

# JS Investments Limited

Half Yearly Report for the period  
ended June 30, 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	Chairman
Mr. Hasnain Raza Nensey	Chief Executive Officer
Mr. Babbar Wajid	Non-Executive Director
Syed Tauqir Haider Rizvi*	Non-Executive Director
Mr. Hasan Shahid	Non-Executive Director
Mr. Tahir Ali Sheikh	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Independent Director/ Non-Executive Director
Mr. Asif Reza Sana	Independent Director/ Non-Executive Director

### Chief Executive

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 (CDCSRSL)"  
CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi

### Registered Office

JS Investments Limited  
19th Floor, The Centre, Plot # 28,  
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Karachi-75600  
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E-mail: info@jsil.com  
Website: www.jsil.com

\*Syed Tauqir Haider Rizvi resigned on August 07, 2020.



## DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE HALF YEAR ENDED JUNE 30, 2020

We are pleased to present the unconsolidated audited financial statements and auditors' report of JS Investments Limited (JSIL) for the half year ended June 30, 2020.

### Economy Review:

First half of the calendar year 2020 (1HCY20) began with clear signs of an economic recovery in the making. Most notably, the Current Account Deficit contracted sharply from USD 11.8 billion to USD 3.4 billion, down 71% Calendar year to date (CYTD). The contraction was mainly due to 29% reduction in the trade deficit, 23% reduction in the services deficit and a 4% improvement in remittances.

Similarly Consumer Price Index (CPI) inflation fell from 14.6% in January 2020 to 8.59% by June 2020. Inflation fell due to the impact of the high-base carried over from last year, declining food inflation, low level of PKR devaluation and the generally low oil of oil prices emanating from the COVID crisis.

Pakistan's reserve position remained stable with overall reserves down 0.6% to US Dollar (USD) 17.9 billion from USD 18 billion in December 2019.

Starting February 2020, the COVID pandemic spread within Pakistan as well. Resultantly, the market corrected sharply as lockdowns were imposed across the country halting most economic activity. The fiscal deficit, which had remained benign over the past 9 months (March 2020 fiscal deficit came in at 1.6%), expanded sharply as the government introduced a COVID relief package and tax collection fell due to the imposition of lockdowns. The fiscal deficit for 1HCY20 is estimated at around 7%, with the majority of the over run in the June ending quarter.

The State Bank of Pakistan reacted swiftly to the ensuing crisis with a 625bps reduction in the Policy Rate over several emergency monetary policy committee meetings. The Policy Rate saw one of the sharpest contractions in history with the rate declining from 13.25% to 7% over the span of a few months.

### Income / Money Market Review:

During the second half of financial year 2020 (2HFY20), the breakout of the Covid-19 pandemic seriously affected the Pakistan economy. Furthermore, Consumer Price Index (CPI) from January onwards declined sharply from 14.6% in January 2020 to 8.6% in June 2020. State Bank of Pakistan has aggressively cut the policy rate from a 13.25% to 7% in a short period of three months to stimulate growth and support businesses, hence there has been high volatility in the fixed income market. The cumulative reduction in the policy rate since mid-March is 625 basis points. This has led the yield curve, once again, to become upward sloping with longer term PIBs returning a higher yield than the shorter tenor T-Bills.

The fixed income market has remained highly volatile, due to which investments remained highly concentrated at the short-end of the yield curve. During 2HFY20, the SBP held bi-monthly T-Bill auctions where the borrowed amount was PKR 4,836 billion. The Government borrowed PKR 696 billion in PIBs in the same time period.

In 10-year maturity Floating Rate Pakistan Investment Bonds, government borrowed PKR 413 billion with an average spread of 42 basis points over six months weighted averaged T-Bill cut-off.

The average 3 months, 6 months and 9 months KIBOR for 2HFY20 decreased in the range of 560 - 605 bps over the previous half year (ended December 2019) to close at 7.26%, 7.24% and 7.35%, respectively, post policy rate decrease of 625 basis points by SBP.

During 2HFY20, PKR 197 billion worth of Government of Pakistan (GoP) Ijarah Sukuks have been issued against a target of 225 billion. The Islamic money market segment remained quite active due to the fresh issuances in 2HFY20. In doing so, the Central Bank achieved the twin objectives of stimulating trading in Shariah-compliant debt securities, and to help plug part of the budget gap amid the spread of COVID-19 in Pakistan.

Ministry of Energy issued Pakistan Energy Sukuk-2 worth PKR 200 billion during 2HFY20 to resolve the circular debt crisis as several companies in the energy sector are facing cash constraints. The Sukuk has been declared Statutory Liquidity Ratio (SLR) eligible by the SBP. Pakistan Energy Sukuk-2 has the same structure, as that of its predecessors, with semiannual rental payments (6-month KIBOR minus 10 basis points).

# JS Investments Limited

Interest rates may have bottomed out as the real interest rate differential is now close to zero.

## Equity Market Review:

The KSE 100 index fell by 15.5% to 34,421 points during the period under review. However, during this time frame, the index touched a low of 27,229 in March'20 as the COVID crisis caused turmoil in global financial markets. Thereafter from April'20 onwards, the KSE 100 Index recovered 7,193 points to close the period under review with a net decline as stated above.

On a CYTD basis, Cement, Pharmaceuticals and Technology and Communication were the largest contributors to KSE 100 Index performance with 430 points, 197 points and 146 points respectively. Commercial Banks, Oil & Gas Exploration, Power Generation and Oil & Gas Marketing were the largest negative contributors with 2,866 points, 1,430 points, 665 points and 548 points respectively.

Cements and Pharmaceuticals outperformed the market, the former due to expectations of margin expansion and the latter due to anticipation of higher pharmaceutical sales and one-off sales of COVID 19 related drugs. Banks were the largest underperformers during the half year due to the negative impact of lower interest rates on margins followed by Oil Exploration & Production (E&P) which declined due to lower oil prices.

Foreigners were net sellers of USD 292 million in 1HCY20 (corresponding numbers were net buyers of USD 48 million in 1HCY19 and USD 64 million in 1HCY18). On the local front, Mutual Funds remained net buyers with the equivalent of USD 2.5 million inflow while Insurance and Banks remained net buyers with equivalent of USD 147 million and USD 35 million inflow respectively.

## Mutual Fund Industry Review:

At the end of 1HCY20, Assets Under Management (AUM) of the mutual fund industry stood at PKR 759 billion (excluding Fund of Funds structures) showing a growth of 12.8% (PKR 86 billion) from a December 2019 level of PKR 673 billion. The first-half of CY2020 was a very volatile period with COVID-19 and the resulting socio-economic worries dominating the headlines. The equity markets declined sharply during the first quarter, only to recover in the second quarter. SBP cut policy-rates from 13% to 7% in order to support the economy reeling from COVID-19 impacts. Customers adopted a risk-averse strategy and favored Income and Money market funds which enjoyed a massive inflow of PKR 100Bn during the period. All other categories on an aggregate basis registered an outflow of PKR 22Bn during the period – therefore the net inflow was around PKR 78Bn.

## Company's Performance Review:

JSIL posted a net loss of PKR 175.02 million as of June 30, 2020 which translates into loss per share of PKR 2.83. JSIL recorded total revenue of PKR. 128.84 million, compared to PKR 126.51 million during the corresponding period (other than unrealized loss/income). JSIL earned management remuneration from funds under management (incl. SMAs) of PKR 98.60 million compared to PKR 103.79 million during the corresponding period. Unrealized loss on the portfolio was recorded at PKR 118.87 million which is showed an improvement from the Q1 position of PKR 250.00 million where market had declined significantly. We have seen a smart recovery in the equity portfolio values of the AMC till June'20. Needless to say, the recovery of mutual fund / vps portfolio values beyond June'20 has also been very astounding and is expected to contribute positively to the profitability of the AMC in the second half of CY'20.

The assets under management (Including Separately Managed Accounts and Fund of Funds) were PKR. 20.6 billion, compared to PKR 25.14 billion as at December 31, 2019 depicting a decrease of 23% mainly due to maturity of two tranches of the Capital Preservation Series plans.

## Future Outlook

The recovery in Equity markets in 2QCY20 coupled with the sharp decline in interest rates means that equity-market will continue to look attractive to medium /long-term investors. However, the volatility in equity markets is likely to continue as the world grapples with impending recession in developed markets. Overall, it is expected that the allocation by investors towards the equity space in mutual funds is likely to increase which



augurs well for earnings of the AMC. In the income / money market space, we are in the process of launching the JS Islamic Daily Dividend Fund for catering to the cash management needs of Shariah Compliant preference customers. Given the low return profile on fixed income assets, it is expected that the competition on fee levels may become fiercer in times to come in income / money market funds.

We are pleased to report that the Securities and Exchange Commission of Pakistan (SECP) has also granted JSIL a license for Real Estate Investment Trust (REIT) Management. This is a very promising area given the overall dynamics of the Pakistan Real Estate market and we feel that this will also provide the right level of diversification to the AuMs.

The SECP has also granted us an approval for the JS Alpha Fund (Venture Capital Fund to be operated under our Private Equity & Venture Capital license. Given the market conditions around the COVID-19 pandemic, we have delayed the launch of this fund and will be re-evaluating the same in Q3/Q4 2020.

