

JS Investments Limited

Quarterly Report for the period
ended September 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
Mr. Suleman Lalani	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 Officer

Mr. Hasnain Raza Nensey

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Director Finance /Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

EY Ford Rhodes

Legal Advisors

Bawaney & Partners

BOARD COMMITTEES

Audit Committee

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

HR Committee

Ms. Aisha Fariel Salahuddin (Chairperson)
Mr. Kamran Jafar
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

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DIRECTORS' REPORT TO THE SHAREHOLDERS

For the period ended September 30, 2020

We are pleased to present the unconsolidated financial statements of JS Investments Limited (JSIL) for the period ended September 30, 2020.

Economic Review:

The nine months of the calendar year (9MCY20) were dominated by the COVID-19 crisis. Fortunately for Pakistan, due to unexplained reasons, large swaths of the population remained asymptomatic to the virus and mortality rates remained low. As a result, the government adopted a smart lockdown approach that was eventually lifted by the end of the half year. The sharp reduction in active COVID-19 cases was unprecedented even as the virus ravaged the neighboring India; a country with strikingly similar demographics and cultural when compared to Pakistan. Patient recoveries in Pakistan improved sharply from June onwards.

The drop in economic activity led the State Bank of Pakistan to take steps to control the expected economic fallout. The SBP has so far reduced the Policy Rate from 13.25% to 7% over the course of a few months in order to support the economic activity. Central Bank's focus has shifted from controlling inflation to promoting growth. Several loan deferment and refinancing schemes were also introduced by SBP to support business activity.

At the same time, inflation moderated from a high of 14.6% in January 2020 to 9.03% by September 2020. This has given the SBP further room to reduce interest rates. The Current Account Deficit (CAD) has also improved sharply. Over 9MCY20, the CAD came in at USD 675 million compared to USD 6.4 billion in the same period last year. This was made possible through lower imports (partly due to lower oil prices) and strong remittances growth.

Going forward, it is expected that economic activity shall rebound further as the COVID-19 situation has eased off considerably. Certain leading indicators such as auto sales and cement demand have already started showing strong growth.

Income & Money Market Review:

During CY20, the SBP has decreased the Policy Rate from 13.25% to 7% in order to stimulate the economy and undo the effects of the COVID-19 pandemic. SBP has been one of the most aggressive central banks in the world when it came to adjusting rates. The cumulative reduction in the policy rate since mid-March 2020 is 625 basis points. The yield curve had inverted considerably before the pandemic. The rate cut has led to the normalization of the yield curve as it has once again become upward sloping with longer term PIBs returning a higher yield than shorter tenor treasury bills. Since the economy's growth was expected to slow down dramatically, SBP took a much aggressive stance to cut the policy rate within a short period of time. This however, led to dramatic volatility in the fixed income market.

Over CYTD 2020, the SBP has received PKR 390 billion, PKR 325 billion, and PKR 260 billion in bids respectively for the 3 year, 5 year, and 10 year fixed rate PIBs. Against this, the SBP accepted PKR 392 billion, PKR 285 billion, and PKR 155 billion in the 3 year, 5 year and 10 year tenors, respectively. Due to the demand/supply imbalances, PIB cut-offs have decreased. The SBP received PKR 1,192 billion, PKR 556 billion, and PKR 997 billion bids for the 3 year, 5 year and 10 year floating rate PIBs and accepted PKR 594 billion, PKR 245 billion, and PKR 409 billion in the 3 year, 5 year and 10 year tenors, respectively. Clearly, SBP has been more willing to accept bids for floating rate bonds as compared to their fixed rate counterparts.

The 3 year fixed rate PIBs cutoff has decreased from a high of 11.75% to 8.20%. Similarly, the 5 year and 10 year PIB cutoffs have declined from 11.19% to 8.45% and 10.90% to 8.99%, respectively. Cumulatively, secondary market yields for longer tenor PIBs have contracted by ~250bps from their highs in January 2020. Investors' preference has tilted to the shorter tenor treasury bills now as the market is expecting no further reduction in the Policy Rate in 2020 and is keeping a close eye on the high inflation numbers. The recent bidding pattern has been reflecting this trend as cumulatively PKR 20.2T worth of bids were received for 3-12 month treasury bills. During 2020, the cut-off for the 3 months, 6 month, and 12 months treasury bills has come down from 13.48%, 13.29%, and 13.13% to 7.13%, 7.18%, and 7.30%, respectively.

