05%		
	Insurance premium paid	**2,202,835**	2,317,901
30.1.10	**Associated company - ABAMCO Limited Staff Provident Fund (the Fund)**		
	Basis of relationship - Employee benefit plan		
	Amount paid	**120,884**	1,524,114
	Amount received	**120,884**	1,597,880
	Provident fund contributions made	**9,992,454**	9,030,156
30.1.11	**Associated company - JS Global Capital Limited (JSGCL)**		
	Basis of relationship - JSBL holds 83.53% shares of JSGCL		
	Rent received	**-**	-
	Amount paid	**566,669**	67,530
	Amount received	**45,667**	-

	2019	2018
	------------ Rupees ------------	
30.1.12 Common Substantial Shareholder - JS Land (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Rent paid	**36,422,400**	33,387,200
Amount paid	**17,074,352**	2,315,922
30.1.13 Common Directorship - Future Trust		
Basis of relationship - common directorship of the Company		
Donation Paid	**745,747**	305,885
30.1.14 Transactions made with key management personnel		
Remuneration	**97,424,985**	88,120,197
Directors' fee	**875,000**	525,000
Disbursements of personal loans and advances	**4,116,105**	1,458,750
Repayments of loans and advances	**3,321,125**	3,220,290
Royalty and Advisory for the period	**15,000,000**	13,750,000

30.2 Balance outstanding with related parties

	2019	2018
30.2.1 Funds under management		
Basis of relationship - Funds managed by the Holding Company		
Receivable from funds under management	**145,494,632**	126,783,451
Payable to funds under management	**3,010,722**	365,436
30.2.2 Jahangir Siddiqui & Co. Limited (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other receivables	**23,372**	34,672
Other Payable	**75,000**	-
Payable against Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Holding Company	**2,397,000**	4,197,000

		2019	2018
		------------ Rupees ------------	
30.2.3	**JS Bank Limited (JSBL)**		
	Basis of Relationship - parent company		
	Percentage of Shareholding - JSBL holds 84.56% shares of JSIL		
	Bank Balance	**10,717,477**	20,947,481
	Other receivable	**1,465,064**	706,231
	Rent payable	**56,570**	478,766
	Rent receivable	**2,409,149**	3,894,359
	Dividend payable	**208,947,912**	-
	Other payable	**5,595,075**	3,086,247
	Profit on bank deposits	**-**	65,484
30.2.4	**Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)**		
	Basis of relationship - Common directorship of JSCL		
	Other receivable	**660,165**	1,717,192
	Rent receivable	**2,486,352**	2,270,018
30.2.5	**Associated company - JS Private Equity (JSPE)**		
	Basis of relationship - Common directorship of JSCL		
	Other receivable	**2,346,023**	1,991,363
	Rent receivable	**930,938**	1,775,416
30.2.6	**Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)**		
	Basis of relationship - Common directorship of the Holding Company		
	Other receivable	**177,106**	329,877
	Rent receivable	**379,929**	243,141
30.2.7	**Associated company - Fakhr-e-Imdad Foundation (FIF)**		
	Basis of relationship - Common directorship of the Holding Company		
	Other receivable	**1,017,169**	954,347
30.2.8	**Associated company - JS Global Capital Limited (JSGCL)**		
	Basis of relationship - JSBL holds 83.53% shares of JSGCL		
	Other receivable	**878,581**	357,579
	Rent receivable	**181,957**	181,957
	Rent payable	**1,272,831**	1,272,831

		2019	2018
		------------ Rupees ------------	
30.2.9	**Common Directorship - Future Trust**		
	Basis of relationship - common directorship of the Company		
	Donation Payable	-	745,747
30.2.10	**Common Substantial Shareholder - JS Land (Private) Limited**		
	Basis of Relationship - Common Substantial Shareholder		
	Other payable	**626,010**	-
	Other receivable	**242,000**	-
30.2.11	**Outstanding from key management personnel**	**1,406,580**	478,265

30.2.12 Key management personnel and directors hold 1,009 shares in the Holding Company

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

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

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

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

	2019	2018
	------------ Rupees ------------	
31. CASH AND CASH EQUIVALENTS		
Cash and bank balances	**13,866,415**	23,353,558

32. FINANCIAL RISK MANAGEMENT

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

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

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

32.1 Market risk

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

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

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

32.1.1 Currency risk

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

32.1.2 Interest rate risk

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

a) Sensitivity analysis for variable rate instruments

Presently, the Group does not hold any variable profit based investment except balances with bank in deposit account and investment in term finance certificate exposing the Group to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2019, with all other variables held constant, the equity of the Group and net profit for the year would have been higher / lower by Rs.1.372 (2018: Rs.1.474) million.