### 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

Karachi: August 18, 2020

Director

Hasnain Raza Nensey  
Chief Executive Officer

## جے ایس انویسٹمنٹس لمیٹڈ

### شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ ششماہی 30 جون 2020

ہم 30 جون 2020 کو ختم ہونے والی ششماہی کے لیے جے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے غیر مجتمع آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

#### معیشت کا جائزہ

کلینڈر رسالہ 2020 کی پہلی ششماہی میں (1HCY20) معاشی بحالی کے عمل کی واضح علامات شروع ہو گئیں۔ خاص طور پر کرنٹ اکاؤنٹ کا خسارہ 11.8 امریکی ڈالر سے تیزی کے ساتھ کم ہو کر 3.4 بلین امریکی ڈالر ہو گیا جو کلینڈر رسالہ کے آغاز سے اب تک (CYTD)، 71% کم ہو گیا۔ اس کا بڑا سبب تجارتی خسارے میں 29%، خدمات کے خسارے میں 23% اور ترسیل زر میں 4% بہتری آنا تھی۔

اسی طرح کزن پرمپر پکس انڈیکس (CPI) یا افراط زر جو جنوری 2020 میں 14.6% تھا گر کر جون 2020 میں 8.59% ہو گیا۔ افراط زر میں کمی کی وجہ گزشتہ سال کے بھاری تباہی جات کا اثر، خوراک کے افراط میں کمی، پاکستانی روپے کی قدر میں کمی کی کم سطح اور COVID کے نتیجے میں اس کی اور اس کی قیمتوں کا کم ہونا تھی۔

پاکستان کے رپڑوں کی صورتحال متحکم رہی اور مجموعی طور پر رپڑوں جو دسمبر 2019 میں 18 بلین امریکی ڈالر تھے 0.6% کی کمی سے 17.9 بلین امریکی ڈالر ہو گئے۔ فروری 2020 میں پاکستان میں بھی COVID کی عالمی وبا پھیلتا شروع ہوئی۔ اس کے نتیجے میں مارکیٹ تیزی سے صحیح ہو گئی تھی کیونکہ ملک بھر میں لاک ڈاؤن نافذ کر دیا گیا جس سے تمام معاشی سرگرمیاں معطل ہو گئیں۔ مالیاتی خسارہ جو گزشتہ 9 ماہ میں مناسب رہا تھا (مارچ 2020 میں مالیاتی خسارہ 1.6% تھا) تیزی سے بڑھنے لگا جس کی وجہ حکومت کی جانب سے COVID ریلیف پیکج متعارف کرانا اور لاک ڈاؤن کے نافذ سے ٹیکس کی وصولی میں کمی آنا تھی۔ کلینڈر رسالہ 2020 کی پہلی ششماہی (1HCY20) میں مالیاتی خسارے کا تخمینہ تقریباً 7% ہے جس میں زیادہ تر جون میں ختم ہونے والی سامانی میں بڑھنے کی توقع ہے۔

اسٹیٹ بینک آف پاکستان نے آنے والے بحران پر فوری رد عمل کا اظہار کرتے ہوئے متعدد ہنگامی مانیٹری پالیسی کمیٹی کی میٹنگز کے بعد پالیسی ریٹ میں 625bps کی کمی کر دی۔ پالیسی ریٹ میں تاریخ کی تیز ترین کمی آئی جو چند ماہ کے اندر 13.25% سے کم ہو کر 7% پر آ گیا۔

#### انکم / منی مارکیٹ کا جائزہ

مالیاتی سال 2020 کی دوسری ششماہی (2HFY20) میں Covid-19 کی عالمی وبا کے پھیلنے سے پاکستانی معیشت بری طرح متاثر ہوئی۔ اس کے علاوہ جنوری سے کزن پرمپر پکس انڈیکس (CPI) تیزی سے گرنا شروع ہوا جو جنوری 2020 میں 14.6% تھا، جون 2020 میں 8.6% ہو گیا۔ اسٹیٹ بینک آف پاکستان نے تین ماہ کی قلیل مدت میں پالیسی ریٹ 13.25% سے ایک دم گھٹا کر 7% کر دیا تاکہ کاروبار کو فروغ اور تعاون حاصل ہو، ابھڑا قسڈ انکم مارکیٹ میں بہت زیادہ اتار چڑھاؤ کی کیفیت پیدا ہو گئی۔ وسط مارچ سے پالیسی ریٹ میں مجموعی طور پر 625 بیس پوائنٹس کی کمی آئی۔ اس سے نتائج میں ایک بار پھر ختم پیدا ہو گیا اور چڑھاؤ کے ساتھ طویل المدت PIBs کے نتائج قلیل المدت کے T-Bills سے زیادہ ہو گئے۔

قسطہ انکم مارکیٹ میں شدیدا متاثر چڑھاؤ رہا جس کے باعث نتائج کے ختم کے شرات اینڈ پرمپر مایہ کاری بہت زیادہ محدود ہو گئی۔ 2HFY20 کے دوران اسٹیٹ بینک آف پاکستان (SBP) نے ٹی بڑ کے دو ماہیہ نیلام کا انعقاد کیا جہاں 4,836 بلین پاکستانی روپے کا قرضہ حاصل ہوا۔ اسی مدت کے دوران حکومت پاکستان نے PIBs میں 696 بلین پاکستانی روپے کا قرضہ حاصل کیا۔

10 سالہ تکمیل (maturity) کے فلوئنگ ریٹ پاکستان انویسٹمنٹ بانڈز نے حکومت نے 413 بلین پاکستانی روپے کا قرضہ حاصل کیا جو چھ ماہ کی مدت میں اوسط ٹی بٹ کٹ آف کی رقم کے ساتھ 42 بیس پوائنٹس اوسط کے حساب سے ہے۔ 2HFY20 کیلئے اوسط 3 ماہ، 6 ماہ اور 9 ماہ کے KIBOR گزشتہ نصف سال (مختتمہ دسمبر 2019) میں 605-560 بیس پوائنٹس کی رینج تک کم ہو کر بائیں ترتیب 7.26%، 7.24% اور 7.35% ہو گئے جب کہ اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ میں 625 بیس پوائنٹس کی کمی کر دی۔ 2HFY20 کے دوران حکومت پاکستان (GoP) نے 225 بلین پاکستانی روپے کے ہدف کیلئے 197 بلین روپے مالیت کے اجارہ ملک کو جاری کئے۔ 2HFY20 میں فریش اجراء سے اسلامک منی مارکیٹ کا شعبہ کافی فعال رہا۔ اس طریقے سے مرکزی بینک نے دو مقاصد حاصل کئے یعنی شریعہ پر مبنی قرضہ جات کی سیکورٹیز کی جانب ٹریڈنگ کو مائل کرنا اور پاکستان



میں COVID-19 کے پھیلاؤ کے درمیان بجٹ کے فرق کے بندھے کو مدد دینا تھا۔

وزارت توانائی نے 2HFY20 کے دوران گردش کرنے کے بحران کے حل کیلئے 200 پاکستانی روپے اہلیت کے پاکستان انرجی سکوک-2 جاری کئے کیونکہ توانائی کے شعبہ کی متعدد کمپنیاں کو کمیشن کی رکاوٹوں کا سامنا ہے۔ SBP کی جانب سے ان سکوک کو Statutory Liquidity Ratio (SLR) کی اہلیت کا حامل ڈیپزٹ کیا گیا ہے۔ پاکستان انرجی سکوک-2 کا ذخیرہ بھی اس کے گزشتہ جاری کئے گئے سکوک جیسا ہے جو نیم سالانہ ریٹل پے منٹ (6 ماہ کی KIBOR minus 10 پیس پوائنٹس) پر مشتمل ہے۔ شرح سود کم ترین کی حد تک گر سکتی ہے کیونکہ اصل شرح سود کی تفریق اب صفر کے قریب پہنچ گئی ہے۔

## ایکویٹی مارکیٹ کا جائزہ

زیر جائزہ مدت کے دوران میں KSE 100 انڈیکس 15.5% نیچے گر کر 34,421 پوائنٹس پر آ گیا۔ تاہم اس عرصے کے دوران انڈیکس نے مارچ 20، 27,229 میں چلی سٹی کو چھو لیا جب عالمی مالیاتی مارکیٹس میں COVID بحران نے ہلچل مچادی۔ اس کے بعد اپریل 2020 اور اس کے بعد KSE 100 انڈیکس میں 7,193 پوائنٹس تک بحالی آئی جو درج بالا خالص کی کے ساتھ زیر جائزہ مدت کے پوائنٹس سے قریب تر آ گیا۔

CYTD کی بنیاد پر سیسٹم، فارماسیوٹیکلز اور ٹیکنالوجی انڈیکس کی ترتیب 430 پوائنٹس، 197 پوائنٹس اور 146 پوائنٹس کے ساتھ KSE 100 انڈیکس کی کارکردگی بہتر کرنے میں سب سے بڑے معاون ثابت ہوئے۔ کمرشل بینک، آئل اینڈ گیس ایکسپلوریشن، پاور جزییشن اور آئل اینڈ گیس مارکیٹنگ بالترتیب 2,866 پوائنٹس، 1,430 پوائنٹس اور 665 پوائنٹس کے ساتھ سب سے بڑے منفی حصہ دار ہے۔

سیکٹس اور فارماسیوٹیکلز نے مارکیٹ میں شاندار کارکردگی کا مظاہرہ کیا جن میں پہلے نے مارجن میں توسیع کی توقعات کے سبب اور دوسرے نے فارماسیوٹیکلز کی زیادہ فروخت اور COVID 19 سے متعلق دواؤں کی یکدم فروخت کی توقع کے باعث یہ مظاہرہ کیا۔ چھ ماہ کے عرصے میں مارجن پر کم تر شرح سود کے منفی اثر اور اس کے بعد آئل ایکسپلوریشن اینڈ پروڈکشن (E&P) میں تیل کی قیمتیں کم ہونے سے باعث بینکوں نے معمول سے کم کارکردگی کا مظاہرہ کیا۔

1HCY20 میں غیر ملکی افراد 292 امریکی ڈالر کے خالص فروخت کنندہ رہے (اس کے مقابلے میں 1HCY19 میں 4 ملین امریکی ڈالر اور 1HCY18 میں 64 ملین امریکی ڈالر کے خالص خریدار رہے تھے)۔ مقامی مجاز ریپیوچل فنڈز 2.5 ملین امریکی ڈالر کے اندرونی بہاؤ کے ساتھ خالص خریدار رہے جب کہ انشورنس اور بینکس بالترتیب 147 ملین امریکی ڈالر اور 35 ملین امریکی ڈالر کے ساتھ خالص خریدار رہے۔

