

JS investments

Managing Mutual Funds Better!



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VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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



COMPANY INFORMATION

Board of Directors

Mr. Basir Shamsie
Mr. Ali Akhtar Ali
Mr. Muhammad Yousuf Amanullah
Mr. Suleman Lalani
Mr. Muhammad Raza Dyer
Mr. Kamran Jafar
Mr. Ahsen Ahmed
Mr. Asif Reza Sana

Chief Executive

Mr. Ali Akhtar Ali

Chief Financial Officer / Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

EY Ford Rhodes

Legal Advisors

Bawaney and Partners

BOARD COMMITTEES

Audit Committee

Mr. Asif Reza Sana
Mr. Muhammad Raza Dyer
Mr. Suleman Lalani

HR Committee

Mr. Basir Shamsie
Mr. Kamran Jafar
Mr. Ali Akhtar Ali

Chairman

Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director

Executive Committee

Mr. Basir Shamsie
Mr. Muhammad Yousuf Amanullah
Mr. Kamran Jafar
Mr. Ali Akhtar Ali

Share Registrar

Technology Trade (Private) Limited
241-C, Block-2, P.E.C.H.S., Karachi

Registered Office

7th Floor, The Forum, G-20
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600
Tel: (92-21) 111-222-626
Fax: (92-21) 35361724
Email: info@jsil.com
Website: www.jsil.com

BOARD OF DIRECTORS

Mr. Basir Shamsie - Chairman

Mr. Basir Shamsie joined JS Group in 1994 and is presently overseeing the Treasury, Wholesale and International Banking Group of JS Bank. Mr. Shamsie is a debt markets specialist and has closed over 60 debt capital market transactions, many of which have been landmark for Pakistan, such as the first commercial paper, first floating rate instrument, first perpetual bond, first bank subordinated debt, first 10-year corporate bond, and the first local sukuk bond. Before joining JS Group, he worked in the Finance function at Upjohn Pakistan.

Mr. Shamsie received his Bachelors in Business Administration with a major in Accounting from the University of Texas at Austin. He is also a graduate of the Program for Leadership Development from Harvard Business School.

At JS Bank, in addition to his Group Head functions, he is responsible to head various committees and new business initiatives. He has also served on the founding Board of Directors of JS Bank for 5 years till 2012, post which he served as Chairman of the Board of JS Global Capital Limited.

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

Mr. Ali Akhtar Ali - Chief Executive Officer

Dr. Ali is currently serving as the Chief Executive Officer at JS Investments Limited. He has over 16 years of active experience in both Fixed Income and Equity markets of Pakistan. He earned his MBBS from Baqai Medical College and MBA with majors in Finance from PAF-KIET. Prior to becoming Chief Executive Officer, Dr Ali was serving in JS Investments as Chief Investment Officer for about 3 years.

He joined JS Investments as Senior Vice President in Investments. Before joining JS Investments Limited he remained associated with KASB Capital Ltd. for 2 years as Chief Dealer in the Treasury Department. He was then deputed as the Head of Money Market, Forex and Financial Advisory at KASB Securities. Prior to KASB Capital he worked with JS Investments Limited from 2006 till 2008 in the capacity of Assistant Vice President, Investments Department. He also worked two and a half years (2004-2006) at Jahangir Siddiqui Capital Markets as Senior Dealer Fixed Income Desk and was later promoted to the position of Head of Fixed Income. He also served 3 years (2000-2004) at BMA Capital Management as a Senior Dealer on the Fixed Income Desk.

Mr. Suleman Lalani

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Ltd. ("JSCL") on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he served as CFO and Company Secretary for seven years. Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002, he joined The First Micro Finance Bank Limited as its Chief Financial Officer and Company Secretary. Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has 25 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance. Mr. Lalani is also serving as a director on the board of Al-Abbas Sugar Mills Limited and CEO of Jahangir Siddiqui & Co. Ltd.



Mr. Asif Reza Sana

Mr. Asif R. Sana is a senior banker with several years of experience with world-leader multinationals in the fields of Finance, General Management and Marketing. His professional career growth took place in Switzerland, Europe, US and the Middle East in various executive positions during his 22 years multinational career. He holds an MBA and has been trained at the Institute of Management Development in Lausanne, Switzerland and INSEAD, France. In 2000, he returned to Pakistan as the Advisor to the Board of Directors of Union Bank for restructuring the bank. He conceived, negotiated and closed the acquisition of Emirates Bank in Pakistan and Meshraq Bank in Sri Lanka.

These acquisitions resulted in a two-fold increase in the bank's earning assets and doubled its balance sheet footing to US\$ 2.2 billion in 2003. He was then appointed SEVP and simultaneously elected to the Board of Directors to assume the crucial role of Executive Director of the bank, having fiduciary and management roles simultaneously. He was a member of the management committee and ALCO as well a director of the Union Leasing Ltd.

He was one of the key leaders in making Union Bank a premium financial services brand, ranked as the 6th largest bank, by profitability, in 2005. The majority shareholders then gave him the mandate to develop and implement an exit strategy. He conceived, negotiated and closed the sale of Union Bank to Standard Chartered Bank at a landmark price of PKR 29 billion (US \$ 485 million) - the highest multiple in the Pakistani banking industry.

Mr. Ahsen Ahmed

Mr. Ahsen Ahmed is serving on the Boards of Abid Industries and Sind Industries since 2003. He had contributed significantly towards expansion of these industries and supported their research and technical development. With his efforts and commitment the companies took an international perspective to their growth with increased exports and improved their supply chains. He also served for seven years on the Board of JS Global Capital Limited as a Non Executive Board Member. Mr. Ahmed is also serving as a director of Abid Industries and Sind Industries.

Mr. Ahsen holds degree in Bachelor of Arts and Economics from Denison University, Granville, Ohio

Mr. Kamran Jafar

A seasoned Banker with seventeen years of a proven track record in Banking, Mr. Kamran Jafar began his career with JS Bank Limited in February 2008 and is currently heading the Corporate and Retail Banking functions of the Bank. He has since then been the driving force of the effort to ensure that the Corporate and Retail Banking Group continues with its expansion and successful drive towards countrywide profitability of the Bank.

Mr. Jafar holds diversified experience in number of banking functions such as Retail, Corporate, Branch Banking etc and also has a sound knowledge of Banking Operations including Branch Operations, Credit Administration and Trade Finance. Prior to joining JS Bank he has worked with a number of prominent banks including PICIC Commercial Bank, My Bank and the AlBaraka Islamic Bank in a variety of roles.

Mr. Kamran is a graduate in business administration from the University of Houston, University Park, Texas.

Mr. Muhammad Yousuf Amanullah

Mr. Muhammad Yousuf Amanullah is a fellow member of the Institute of Chartered Accountants of Pakistan. He is a certified Director from the Pakistan Institute of Corporate Governance. He has been an Elected Director on the Boards of Jahangir Siddiqui Investment Bank Limited, JS Global Capital Limited and JS Value Fund Limited.

He joined JS Group in 2003 and is presently the Chief Financial Officer at JS Bank as the Senior Executive Vice President. He was previously associated at a senior level with A. F. Ferguson & Co. Chartered Accountants, a member firm of PricewaterhouseCoopers after having qualified with them. Prior to A. F. Ferguson & Co., he worked with Ernst & Young Ford Rhodes Sidat Hyder. During his association with the firm, he was involved in various Statutory and Special assignments relating to Commercial banks, Non-Banking Finance Companies, Pharmaceutical and Automobile sectors.

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

Mr. Muhammad Raza Dyer

Mr. Muhammad Raza Dyer is serving as Head of Operations at JS Bank Limited and has 29 years of diversified experience in commercial banking operations. He started his professional career in 1985 from Bank of America in Visa Card Department. Thereafter, he worked for Mashreq bank PSC in Foreign Trade, Treasury Back Officer and Branch Operations. He worked for three years in Crescent Commercial Bank Ltd., as Head of Operations - South Region. Prior to joining JS Bank, he was working with Arif Habib Bank as Head of Country Operations.



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 carries out major philanthropic activities in partnership with the Mahvash & Jahangir Siddiqui Foundation (MJSF) and Future Trust (FT). In times of humanitarian disasters, we also run fundraising programmes.

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. Through MJSF's various initiatives, it aims to create opportunities and provide support to empower disadvantaged members of society. In addition to projects directly managed by MJSF, it has also partnered with key international organizations including United Nations agencies, Acumen and Oxfam.

The following is an overview of MJSF's activities:

Education

The population of Pakistan has exceeded 190 million, and continues to grow. Over half this staggering number is below the age of 25, posing tremendous potential and yet many challenges for the nation's future, emphasizing the importance of available education and vocational training. MJSF realizes that to ensure a bright future for the nation's children even modest contributions, 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, Fakhre-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 of many conditions, MJSF supports the provision of free healthcare to those who have little or no access to such facilities.

MJSF has a deep commitment to public health and supports the existing hospitals and medical facilities 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 in collaboration with Walkabout Foundation

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 camps program in response to the critical health care needs of the rural population who are deprived of basic health care services due to non-availability and access issues. As of 2016, over 80,000 patients have been examined in these camps and over 17,000 cataract surgeries have been performed. More recently, patients are also being 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. 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 for the underprivileged and supporting the Magnus Kahl Seeds project to help improve the average yield of the onions in the country.

Humanitarian Relief

Pakistan's geographical location and topography make it highly susceptible to frequent natural disasters such as monsoon flooding, landslides, droughts and earthquakes. MJSF has a planning strategy whereby there is available funding for disaster relief which enables them to respond immediately. In addition it is vital to continue support for victims and their families in the aftermath of disasters 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

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 in Sindh.
- Future Trust has supported Cadet College Hasan Abdal for the construction of a Services Block and also in the establishment of the "Jahangir Siddiqui Career Counseling Center".



Healthcare

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

Improvement of socio-economic conditions

Future Trust supported the activities of "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 the rain-fed agriculture and livestock. However, due to the sporadic and insufficient rainfall in 2016, there was inadequate production of crops and fodder in the whole of Thar district. These hand pumps will bring relief to those villages. During the year 2016, FT and MJSF collectively donated Rs. 9.6 million for installation of 64 hand pumps in this remote area.

Women Empowerment

JSIL has also supported the Pakistan Federation of Business and Professional Women's Organization (PFBPWO) in their various causes. 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.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Twenty Second (22nd) Annual General Meeting of the members of JS Investments Limited, (the "Company") will be held at 10:30 a.m. on Monday, April 10, 2017 at Defence Authority Creek Club, Phase VIII, DHA, Karachi, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2016, together with the Directors' and Auditors' reports thereon.
2. To appoint Auditors of the Company and fix their remuneration. 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.
3. To approve final cash dividend of Re.0.5 per share (i.e., 5%) for the year ended December 31, 2016.

Special Business:

4. To consider, and if thought fit, to approve the related party transactions and pass the following resolutions as ordinary resolutions:
 - (a) "RESOLVED that the balances and the transactions carried out by the Company and funds under its management in the normal course of business with JS Bank Limited (related party) as at and for the period ended December 31, 2016 be and are hereby ratified and approved."
 - (b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the balances and the transactions carried out and to be carried out by the Company and funds under its management in the normal course of business with JS Bank Limited (related party) during the year ending December 31, 2017 and in this connection the Chief Executive Officer be and is hereby authorized to take any and all necessary actions and sign/execute any and all such documents as may be required in this regard on behalf of the Company."

Statement under section 160 of the Companies Ordinance, 1984 pertaining to the special business is annexed with the notice of meeting sent to the members.

By Order of the Board

Date: March 17, 2017
Place: Karachi

Muhammad Khawar Iqbal
Company Secretary

Notes:

1. The Company has placed the Audited Financial Statements for the year ended 31 December 2016 along with Auditors and Directors Reports thereon on its website: www.jsil.com
2. The share transfer books of the Company will remain closed from Monday, April 03, 2017 to Monday, April 10, 2017 (both days inclusive) for determining the entitlement of shareholders for the entitlement of cash dividend to the transferees and for attending and voting the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business on March 31, 2017 by the Independent Share Registrar of the Company, M/s. Technology Trade (Pvt.) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S, Off. Sharah-e-Quaideen, Karachi, at the close of business on or before Friday, April 07, 2017 will be treated in time.
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 notarially certified copy of such power of attorney or such authority to be valid, be deposited with the registered office of the Company not later than 48 hours before the schedule time of the meeting.



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:

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") of Shareholders ("Mandatory"). CNIC number of the shareholder is, mandatory for the issuance of dividend warrants and in the absence of this information, payment of dividend shall be withheld. Shareholders are requested to provide immediately if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar, Technology Trade (Pvt) Limited, Dagia House, 241-C, Block 2, PECHS. 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. Mandate for e-Dividend. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged when shareholders can get amount of the dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. You are encouraged to provide a dividend mandate in favor of e-dividend by providing duly filled in and signed dividend mandate form available at company's website www.jsil.com.

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 section 50, 158 and 233 of the Companies Ordinance 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. The Company is in the process of setting up the e-voting facility in accordance with the requirements of the Companies (E-Voting) Regulations, 2016 and in this connection, a special resolution for alteration of the Articles of Association to allow e-voting facility was passed by the members. However, the e-voting facility cannot be made available to the members for this meeting as other mandatory conditions prescribed under the aforesaid Regulations including the availability of accredited intermediary could not be satisfied.

10. 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, 2016 effective 01 July 2016, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

S.No.	Nature of Shareholders	Rate of deduction
1	Filers of Income Tax Return	12.5%
2	Non- Filers of Income Tax Return	20.0%

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
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STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

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

1. Agenda Item No. 4(a) of the Notice - Transactions carried out with related parties during the year ended 31 December, 2016 to be passed as an Ordinary Resolution

The balances and the transactions carried out in normal course of business by the Company and Funds under its management with related parties are approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance. In the case of JS Bank Limited (holding company), a majority of the Directors were interested and in accordance with the provisions of Section 216 of the Companies Ordinance, 1984, the quorum of directors could not be formed for approval of these transactions. Such transactions, therefore, are being placed before the shareholders for approval through ordinary resolution proposed to be passed in the annual general meeting.



In view of the above, the normal business transactions conducted by the Company and the funds under its management during the period ended 31 December, 2016 with JS Bank Limited as disclosed in the relevant notes to the accounts of the Company and funds under its management are being placed before the shareholders for their consideration and approval/ratification.

The related party transaction and balances of the Company for the year ended and its Fund under management for half year ended as at and December 31, 2016.

Entity	Expense Incurred	Expense Reimbursed	Rent Payable	Rent Receivable	Rent Expense
JS Investments Ltd	930,355	307,389	1,349,332	6,210,845	5,801,932
	930,355	307,389	1,349,332	6,210,845	5,801,932

Fund / Entity	Bank Balance/ TDR Balance in JSBL	Mark up income	Mark up receivable	Bank Charges deducted	Rent Income
JS Investments Ltd	9,512,673	1,210,702	39,888	17,663	5,785,236
JS Income Fund	310,082,076	2,650,540	1,415,537	15,953	-
JS Islamic Government Securities Fund	3,925,990	-	-	2,136	-
JS Fund of Funds	166,660,640	3,059,324	-	1,468	-
JS Cash Fund	783,094	41,663	-	5,136	-
JS Growth Fund	411,209,641	5,696,828	1,021,729	4,500	-
JS Value Fund	40,460,919	2,197,457	-	4,163	-
JS Islamic Pension Savings Fund	-	-	-	-	-
JS Pension Savings Fund	18,724,619	230,874	230,874	2,790	-
JS Large Cap. Fund	227,399,866	1,025,631	4,143,614	7,217	-
Unit Trust of Pakistan	73,631	3,946	-	1,800	-
JS Capital Protected Fund V	944,380	76,015	11,101	2,627	-
JS Islamic Fund	4,635,632	-	-	13,423	-
	1,194,413,161	16,192,980	6,862,743	78,876	5,785,236

2. Agenda Item No. 4(b) 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) during the ensuing year ending 31 December, 2017 to be passed as an Ordinary Resolution

The Company and the funds under its management would be conducting transactions with JS Bank Limited in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in JS Bank Limited as detailed herein above. Therefore, in order to comply with the provisions of clause 5.19.6 (b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance, the shareholders may authorise the Chief Executive to approve transactions carried out and to be carried out by the Company and funds under its management in the normal course of business with JS Bank Limited during the ensuing year ending 31 December, 2017.

Interest of Directors in the above special businesses:

Mr. Suleman Lalani holds 4,983 shares of JS Bank Limited, Mr. Basir Shamsie, Mr. Muhammad Yousuf Amanullah, Mr. Kamran Jafar are employee of JS Bank Limited and hold 1 share, 90,003 shares, 1 share of JS Bank Limited respectively. Mr. Muhammad Raza Dyer is also an employee of JS Bank Limited, however, he does not hold any shares of the Bank.

FINANCIAL AND BUSINESS HIGHLIGHTS

		2016	2015	2014	2013	2012*	2011
KEY INDICATORS							
Performance							
Return on assets	%	7.06	6.34	26.03	29.24	10.72	1.37
Total assets turnover	Days	59.52	53.87	127.17	178.78	125.67	79.50
Receivables turnover	Days	270.64	216.04	120.29	26.34	24.61	3.56
Return on equity	%	8.53	7.65	30.58	39.51	20.56	4.09
Leverage							
Debt:Equity	%	-	-	-	-	46.90	107.05
Interest cover	times	11,876.71	13,626.04	1,279.60	14.00	2.31	1.19
Liquidity							
Current	times	11.72	10.93	14.06	14.72	2.88	2.24
Quick	times	11.70	10.91	14.03	14.67	2.87	2.23
Valuation							
Earnings per shares	Rs.	2.49	1.75	6.49	5.98	2.03	0.24
Breakup value per share	Rs.	32.10	26.29	24.50	17.98	12.30	7.42
Price earning ratio	times	6.22	9.89	1.93	1.83	4.01	21.31
Market price to break up value	times	0.48	0.66	0.51	0.61	0.66	0.69
Market value per share - year end	Rs.	15.50	17.30	12.56	10.92	8.12	5.10
Market value per share - High	Rs.	17.49	18.64	14.22	11.47	15.13	8.47
Market value per share - Low	Rs.	13.51	12.04	10.32	6.34	2.47	4.61
Market capitalization (Rs. in Million)		1,242.66	1,386.97	1,256.00	1,092.00	812.00	510.00
Historical trends							
Management fee (Rs. in Million)		155.35	159.72	201.68	222.74	306.47	244.68
Operating profit (Rs. in Million)		181.89	170.38	641.49	776.86	327.32	153.42
Profit before tax (Rs. in million)		209.80	199.30	660.82	624.54	195.47	26.64
Profit after tax (Rs. in million)		199.70	174.27	649.48	598.18	202.73	23.93
Assets under management (Rs. in million)		13,521.00	9,548.00	10,867.94	12,854.00	12,331.57	12,812.00
No. of funds under management		12	11	13	13	13	15
Share capital (Rs. in million)		801.72	801.72	1,000.00	1,000.00	1,000.00	1,000.00
Shareholder equity (Rs. in million)		2,573.74	2,107.58	2,449.70	1,797.66	1,230.21	742.26
Total assets (Rs. in million)		3,074.01	2,586.12	2,915.53	2,074.08	2,017.62	1,763.02
Contribution to the national exchequer (Rs. in million)		29.01	27.34	15.12	39.00	29.00	6.00
Payouts							
Cash dividend	%	5	-	-	10	10	-

* The FY 2012 was of eighteen months due to change of accounting year.



Report of the Directors to the Members For the year ended December 31, 2016

On behalf of the Board of Directors, I am pleased to present the unconsolidated audited financial statements of JS Investments Limited (JSIL) for the year ended December 31, 2016.

Macro Economic Highlights

In 2016, the State Bank of Pakistan (SBP) lowered the interest rate by 25 basis points (bps), taking it to 5.75 percent. Comfortable inflation levels and rising foreign exchange (forex) reserves of over USD 23.1 billion were the primary reasons for the cut.

Consumer Price Index (CPI) inflation during the year averaged 3.76 percent Year-over-Year (YoY) against 2.54 percent during the same period last year (2015) as a low base effect wore out while benign food inflation and an increase in the house rent index attributed to the rise. Going forward, CPI is expected to remain moderate with inflation for 2017 expected to range from 3.8 percent to 4.5 percent.

