

JS Investments Limited

Quarterly Report for the period
ended March 31, 2020

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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

ORGANIZATION

Board of Directors

Mr. Kamran Jafar
Mr. Hasnain Raza Nensey
Mr. Babbar Wajid
Syed Tauqir Haider Rizvi
Mr. Hasan Shahid
Mr. Tahir Ali Sheikh
Ms. Aisha Fariel Salahuddin
Mr. Asif Reza Sana

Chairman
Chief Executive Officer
Non-Executive Director
Non-Executive Director
Non-Executive Director
Non-Executive Director
Independent/ Non-Executive Director
Independent / Non-Executive Director

Chief Executive Officer

Mr. Hasnain Raza Nensey

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Director Finance/ Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

EY Ford Rhodes

Legal Advisors

Bawaney and Partners

Board Committees Audit Committee

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

HR Committee

Mr. Kamran Jafar (Chairman)
Ms. Aisha Fariel Salahuddin
Mr. Hasnain Raza Nensey

Executive Risk Management Committee

Mr. Kamran Jafar (Chairman)
Mr. Babbar Wajid
Mr. Tahir Ali Sheikh
Mr. Hasnain Raza Nensey

Share Registrar

Registrar of the Company is "CDC Share Registrar Services Limited (CDCSRLS)"
CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi

Registered Office

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DIRECTORS' REPORT TO THE SHAREHOLDERS

For the period ended March 31, 2020

"We are pleased to present the unconsolidated financial statements of JS Investments Limited (JSIL) for the period ended March 31, 2020".

Economy:

Economic indicators portrayed a mixed picture during the quarter. On the one hand, the current account deficit (CAD) continued to decline further strengthening our external position; the CAD declined by 35.4% YoY during the quarter due to 7% contraction in the trade deficit and accompanying 12.4% increase in workers remittances. On the other hand, inflation rose to 14.6% in January due to rising food prices before falling to 10.24% in March 2020.

Any domestic improvements were overshadowed by the fast developing corona virus (COVID-19) crisis that began in Wuhan, China and has now enveloped the whole world including Pakistan with over 2000 cases. COVID-19 has brought life to a halt in many parts of the world as governments institute a broad range of measures to slow down the pandemic ranging from international travel restrictions, mass testing, surveillance, contact tracing, widespread lockdowns, and curfews. While the crisis has abated in China, mostly due to extreme measures taken by the government including locking down an entire province, the crisis has eventually spread elsewhere. Europe and the US have been particularly hard hit as leaders struggle to patch together a coherent response.

It is now expected that the world would enter into a recession in the short term. Any forecast for a recovery depends largely on the ability to cohesively and permanently deal with the virus. Parallels drawn to the Bubonic Plague of the 1300s and the 1918 Spanish flu do not paint an encouraging picture. While our capacity to engineer vaccines has developed immensely since then, most subject experts opine that it is unreasonable to expect a cure within the next 6 months. All hopes for containment of the virus therefore rest on the ability of governments to lockdown, isolate, test and quarantine large swaths of their respective populations.

Central bankers have responded strongly to the threat; measures that were taken over a matter of months during the GFC have been undertaken within weeks, with central bankers promising to do "whatever it takes". The US Fed has slashed the FFR to zero while the Bank of England, the ECB and other banks have followed suit. This has been followed by efforts to prop up their respective fixed income markets through bond buyback programs and other such liquidity enhancing measure. Governments have also responded by opening the fiscal taps with the US approving an unprecedented US \$2 trillion stimulus package.

Pakistan is not insulated to these extraordinary developments. The SBP reduced the Policy Rate by 225 bps over 2 MPC meetings during the month. In addition the Central Bank has implemented a slew of measures to help banks pump credit into the financial system including reducing capital buffers and allowing for deferred recording of bad debt.

Provincial governments have implemented a strict lock down since mid-March that is expected to last at least till mid-April. The lockdown is expected to wreak havoc on the less endowed social classes although it is hoped that the short term economic damage is justified by the potential lives saved due to the lockdown. So far only strict lockdowns have worked to contain the spread

Equity Market Performance:

The KSE100 closed March 2020 at 29,231 points, down 28.2% during the quarter. The KSE30 and KMI30 were down 31.1% and 31.8% respectively. The decline in stock prices has been precipitated by expectations of sharp earnings erosion across the board due COVID-19. The decline in the KSE100 index has been broad based with Commercial Banks, Oil & Gas Exploration, Oil & Gas Marketing, and Fertilizer contributing -7,475 points to the overall decline of 11,503 points. Cyclical stocks such as Cements, Steel and Automobiles have been particularly hit as earnings are more susceptible to the economic cycle.

Money Market Performance:

Fixed income has enjoyed considerable popularity during 2019 due to double digit interest rates. Year 2020 is unlikely to be so kind to fixed income markets. After the SBP's two rate declines, the Policy Rate now stands at 11%. This puts the Minimum Deposit Rate (MDR) i.e. the minimum interest rate conventional banks have to pay to depositors, at 9.5%.

JS Investments Limited

During the quarter, bids worth PKR 732 billion were received for PIBs out of which PKR 266 billion were accepted. The acceptance rate was 22% for 3Y PIBs, and 50% for the 5Y and 10Y tenors. This is in contrast to previous auctions where the government has primarily borrowed in the 3Y tenor. It is expected that as monetary easing continues, the government may shift its borrowing towards the longer end of the curve. For the moment however, yields continue to remain inverted. The latest auction cut-offs for the 3Y, 5Y and 10Y were 11.59%, 10.99% and 11.8% respectively.

Treasury bill yields adjusted downwards in the latest auction in response to the interest rate decline. The 3M cut-off declined from 12.73% to 11.30%, the 6M declined from 12.51% to 11.30% and the 12M declined from 12.0% to 10.87%.

The AMC Industry

At the end of 1QCY20, Assets Under Management (AUM) of the mutual fund industry stood at PKR 660 billion (excluding Fund of Funds structures) showing a decline of 2% (PKR 17 billion) from a December 2019 level of PKR 673 billion. The AMC industry enjoyed a healthy closing to CY2019, however the turmoil in equity markets and economic worries triggered by COVID-19 took a toll on the industry in 1QCY20. Pakistan's equity market declined by approx 30% (KSE-30 Index) during the period, which resulted in significant drop in AUMs of equity funds. Customers adopted a risk-averse strategy and favored Income and Money market funds.

"JS Islamic Capital Preservation Plan -1" matured during the period. Despite troubled markets, the Plan generated a net return of 11.92% for its customers during its 2 year life.

"JS Islamic Capital Preservation Plan 9" was launched in March'20 - however the sales efforts were significantly hampered by the COVID-19 related quarantine

Performance Review

JSIL posted a net loss of PKR 275.99 million as of March 31, 2020 which translates into loss per share of PKR 4.47. JSIL recorded total revenue of PKR. 65.17 million, compared to PKR 59.68 million during the corresponding period (other than unrealized loss / income). JSIL earned management remuneration from funds under management (incl. SMAs) of PKR 57.27 million compared to PKR 53.29 million during the corresponding period. The reason for loss was market decline resulting in PKR 2.5 million unrealized loss. By the quarter end discount rates were also declined by 2.25%.

The assets under management (Including Separately Managed Accounts and Fund of Funds) were PKR. 19 billion, compared to PKR 25 billion as at December 31, 2019 depicting a decrease of 24%.

Future Outlook

JSIL has closed 1Q CY20 with an AUM level of PKR 19 billion (including Separately Managed Accounts (SMAs) and Fund of Funds).

JS Investments Limited will continue with its two-pronged approach of increasing AUMs and the retail investor base. In the traditional mutual-fund space, tranche-based limited-life investment plans shall continue to be a key driver of AUM growth and investor-base. JSIL also plans to focus on niche market spaces and customer segments with unique needs, by offering specialized solutions to address these needs. Offering technology-driven value-added services and market-leading service quality shall help expand market-share and improve customer loyalty.

The recent correction in equity market means that many quality scrips are available at historically low valuation. Investors with long-term investment horizons should avail the opportunity to build equity portfolios at such discounted prices. However, the volatility in equity markets is likely to continue as the world grapples with impending recession in developed markets. SBP, and other central banks in the world, have slashed interest rates to boost the economy. The interest rates are likely to see further cuts in coming quarters. Risk averse investors are recommended to invest in longer-tenor income funds during this scenario.