## میچورٹل فنڈ کی صنعت کا جائزہ

1HCY20 کے اختتام پر میچورٹل فنڈ انڈسٹری کے زیر انتظام اثاثے جات (AUM) 759 ملین روپے رہی (علاوہ فنڈز آف فنڈ) 12.8% کی نمو ظاہر کی (دسمبر 2019 کی سطح) 673 بلین روپے سے 86 بلین روپے)۔ کلینڈر سال 2020 کا پہلا نصف حصہ COVID-19 کے باعث بہت ڈانوا ڈول عرصہ رہا جس کے نتیجے میں سماجی معاشی تحکرات چھائے رہے۔ پہلی سہ ماہی میں ایکویٹی مارکیٹس میں تیزی سے کمی آئی جس میں دوسری سہ ماہی میں بحالی لائی گئی۔ SBP نے COVID-19 کے اثرات سے ڈگمگاتی معیشت کو مدد دینے کے لئے پالیسی ریش 13% سے کم کر کے 7% کر دیئے۔ صارفین نے خدشات کے خلاف حکمت عملی اپنائی اور انکم اور منی مارکیٹ فنڈز کی موافقت کی جس کو اس مدت کے دوران میں 100 بلین پاکستانی روپے کا بھاری اندرونی بہاؤ حاصل ہوا۔ اس عرصے کے دوران دیگر تمام کینڈیز مجموعی طور پر 22 بلین پاکستانی روپے کے اندرونی بہاؤ کے ساتھ رجسٹر ہوئیں۔ لہذا خالص اندرونی بہاؤ تقریباً 78 بلین پاکستانی روپے رہا۔

## کمپنی کی کارکردگی کا جائزہ

JSIL نے 30 جون 2020 کو 175.02 ملین روپے کا مجموعی نقصان درج کروا یا جو 2.83 روپے نقصان فی حصص میں منتقل ہو گیا۔ JSIL نے یکساں مدت کے دوران 128.84 ملین روپے کے مقابلے میں 126.51 ملین روپے کی گئی (غیر حقیقی نقصان / آمدنی کے علاوہ) ریکارڈ کروائی۔ JSIL نے اسی مدت کے لیے 103.79 ملین روپے کے مقابلے میں 98.60 ملین روپے کے انتظامیہ کے زیر نگرانی فنڈز (بشمول SMA) سے منبجھت ریپیوچل نمائندہ کمائے۔ پورٹ فولیو پر 118.87 ملین پاکستانی روپے کا غیر حقیقی نقصان ریکارڈ کیا گیا جس میں پہلی سہ ماہی کے 250.00 ملین پاکستانی روپے کے مقابلے میں بہتری نظر آتی ہے جبکہ مارکیٹ میں نمایاں طور پر کمی آئی تھی۔ جون 20 تک AMC کے ایکویٹی پورٹ فولیو کی قدر میں اساتر بحالی دیکھنے میں آئی۔ یہ کہنا بے جا نہ ہوگا کہ جون 20 کے بعد میچورٹل فنڈز vps پورٹ فولیو کی قدر بہت حیران کن رہیں اور توقع ہے کہ CY'20 کی دوسری ششماہی میں AMC کی منفعت میں مثبت طور پر اس کا بڑا حصہ ہوگا۔

## JS Investments Limited

انتظامیہ کے زیر نگرانی اثاثہ جات (بشمول سپر سیٹیل میٹ اکاؤنٹس) - ISMAS اور فنڈز آف فنڈز 31 دسمبر 2019 کے 25.14 بلین روپے کے مقابلے میں 20.6 بلین روپے تھا، یعنی 23% کی کمی کو ظاہر کیا جو کیپیٹل پر یز ویشنیریز پلانز کی دوشاخوں کی میچورٹی کی بنیادی وجہ سے آئی۔

### مستقبل کے امکانات

2QCY20 میں ایکویٹی مارکیٹس میں بحالی مع شرح سود میں تیزی سے کمی آنے کا مطلب ہے کہ اوسط / طویل مدت کے سرمایہ کاروں کیلئے ایکویٹی مارکیٹ پر کشش رہے گی۔ تاہم ایکویٹی مارکیٹس میں اتار چڑھاؤ جاری رہنے کے امکانات ہیں کیونکہ ترقی یافتہ مارکیٹس میں آنے والی کساد بازاری نے دنیا کو جکڑ رکھا ہے۔ مجموعی طور پر توقع ہے کہ ایکویٹی کی سطح پر انویسٹرز کی میوچرل فنڈز میں حصہ داری بڑھے گی جو AMC کی آمدنی کے لئے اچھی علامت ہے۔ انکم / منی مارکیٹ کی سطح پر ہم JS اسلامک ڈیپلی ڈیویڈنڈ فنڈ شروع کرنے کے مرحلے میں ہیں جو شریعہ کمپلائنس کو ترجیح دینے والے صارفین کی نقد رقم کی منجمنٹ کی ضروریات کیلئے تشکیل دیا جا رہا ہے۔ فکسڈ انکم ایسیٹس پر کم آمدنی کی پروفائل سے توقع ہے کہ آنے والے دنوں میں انکم / منی مارکیٹ فنڈز میں فیس کی سطح پر مقابلے میں شدت آجائے گی۔ ہم یہ مطلع کرتے ہوئے خوشی محسوس کرتے ہیں کہ سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے JSIL کو ریکل اسٹیٹ انویسٹمنٹ ٹرسٹ (REIT) منجمنٹ کالائسنس بھی دے دیا ہے۔ پاکستان ریکل اسٹیٹ مارکیٹ کی مجموعی حرکیات کے پیش نظر یہ ایک بہت ہی پر امید شعبہ ہے اور ہمیں لگتا ہے کہ یہ زیر انتظام اثاثہ جات (AUMs) کو متفرق بنانے کی صحیح سفر اہم کرے گا۔

SECP نے ہمیں JS الفانڈ (ہمارے پرائیوٹ ایکویٹی اور ڈیپٹر کیپیٹل لائسنس کے تحت چلنے والا ڈیپٹر کیپیٹل فنڈ) کی منظوری بھی مہیا کر دی ہے۔ COVID-19 کی وبا کے پھیلاؤ کے دوران مارکیٹ کے حالات کے پیش نظر اس فنڈ کے اجراء کو موخر کر دیا ہے اور سال 2020 کی تیسری / چوتھی سہ ماہی میں اس کے دوبارہ اجراء کا جائزہ لیا جائے گا۔

### ایسیٹ منیجر اور اینٹیٹی ریٹنگ

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

### اظہار تشکر

ڈائریکٹرز، شریکین، مدد اور رہنمائی پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اپنے زیر انتظام فنڈز کے ٹرسٹیز سے اظہار تشکر کرتے ہیں۔ بورڈ گلن اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شریکین ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بورڈ کی طرف سے

حسین رضا نبینسی

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 18 اگست 2020

**FINANCIAL STATEMENTS**

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT JUNE 30, 2020

	Note	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
		----- Rupees -----	
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property and equipment	7	434,557,164	476,086,870
Intangible assets	8	14,155,968	15,323,841
Long-term investment in a subsidiary		37,500,000	37,500,000
Long-term loans and prepayments - considered good		3,212,646	3,387,150
		489,425,778	532,297,861
<b>Current assets</b>			
Balances due from funds under management - related parties		108,339,761	123,073,939
Loans and advances - considered good		3,137,116	3,973,499
Trade deposits, short term prepayments and other receivables		57,732,721	59,509,508
Other financial assets - investments	9	1,319,388,094	1,741,945,710
Taxation - net		87,988,215	87,784,493
Cash and bank balances	10	27,191,364	13,440,272
		1,603,777,271	2,029,727,421
<b>Total assets</b>		2,093,203,049	2,562,025,282
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		617,742,560	617,742,560
Unappropriated profit		1,022,022,107	1,197,045,225
		1,639,764,667	1,814,787,785
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
Deferred taxation	11	-	-
Liability against assets subject to finance lease		254,460,390	290,383,259
<b>Current liabilities</b>			
Accrued and other liabilities	12	170,572,612	185,525,504
Dividend payable		-	247,097,024
Unclaimed dividend		5,380,209	2,952,805
Current maturity of liability against assets subject to finance lease		23,025,171	21,278,905
<b>Total liabilities</b>		453,438,382	747,237,497
<b>Total equity and liabilities</b>		2,093,203,049	2,562,025,282
<b>Contingencies and commitments</b>			
	13		

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2020

		Half year ended		Quarter ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note		Rupees			
<b>INCOME</b>					
Remuneration from funds under management - gross		<b>110,447,329</b>	115,440,522	<b>46,079,929</b>	55,714,353
Less: Sindh sales tax		<b>(12,706,330)</b>	(13,280,768)	<b>(5,301,231)</b>	(6,409,616)
		<b>97,740,999</b>	102,159,754	<b>40,778,698</b>	49,304,737
Commission from open end funds under management		<b>2,853,840</b>	645,360	<b>2,550,176</b>	214,722
Dividend income		<b>14,694,923</b>	17,684,964	<b>14,694,923</b>	12,669,742
Net unrealised (loss) /gain on revaluation of investments classified as at fair value through profit or loss		<b>(118,865,941)</b>	(97,442,460)	<b>131,142,264</b>	(116,848,101)
Net gain on sale of investments		<b>10,343,141</b>	1,387,227	<b>4,301,093</b>	1,558,922
Return on bank deposits under interest / mark-up arrangements		<b>2,358,632</b>	3,007,403	<b>906,974</b>	2,131,348
Remuneration and share of profit from management of discretionary and non discretionary client portfolios		<b>855,847</b>	1,628,488	<b>438,882</b>	955,727
		<b>9,981,441</b>	29,070,736	<b>194,813,010</b>	(50,012,903)
Administrative expenses	14	<b>(149,372,589)</b>	(170,240,585)	<b>(73,975,273)</b>	(91,991,154)
Selling and distribution expenses		<b>(24,282,775)</b>	(48,504,777)	<b>(11,960,081)</b>	(26,011,271)
<b>OPERATING (LOSS) / PROFIT</b>		<b>(163,673,923)</b>	(189,674,626)	<b>108,877,656</b>	(168,015,328)
Financial charges		<b>(17,230,533)</b>	(19,206,869)	<b>(8,481,675)</b>	(11,197,013)
		<b>(180,904,456)</b>	(208,881,495)	<b>100,395,981</b>	(179,212,341)
Other income	15	<b>20,350,213</b>	57,388,658	<b>7,811,124</b>	39,685,185
<b>(Loss) / profit for the period before tax</b>		<b>(160,554,243)</b>	(151,492,837)	<b>108,207,105</b>	(139,527,156)
<b>Income tax</b>					
- Current		<b>14,468,875</b>	13,847,721	<b>7,230,997</b>	7,184,485
- Deferred		-	(39,602,462)	-	(34,914,596)
		<b>14,468,875</b>	(25,754,741)	<b>7,230,997</b>	(27,730,111)
<b>(Loss) / profit for the period after tax</b>		<b>(175,023,118)</b>	(125,738,096)	<b>100,976,108</b>	(111,797,045)
<b>(Loss) / earnings per share for the period - basic and diluted</b>	16	<b>(2.83)</b>	(1.57)	<b>1.63</b>	(1.39)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