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2019 the Group does not hold any fixed rate instruments, therefore the Group is not exposed to fair value profit rate risk.

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

	2019					
		Exposed to yield / interest rate risk				
	Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
		------------------------------ (Rupees) ------------------------------				
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.15% to 13.74%	-	-	1,221,942	-	1,221,942
Balances due from funds under management - related parties		-	-	-	123,073,939	123,073,939
Loans and advances - considered good	5.15% to 13.74%	-	748,771	-	-	748,771
Trade deposits and other receivables		-	-	-	49,567,622	49,567,622
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	6M KIBOR+1.50%	-	-	125,000,000	1,616,945,710	1,741,945,710
'Available-for-sale'		-	-	-	-	-
Cash and bank balances	8.00% - 13.70%	12,203,631	-	-	1,236,641	13,440,272
		12,203,631	748,771	126,221,942	1,790,823,912	1,929,998,256
Financial liabilities						
Accrued and other liabilities		-	-	-	62,358,617	62,358,617
Liabilities against assets subject to finance lease		3,781,754	42,972,844	264,907,566	-	311,662,164
		3,781,754	42,972,844	264,907,566	62,358,617	374,020,781
On-balance sheet gap		8,421,877	(42,224,073)	(138,685,624)	1,728,465,295	1,555,977,475

	Yield / effective interest rate (%)	2018 Exposed to yield / interest rate risk: Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total
		---------- (Rupees) ----------				
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.99% to 10.30%	-	-	1,651,088	-	1,651,088
Balances due from funds under management - related parties		-	-	-	112,825,238	112,825,238
Loans and advances - considered good	5.99% to 10.30%	-	805,390	-	-	805,390
Trade deposits and other receivables		-	-	-	39,976,359	39,976,359
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	6M KIBOR+1.50%	-	-	125,000,000	321,689,342	446,689,342
'Available-for-sale'		-	-	-	1,157,454,903	1,157,454,903
Bank balances	3.75% - 6.25%	22,359,194	-	-	655,384	23,014,578
		22,359,194	805,390	126,651,088	1,632,601,226	1,782,416,898
Financial liabilities						
Accrued and other liabilities		-	-	-	57,629,708	57,629,708
Liability against asset subject to finance lease		3,781,754	8,005,448	34,634,633	-	46,421,835
		3,781,754	8,005,448	34,634,633	57,629,708	104,051,543
On-balance sheet gap		18,577,440	(7,200,058)	92,016,455	1,574,971,518	1,678,365,355

32.1.3 Other price risk

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

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2019, the equity of the Group would increase / decrease by Rs.80.847 (2018: Rs.73.957) million, as a result of increase / decrease in unrealized gains / (losses).

32.2 Credit risk

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

Management of credit risk

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

Exposure to credit risk

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

	2019	2018
	---------- Rupees ----------	
Long-term loans - considered good	**1,221,942**	1,651,088
Balances due from funds under management - related parties	**123,073,939**	112,825,238
Loans and advances - considered good	**748,771**	805,390
Trade deposits and other receivables	**49,567,622**	39,976,359
Other financial assets - investments	**1,741,945,710**	1,604,144,245
Cash and bank balances	**13,440,272**	23,014,578
	1,929,998,256	1,782,416,898

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2019.

Concentration of the credit risk

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

90.10% (2018: 89.32%) of the financial assets aggregating to Rs.1,739.828 (2018: Rs.1,591.969) million are invested in the Funds managed by the Group. The Group believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Group to any major concentration risk.