Asset Manager and Entity Rating

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

Acknowledgment

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

On behalf of the Board

April 22, 2020
Karachi

Director

Chief Executive Officer

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ سہ ماہی 31 مارچ 2020

معیشیت

سہ ماہی کے دوران میں معاشی اشاریوں نے ایک ملی جلی صورتحال کی تصویر پیش کی۔ ایک طرف کرنٹ اکاؤنٹ کے خسارے (CAD) میں مسلسل کمی دیکھنے میں آئی جس سے ہماری بیرونی حیثیت میں مزید استحکام پیدا ہوا؛ سہ ماہی کے دوران میں CAD میں 35.4% YoY گر گیا جس کی وجہ تجارتی خسارے کا 7% سکڑنا اور اس کے ساتھ دیگر کمزوریوں کی جانب سے ترسیلات زر میں 12.4% اضافہ تھی۔ دوسری طرف جنوری میں اشیائے خورد و نوش کی قیمتیں بڑھنے سے افراط زر میں 14.6% اضافہ ہو گیا مگر مارچ 2020 میں یہ شرح گر کر 10.24% ہو گئی۔

ملک میں ہونے والے ترقیاتی کام جن کے صوبے وہاں سے شروع ہونے والے کورونا وائرس (COVID-19) کے تیزی سے پھیلنے سے بری طرح متاثر ہوئے اور اب اس وائرس نے پوری دنیا کو اپنی لپیٹ میں لے لیا ہے اور پاکستان میں بھی 2000 سے زیادہ کیسز سامنے آچکے ہیں۔ COVID-19 نے دنیا کے بیشتر حصوں میں زندگی کو بالکل مفلوج کر دیا ہے اور حکومتیں اس عالمی وبا کے اثرات کو کم سے کم کرنے کیلئے کئی طرح کے اقدامات اٹھا رہی ہیں جن میں بین الاقوامی سفر پر پابندیاں، بڑے پیمانے پر ٹیسٹنگ، گمرانی، راولپنڈی کی کھوج، وسیع لاک ڈاؤن اور فیوٹائل ہیں۔ اب جبکہ چین میں یہ بحران کم ہو گیا ہے جس کی وجہ حکومت کے سخت ترین اقدامات ہیں جن میں پورے صوبے میں لاک ڈاؤن کرنا شامل ہے۔ مگر یہ بحران دوسری جگہوں پر پھیل رہا ہے، خاص طور پر یورپ اور امریکہ اس کے شدید ترین حملوں کا شکار ہیں اور مختلف لیڈرز مل کر اس کا مقابلہ کرنے کیلئے کوشاں ہیں۔

اب توقع کی جا رہی ہے کہ تھوڑے عرصے میں سے دنیا کا سد بازی کا شکار ہو جائے گی۔ بحالی کے بارے میں کسی اندازے کا انحصار بڑی حد تک وائرس پر یکساں اور مستقل قابو پانے پر ہے۔ 1300s میں Bubonic Plague اور 1918 میں اسپینش فلو کے بعد صورتحال بھی کچھ حوصلہ افزا نہیں رہی تھی۔ اگرچہ اب ہماری دیکھیں تیار کرنے کی صلاحیت اس وقت کے مقابلے میں بہت بڑھ چکی ہے، مگر اس شعبہ کے ماہرین کی رائے ہے کہ اگلے 6 ماہ کے اندر اس کے خاتمے کی توقع کرنا غیر عقلی ہوگا۔ لہذا اس وائرس کی روک تھام کی تمام امیدیں حکومتوں کی لاک ڈاؤن کرنے کی صلاحیت، آنسو لین، ٹیسٹ اور متاثرہ آبادیوں کو بڑے پیمانے پر قرنطینہ میں رکھنے سے وابستہ ہیں۔

سینٹرل بینکر نے اس خدشہ پر بھی سخت رد عمل کا اظہار کیا ہے جو GFC کے دوران میں کئی ماہ کے معاملے کو چند ہفتوں میں طے کرنے کے اقدامات کی شکل میں کیا ہے جس میں سینٹرل بینکر نے ہر قیمت پر ("whatever it takes") کرنے کا وعدہ کیا ہے۔ امریکی وفاق نے FFR کو زبردستی دیا ہے جب کہ بینک آف انگلینڈ، ECB اور دوسرے بینکوں نے بھی اس کی پیروی کی ہے۔ اس کے بعد وہ یونٹائی بیک پروگراموں اور دیگر ایسے لیکویڈیٹی میں اضافے کے اقدامات کے ذریعہ متعلقہ قسٹڈ مارکٹس کو سہارا دینے کی کوشش کر رہے ہیں۔ حکومتوں نے مالیاتی ذریعہ کھلنے کا بھی مثبت رد عمل کا اظہار کیا ہے جس کیلئے امریکہ نے 2 ٹریلین ڈالر کے غیر معمولی پیکج کی منظوری دی ہے۔

پاکستان سے یہ غیر معمولی پیش رفت ڈھکی چھپی نہیں ہیں۔ انٹرنیشنل بینک آف پاکستان (SBP) نے ایک ماہ کے دوران میں MPC مینٹنگز میں پالیسی ریٹ میں 225 bps کی کمی کر دی ہے۔ اس کے علاوہ مرکزی بینک نے متعدد اقدامات نافذ کئے ہیں جن سے بینکوں کو مالیاتی نظام میں کریڈٹ میں اضافے میں مدد ملے گی نیز سرمایہ کے خلائوکم کرنا اور ناقابل وصول قرضوں کو موثر کرنا شامل ہے۔

صوبائی حکومتوں نے وسط مارچ سے سخت لاک ڈاؤن نافذ کیا ہے جو توقع ہے کہ کم از کم وسط اپریل تک جاری رہے گا۔ لاک ڈاؤن سے پس ماندہ سماجی طبقے کیلئے بڑی تباہی کا سبب ہو سکتا ہے اگرچہ امید کی جا رہی ہے کہ تھوڑے عرصے کا معاشی نقصان لاک ڈاؤن کے باعث بڑے جانی نقصان کے مقابلے میں زیادہ اہم نہیں ہے۔ بہر حال اب تک سخت لاک ڈاؤن ہی وبا کو پھیلنے سے روکنے میں موثر ثابت ہو رہے ہیں۔

ایکویٹی مارکیٹ کی کارکردگی

مارچ 2020 میں KSE100، 29,231 پوائنٹس پر بند ہوا جو گزشتہ سہ ماہی کے مقابلے میں 28.2% کم ہے۔ KSE 30 اور KMI 30 بالترتیب 31.1% اور

31.8% ڈاؤن رہے۔ COVID-19 کے باعث پورے اسٹاک میں اچھی آمدنی کی توقعات کو ختم کر کے اسٹاک کی قیمتوں میں کمی KSE 100 پر کمرشل بینکوں، آئل اینڈ گیس ایکسپلوریشن، آئل اینڈ گیس مارکیٹنگ اور فرائیڈز سے 7,475- پوائنٹس کا فرق پڑا اور مجموعی طور پر 11,503 کی کمی ہوئی۔ گروتھی اسٹاک جیسے سینٹ، اسٹیل اور آٹومو بائلز خاص طور پر متاثر ہوئے اور معاشی دائرہ میں آمدنی بھی زیادہ اثر پذیر ہوگی۔

منی مارکیٹ کی کارکردگی

2019 میں دو ہندی شرح سود کی بناء پر فیکسڈ انکم کے شعبہ کو خاطر خواہ مقبولیت حاصل ہوئی۔ سال 2020 فیکسڈ انکم کی مارکیٹس میں زیادہ فائدہ مند ثابت نہیں ہوگا۔ SBP کے دو مرتبہ شرح کم کرنے کے بعد، پالیسی ریٹ اب 11% ہے۔ اس سے کم سے کم ڈپازٹ ریٹ (MDR) یعنی روایتی بینکوں کو اب اپنے ڈپازٹ کرنے والوں کو 9.5% کی کم سے کم شرح سود ادا کرنا ہوگی۔