## JS Investments Limited

### UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2020

	Half year ended		Quarter ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----			
(Loss) / profit for the period after tax	(175,023,118)	(125,738,096)	100,976,108	(111,797,045)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(175,023,118)</u>	<u>(125,738,096)</u>	<u>100,976,108</u>	<u>(111,797,045)</u>

The annexed notes 1 to 20 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**  
FOR THE HALF YEAR ENDED JUNE 30, 2020

	Issued, subscribed and paid-up capital	Reserve			Unappropriated profit	Total
		Capital reserve	Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
		Capital repurchase reserve account				
				Rupees		
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,381	751,736,003	2,150,677,076
Adjustment due to reclassification as per IFRS 9	-	-	-	(225,049,381)	225,049,381	-
Total comprehensive loss for the half year ended June 30, 2019	-	-	-	-	(125,738,096)	(125,738,096)
Surplus on revaluation during the period	-	-	290,762,157	-	-	290,762,157
Transfer from surplus on on account of disposal	-	-	(459,850,424)	-	459,850,424	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(4,803,425)	-	4,803,425	-
Balance as at June 30, 2019	801,718,180	198,281,820	-	-	1,315,701,137	2,315,701,137
<b>Balance as at January 01, 2020</b>	617,742,560	-	-	-	1,197,045,225	1,814,787,785
<b>Total comprehensive loss for the half year ended June 30, 2020</b>	-	-	-	-	(175,023,118)	(175,023,118)
<b>Balance as at June 30, 2020</b>	<b>617,742,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,022,022,107</b>	<b>1,639,764,667</b>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

## UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

### FOR THE HALF YEAR ENDED JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the period before taxation		(160,554,243)	(151,492,837)
<b>Adjustment for:</b>			
Remuneration from funds under management - net		(97,740,999)	(102,159,754)
Commission from open end funds under management		(2,853,840)	(645,360)
Dividend income		(14,694,923)	(17,684,964)
Depreciation expense		35,732,296	44,166,356
Amortisation expense		2,414,912	2,208,048
Financial charges		17,230,533	19,206,869
Return on bank deposits under interest / mark-up arrangements		(2,358,632)	(3,007,403)
Net gain on sale of investments classified as 'at fair value through profit or loss'		(10,343,141)	(1,387,227)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'		118,865,941	97,442,459
Gain on disposal of property and equipment		(5,838,628)	(38,459,195)
		<u>(120,140,724)</u>	<u>(151,813,008)</u>
<b>Working capital changes</b>			
Loans and advances - considered good		1,010,887	(1,552,018)
Trade deposits, short term prepayments and other receivables		1,776,787	(3,159,688)
Accrued and other liabilities		(14,952,892)	4,387,683
		<u>(12,165,218)</u>	<u>(324,023)</u>
		<u>(132,305,942)</u>	<u>(152,137,031)</u>
Taxes paid - net		(14,672,597)	(14,566,781)
Remuneration and commission received from funds under management		115,329,017	104,755,305
<b>Net cash used in operating activities</b>		<u>(31,649,522)</u>	<u>(61,948,507)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds / (Investments made) from sale of investments - net		314,034,816	(480,032,218)
Payments for purchase of property, equipment and intangible assets		(3,757,001)	(43,219,160)
Dividends received		14,694,923	17,684,964
Return on bank deposits under interest / mark-up arrangements		2,358,632	2,933,158
Sale proceeds from disposal of property and equipment		14,146,000	608,324,544
<b>Net cash generated from investing activities</b>		<u>341,477,370</u>	<u>105,691,288</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(244,669,620)	-
Payment of lease liability		(51,407,136)	(45,257,756)
<b>Net cash used in financing activities</b>		<u>(296,076,756)</u>	<u>(45,257,756)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>13,751,092</u>	<u>(1,514,975)</u>
Cash and cash equivalents at beginning of the period		13,440,272	23,014,577
<b>Cash and cash equivalents at end of the period</b>		<u><u>27,191,364</u></u>	<u><u>21,499,603</u></u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**



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

FOR THE HALF YEAR ENDED JUNE 30, 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 and geographical location of the Company is situated at The Center, 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 half year ended June 30, 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 Picture Motion 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**

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated annual audited financial statements for the year ended December 31, 2019 except for the adoption of the following new amendments to International Financial Reporting Standards (IFRSs) by the Company, which became effective for the current

IFRS 3 - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

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

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's unconsolidated condensed interim financial statements.

## 4.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16	Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10 /	Sale or Contribution of Assets between an Investor and its	
IAS 28	Associate or Joint Venture (Amendment)	Not yet finalised

\*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

### Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

Further, the 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 or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these unconsolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the unconsolidated annual audited financial statements for the year ended December 31, 2019. The Company's financial risk management objectives and policies are consistent with those disclosed in the unconsolidated annual audited financial statements for the year ended December 31, 2019

## 6. SIGNIFICANT EVENT

The World Health Organization declared Corona Virus (COVID-19) as a global pandemic on January 30, 2020. COVID-19 has spread throughout the country and measures taken by the Government of Pakistan to reduce the spread of the COVID-19 include lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is currently continuing their operations to serve customers by observing Government instructions and taking necessary steps such as observing health precautions, limiting the number of working hours and implementation of remote working protocols wherever possible. The Company's management and Board is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions. Whilst the management of the Company does not expect any significant impacts on the financial health of the Company in the short term, the full extent and duration of the impact of COVID-19 on the Company's operations and financial performance in the long term will depend on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on financial markets on a macro-economic level.

### 7. PROPERTY AND EQUIPMENT

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	Rupees	
Opening written down value		215,524,830	364,873,715
Revaluation during the period / year		-	329,009,064
Additions during the period / year	7.1	512,400	174,854,593
Disposals during the period / year	7.2	(8,307,375)	(609,790,736)
Depreciation for the period / year		(18,523,981)	(43,421,806)
		<u>189,205,874</u>	<u>215,524,830</u>
Capital work-in-progress - advance against purchase of assets		3,310,777	1,313,212
Right of use of assets		<u>242,040,513</u>	<u>259,248,828</u>
		<u>434,557,164</u>	<u>476,086,870</u>

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

Furniture and fixtures	-	12,755,200
Office equipment	512,400	30,506,679
Vehicles	-	4,117,360
Lease hold improvement	-	127,475,355
	<u>512,400</u>	<u>174,854,594</u>

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

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	Rupees	
Office premises		-	(606,831,542)
Furniture and fixtures		-	(310,235)
Office equipment		(5,913)	(146,347)
Vehicles	7.2.1	(8,301,462)	(2,502,612)
		<u>(8,307,375)</u>	<u>(609,790,736)</u>

7.2.1 During the period, eight 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.

**8. INTANGIBLE ASSETS**

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	Rupees	
Opening written down value		15,323,841	16,315,422
Additions during the period / year		1,247,039	3,610,249
Amortisation for the period / year		(2,414,912)	(4,601,830)
		<u>14,155,968</u>	<u>15,323,841</u>

**9. OTHER FINANCIAL ASSETS - INVESTMENTS**
**At fair value through profit or loss'**

Units of mutual funds - related parties	9.1	1,194,388,094	1,616,945,710
Term Finance Certificate	9.2	125,000,000	125,000,000
		<u>1,319,388,094</u>	<u>1,741,945,710</u>

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

Number of Units			(Un-Audited) June 30, 2020	(Audited) December 31, 2019
June 30, 2020	December 31, 2019		Average cost	Fair value
			Rupees	
673,256	2,925,657	JS Income Fund	64,354,344	64,558,474
3,305	3,305	JSIHFOF-Mustahkem	288,464	209,861
76,142	-	JSIHFOF-Mufeed	3,000,000	3,028,173
49,068	-	JSIHFOF-Mutanاسب	3,000,000	3,042,689
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	99,760,000
1,343,094	1,716,379	JS Value Fund	249,114,943	213,981,713
1,971,060	1,903,901	JS Growth Fund	332,192,587	287,893,019
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	74,105,482
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	40,228,146
		JS Pension Savings Fund -		
177,463	177,463	Money Market	39,425,272	41,806,831
2,822,294	2,772,987	JS Fund of Funds	165,326,754	146,787,505
		JS Islamic Pension Savings		
182,354	182,354	Fund - Equity	104,609,005	92,938,370
		JS Islamic Pension Savings		
213,852	213,852	Fund - Debt	49,087,518	50,661,467
		JS Islamic Pension Savings		
222,303	222,303	Fund - Money Market	44,231,701	46,027,912
		JS Islamic Capital Preservation		
157,204	157,204	Allocation Plan 4	16,839,666	15,064,835
153,647	153,647	JS Islamic Capital Preservation	16,609,187	14,293,617
		Allocation Plan 5		
			<u>1,313,254,035</u>	<u>1,194,388,094</u>
		Unrealized diminution on		
		remeasurement at fair value - net	(118,865,941)	-
			<u>1,194,388,094</u>	<u>1,194,388,094</u>