The net total liquid forex reserves of Pakistan by the end of 2016 reached USD 23.16 billion translating to an import cover of more than 7 months. The Government of Pakistan (GoP) completed the USD 6.15 billion IMF Extended Fund Facility (EFF) program successfully while an inflow of USD 700 million from China was recorded during the year. However, the current account deficit deteriorated to USD 4 billion during the first 11 months of the year as increased imports continued to create pressure amid dwindling exports.

Equity Market Performance

KSE 30 Index ended the year at a 25,852 level returning 33.80 percent in Calendar Year 2016 (CY16) against a decline of 7.00 percent in CY15. Contrary to the lackluster performance witnessed last year, CY16 rallied due to the following: i) successful reclassification of the Pakistan Stock Exchange (PSX) to the MSCI Emerging Markets (EM) Index, ii) visible progress on projects under China Pakistan Economic Corridor (CPEC), iii) completion of IMF's EFF program and iv) forex reserves climbing to a record high of over USD 23.1 billion.

The index was driven largely by the following sectors: automobile (strong sales and Japanese Yen (JPY) depreciation), cements (record margins and offtakes) and oil & gas (a rebound in international oil prices) as the sectors posted a return of 71 percent, 64 percent and 62 percent respectively.

Total net foreign outflow in CY16 stood at USD 340.10 million against net foreign outflow of USD 315.20 million in CY15 on the back of a shift of funds in international markets from emerging and frontier markets to the United States amid an interest rate hike by the US Federal Reserve.

Money Market Performance

During CY16, average CPI during this time clocked in at 3.76 percent compared to 2.54 percent in CY15. This increase in inflation was primarily due to a low base effect and mainly due to a rise in core inflation (non-food, non-energy).

During CY16, GoP raised PKR 1,209 billion in Pakistan Investment Bonds (PIB) auctions; higher than the target amount of PKR 875 billion indicating interest of market participants in bonds with a longer maturity. As for Treasury Bills (T-Bill) auctions, GoP raised PKR 4,355 billion against the maturity of PKR 2,463 billion while the target was PKR 5,425 billion. In the last T-Bill auction of CY16, the cut-off yield for 3 month (3M) and 6 month (6M) averaged at 5.9649 percent and 5.9792 percent respectively. GoP rejected the bids for 12 month T-Bills.

The average 3M, 6M and 9 month KIBOR declined by 114 bps, 115 bps and 113 bps YoY for the period of CY16 averaging at 6.18 percent, 6.19 percent and 6.47 percent respectively as against 7.32 percent, 7.34 percent and 7.60 percent during CY15.

The AMC Industry

During the year ended 2016, the local mutual fund industry experienced an increase of 30.10 percent in Assets Under Management (AUM) rising to PKR 633.36 billion from PKR 486.82 billion for the year ended 2015. Market share for closed ended funds was 3.64 percent with a total AUM of PKR 23.08 billion. Overall thirty (30) new funds were launched during this period.

The Shariah Compliant Fund of Funds category witnessed strong growth of 312.25 percent and total AUM for the segment reached PKR 42.09 billion in December 2016 from a mere PKR 10.21 billion in December 2015. Sixteen (16) new funds were launched under this fund category during this period. AUM size for the conventional equity fund category reached PKR 156.26 billion, up by 50.28 percent. The Shariah Compliant Fund of Funds - CPPI category recorded a decline of 67.35 percent in the same period.

Performance Review

JSIL earned a net profit of PKR 199.69 million during the year ended December 31, 2016 showing earnings per share of PKR 2.49. The assets under management were PKR 13.52 billion as on December 31, 2016 compared to PKR 9.55 billion as on December 31, 2015 depicting an increase of 41.57 percent. The positive trend of the market and increased sales team effort coupled with new hiring of sales staff contributed significantly in the increase of AUM. JSIL earned PKR 155.35 million management remuneration from funds under management compared to PKR 159.72 million earned during the same period last year. Administration and marketing expenses increased by 18.68 percent to PKR 279.64 million during the year compared to PKR 235.63 million during the same period last year.

The shareholder equity of JSIL increased to PKR 2,573.74 million as on December 31, 2016 from PKR 2,107.58 million as on December 31, 2015.

Summary of operating results for the year

	Year ended December 31, 2016	Year ended December 31, 2015
	PKR (000)	
Shareholders' Equity	2,573,740	2,107,579
Financial Performance		
Income	461,529	406,012
Operating expenses	(279,638)	(235,631)
Operating profit	181,891	170,381
Other expenses	(4,282)	(4,067)
Financial charges	(18)	(15)
Other operating income	32,204	32,996
Profit before tax	209,796	199,295
Taxation-net	(10,098)	(25,023)
Profit after tax	199,698	174,272
Earnings per share - basic and diluted	2.49	1.75



Lipper Award 2016 - JS Islamic Fund

During the year, JS Islamic Fund under the management of JS Investments was awarded the Lipper Award 2016 for being the top equity fund in Pakistan in the "3 year" and "5 year" category. The Lipper award is given by Thomson Reuters and is based on globally enacted measure of funds' performance. This award is in addition to the previously awarded Lipper Award for JS Islamic Fund as the top equity Pakistan Fund for the second year in a row.

Launch of New Fund

JS Capital Protected Fund - V with tenure of 24 months and 6 weeks was launched during the year. Assets under management of the Fund as on December 31, 2016 are PKR 304.26 million.

Future Prospects

Efforts of JSIL's management to increase AUM have started to bear fruit. AUM increased from PKR 10.38 billion at the end of September 2016 to PKR 13.52 billion at the end of December 2016 depicting a 30 percent growth over the quarter. The management expects this growth to continue during 2017. Industry's AUMs are growing at a rapid pace on the back of high returns from equity funds and new sales. Efforts are being made to further expand JSIL's business development team and gradually increase market share. The management is also working on adding value added services for its clients to enhance client experience.

Asset Manager and Entity Rating

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

The Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term entity ratings of JS Investments Limited at "A+" (Single A Plus) and "A1" (A-One) respectively. These ratings denote a low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Corporate Governance and Financial Reporting Framework

As required by clause 5.19 of the Rule Book of the Pakistan Stock Exchange (PSX), the Directors are pleased to state as follows:

- a. The financial statements, prepared by the management of JSIL present fairly its state of affairs, the 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 therefrom 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 Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited).
- h. A summary of key financial data of last six years is given on page 15 of this Annual Report.
- i. The Code of Conduct has been disseminated throughout JSIL along with supporting policies and procedures.
- j. The value of investments of the Staff Provident Fund of JSIL as per the audited accounts as at June 30, 2016 were PKR 15.78 million.

Election of Directors

The election of Directors of your Company was held in an Extraordinary General Meeting (EOGM) of the members held on December 26, 2016. Following person were elected as Directors at the aforesaid EOGM:

Mr. Suleman Lalani	Director	Non-Executive
Mr. Asif Reza Sana	Director-Independent	Non-Executive
Mr. Kamran Jafar	Director	Non-Executive
Mr. Muhammad Raza Dyer	Director	Non-Executive
Mr. Ahsen Ahmed	Director-Independent	Non-Executive
Mr. Basir Shamsie	Director	Non-Executive
Mr. Muhammad Yousuf Amanullah	Director	Non-Executive

Further, the newly elected Board of Directors of the Company in their meeting held on December 28, 2017 selected Mr. Basir Shamsie as the Chairman of the Board for a term of three years.

Meetings of the Directors

During the year six meetings of the Board of Directors were held, the attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Nazar Mohammad Shaikh**	01
Mr. Ali Akhtar Ali	06
Mr. Suleman Lalani*	05
Mr. Asif Reza Sana*	05
Mr. Muhammad Khalil Ur Rehman**	-
Mr. Kamran Jafar*	05
Mr. Muhammad Raza Dyer*	06
Mr. Ahsen Ahmed*	03
Mr. Basir Shamsie*	04
Mr. Muhammad Yousuf Amanullah*	03

* Re-elected on December 26, 2016

** Resigned during the year

Appointment of Chief Executive

Subsequent to the balance sheet date, the Board of Directors accepted the resignation of Mr. Ali Akhtar Ali and approved the appointment of Mr. Hasnain Raza Nensey as Chief Executive Officer of the Company effective from March 1, 2017 subject to the approval of Securities & Exchange Commission of Pakistan.

Meetings of Audit Committee of the Board

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

Name	Meetings attended
Mr. Asif Reza Sana	04
Mr. Suleman Lalani	04
Mr. Muhammad Khalil Ur Rehman	02
Mr. Muhammad Raza Dyer	02



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

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

Name	Meetings attended
Mr. BasirShamsie	01
Mr. Kamran Jafar	03
Mr. Ali Akhtar Ali	03
Mr. Nazar Mohammad Shaikh	02

Meetings of the Executive Committee of the Board

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

Name	Meetings attended
Mr. Kamran Jafar	06
Mr. Suleman Lalani	02
Mr. Ali Akhtar Ali	06
Mr. BasirShamsie	04
Mr. Muhammad Yousuf Amanullah	04

Board of Directors

During the year Mr. Nazar Mohammad Shaikh and Mr. Muhammad Khalil ur Rehman have resigned from the Board and Mr. Basir Shamsie and Mr Yousuf Amanullah were appointed as Directors in their place as Directors of the Company for the remainder term.

Directors' Training Program

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

Parent Company

JS Bank is the holding company of JS Investments Limited and holds 65.16 percent of the equity.

Pattern of Shareholding

A statement showing pattern of shareholding in JSIL and additional information as at December 31, 2016 is given on page 120 of the Annual Report.

Dividend

The Board of Directors has recommended dividend of Re. 0.5 per share for the year ended December 31, 2016.

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, 2017.

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its 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.

Karachi: February 14, 2017

Ali Akhtar Ali
Chief Executive Officer

ڈائریکٹرز کی ارکان کو رپورٹ برائے مختتمہ سال 31 دسمبر 2016

کمپنی کے بورڈ آف ڈائریکٹرز کی طرف سے JS انوسٹمنٹس لمیٹڈ (JSIL) کے 31 دسمبر 2016ء کو ختم ہونے والے سال کے لیے غیر مجمع آڈٹ شدہ مالیاتی گوشوارے پیش کرنا میرے لیے باعث مسرت ہے۔

جامع معاشی جھلکیاں

2016 میں اسٹیٹ بینک آف پاکستان (SBP) نے شرح سود میں 25 بنیاد پوائنٹس کمی کر دی، جس سے وہ 5.75 فی صدہ ہو گیا۔ افراط زر کی آرام دہ سطح اور زرمبادلہ (forex) کے ذخائر کا 23.1 ارب امریکی ڈالر سے تجاوز کرنا اس کٹوتی کی بنیادی وجوہ تھیں۔ سال کے دوران کنزرویٹو پرائس انڈیکس (CPI) کی گرانی (Inflation) سال بہ سال کی بنیاد پر (YoY) گزشتہ سال (2015) اسی مدت کے دوران 2.54 فی صد کے مقابلے میں اوسطاً 3.76 فی صد رہی، جیسا کہ انتہائی پست حد کا اثر (Low base effect) زائل ہو گیا جب کہ موافق غذائی گرانی اور ہاؤس رینٹ انڈیکس میں اضافہ اس بڑھوتری کی وجہ بنے۔ آگے بڑھتے ہوئے CPI معتدل رہنے کی توقع ہے اور 2017 کے لیے افراط زر 3.8 فی صد سے 4.5 فی صد کی حد میں رہنے کی توقع ہے۔

2016 کے آخر تک پاکستان کے خالص مجموعی سیال زرمبادلہ کے ذخائر 23.16 ارب امریکی ڈالر تک پہنچ گئے جس کا مطلب 7 ماہ سے زائد کا امپورٹ کور ہے۔ حکومت پاکستان (GoP) نے 6.15 ارب امریکی ڈالر کا آئی ایم ایف ایکسٹینڈڈ فنڈ فیسیلیٹی (EFF) پروگرام کامیابی سے مکمل کر لیا جب کہ چین سے 700 ملین امریکی ڈالر زرمبادلہ کی آمد ریکارڈ کی گئی۔ تاہم سال کے پہلے 11 ماہ کے دوران کرنٹ اکاؤنٹ خسارہ 4 ارب امریکی ڈالر تک مزید بگڑ گیا جیسا کہ ڈانواؤں پر آمدات کے دوران درآمدات میں اضافے نے دباؤ ڈالنے کا سلسلہ جاری رکھا۔

ایکویٹی مارکیٹ کی کارکردگی

KSE30 انڈیکس نے مالی سال 2015 میں 7.00 فی صد کی کے مقابلے میں تقویمی سال 2016 (مالی سال 2016) میں 33.80 فی صد منافع کے ساتھ 25,852 کی سطح پر سال کا اختتام کیا۔ گزشتہ سال مایوس کن کارکردگی کے برعکس، مالی سال 2016 میں درج ذیل وجوہ کے باعث تیزی کا تسلسل رہا: (i) پاکستان اسٹاک ایکسچینج (PSX) کی MSCI ایمرجنگ مارکیٹ (EM) انڈیکس تک کامیابی سے دوبارہ درجہ بندی (ii) چائنا پاکستان اکنامک کارڈور (CPEC) کے تحت منصوبوں میں نمایاں پیش رفت (iii) آئی ایم ایف کے EFF پروگرام کی تکمیل اور (iv) زرمبادلہ کے ذخائر کا 23.1 ارب امریکی ڈالر کی ریکارڈ بلندی کو چھو لینا۔

انڈیکس کو بڑی حد تک درج ذیل شعبوں سے تحریک ملی: آٹوموبائل (مستحکم فروخت اور جاپانی ین (JPY) کی قدر میں کمی)، سیمینٹ (منافع کی ریکارڈ سطحیں اور مستقبل کے سودے (oftakes) اور آئل اینڈ گیس (تیل کی بین الاقوامی قیمتوں کی بحالی) جیسا کہ ان شعبوں نے بالترتیب 71 فی صد، 64 فی صد اور 62 فی صد منافع درج کروایا۔

امریکا کے وفاقی ذخائر (US Federal reserve) کی طرف سے شرح سود میں اضافے کے دوران انٹرنیشنل مارکیٹ میں فنڈز کی ایمرجنگ اور فرنیئر مارکیٹس سے امریکا منتقلی کے نتیجے میں مالی سال 2015 میں 315.20 ملین امریکی ڈالر کے خالص بیرون ملک اخراج کے مقابلے میں مالی

سال 2016 میں زرمبادلہ کا مجموعی خالص بیرون ملک اخراج 340.10 ملین امریکی ڈالر رہا۔

منی مارکیٹ کی کارکردگی

مالی سال 2016 کے دوران اوسط CPI نے مالی سال 2015 میں 2.54 فی صد کے مقابلے میں اس مدت کے دوران 3.76 فی صد کی سطح درج کرائی۔ افراط زر (Inflation) میں یہ اضافہ بنیادی طور پر انتہائی پست حد کا اثر اور (Low base effect) اور مرکزی افراط زر (نان فوڈ، نان انرجی) میں اضافے کی وجہ سے تھا۔ مالی سال 2016 کے دوران حکومت پاکستان نے پاکستان انویسٹمنٹ بونڈز (PIB) کی نیلامیوں میں 1,209 ارب روپے اکٹھے کیے جو 875 ارب روپے کی ہدفی رقم سے زائد تھی جس سے طویل میچورٹی والے بونڈز میں شرکا کی دل چسپی ظاہر ہوتی ہے۔ جہاں تک ٹریژری بلز (T-بلز) کی نیلامیوں کا تعلق ہے، حکومت پاکستان نے 2,463 ارب روپے کی میچورٹی کے مقابلے میں 4,355 روپے اکٹھے کیے، جب کہ ہدف 5,425 ارب روپے تھا۔ مالی سال 2016 کی T-بلز کی گزشتہ نیلامی میں تین ماہ (3M) اور تھوڑے ماہ (6M) کے لیے حتمی آمدنی کی اوسط بالترتیب 5.9649 فی صد اور 5.9792 فی صد رہی۔ حکومت پاکستان نے 12 ماہ کے T-بلز کے لیے پیشکشیں مسترد کر دیں۔

3 ماہ، 6 ماہ اور 9 ماہ کے اوسط KIBOR مالی سال 2015 کے دوران بالترتیب 7.32 فی صد، 7.34 فی صد اور 7.60 فی صد کے مقابلے میں مالی سال 2016 کی مدت کے لیے سال بہ سال بنیاد پر (YoY) 114 بنیادی پوائنٹ، 115 بنیادی پوائنٹ اور 113 پوائنٹ کمی کے ساتھ بالترتیب 6.18 فی صد، 6.19 فی صد اور 6.47 فی صد رہا۔

AMC انڈسٹری

تختہ سال 2016 کے دوران مقامی میوچل فنڈ انڈسٹری نے زیر انتظام اثاثوں (AUM) میں 30.10 فی صد اضافہ دکھایا جو تختہ سال 2015 کے لیے 486.82 ارب روپے سے بڑھ کر 633.36 ارب روپے تک پہنچ گئے۔ کلوز اینڈ والے فنڈز کے لیے مارکیٹ شیئر 23.08 ارب روپے کے مجموعی AUM کے ساتھ 3.64 فی صد تھا۔ اس مدت کے دوران مجموعی طور پر تیس (30) نئے فنڈز متعارف کرائے گئے۔

فنڈز کیٹیگری کے شریعہ کمپلائنٹ فنڈز نے 312.25 فی صد کا زبردست اضافہ دکھایا اور اس شعبے کے لیے مجموعی AUM دسمبر 2015 میں محض 10.21 ارب روپے کے مقابلے میں دسمبر 2016 میں 42.09 ارب روپے تک پہنچ گیا۔ اس مدت کے دوران اس فنڈ کیٹیگری کے تحت سولہ (16) نئے فنڈز لانچ کیے گئے۔ روایتی ایکویٹی فنڈ کیٹیگری کے لیے AUM کا حجم 156.26 ارب روپے تک پہنچ گیا جو 50.28 فی صد اضافہ ہے۔ فنڈز کے شریعہ کمپلائنٹ CPPI کیٹیگری نے اسی مدت کے دوران 67.35 فی صد کی ریکارڈ کرائی۔

کارکردگی کا جائزہ

JSIL نے تختہ سال 31 دسمبر 2016 کے دوران 199.69 ملین روپے کا خالص منافع کمایا اور اس طرح 2.49 روپے کی فی شیئر آمدنی کا مظاہرہ کیا۔ زیر انتظام اثاثے بمطابق 31 دسمبر 2015 کو 9.55 ارب روپے کے مقابلے میں بمطابق 31 دسمبر 2016، 13.52 ارب روپے تھے جو 41.57 فی صد اضافے کی عکاسی کرتے ہیں۔ مارکیٹ کے مثبت رجحان اور سیلز ٹیم کی اضافہ شدہ کوششوں نے سیلز اسٹاف کی نئی بھرتی کے ساتھ مل کر AUM کے اضافے میں نمایاں کردار ادا کیا۔ JSIL نے گزشتہ اسی مدت کے دوران کمائے گئے 159.72 ملین روپے کے مقابلے میں زیر انتظام فنڈز سے 155.35 ملین روپے انتظامی مشاہرہ کمایا۔ ایڈمنسٹریشن اور مارکیٹنگ اخراجات 18.68 اضافے کے ساتھ گزشتہ سال اسی مدت کے دوران 235.63 ملین روپے کے مقابلے میں 279.64 ملین روپے ہو گئے۔

JSIL کی شیئر ہولڈر ایکویٹی 31 دسمبر 2015 کو 2,107.58 ملین روپے سے بمطابق 31 دسمبر 2016، 2,573.74 ملین روپے تک بڑھ چکی ہے۔