سہ ماہی کے دوران میں PIBs کیلئے 732 بلین روپے کی بولیاں موصول ہوئیں جن میں سے 266 بلین روپے کی بولیاں منظور کر لی گئیں۔ PIBs کیلئے منظور کرنے کی 3 سال کی شرح 22% تھی، 5 سال اور 10 سال کی مدت کیلئے 50% تھی۔ یہ گزشتہ نیلاموں کے برعکس تھی جب حکومت نے ابتدائی طور پر 3 سال کی مدت کیلئے قرض لیا گیا تھا۔ توقع ہے کہ مالیاتی نظام کو آسانی فراہم کرنے کا سلسلہ جاری رہے گا، حکومت اپنے قرض کے حصول کو قس کے زیادہ طویل سرے پر تبدیل کر دیا جائے گا۔ تاہم اس وقت نتائج الٹ ہی رہیں گے۔ تازہ ترین نیلام کی 3 سال، 5 سال اور 10 سال کی مدت کیلئے کٹ آف کی شرح بالترتیب 11.59%، 10.99% اور 11.8% رہی۔ شرح سود میں کمی کے رد عمل کے طور پر تازہ ترین نیلام میں ٹریڈری بلز کے نتائج بھی جانب ایڈجسٹ کئے گئے۔ 3M کٹ آف 12.73% سے کم ہو کر 11.30% ہو گئے۔ 6 M سے کم ہو کر 12.51% سے کم ہو کر 11.30% ہو گئے اور 12 M، 12.0% سے کم ہو کر 10.87% ہو گئے۔

AMC انڈسٹری

کلینڈر سال 2020 کی پہلی سہ ماہی کے اختتام پر میوچل فنڈ انڈسٹری کے زیر انتظام اثاثے جات (AUM) 660 بلین روپے رہی (علاوہ فنڈز آف فنڈ اسٹریکچرز) (17 بلین روپے) کی کمی ظاہر کی (دسمبر 2019 کے 673 بلین روپے کی سطح سے)۔ AMC انڈسٹری نے کلینڈر سال 2019 کے صحت مندانہ اختتام سے لطف اندوز ہوئی۔ تاہم کلینڈر سال 2020 کی پہلی سہ ماہی میں COVID-19 کے سبب ایکویٹی مارکیٹس اور معاشی پریشانیوں میں پیدا ہونے والے بحران نے اس صنعت کو متاثر کیا۔ اس مدت کے دوران پاکستان کی ایکویٹی مارکیٹ میں تقریباً 30% (KSE 30 Index) کی کمی واقع ہوئی، جو ایکویٹی فنڈز کے AUM میں نمایاں کمی کا سبب بنی۔ صارفین نے خطرے سے بچنے کی حکمت عملی اپنائی اور انکم اور منی مارکیٹ فنڈز کی حمایت کی۔

مدت کے دوران "JS اسلامک کیپیٹل پریزرویشن پلان 1- " میچور ہو گیا۔ پریشان کن مارکیٹس کے باوجود اس پلان نے اپنی 2 سال کی زندگی کے دوران اپنے صارفین کے لیے 11.92% کا خالص منافع دیا۔

"JS اسلامک کیپیٹل پریزرویشن پلان 9- " کا 9 مارچ 2020 کو اجراء ہوا۔ تاہم COVID-19 سے منسلک قرضین کے سب فروخت کی کوششیں نمایاں طور پر متاثر ہوئیں۔

کارکردگی کا جائزہ

JSIL نے 31 مارچ 2020 کو 275.99 بلین روپے کا مجموعی نقصان درج کروایا جو 4.47 روپے نقصان فی حصص میں منتقل ہو گیا۔ JSIL نے پچھلے سال کے یکساں مدت کے دوران 59.68 بلین روپے کے مقابلے میں 65.17 بلین روپے (علاوہ غیر یقینی نقصان / آمدنی) کی کل آمدنی ریکارڈ کروائی۔ JSIL نے پچھلے سال اسی مدت کے لیے 53.29 بلین روپے کے مقابلے میں 57.27 بلین روپے کے انتظامیہ کے زیر نگرانی فنڈز (بشمول SMAs) سے منیجمنٹ ریپیوئریشن کمائے۔ نقصان کی وجہ مارکیٹ میں کمی ہے جس کے نتیجے میں 2.5 بلین روپے کا غیر یقینی نقصان ہوا۔ سہ ماہی کے اختتام پر رعایت کی شرح میں بھی 2.25% کی کمی واقع ہوئی۔

انتظامیہ کے زیر نگرانی اثاثے جات (بشمول سپر ہیجلی منیجٹ اکاؤنٹس - SMAs اور فنڈز آف فنڈز) 31 دسمبر 2019 کے 25 بلین روپے کے مقابلے میں 19 بلین روپے تھا، یعنی 24% کی کمی ظاہر کی۔

مستقبل کے امکانات

JSIL نے کیبنڈرسال 2020 کی پہلی سہ ماہی کا اختتام 19 بلین پاکستانی روپے کی AUM سطح (بشمول سپرہیپلی منیجٹ اکاؤنٹس - ISMAs اور فنڈز آف فنڈز) کے ساتھ کیا۔

JS انویسٹمنٹس لمیٹڈ AUMs اور ریٹائر انویسٹمنٹس کو بڑھانے کے لیے اپنی دوری حکمت عملی کو قائم رکھے گی۔ روایتی میوچل فنڈ کی جگہ میں، قسط وار محدود مدت پر مبنی سرمایہ کاری کے منصوبے AUM کی ترقی اور انویسٹمنٹس کا ایک اہم محرک رہیں گے۔ JSIL ان ضروریات کو حل کرنے کیلئے خصوصی حل پیش کرتے ہوئے مناسب مارکیٹ کی جگہوں اور انفرادی ضروریات کے ساتھ کسٹمر طبقات پر بھی توجہ دینے کا ارادہ کیا ہے۔ ٹیکنالوجی سے کارفرما عمدہ قسم اور مارکیٹ کی قیادت کرنے والی خدمات مہیا کرنے کی خوبی کے باعث مارکیٹ شیئر بڑھنے اور کسٹمر کی وفاداری کو بہتر بنانے میں مدد ملے گی۔

ایکویٹی مارکیٹ میں حالیہ اصلاح کا مطلب یہ ہے کہ بہت سے کوالٹی اسکرپ تاریخی اعتبار سے کم قیمت پر دستیاب ہیں۔ سرمایہ کار طویل مدتی سرمایہ کاری کے افق کو اس طرح کی رعایتی قیمتوں پر ایکویٹی پورٹ فولیو بنانے کا موقع حاصل کریں گے۔ تاہم، ایکویٹی مارکیٹس میں عدم استحکام برقرار رہنے کا امکان ہے کیونکہ دنیا ترقی یافتہ مارکیٹس میں ناگزیر مندی کا شکار ہے۔ SBP اور دنیا کے دوسرے بینکوں نے معیشت کو فروغ دینے کے لیے سود کی شرح میں کمی کی ہے۔ آنے والی سہ ماہیوں میں سود کی شرح میں مزید کمی کا امکان ہے۔ اس صورتحال کے پیش نظر خطرے سے بچنے والے سرمایہ کاروں کو طویل مدتی آمدنی والے فنڈز میں سرمایہ کاری کرنے کی تجویز دی جاتی ہے۔

ایسیٹ مینیجر اور اینٹیٹی ریٹنگ

JCR-VIS کریڈٹ ریٹنگ کمپنی نے جے ایس انویسٹمنٹ لمیٹڈ کو "AM2" (اے ایم ٹو) کی منجمنٹ کوالٹی ریٹنگ تفویض "stable" امکانات کے ساتھ کی۔ یہ ریٹنگ منجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

اظہار تشکر

ڈائریکٹرز پیش قدمی اور معاونت، مدد اور رہنمائی پر یکساں ریٹائر اینڈ ایکٹیویشن آف پاکستان (SECP) سے اظہار تشکر کرتے ہیں اور اپنے زیر انتظام فنڈز کے فزیشن کی مسلسل معاونت اور تعاون کا اعتراف کرتے ہیں۔ بورڈ ممبران اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 22 اپریل 2020



FINANCIAL STATEMENTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2020

	Note	(Un- Audited) March 31, 2020	(Audited) December 31, 2019
ASSETS			
Non - current assets			
Property and equipment	5	454,081,925	476,086,870
Intangible assets	6	14,228,458	15,323,841
Long-term investment in a subsidiary		37,500,000	37,500,000
Long-term loans and prepayments - considered good		3,256,104	3,387,150
		509,066,487	532,297,861
Current assets			
Balances due from funds under management - related parties		112,249,591	123,073,939
Loans and advances - considered good		3,924,842	3,973,499
Trade deposits, short term prepayments and other receivables		74,047,092	59,509,508
Other financial assets - investments	7	1,182,979,553	1,741,945,710
Taxation - net		87,131,822	87,784,493
Cash and bank balances	8	33,948,351	13,440,272
		1,494,281,251	2,029,727,421
Total assets		2,003,347,738	2,562,025,282
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		617,742,560	617,742,560
Unappropriated profit		921,042,185	1,197,045,225
		1,538,784,745	1,814,787,785
LIABILITIES			
Non - current liabilities			
Liability against assets subject to finance lease		220,469,504	264,907,566
Current liabilities			
Accrued and other liabilities	9	191,946,919	185,525,504
Dividend payable			247,097,024
Unclaimed dividend		5,391,973	2,952,805
Current maturity of liability against assets subject to finance lease		46,754,598	46,754,598
		464,562,994	747,237,497
Total liabilities		464,562,994	747,237,497
Total equity and liabilities		2,003,347,738	2,562,025,282
Contingencies and commitments	10		