**9.2 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% (December 31, 2019: 6 Months KIBOR +1.50%) per annum.

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees -----	
<b>10. CASH AND BANK BALANCES</b>			
Cash in hand		59,044	68,045
Cash at bank in:			
Current accounts	10.1	1,168,596	1,168,596
Savings accounts	10.2	25,963,724	12,203,631
		27,132,320	13,372,227
		27,191,364	13,440,272
<b>10.1</b> These carry mark-up at the rates ranging from 5.50% to 10.5% (2019: 8.00% to 13.70%) per annum.			
<b>10.2</b> It includes Rs.24,403 (2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).			
<b>11. DEFERRED TAXATION</b>			
As of June 30, 2020, the Company has accumulated losses of Rs.328.59 million. The deferred tax on such losses works out to Rs.95.293 million, however, the Company has recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.1.206 million. Unrecognized deferred tax asset on carried forward business losses as at June 30, 2020 amounted to Rs.94.087 million.			
<b>12. ACCRUED AND OTHER LIABILITIES</b>			
<b>12.1</b> This includes Rs.92.245 (December 31, 2019: Rs.92.245) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 16.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2019.			
<b>12.2</b> This includes Rs.10.839 (2019: Rs.10.839) million payable against Sindh Workers' Welfare Fund. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.2 to the annual audited financial statements for the year ended December 31, 2019.			
<b>13. CONTINGENCIES AND COMMITMENTS</b>			
<b>13.1 Contingencies</b>			
There is no change in the status of contingencies as disclosed in note 17.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2019.			
<b>13.2 Commitments in respect of:</b>			
Use of name and advisory payment - a related party		7,500,000	15,000,000
<b>14. ADMINISTRATIVE EXPENSES</b>			
These mainly include salaries and benefits, depreciation, legal and professional, travelling, conveyance and vehicle maintenance, use of name and advisory fee, fees and subscription and IT service expenses aggregating to Rs.149.372 (June 30, 2019: Rs.170.240) million.			
<b>15. OTHER INCOME</b>			
This mainly includes mark-up of Rs.9.083 (June 30, 2019: Rs.7.643 ) million on term finance certification and gain on disposal of property and equipment amounting to Rs. 5.838 (June 30, 2019: Rs. 38.459) million.			

(Un-Audited)			
Half year ended		Quarter ended	
June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
----- Rupees -----			

## 16. (LOSS)/EARNINGS PER SHARE

(Loss) / profit for the period	<b>Rupees:</b>	<u><b>(175,023,118)</b></u>	<u>(125,738,096)</u>	<u><b>100,976,108</b></u>	<u>(111,797,045)</u>
Weighted average number of ordinary shares outstanding during the period	<b>Number:</b>	<u><b>61,774,256</b></u>	<u>80,171,818</u>	<u><b>61,774,256</b></u>	<u>80,171,818</u>
(Loss) / earnings per share	<b>Rupees:</b>	<u><b>(2.83)</b></u>	<u>(1.57)</u>	<u><b>1.63</b></u>	<u>(1.39)</u>

**16.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2020 and June 30, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

## 17. 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) -----	
June 30, 2020	June 30, 2019
----- Rupees -----	

### 17.1 Transaction with related parties

#### 17.1.1 Funds under management

Remuneration - net of taxes	<b>97,740,999</b>	102,159,754
Commission received	<b>2,853,840</b>	621,713
Amount paid	<b>39,673,897</b>	20,744,470
Amount received	<b>37,540,402</b>	20,643,651
Dividends received	<b>14,694,923</b>	17,684,964
Investments made	<b>86,319,528</b>	990,032,219
Investments disposed off / matured	<b>400,354,344</b>	510,000,000

#### 17.1.2 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	<b>2,397,000</b>	4,197,000
Rent paid	<b>150,000</b>	-

----- (Un-Audited) -----  
**June 30,                      June 30,**  
**2020                              2019**  
 ----- Rupees -----

## 17.1.3 JS Bank Limited (JSBL)

### Basis of relationship - Parent company

### Percentage of shareholding - JSBL holds 84.56% shares of JSIL

Proceeds received from disposal of office premises	-	606,831,542
Proceeds received from disposal of office equipment and furniture and fixtures	-	467,458
Rent received	-	2,763,395
Rent paid	<b>1,327,628</b>	1,764,404
Management fee sharing on distribution of mutual funds	<b>8,196,343</b>	12,399,571
Amount paid	-	791,984
Amount received	-	63,656
Return on bank deposits	<b>2,358,632</b>	2,943,269

## 17.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)

### Basis of relationship - Common directorship of JSCL

Rent received	-	2,704,176
Amount paid	-	618,175

## 17.1.5 Associated company - JS Private Equity (JSPE)

### Basis of relationship - Common directorship of JSCL

Rent received	-	917,910
Amount paid	-	254,660
Amount received	<b>720,197</b>	-

## 17.1.6 Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)

### Basis of relationship - Common directorship of the Group

Rent received	-	330,940
Amount paid	-	198,048
Amount received	-	341,549

## 17.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)

### Basis of relationship - common directorship of the Group

Amount paid	-	52,821
-------------	---	--------



	----- (Un-Audited) -----	
	June 30, 2020	June 30, 2019
	----- Rupees -----	
<b>17.1.8 Associated company - EFU General Insurance</b>		
<b>Percentage of shareholding - JSCL holds 21.10%</b>		
Insurance premium paid	<b>3,452,106</b>	3,570,603
<b>17.1.9 Associated company - EFU Life Assurance</b>		
<b>Percentage of shareholding - JSCL holds 20.05%</b>		
Insurance premium paid	<b>1,348,304</b>	1,859,781
<b>17.1.10 Associated company - JS Investments Staff Provident Fund (the Fund)</b>		
<b>Basis of relationship - Employee benefit plan</b>		
Amount paid	<b>46,006</b>	112,460
Amount received	<b>46,006</b>	84,259
Provident fund contributions made	<b>4,449,009</b>	5,076,772
<b>17.1.11 Associated company - JS Global Capital Limited (JSGCL)</b>		
<b>Basis of relationship - JSBL holds 83.53% shares of JSGCL</b>		
Amount paid	<b>286,313</b>	45,667
Amount received	<b>453,296</b>	45,667
<b>17.1.12 Subsidiary company - JS Abamco Commodities Limited (JSACL)</b>		
<b>Basis of Relationship - Subsidiary</b>		
<b>Percentage of shareholding - 100% of JSIL</b>		
Amount paid	<b>266,185</b>	60,000
Amount received	-	30,000
<b>17.1.13 Common Substantial Shareholder - JS Land (Private) Limited</b>		
<b>Basis of Relationship - Common Substantial Shareholder</b>		
Rent paid	<b>18,818,240</b>	18,211,200
Maintenance paid	<b>6,963,785</b>	3,035,515
<b>17.1.14 Common Directorship - Future Trust</b>		
<b>Basis of relationship - common directorship of the Company</b>		
Donation paid	-	745,747

----- (Un-Audited) -----  
**June 30,**                      **June 30,**  
**2020**                              **2019**  
 ----- Rupees -----

## 17.1.15 Transactions made with key management personnel

Remuneration	<b>57,799,730</b>	53,131,232
Directors fee	<b>325,000</b>	475,000
Disbursements of personal loans and advances	<b>1,103,000</b>	2,787,400
Repayments of loans and advances	<b>1,690,543</b>	1,006,998
Use of name and Advisory for the period	<b>7,500,000</b>	7,500,000

(Un-Audited)                      (Audited)  
**June 30,**                      **December 31,**  
**2020**                              **2019**  
 ----- Rupees -----

## 17.2 Balance outstanding with related parties

### 17.2.1 Funds under management

#### Basis of relationship - Funds managed by the Company

Receivable from funds under management	<b>108,339,761</b>	145,494,632
Payable to funds under management	<b>956,505</b>	3,010,722

### 17.2.2 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	<b>23,372</b>	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

### 17.2.3 JS Bank Limited (JSBL)

#### Basis of Relationship - parent company

#### Percentage of Shareholding - JSBL holds 85.56% shares of JSIL

Bank balance	<b>24,403,453</b>	10,717,477
Other receivable	<b>1,465,064</b>	1,465,065
Rent payable	<b>22,628</b>	56,570
Rent receivable	<b>2,409,149</b>	2,409,149
Other payables	<b>3,497,585</b>	5,595,075
Dividend payable	-	208,947,912

	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
<b>17.2.4 Associated company - Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Other receivable	660,165	660,165
Rent receivable	2,486,352	2,486,352
<b>17.2.5 Associated company - JS Private Equity (JSPE)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Other receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
<b>17.2.6 Associated Company - Mahvash &amp; Jahangir Siddiqui Foundation (MJSF)</b>		
<b>Basis of relationship - Common directorship of the Group</b>		
Other receivable	177,106	177,106
Rent receivable	379,929	379,929
<b>17.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)</b>		
<b>Basis of relationship - Common directorship of the Group</b>		
Other receivable	1,017,169	1,017,169
<b>17.2.8 Associated company - JS Global Capital Limited (JSGCL)</b>		
<b>Basis of relationship - JSBL holds 83.53% shares of JSGCL</b>		
Other receivable	770,009	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
<b>17.2.9 Subsidiary company - JS Abamco Commodities Limited (JSACL)</b>		
<b>Basis of relationship - Subsidiary</b>		
<b>Percentage of Shareholding - 100% of the Company</b>		
Other receivable	554,141	287,956

	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	

## 17.2.10 Common Substantial Shareholder - JS Land (Private) Limited

### Basis of Relationship - Common Substantial Shareholder

Other payable	984,723	626,010
Other receivable	-	242,000

<b>17.2.11 Outstanding from key management personnel</b>	<b>817,535</b>	<b>1,406,580</b>
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## 17.2.12 Key management personnel and directors hold 1,508 shares in the company

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

**17.4** 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.

## 18. 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:

<b>Level 1:</b>	Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.
<b>Level 2:</b>	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).
<b>Level 3:</b>	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:

June 30, 2020				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	1,194,388,094	-	1,194,388,094
Term Finance Certificate	-	125,000,000	-	125,000,000
	-	1,319,388,094	-	1,319,388,094

December 31, 2019				
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
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

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

**18.1.1** 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.

**18.1.2** 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).

**18.2** During the period ended June 30, 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.

## 19. SUBSEQUENT EVENT

Subsequent to period ended June 30, 2020, the Company has been granted license by the Securities and Exchange Commission of Pakistan (SECP) to carry out REIT Management services for a period of three years starting from July 28, 2020.