JS Investments Limited

The Islamic money market witnessed the issuance of GOP Ijarah Sukuk in CYTD 2020. The SBP received PKR 575 billion bids for the 5 years Variable Rental Rate (VRR) Ijarah Sukuk. Against this demand, the SBP accepted PKR 316 billion. The SBP received PKR 56 billion bids for the 5 years Fixed Rental Rate (FRR) Ijarah Sukuk and accepted PKR 45 billion. The Ministry of Energy issued its second Pakistan Energy Sukuk worth PKR 200 billion on 1st May 2020. This Sukuk is based on the Ijarah mode of financing and has a 10 year tenor and is priced at a minus 10bps differential to the 6 months KIBOR.

Equity Market Review:

The KSE100 Index was down 0.4% during the period under review while the KMI30 Index was down 2%. The KSE30 Index was down 7.8% as it is exposed to banking sector stocks. Banks have underperformed the market significantly due to the sharp decline in interest rates.

During the year, the KSE100 Index declined by 33% i.e. from 40,735 points to 27,228 points. The decline was mainly caused by the lockdown initiated in March 2020 to control the spread of Corona virus. The market subsequently rebounded as COVID-19 cases declined and now stand flat on a 9MCY20 basis.

Cements were the largest positive contributor to the index at 1,400 points followed by Technology and Communication at 577 points, Pharmaceuticals at 419 points, Chemical at 184 points, and Textile Composite at 184 points. Banks were the largest negative contributor to the index at minus 1,463 points, followed by Oil & Gas Exploration (E&P) at minus 1,180 points, and then Power Generation at minus 372 points.

Oil & Gas Exploration stocks have underperformed sharply due to the lower oil prices. Cements have done well in anticipation of recovery in cement prices and demand (especially due to the government's focus on low-cost housing and dams construction). Technology stocks have done well due to the digitization drive necessitated by COVID-19 while Chemicals and Textiles have also fared well as they benefit from PKR devaluation.

Foreigners were net sellers of USD 387 million during the year to date, compared to USD 71 million net buying during the same period last year. Foreign flows into the equity market started out positive in January 2020; however they turned sharply negative for the remainder of the year due to the COVID-19 crisis.

Mutual Fund Industry Review:

At the end of 9MCY20, Assets Under Management (AUM) of the mutual fund industry stood at PKR 872 billion (excluding Fund of Funds structures) showing a growth of 30% (PKR 199 billion) from a December 2019 level of PKR 673 billion. The nine months 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 subsequently. 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 160 billion during the period. All other categories on an aggregate basis registered an outflow of PKR 19 billion during the period – therefore the net inflow was around PKR 142 billion. As equity markets stabilize and confidence returns, we like other AMCs expect inflows into the equity space to increase – this area is very critical for the income generation of AMCs.

Company's Performance Review:

JSIL posted a net loss of PKR 69 million as of September 30, 2020 which translates into loss per share of PKR 1.11. JSIL recorded total revenue of PKR. 177 million, compared to PKR 201 million during the corresponding period (other than unrealized loss/income). JSIL earned management remuneration from funds under management (incl. SMAs) of PKR 137 million compared to PKR 149 million during the corresponding period. Unrealized gain on the portfolio was recorded at PKR 38 million which is showed an improvement from the Q2 position of PKR 118 million loss where market had declined significantly. We have seen a smart recovery in the equity portfolio values of the AMC till September'20, except slight decline during the end of September'20. Needless to say, the recovery of mutual fund / vps portfolio values beyond September'20 has also been very astounding and is expected to contribute positively to the profitability of the AMC in the remaining period of CY'20.