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

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2020

	Note	March 31, 2020	March 31, 2019
		-----Rupees-----	
INCOME			
Remuneration from funds under management - gross		64,367,400	59,726,169
Less: Sindh sales tax		<u>(7,405,099)</u>	<u>(6,871,152)</u>
		56,962,301	52,855,017
Commission from open end funds under management		303,664	430,638
Dividend income		-	5,015,222
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss		(250,008,205)	1,768,754
Net gain on sale of investments		6,042,048	(171,695)
Return on bank deposits under interest / mark-up arrangements		1,451,658	876,055
Remuneration and share of profit from management of discretionary and non discretionary client portfolios		416,965	672,761
		<u>(184,831,569)</u>	<u>61,446,752</u>
Administrative expenses		(61,998,893)	(73,553,922)
Selling and distribution expenses		(25,721,117)	(22,493,506)
OPERATING PROFIT/(LOSS)		<u>(272,551,579)</u>	<u>(34,600,676)</u>
Financial charges		8,748,858	8,009,856
		<u>(281,300,437)</u>	<u>(42,610,532)</u>
Other (loss) / income		12,539,089	13,006,289
(Loss) / profit for the period before tax		<u>(268,761,348)</u>	<u>(29,604,243)</u>
Income tax			
- Current		7,237,878	6,663,236
- Deferred		-	(4,687,866)
		<u>7,237,878</u>	<u>1,975,370</u>
(Loss) / profit for the period after tax		<u>(275,999,226)</u>	<u>(31,579,613)</u>
(Loss) / earnings per share for the period - basic and diluted	11	<u>(4.47)</u>	<u>(0.39)</u>

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

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	-----Rupees-----	
(Loss) / profit for the period after tax	(275,999,226)	(31,579,613)
Other comprehensive income / (loss) to be reclassified to statement of profit or loss in subsequent periods		
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	-	17,638,561
Related tax	-	(4,687,866)
	-	12,950,695
Total comprehensive (loss) for the period	<u>(275,999,226)</u>	<u>(18,628,918)</u>

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

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2020

	Reserves					
	Capital reserve			Revenue reserve		
	Issued, subscribed and paid-up capital	Capital repurchase reserve account	Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for- sale' financial assets - net	Unappropriated profit	Total
	Rupees					
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,383	751,736,003	2,150,677,076
Profit for the period	-	-	-	-	(31,579,612)	(31,579,612)
Other comprehensive income - net of tax	-	-	-	12,950,695	-	12,950,695
Total comprehensive income for the period	-	-	-	12,950,695	(31,579,612)	(18,628,918)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(2,291,788)	-	2,291,788	-
Balance as at March 31, 2019	801,718,180	198,281,820	171,599,904	238,000,078	722,448,178	2,132,048,160
Balance as at January 01, 2020	617,742,560	-	-	-	1,197,045,225	1,814,787,785
Total comprehensive loss for the period ended March 31, 2020	-	-	-	-	(275,999,226)	-
Balance as at March 31, 2020	617,742,560	-	-	-	921,045,999	1,538,788,559

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

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERM CASH FLOW STATEMENT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	(268,761,348)	(29,604,243)
Adjustment for:		
Remuneration from funds under management - net	(56,962,301)	(52,855,017)
Commission from open end funds under management	(303,664)	(430,638)
Dividend income	-	(5,015,222)
Depreciation expense	18,148,518	16,868,992
Amortisation expense	1,188,183	1,101,781
Financial charges	(8,748,858)	(8,009,856)
Return on bank deposits under interest / mark-up arrangements	(1,451,658)	(876,055)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(6,042,048)	171,695
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	250,008,205	(1,768,754)
Gain on disposal of property and equipment	(3,918,865)	(212,288)
	(76,843,836)	(80,629,605)
Working capital changes		
Loans and advances - considered good	179,703	(531,801)
Trade deposits, short term prepayments and other receivables	(14,537,584)	(2,593,910)
Accrued and other liabilities	6,421,415	(34,212,668)
	(7,936,466)	(37,338,379)
	(84,780,302)	(117,967,984)
Taxes paid - net	(6,585,207)	(6,196,834)
Remuneration and commission received from funds under management	68,090,313	52,578,462
Net cash used in operating activities	(23,275,196)	(71,586,356)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Investments made) / proceeds from sale of investments - net	315,000,000	75,481,546
Payment of lease liability	(44,438,062)	-
Payments for purchase of property, equipment and intangible assets	(2,787,322)	(20,448,671)
Dividends received	-	5,015,222
Return on bank deposits under interest / mark-up arrangements	1,451,658	880,404
Sale proceeds from disposal of property and equipment	10,466,000	1,025,544
Net cash generated from investing activities	279,692,274	61,954,045
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(244,657,856)	-
Financial charges paid	8,748,858	(848,379)
Net cash used in financing activities	(235,908,998)	(848,379)
Net (decrease) / increase in cash and cash equivalents	20,508,079	(10,480,691)
Cash and cash equivalents at beginning of the period	13,440,272	23,014,577
Cash and cash equivalents at end of the period	33,948,351	12,533,886

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

Chief Executive Officer

Director

Chief Financial Officer



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

FOR THE QUARTER ENDED MARCH 31, 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1** JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange Limited since April 24, 2007. The registered office of the Company has been changed from 7th Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi to The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited (which has 84.56 percent direct holding in the Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co. Limited), Ultimate Parent.

The Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

- 1.2** The Company is an asset management company and pension fund manager for the following funds at quarter ended March 31, 2020:

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

Open-end mutual funds

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

Private Equity & Venture Capital fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

2. STATEMENT OF COMPLIANCE

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

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP differ with the requirements of IAS 34, the provisions of the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP have been followed.

- 2.2** The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 237 of the repealed Companies Ordinance, 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.3** This unconsolidated condensed interim financial information do not include all the information and disclosures required in the unconsolidated annual financial statements, and should be read in conjunction with the unconsolidated annual financial statements of the Company as at December 31, 2019.

3. BASIS OF MEASUREMENT

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

4. ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 4.1** The accounting policies adopted for the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the unconsolidated annual financial statements of the Company for the year ended December 31, 2019, except as follows:

4.1.1 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 2 Share-based Payments

IFRS 3 Business Combinations

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial

IFRS 9 - Financial Instruments

IFRS 9 - Prepayment Features with Negative Compensation

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Plan Amendment, Curtailment or Settlement

IAS 28 - Long-term Interests in Associates and Joint Ventures

IFRIC 23 - Uncertainty over income tax treatments

IFRIC 22 Foreign Currency Transactions and Advance Consideration

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

- 4.2 Further, the financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the unconsolidated annual financial statements of the Company for the year ended December 31, 2019.

	Note	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
		----- Rupees -----	
5. PROPERTY AND EQUIPMENT			
Opening written down value		215,524,830	364,873,715
Revaluation		-	329,009,064
Additions during the period	5.1	227,400	174,854,594
Disposals during the period	5.2	(6,547,137)	(609,790,736)
Depreciation for the period		(9,544,360)	(43,421,805)
		<u>199,660,733</u>	<u>215,524,830</u>
Capital work-in-progress - advance against purchase of assets		3,386,777	1,313,212
		<u>251,034,415</u>	<u>259,248,828</u>
		<u>454,081,925</u>	<u>476,086,870</u>

The following additions were made to tangible -

5.1 property and equipment during the period :

Furniture and fixtures	-	12,755,200
Office equipment	227,400	30,506,679
Vehicles	-	4,117,360
Lease hold improvement	-	127,475,355
	<u>227,400</u>	<u>174,854,594</u>

	Note	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
		----- Rupees -----	
5.2 The following disposals of tangible - property and equipment were made during the period / year:			
Office premises		-	(606,831,542)
Furniture and fix		-	(310,235)
Office equipment		(5,913)	(146,347)
Vehicles	5.2.1	(6,541,224)	(2,502,612)
		<u>(6,547,137)</u>	<u>(609,790,736)</u>

- 5.2.1 During the period, six vehicles were sold, one to the employee through a bidding process while the rest of vehicles were sold to the parties who are not related to the Company.