## 20. GENERAL

**20.1** 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.

- 20.2** These unconsolidated condensed interim financial information were authorised for issue on August 18, 2020 by the Board of Directors of the Company.
- 20.3** The figures in the unconsolidated condensed interim financial information have been rounded off to the nearest rupee.
- 20.4** 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.

<hr/>	<hr/>	<hr/>
Chief Executive Officer	Director	Chief Financial Officer

## DIRECTORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS

For the period ended June 30, 2020

The Directors of your Company feel pleasure in presenting the consolidated financial statements of the Company for the period ended June 30, 2020.

### Summary of operating results for the period

	Period ended June 30, 2020	Period ended June 30, 2019
	Rs. (000)	

<b>Shareholders' Equity</b>	<b>1,671,158</b>	<b>2,341,830</b>
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### Financial Performance

Income	135,332	131,147
Operating expenses	(173,993)	(219,017)
<b>Operating loss</b>	<b>(38,661)</b>	<b>(87,870)</b>
Financial charges	(17,296)	(19,255)
Other operating income	(101,358)	(42,003)
<b>Profit before tax</b>	<b>(157,315)</b>	<b>(149,129)</b>
Taxation-net	(13,999)	26,066
<b>Profit after tax</b>	<b>(171,316)</b>	<b>(123,062)</b>
<b>Loss per share - basic and diluted</b>	<b>(2.77)</b>	<b>(1.53)</b>

### Subsidiary Company

#### JS ABAMCO Commodities Limited

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

### 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 June 30, 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

\_\_\_\_\_  
Director  
Karachi: August 18, 2020

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

## ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ برائے مختتمہ مدت 30 جون 2020

آپ کی کمپنی کے ڈائریکٹرز 30 جون 2019 کو ختم ہونے والی مدت کے لیے کمپنی کی مجتمع مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

30 جون 2019 کی اعتدائی مدت	30 جون 2020 کی اعتدائی مدت	ڈیکورہ مدت کے فعال نتائج کا خلاصہ
(000) روپے		
2,341,830	1,671,158	شیئر ہولڈر ایکویٹی
		مالیاتی کارکردگی
131,147	135,332	آمدنی
(219,017)	(173,993)	آپریٹنگ اخراجات
(87,870)	(38,661)	آپریٹنگ نقصان
(19,255)	(17,296)	فنانشل چارجز
(42,003)	(101,358)	دیگر فعال آمدنی
(149,129)	(157,315)	منافع قبل از ٹیکس
26,066	(13,999)	خالص ٹیکس
(123,062)	(171,316)	منافع بعد از ٹیکس
(1.53)	(2.77)	نقصان فی حصص - بیسک اور ڈائیلیونڈ

### ذیلی کمپنی

#### JS ABAMCO کموڈٹیز لمیٹڈ

JS ABAMCO کموڈٹیئر لمیٹڈ (دی کمپنی) کا قیام 25 ستمبر 2007 کو پنیر آرڈینیشن 1984 کے تحت بطور ایک پبلک لمیٹڈ کمپنی، پاکستان میں عمل میں آیا اور JS انویسٹمنٹس لمیٹڈ (دی ہولڈنگ کمپنی) کا کلی ملکنی ذیلی ادارہ ہے۔ کمپنی کا بنیادی مقصد کموڈٹی مارکیٹ اور مختلف بروکرینج، ایڈوائزری اور کنسلٹنسی سروسز میں کاروبار کرنا ہے۔ کمپنی نے پنلٹن شیٹ تیار ہونے تک اپنے بروکرینج، ایڈوائزری اور کنسلٹنسی سروسز کے مرکزی کاروباروں کا آغاز نہیں کیا ہے۔

### انٹرنل کنٹرول فریم ورک

کمپنی کے بورڈ آف ڈائریکٹرز یہ یقینی بنانے کے ذمہ دار ہیں کہ کمپنی کے انٹرنل کنٹرول سسٹم مناسب اور موثر رہوں۔

### بورڈ آف ڈائریکٹرز

مختتمہ مدت 30 جون 2020 کے دوران بورڈ آف JS ABAMCO کموڈٹیئر لمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے:

نام

جناب حسین رضانیسی

جناب منور عالم صدیقی

جناب محمد خادو اقبال

جناب ملک ظفر جاوید

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 18 اگست 2020



## CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

### AS AT JUNE 30, 2020

	Note	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
		----- Rupees -----	
<b>ASSETS</b>			
<b>Non - current assets</b>			
Property and equipment	7	434,557,164	476,086,870
Intangible assets	8	14,155,968	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		3,212,646	3,387,150
Deferred tax asset - net		162,463	-
		<b>455,588,241</b>	498,297,861
<b>Current assets</b>			
Balances due from funds under management - related parties		108,339,761	123,073,939
Loans and advances - considered good		3,137,116	3,973,499
Trade deposits, short term prepayments and other receivables		57,800,721	59,588,008
Other financial assets - investments	9	1,383,936,018	1,803,840,399
Taxation - net		89,703,786	88,528,207
Cash and bank balances	10	27,624,543	13,866,415
		<b>1,670,541,945</b>	2,092,870,467
<b>Total assets</b>		<b><u>2,126,130,186</u></b>	<b><u>2,591,168,328</u></b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		617,742,560	617,742,560
Unappropriated profit		1,053,415,841	1,224,732,253
		<b>1,671,158,401</b>	1,842,474,813
<b>LIABILITIES</b>			
<b>Non - current liabilities</b>			
Deferred taxation	11	-	306,446
Liability against assets subject to finance lease		254,460,389	264,907,566
<b>Current liabilities</b>			
Accrued and other liabilities	12	172,106,016	186,675,076
Dividend payable		-	247,097,024
Unclaimed dividend		5,380,209	2,952,805
Current maturity of liability against assets subject to finance lease		23,025,171	46,754,598
<b>Total liabilities</b>		<b>454,971,785</b>	748,693,515
<b>Total equity and liabilities</b>		<b><u>2,126,130,186</u></b>	<b><u>2,591,168,328</u></b>
<b>Contingencies and commitments</b>	13		

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

## CONSOLIDATED CONDENSED INTERIM STATEMENT PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2020

		Half year ended		Quarter ended	
		June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Note		Rupees			
<b>INCOME</b>					
Remuneration from funds					
under management - gross		<b>110,447,329</b>	115,440,522	<b>46,079,929</b>	55,714,353
Less: Sindh sales tax		<b>(12,706,330)</b>	(13,280,768)	<b>(5,301,231)</b>	(6,409,616)
		<b>97,740,999</b>	102,159,754	<b>40,778,698</b>	49,304,737
Commission from open end					
funds under management		<b>2,853,840</b>	645,360	<b>2,550,176</b>	214,722
Dividend income		<b>21,160,246</b>	22,313,476	<b>21,160,246</b>	17,298,254
Net unrealised (loss) /gain on revaluation					
of investments classified as at fair					
value through profit or loss		<b>(121,708,231)</b>	(99,391,815)	<b>126,434,267</b>	(101,160,569)
Net gain on sale of investments		<b>10,343,141</b>	1,387,227	<b>4,301,093</b>	413,365
Return on bank deposits under					
interest / mark-up arrangements		<b>2,378,135</b>	3,012,891	<b>914,995</b>	2,132,763
Remuneration and share of profit from					
management of discretionary and					
non discretionary client portfolios		<b>855,847</b>	1,628,488	<b>438,882</b>	955,727
		<b>13,623,977</b>	31,755,381	<b>196,578,357</b>	(30,841,001)
Administrative expenses	14	<b>(149,710,946)</b>	(170,512,642)	<b>(74,110,392)</b>	(100,346,166)
Selling and distribution expenses		<b>(24,282,775)</b>	(48,504,777)	<b>(11,960,081)</b>	(17,783,246)
<b>OPERATING (LOSS) / PROFIT</b>		<b>(160,369,744)</b>	(187,262,038)	<b>110,507,884</b>	(148,970,413)
Financial charges		<b>(17,296,617)</b>	(19,255,121)	<b>(26,078,954)</b>	(11,246,940)
		<b>(177,666,361)</b>	(206,517,159)	<b>84,428,930</b>	(160,217,353)
Other income	15	<b>20,350,213</b>	57,388,656	<b>7,811,124</b>	39,706,982
<b>(Loss) / profit for the period before tax</b>		<b>(157,316,148)</b>	(149,128,503)	<b>92,240,054</b>	(120,510,371)
<b>Income tax</b>					
- Current		<b>14,468,875</b>	13,847,721	<b>7,230,997</b>	20,510,957
- Deferred		<b>(468,909)</b>	(39,914,121)	<b>(715,656)</b>	(44,511,344)
		<b>13,999,966</b>	(26,066,400)	<b>6,515,341</b>	(24,000,387)
<b>(Loss) / profit for the period after tax</b>		<b>(171,316,114)</b>	(123,062,103)	<b>85,724,713</b>	(96,509,984)
<b>(Loss) / earnings per share for the</b>					
period - basic and diluted	16	<b>(2.77)</b>	(1.53)	<b>1.39</b>	(1.20)

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



## JS Investments Limited

### CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2020

	Half year ended		Quarter ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
	----- Rupees -----			
(Loss) / profit for the period after tax	(171,316,114)	(123,062,103)	85,724,713	(96,509,984)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(171,316,114)</u>	<u>(123,062,103)</u>	<u>85,724,713</u>	<u>(96,509,984)</u>