The assets under management (excluding Separately Managed Accounts and Fund of Funds) were PKR. 20.8 billion, compared to PKR 20.3 billion as at December 31, 2019 depicting a relatively flat picture in terms of net AuM growth. During the 9 month period, 3 CPPI plans on the Shariah Compliant side matured whereas we launched the JS Islamic Daily Dividend Fund in September'20 which has been well received by the market.



JS Investments Limited

In its consolidated financial statements, the JSIL has reported a net loss after tax of PKR 65 million as of September 30, 2020 as compared to a net loss of PKR 283 million for the corresponding period last year. The basic and diluted loss per share is PKR 1.05 for the period ended September 30, 2020.

Future Outlook

The recovery in Equity markets in 2nd & 3rd QCY20 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 AMCs. In the income / money market space, we have recently launched the JS Islamic Daily Dividend Fund to cater 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.

In order to give diversified avenues of investments and opportunity to feel the flavor of trading in stock market while investing in mutual funds to the unit holders, JSIL is in the process of launching Exchange Traded Fund.

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 Q4 2020.

Asset Manager and Entity Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned 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

October 20, 2020
Karachi

Director

Chief Executive Officer

جے ایس انویسٹمنٹس لمیٹڈ

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ مدت 30 ستمبر 2020

ہم 30 ستمبر 2020 کو ختم ہونے والی مدت کے لیے جے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے غیر مجتمع مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معیشت کا جائزہ

کلینڈر سال کے نو ماہ (9MCY20)، COVID-19 کے بحران کی زد میں رہے۔ خوش قسمتی سے پاکستان کی بڑی آبادی نامعلوم وجوہات کی بناء پر اس وائرس کا شکار ہونے سے بچی رہی اور اس سے ہونے والی ہلاکتوں کی شرح بھی کم رہی۔ اس کے نتیجے میں حکومت نے اسمارٹ لاک ڈاؤن کا طریقہ اپنایا جو بالآخر نصف سال میں اٹھایا گیا۔ فعال COVID-19 کے کیسز میں غیر معمولی طور پر تیزی سے کمی آئی حالانکہ ہمارے پڑوسی ملک بھارت میں، جہاں کی ثقافت اور طرز زندگی بھی پاکستان سے ملتا جلتا ہے، وائرس نے تباہی مچادی۔ جون اور اس کے بعد مریضوں کی بحالی میں بھی تیزی سے اضافہ ہوا۔

اسٹیٹ بینک آف پاکستان (SBP) نے ملک میں معاشی سرگرمیوں میں کمی کا نوٹس لیتے ہوئے متوقع معاشی فال آؤٹ پر قابو پانے کیلئے فوری اقدامات کئے۔ اس وقت تک اسٹیٹ بینک آف پاکستان نے معاشی سرگرمیوں کی امداد کیلئے چند ماہ میں پالیسی ریٹ 13.25% سے کم کر کے 7% کر دیا۔ مرکزی بینک کی خاص توجہ افراط زر سے بڑھتی کو فروغ دینے پر منتقل کردی ہے۔ SBP نے کاروباری سرگرمیوں کیلئے تعاون کرتے ہوئے قرضوں کی ادائیگی کو موخر کرنے سے لے کر ری فنانسنگ کی مختلف اسکیمیں متعارف کرائیں۔

اس کے ساتھ ساتھ افراط زر کی شرح جو جنوری 2020 میں 14.6% تھی، ستمبر 2020 میں کم ہو کر 9.03% ہو گئی۔ اس سے SBP کو شرح سود میں مزید کمی کی گنجائش مل گئی۔ کرنٹ اکاؤنٹ کے خسارے (CAD) میں بھی تیزی سے بہتری آئی 9MCY20 کے دوران 675 CAD ملین امریکی ڈالر ہو گیا جو گزشتہ سال کی اسی مدت میں 6.4 بلین امریکی ڈالر تھا جو درآمدات میں کمی (جزوی طور پر تیل کی قیمتوں میں کمی سے) اور مضبوط زربل زر میں اضافے کے سبب ممکن ہوا۔