		(Un-Audited) March 31, 2020	(Audited) December 31, 2019
		----- Rupees -----	
6. INTANGIBLE ASSETS			
Opening written down value		15,323,841	16,315,422
Additions during the period / year		92,800	3,610,249
Amortisation for the period / year		(1,188,183)	(4,601,830)
		<u>14,228,458</u>	<u>15,323,841</u>

7. OTHER FINANCIAL ASSETS - INVESTMENTS

At fair value through profit or loss'

Units of mutual funds - related parties	7.1	1,057,979,553	1,616,945,710
Term Finance Certificate	7.2	125,000,000	125,000,000
		<u>1,182,979,553</u>	<u>1,741,945,710</u>

JS Investments Limited

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

Number of Units			(Un-Audited)		(Audited)
March 31, 2020	December 31, 2019		March 31, 2020		December 31, 2019
			Average cost	Fair value	Fair value
			Rupees -----		
806,340	2,925,657	JS Income Fund	81,053,251	83,496,460	294,087,027
3,305	3,305	JSIHFOF-Mustahkem	288,464	232,999	288,464
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	100,030,000	99,990,000
1,234,033	1,716,379	JS Value Fund	245,412,073	174,590,939	341,336,249
1,903,901	1,903,901	JS Growth Fund	322,482,694	232,675,700	322,482,694
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	62,531,631	86,654,082
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	39,648,533	38,530,512
		JS Pension Savings Fund -			
177,463	177,463	Money Market	39,425,272	40,747,375	39,425,272
2,772,987	2,772,987	JS Fund of Funds	162,774,333	122,150,074	162,774,333
		JS Islamic Pension Savings			
182,354	182,354	Fund - Equity	104,609,005	77,102,778	104,609,005
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	49,087,518	50,584,480	49,087,518
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	44,231,701	45,483,269	44,231,701
		JS Islamic Capital Preservation			
157,204	157,204	Allocation Plan 4	16,839,666	14,781,869	16,839,666
153,647	153,647	JS Islamic Capital Preservation	16,609,187	13,923,446	16,609,187
		Allocation Plan 5			
			1,307,987,757	1,057,979,553	1,616,945,710
Unrealized diminution on remeasurement at fair value - net			(250,008,204)	-	-
			1,057,979,553	1,057,979,553	1,616,945,710

7.2 Investment in Debt Security - Term Finance Certificate

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

8. CASH AND BANK BALANCES

Note	(Un-Audited)	(Audited)
	March 31, 2020	December 31, 2019
Rupees		
Cash in hand	99,276	68,045
Cash at bank in:		
Current accounts	1,168,596	1,168,596
Savings accounts	32,680,479	12,203,631
	33,849,075	13,372,227
	33,948,351	13,440,272

8.1 These carry mark-up at the rates ranging from 9.50% to 13.70% (2019: 8.00% to 13.70%) per annum. It includes Rs.30.850 (December 31, 2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).

9. ACCRUED AND OTHER LIABILITIES

9.1 This includes Rs.92.284 (December 31, 2019: Rs.92.284) million the amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

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

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

- 9.2** In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has maintained an aggregate provision of Rs.10.839 (2019: Rs.10.839) million against Sindh Workers' Welfare Fund. The Company has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no.1459 dated June 02, 2017. The said suit is currently pending before the SHC.

10. CONTINGENCIES AND COMMITMENTS

10.1 Commitments in respect of:

Note

Use of name and advisory payment - a related party

(Un-Audited) March 31, 2020	(Audited) December 31, 2019
----- Rupees -----	

11,250,000	15,000,000
-------------------	-------------------

(Un-Audited) Quarter ended

March 31, 2020	March 31, 2019
-------------------	-------------------

----- Rupees -----

11. EARNINGS PER SHARE

Loss for the period

Rupees:

(275,999,226)	(31,579,613)
----------------------	---------------------

Weighted average
number of ordinary
shares outstanding during
the period

Number:

61,774,256	80,171,818
-------------------	-------------------

Loss per share

Rupees:

(4.47)	(0.39)
---------------	---------------

- 11.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2020 and March 31, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

12. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

----- (Un-Audited) -----	
March 31,	March 31,
2020	2019
----- Rupees -----	

12.1 Transaction with related parties

12.1.1 Transactions with the funds under management

Remuneration - net of taxes	56,962,301	52,855,017
Commission Received	303,664	430,638
Amount Paid	20,560,879	10,168,384
Amount Received	14,655,315	9,722,879
Dividend Received	-	5,015,222
Investments made	-	19,518,452
Investments disposed off / matured	315,000,000	95,000,000

12.1.2 Jahangir Siddiqui & Co. Ltd. (JSCL)

Basis of relationship - Ultimate parent company

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

Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	2,397,000	4,197,000
--	------------------	-----------

12.1.3 JS Bank Limited (JSBL)

Basis of relationship - Parent company

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

Rent Received	-	1,615,674
Rent Paid	758,186	870,888
Management fee sharing on distribution of mutual funds	4,500,000	2,960,724
Amount Paid	-	263,072
Amount Received	-	45,656
Return on bank deposits	1,451,658	847,226

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

Basis of relationship - Common directorship of JSCL

Rent Received	-	2,704,176
Amount Paid	-	491,895

12.1.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)

Basis of relationship - Common directorship of JSCL

Rent Received	-	917,910
Amount Paid	-	179,933
Amount Received	720,197	-

----- (Un-Audited) -----
March 31, March 31,
2020 2019
 ----- Rupees -----

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

Basis of relationship - Common directorship of the Group

Rent Received	-	330,940
Amount Paid	-	142,978
Amount Received	-	67,584

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

Basis of relationship - common directorship of the Group

Amount Paid	-	43,093
-------------	---	--------

12.1.8 Associated company - EFU General Insurance

Percentage of shareholding - JSCL holds 21.10%

Insurance premium paid	2,973,958	3,414,543
------------------------	------------------	-----------

12.1.9 Associated company - EFU Life Assurance

Percentage of shareholding - JSCL holds 20.05%

Insurance premium paid	1,168,226	1,564,192
------------------------	------------------	-----------

12.1.10 Associated company - JS Investments Staff Provident Fund (the Fund)

Basis of relationship - Employee benefit plan

Amount Paid	46,006	84,259
Amount Received	46,006	84,259
Provident fund contributions made	2,236,844	2,524,494

12.1.11 Associated company - JS Global Capital Limited (JSGCL)

Basis of relationship - JSBL holds 83.53% shares of JSGCL

Amount Paid	143,162	-
Amount Received	453,296	-

12.1.12 Subsidiary company - JS Abamco Commodities Limited (JSACL)

Basis of Relationship - Subsidiary

Percentage of shareholding - 100% of JSIL

Amount Paid	153,025	30,000
Amount Received	-	30,000

12.1.13 Common Substantial Shareholder - JS Land (Private) Limited

Basis of Relationship - Common Substantial Shareholder

Rent Paid	9,257,360	9,105,600
Amount Paid	3,563,835	-

	(Un-Audited)	
	March 31, 2020	March 31, 2019
	----- Rupees -----	
12.1.14 Transactions made with key management personnel		
Remuneration	32,002,823	31,591,097
Directors fee	175,000	325,000
Disbursements of personal loans and advances	1,103,000	960,000
Repayments of loans and advances	936,824	339,549
Use of name and Advisory for the period	3,750,000	3,750,000
	(Un-Audited)	(Audited)
	March 31, 2020	December 31, 2019
	----- Rupees -----	
12.2 Balance outstanding with related parties		
12.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	142,077,478	145,494,632
Payable to funds under management	3,112,376	3,010,722
12.2.2 Jahangir Siddiqui & Co. Ltd. (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other Receivable	23,372	23,372
Other Payable	-	75,000
Payable Against Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	-	2,397,000
12.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 85.56% shares of JSIL		
Bank Balance	30,849,981	10,717,477
Other Receivable	1,465,064	1,465,065
Rent payable	1,342,802	56,570
Rent receivable	2,409,149	2,409,149
Other payables	4,500,000	5,595,075
Dividend Payable	-	208,947,912
12.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Other Receivable	660,165	660,165
Rent receivable	2,486,352	2,486,352

	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
	----- Rupees -----	
12.2.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)		
Basis of relationship - Common directorship of JSCL		
Other Receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
12.2.6 Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	177,106	177,106
Rent receivable	379,929	379,929
12.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	1,017,169	1,017,169
12.2.8 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other Receivable	626,858	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
12.2.9 Subsidiary company - JS Abamco Commodities Limited (JSACL)		
Basis of relationship - Subsidiary		
Percentage of Shareholding - 100% of the Company		
Other Receivable	440,981	287,956
12.2.10 Common Substantial Shareholder - JS Land (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other Payable	1,449,733	626,010
Other Receivable	242,000	242,000
12.2.11 Outstanding from key management personnel	1,658,800	478,265
12.2.12 Key mangement personnel and directors hold 1,009 shares in the company		
12.3 Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.		
12.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.		

13. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

- Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2:** Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from
- Level 3:** Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,057,979,553	-	1,057,979,553
Term Finance Certificate		125,000,000		125,000,000
	-	1,182,979,553	-	1,182,979,553
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,616,945,710	-	1,616,945,710
Term Finance Certificate		125,000,000		125,000,000
	-	1,741,945,710	-	1,741,945,710



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

13.1.1 Fair values of investment in mutual funds are measured on the basis of closing net asset value as announced by the respective Asset Management Company.

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

13.2 During the period ended March 31, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

14. GENERAL

14.1 In compliance of 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.

14.2 These unconsolidated condensed interim financial information were authorised for issue on April 22, 2020 by the Board of Directors of the Company.

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

14.4 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Director

Chief Financial Officer

DIRECTORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS

For the period ended March 31, 2020

The Directors of your Company feel pleasure in presenting the consolidated financial statements of the Company for the period ended March 31, 2020.

Summary of operating results for the quarter

	Quarter ended March 31, 2020	Quarter ended March 31, 2019
	Rs. (000)	
Shareholders' Equity	1,567,869	2,156,396
Financial Performance		
Income	65,188	60,828
Operating expenses	(87,923)	(100,888)
Operating profit	(22,735)	(40,060)
Other expenses	(33)	(20)
Financial charges	(8,748)	(8,008)
Other operating income/(loss)	(235,603)	19,470
Profit before tax/(loss)	(267,120)	(28,618)
Taxation-net	(7,484)	(2,066)
Profit after tax/(loss)	(274,605)	(30,684)
Earnings/(loss) per share - basic and diluted	(4.45)	(0.38)

Subsidiary Company

JS ABAMCO Commodities Limited

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

Internal Control Framework

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

Board of Directors

During period ended March 31, 2020, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

Name

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

Karachi: April 22, 2020

Director

Chief Executive Officer

31 مارچ، 2020 کو ختم ہونے والی سہ ماہی کیلئے مجموعی مالیاتی تفصیلات پر حصص یافتگان کیلئے ڈائریکٹرز کی رپورٹ

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2020 کو ختم ہونے والی سہ ماہی کیلئے کمپنی کی مجموعی مالیاتی تفصیلات کو پیش کرتا ہوں۔

مذکورہ مدت کے فعال نتائج کا خلاصہ	31 مارچ، 2020 کی	31 مارچ، 2019 کی
شیئرز ہولڈرز ایکویٹی	اختتامی مدت	اختتامی مدت
مالیاتی کارکردگی	(000) روپے	
	1,567,869	2,156,396
آمدنی	65,188	60,828
آپریٹنگ اخراجات	(87,923)	(100,888)
آپریٹنگ منافع	(22,735)	(40,060)
دیگر اخراجات	(33)	(20)
فنانسل چارجز	(8,748)	(8,008)
دیگر فعال آمدنی (نقصان)	(235,603)	19,470
منافع (نقصان) قبل از ٹیکس	(267,120)	(28,618)
خالص ٹیکس	(7,484)	(2,066)
منافع بعد از ٹیکس (نقصان)	(274,605)	(30,684)
منافع (نقصان) فی حصص - پیسک اور ڈائیلیونڈ	(4.45)	(0.38)

ذیلی کمپنی

جے ایس اینکو کوڈ ٹیر لمیٹڈ

جے ایس اینکو کوڈ ٹیر لمیٹڈ (کمپنی) کمپنیز آرڈیننس 1984 کے تحت 25 ستمبر 2007 کو پاکستان میں بحیثیت پبلک لمیٹڈ کمپنی قائم ہوئی اور جے ایس اینکو ٹینٹس لمیٹڈ (دی ہولڈنگ کمپنی) کی مکمل ملکیتی ذیلی کمپنی ہے۔ کمپنی کا بنیادی مقصد کموڈٹی مارکیٹ میں کاروبار اور متعلقہ بروکرینج، ایڈوائزری اور مشاورتی خدمات فراہم کرنا ہے۔ کمپنی نے کموڈٹی بروکرینج اور متعلقہ مشاورتی خدمات کا آپریشن بینکس شیٹ کی تاریخ تک شروع کیا۔

انٹرل کنٹرول فریم ورک

کمپنی کے بورڈ آف ڈائریکٹرز یہ یقینی بنانے کے ذمہ دار ہیں کہ کمپنی کے انٹرل کنٹرول فنکشنل کنٹرولز سسٹمز مناسب اور موثر ہیں۔

بورڈ آف ڈائریکٹرز

تختہ مدت 31 مارچ 2020 کے دوران JS ABAMCO کموڈ ٹیر لمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے۔

نام

جناب حسین رضا نینسی

جناب منور عالم صدیقی

جناب محمد خاور اقبال

جناب ملک ظفر جاوید

کراچی: 22 اپریل، 2020

CONSOLIDATED CONDENSED STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2020

	Note	March 31, 2020	December 31, 2019
		-----Rupees-----	
ASSETS			
Non - current assets			
Property and equipment	5	454,081,925	476,086,870
Intangible assets	6	14,228,458	15,323,841
Advance for office premises		2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)		1,000,000	1,000,000
Long-term loans and prepayments - considered good		3,256,104	3,387,150
		475,066,487	498,297,861
Current assets			
Balances due from funds under management - related parties		112,249,591	123,073,939
Loans and advances - considered good		3,924,842	3,973,499
Trade deposits, short term prepayments and other receivables		74,142,592	59,588,008
Other financial assets - investments	7	1,246,739,950	1,803,840,399
Taxation - net		87,876,684	88,528,207
Cash and bank balances	8	34,384,828	13,866,415
		1,559,318,487	2,092,870,467
Total assets		2,034,384,974	2,591,168,328
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		617,742,560	617,742,560
Unappropriated profit		950,126,453	1,224,732,253
		1,567,869,013	1,842,474,813
LIABILITIES			
Non - current liabilities			
Liability against assets subject to finance lease		220,469,504	264,907,566
Deferred tax liability - net		553,192	306,446
Current liabilities			
Accrued and other liabilities	9	193,346,695	186,675,076
Dividend payable			247,097,024
Unclaimed dividend		5,391,973	2,952,805
Current maturity of liability against assets subject to finance lease		46,754,598	46,754,598
Total liabilities		466,515,962	748,693,515
Total equity and liabilities		2,034,384,974	2,591,168,328
Contingencies and commitments			

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2020

Note	March 31, 2020	March 31, 2019
	-----Rupees-----	
INCOME		
Remuneration from funds		
under management - gross	64,367,400	59,726,169
Less: Sindh sales tax	(7,405,099)	(6,871,152)
	<u>56,962,301</u>	<u>52,855,017</u>
Commission from open end funds under management	303,664	430,638
Dividend income	-	5,015,222
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss	(248,142,498)	1,768,754
Net gain on sale of investments	6,042,048	973,862
Return on bank deposits under interest / mark-up arrangements	1,463,140	880,128
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	416,965	672,761
	(182,954,380)	62,596,382
Administrative expenses	(62,202,131)	(78,394,501)
Selling and distribution expenses	(25,721,117)	(22,493,506)
OPERATING PROFIT/(LOSS)	<u>(270,877,628)</u>	<u>(38,291,625)</u>
Other expenses	33,479	20,125
Financial charges	8,748,858	8,008,181
	<u>(279,659,965)</u>	<u>(46,319,931)</u>
Other (loss) / income	12,539,089	17,701,799
(Loss) / profit for the period before tax	<u>(267,120,876)</u>	<u>(28,618,132)</u>
Income tax		
- Current	7,237,878	6,663,236
- Deferred	246,747	(4,597,223)
	<u>7,484,625</u>	<u>2,066,012</u>
(Loss) / profit for the period after tax	<u>(274,605,502)</u>	<u>(30,684,145)</u>
(Loss) / earnings per share for the period - basic and diluted	11 <u>(4.45)</u>	<u>(0.38)</u>