مختتمہ سال 31 دسمبر 2015	مختتمہ سال 31 دسمبر 2016	سال کے لیے کاروباری نتائج کا خلاصہ
روپے (000)		
2,107,579	2,573,740	شیر ہولڈرز کی ایکویٹی
		مالیاتی کارکردگی
406,012	461,529	آمدنی
(235,631)	(279,638)	آپریٹنگ اخراجات
170,381	181,891	آپریٹنگ منافع
(4,067)	(4,282)	دیگر اخراجات
(15)	(18)	مالیاتی چارجز
32,996	32,204	دیگر آپریٹنگ آمدنی
199,295	209,796	قبل از ٹیکس منافع
(25,023)	(10,098)	ٹیکسیشن نیٹ
174,272	199,698	بعد از ٹیکس منافع
1.75	2.49	نی شیئر آمدنی۔ بنیادی اور تحلیل شدہ

لیپر (Lipper) ایوارڈ 2016 JS اسلامک فنڈ

2016 کے دوران JS انویسٹمنٹس کے زیر انتظام JS اسلامک فنڈ کو "3 سال" اور "5 سال" کیٹیگری میں پاکستان میں ٹاپ ایکویٹی فنڈ ہونے پر لپر (Lipper) ایوارڈ 2016 سے نوازا گیا۔ لپر (Lipper) ایوارڈ 2016 تھامس ریوٹرز (Thomson Reuters) کی طرف سے دیا جاتا ہے اور فنڈ کی کارکردگی کے عالمی سطح پر زیر استعمال پیمانے پر مبنی ہے۔ یہ ایوارڈ JS اسلامک فنڈ کو گاتاردوسرے سال بطور ٹاپ ایکویٹی پاکستان فنڈ گزشتہ نوازے گئے لپر (Lipper) ایوارڈ کے علاوہ ہے۔

نئے فنڈ کی لانچنگ

سال کے دوران 24 ماہ اور 6 ہفتے کی میعاد کے ساتھ JS کیپٹل پروڈیکٹس فنڈ-V لانچ کیا گیا تھا۔ فنڈ کے زیر انتظام اثاثے برطانیہ 31 دسمبر 2016، 304.26 ملین روپے ہیں۔

مستقبل کے امکانات

JSIL کی انتظامیہ کی طرف سے AUM بڑھانے کی کوششوں کا ثمر ملنا شروع ہو گیا ہے۔ AUM ستمبر 2016 کے اختتام پر 10.38 ارب روپے سے بڑھ کر دسمبر 2016 کے اختتام پر 13.52 ارب روپے تک پہنچ گیا ہے جو سہ ماہی کے دوران 30 فی صد اضافے کی عکاسی کرتا ہے۔ انتظامیہ توقع رکھتی ہے کہ یہ اضافہ 2017 کے دوران بھی جاری رہے گا۔ انڈسٹری کے AUMs میں ایکویٹی فنڈز سے بلند منافع جات اور نئی سیکرز کی بدولت تیز رفتاری سے اضافہ ہو رہا ہے۔ JSIL کی بزنس ڈیولپمنٹ ٹیم کو مزید وسعت دینے اور مارکیٹ شیئر میں بتدریج اضافے کے لیے کوششیں جاری ہیں۔ انتظامیہ کلائنٹ کے تجربے کو مزید خوش گوار بنانے کے لیے اپنے کلائنٹس کے لیے ویلویو ایڈڈ سروسز کا اضافہ کرنے پر بھی کام کر رہی ہے۔

ایسیٹ منیجر اور اینٹیٹیٹی ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی نے JS انویسٹمنٹس لمیٹڈ کو "AM2" (اے ایم ٹو) کی منجمنٹ کوالٹی ریٹنگ تفویض کی ہے۔ یہ ریٹنگ منجمنٹ کے اعلیٰ معیار کی نشان دہی کرتی ہے۔

پاکستان کریڈٹ ریٹنگ ایجنسی (PACRA) نے بالترتیب "A+" (سنگل اے پلس) اور "A1" (اے ون) پر JS انویسٹمنٹس لمیٹڈ کی طویل مدتی اور مختصر مدتی ادارہ جاتی ریٹنگز برقرار رکھی ہے۔ یہ ریٹنگز مالیاتی وعدوں کی بروقت ادائیگی کے لیے مستحکم صلاحیت کے نتیجے میں کریڈٹ رسک کے کم خدشات کی نشاندہی کرتی ہیں۔

کارپوریٹ گورننس اینڈ فائنانشل رپورٹنگ فریم ورک

- پاکستان اسٹاک ایکسچینج (PSX) کی رول بک کی شق 5.19 کے تقاضے کے مطابق ڈائریکٹرز بصد خوشی اطلاع دیتے ہیں کہ:
- i- JSIL کی انتظامیہ کی طرف سے تیار کردہ مالیاتی گوشوارے منصفانہ طور پر اس کے معاملات کی صورت حال، سرگرمیوں کے نتائج، کیش فلوز اور ایکویٹی میں تبدیلیاں پیش کرتے ہیں۔
 - ii- JSIL کی طرف سے اکاؤنٹس کے درست کھاتے مینٹین رکھے گئے ہیں۔
 - iii- مالیاتی گوشواروں کی تیاری میں مستقلاً مناسب اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے اور حسابات کے گوشوارے مناسب عاقلانہ فیصلوں پر مبنی ہیں۔
 - iv- مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فائنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی اور ان سے کسی بھی پہلو تہی کا مناسب انداز میں انکشاف اور وضاحت کی گئی ہے۔
 - v- انٹرنل کنٹرول کا نظام ساخت کے اعتبار سے محفوظ ہے اور اس کا موثر اطلاق اور نگرانی کی گئی ہے۔
 - vi- JSIL کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابل ذکر خدشات نہیں ہیں۔
 - vii- کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کا مادی انحراف نہیں کیا گیا ہے، جیسا کہ پاکستان اسٹاک ایکسچینج لمیٹڈ (سابقہ کراچی اسٹاک ایکسچینج لمیٹڈ) کی رول بک کی ریگولیشن نمبر 5.19.24 میں درج ہے۔
 - viii- گزشتہ چھ سالوں کے اہم مالیاتی ڈیٹا کا خلاصہ اس سالانہ رپورٹ کے صفحہ XX پر دیا گیا ہے۔
 - ix- ضابطہ عمل معاون پالیسیز اور پروسیجرز کے ہمراہ پورے JSIL میں تقسیم کر دیا گیا ہے۔
 - x- JSIL کے اسٹاف پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2016 کو 15.78 ملین تھی۔

ڈائریکٹرز کا انتخاب

ڈائریکٹرز کا انتخاب 26 دسمبر 2016 کو منعقدہ ارکان کے غیر معمولی اجلاس عام (EOGM) میں کیا گیا۔ مذکورہ EOGM میں درج ذیل افراد بطور ڈائریکٹرز منتخب کیے گئے:

جناب سلیمان لالانی	نان ایگزیکٹو ڈائریکٹر
جناب آصف رضانتا	نان ایگزیکٹو ڈائریکٹر۔ خود مختار
جناب کامران جعفر	نان ایگزیکٹو ڈائریکٹر
جناب محمد رضا ڈائر	نان ایگزیکٹو ڈائریکٹر
جناب احسن احمد	نان ایگزیکٹو ڈائریکٹر۔ خود مختار
جناب باصر شمسی	نان ایگزیکٹو ڈائریکٹر
جناب محمد یوسف امان اللہ	نان ایگزیکٹو ڈائریکٹر

مزید برآں، کمپنی کے نو منتخب بورڈ آف ڈائریکٹرز نے اپنے 28 دسمبر 2016 کو منعقدہ اجلاس میں جناب باصر شمسی کو تین سال کی معیاد کے لیے بورڈ کے چیئرمین کی حیثیت سے منتخب کر لیا۔

ڈائریکٹرز کے اجلاس

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

نام	اجلاس میں حاضری
1- جناب نذر محمد شیخ**	01
2- جناب علی اختر علی	06
3- جناب سلیمان لالانی*	05
4- جناب آصف رضانتا*	05
5- جناب محمد خلیل الرحمان**	-
6- جناب کامران جعفر*	05
7- جناب محمد رضا ڈائر*	06
8- جناب احسن احمد*	03
9- جناب باصر شمسی*	04
10- جناب محمد یوسف امان اللہ*	03

* دسمبر 2016 میں دوبارہ منتخب ہوئے

** سال کے دوران مستعفی ہو گئے



چیف ایگزیکٹو کی تقرری

بیلنس شیٹ ڈیٹ کے بعد بورڈ آف ڈائریکٹرز نے جناب علی اختر علی کا استعفیٰ قبول کر لیا اور جناب حسین رضانیسی کی یکم مارچ 2017 سے کمپنی کے چیف ایگزیکٹو آفیسر کی حیثیت سے تقرری کی منظوری دے دی جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی منظوری سے مشروط ہے۔

بورڈ آڈٹ کمیٹی کے اجلاس

سال کے دوران بورڈ آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر ڈائریکٹر کی حاضری برطابق ذیل رہی:

نام	اجلاس میں حاضری
جناب آصف رضانتا	04
جناب سلیمان لالانی	04
جناب محمد خلیل الرحمان	02
جناب محمد رضا ڈائری	02

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

سال کے دوران HR&R کمیٹی کے تین اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر ڈائریکٹر کی حاضری برطابق ذیل رہی:

نام	اجلاس میں حاضری
جناب باصر سٹنسی	01
جناب کامران جعفر	03
جناب علی اختر علی	03
جناب نذر محمد شیخ	02

بورڈ ایگزیکٹو کمیٹی کے اجلاس

سال کے دوران ایگزیکٹو کمیٹی کے 6 اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر ڈائریکٹر کی حاضری برطابق ذیل رہی:

نام	اجلاس میں حاضری
جناب کامران جعفر	06
جناب سلیمان لالانی	02
جناب علی اختر علی	06
جناب باصر شمشی	04
جناب محمد یوسف امان اللہ	04

بورڈ آف ڈائریکٹرز

سال کے دوران جناب نذر محمد شیخ اور جناب محمد خلیل الرحمان نے بورڈ سے استعفیٰ دے دیا اور ان کی جگہ جناب باصر شمشی اور جناب محمد یوسف امان اللہ کو بقیہ میعاد کے لیے کمپنی کے ڈائریکٹرز کی حیثیت سے مقرر کیا گیا۔

ڈائریکٹرز کا ٹریننگ پروگرام

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

پیرنٹ کمپنی

JS بینک JS انویسٹمنٹس لمیٹڈ کی ہولڈنگ کمپنی ہے اور 2016 فی صد ایکویٹی اس کی ملکیت ہے۔

پیٹرن آف شیئر ہولڈنگ

JSIL میں پیٹرن آف شیئر ہولڈنگ اور اضافی معلومات برطابق 31 دسمبر 2016 کا ایک گوشوارہ سالانہ رپورٹ کے صفحہ 120 پر دیا گیا ہے۔

منافع منقسمہ (ڈیویڈنڈ)

بورڈ آف ڈائریکٹرز نے نختمہ سال 31 دسمبر 2016 کے لیے 0.5 روپے فی شیئر ڈیویڈنڈ کی سفارش کی ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹنٹس اہلیت کی بنیاد پر خود کو دوبارہ تقرری کے لیے پیش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے، آڈٹ کمیٹی بورڈ کی سفارش پر، میسرز EY فورڈ رھوڈز اینڈ کو، چارٹرڈ اکاؤنٹنٹس کی 31 دسمبر 2017 کو ختم ہونے والے سال کے لیے دوبارہ تقرری کی سفارش کی ہے۔



اظہارِ تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے اظہارِ تشکر کرتے ہیں۔ بورڈنگ اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

کراچی: 14 فروری 2017

علی اختر علی
چیف ایگزیکٹو آفیسر

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of **JS Investments Limited** (the Company) for the year ended **31 December 2016** to comply with the respective requirements of the Pakistan Stock Exchange (Formally known as Karachi Stock Exchange), where the Company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. 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 Code.

As a part of our audit of the 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 Code 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 distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. 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 determine 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 Code as applicable to the Company for the year ended 31 December 2016.

Chartered Accountants

Date: February 14, 2017

Karachi



STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED DECEMBER 31, 2016

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Regulation No. 5.19.24 of the Rule Book of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited), 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 applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of directors.

At present the Board includes:

Category	Names
Independent Directors	Mr. Ahsen Ahmed Mr. Asif Reza Sana
Executive Directors	Mr. Ali Akhtar Ali - Chief Executive Officer
Non-Executive Directors	Mr. Basir Shamsie Mr. Suleman Lalani Mr. Kamran Jafar Mr. Muhammad Raza Dyer

The independent directors meet the criteria of independence under 5.19.1(b) of the Code.

2. 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).
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurring on the Board on March 19, 2016 and April 14, 2016 were filled up by the Directors within 25 days and same day respectively i.e. on April 14, 2016. The Securities Exchange Commission of Pakistan (SECP) also confirmed their appointment on June 23, 2016.
5. The Company has prepared a "Code of Conduct", and has ensured that appropriate steps have taken place to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Board of the Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions including the appointment and determination of the remuneration and terms and conditions of the employment of the Chief Executive Officer and other executives and non-executive directors have been taken by the board / shareholders.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meeting, along with the agenda and the working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. Six out of eight directors on the Board have duly completed the Training Program as per clause 5.19.7 of the Rule Book of Pakistan Stock Exchange Limited (formerly Karachi Stock Exchange Limited).

10. There was no change of Chief Financial Officer/ Company Secretary and Head of Internal Audit during the year.
11. The Directors Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than those disclosed in the Pattern of Shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee which comprises of three members, two of them are non-executive directors and one is independent director. Chairman of the committee, Mr. Asif Reza Sana is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed a Human Resource and Remuneration Committee which comprises of four members. Three of them are non-executive directors.
18. The Board has set up an effective internal audit function and is conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The "closed period", prior to the announcement of interim / final results, and business decisions, which may materially affect the share price of Company was determined and intimated to directors, employees and stock exchange.
22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list
24. We confirm that all other applicable material principles enshrined in the Code have been duly complied with by the Company.

Date : February 14, 2017

Place: Karachi,

Ali Akhtar Ali
Chief Executive Officer



AUDIT COMMITTEE AND ITS TERMS OF REFERENCES

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

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

Mr, Asif Reza Sana (Chairman)	4
Mr. Suleman Lalani (Member)	4
Mr. Khalil-ur-Rehman (Member)*	2
Mr. Muhammad Raza Dyer (Member)**	2

*Resigned during the year

**Appointed during the year

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:

- (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: major judgmental areas; significant adjustments resulting from the audit; the going concern assumption; any changes in accounting policies and practices; compliance with applicable accounting standards; compliance with listing regulations and other statutory and regulatory requirements; and 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 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 CEO 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 best practices of corporate governance and identification of significant violations thereof; and
- (n) Consideration of any other issue or matter as may be assigned by the Board of Directors.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of JS Investments Limited (the Company) as at 31 December 2016 and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the unconsolidated balance sheet and unconsolidated profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.
- (c) in our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, 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 2016 and of the profit, its comprehensive income, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The financial statements of the Company for the year ended 31 December 2015 were audited by another firm of Chartered Accountants whose report, dated 17 February 2016, expressed an unqualified opinion thereon.

Chartered Accountants

Audit Engagement Partner: **Shaikh Ahmad Salman**

Date: February 14, 2017

Karachi

FINANCIAL STATEMENTS



UNCONSOLIDATED BALANCESHEET

AS AT DECEMBER 31, 2016

ASSETS	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
Non - current assets			
Property and equipment	4	373,686,528	359,859,663
Intangible assets	5	1,617,337	1,734,992
Long-term investment in a subsidiary	6	37,500,000	37,500,000
Long-term loans and prepayments - considered good	7	7,168,287	902,887
		419,972,152	399,997,542
Current assets			
Balances due from funds under management - related parties	8	115,188,859	94,536,339
Loans and advances - considered good	9	1,905,138	2,077,719
Trade deposits, short term prepayments and other receivables	10	28,317,112	12,551,657
Other financial assets - investments	11	2,383,626,304	1,942,367,635
Taxation - net		113,853,242	121,849,376
Cash and bank balances	12	11,144,714	12,743,292
		2,654,035,369	2,186,126,018
Total assets		3,074,007,521	2,586,123,560
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	801,718,180	801,718,180
Unappropriated profit		700,155,016	491,901,151
Capital repurchase reserve account		198,281,820	198,281,820
Unrealised appreciation on remeasurement of available-for-sale financial assets - net		873,584,690	615,677,768
		2,573,739,706	2,107,578,919
Surplus on revaluation of fixed assets - net of tax	14	191,614,859	200,170,871
LIABILITIES			
Non - current liabilities			
Deferred tax liability - net	15	82,222,385	78,367,529
Current liabilities			
Accrued and other liabilities	16	226,430,571	200,006,241
Total liabilities		308,652,956	278,373,770
Total equity and liabilities		3,074,007,521	2,586,123,560
Contingencies and commitments			
	17		

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	2016 ----- Rupees -----	2015
Income			
Remuneration from funds under management - net	18	155,352,581	159,721,956
Commission from open end funds under management	19	8,650,537	3,736,341
Dividend income	20	26,879,322	18,981,897
Net gain on sale of investments classified 'at fair value through profit or loss' - held-for-trading		2,591,700	38,139,128
Net gain on sale of investments classified as 'available-for-sale'		261,128,788	175,708,021
Return on bank deposits		1,296,432	2,377,871
Mark up on Term Finance Certificates		-	2,107,083
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	21	5,629,603	5,239,429
Administrative and marketing expenses	22	(279,637,926)	(235,630,824)
Operating profit		181,891,037	170,380,902
Other expenses	23	(4,281,551)	(4,067,208)
Financial charges	24	(17,663)	(14,625)
		177,591,823	166,299,069
Other income	25	32,204,172	32,996,404
Profit before taxation		209,795,995	199,295,473
Taxation - net	26	(10,098,142)	(25,022,933)
Profit for the year		199,697,853	174,272,540
Earnings per share for the year - basic and diluted	27	2.49	1.75

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director



UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
	----- Rupees -----	
Profit for the year	199,697,853	174,272,540
Other comprehensive income to be reclassified to profit and loss account in subsequent periods		
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	549,799,746	38,349,353
Reclassification adjustments relating to sale of investments	(261,128,790)	(199,091,378)
Related tax	(30,764,034)	(6,691,806)
	257,906,922	(167,433,831)
Total comprehensive income for the year	457,604,775	6,838,709

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity.

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

UNCONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
Note	----- Rupees -----	----- Rupees -----
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	209,795,995	199,295,473
Adjustment for:		
Remuneration from funds under management - net	18. (155,352,581)	(159,721,956)
Commission from open end funds under management	19. (8,650,537)	(3,736,341)
Dividend income	(26,879,322)	(18,981,897)
Depreciation	4.1 26,062,259	23,362,126
Amortization of intangible assets	5. 556,405	412,668
Financial charges	24. 17,663	14,625
Return on bank deposits	(1,296,432)	(2,377,871)
Net gain on sale of investments classified 'at fair value through profit or loss' - held-for-trading	(2,591,700)	(38,139,128)
Net gain on sale of investments classified as 'available-for-sale'	(261,128,788)	(175,708,021)
Net unrealised appreciation on revaluation of investments	(4,338,414)	(6,747,467)
Gain on disposal of property and equipment	25. -	(100,035)
	(223,805,452)	(182,427,824)
(Increase) / decrease in assets and liabilities		
Loans and advances	(2,747,669)	514,695
Trade deposits, short term prepayments and other receivables	(19,175,850)	8,105,092
Accrued and other liabilities	26,424,330	22,185,424
	4,500,811	30,805,211
	(219,304,641)	(151,622,613)
Taxes paid - net	(29,011,188)	(27,343,256)
Remuneration and commission received from funds under management	143,350,598	135,385,385
Net cash used in operating activities	(104,965,231)	(43,580,484)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(771,731,275)	(1,230,261,093)
Sale proceeds from disposal of investment	887,202,466	1,618,508,757
Dividend received	26,879,322	18,981,897
Payment for purchase of property and equipment	(39,889,125)	(8,742,713)
Payment for purchase of intangible assets	(438,750)	(655,500)
Return on bank deposits	1,361,678	1,860,382
Sale proceeds from disposal of property and equipment	-	402,747
Net cash generated from investing activities	103,384,316	400,094,477
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(27,160)
Payment for buy back of shares	-	(356,907,276)
Financial charges paid	(17,663)	(14,625)
Net cash used in financing activities	(17,663)	(356,949,061)
Net decrease in cash and cash equivalents	(1,598,578)	(435,068)
Cash and cash equivalents at beginning of the year	12,743,292	13,178,360
Cash and cash equivalents at end of the year	30 11,144,714	12,743,292

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director



UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

	Reserve				Total
	Capital reserve	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve		
	Issued, subscribed and paid-up capital	Capital repurchase reserve account		Unappropriated profit	
----- Rupees -----					
Balance as at December 31, 2014	1,000,000,000	-	783,111,599	666,591,018	2,449,702,617
Total comprehensive income					
Profit for the year	-	-	-	174,272,540	174,272,540
Other comprehensive income - net of tax	-	-	(167,433,831)	-	(167,433,831)
Total comprehensive income for the year	-	-	(167,433,831)	174,272,540	6,838,709
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	7,944,869	7,944,869
Transactions with owners recognised directly in equity					
Amount paid in excess of face value of 19,828,182 shares buyback @ Rs.18 share	-	-	-	(158,625,456)	(158,625,456)
Transfer of amount of share capital cancelled through buyback of shares	-	198,281,820	-	(198,281,820)	-
Buy back of 19,828,182 shares having face value of Rs.10 each at a purchase price of Rs.18 each	(198,281,820)	-	-	-	(198,281,820)
Balance as at December 31, 2015	801,718,180	198,281,820	615,677,768	491,901,151	2,107,578,919
Total comprehensive income					
Profit for the year	-	-	-	199,697,853	199,697,853
Other comprehensive income - net of tax	-	-	257,906,922	-	257,906,922
Total comprehensive income for the year	-	-	257,906,922	199,697,853	457,604,775
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	8,556,012	8,556,012
Balance as at December 31, 2016	801,718,180	198,281,820	873,584,690	700,155,016	2,573,739,706

The annexed notes 1 to 34 form an integral part of these unconsolidated financial statements.