نیز توقع کی جارہی ہے کہ جیسے ہی COVID-19 کی صورتحال میں نمایاں کمی ہوئی ویسے ہی معاشی سرگرمیوں میں بھی سی بڑھتی واپس آ جائے گی۔ جس کا اندازہ بعض نمایاں ترین اشاریوں جیسے آئی سی ڈی اور پی سی ڈی کی طلب میں پہلے ہی مضبوط بڑھوتی سے ہوتا ہے۔

انکم اور منی مارکیٹ کا جائزہ

کلینڈر سال 20 (CY20) کے دوران SBP نے معیشت کو سہارا دینے اور COVID-19 کی وبا کے اثرات کو کم کرنے کیلئے پالیسی ریٹ 13.25% سے کم کر کے 7% کر دیا۔ SBP ریٹ ایڈجسٹ کرنے کے لحاظ سے دنیا کے تیز ترین عمل کرنے والے بینکوں میں شامل ہے۔ مارچ 2020 کے وسط سے پالیسی ریٹ میں مجموعی طور پر 625 بیس پوائنٹس کی کمی کی گئی۔ وبا سے پہلے نتائج کی قوس نمایاں طور پر بائیں ہوتی تھی۔ ریٹ میں کمی کوئی کرنے سے نتائج کی قوس جو طویل مدت کے PIBs کے ساتھ ایک بار پھر اونچائی کی طرف بڑھ گئی تھی، نارمل ہو گئی اور قلیل مدت کے ٹریڈری بلز کے مقابلے میں دوبارہ بہتر نتائج کی طرف واپس آ گئی۔ معاشی ترقی کے ڈرامائی طور پر سست ہونے کے امکانات کے پیش نظر SBP نے ایک اور تیز قدم اٹھایا اور بہت تھوڑی مدت میں پالیسی ریٹ میں مزید کمی کردی۔ تاہم اس سے فکسڈ انکم مارکیٹ میں ڈرامائی طور پر اتار چڑھاؤ پیدا ہوا۔

2020 CYTD میں SBP نے 3 سال، 5 سال اور 10 سال کی مدت کیلئے فکسڈ ریٹ PIBs کی بولیوں میں بالترتیب 390 بلین پاکستانی روپے، 325 بلین پاکستانی روپے اور 260 بلین پاکستانی روپے حاصل کئے۔ اس کے مقابلے میں SBP نے 3 سال، 5 سال اور 10 سال کی مدت کیلئے بالترتیب 392 بلین پاکستانی روپے، 285 بلین پاکستانی روپے اور 155 بلین پاکستانی روپے منظور کئے۔ طلب / رسد میں عدم توازن کے باعث PIB کٹ آف میں کمی آئی۔ SBP نے فلوئنگ ریٹ PIBs میں 3 سال، 5 سال اور 10 سال کی مدت کیلئے 594 بلین پاکستانی روپے، 245 بلین پاکستانی روپے اور 409 بلین پاکستانی روپے منظور کئے۔ اس سے واضح طور پر ظاہر ہوتا ہے کہ SBP اپنے مساوی فکسڈ ریٹ بانڈز کے مقابلے میں فلوئنگ ریٹ بانڈز کی بولیاں قبول کرنے میں زیادہ دلچسپی رکھتا ہے۔

3 سالہ فکسڈ ریٹ PIBs کٹ آف 11.75% کی بلند سطح سے 8.20% تک نیچے آ گئے۔ اسی طرح 5 سال اور 10 سال کے PIB کٹ آف بالترتیب 11.19% سے کم ہو کر 8.45% اور 10.90% سے کم ہو کر 8.99% پر آ گئے۔ مجموعی طور پر طویل مدت کے PIBs کیلئے مارکیٹ کے خانوی نتائج کی جنوری 2020 کی بلند سطح میں 250~ بیس پوائنٹس کی کمی دیکھنے میں آئی۔

سرمایہ کاروں کی ترجیح اب قلیل مدت کے ٹریڈری بلز کی طرف مڑ گئی ہے کیونکہ مارکیٹ کو 2020 میں پالیسی ریٹ میں مزید کمی کی توقع نہیں ہے اور ان کی نظر بلند افراط زر کی طرف ہے۔ اس