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

	2019	2018
	Bank balances	
	------------- % -------------	
AAA	**0.4%**	0.3%
AA+	**0.2%**	0.1%
AA-	**91.4%**	97.6%
A+	**0.0%**	0.0%
AA	**8.0%**	2.0%

32.3 Liquidity risk

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

Maturity analysis for financial liabilities

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

	2019				
	Carrying value	**Upto one month**	**More than one month upto three months**	**More than three months and upto one year**	**More than one year**
	------------------------------------ (Rupees) ------------------------------------				
Liabilities					
Accrued and other liabilities	**62,358,617**	**11,166,395**	**51,192,222**	**-**	**-**
Liabilities against assets subject to finance lease	**311,662,164**	**1,269,535**	**2,512,219**	**42,972,844**	**264,907,566**
	374,020,781	**12,435,930**	**53,704,441**	**42,972,844**	**264,907,566**

	2018				
	Carrying value	**Upto one month**	**More than one month upto three months**	**More than three months and upto one year**	**More than one year**
	------------------------------------ (Rupees) ------------------------------------				
Liabilities					
Accrued and other liabilities	57,629,708	11,166,395	46,463,313	-	-
Liability against assets subject to finance lease	46,421,835	1,269,535	2,512,219	8,005,448	34,634,633
	104,051,543	12,435,930	48,975,532	8,005,448	34,634,633

32.4 Financial instruments by category

	2019			
	Amortized Cost	At fair value through profit and loss	Fair value through other comprehensive income	Total
	---------------------- (Rupees) ----------------------			
Assets				
Long-term loans - considered good	**1,221,942**	**-**	**-**	**1,221,942**
Balances due from funds under management - related parties	**123,073,939**	**-**	**-**	**123,073,939**
Loans and advances - considered good	**748,771**	**-**	**-**	**748,771**
Trade deposits and other receivables	**49,567,622**	**-**	**-**	**49,567,622**
Other financial assets - investments	**-**	**1,741,945,710**	**-**	**1,741,945,710**
Cash and bank balances	**1,236,641**	**-**	**-**	**1,236,641**
	175,848,915	**1,741,945,710**	**-**	**1,917,794,625**

	2019	
	Amortized Cost	Total
	----------- (Rupees) -----------	
Liabilities		
Accrued and other liabilities	**62,358,617**	**62,358,617**
Liability against asset subject to finance lease	**311,662,164**	**311,662,164**
	374,020,781	**374,020,781**

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

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

33. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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.

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

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

33.1.2 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).

33.2 During the year ended December 31, 2019, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

34. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

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

35. GENERAL

35.1 These consolidated financial statements were authorised for issue on 21 February, 2020 by the Board of Directors of the Group.

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

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

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

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

PATTERN OF SHAREHOLDING
AS ON DECEMBER 31, 2019

No. of Shareholders	Shareholdings				Total Shares Held
529	Shareholding From	1	To	100	8,715
558	Shareholding From	101	To	500	245,729
215	Shareholding From	501	To	1000	205,920
270	Shareholding From	1001	To	5000	706,369
63	Shareholding From	5001	To	10000	503,841
22	Shareholding From	10001	To	15000	293,700
17	Shareholding From	15001	To	20000	319,225
4	Shareholding From	20001	To	25000	86,100
1	Shareholding From	25001	To	30000	27,000
4	Shareholding From	30001	To	35000	131,000
2	Shareholding From	35001	To	40000	80,000
4	Shareholding From	45001	To	50000	200,000
1	Shareholding From	50001	To	55000	50,500
2	Shareholding From	65001	To	70000	136,500
3	Shareholding From	70001	To	75000	219,822
1	Shareholding From	80001	To	85000	82,500
2	Shareholding From	95001	To	100000	199,168
1	Shareholding From	110001	To	115000	113,100
1	Shareholding From	115001	To	120000	116,000
1	Shareholding From	135001	To	140000	140,000
1	Shareholding From	150001	To	155000	150,059
1	Shareholding From	155001	To	160000	158,000
1	Shareholding From	170001	To	175000	171,500
1	Shareholding From	200001	To	205000	202,000
2	Shareholding From	245001	To	250000	499,000
1	Shareholding From	295001	To	300000	300,000
1	Shareholding From	430001	To	435000	433,500
1	Shareholding From	475001	To	480000	480,000
1	Shareholding From	3275001	To	3280000	3,278,000
1	Shareholding From	52235001	To	52240000	52,236,978
1,712					**61,774,226**

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

Name	Shares Held	Percentage
MR. KAMRAN JAFAR	1	
MR. HASNAIN RAZA NENSEY	3	
MR. AHSEN AHMED	1	
MR. ASIF REZA SANA	1	
MR. BABBAR WAJID	1	
SYED TAUQIR HAIDER RIZVI	1	
MR. TAHIR ALI SHEIKH	1	
MR. HASAN SHAHID	1,000	
TOTAL	**1,009**	**0.00**

2. ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES.