Chief Executive

Director

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

1. STATUS AND NATURE OF BUSINESS

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

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

- 1.2** The Company is an asset management company and pension fund manager for the following 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 Government Securities Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Capital Protected Fund - V

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.



2. BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, 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). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

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

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

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

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

- i) Amortisation of intangible assets (note 3.2 and 5);
- ii) Provision for taxation (note 3.12 and 26);
- iii) Classification and valuation of investments (notes 3.3 and 11);
- iv) Determination and measurement of useful life and residual value of property and equipment (note 3.1 and 4.1);
- v) Valuation of office premises (note 3.1 and 4.2); and
- vi) Recognition and measurement of deferred tax assets and liabilities (note 3.12 and 15).

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

Standard or Interpretation

IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.



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

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

	Effective date (annual periods beginning on or after)
IFRS 2: Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
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
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	January 01, 2018
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018

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.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2017. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

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	ASB Effective date (annual periods beginning on or after)
IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRS 16 - Leases	January 01, 2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Property and equipment

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. The Chief Financial Officer reports any related findings to the Board of Directors every year to explain the cause of fluctuations in the fair value of office premises.

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

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.

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

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

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

3.2 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.



3.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged to the profit and loss account.

The Company classifies its investments in the following categories:

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

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.

3.4 Trade and other receivables

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

3.5 Operating Lease / Ijarah

Operating lease / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases / Ijarah. Payments made during the period are charged to profit and loss account on a straight-line basis over the period of the lease / Ijarah.

3.6 Trade and other payables

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

3.7 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds.
- Realized gains / losses on sale of investments is recognized in the profit and loss account at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognized on time proportionate basis by using effective rate of interest.
- Commission income from open end funds is recognized at the time of sale of units.
- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognized as services are rendered.

3.8 Defined contributions 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.

3.9 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit and loss account.



3.10 Provisions

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

3.11 Impairment

Financial assets

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

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

Non-financial assets

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

3.12 Taxation

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

Current

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

Deferred

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

3.13 Cash and cash equivalents

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

3.14 Financial instruments

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

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

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

3.15 Offsetting of financial assets and financial liabilities

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

3.16 Earnings per share

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

3.17 Dividend and other appropriation to reserves

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

	Note	2016 ----- Rupees-----	2015
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	359,366,319	359,859,663
Capital work-in-progress - advance against purchase of assets		14,320,209	-
		<u>373,686,528</u>	<u>359,859,663</u>

4.1 Operating fixed assets

	2016					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	----- Rupees -----					
At January 01, 2016						
Cost / revalued amount	372,660,000	3,430,894	24,348,194	107,150,974	5,921,907	513,511,969
Accumulated depreciation	(29,502,250)	(3,430,894)	(23,004,378)	(94,356,574)	(3,358,210)	(153,652,307)
Net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Year ended December 31, 2016						
Opening net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Additions	-	-	1,151,503	8,515,065	15,902,348	25,568,916
Disposals	-	-	-	-	-	-
Depreciation charge for the year	(18,633,000)	-	(312,892)	(6,438,552)	(677,815)	(26,062,259)
Closing net book value	324,524,750	-	2,182,427	14,870,913	17,788,229	359,366,319
At December 31, 2016						
Cost / revalued amount	372,660,000	3,430,894	25,499,697	115,666,039	21,824,255	539,080,885
Accumulated depreciation	(48,135,250)	(3,430,894)	(23,317,270)	(100,795,126)	(4,036,026)	(179,714,566)
Net book value	324,524,750	-	2,182,427	14,870,913	17,788,230	359,366,319
Depreciation rate % per annum	5%	20%	10%	25%	20%	
2015						
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	----- Rupees -----					
At January 01, 2015						
Cost / revalued amount	372,660,000	3,430,894	23,610,445	99,420,806	6,950,007	506,072,152
Accumulated depreciation	(10,869,250)	(3,377,289)	(22,737,362)	(90,872,572)	(3,690,999)	(131,547,472)
Net book value	361,790,750	53,605	873,083	8,548,234	3,259,008	374,524,680
Year ended December 31, 2015						
Opening net book value	361,790,750	53,605	873,083	8,548,234	3,259,008	374,524,680
Additions	-	-	737,749	8,262,072		8,999,821
Disposals:						
Cost / revalued amount	-	-	-	(531,904)	(1,028,100)	(1,560,004)
Depreciation	-	-	-	486,217	771,075	1,257,292
Depreciation charge for the year	(18,633,000)	(53,605)	(267,030)	(3,970,226)	(438,265)	(23,362,126)
Closing net book value	343,157,750	-	1,343,802	12,794,393	2,563,718	359,859,663
At December 31, 2015						
Cost / revalued amount	372,660,000	3,430,894	24,348,194	107,150,974	5,921,907	513,511,969
Accumulated depreciation	(29,502,250)	(3,430,894)	(23,004,392)	(94,356,581)	(3,358,189)	(153,652,306)
Net book value	343,157,750	-	1,343,802	12,794,393	2,563,718	359,859,663
Depreciation rate % per annum	5%	20%	10%	25%	20%	

- 4.2** The Company follows the revaluation model for its office premises. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on panel of State Bank of Pakistan and possesses appropriate qualification and 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 these premises is their current use.

Out of the total revaluation surplus of Rs.378.84 million, Rs.191.61 million net of tax (December 31, 2015: Rs.200.17 million) remains undepreciated as at December 31, 2016.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of 'office premises' approximate its fair market value.

- 4.3** Had there been no revaluation, the net book value of the office premises would have been as follows:

	2016 ----- Rupees -----	2015 ----- Rupees -----
Office premises	50,915,052	<u>57,241,273</u>
5. INTANGIBLE ASSETS - SOFTWARE		
At January 1, 2016		
Cost	33,349,415	32,693,915
Accumulated amortization	(31,614,423)	(31,201,755)
Net book value	1,734,992	<u>1,492,160</u>
Year ended December 31, 2016		
Opening net book value	1,734,992	1,492,160
Additions during the year	438,750	655,500
Amortization for the year	(556,405)	(412,668)
Closing net book value	1,617,337	<u>1,734,992</u>
At December 31, 2016		
Cost	33,788,165	33,349,415
Accumulated amortization	(32,170,828)	(31,614,423)
Net book value	1,617,337	<u>1,734,992</u>
Amortization rate % per annum	20%	<u>20%</u>



	Note	2016 ----- Rupees-----	2015
6. LONG-TERM INVESTMENT-INVESTMENT IN A SUBSIDIARY			
3,750,000 (2015: 3,750,000) unquoted ordinary shares of Rs.10 each held in JS ABAMCO Commodities Limited (Net Assets value as at December 31, 2016: Rs.56.32 million, (2015: Rs.53.40 million)		37,500,000	37,500,000

7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

Loan to employees	7.1	4,829,075	1,745,140
Less: Current maturity	9	(1,005,938)	(842,253)
Long term prepayments	7.2	3,541,808	-
Amortisation		(196,658)	-
		7,168,287	902,887

7.1 This represents loans given to employees for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of three years, five years and fifteen 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 general purpose cash loans carry mark-up at rates ranging from 5.78% to 6.16% per annum (2015: 6.46% per annum to 8.92% per annum). The company has not discounted these loans at market interest rates as effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.4.82 million (2015: Rs.1.75 million).

7.2 This represents payments made in respect of club membership fee for next 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

JS Value Fund	18.1	16,751,200	14,262,106
JS Growth Fund	18.1	38,147,395	33,305,869
JS Large Cap Fund	18.1	14,301,526	11,452,440
Unit Trust of Pakistan	18.1	18,967,688	15,526,522
JS Income Fund	18.1	5,490,857	3,677,800
JS Islamic Fund	18.1	7,701,863	5,557,529
JS Fund of Funds	18.1	1,816,535	531,973
JS Pension Savings Fund	18.1	3,745,196	3,139,978
JS Islamic Pension Savings Fund	18.1	2,089,103	1,680,058
JS Islamic Government Securities Fund	18.1	1,196,708	954,162
JS Cash Fund	18.1	4,645,648	4,447,902
JS Capital Protected Fund V	18.1	335,140	-
		115,188,859	94,536,339
		115,188,859	94,536,339

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

9. LOANS AND ADVANCES - CONSIDERED GOOD

		2016	2015
		----- Rupees -----	
Current portion of long-term loans to employees	7	1,005,938	842,253
Unsecured advances to			
- employees		881,288	1,205,990
- suppliers		17,912	29,476
		899,200	1,235,466
		1,905,138	2,077,719

10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

		2016	2015
		----- Rupees -----	
	Note		
Rent and other receivable from related parties		18,233,976	3,023,729
Deposits		1,224,006	1,220,506
Prepayments		5,809,512	4,846,782
Others	10.1	3,049,618	3,460,640
		28,317,112	12,551,657

10.1 This includes Rs.16.520 million (2015: Rs.3.574 million) due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.2.818 million (2015: Rs.Nil) of expenses incurred on the formation on behalf of funds under management.

11. OTHER FINANCIAL ASSETS - INVESTMENTS

Investments classified as available-for-sale

Units of mutual funds - related parties	11.1	2,136,805,539	1,720,727,885
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Investments classified 'at fair value through profit or loss' - held-for-trading

Units of mutual funds - related parties	11.2	246,820,765	221,639,750
		2,383,626,304	1,942,367,635



11.1 Units of mutual funds - related parties

Number of units		Name of fund	2016		2015
2016	2015		Average cost	Fair value	Fair value
			----- Rupees -----		
2,745,548	2,732,054	JS Value Fund	378,878,171	705,935,299	515,866,344
3,606,837	4,727,934	JS Growth Fund	553,599,158	804,829,563	749,661,179
240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	129,504,000	94,190,400
177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	39,590,973	37,904,020
177,463	177,463	JS Pension Savings Fund - Money Market	17,746,342	32,143,948	30,834,268
3,355,325	2,160,949	JS Fund of Funds	176,520,415	193,770,021	109,149,510
200,000	200,000	JS Islamic Pension Savings Fund - Equity	18,170,000	152,800,000	107,810,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt	21,385,170	41,262,685	39,312,357
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	22,230,336	36,969,050	35,999,807
			1,221,082,512	2,136,805,539	1,720,727,885
Unrealized appreciation on remeasurement at fair value			915,723,027	-	-
			2,136,805,539	2,136,805,539	1,720,727,885

11.2 Units of mutual funds - related parties

Number of units		Name of fund	2016		2015
2016	2015		Average cost	Fair value	Fair value
55,020	1,113,672	JS Cash Fund	5,638,427	5,789,732	117,347,606
905,487	1,073,185	JS Income Fund	87,097,331	90,159,338	104,292,144
1,469,339	-	JS Islamic Government Securities Fund	149,746,593	150,871,695	-
			242,482,351	246,820,765	221,639,750
Unrealized appreciation on remeasurement at fair value			4,338,414	-	-
			246,820,765	246,820,765	221,639,750

12. CASH AND BANK BALANCES

	Note	2016	2015
		----- Rupees -----	
Cash in hand		71,476	94,299
Cheques in hand		-	429,165
Cash at bank in:			
Current accounts		169,048	169,048
Saving accounts	12.1	10,904,190	12,050,780
		11,073,238	12,219,828
		11,144,714	12,743,292

12.1 These carry mark-up at rates ranging from 3.75% to 6.25% (December 31, 2015: 4% to 6.5%) per annum. It includes Rs.9.583 million (December 31, 2015: Rs.10.19 million) held with JS Bank Limited (a parent company).

13. SHARE CAPITAL

2016 ----- Rupees -----	2015		2016 ----- Rupees -----	2015
		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	<u>250,000,000</u>		2,500,000,000	<u>2,500,000,000</u>
		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 CFSL	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	780,500,000	780,500,000
(19,828,182)	(19,828,182)	Shares repurchased	(198,281,820)	(198,281,820)
80,171,818	<u>80,171,818</u>		801,718,180	<u>801,718,180</u>

13.1 As at year end, JS Bank Limited, Parent company, holds 52,236,978 (December 31, 2015: 52,236,978) shares in the Company.

13.2 There is only one class of ordinary shares issued.

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

	2016 ----- Rupees -----	2015
Surplus on revaluation of fixed assets as at 1st January	285,916,477	298,055,529
Surplus arising on revaluation of fixed assets during the year	-	-
	285,916,477	298,055,529
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to unappropriated profit during the year - net of deferred tax	(8,556,012)	(7,944,869)
Related deferred tax liability	(3,666,863)	(4,194,183)
	(12,222,875)	(12,139,052)
	273,693,602	285,916,477
Less: Related deferred tax liability on:		
- revaluation reserves from last year	(85,745,606)	(104,235,612)
- restatement of opening value due to changes in applicable tax rate	-	14,295,823
- incremental depreciation charged during the year transferred to profit and loss account	3,666,863	4,194,183
	(82,078,743)	(85,745,606)
	191,614,859	200,170,871

15. DEFERRED TAX LIABILITY - NET

	2016			Closing
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / OCI	
	Rupees			
Taxable temporary differences on:				
Accelerated tax depreciation	9,654,667	(394,274)	-	9,260,393
Surplus on revaluation of fixed assets	85,745,606	(3,666,863)	-	82,078,743
Revaluation on investments classified at fair value through profit or loss ¹ - held-for-trading	1,012,120	(243,182)	-	768,938
Unrealized appreciation on available-for-sale investments	11,374,307	-	30,764,036	42,138,343
Deductible temporary differences on:				
Short term provisions	(313,673)	(156,971)	-	(470,644)
Provision for Workers' Welfare Fund	(18,505,876)	(1,284,469)	-	(19,790,345)
Provision for donation	(1,067,179)	(155,008)	-	(1,222,187)
Deferred tax asset on carried forward tax losses				
	(9,532,443)	(21,008,413)	-	(30,540,856)
	78,367,529	(26,909,180)	30,764,036	82,222,385
	2015			Closing
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / OCI	
	Rupees			
Taxable temporary differences on:				
Accelerated tax depreciation	11,666,493	(2,011,826)	-	9,654,667
Surplus on revaluation of fixed assets	104,235,612	(4,194,183)	(14,295,823)	85,745,606
Revaluation on investments classified at fair value through profit or loss ¹ - held-for-trading	796,774	215,346	-	1,012,120
Unrealized appreciation on available for sale investments	4,682,501	-	6,691,806	11,374,307
Deductible temporary differences on:				
Short term provisions	(222,914)	(90,759)	-	(313,673)
Provision for Workers' Welfare Fund	(20,166,670)	1,660,794	-	(18,505,876)
Provision for donation	(4,639,360)	3,572,181	-	(1,067,179)
Deferred tax asset on carried forward tax losses				
	(2,197,184)	(7,335,259)	-	(9,532,443)
	94,155,252	(8,183,706)	(7,604,017)	78,367,529

- 15.1** The Company has an aggregate amount of Rs.101.803 million (December 31, 2015: Rs.31.77 million) in respect of unabsorbed tax losses as at December 31, 2016 on which a deferred tax asset has been recognised.

	Note	2016 ----- Rupees -----	2015
16. ACCRUED AND OTHER LIABILITIES			
Salary payable		1,373,793	415,066
Staff bonus accrued		10,000,000	10,000,000
Accrued expenses		26,008,497	25,629,046
Fee and commission payable		7,546,884	3,577,066
Unclaimed dividend		3,119,509	3,119,509
Provision for compensated absences		1,568,814	1,045,578
Sales tax payable		16,035,663	12,311,717
Federal Excise Duty payable	16.1	92,283,607	79,943,601
Provision for Sindh Workers' Welfare Fund	16.2 & 23	8,348,759	4,067,208
Provision for Workers' Welfare Fund		26,308,605	26,308,605
Provision for Workers' Welfare Fund on behalf of funds under management		31,310,453	31,310,453
Other liabilities		2,525,987	2,278,392
		<u>226,430,571</u>	<u>200,006,241</u>

- 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 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 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.

- 16.2** Prior to certain amendments made through the Finance Acts of 2006 and 2008, Workers' Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, 2008, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, the Honorable High Court of Sindh in the year 2013 did not accept the



above arguments and declared the amendments made through Finance Act as valid. Both these decisions were later challenged in the Honorable Supreme Court of Pakistan.

During the year, the Honorable Supreme Court of Pakistan passed a judgment on 10 November 2016, declaring the insertion of amendments introduced in the Finance Acts pertaining to Workers' Welfare Fund as unlawful and thereby striking down such amendments. However, a petition has been filed in the Honorable Supreme Court of Pakistan for the review of the aforementioned judgement. In view of the said review petition, the Company on the basis of abundant caution has continued to maintain provision of Rs.57.619 million against the Workers' Welfare Fund as at the year end.

17. CONTINGENCIES and COMMITMENTS

17.1 Contingencies

In respect of the appeals filed by the Company against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and Rs.66 million respectively, the Deputy Commissioner Inland Revenue (DCIR) Appeal previously had not accepted the basis of addition 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, which is currently pending for adjudication.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 has deleted the additions of tax amortization of Management rights and remanded back the issues of disallowed provisions and advertisement expenses.

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

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

The Company has filed second appeal for tax year 2006 in the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenditure made by tax authorities in appeal effect order earlier confirmed by CIR (Appeals). The said appeal before ATIR is currently pending for adjudication.

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, which is pending for adjudication.

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

	2016	2015
	----- Rupees -----	
17.2 Commitments in respect of:		
Royalty and advisory payment - a related party	10,000,000	<u>10,000,000</u>
18. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET		
Open end Funds		
JS Value Fund	27,444,310	26,143,287
JS Growth Fund	55,388,963	65,756,091
Unit Trust of Pakistan	34,829,989	40,063,495
JS Income Fund	10,481,943	8,128,916
JS Islamic Fund	16,863,352	16,135,133
JS Aggressive Asset Allocation Fund	-	2,212,734
JS Fund of Funds	2,186,619	1,494,027
JS KSE 30 Index Fund	-	663,195
JS Pension Savings Fund	7,641,286	8,745,476
JS Islamic Pension Savings Fund	4,541,634	4,628,978
JS Cash Fund	3,706,214	8,046,003
JS Islamic Government Securities Fund	1,840,874	1,668,527
JS Capital Protected Fund V	1,995,615	-
JS Large Cap Fund	21,223,633	28,468,126
	188,144,432	212,153,988
	188,144,432	212,153,988
Less: Sindh Sales Tax	(20,939,013)	(26,876,882)
Less: Federal Excise Duty	(11,852,838)	(25,555,150)
	155,352,581	159,721,956

- 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 during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund that has been verified by the trustee and is paid in arrears on monthly basis and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended December 31, 2016 the Company has charged management fee at the rates ranging from 0.50 to 2 percent (2015: 0.50 to 2 percent).