The annexed notes 1 to 20 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**  
FOR THE HALF YEAR ENDED JUNE 30, 2020

	Reserve					Total
	Issued, subscribed and paid-up capital	Capital reserve	Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
		Capital repurchase reserve account			Unappropriated profit	
				Rupees		
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,381	775,188,683	2,174,129,758
Adjustment due to reclassification as per IFRS 9	-	-	-	(225,049,381)	225,049,381	-
Total comprehensive loss for the half year ended June 30, 2019	-	-	-	-	(123,062,103)	(123,062,103)
Surplus on revaluation during the period	-	-	290,762,157	-	-	290,762,157
Transfer from surplus on on account of disposal	-	-	(459,939,043)	-	459,939,043	-
Transfer from surplus on revaluation of fixed assets on account of incremental depreciation charged thereon - net of tax	-	-	(4,714,806)	-	4,714,806	-
Balance as at June 30, 2019	801,718,180	198,281,820	-	-	1,341,829,810	2,341,829,810
<b>Balance as at January 01, 2020</b>	617,742,560	-	-	-	1,224,731,955	1,842,474,515
<b>Total comprehensive loss for the half year ended June 30, 2020</b>	-	-	-	-	(171,316,114)	-
<b>Balance as at June 30, 2020</b>	<b>617,742,560</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,053,415,841</b>	<b>1,671,158,401</b>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

**CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE HALF YEAR ENDED JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
		----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the period before taxation		(157,316,148)	(149,128,503)
<b>Adjustment for:</b>			
Remuneration from funds under management - net		(97,740,999)	(102,159,754)
Commission from open end funds under management		(2,853,840)	(645,360)
Dividend income		(21,160,246)	(22,313,476)
Depreciation expense		35,732,296	44,166,356
Amortisation expense		2,414,912	2,208,048
Financial charges		17,296,617	19,206,869
Return on bank deposits under interest / mark-up arrangements		(2,378,135)	(3,012,891)
Net gain on sale of investments classified as 'at fair value through profit or loss'		(10,343,141)	(1,387,227)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'		121,708,231	99,391,816
Gain on disposal of property and equipment		(5,838,628)	(38,459,195)
		<u>(120,479,081)</u>	<u>(152,133,317)</u>
<b>Working capital changes</b>			
Loans and advances - considered good		1,010,887	(1,595,582)
Trade deposits, short term prepayments and other receivables		1,787,287	(3,159,688)
Accrued and other liabilities		(14,569,060)	4,480,500
		<u>(11,770,886)</u>	<u>(274,770)</u>
		<u>(132,249,967)</u>	<u>(152,408,087)</u>
Taxes paid - net		(15,710,837)	(15,261,607)
Remuneration and commission received from funds under management		115,329,017	104,755,305
<b>Net cash used in operating activities</b>		<u>(32,631,787)</u>	<u>(62,914,389)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds / (Investments made) from sale of investments - net		308,539,291	(483,966,453)
Payments for purchase of property, equipment and intangible assets		(3,757,001)	(41,986,524)
Dividends received		21,160,246	22,313,476
Return on bank deposits under interest / mark-up arrangements		2,378,135	2,938,646
Sale proceeds from disposal of property and equipment		14,146,000	608,324,544
<b>Net cash generated from investing activities</b>		<u>342,466,671</u>	<u>107,623,689</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(244,669,620)	(3,271,232)
Payment of lease liability		(51,407,136)	(43,219,160)
<b>Net cash used in financing activities</b>		<u>(296,076,756)</u>	<u>(46,490,392)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>13,758,128</u>	<u>(1,781,092)</u>
Cash and cash equivalents at beginning of the period		13,866,415	23,353,558
<b>Cash and cash equivalents at end of the period</b>		<u><u>27,624,543</u></u>	<u><u>21,572,466</u></u>

The annexed notes 1 to 20 form an integral part of this condensed interim financial information.

**Chief Executive Officer**

**Director**

**Chief Financial Officer**

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED JUNE 30, 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 and geographical location of the Company is situated at The Center, 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 half year ended June 30, 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 Picture Motion 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:

- 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

The accounting policies adopted in the preparation of these consolidated condensed interim financial statements are consistent with those followed in the preparation of the consolidated annual audited financial statements for the year ended December 31, 2019 except for the adoption of the following new amendments to International Financial Reporting Standards (IFRSs) by the Company, which became effective for the current

IFRS 3 - Definition of a Business (Amendments)

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments)

IFRS 16 - COVID 19 Related Rent Concessions (Amendments)

IAS 1 / IAS 8 - Definition of Material (Amendments)

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

The adoption of the above amendments to accounting standards and revised Conceptual Framework did not have any material effect on the Company's consolidated condensed interim financial statements.

**4.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period**

# JS Investments Limited

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

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16	Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10 /	Sale or Contribution of Assets between an Investor and its	
IAS 28	Associate or Joint Venture (Amendment)	Not yet finalised

\*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

## Improvements to Accounting Standards Issued by the IASB (2018-2020 cycle)

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

Further, the 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 or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	01 January 2004
IFRS 17	Insurance Contracts	01 January 2023

## 5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these consolidated condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the consolidated annual audited financial statements for the year ended December 31, 2019. The Company's financial risk management objectives and policies are consistent with those disclosed in the consolidated annual audited financial statements for the year ended December 31, 2019

## 6. SIGNIFICANT EVENT

The World Health Organization declared Corona Virus (COVID-19) as a global pandemic on January 30, 2020. COVID-19 has spread throughout the country and measures taken by the Government of Pakistan to reduce the spread of the COVID-19 include lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is currently continuing their operations to serve customers by observing Government instructions and taking necessary steps such as observing health precautions, limiting the number of working hours and implementation of remote working protocols wherever possible. The



Company's management and Board is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions. Whilst the management of the Company does not expect any significant impacts on the financial health of the Company in the short term, the full extent and duration of the impact of COVID-19 on the Company's operations and financial performance in the long term will depend on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on financial markets on a macro-economic level.

## 7. PROPERTY AND EQUIPMENT

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees -----	
Opening written down value		<b>215,524,830</b>	364,873,715
Revaluation during the period / year		-	329,009,064
Additions during the period / year	7.1	<b>512,400</b>	174,854,593
Disposals during the period / year	7.2	<b>(8,307,375)</b>	(609,790,736)
Depreciation for the period / year		<b>(18,523,981)</b>	(43,421,806)
		<b>189,205,874</b>	215,524,830
Capital work-in-progress - advance against purchase of assets		<b>3,310,777</b>	1,313,212
Right of use of assets		<b>242,040,513</b>	259,248,828
		<b>434,557,164</b>	476,086,870

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

Furniture and fixtures	-	12,755,200
Office equipment	<b>512,400</b>	30,506,679
Vehicles	-	4,117,360
Lease hold improvement	-	127,475,355
	<b>512,400</b>	174,854,594

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

	Note	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
		----- Rupees -----	
Office premises		-	(606,831,542)
Furniture and fixtures		-	(310,235)
Office equipment		<b>(5,913)</b>	(146,347)
Vehicles	7.2.1	<b>(8,301,462)</b>	(2,502,612)
		<b>(8,307,375)</b>	(609,790,736)

7.2.1 During the period, eight 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.

## 8. INTANGIBLE ASSETS

Opening written down value	<b>15,323,841</b>	16,315,422
Additions during the period / year	<b>1,247,039</b>	3,610,249
Amortisation for the period / year	<b>(2,414,912)</b>	(4,601,830)
	<b>14,155,968</b>	15,323,841

# JS Investments Limited

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	Rupees	
<b>9. OTHER FINANCIAL ASSETS - INVESTMENTS</b>			
<b>At fair value through profit or loss'</b>			
Units of mutual funds - related parties	9.1	<b>1,258,936,018</b>	1,616,945,710
Term Finance Certificate	9.2	<b>125,000,000</b>	125,000,000
		<b><u>1,383,936,018</u></b>	<b><u>1,741,945,710</u></b>

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

			(Un-Audited)		(Audited)
Number of Units			June 30,		December 31,
June 30,	December 31,		2020		2019
2020	2019		Average cost	Fair value	Fair value
			Rupees		
1,346,401	2,925,657	JS Income Fund	128,229,123	129,106,398	294,087,027
3,305	3,305	JSIHFOF-Mustahkem	288,464	209,861	288,464
76,142	-	JSIHFOF-Mufeed	3,000,000	3,028,173	-
49,068	-	JSIHFOF-Mutanasib	3,000,000	3,042,689	-
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	99,760,000	99,990,000
1,343,094	1,716,379	JS Value Fund	249,114,943	213,981,713	341,336,249
1,971,060	1,903,901	JS Growth Fund	332,192,587	287,893,019	322,482,694
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	74,105,482	86,654,082
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	40,228,146	38,530,512
		JS Pension Savings Fund -			
177,463	177,463	Money Market	39,425,272	41,806,831	39,425,272
2,822,294	2,772,987	JS Fund of Funds	165,326,754	146,787,505	162,774,333
		JS Islamic Pension Savings			
182,354	182,354	Fund - Equity	104,609,005	92,938,370	104,609,005
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	49,087,518	50,661,467	49,087,518
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	44,231,701	46,027,912	44,231,701
		JS Islamic Capital Preservation			
157,204	157,204	Allocation Plan 4	16,839,666	15,064,835	16,839,666
153,647	153,647	JS Islamic Capital Preservation	16,609,187	14,293,617	16,609,187
		Allocation Plan 5			
			1,377,128,814	1,258,936,018	1,616,945,710
		Unrealized diminution on			
		remeasurement at fair value - net	(54,318,017)	-	-
			1,322,810,797	1,258,936,018	1,616,945,710

## 9.2 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% (December 31, 2019: 6 Months KIBOR +1.50%) per annum.

		(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	Note	----- Rupees -----	
<b>10. CASH AND BANK BALANCES</b>			
Cash in hand		<b>59,044</b>	68,045
Cash at bank in:			
Current accounts		<b>1,188,796</b>	1,168,596
Savings accounts	10.1	<b>26,376,703</b>	12,203,631
	10.2	<b>27,565,499</b>	13,372,227
		<b>27,624,543</b>	13,440,272

**10.1** These carry mark-up at the rates ranging from 5.50% to 10.5% (2019: 8.00% to 13.70%) per annum.

**10.2** It includes Rs.24,457 (2019: Rs.10,717) million held with JS Bank Limited (the Parent Company).

## 11. DEFERRED TAXATION

As of June 30, 2020, the Company has accumulated losses of Rs.328.59 million. The deferred tax on such losses works out to Rs.95.293 million, however, the Company has recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.1.206 million. Unrecognized deferred tax asset on carried forward business losses as at June 30, 2020 amounted to Rs.94.087 million.