رجحان کا بخوبی اندازہ بولیوں کے حوالہ طرز سے ہوتا ہے کہ 12-3 ماہ کے ٹریڈری بلز کیلئے مجموعی طور پر 20.2 ٹریلین پاکستانی روپے وصول ہوئے۔ 2020 کے دوران، 3 ماہ، 5 ماہ اور 10 ماہ کی مدت کیلئے ٹریڈری بلز کے کٹ آف 13.48%، 13.29% اور 13.13% سے بالترتیب کم ہو کر 7.13%، 7.18% اور 7.30% ہو گئے۔

2020 CYTD میں اسلامک منی مارکیٹ میں GOP اجارہ سکوک کا اجراء ہوا۔ SBP کو 5 سال کے ویری ایبل ریٹل ریٹ (VRR) اجارہ سکوک کیلئے 575 بلین پاکستانی روپے کی بولیاں موصول ہوئیں۔ اس طلبی میں SBP نے 316 بلین پاکستانی روپے منظور کئے۔ SBP کو 5 سال کے فکسڈ ریٹل ریٹ (FRR) اجارہ سکوک کیلئے 56 بلین پاکستانی روپے کی بولیاں موصول ہوئیں اور ان میں سے 45 بلین پاکستانی روپے کی منظوری دی گئی۔ وزارت توانائی نے کیم مئی 2020 کو 200 بلین پاکستانی روپے کے دوسرے پاکستان انرجی سکوک جاری کئے۔ یہ سکوک اجارہ کے طرز فرائض کی بنیاد پر 10 سال کی مدت کیلئے جاری کئے گئے اور اس کی قیمت 6 ماہ کے KIBOR سے منفی 10 پیس پوائنٹس کی تفریق کے ساتھ رکھی گئی۔

ایکویٹی مارکیٹ کا جائزہ

زیر جائزہ مدت کے دوران KSE100 انڈیکس 0.4% کم ہو گیا جب کہ KMI30 انڈیکس میں 2% کی واقع ہوئی۔ KSE30 انڈیکس کے بینکنگ کے شعبے کے اسٹاکس میں ظاہر ہونے کی بناء پر 7.8% کی کا سامنا کرنا پڑا۔ اسی طرح سود میں تیزی کے کی سبب مارکیٹ میں بینکوں کی کارکردگی نمایاں طور پر متاثر ہوئی۔

سال کے دوران KSE100 انڈیکس 33% کی کے ساتھ 40,735 پوائنٹس سے 27,228 پوائنٹس پر آ گئے۔ اس کی بڑی وجہ کو روٹا وائرس کے پھیلاؤ کو کنٹرول کیلئے لاک ڈاؤن کا خفازا تھا۔ اس کے بعد COVID-19 کیلئے مئی کی کے نتیجے میں مارکیٹ میں بحالی آئی اور 9MCY20 کی بنیاد پر اب یکساں سطح پر قائم ہے۔

انڈیکس میں سب سے زیادہ مثبت حصہ ڈائریکٹس کے 1,400 پوائنٹس رہے جب کہ اس کے بعد ٹیکنالوجی انڈیکس میں 577 پوائنٹس پر اور فارماسیوٹیکل 419 پر رہے، کیپیکل 184 پوائنٹس پر اور ٹیکسٹائل بھی 184 پوائنٹس پر رہے۔ انڈیکس میں بینکوں کا سب سے بڑا منفی حصہ باجوہ 1,463 پوائنٹس اور اس کے بعد آئل انڈیکس ایکسپلوریشن (E&P) کے منفی 1,180 پوائنٹس تھے جب کہ پاور جنریشن کا شعبہ منفی 372 پوائنٹس پر رہا۔

تیل کی قیمتوں میں کمی کے باعث آئل انڈیکس ایکسپلوریشن اسٹاکس کی کارکردگی میں تیزی سے کمی آئی۔ سینٹ کی قیمتوں اور طلب میں بحالی سے (خاص طور پر حکومت کی جانب سے کم قیمت گھر اور ڈیزل کی قیمتوں کی تعمیرات پر توجہ مرکوز کرنے کے سبب) سینٹس کی کارکردگی اچھی رہی۔ COVID-19 کے سبب ڈیجیٹل ٹرانزیشن کی ضرورت بڑھنے سے ٹیکنالوجی اسٹاکس کی کارکردگی بھی اچھی رہی جب کہ ٹیکسٹائل اور ٹیکسٹائل نے پاکستانی روپے کی قدر میں کمی سے فائدہ اٹھاتے ہوئے بہتر کارکردگی کا مظاہرہ کیا۔