18.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2016, amounts to Rs.12,545 million (December 31, 2015: Rs.9,073 million).

	2016	2015
Note	----- Rupees -----	
19. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT		
Unit Trust of Pakistan	663,545	100,333
JS Islamic Fund	1,758,779	1,374,760
JS Fund of Funds	2,951,181	556,177
JS Value Fund	568,223	1,511
JS Growth Fund	178,314	1,336
JS Islamic Government Securities Fund	8,487	480
JS Income Fund	586,379	422,628
JS Pension Savings Fund	11,633	3,938
JS Islamic Pension Savings Fund	21,840	240
JS Cash Fund	61,300	78,570
JS Aggressive Asset Allocation Fund	-	101
JS Large Cap Fund	1,639,246	1,196,267
JS Capital Protected Fund V	201,610	-
19.1	8,650,537	3,736,341

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

'Available-for-sale'

JS Fund of Funds	10,324,687	4,937,336
JS Value Fund	4,781,094	9,902,822
JS Growth Fund	4,912,129	4,093,878
	20,017,910	18,934,036

'At fair value through profit or loss' - held-for-trading

JS Income Fund	1,655,596	-
JS Large Cap Fund	-	47,861
JS Islamic Government Securities Fund	5,205,816	-
	6,861,412	47,861
	26,879,322	18,981,897

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

This represents remuneration and share of profit earned by the Company from management of discretionary client portfolios and non discretionary client portfolio. Currently, the Company is managing Eighteen (December 31, 2015: Sixteen) discretionary client portfolios and one non discretionary client portfolio. The total cost and total market value of the unsettled client portfolios as at December 31, 2016 was Rs.539.34 million (December 31, 2015: Rs.424.59 million) and Rs.586.50 million (December 31, 2015: Rs.415.73 million) respectively.

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
22. ADMINISTRATIVE AND MARKETING EXPENSES			
Salaries and benefits		115,388,616	90,043,208
Directors' fee		450,000	1,100,000
Staff retirement benefits	22.1	5,433,132	4,661,596
Staff bonus		10,000,000	10,000,000
Amortisation of intangible assets	5	556,405	412,668
Advertisement		13,175,070	10,536,229
Depreciation	4.1	26,062,259	23,362,126
Printing and stationery		4,554,561	4,006,190
Rent, rates, taxes and maintenance		14,411,275	14,366,522
Travelling, conveyance and vehicle maintenance		7,354,523	6,014,142
Transfer agent remuneration		7,836,060	7,858,803
Postage and telephone		4,431,323	3,608,140
Legal and professional		16,124,374	12,362,364
Fees and subscription		5,888,604	6,002,913
IT services		9,083,400	4,058,607
Utilities		10,095,792	8,764,997
Office security		1,485,526	1,506,341
Insurance		5,682,567	4,178,948
Newspaper		185,772	146,029
Royalty and advisory fee	22.5	10,000,000	10,000,000
Shariah advisory fee	22.6	954,168	2,400,000
Auditors' remuneration	22.7	1,284,000	1,413,000
Fees and commission		1,919,846	1,816,056
Donation	22.8	4,073,957	3,556,536
Training and development		481,228	1,417,550
Miscellaneous expenses		2,725,468	2,037,859
		279,637,926	235,630,824
22.1	Staff retirement benefits include contributions to defined contribution plan of Rs.5.43 million (December 31, 2015: Rs.4.16 million).		
22.2	Number of employees at the end of the year	148	119
22.3	Average number of employees during the year	137	103



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, 2016 is as follows:

	2016	2015
	----- Rupees -----	
Number of employees	83	72
Size of provident fund (Rupees)	29,685,484	19,689,901
Cost of investments (Rupees)	18,310,958	10,557,131
Percentage of investments	72%	51%
Fair value of investment (Rupees)	21,430,664	10,050,566
Break-up of investments		
- Balance in JS Islamic Fund, a related party		
Amount of investment (Rupees)	4,982,753	3,236,339
Percentage of size of investment	17%	16%
- Balance in other listed securities		
Amount of investment (Rupees)	16,447,911	6,814,227
Percentage of size of investment	25%	35%
Total investments in listed securities	21,430,684	10,050,566
Percentage of size of investment	72%	51%
- Balance in scheduled banks		
Amount of investment (Rupees)	7,884,679	9,283,275
Percentage of size of investment	27%	47%

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 227 of the Companies Ordinance, 1984 and the Rules formulated for this purpose.

22.5 Royalty and advisory fee represents amounts paid to Mr. Jahangir Siddiqui on account of his name and advisory services, respectively.

22.6 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund and JS Islamic Government Securities Fund.

22.7 Auditors' remuneration

Annual audit fee	800,000	800,000
Fee for review of the statement of compliance on Code of Corporate Governance	50,000	50,000
Out of pocket expenses	150,000	300,000
Fee for review of half yearly financial statements	200,000	200,000
Sindh sales tax	84,000	63,000
	1,284,000	<u>1,413,000</u>

22.8 This represents donation to Future Trust, wherein Mr. Suleman Lalani and Mr. Kalim-ur-Rahman are trustees. Mr. Suleman Lalani is the Chief Executive Officer and Director of Jahangir Siddiqui & Co. Limited (JSCL), the ultimate Parent Company of JSIL. Further, Mr. Kalim-ur-Rahman is Director in JSCL and JS Bank Limited.

23. OTHER EXPENSES

In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has recognized a net provision of Rs.4.283 million (December 31, 2015: Rs.4.067 million) for the year, aggregating to Rs.8.349 million as at December 31, 2016. However, the Company's management is also considering to contest this at an appropriate legal forum.

	Note	2016 ----- Rupees-----	2015
24. FINANCIAL CHARGES			
Bank charges		<u>17,663</u>	<u>14,625</u>
25. OTHER INCOME			
Income from financial assets			
Mark-up on loans to employees		96,544	55,099
Net unrealised appreciation on revaluation of investments classified 'at fair value through profit or loss'- held-for-trading		4,338,414	6,747,467
Liabilities no longer required	25.1	5,091,000	5,150,000
Others		1,799,417	2,046,727
Income from non-financial assets			
Rental income	25.2	20,878,797	18,897,076
Gain on disposal of property and equipment		-	100,035
		<u>32,204,172</u>	<u>32,996,404</u>

25.1 This represents reversal of provision for staff bonus during the year.

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

	2016 ----- Rupees-----	2015
26. TAXATION - Net		
Current	44,436,579	33,170,283
Prior years	(7,429,257)	36,356
Deferred	(26,909,180)	(8,183,706)
	<u>10,098,142</u>	<u>25,022,933</u>

26.1 The income tax assessments of the Company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2016 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.



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

	----- Rupees -----	
Accounting profit before taxation	209,795,995	199,295,473
Tax at applicable rate of 31% (2015: 32%)	65,036,759	63,774,551
Tax impact of income under FTR and differential in tax rates	(4,957,121)	(3,831,570)
Tax impact of exempt capital gains	(63,164,093)	(55,361,996)
Tax impact of minimum tax	14,612,244	12,792,805
Tax impact of unrecognized losses adjusted in current year	-	-
Tax impact of permanent differences	1,294,485	1,050,691
Tax impact of prior year	(7,429,257)	(36,356)
Tax impact of expenses allocated to FTR income	6,692,398	5,153,208
Deferred tax recognised at higher rate	(632,160)	545,580
Others	(1,355,113)	936,020
	10,098,142	25,022,933

27. EARNINGS PER SHARE - Basic and diluted

Profit for the year after taxation	199,697,853	174,272,540
	Number of Shares	
Weighted average number of ordinary shares outstanding during the year	80,171,818	99,528,997
Earnings per share (Rupees)	2.49	1.75

27.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2016 and December 31, 2015 which would have any effect on the earnings per share if the option to convert is exercised.

28. 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	
	2016	2015	2016	2015
	----- Rupees -----			
Managerial remuneration	6,951,056	5,000,000	26,032,077	23,009,038
House rental allowance	1,025,000	1,500,000	3,866,167	6,902,713
Utilities allowance	341,667	500,000	1,288,726	2,300,898
Bonus paid	750,000	1,500,000	1,965,000	5,594,643
Car allowance	-	-	6,085,258	7,169,571
Retirement benefits	605,435	500,000	2,188,602	2,128,025
Medical Allowance	694,827	500,000	2,687,422	2,300,898
Other benefits	21,000	21,000	650,056	290,250
	10,388,985	9,521,000	44,763,308	49,696,036
Number of persons	1	1	15	22

- 28.1** The Chief Executive Officer of the Company is provided with free use of 2016 company owned 2015 maintained vehicle during the year.
- 28.2** The Company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.
- 28.3** In addition, meeting fee of Rs.50,000 (December 31, 2015: Rs.50,000) per meeting was paid to three non-executive directors for meetings attended during the year. The non-executive directors are not entitled to any remuneration except meeting fee.
- 28.4** The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

29. 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:

	2016	2015
	----- Rupees -----	
29.1 Transaction with related parties		
29.1.1 Transactions with - funds under management		
Remuneration - net of taxes	155,352,581	159,721,956
Commission income	8,650,537	3,736,341
Investments made	771,731,275	1,230,261,093
Investments disposed off/matured	887,202,466	1,618,508,757
Expenses incurred by the Company on behalf of funds	14,873,262	4,969,696
Reimbursements of expenses by the funds	11,915,307	4,969,696
Dividend income	26,879,322	18,981,897

	2016	2015
	----- Rupees -----	
29.1.2 Transactions with ultimate parent - Jahangir Siddiqui & Co. Limited		
Expenses incurred by the Company on behalf of JSCL	73,615	60,821
Reimbursements of expenses incurred by the company on behalf of JSCL	25,531	124,917
Markup Income on Term Finance Certificate	-	2,107,083
Principal redemption of Term Finance Certificate	-	2,500,000



29.1.3 Transactions with parent company - JS Bank Limited (JSBL)

	Note	----- Rupees-----
Rent income		5,785,236
Rent expense		2,542,946
Management fee sharing on distribution of mutual funds		5,801,932
Expenses incurred by the Company on behalf of JSBL		381,963
Reimbursements of expenses incurred by the company on behalf of JSBL		273,956
Return on bank deposits		930,355
		641,210
		307,389
		1,036,265
		1,210,702
		2,291,357

29.1.4 Transactions with other related parties

Rent income		15,093,562	16,354,134
Insurance premium paid		3,068,017	3,163,862
Provident fund contributions made		5,433,132	4,166,316
Management fee sharing on distribution of mutual funds		-	1,738
Donation paid		3,556,536	13,255,315
Expenses incurred on behalf of companies		6,983,137	6,879,361
Reimbursements of expenses by the companies		4,102,816	7,902,588
Payment against Buy Back of own Shares		-	1,313,316
Other payments made	29.1.4.1	11,111,060	66,666,600

29.1.4.1 This amount was received by the Company on behalf of JS Securities Services Limited and the Company returned the same to JSSSL.

29.1.5 Transactions made with Subsidiary Company:

Expenses incurred on behalf of Company		135,900	419,675
Reimbursements of expenses incurred by the Company		132,800	402,775

29.1.6 Transactions made with companies - Common Directorship:

Expenses incurred on behalf of Company		901,431	186,279
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29.1.7 Transactions with Key Management personnel

Remuneration		55,152,262	47,726,902
Directors' meeting fee		450,000	1,100,000
Disbursements of personal loans and advances		2,391,437	1,185,000
Repayments of loans and advances		1,522,687	1,823,736
Royalty and advisory payment		10,000,000	10,000,000

2016 2016 2015 2015
----- Rupees -----

29.2 Balance outstanding with related parties

29.2.1 Balances outstanding from Ultimate Parent company:

Jahangir Siddiqui & Co. Limited - Ultimate Parent company

Receivable against expenses incurred on behalf of companies

48,084

-

29.2.2 Balances outstanding from Parent company:

JS Bank Limited - Parent company

Receivable against expenses incurred on behalf of bank

761,241

138,275

Rent payable

1,349,332

1,968,347

Rent receivable

6,210,845

19,714

Profit on bank deposits

85,048

550,132

29.2.3 Balances outstanding from other related parties:

Receivable against expenses incurred on behalf of companies

4,903,290

1,741,233

Payable against contribution to Provident Fund

456,318

752,540

Rent receivable

1,524,394

801,044

Rent payable

2,289,734

2,289,734

29.2.4 Balances outstanding from related parties under common directorship

Receivable against expenses incurred on behalf of companies

597,249

306,568

29.2.5 Balances outstanding from Subsidiary

Receivable against expenses incurred on behalf of the Company

20,000

16,900

29.2.6 Balances outstanding from Key Management personnel:

Balance as at

1,505,999

637,249

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

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

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

29.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 28 to the financial statements.



----- Rupees-----

30. CASH AND CASH EQUIVALENTS

Cash and bank balances	<u>11,144,712</u>	<u>12,743,292</u>
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31. 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: 'At fair value through profit or loss' - 'held-for-trading' - units of mutual funds - related parties, 'available-for-sale' - units of mutual funds - related parties. The Company also has profit receivable, deposits and other receivables. The Company's principal financial liabilities includes accrued and other liabilities.

31.1 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.

31.1.1 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.

31.1.2 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 exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2016, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs.0.109 million (December 31, 2015: Rs.0.121 million).

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2016 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.

Yield / effective interest rate (%)	2016			2015	
	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial Assets					
Long-term loans - considered good	-	-	3,823,137	-	3,823,137
Balances due from funds under management - related parties	-	-	-	115,188,859	115,188,859
Loans and advances - considered good	-	-	1,005,938	-	1,005,938
Trade deposits and other receivables	-	-	-	22,507,600	22,507,600
Other financial assets - investments classified:					
At fair value through profit or loss'					
- held-for-trading					
- Units of mutual funds - related parties	-	-	-	246,820,765	246,820,765
Available-for-sale					
- Units of mutual funds - related parties	-	-	-	2,136,805,539	2,136,805,539
Bank balances	3.75% - 6.25%	-	-	11,073,238	11,073,238
			4,829,075	2,532,396,001	2,537,225,076
Financial Liabilities					
Accrued and other liabilities	-	-	-	52,059,484	52,059,484
				52,059,484	52,059,484
On-balance sheet gap					
			4,829,075	2,480,336,517	2,485,165,592

Yield / effective interest rate (%)	2015			2015	
	Exposed to yield / interest risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
----- (Rupees in '000) -----					
On-balance sheet financial instruments					
Financial Assets					
Long-term loans - considered good	-	-	902,887	-	902,887
Balances due from funds under management - related parties	-	-	-	94,536,339	94,536,339
Loans and advances - considered good	-	-	842,253	-	842,253
Trade deposits and other receivables	-	-	-	7,704,875	7,704,875
Other financial assets - investments classified:					
At fair value through profit or loss'					
- held-for-trading					
- Units of mutual funds - related parties	-	-	-	221,639,750	221,639,750
Available-for-sale					
- Units of mutual funds - related parties	-	-	-	1,720,727,885	1,720,727,885
Bank balances	4% - 6.5%	-	-	12,219,828	12,219,828
			1,745,140	2,056,828,677	2,058,573,817
Financial Liabilities					
Accrued and other liabilities	-	-	-	46,001,657	46,001,657
				46,001,657	46,001,657
On-balance sheet gap					
			1,745,140	2,010,827,020	2,012,572,160



31.1.3 Other pricerisk

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, 2016, the equity of the Company would increase / decrease by Rs.119.181 million (2015: Rs.97.118 million), as a result of reduction / increase in unrealized gains / (losses).

31.2 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. The Investment Committee closely monitors the creditworthiness of the Company'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 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:

	2016	2015
	----- Rupees -----	
Long-term loans - considered good	3,823,137	902,887
Balances due from funds under management - related parties	115,188,859	94,536,339
Loans and advances - considered good	1,005,938	842,253
Trade deposits and other receivables	22,507,600	7,704,875
Other financial assets - investments	2,383,626,304	1,942,367,635
Bank balances	11,073,238	12,219,828
	2,537,225,076	2,058,573,817

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at June 30, 2016.

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.

98.49% of the financial assets aggregating to Rs.2,498.822 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:

	2016	2015
	Bank balances	Bank balances
	----- % -----	
AAA	0.5%	0.5%
AA-	12.7%	15.3%
A+	86.6%	84.0%
AA	0.2%	0.2%

31.3 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. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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.

	2016			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	
	----- (Rupees in '000) -----			
Liabilities				
Accrued and other liabilities	52,059,484	2,257,660	49,801,824	-
	52,059,484	2,257,660	49,801,824	-
	2015			
Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	
	----- (Rupees in '000) -----			
Liabilities				
Accrued and other liabilities	46,001,657	415,066	45,586,591	-
	46,001,657	415,066	45,586,591	-

31.4 Financial instruments by category

		2016			
		Loans and Receivables	At fair value through profit and loss' - held- for-trading	Available-for- sale	Total
		----- (Rupees in '000) -----			
Assets					
Long-term loans - considered good		3,823,137	-	-	3,823,137
Balances due from funds under management - related parties		115,188,859	-	-	115,188,859
Loans and advances - considered good		1,005,938	-	-	1,005,938
Trade deposits and other receivables		22,507,600	-	-	22,507,600
Other financial assets - investments		-	246,820,765	2,136,805,539	2,383,626,304
Cash and bank balances		11,073,238	-	-	11,073,238
		153,598,772	246,820,765	2,136,805,539	2,537,225,076
		2016			
		At fair value through profit and loss' - held- for-trading	Other financial liabilities	Total	
		----- (Rupees in '000) -----			
Liabilities					
Accrued and other liabilities		-	52,059,484	52,059,484	
		-	52,059,484	52,059,484	
		2015			
		Loans and Receivables	At fair value through profit and loss' - held- for-trading	Available-for- sale	Total
		----- (Rupees in '000) -----			
Assets					
Long-term loans - considered good		902,887	-	-	902,887
Balances due from funds under management - related parties		94,536,339	-	-	94,536,339
Loans and advances - considered good		842,253	-	-	842,253
Trade deposits and other receivables		7,704,875	-	-	7,704,875
Other financial assets - investments		-	221,639,750	1,720,727,885	1,942,367,635
Cash and bank balances		12,219,828	-	-	12,219,828
		116,206,182	221,639,750	1,720,727,885	2,058,573,817
		2015			
		At fair value through profit and loss' - held- for-trading	Other financial liabilities	Total	
		----- (Rupees in '000) -----			
Liabilities					
Accrued and other liabilities		-	46,001,657	46,001,657	
		-	46,001,657	46,001,657	

32. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

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

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

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

Office premises are revalued by professional valuer (see note 4.2). The valuation is based on their assessment of market value of the underlying properties and this categorised under Level 2.

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

	2016			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	2,136,805,539	-	-	2,136,805,539
Financial assets 'at fair value through profit or loss'				
- held-for-trading				
Units of mutual funds - related parties	246,820,765	-	-	246,820,765
Office premises	-	324,524,750	-	324,524,750
	<u>2,383,626,304</u>	<u>324,524,750</u>	<u>-</u>	<u>2,708,151,054</u>



	2015			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	1,720,727,885	-	-	1,720,727,885
Financial assets 'at fair value through profit or loss' - held-for-trading				
Units of mutual funds - related parties	221,639,750	-	-	221,639,750
Office Premises	-	343,157,750	-	343,157,750
	<u>1,942,367,635</u>	<u>343,157,750</u>	<u>-</u>	<u>2,285,525,385</u>

33. 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.

34. GENERAL

- 34.1** These financial statements were authorised for issue on February 14, 2017 by the Board of Directors of the Company.
- 34.2** 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.
- 34.3** 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.
- 34.4** The figures in the unconsolidated financial statements have been rounded off to the nearest rupees.

Chief Executive

Director

CONSOLIDATED FINANCIAL STATEMENTS



Report of the Directors to the Members on consolidated Financial Statements For the year ended December 31, 2016

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, 2016.