J S BANK LIMITED.	52,236,978	84.56
JAHANGIR SIDDIQUI & SONS LIMITED	5	
TOTAL	**52,236,983**	**84.56**

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

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

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

5. INSURANCE COMPANIES

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

6. MODARABAS AND MUTUAL FUNDS

CDC - TRUSTEE AKD OPPORTUNITY FUND	3,278,000	5.31
GOLDEN ARROW SELECTED STOCKS FUND LIMITED	433,500	0.70
TOTAL	**3,711,500**	**6.01**

7. SHAREHOLDERS HOLDING SHARES 5% OR MORE

J S BANK LIMITED.	52,236,978	84.56
CDC - TRUSTEE AKD OPPORTUNITY FUND	3,278,000	5.31
TOTAL	**55,514,978**	**69.25**

8.EXCUTIVES

Employees of the Company other than CEO and Directors	1,500	
TOTAL	**1,500**	**0.00**

FORM OF PROXY
ANNUAL GENERAL MEETING

The Company Secretary,
JS Investments Limited
19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road,
Saddar, Karachi-75600

I/We_______________________________________of____ being member(s) of JS Investments Limited, holding _____________________ ordinary shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS) ___________________________hereby appoint Mr. / Mrs. / Miss _________________________________ of_____________________(Folio no. CDC A/c No.) ______________________ or failing him/her Mr. / Mrs. / Mss ________________________________ of _____________________ (Folio no. CDC A/c No.) __________________________ being member of the company, as my / our proxy to attend, act and vote for me / us and my / our behalf at the Annual General Meeting of the Company to be held on April 09, 2020 and / or any adjournment thereof.

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

Signed by ____

In the presence of

Witnesses:

1. Name _________________________________
Signature ______________________________
Address _______________________________
____
CNIC / Passport No.___________________

2. Name _________________________________
Signature ______________________________
Address _______________________________
____
CNIC / Passport No.___________________

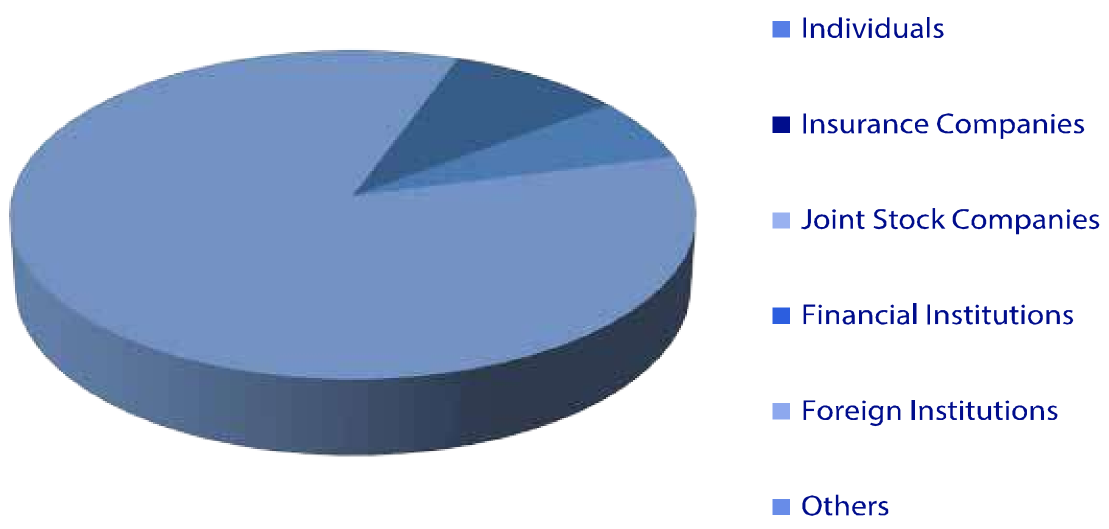
Signature on Rs. 5/- Revenue Stamp

The Signature should agree with the specimen registered with the

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
2. This proxy form, duly completed and signed, must be received at the office of Company situated at The Centre, 9th floor, Plot # 28, SB-5 Abdullah Haroon Road,Saddar, Karachi not later than 48 hours before the scheduled time of the meeting.
3. No person shall act as proxy unless he / she himself / herself is a member with the Company, except that a Corporation may appoint a person who is not a member.
4. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
5. Beneficial Owner of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxy are required to produce their original CNIC or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature shall be submitted along with proxy form.