## 12. ACCRUED AND OTHER LIABILITIES

**12.1** This includes Rs.92.245 (December 31, 2019: Rs.92.245) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 16.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2019.

**12.2** This includes Rs.10.839 (2019: Rs.10.839) million payable against Sindh Workers' Welfare Fund. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 16.2 to the annual audited financial statements for the year ended December 31, 2019.

## 13. CONTINGENCIES AND COMMITMENTS

### 13.1 Contingencies

There is no change in the status of contingencies as disclosed in note 17.1 to the consolidated annual financial statements of the Company for the year ended December 31, 2019.

### 13.2 Commitments in respect of:

Use of name and advisory payment - a related party	<b>7,500,000</b>	15,000,000
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## 14. ADMINISTRATIVE EXPENSES

These mainly include salaries and benefits, depreciation, legal and professional, travelling, conveyance and vehicle maintenance, use of name and advisory fee, fees and subscription and IT service expenses aggregating to Rs.149.710 (June 30, 2019: Rs.170.240) million.

## 15. OTHER INCOME

This mainly includes mark-up of Rs.9.083 (June 30, 2019: Rs.7.643 ) million on term finance certification and gain on disposal of property and equipment amounting to Rs. 5.838 (June 30, 2019: Rs. 38.459) million.

(Un-Audited)			
Half year ended		Quarter ended	
June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
----- Rupees -----			

## 16. (LOSS) / EARNINGS PER SHARE

(Loss) / profit for the period	<b>Rupees:</b>	<u>(171,316,114)</u>	<u>(123,062,103)</u>	<u>85,724,713</u>	<u>(96,509,984)</u>
Weighted average number of ordinary shares outstanding during the period	<b>Number:</b>	<u>61,774,256</u>	<u>80,171,818</u>	<u>61,774,256</u>	<u>80,171,818</u>
(Loss) / earnings per share	<b>Rupees:</b>	<u>(2.77)</u>	<u>(1.53)</u>	<u>1.39</u>	<u>(1.20)</u>

**16.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2020 and June 30, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

## 17. 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) -----	
June 30, 2020	June 30, 2019
----- Rupees -----	

### 17.1 Transaction with related parties

#### 17.1.1 Funds under management

Remuneration - net of taxes	<b>97,740,999</b>	102,159,754
Commission received	<b>2,853,840</b>	621,713
Amount paid	<b>34,174,329</b>	20,744,470
Amount received	<b>33,214,978</b>	20,643,651
Dividends received	<b>14,694,923</b>	17,684,964
Investments made	<b>86,319,528</b>	990,032,219
Investments disposed off / matured	<b>400,354,343</b>	510,000,000

#### 17.1.2 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	<b>2,397,000</b>	4,197,000
Rent paid	<b>150,000</b>	-

<b>----- (Un-Audited) -----</b>	
<b>June 30,</b>	<b>June 30,</b>
<b>2020</b>	<b>2019</b>
<b>----- Rupees -----</b>	

**17.1.3 JS Bank Limited (JSBL)**
**Basis of relationship - Parent company**
**Percentage of shareholding - JSBL holds 84.56% shares of JSIL**

Proceeds received from disposal of office premises	-	606,831,542
Proceeds received from disposal of office equipment and furniture and fixtures	-	467,458
Rent received	-	2,763,395
Rent paid	<b>1,327,628</b>	1,764,404
Management fee sharing on distribution of mutual funds	<b>8,196,343</b>	12,399,571
Amount paid	-	791,984
Amount received	-	63,656
Return on bank deposits	<b>2,358,632</b>	2,943,269

**17.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)**
**Basis of relationship - Common directorship of JSCL**

Rent received	-	2,704,176
Amount paid	-	618,175

**17.1.5 Associated company - JS Private Equity (JSPE)**
**Basis of relationship - Common directorship of JSCL**

Rent received	-	917,910
Amount paid	-	254,660
Amount received	<b>720,197</b>	-

**17.1.6 Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)**
**Basis of relationship - Common directorship of the Group**

Rent received	-	330,940
Amount paid	-	198,048
Amount received	-	341,549

**17.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)**
**Basis of relationship - common directorship of the Group**

Amount paid	-	52,821
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# JS Investments Limited

		(Un-Audited)	
		June 30, 2020	June 30, 2019
		Rupees	
<b>17.1.8 Associated company - EFU General Insurance</b>			
<b>Percentage of shareholding - JSCL holds 21.10%</b>			
Insurance premium paid		<b>3,452,106</b>	3,570,603
<b>17.1.9 Associated company - EFU Life Assurance</b>			
<b>Percentage of shareholding - JSCL holds 20.05%</b>			
Insurance premium paid		<b>1,348,304</b>	1,859,781
<b>17.1.10 Associated company - JS Investments Staff Provident Fund (the Fund)</b>			
<b>Basis of relationship - Employee benefit plan</b>			
Amount paid		<b>46,006</b>	112,460
Amount received		<b>46,006</b>	84,259
Provident fund contributions made		<b>4,449,009</b>	5,076,772
<b>17.1.11 Associated company - JS Global Capital Limited (JSGCL)</b>			
<b>Basis of relationship - JSBL holds 83.53% shares of JSGCL</b>			
Amount paid		<b>286,313</b>	45,667
Amount received		<b>453,296</b>	45,667
<b>17.1.12 Common Substantial Shareholder - JS Land (Private) Limited</b>			
<b>Basis of Relationship - Common Substantial Shareholder</b>			
Rent paid		<b>18,818,240</b>	18,211,200
Maintenance paid		<b>6,963,785</b>	3,035,515
<b>17.1.13 Common Directorship - Future Trust</b>			
<b>Basis of relationship - common directorship of the Company</b>			
Donation paid		-	745,747
<b>17.1.14 Transactions made with key management personnel</b>			
Remuneration		<b>57,799,730</b>	53,131,232
Directors fee		<b>325,000</b>	475,000
Disbursements of personal loans and advances		<b>1,103,000</b>	2,787,400
Repayments of loans and advances		<b>1,690,543</b>	1,006,998
Use of name and Advisory for the period		<b>7,500,000</b>	7,500,000

	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
<b>17.2 Balance outstanding with related parties</b>		
<b>17.2.1 Funds under management</b>		
<b>Basis of relationship - Funds managed by the Company</b>		
Receivable from funds under management	108,339,761	145,494,632
Payable to funds under management	956,505	3,010,722
<b>17.2.2 Jahangir Siddiqui &amp; Co. Ltd. (JSCL)</b>		
<b>Basis of relationship - ultimate parent company</b>		
<b>Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)</b>		
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
<b>17.2.3 JS Bank Limited (JSBL)</b>		
<b>Basis of Relationship - parent company</b>		
<b>Percentage of Shareholding - JSBL holds 85.56% shares of JSIL</b>		
Bank balance	24,457,502	10,717,477
Other receivable	1,465,064	1,465,065
Rent payable	22,628	56,570
Rent receivable	2,409,149	2,409,149
Other payables	3,497,585	5,595,075
Dividend payable	-	208,947,912
<b>17.2.4 Associated company - Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Other receivable	660,165	660,165
Rent receivable	2,486,352	2,486,352

	(Un-Audited) June 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
<b>17.2.5 Associated company - JS Private Equity (JSPE)</b>		
<b>Basis of relationship - Common directorship of JSCL</b>		
Other receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
<b>17.2.6 Associated Company - Mahvash &amp; Jahangir Siddiqui Foundation (MJSF)</b>		
<b>Basis of relationship - Common directorship of the Group</b>		
Other receivable	177,106	177,106
Rent receivable	379,929	379,929
<b>17.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)</b>		
<b>Basis of relationship - Common directorship of the Group</b>		
Other receivable	1,017,169	1,017,169
<b>17.2.8 Associated company - JS Global Capital Limited (JSGCL)</b>		
<b>Basis of relationship - JSBL holds 83.53% shares of JSGCL</b>		
Other receivable	770,009	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
<b>17.2.9 Common Substantial Shareholder - JS Land (Private) Limited</b>		
<b>Basis of Relationship - Common Substantial Shareholder</b>		
Other payable	984,723	626,010
Other receivable	-	242,000
<b>17.2.10 Outstanding from key management personnel</b>	<b>817,535</b>	1,406,580
<b>17.2.11 Key management personnel and directors hold 1,508 shares in the company</b>		
<b>17.3</b> Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.		
<b>17.4</b> 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.		



## 18. 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:

	June 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	1,258,936,018	-	1,258,936,018
Term Finance Certificate	-	125,000,000	-	125,000,000
	-	1,383,936,018	-	1,383,936,018
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
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

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

**18.1.1** 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.

**18.1.2** 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).

**18.2** During the period ended June 30, 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.

## 19. SUBSEQUENT EVENT

Subsequent to period ended June 30, 2020, the Company has been granted license by the Securities and Exchange Commission of Pakistan (SECP) to carry out REIT Management services for a period of three years starting from July 28, 2020.

## 20. GENERAL

**20.1** 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.

**20.2** These consolidated condensed interim financial information were authorised for issue on August 18, 2020 by the Board of Directors of the Company.

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

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

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**Chief Executive Officer**

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**Director**

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**Chief Financial Officer**

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