Summary of operating results for the year

	Year ended December 31, 2016	Year ended December 31, 2015
	Rs. (000)	
Shareholders' Equity	2,592,421	2,123,530
Financial Performance		
Income	463,859	408,194
Operating expenses	(280,053)	(236,205)
Operating profit	183,806	171,989
Other expenses	(4,346)	(4,130)
Financial charges	(19)	(15)
Other operating income	33,514	34,583
Profit before tax	212,955	202,428
Taxation-net	(10,527)	(25,210)
Profit after tax	202,428	177,218
Earnings per share - basic and diluted	2.52	1.78

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.

Pattern of Shareholding

The statement of pattern of Shareholding as on December 31, 2016 is annexed to this report.

Karachi: February 14, 2017

Ali Akhtar Ali
Chief Executive Officer

ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ برائے مختتمہ سال 31 دسمبر 2016

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2016ء کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مجتمع مالیاتی گوشوارے مع ان پراڈیٹرز رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

سال کے لیے کاروباری نتائج کا خلاصہ
مختتمہ سال 31 دسمبر 2016 مختتمہ سال 31 دسمبر 2015
روپے (000)

2,123,530	2,592,421	شیر ہولڈرز کی ایکویٹی
		مالیاتی کارکردگی
408,194	463,859	آمدنی
(236,205)	(280,053)	آپریٹنگ اخراجات
171,989	183,806	آپریٹنگ منافع
(4,130)	(4,346)	دیگر اخراجات
(15)	(19)	مالیاتی چارجز
34,583	33,514	دیگر آپریٹنگ آمدنی
202,428	212,955	قبل از ٹیکس منافع
(25,210)	(10,527)	ٹیکسیشن نیٹ
177,218	202,428	بعد از ٹیکس منافع
1.78	2.52	نی شیئر آمدنی۔ بنیادی اور تحلیل شدہ

ذیلی کمپنی

JS ABAMCO کموڈٹیٹیز لمیٹڈ

JS ABAMCO کموڈٹیٹیز 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 گلی ملکیٹی ذیلی ادارہ ہے۔ کمپنی کا بنیادی مقصد کموڈٹیٹیز مارکیٹ اور متعلقہ بروکرینج، ایڈوائزری اور کموڈٹیٹیز سروسز میں کاروبار کرنا ہے۔ کمپنی نے ٹیلنس شیٹ تیار ہونے تک اپنے کموڈٹیٹیز، بروکرینج اور متعلقہ ایڈوائزری سروسز کے مرکزی کاروباروں کا آغاز نہیں کیا ہے۔

شیر ہولڈنگ کا پیٹرن

شیر ہولڈنگ پیٹرن کا گوشوارہ بمطابق 31 دسمبر 2016 اس رپورٹ کے ساتھ منسلک ہے۔

کراچی: 14 فروری 2017

علی اختر علی

چیف ایگزیکٹو آفیسر



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated Balance Sheet of JS Investments Limited (the Holding Company) and its subsidiary company JSABAMCO Commodities Limited (together referred to as "the Group") as at 31 December 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinion on financial statements of the Holding Company and its subsidiary company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of the Holding Company and its subsidiary company as at 31 December 2016 and the results of their operations for the year then ended.

The consolidated financial statements of the Group for the year ended 31. December 2015 were audited by another firm of Chartered Accountants whose report, dated 17 February 2016, expressed an unqualified opinion thereon.

Chartered Accountants

Audit Engagement Partner: **Shaikh Ahmed Salman**

Date: 14 February 2017

Karachi

CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2016

ASSETS	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
Non-current assets			
Property and equipment	4	373,686,528	359,859,663
Intangible assets	5	1,617,337	1,734,992
Deposit for office premises	6	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	7,168,287	902,887
		385,972,152	365,997,542
Current assets			
Balances due from funds under management - related parties	8	115,188,859	94,536,339
Loans and advances - considered good	9	1,905,138	2,077,719
Trade deposits, short term prepayments and other receivables	10	28,314,625	12,551,970
Other financial assets - investments	11	2,436,812,890	1,992,758,186
Taxation - net		113,861,832	121,855,791
Cash and bank balances	12	11,327,725	12,819,975
		2,707,411,069	2,236,599,980
Total assets		3,093,383,221	2,602,597,522
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	801,718,180	801,718,180
Unappropriated profit		718,836,118	507,852,240
Capital repurchase reserve account		198,281,820	198,281,820
Unrealised appreciation on remeasurement of available-for-sale financial assets - net		873,584,690	615,677,768
		2,592,420,808	2,123,530,008
Surplus on revaluation of fixed assets - net of tax	14	191,614,859	200,170,871
LIABILITIES			
Non-current liabilities			
Deferred tax liability - net	15	82,380,050	78,535,732
Current liabilities			
Accrued and other liabilities	16	226,967,504	200,360,911
Total liabilities		309,347,554	278,896,643
Total equity and liabilities		3,093,383,221	2,602,597,522
Contingencies and commitments			
	17		

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director



CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED DECEMBER 31, 2016

	Note	2016 ----- Rupees-----	2015
Income			
Remuneration from funds under management - net	18	155,352,581	159,721,956
Commission from open end funds under management	19	8,650,537	3,736,341
Dividend income	20	29,203,440	18,981,898
Net gain on sale of investments classified 'at fair value through profit or loss' - held-for-trading		2,591,601	40,292,566
Net gain on sale of investments classified as 'available-for-sale'		261,128,788	175,708,021
Return on bank deposits		1,302,231	2,406,952
Mark up on Term Finance Certificates		-	2,107,083
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	21	5,629,603	5,239,429
Administrative and marketing expenses	22	463,858,781 (280,053,245)	408,194,246 (236,205,025)
Operating profit		183,805,536	171,989,221
Other expenses	23	(4,346,018)	(4,129,855)
Financial charges	24	(18,532)	(14,625)
Other income	25	179,440,986 33,513,879	167,844,741 34,583,100
Profit before taxation		212,954,865	202,427,841
Taxation - net	26	(10,526,999)	(25,209,503)
Profit for the year		202,427,866	177,218,338
Earnings per share for the year - basic and diluted	27	2.52	1.78

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2016

	2016 ----- Rupees -----	2015
Profit for the year	202,427,866	177,218,338
Other comprehensive income to be reclassified to profit and loss account in subsequent periods		
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	549,799,746	38,349,353
Reclassification adjustments relating to sale of investments	(261,128,790)	(199,091,378)
Related tax	(30,764,034)	(6,691,806)
	257,906,922	(167,433,831)
Total comprehensive income for the year	460,334,788	9,784,507

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity.

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
Note	----- Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	212,954,865	202,427,841
Adjustment for:		
Remuneration from funds under management - net	19. (155,352,581)	(159,721,956)
Commission from open end funds under management	20. (8,650,537)	(3,736,341)
Dividend income	(29,203,440)	(18,981,898)
Depreciation	5.1 26,062,259	23,362,126
Amortization of intangible assets	6. 556,405	412,668
Financial charges	25. 18,532	14,625
Return on bank deposits	(1,302,231)	(2,406,952)
Net gain on sale of investments classified 'at fair value through profit or loss' - held-for-trading	(2,591,601)	(40,292,566)
Net gain on sale of investments classified as 'available-for-sale'	(261,128,788)	(175,708,021)
Net unrealised appreciation on revaluation of investments	(5,648,121)	(8,334,163)
Gain on disposal of property and equipment	26. -	(100,035)
	(224,285,237)	(183,064,672)
(Increase) / decrease in assets and liabilities		
Loans and advances	(2,747,669)	514,695
Trade deposits, short term prepayments and other receivables	(19,175,850)	8,122,293
Accrued and other liabilities	26,609,295	22,308,269
	4,685,776	30,945,257
	(219,599,462)	(152,119,415)
Taxes paid - net	(29,452,758)	(27,398,449)
Remuneration and commission received from funds under management	143,350,598	135,385,385
Net cash used in operating activities	(105,701,622)	(44,132,479)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(773,617,703)	(1,279,261,093)
Sale proceeds from disposal of investment	887,602,566	1,667,972,895
Dividend received	29,203,440	18,981,898
Payment for purchase of property and equipment	(39,889,125)	(8,742,713)
Payment for purchase of intangible assets	(438,750)	(655,500)
Return on bank deposits	1,367,477	1,889,464
Sale proceeds from disposal of property and equipment	-	402,747
Net cash generated from investing activities	104,227,904	400,587,698
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	-	(27,162)
Payment for buy back of shares	-	(356,907,276)
Financial charges paid	(18,532)	(14,625)
Net cash used in financing activities	(18,532)	(356,949,063)
Net decrease in cash and cash equivalents	(1,492,250)	(493,844)
Cash and cash equivalents at beginning of the year	12,819,975	13,313,819
Cash and cash equivalents at end of the year	30 11,327,725	12,819,975

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2016

	Issued, subscribed and paid-up capital	Reserve			Total
		Capital reserve	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
	Capital repurchase reserve account	Unappropriated profit			
	Rupees				
Balance as at December 31, 2014	1,000,000,000	-	783,111,599	679,596,309	2,462,707,908
Total comprehensive income					
Profit for the year	-	-	-	177,218,338	177,218,338
Other comprehensive income - net of tax	-	-	(167,433,831)	-	(167,433,831)
Total comprehensive income for the year	-	-	(167,433,831)	177,218,338	9,784,507
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	7,944,869	7,944,869
Transactions with owners recognised directly in equity					
Amount paid in excess of face value of 19,828,182 shares buyback @ Rs.18/share	-	-	-	(158,625,456)	(158,625,456)
Transfer of amount of share capital cancelled through buy back of shares	-	198,281,820	-	(198,281,820)	-
Buy back of 19,828,182 shares having face value of Rs.10 each at a purchase price of Rs.18 each	(198,281,820)	-	-	-	(198,281,820)
Balance as at December 31, 2015	801,718,180	198,281,820	615,677,768	507,852,240	2,123,530,008
Total comprehensive income					
Profit for the year	-	-	-	202,427,866	202,427,866
Other comprehensive income - net of tax	-	-	257,906,922	-	257,906,922
Total comprehensive income for the year	-	-	257,906,922	202,427,866	460,334,788
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	-	8,556,012	8,556,012
Balance as at December 31, 2016	801,718,180	198,281,820	873,584,690	718,836,118	2,592,420,808

The annexed notes 1 to 34 form an integral part of these consolidated financial statements.

Chief Executive

Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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 (Formerly known as "Karachi 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 (which has 65.16 percent direct holding in the Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co. Limited), ultimate parent.

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.

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

1.1.1 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 Government Securities Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Capital Protected Fund - V

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2 Subsidiary company

JSABAMCO 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 registered office of the Company is situated at 7th Floor, The Forum, Block-9 Clifton, Karachi.

The Company has not commenced its core operations of commodity, brokerage and related advisory services upto the balance sheet date.

2. BASIS OF PREPARATION AND 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 is 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 approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, 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). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

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 the Company's functional and presentation currency.

3.4 Use of estimates and judgments

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

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

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

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

- i) Amortisation of intangible assets (note 4.2 and 5);
- ii) Provision for taxation (note 4.12 and 26);
- iii) Classification and valuation of investments (notes 4.3 and 11);
- iv) Determination and measurement of useful life and residual value of property and equipment (note 4.1 and 5.1);
- v) Valuation of office premises (note 4.1 and 5.2); and
- vi) Recognition and measurement of deferred tax assets and liabilities (note 4.12 and 16).

3.5 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 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 27 Separate Financial Statements - Investment Entities: Applying the Consolidation Exception (Amendment)

IFRS 11 Joint Arrangements - Accounting for Acquisition of Interest in Joint Operation (Amendment)

IAS 1 - Presentation of Financial Statements - Disclosure Initiative (Amendment)

IAS 16 Property, Plant and Equipment and IAS 38 intangible assets - Clarification of Acceptable Method of Depreciation and Amortization (Amendment)

IAS 16 Property, Plant and Equipment IAS 41 Agriculture - Agriculture: Bearer Plants (Amendment)

IAS 27 - Separate Financial Statements - Equity Method in Separate Financial Statements (Amendment)

Improvements to Accounting Standards Issued by the IASB in September 2014

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

IFRS 7 Financial Instruments: Disclosures - Servicing contracts

IFRS 7 Financial Instruments: Disclosures - Applicability of the offsetting disclosures to condensed interim financial statements

IAS 19 Employee Benefits - Discount rate: regional market issue

IAS 34 Interim Financial Reporting - Disclosure of information 'elsewhere in the interim financial report'

The adoption of the above amendments, improvements to accounting standards and interpretations did not have any effect on the financial statements.

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

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

	Effective date (annual periods beginning on or after)
IFRS 2: Share-based Payments - Classification and Measurement of Share-based Payments Transactions (Amendments)	January 01, 2018
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
IAS 7 Financial Instruments: Disclosures - Disclosure Initiative - (Amendment)	January 01, 2017
IAS 12 Income Taxes - Recognition of Deferred Tax Assets for Unrealized losses (Amendments)	January 01, 2017
IFRS 4 Insurance Contracts: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - (Amendments)	January 01, 2018
IAS 40 Investment Property: Transfers of Investment Property (Amendments)	January 01, 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration	January 01, 2018



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.

In addition to the above standards and amendments, improvements to various accounting standards have also been issued by the IASB in December 2016. Such improvements are generally effective for accounting periods beginning on or after 01 January 2017. The Company expects that such improvements to the standards will not have any impact on the Company's financial statements in the period of initial application.

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.

**IASB Effective date (annual
Standard periods beginning on or after)**

IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2018
IFRS 14 - Regulatory Deferral Accounts	January 01, 2016
IFRS 15 - Revenue from Contracts with Customers	January 01, 2018
IFRS 16 - Leases	January 01, 2019

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Property and equipment

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. The Chief Financial Officer reports any related findings to the Board of Directors every year to explain the cause of fluctuations in the fair value of office premises.

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

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.

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

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

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

4.2 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 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.

4.3 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged to the profit and loss account.



The Company classifies its investments in the following categories:

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

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.

4.4 Trade and other receivables

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

4.5 Operating Lease / Ijarah

Operating lease / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases / Ijarah. Payments made during the period are charged to profit and loss account on a straight-line basis over the period of the lease / Ijarah.

4.6 Trade and other payables

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

4.7 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds.
- Realized gains / losses on sale of investments is recognized in the profit and loss account at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognized on time proportionate basis by using effective rate of interest.
- Commission income from open end funds is recognized at the time of sale of units.
- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognized as services are rendered.

4.8 Defined contributions 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.

4.9 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit and loss account.

4.10 Provisions

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

4.11 Impairment

Financial assets

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



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

Non-financial assets

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

4.12 Taxation

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

Current

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

Deferred

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

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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.

4.13 Cash and cash equivalents

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

4.14 Financial instruments

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

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

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

4.15 Offsetting of financial assets and financial liabilities

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

4.16 Earnings per share

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

4.17 Dividend and other appropriation to reserves

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

	Note	2016 ----- Rupees -----	2015
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	359,366,319	359,859,663
Capital work-in-progress - advance against purchase of assets		14,320,209	-
		<u>373,686,528</u>	<u>359,859,663</u>

5.1 Operating fixed assets

	2016					Total
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	
	Rupees					
At January 01, 2016						
Cost / revalued amount	372,660,000	3,430,894	24,348,194	107,150,974	5,921,907	513,511,969
Accumulated depreciation	(29,502,250)	(3,430,894)	(23,004,378)	(94,356,574)	(3,358,210)	(153,652,307)
Net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Year ended December 31, 2016						
Opening net book value	343,157,750	-	1,343,816	12,794,400	2,563,697	359,859,662
Additions	-	-	1,151,503	8,515,065	15,902,348	25,568,916
Disposals	-	-	-	-	-	-
Depreciation charge for the year	(18,633,000)	-	(312,892)	(6,438,552)	(677,815)	(26,062,259)
Closing net book value	324,524,750	-	2,182,427	14,870,913	17,788,229	359,366,319
At December 31, 2016						
Cost / revalued amount	372,660,000	3,430,894	25,499,697	115,666,039	21,824,255	539,080,885
Accumulated depreciation	(48,135,250)	(3,430,894)	(23,317,270)	(100,795,126)	(4,036,026)	(179,714,566)
Net book value	324,524,750	-	2,182,427	14,870,913	17,788,230	359,366,319
Depreciation rate % per annum	5%	20%	10%	25%	20%	

	2015					Total
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	
	Rupees					
At January 01, 2015						
Cost / revalued amount	372,660,000	3,430,894	23,610,445	99,420,806	6,950,007	506,072,152
Accumulated depreciation	(10,869,250)	(3,377,289)	(22,737,362)	(90,872,572)	(3,690,999)	(131,547,472)
Net book value	361,790,750	53,605	873,083	8,548,234	3,259,008	374,524,680
Year ended December 31, 2015						
Opening net book value	361,790,750	53,605	873,083	8,548,234	3,259,008	374,524,680
Additions	-	-	737,749	8,262,072	-	8,999,821
Disposals:						
Cost / revalued amount	-	-	-	(531,904)	(1,028,100)	(1,560,004)
Depreciation	-	-	-	486,217	771,075	1,257,292
	-	-	-	(45,687)	(257,025)	(302,712)
Depreciation charge for the year	(18,633,000)	(53,605)	(267,030)	(3,970,226)	(438,265)	(23,362,126)
Closing net book value	343,157,750	-	1,343,802	12,794,393	2,563,718	359,859,663
At December 31, 2015						
Cost / revalued amount	372,660,000	3,430,894	24,348,194	107,150,974	5,921,907	513,511,969
Accumulated depreciation	(29,502,250)	(3,430,894)	(23,004,392)	(94,356,581)	(3,358,189)	(153,652,306)
Net book value	343,157,750	-	1,343,802	12,794,393	2,563,718	359,859,663
Depreciation rate % per annum	5%	20%	10%	25%	20%	

- 5.2** The Company follows the revaluation model for its office premises. The fair value measurement as at May 31, 2014 was performed by KG Traders (Private) Limited, independent valuer not related to the Company. KG Traders (Private) Limited is on panel of Pakistan Banks Association as 'Any Amount' asset valuator. It is also on panel of State Bank of Pakistan and possesses appropriate qualification and 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 these premises is their current use.

Out of the total revaluation surplus of Rs.378.84 million, Rs.191.61 million net of tax (December 31, 2015: Rs.200.17 million) remains undepreciated as at December 31, 2016.

Since the date of last revaluation, there has been no material change in the market factors that derive fair value of these properties, therefore, management believes that the carrying value of 'office premises' approximate its fair market value.

- 5.3** Had there been no revaluation, the net book value of the office premises would have been as follows:

	2016	2015
	----- Rupees -----	
Office premises	50,915,052	<u>57,241,273</u>
6. INTANGIBLE ASSETS - SOFTWARE		
At January 1, 2016		
Cost	33,349,415	32,693,915
Accumulated amortization	(31,614,423)	(31,201,755)
Net book value	1,734,992	<u>1,492,160</u>
Year ended December 31, 2016		
Opening net book value	1,734,992	1,492,160
Additions during the year	438,750	655,500
Amortization for the year	(556,405)	(412,668)
Closing net book value	1,617,337	<u>1,734,992</u>
At December 31, 2016		
Cost	33,788,165	33,349,415
Accumulated amortization	(32,170,828)	(31,614,423)
Net book value	1,617,337	<u>1,734,992</u>
Amortization rate % per annum	20%	<u>20%</u>



7. DEPOSIT FOR OFFICE PREMISES

This represents advance for office space paid to Pakistan Mercantile Exchange Limited (formerly National Commodities Exchange Limited). The amount is paid for having a permanent space for business when JS Abamco commodities limited will commence its core business operations of brokerage, commodity and related advisory services.

	Note	2016 ----- Rupees-----	2015
8. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD			
Loans to employees	8.1	4,829,075	1,745,140
Less: Current maturity	10	(1,005,938)	(842,253)
Long term prepayments	8.2	3,541,808	-
Amortisation		(196,658)	-
		7,168,287	<u>902,887</u>

- 8.1** This represents loans given to employees for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of three years, five years and fifteen 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 general purpose cash loans carry mark-up at rates ranging from 5.78% to 6.16% per annum (2015: 6.46% per annum to 8.92% per annum). The company has not discounted these loans at market interest rates as effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.4.82 million (2015: Rs.1.75 million).