S NO.	Category Of Shareholders	Number of Shareholders	Shares Held	Percentage
1	Individuals	1682	5,695,031	9.22
2	Insurance Companies	1	5,215	0.01
3	Joint Stock Companies	15	3,829,985	6.20
4	Financial Institutions	2	52,236,997	84.56
5	Foreign Institutions	1	4,514	0.01
6	Others	11	2514	0.00
		1,712	**61,774,256**	**100.00**



AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Investments Limited
19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road,
Saddar, Karachi-75600

فارم برائے پراکسی

سالانہ اجلاسِ عام

کمپنی سیکرٹری،
جے ایس انویسٹمنٹس لمیٹڈ،
دی سینٹر، اینسویں منزل،
پلاٹ SB-5،28،
عبداللہ ہارون روڈ،
صدر، کراچی 74400۔

میں/ہم ---------------- از ----------------، جے ایس انویسٹمنٹس لمیٹڈ کے ممبران اور بمطابق رجسٹرڈ فولیو نمبر/سی ڈی سی/اکاؤنٹ نمبر (CDC میں حصص رکھنے والے ممبران کیلئے) ----------، ---------- عمومی حصص کے مالکان ہیں، جناب ---------- از ---------- (فولیو نمبر ----------) یا ان کی عدم دستیابی کی صورت میں جناب ---------- از ---------- (فولیو نمبر ----------) کو کمپنی کے ممبر کی حیثیت سے کمپنی کے سالانہ اجلاسِ عام منعقدہ 09 اپریل 2020، یا کسی ملتوی شدہ تاریخ پر اپنی جانب سے حاضر ہونے، حصہ لینے اور ووٹ دینے کے لیے عیوضی (پراکسی) مقرر کرتا ہوں/کرتے ہیں۔

گواہان (کے نام اور پتے) کی موجودگی میں آج بروز جمعرات ----------، ---------- ماہ 2020 کو میں نے ذاتی طور ہر دستخط کئے/مہر ثبت کی ----------------

گواہ:

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

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

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

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

۵ روپے کے ریوینیو اسٹیمپ
پر دستخط کئے جائیں

دستخط مینجمنٹ کمپنی میں موجود دستخط کے
نمونے کے مطابق ہونے چاہئیں

اہم نوٹ:

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

ii- ممبر ذاتی طور پر بذریعہ ویڈیو لنک یا عیوضی (پراکسی) اجلاس میں شرکت کر سکتے ہیں۔ مجموعی ادا شدہ شیئر کیپیٹل کی 10 فیصد ملکیت رکھنے والے شہر کا/کے رہائشی ممبر/ممبران میٹنگ میں شرکت کیلئے ویڈیو لنک کی سہولت فراہم کرنے کیلئے مطالبہ کر سکتا/سکتی/سکتے ہیں۔ ویڈیو لنک کا مطالبہ اجلاس کی تاریخ سے کم از کم 7 دن پہلے کرنا ضروری ہے۔

iii- باقاعدہ مکمل اور دستخط شدہ پراکسی فارم اجلاسِ عام کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس بمقام دی سینٹر، اینسویں منزل، پلاٹ SB-5،28، عبداللہ ہارون روڈ، صدر، کراچی، پر موصول ہو جانا چاہیئے ہے۔

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

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

JS investments

درست ٹکٹ چپکائیں

کمپنی سیکرٹری،
جے ایس انویسٹمنٹس لمیٹڈ،
دی سینٹر، اینسویں منزل،
پلاٹ 28، SB-5،
عبداللہ ہارون روڈ،
صدر، کراچی، 74400

Annual Report 2019

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https://www.linkedin.com/company/js-investments-limited