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	-----Rupees-----	
(Loss) / profit for the period after tax	(274,605,502)	(30,684,145)
Other comprehensive income / (loss) to be reclassified to statement of profit or loss in subsequent periods		
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	-	17,638,561
Related tax	-	(4,687,866)
		12,950,695
Total comprehensive (loss) / income for the period	<u>(274,605,502)</u>	<u>(17,733,451)</u>

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2020

	Reserves					
	Capital reserve			Revenue reserve		
	Issued, subscribed and paid-up capital	Capital repurchase reserve account	Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for- sale' financial assets - net	Unappropriated profit	Total
	Rupees					
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,383	775,188,683	2,174,129,756
Profit for the period	-	-	-	-	(30,684,145)	(30,684,145)
Other comprehensive income - net of tax	-	-	-	12,950,695	-	12,950,695
Total comprehensive income for the period	-	-	-	12,950,695	(30,684,145)	(17,733,451)
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(2,291,788)	-	2,291,788	-
Balance as at March 31, 2019	801,718,180	198,281,820	171,599,904	238,000,078	746,796,326	2,156,396,308
Balance as at January 01, 2020	617,742,560	-	-	-	1,224,731,955	1,842,474,515
Total comprehensive income for the period ended March 31, 2020	-	-	-	-	(274,605,502)	-
Balance as at March 31, 2020	617,742,560	-	-	-	950,126,453	1,567,869,013

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

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2020

	March 31, 2020	March 31, 2019
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit for the period before taxation	(267,120,876)	(28,618,133)
Adjustment for:		
Remuneration from funds under management - net	(56,962,301)	(52,855,017)
Commission from open end funds under management	(303,664)	(430,638)
Dividend income	-	(5,015,222)
Depreciation expense	18,148,518	16,868,992
Amortisation expense	1,188,183	1,101,781
Financial charges	(8,748,858)	8,009,856
Return on bank deposits under interest / mark-up arrangements	(1,463,140)	(876,055)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(6,042,048)	(973,862)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	248,142,498	(1,768,754)
Gain on disposal of property and equipment	(3,918,865)	(212,288)
	(77,080,553)	(64,769,340)
Working capital changes		
Loans and advances - considered good	179,703	(531,801)
Trade deposits, short term prepayments and other receivables	(14,554,584)	(2,667,316)
Accrued and other liabilities	6,671,619	(34,222,997)
	(7,703,262)	(37,422,114)
	(84,783,815)	(102,191,454)
Taxes paid - net	(6,833,103)	(6,197,246)
Remuneration and commission received from funds under management	68,090,313	52,578,462
Net cash used in operating activities	(23,526,605)	(55,810,238)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Investments made) / proceeds from sale of investments - net	314,999,999	75,481,546
Payment of lease liability	(44,191,316)	-
Payments for purchase of property, equipment and intangible assets	(2,783,807)	(20,448,671)
Dividends received	-	5,015,222
Return on bank deposits under interest / mark-up arrangements	1,463,140	880,404
Sale proceeds from disposal of property and equipment	10,466,000	1,025,544
Net cash generated from investing activities	279,954,016	61,954,046
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(244,657,856)	-
Financial charges paid	8,748,858	(848,380)
Net cash used in financing activities	(235,908,998)	(848,380)
Net (decrease) / increase in cash and cash equivalents	20,518,413	5,295,427
Cash and cash equivalents at beginning of the period	13,866,415	23,353,557
Cash and cash equivalents at end of the period	34,384,828	28,648,985

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

Chief Executive Officer

Director

Chief Financial Officer



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

FOR THE QUARTER ENDED MARCH 31, 2020

1. STATUS AND NATURE OF BUSINESS

- 1.1** JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the repealed Companies Ordinance, 1984. The shares of the Company are quoted on the Pakistan Stock Exchange Limited since April 24, 2007. The registered office of the Company has been changed from 7th Floor, The Forum, Khayaban-e-Jami, Clifton, Karachi to The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited (which has 84.56 percent direct holding in the Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co. Limited), Ultimate Parent.

The Company has obtained the license of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license from Securities and Exchange Commission of Pakistan (SECP).

- 1.2** The Company is an asset management company and pension fund manager for the following funds at quarter ended March 31, 2020:

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

Open-end mutual funds

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

Private Equity & Venture Capital fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

2. STATEMENT OF COMPLIANCE

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

JS Investments Limited

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);
- Provisions of and directives issued under the Companies Act, 2017;
- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions of the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP differ with the requirements of IAS 34, the provisions of the Act, the NBFC Rules, the NBFC Regulations or directives issued under the Act or by the SECP have been followed.

- 2.2** The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and section 237 of the repealed Companies Ordinance, 1984 will not be applicable with respect to the investment in mutual funds established under Trust structure.
- 2.3** This consolidated condensed interim financial information do not include all the information and disclosures required in the consolidated annual financial statements, and should be read in conjunction with the consolidated annual financial statements of the Company as at December 31, 2019.

3. BASIS OF MEASUREMENT

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

4. ACCOUNTING POLICIES AND FINANCIAL RISK MANAGEMENT

- 4.1** The accounting policies adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the consolidated annual financial statements of the Company for the year ended December 31, 2019, except as follows:

4.1.1 New / Revised Standards, Interpretations and Amendments

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

Standard or Interpretation

IFRS 2 Share-based Payments

IFRS 3 Business Combinations

IFRS 4 Insurance Contracts: Applying IFRS 9 Financial

IFRS 9 - Financial Instruments

IFRS 9 - Prepayment Features with Negative Compensation

IFRS 15 - Revenue from Contracts with Customers

IFRS 16 - Leases

IAS 19 - Plan Amendment, Curtailment or Settlement

IAS 28 - Long-term Interests in Associates and Joint Ventures

IFRIC 23 - Uncertainty over income tax treatments

IFRIC 22 Foreign Currency Transactions and Advance Consideration

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

- 4.2** Further, the financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the consolidated annual financial statements of the Company for the year ended December 31, 2019.

		(Un-Audited) March 31, 2020	(Audited) December 31, 2019
	Note	----- Rupees -----	
5. PROPERTY AND EQUIPMENT			
Opening written down value		215,524,830	364,873,715
Revaluation		-	329,009,064
Additions during the period	5.1	227,400	174,854,594
Disposals during the period	5.2	(6,547,137)	(609,790,736)
Depreciation for the period		(9,544,360)	(43,421,805)
		<u>199,660,733</u>	<u>215,524,830</u>
Capital work-in-progress - advance against purchase of assets		3,386,777	1,313,212
		<u>251,034,415</u>	<u>259,248,828</u>
		<u>454,081,925</u>	<u>476,086,870</u>

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

Furniture and fixtures	-	12,755,200
Office equipment	227,400	30,506,679
Vehicles	-	4,117,360
Lease hold improvement	-	127,475,355
	<u>227,400</u>	<u>174,854,594</u>

		(Un-Audited) March 31, 2020	(Audited) December 31, 2019
	Note	----- Rupees -----	
5.2 The following disposals of tangible - property and equipment were made during the period / year:			
Office premises		-	(606,831,542)
Furniture and fixtures		-	(310,235)
Office equipment		(5,913)	(146,347)
Vehicles	5.2.1	(6,541,224)	(2,502,612)
		<u>(6,547,137)</u>	<u>(609,790,736)</u>

5.2.1 During the period, six vehicles were sold, one to the employee through a bidding process while the rest of vehicles were sold to the parties who are not related to the Company.