- 8.2** This represents payments made in respect of club membership fee for next ten years to Karachi Boat Club.

9. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

9.1 Balances due from funds under management

Open end Funds

JS Value Fund	19.1	16,751,200	14,262,106
JS Growth Fund	19.1	38,147,395	33,305,869
JS Large Cap Fund	19.1	14,301,526	11,452,440
Unit Trust of Pakistan	19.1	18,967,688	15,526,522
JS Income Fund	19.1	5,490,857	3,677,800
JS Islamic Fund	19.1	7,701,863	5,557,529
JS Fund of Funds	19.1	1,816,535	531,973
JS Pension Savings Fund	19.1	3,745,196	3,139,978
JS Islamic Pension Savings Fund	19.1	2,089,103	1,680,058
JS Islamic Government Securities Fund	19.1	1,196,708	954,162
JS Cash Fund	19.1	4,645,648	4,447,902
JS Capital Protected Fund V	19.1	335,140	-
		115,188,859	<u>94,536,339</u>
		115,188,859	<u>94,536,339</u>

9.2 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.

10. LOANS AND ADVANCES - CONSIDERED GOOD	Note	2016 ----- Rupees -----	2015
Current portion of long-term loans to employees	8	1,005,938	842,253
Unsecured advances to			
- employees		881,288	1,205,990
- suppliers		17,912	29,476
		899,200	1,235,466
		1,905,138	2,077,719

11. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES

Rent and other receivable from related parties		18,213,976	3,006,529
Deposits		1,224,006	1,220,506
Prepayments		5,827,025	4,864,295
Others	11.1	3,049,618	3,460,640
		28,314,625	12,551,970

11.1 This includes Rs.16.520 million (2015: Rs.3.574 million) due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.2.818 million (2015: Rs.Nil) of expenses incurred on the formation on behalf of funds under management.

12. OTHER FINANCIAL ASSETS - INVESTMENTS

Investments classified as available-for-sale

Units of mutual funds - related parties	12.1	2,136,805,539	1,720,727,885
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Investments classified 'at fair value through profit or loss' - held-for-trading

Units of mutual funds - related parties	12.2	300,007,351	272,030,301
		2,436,812,890	1,992,758,186



12.1 Units of mutual funds - related parties

Number of units		Name of fund	₹201		₹201
2016	2015		Average cost	Fair value	Fair value
			----- Rupees -----		
2,745,548	2,732,054	JS Value Fund	378,878,171	705,935,299	515,866,344
3,606,837	4,727,934	JS Growth Fund	553,599,158	804,829,563	749,661,179
240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	129,504,000	94,190,400
177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	39,590,973	37,904,020
177,463	177,463	JS Pension Savings Fund - Money Market	17,746,342	32,143,948	30,834,268
3,355,325	2,160,949	JS Fund of Funds	176,520,415	193,770,021	109,149,510
200,000	200,000	JS Islamic Pension Savings Fund - Equity	18,170,000	152,800,000	107,810,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt	21,385,170	41,262,685	39,312,357
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	22,230,336	36,969,050	35,999,807
			1,221,082,512	2,136,805,539	1,720,727,885
Unrealized appreciation on remeasurement at fair value			915,723,027	-	-
			2,136,805,539	2,136,805,539	1,720,727,885

12.2 Units of mutual funds - related parties

Number of units		Name of fund	₹201		₹201
2016	2015		Average cost	Fair value	Fair value
			----- Rupees -----		
55,020	1,113,672	JS Cash Fund	5,638,427	5,789,732	117,347,606
1,439,650	1,591,713	JS Income Fund	138,974,210	143,345,924	154,682,695
1,469,339	-	JS Islamic Government Securities Fund	149,746,593	150,871,695	-
			294,359,231	300,007,351	272,030,301
Unrealized appreciation on remeasurement at fair value			5,648,121	-	-
			300,007,351	300,007,351	272,030,301

13. CASH AND BANK BALANCES

	Note	2016	2015
		----- Rupees -----	
Cash in hand		71,476	94,299
Cheques in hand		-	429,165
Cash at bank in:			
Current accounts		189,248	189,248
Saving accounts	13.1	11,067,001	12,107,263
		11,256,249	12,296,511
		11,327,725	12,819,975

13.1 These carry mark-up at rates ranging from 3.75% to 6.25% (December 31, 2015: 4% to 6.5%) per annum. It includes Rs.9.583 million (December 31, 2015: Rs.10.19 million) held with JS Bank Limited (a parent company).

14. SHARE CAPITAL

2016 ----- Rupees-----	2015 ----- Rupees-----		2016 ----- Rupees-----	2015 ----- 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	<u>250,000,000</u>		2,500,000,000	<u>2,500,000,000</u>
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 CFSL	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	780,500,000	780,500,000
(19,828,182)	(19,828,182)	Shares repurchased	(198,281,820)	(198,281,820)
80,171,818	<u>80,171,818</u>		801,718,180	<u>801,718,180</u>

14.1 As at year end, JS Bank Limited, Parent company, holds 52,236,978 (December 31, 2015: 52,236,978) shares in the Company.

14.2 There is only one class of ordinary shares issued.

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

Surplus on revaluation of fixed assets as at 1st January	285,916,477	298,055,529
Surplus arising on revaluation of fixed assets during the year	-	-
	285,916,477	298,055,529
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to unappropriated profit during the year - net of deferred tax	(8,556,012)	(7,944,869)
Related deferred tax liability	(3,666,863)	(4,194,183)
	(12,222,875)	(12,139,052)
	273,693,602	285,916,477
Less: Related deferred tax liability on:		
- revaluation reserves from last year	(85,745,606)	(104,235,612)
- restatement of opening value due to changes in applicable tax rates	-	14,295,823
- incremental depreciation charged during the year transferred to profit and loss account	3,666,863	4,194,183
	(82,078,743)	(85,745,606)
	191,614,859	<u>200,170,871</u>

16. DEFERRED TAX LIABILITY - NET

	2016			Closing
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / OCI	
	----- Rupees -----			
Taxable temporary differences on:				
Accelerated tax depreciation	9,654,667	(394,274)	-	9,260,393
Surplus on revaluation of fixed assets	85,745,606	(3,666,863)	-	82,078,743
Revaluation on investments classified at fair value through profit or loss' - held-for-trading	1,250,124	(234,380)	-	1,015,744
Unrealized appreciation on available-for-sale investments	11,374,307	-	30,764,036	42,138,343
Deductible temporary differences on:				
Short term provisions	(313,673)	(156,971)	-	(470,644)
Provision for Workers' Welfare Fund	(18,575,677)	(1,303,809)	-	(19,879,486)
Provision for donation	(1,067,179)	(155,008)	-	(1,222,187)
Deferred tax asset on carried forward tax losses	(9,532,443)	(21,008,413)	-	(30,540,856)
	78,535,732	(26,919,718)	30,764,036	82,380,050
	2015			
	Opening	Charge / (reversal) to profit and loss account	Charge to surplus on revaluation of fixed assets / OCI	Closing
	----- Rupees -----			
Taxable temporary differences on:				
Accelerated tax depreciation	11,666,493	(2,011,826)	-	9,654,667
Surplus on revaluation of fixed assets	104,235,612	(4,194,183)	(14,295,823)	85,745,606
Revaluation on investments classified at fair value through profit or loss' - held-for-trading	829,980	420,144	-	1,250,124
Unrealized appreciation on available for sale investments	4,682,501	-	6,691,806	11,374,307
Deductible temporary differences on:				
Short term provisions	(222,914)	(90,759)	-	(313,673)
Provision for Workers' Welfare Fund	(20,166,670)	1,590,993	-	(18,575,677)
Provision for donation	(4,639,360)	3,572,181	-	(1,067,179)
Deferred tax asset on carried forward tax losses	(2,197,184)	(7,335,259)	-	(9,532,443)
	94,188,458	(8,048,709)	(7,604,017)	78,535,732



16.1 The Company has an aggregate amount of Rs.101.803 million (December 31, 2015: Rs.31.77 million) in respect of unabsorbed tax losses as at December 31, 2016 on which a deferred tax asset has been recognised.

17. ACCRUED AND OTHER LIABILITIES	Note	2016	2015
		----- Rupees -----	
Salary payable		1,373,793	415,066
Staff bonus accrued		10,000,000	10,000,000
Accrued expenses		26,248,293	25,751,046
Fee and commission payable		7,546,884	3,577,066
Unclaimed dividend		3,119,509	3,119,509
Provision for compensated absences		1,568,814	1,045,578
Sales tax payable		16,035,663	12,311,717
Federal Excise Duty payable	17.1	92,283,607	79,943,601
Provision for Sindh Workers' Welfare Fund	17.2 & 24	8,475,873	4,129,855
Provision for Workers' Welfare Fund		26,478,628	26,478,628
Provision for Workers' Welfare Fund on behalf of funds under management		31,310,453	31,310,453
Other liabilities		2,525,987	2,278,392
		<u>226,967,504</u>	<u>200,360,911</u>

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

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

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

17.2 Prior to certain amendments made through the Finance Acts of 2006 and 2008, Workers' Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

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

During the year, the Honorable Supreme Court of Pakistan passed a judgment on 10 November 2016, declaring the insertion of amendments introduced in the Finance Acts pertaining to Workers' Welfare Fund as unlawful and thereby striking down such amendments. However, a petition has been filed in the Honorable Supreme Court of Pakistan for the review of the aforementioned judgement. In view of the said review petition, the Company on the basis of abundant caution has continued to maintain provision of Rs.57.789 million against the Workers' Welfare Fund as at the year end.

CONTINGENCIES and COMMITMENTS

18.1 Contingencies

In respect of the appeals filed by the Company against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and Rs.66 million respectively, the Deputy Commissioner Inland Revenue (DCIR) Appeal previously had not accepted the basis of addition 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, which is currently pending for adjudication.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 has deleted the additions of tax amortization of Management rights and remanded back the issues of disallowed provisions and advertisement expenses.

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

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

The Company has filed second appeal for tax year 2006 in the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenditure made by tax authorities in appeal effect order earlier confirmed by CIR (Appeals). The said appeal before ATIR is currently pending for adjudication.



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, which is pending for adjudication.

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

	2016	2015
	----- Rupees -----	
18.2 Commitments in respect of:		
Royalty and advisory payment - a related party	10,000,000	<u>10,000,000</u>
19. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET		
Open end Funds		
JS Value Fund	27,444,310	26,143,287
JS Growth Fund	55,388,963	65,756,091
Unit Trust of Pakistan	34,829,989	40,063,495
JS Income Fund	10,481,943	8,128,916
JS Islamic Fund	16,863,352	16,135,133
JS Aggressive Asset Allocation Fund	-	2,212,734
JS Fund of Funds	2,186,619	1,494,027
JS KSE 30 Index Fund	-	663,195
JS Pension Savings Fund	7,641,286	8,745,476
JS Islamic Pension Savings Fund	4,541,634	4,628,978
JS Cash Fund	3,706,214	8,046,003
JS Islamic Government Securities Fund	1,840,874	1,668,527
JS Capital Protected Fund V	1,995,615	-
JS Large Cap Fund	21,223,633	28,468,126
	188,144,432	212,153,988
	188,144,432	212,153,988
Less: Sindh Sales Tax	(20,939,013)	(26,876,882)
Less: Federal Excise Duty	(11,852,838)	(25,555,150)
	155,352,581	159,721,956

19.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management company / investment advisor of the Fund is entitled to an accrued remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund that has been verified by the trustee and is paid in arrears on monthly basis and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended December 31, 2016 the Company has charged management fee at the rates ranging from 0.50 to 2 percent (2015: 0.50 to 2 percent).

19.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2016, amounts to Rs.12,545 million (December 31, 2015: Rs.9,073 million).

	Note	2016 ----- Rupees-----	2015
20. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT			
Unit Trust of Pakistan		663,545	100,333
JS Islamic Fund		1,758,779	1,374,760
JS Fund of Funds		2,951,181	556,177
JS Value Fund		568,223	1,511
JS Growth Fund		178,314	1,336
JS Islamic Government Securities Fund		8,487	480
JS Income Fund		586,379	422,628
JS Pension Savings Fund		11,633	3,938
JS Islamic Pension Savings Fund		21,840	240
JS Cash Fund		61,300	78,570
JS Aggressive Asset Allocation Fund		-	101
JS Large Cap Fund		1,639,246	1,196,267
JS Capital Protected Fund V		201,610	-
	20.1	8,650,537	3,736,341

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

21. DIVIDEND INCOME

'Available-for-sale'

JS Fund of Funds	10,324,687	4,937,336
JS Value Fund	4,781,094	9,902,823
JS Growth Fund	4,912,129	4,093,878
	20,017,910	18,934,037

'At fair value through profit or loss' - held-for-trading

JS Income Fund	3,979,714	-
JS Large Cap Fund	-	47,861
JS Islamic Government Securities Fund	5,205,816	-
	9,185,530	47,861
	29,203,440	18,981,898

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

This represents remuneration and share of profit earned by the Company from management of discretionary client portfolios and non discretionary client portfolio. Currently, the Company is managing Eighteen (December 31, 2015: Sixteen) discretionary client portfolios and one non discretionary client portfolio. The total cost and total market value of the unsettled client portfolios as at December 31, 2016 was Rs.539.34 million (December 31, 2015: Rs.424.59 million) and Rs.586.50 million (December 31, 2015: Rs.415.73 million) respectively.



	Note	2016 ----- Rupees-----	2015
23. ADMINISTRATIVE AND MARKETING EXPENSES			
Salaries and benefits		115,388,616	90,043,208
Directors' fee		450,000	1,100,000
Staff retirement benefits	23.1	5,433,132	4,661,596
Staff bonus		10,000,000	10,000,000
Amortisation of intangible assets	6	556,405	412,668
Advertisement		13,175,070	10,536,229
Depreciation	5.1	26,062,259	23,362,126
Printing and stationery		4,584,561	4,039,490
Rent, rates, taxes and maintenance		14,461,275	14,423,422
Travelling, conveyance and vehicle maintenance		7,354,523	6,014,142
Transfer agent remuneration		7,836,060	7,858,803
Postage and telephone		4,431,323	3,608,140
Legal and professional		16,250,617	12,662,814
Fees and subscription		5,980,180	6,068,964
IT services		9,083,400	4,058,607
Utilities		10,155,792	8,824,997
Office security		1,485,526	1,506,341
Insurance		5,682,567	4,178,948
Newspaper		185,772	146,029
Royalty and advisory fee	23.5	10,000,000	10,000,000
Shariah advisory fee	23.6	954,168	2,400,000
Auditors' remuneration	23.7	1,341,500	1,470,500
Fees and commission		1,919,846	1,816,056
Donation	23.8	4,073,957	3,556,536
Training and development		481,228	1,417,550
Miscellaneous expenses		2,725,468	2,037,859
		280,053,245	<u>236,205,025</u>
23.1	Staff retirement benefits include contributions to defined contribution plan of Rs.5.43 million (December 31, 2015: Rs.4.16 million).		
23.2	Number of employees at the end of the year	148	<u>119</u>
23.3	Average number of employees during the year	137	<u>103</u>

23.4 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The unaudited information related to provident fund as at December 31, 2016 is as follows:

	2016 ----- Rupees -----	2015
Number of employees	83	72
Size of provident fund (Rupees)	29,685,484	19,689,901
Cost of investments (Rupees)	18,310,958	10,557,131
Percentage of investments	72%	51%
Fair value of investment (Rupees)	21,430,664	10,050,566
Break-up of investments		
- Balance in JS Islamic Fund, a related party		
Amount of investment (Rupees)	4,982,753	3,236,339
Percentage of size of investment	17%	16%
- Balance in other listed securities		
Amount of investment (Rupees)	16,447,911	6,814,227
Percentage of size of investment	25%	35%
Total investments in listed securities	21,430,684	10,050,566
Percentage of size of investment	72%	51%
- Balance in scheduled banks		
Amount of investment (Rupees)	7,884,679	9,283,275
Percentage of size of investment	27%	47%

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 227 of the Companies Ordinance, 1984 and the Rules formulated for this purpose.

23.5 Royalty and advisory fee represents amounts paid to Mr. Jahangir Siddiqui on account of his name and advisory services, respectively.

23.6 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund and JS Islamic Government Securities Fund.

23.7 Auditors' remuneration

Annual audit fee	857,500	857,500
Fee for review of the statement of compliance on Code of Corporate Governance	50,000	50,000
Out of pocket expenses	150,000	300,000
Fee for review of half yearly financial statements	200,000	200,000
Sindh sales tax	84,000	63,000
	1,341,500	1,470,500



23.8 This represents donation to Future Trust, wherein Mr. Suleman Lalani and Mr. Kalim-ur-Rahman are trustees. Mr. Suleman Lalani is the Chief Executive Officer and Director of Jahangir Siddiqui & Co. Limited (JSCL), the ultimate Parent Company of JSIL. Further, Mr. Kalim-ur-Rahman is Director in JSCL and JS Bank Limited.

24. OTHER EXPENSES

In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has recognized a net provision of Rs.4.346 million (December 31, 2015: Rs.4.067 million) for the year, aggregating to Rs.8.476 million as at December 31, 2016. However, the Company's management is also considering to contest this at an appropriate legal forum.

	Note	2016 ----- Rupees -----	2015 ----- Rupees -----
25. FINANCIAL CHARGES			
Bank charges		18,532	<u>14,625</u>
26. OTHER INCOME			
Income from financial assets			
Mark-up on loans to employees		96,544	55,099
Net unrealised appreciation on revaluation of investments classified 'at fair value through profit or loss' - held-for-trading		5,648,121	8,334,163
Liabilities no longer required	26.1	5,091,000	5,150,000
Others		1,799,417	2,046,727
Income from non-financial assets			
Rental income	26.2	20,878,797	18,897,076
Gain on disposal of property and equipment		-	100,035
		33,513,879	<u>34,583,100</u>

26.1 This represents reversal of provision for staff bonus during the year.

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

27. TAXATION - Net

Current	44,875,974	33,221,856
Prior years	(7,429,257)	36,356
Deferred	(26,919,718)	(8,048,709)
	10,526,999	<u>25,209,503</u>

27.1 The income tax assessments of the Company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2016 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.