		(Un-Audited) March 31, 2020	(Audited) December 31, 2019
		----- Rupees -----	
6. INTANGIBLE ASSETS			
Opening written down value		15,323,841	16,315,422
Additions during the period / year		92,800	3,610,249
Amortisation for the period / year		(1,188,183)	(4,601,830)
		<u>14,228,458</u>	<u>15,323,841</u>

7. OTHER FINANCIAL ASSETS - INVESTMENTS

At fair value through profit or loss'

Units of mutual funds - related parties	7.1	1,121,739,950	1,678,840,399
Term Finance Certificate	7.2	125,000,000	125,000,000
		<u>1,246,739,950</u>	<u>1,803,840,399</u>

JS Investments Limited

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

Number of Units			(Un-Audited)		(Audited)
March 31, 2020	December 31, 2019		March 31, 2020		December 31, 2019
			Average cost	Fair value	Fair value
				Rupees	
1,422,085	3,504,221	JS Income Fund	142,947,941	147,256,857	355,981,716
3,305	3,305	JSIHFOF-Mustahkem	288,464	232,999	288,464
1,000,000	1,000,000	JS Picture Motion Fund	99,990,000	100,030,000	99,990,000
1,234,033	1,716,379	JS Value Fund	245,412,073	174,590,939	341,336,249
1,903,901	1,903,901	JS Growth Fund	322,482,694	232,675,700	322,482,694
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	62,531,631	86,654,082
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	39,648,533	38,530,512
		JS Pension Savings Fund -			
177,463	177,463	Money Market	39,425,272	40,747,375	39,425,272
2,772,987	2,772,987	JS Fund of Funds	162,774,333	122,150,074	162,774,333
		JS Islamic Pension Savings			
182,354	182,354	Fund - Equity	104,609,005	77,102,778	104,609,005
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	49,087,518	50,584,480	49,087,518
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	44,231,701	45,483,269	44,231,701
		JS Islamic Capital Preservation			
157,204	157,204	Allocation Plan 4	16,839,666	14,781,869	16,839,666
153,647	153,647	JS Islamic Capital Preservation	16,609,187	13,923,446	16,609,187
		Allocation Plan 5			
			1,369,882,447	1,121,739,950	1,678,840,399
Unrealized appreciation on					
remeasurement at fair value - net			(248,142,497)	-	-
			1,121,739,950	1,121,739,950	1,678,840,399

7.2 Investment in Debt Security - Term Finance Certificate

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

(Un-Audited) March 31, 2020	(Audited) December 31, 2019
----- Rupees -----	

8. CASH AND BANK BALANCES

	Note	99,276	68,045
Cash in hand			
Cash at bank in:			
Current accounts		1,188,796	1,168,596
Savings accounts	8.1	33,096,756	12,203,631
		34,285,552	13,372,227
		<u>34,384,828</u>	<u>13,440,272</u>

8.1 These carry mark-up at the rates ranging from 9.50% to 13.70% (2019: 8.00% to 13.70%) per annum. It includes Rs.30.850 (December 31, 2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).

9. ACCRUED AND OTHER LIABILITIES

9.1 This includes Rs.92.284 (December 31, 2019: Rs.92.284) million the amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

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

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

- 9.2** In view of promulgation of Sindh Workers' Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has maintained an aggregate provision of Rs.10.839 (2019: Rs.10.839) million against Sindh Workers' Welfare Fund. The Company has challenged the said amendment at the forum of the Honorable Sindh High Court (SHC) through suit no.1459 dated June 02, 2017. The said suit is currently pending before the SHC.

10. CONTINGENCIES AND COMMITMENTS

10.1 Commitments in respect of:

Use of name and advisory payment - a related party

(Un-Audited) March 31, 2020	(Audited) December 31, 2019
----- Rupees -----	
11,250,000	15,000,000

11. EARNINGS PER SHARE

		(Un-Audited) Quarter ended March 31, 2020	March 31, 2019
		----- Rupees -----	
Profit for the period	Rupees:	(274,605,502)	(30,684,145)
Weighted average number of ordinary shares outstanding during the period	Number:	61,774,256	80,171,818
Earnings per share	Rupees:	(4.45)	(0.38)

- 11.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2020 and March 31, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

12. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

----- (Un-Audited) -----
March 31, March 31,
2020 2019
 ----- Rupees -----

12.1 Transaction with related parties

12.1.1 Transactions with the funds under management

Remuneration - net of taxes	56,962,301	52,855,017
Commission Received	303,664	430,638
Amount Paid	20,560,879	10,168,384
Amount Received	14,655,315	9,722,879
Dividend Received	-	5,015,222
Investments made	-	19,518,452
Investments disposed off / matured	315,000,000	95,000,000

12.1.2 Jahangir Siddiqui & Co. Ltd. (JSCL)

Basis of relationship - Ultimate parent company

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

Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	2,397,000	4,197,000
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12.1.3 JS Bank Limited (JSBL)

Basis of relationship - Parent company

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

Rent Received	-	1,615,674
Rent Paid	758,186	870,888
Management fee sharing on distribution of mutual funds	4,500,000	2,960,724
Amount Paid	-	263,072
Amount Received	-	45,656
Return on bank deposits	1,451,658	847,226

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

Basis of relationship - Common directorship of JSCL

Rent Received	-	2,704,176
Amount Paid	-	491,895

12.1.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)

Basis of relationship - Common directorship of JSCL

Rent Received	-	917,910
Amount Paid	-	179,933
Amount Received	720,197	-

		----- (Un-Audited) -----	
		March 31, 2020	March 31, 2019
		----- Rupees -----	
12.1.6	Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
	Basis of relationship - Common directorship of the Group		
	Rent Received	-	330,940
	Amount Paid	-	142,978
	Amount Received	-	67,584
12.1.7	Associated company - Fakhr-e-Imdad Foundation (FIF)		
	Basis of relationship - common directorship of the Group		
	Amount Paid	-	43,093
12.1.8	Associated company - EFU General Insurance		
	Percentage of shareholding - JSCL holds 21.10%		
	Insurance premium paid	2,973,958	3,414,543
12.1.9	Associated company - EFU Life Assurance		
	Percentage of shareholding - JSCL holds 20.05%		
	Insurance premium paid	1,168,226	1,564,192
12.1.10	Associated company - JS Investments Staff Provident Fund (the Fund)		
	Basis of relationship - Employee benefit plan		
	Amount Paid	46,006	84,259
	Amount Received	46,006	84,259
	Provident fund contributions made	2,236,844	2,524,494
12.1.11	Associated company - JS Global Capital Limited (JSGCL)		
	Basis of relationship - JSBL holds 83.53% shares of JSGCL		
	Amount Paid	143,162	-
	Amount Received	453,296	-
12.1.12	Common Substantial Shareholder - JS Land (Private) Limited		
	Basis of Relationship - Common Substantial Shareholder		
	Rent Paid	9,257,360	9,105,600
	Amount Paid	3,563,835	-
12.1.13	Transactions made with key management personnel		
	Remuneration	32,002,823	31,591,097
	Directors fee	175,000	325,000
	Disbursements of personal loans and advances	1,103,000	960,000
	Repayments of loans and advances	936,824	339,549
	Use of name and Advisory for the period	3,750,000	3,750,000

	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
	----- Rupees -----	
12.2 Balance outstanding with related parties		
12.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	142,077,478	145,494,632
Payable to funds under management	3,112,376	3,010,722
12.2.2 Jahangir Siddiqui & Co. Ltd. (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other Receivable	23,372	23,372
Other Payable	-	75,000
Payable Against Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	-	2,397,000
12.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 85.56% shares of JSIL		
Bank Balance	30,849,981	10,717,477
Other Receivable	1,465,064	1,465,065
Rent payable	1,342,802	56,570
Rent receivable	2,409,149	2,409,149
Other payables	4,500,000	5,595,075
Dividend Payable	-	208,947,912
12.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Other Receivable	660,165	660,165
Rent receivable	2,486,352	2,486,352
12.2.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)		
Basis of relationship - Common directorship of JSCL		
Other Receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
12.2.6 Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	177,106	177,106
Rent receivable	379,929	379,929
12.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	1,017,169	1,017,169

	(Un-Audited) March 31, 2020	(Audited) December 31, 2019
	----- Rupees -----	
12.2.8 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other Receivable	626,858	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
12.2.9 Common Substantial Shareholder - JS Land (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other Payable	1,449,733	626,010
Other Receivable	242,000	242,000
12.2.10 Outstanding from key management personnel	1,658,800	478,265
12.2.11 Key management personnel and directors hold 1,009 shares in the company		
12.3 Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.		
12.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.		

13. FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

Level 1:	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2:	Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
Level 3:	Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

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

	March 31, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,121,739,950	-	1,121,739,950
Term Finance Certificate		125,000,000		125,000,000
	-	1,246,739,950	-	1,246,739,950
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,678,840,399	-	1,678,840,399
Term Finance Certificate		125,000,000		125,000,000
	-	1,803,840,399	-	1,803,840,399

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

13.1.1 Fair values of investment in mutual funds are measured on the basis of closing net asset value as announced by the respective Asset Management Company.

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

13.2 During the period ended March 31, 2020, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

14. GENERAL

14.1 In compliance of 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.

14.2 These consolidated condensed interim financial information were authorised for issue on April 22, 2020 by the Board of Directors of the Company.

14.3 The figures in the consolidated condensed interim financial information have been rounded off to the nearest rupee.

14.4 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Director

Chief Financial Officer

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