	2016	2015
	----- Rupees-----	
27.2 Relationship between accounting profit and tax expense is as follows:		
Accounting profit before taxation	212,954,865	202,427,841
Tax at applicable rate of 31% (2015: 32%)	66,164,979	64,776,909
Tax impact of income under FTR and differential in tax rates	(5,239,908)	(3,831,570)
Tax impact of exempt capital gains	(63,568,396)	(55,361,996)
Tax impact of minimum tax	14,612,244	12,792,805
Tax impact of unrecognized losses adjusted in current year	-	-
Tax impact of permanent differences	1,294,485	1,050,691
Tax impact of prior year	(7,429,257)	(36,356)
Tax impact of expenses allocated to FTR income	6,692,398	5,153,208
Deferred tax recognised at higher rate	(632,160)	545,580
Others	(1,367,384)	120,232
	10,526,999	25,209,503

28. EARNINGS PER SHARE - Basic and diluted

Profit for the year after taxation	202,427,866	177,218,338
	Number of Shares	
Weighted average number of ordinary shares outstanding during the year	80,171,818	99,528,997
Earnings per share (Rupees)	2.52	1.78

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, 2016 and December 31, 2015 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	
	2016	2015	2016	2015
	----- Rupees-----			
Managerial remuneration	6,951,056	5,000,000	26,032,077	23,009,038
House rent allowance	1,025,000	1,500,000	3,866,167	6,902,713
Utilities allowance	341,667	500,000	1,288,726	2,300,898
Bonus paid	750,000	1,500,000	1,965,000	5,594,643
Car allowance	-	-	6,085,258	7,169,571
Retirement benefits	605,435	500,000	2,188,602	2,128,025
Medical Allowance	694,827	500,000	2,687,422	2,300,898
Other benefits	21,000	21,000	650,056	290,250
	10,388,985	9,521,000	44,763,308	49,696,036
Number of persons	1	1	15	22



- 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 of Rs.50,000 (December 31, 2015: Rs.50,000) per meeting was paid to three non-executive directors for meetings attended during the year. The non-executive 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), 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:

	2016	2015
	----- Rupees -----	
30.1 Transaction with related parties		
30.1.1 Transactions with - funds under management		
Remuneration - net of taxes	155,352,581	159,721,956
Commission income	8,650,537	3,736,341
Investments made	773,617,703	1,279,261,093
Investments disposed off / matured	887,602,566	1,667,972,895
Expenses incurred by the Company on behalf of funds	14,882,880	4,969,696
Reimbursements of expenses by the funds	11,856,758	4,969,696
Dividend income	29,203,440	18,981,898

	Note	2016 ----- Rupees-----	2015
30.1.2 Transactions with ultimate parent - Jahangir Siddiqui & Co. Limited			
Expenses incurred by the Company on behalf of JSCL		73,615	60,821
Reimbursements of expenses incurred by the company on behalf of JSCL		25,531	124,917
Markup Income on Term Finance Certificate		-	2,107,083
Principal redemption of Term Finance Certificate		-	21,562,500
30.1.3 Transactions with parent company - JS Bank Limited (JSBL)			
Rent income		5,785,236	2,542,946
Rent expense		5,801,932	2,787,365
Management fee sharing on distribution of mutual funds		381,963	273,956
Expenses incurred by the Company on behalf of JSBL		930,355	641,210
Reimbursements of expenses incurred by the company on behalf of JSBL		307,389	1,036,265
Return on bank deposits		1,210,702	2,291,357
30.1.4 Transactions with other related parties			
Rent income		15,093,562	16,354,134
Insurance premium paid		3,068,017	3,163,862
Provident fund contributions made		5,433,132	4,166,316
Management fee sharing on distribution of mutual funds		-	1,738
Donation paid		3,556,536	13,255,315
Expenses incurred on behalf of companies		6,983,137	6,879,361
Reimbursements of expenses by the companies		4,102,816	7,902,588
Payment against Buy Back of own Shares		-	1,313,316
Other payments made	29.1.4.1	11,111,060	66,666,600
29.1.4.1 This amount was received by the Company on behalf of JS Securities Services Limited and the Company returned the same to JSSSL.			
30.1.5 Transactions made with companies - Common Directorship:			
Expenses incurred on behalf of Company		901,431	186,279
30.1.6 Transactions with Key Management personnel			
Remuneration		55,152,262	47,726,902
Directors' meeting fee		450,000	1,100,000
Disbursements of personal loans and advances		2,391,437	1,185,000
Repayments of loans and advances		1,522,687	1,823,736
Royalty and advisory payment		10,000,000	10,000,000



	2016	2015
	----- Rupees -----	
30.2 Balance outstanding with related parties		
30.2.1 Balances outstanding from Ultimate Parent company:		
Jahangir Siddiqui & Co. Limited - Ultimate Parent company		
Receivable against expenses incurred on behalf of companies	48,084	-
30.2.2 Balances outstanding from Parent company:		
JS Bank Limited - Parent company		
Receivable against expenses incurred on behalf of bank	761,241	138,275
Rent payable	1,349,332	1,968,347
Rent receivable	6,210,845	19,714
Profit on bank deposits	85,048	550,132
30.2.3 Balances outstanding from other related parties:		
Receivable against expenses incurred on behalf of companies	4,903,290	1,741,233
Payable against contribution to Provident Fund	456,318	752,540
Rent receivable	1,524,394	801,044
Rent payable	2,289,734	2,289,734
30.2.4 Balances outstanding from related parties under common directorship		
Receivable against expenses incurred on behalf of companies	597,249	306,568
30.2.5 Balances outstanding from Key Management personnel:		
Balance as at	1,505,999	637,249
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. The 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.		

2016 2015
----- Rupees-----

31. CASH AND CASH EQUIVALENTS

Cash and bank balances

11,327,725

12,819,975

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: 'At fair value through profit or loss' - 'held-for-trading' - units of mutual funds - related parties, 'available-for-sale' - units of mutual funds - related parties. The Company also has profit receivable, deposits and other receivables. The Company's principal financial liabilities includes accrued and other liabilities.

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 exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2016, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs.0.111 million (December 31, 2015: Rs.0.121 million).

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2016 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.



2016					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
	----- (Rupees in '000) -----				
On-balance sheet financial instruments					
Financial Assets					
Long-term loans - considered good	-	-	3,823,137	-	3,823,137
Deposit for office premises	-	-	-	2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)	-	-	-	1,000,000	1,000,000
Balances due from funds under management - related parties	-	-	-	115,188,859	115,188,859
Loans and advances - considered good	-	-	1,005,938	-	1,005,938
Trade deposits and other receivables	-	-	-	22,487,600	22,487,600
Other financial assets - investments classified: At fair value through profit or loss'					
- held-for-trading	-	-	-	-	-
- Units of mutual funds - related parties Available-for-sale	-	-	-	300,007,351	300,007,351
- Units of mutual funds - related parties	-	-	-	2,136,805,539	2,136,805,539
Bank balances	3.75% - 6.25%	-	-	11,256,249	11,256,249
			4,829,075	2,589,245,598	2,594,074,673
Financial Liabilities					
Accrued and other liabilities	-	-	-	52,299,280	52,299,280
				52,299,280	52,299,280
On-balance sheet gap					
			4,829,075	2,536,946,318	2,541,775,393
2015					
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total
	Upto three months	More than three months and upto one year	More than one year		
	----- (Rupees in '000) -----				
On-balance sheet financial instruments					
Financial Assets					
Long-term loans - considered good	-	-	902,887	-	902,887
Deposit for office premises	-	-	-	2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)	-	-	-	1,000,000	1,000,000
Balances due from funds under management - related parties	-	-	-	94,536,339	94,536,339
Loans and advances - considered good	-	-	842,253	-	842,253
Trade deposits and other receivables	-	-	-	7,687,675	7,687,675
Other financial assets - investments classified: At fair value through profit or loss'					
- held-for-trading	-	-	-	-	-
- Units of mutual funds - related parties Available-for-sale	-	-	-	272,030,301	272,030,301
- Units of mutual funds - related parties	-	-	-	1,720,727,885	1,720,727,885
Bank balances	4% - 6.5%	-	-	12,296,511	12,296,511
			1,745,140	2,110,778,711	2,112,523,851
Financial Liabilities					
Accrued and other liabilities	-	-	-	46,123,657	46,123,657
				46,123,657	46,123,657
On-balance sheet gap					
			1,745,140	2,064,655,054	2,066,400,194

32.1.3 Other pricerisk

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 Companies as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2016, the equity of the Company would increase / decrease by Rs.121.841 million (2015: Rs.99.638 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. The Investment Committee closely monitors the creditworthiness of the Company'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 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:

	2016	2015
	----- Rupees -----	
Long-term loans - considered good	3,823,137	902,887
Deposit for office premises	2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)	1,000,000	1,000,000
Balances due from funds under management - related parties	115,188,859	94,536,339
Loans and advances - considered good	1,005,938	842,253
Trade deposits and other receivables	22,487,600	7,687,675
Other financial assets - investments	2,436,812,890	1,992,758,186
Bank balances	11,256,249	12,296,511
	2,594,074,673	2,112,523,851

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at June 30, 2016.



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.

98.38% of the financial assets aggregating to Rs.2,551.994 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 investment and bank balances are as follows:

	<u>2016</u>	<u>2015</u>
	Bank balances	Bank balances
	----- % -----	----- % -----
AAA	0.7%	0.6%
AA-	12.5%	15.2%
A+	85.2%	83.5%
AA	1.7%	0.6%

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. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

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.

	2016			
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
	----- (Rupees in '000) -----			
Liabilities				
Accrued and other liabilities	52,299,280	2,257,660	50,041,620	-
	52,299,280	2,257,660	50,041,620	-

	2015			
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year
	----- (Rupees in '000) -----			
Liabilities				
Accrued and other liabilities	46,123,657	415,066	45,708,591	-
	46,123,657	415,066	45,708,591	-

32.4 Financial instruments by category

	2016			
	Loans and Receivables	Atfairvalue through profit and loss' - held-for-trading	Available-for-sale	Total
	----- (Rupees in '000) -----			
Assets				
Long-term loans- considered good	3,823,137	-	-	3,823,137
Deposit for office premises	2,500,000	-	-	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)	1,000,000	-	-	1,000,000
Balances due from funds under management - related parties	115,188,859	-	-	115,188,859
Loans and advances- considered good	1,005,938	-	-	1,005,938
Trade deposits and other receivables	22,487,600	-	-	22,487,600
Other financial assets - investments	-	300,007,351	2,136,805,539	2,436,812,890
Cash and bank balances	11,256,249	-	-	11,256,249
	157,261,783	300,007,351	2,136,805,539	2,594,074,673



		2016		
		At fairvalue through profit and loss' - held-for-trading	Other financial liabilities	Total
		----- (Rupees in '000) -----		
Liabilities				
Accrued and other liabilities		-	52,299,280	52,299,280
		-	52,299,280	52,299,280

		2015			
		Loans and Receivables	At fairvalue through profit and loss' - held-for-trading	Available-for-sale	Total
		----- (Rupees in '000) -----			
Assets					
Long-term loans - considered good	902,887	-	-	-	902,887
Deposit for office premises	2,500,000	-	-	-	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)	1,000,000	-	-	-	1,000,000
Balances due from funds under management - related parties	94,536,339	-	-	-	94,536,339
Loans and advances - considered good	842,253	-	-	-	842,253
Trade deposits and other receivables	7,687,675	-	-	-	7,687,675
Other financial assets - investments	-	272,030,301	1,720,727,885	-	1,992,758,186
Cash and bank balances	12,296,511	-	-	-	12,296,511
	119,765,665	272,030,301	1,720,727,885	-	2,112,523,851

		2015		
		At fairvalue through profit and loss' - held-for-trading	Other financial liabilities	Total
		----- (Rupees in '000) -----		
Liabilities				
Accrued and other liabilities		-	46,123,657	46,123,657
		-	46,123,657	46,123,657

32. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

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

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

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

Office premises are revalued by professional valuer (see note 5.2). The valuation is based on their assessment of market value of the underlying properties and this categorised under Level 2.

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

	2016			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	2,136,805,539	-	-	2,136,805,539
Financial assets 'at fair value through profit or loss' - held-for-trading				
Units of mutual funds - related parties	300,007,351	-	-	300,007,351
Office premises	-	324,524,750	-	324,524,750
	<u>2,436,812,890</u>	<u>324,524,750</u>	<u>-</u>	<u>2,761,337,640</u>
	2015			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'available-for-sale'				
Units of mutual funds - related parties	1,720,727,885	-	-	1,720,727,885
Financial assets 'at fair value through profit or loss' - held-for-trading				
Units of mutual funds - related parties	272,030,301	-	-	272,030,301
Office Premises	-	343,157,750	-	343,157,750
	<u>1,992,758,186</u>	<u>343,157,750</u>	<u>-</u>	<u>2,335,915,936</u>



During the year ended December 31, 2016, 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.

33. 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.

34. GENERAL

- 34.1** These financial statements were authorised for issue on February 14, 2017 by the Board of Directors of the Company.
- 34.2** In compliance of NBFC Rules 2003 read with SRO 1002(1)/2015 dated October 15, 2015 of Securities and Exchange commission of Pakistan, the management would like to report that the company (JSIL) has sufficient insurance coverage from an insurance company rated AA+ by a rating agency registered with the Commission against financial losses that may be caused as result of gross negligence of its employees.
- 34.3** 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.
- 34.4** The figures in the consolidated financial statements have been rounded off to the nearest rupees.

Chief Executive

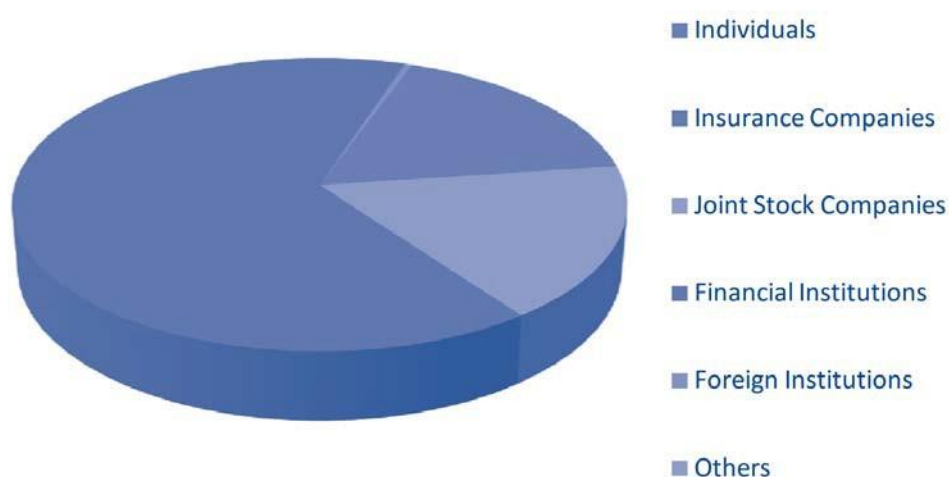
Director

PATTERN OF SHAREHOLDING
AS ON DECEMBER 31, 2016

No. of Shareholders	Shareholdings			Total Shares Held	
598	Shareholding From	1	To	100	9,829
648	Shareholding From	101	To	500	286,620
291	Shareholding From	501	To	1000	277,986
406	Shareholding From	1001	To	5000	1,118,429
109	Shareholding From	5001	To	10000	884,984
35	Shareholding From	10001	To	15000	468,097
28	Shareholding From	15001	To	20000	533,650
15	Shareholding From	20001	To	25000	361,600
13	Shareholding From	25001	To	30000	361,005
7	Shareholding From	30001	To	35000	231,500
5	Shareholding From	35001	To	40000	191,000
3	Shareholding From	40001	To	45000	131,000
14	Shareholding From	45001	To	50000	694,500
5	Shareholding From	50001	To	55000	261,868
2	Shareholding From	55001	To	60000	119,500
7	Shareholding From	60001	To	65000	444,000
3	Shareholding From	65001	To	70000	209,500
4	Shareholding From	70001	To	75000	293,445
1	Shareholding From	75001	To	80000	80,000
2	Shareholding From	80001	To	85000	165,500
1	Shareholding From	85001	To	90000	86,000
1	Shareholding From	90001	To	95000	90,500
5	Shareholding From	95001	To	100000	497,168
1	Shareholding From	110001	To	115000	113,100
2	Shareholding From	115001	To	120000	236,000
1	Shareholding From	120001	To	125000	123,000
1	Shareholding From	135001	To	140000	140,000
4	Shareholding From	145001	To	150000	593,500
1	Shareholding From	150001	To	155000	150,059
1	Shareholding From	155001	To	160000	158,500
3	Shareholding From	170001	To	175000	521,500
2	Shareholding From	195001	To	200000	400,000
1	Shareholding From	200001	To	205000	202,000
1	Shareholding From	210001	To	215000	213,000
1	Shareholding From	225001	To	230000	225,500
1	Shareholding From	245001	To	250000	250,000
1	Shareholding From	260001	To	265000	265,000
1	Shareholding From	270001	To	275000	275,000
1	Shareholding From	275001	To	280000	279,000
1	Shareholding From	295001	To	300000	300,000
1	Shareholding From	335001	To	340000	336,500
1	Shareholding From	355001	To	360000	359,000
1	Shareholding From	365001	To	370000	369,000
1	Shareholding From	370001	To	375000	374,500
1	Shareholding From	390001	To	395000	394,000
1	Shareholding From	475001	To	480000	480,000
1	Shareholding From	755001	To	760000	759,500
1	Shareholding From	1425001	To	1430000	1,428,500
1	Shareholding From	3155001	To	3160000	3,158,000
1	Shareholding From	3335001	To	3340000	3,336,500
1	Shareholding From	4695001	To	4700000	4,696,500
1	Shareholding From	52235001	To	52240000	52,236,978
2,239					80,171,818



S NO.	Category Of Shareholders	Number of Shareholders	Shares Held	Percentage
1	Individuals	2203	13,874,544	17.31
2	Insurance Companies	1	5,215	0.01
3	Joint Stock Companies	28	13,707,785	17.10
4	Financial Institutions	2	52,236,997	65.16
5	Foreign Institutions	2	341,014	0.43
6	Others	3	6263	0.01
		2,239	80,171,818	100.00



1. DIRECTORS, CHIEF EXECUTIVE OFFICER, AND THEIR SPOUSE AND MINOR CHILDREN

Name	Shares Held	Percentage
MR. SULEMAN LALANI	5,502	
DR. ALI AKHTAR ALI	3	
MR. KAMRAN JAFAR	1	
MR. AHSEN AHMED	1	
MR. MUHAMMAD RAZA DYER	1	
MR. BASIR SHAMSIE	1	
MR. ASIF REZA SANA	1	
MR. MUHAMMAD YOUSUF AMANULLAH	1	
TOTAL	5,511	0.01

2. ASSOCIATED COMPANIES, UNDERTAKING AND RELATED PARTIES.

J S BANK LIMITED.	52,236,978	
JAHANGIR SIDDIQUI & SONS LIMITED	3,336,500	
JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED	4,696,500	
TOTAL	60,269,978	75.18

3. NIT AND ICP

NIL	NIL
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4. BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS & NON BANKING FINANCE COMPANIES

NATIONAL BANK OF PAKISTAN	19	
TOTAL	19	0.00

5. INSURANCE COMPANIES

STATE LIFE INSURANCE CORP. OF PAKISTAN	5,215	
TOTAL	5,215	0.01

6. MODARABAS AND MUTUAL FUNDS

CDC - TRUSTEE AKD OPPORTUNITY FUND	3,158,000	
GOLDEN ARROW SELECTED STOCKS FUND LIMITED	394,000	
TOTAL	3,552,000	4.43

7. SHAREHOLDERS HOLDING SHARES 5% OR MORE

J S BANK LIMITED.	52,236,978	
JAHANGIR SIDDIQUI SECURITIES SERVICES LIMITED	4,696,500	
TOTAL	56,933,478	71.01

8. EXECUTIVES

Employees of the Company other than CEO And Directors	3,029	
TOTAL	3,029	0.00



FORM OF PROXY
EXTRAORDINARY GENERAL MEETING

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

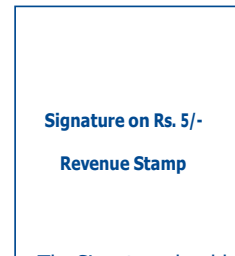
I/We _____ of _____ being member(s) of JS Investments Limited,
holding _____ ordinary shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS)
hereby appoint Mr. / Mrs. / Miss _____ of _____ (Folio No./
CDC A/c No.) or failing him/her Mr. / Mrs. / Miss _____ of _____
(Folio no. CDC A/c No.) being member of the company, as my / our proxy to attend, act and vote for me / us and
my/our behalf at the Annual General Meeting of the Company to be held on April 10, 2017 and / or any adjournment thereof.

As witness my / our hand / seal this _____ day of, 2017. Signed by _____

In the presence of _____

Witnesses:

1. _____ Name
Signature
Address
_____ CNIC / Passport No.



2. _____ Name
Signature
Address
_____ CNIC / Passport No.

The Signature should
agree with the specimen
registered with the Company

Important:

- 1- All the members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is entitled to appoint another member or non-member as proxy to attend, speak and vote for him/ her.
- 2- Members may participate in the meeting by personally, through video-link or by proxy. A member or members holding 10% of the total paid up share capital residing in a city may demand to provide the facility of video-link for attending the meeting. The demand for video link shall be made at least seven days prior to the date of the meeting.
- 3- This proxy form, duly completed and signed, must be received at the office of Company situated at 7th Floor, The Forum, G-20, Khayaban-e-Jami, Clifton, Karachi, not later than 48 hours before the scheduled time of the meeting.
- 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.



درست لکٹ چپکائیں

کمپنی سیکریٹری
جے ایس انویسٹمنٹس لمیٹڈ
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خیابان جانی، بلاک ۹، ہائٹس



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Jama Punji is an investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

JS investments

Karachi (Head Office)
G-20, 7th Floor, The Forum,
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021-111-222-626

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