سال کے دوران اور تاحال غیر ملکی 387 ملین امریکی ڈالر کے ساتھ خالص فروخت کنندہ (seller) رہے جب کہ اس کے مقابلے میں گزشتہ سال کی اسی مدت کے دوران 71 ملین امریکی ڈالر کے خالص خریدار تھے۔ ایکویٹی مارکیٹ میں غیر ملکی بہاؤ جنوری 2020 میں مثبت انداز سے شروع ہوا، تاہم COVID-19 کے بحران کے سبب سال کے بقیہ عرصے میں تیزی سے منفی میں تبدیل ہو گیا۔

میو چوئل فنڈ کی صنعت کا جائزہ

9MCY20 کے اختتام پر میو چوئل فنڈ انڈسٹری کے زیر انتظام اثاثے جات (AUM) 872 ملین روپے رہی (علاوہ فنڈ آف فنڈ) 30% کی نمو ظاہر کی (دسمبر 2019 کی سطح) 673 بلین روپے سے 199 بلین روپے)۔ کلینڈر سال 2020 کے 9 ماہ COVID-19 کے باعث بہت ڈاؤنڈول عرصہ رہا جس کے نتیجے میں سماجی معاشی تحکرات چھائے رہے۔ پہلی سہ ماہی میں ایکویٹی مارکیٹس میں تیزی سے کمی آئی جن میں دوسری سہ ماہی میں بحالی لائی گئی۔ SBP نے COVID-19 کے اثرات سے ڈیگاتی 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 مٹی مارکیٹ فنڈز کی موافقت کی جس کو اس مدت کے دوران 160 بلین پاکستانی روپے کا بھاری اندرونی بہاؤ حاصل ہوا۔ اس عرصے کے دوران دیگر تمام کیٹیگریز مجموعی طور پر 19 بلین پاکستانی روپے کے اندرونی بہاؤ کے ساتھ رجسٹر ہوئیں۔ لہذا خالص اندرونی بہاؤ تقریباً 142 بلین پاکستانی روپے رہا۔ ایکویٹی مارکیٹس میں استحکام اور معتبر آمدنی دیکھنے میں آیا، دیگر AMC's کی طرح ہمیں بھی توقع ہے کہ ایکویٹی کے شعبہ میں اندرونی بہاؤ میں اضافہ ہوگا۔ یہ حصہ AMC کیلئے آمدنی کے حصول کا نہایت اہم وسیلہ ہے۔

کمپنی کی کارکردگی کا جائزہ

JSIL نے 30 ستمبر 2020 کو 69 ملین روپے کا مجموعی نقصان درج کروا یا جو 1.11 روپے نقصان فی حصص میں منتقل ہو گیا۔ JSIL نے یکساں مدت کے دوران 201 ملین روپے کے مقابلے میں 177 ملین روپے کی کل آمدنی (غیر حقیقی نقصان / آمدنی کے علاوہ) ریکارڈ کروائی۔ JSIL نے اسی مدت کے لیے 149 ملین روپے کے مقابلے میں 137 ملین روپے کے انتظامیہ کے زیر نگرانی فنڈز (بشمول SMAS) سے منجھت ریویو نیشن کمائے۔ پورٹ فولیو پر 38 ملین پاکستانی روپے کا غیر حقیقی منافع ریکارڈ کیا گیا جس میں دوسری سہ ماہی (Q2) کے

118 ملین پاکستانی روپے کے خسارے کے مقابلے میں بہتری نظر آتی ہے جبکہ مارکیٹ میں نمایاں طور پر کمی آئی تھی۔ ستمبر 20 تک AMC کے ایکویٹی پورٹ فولیو کی قدر میں اساتر بحالی دیکھنے میں آئی، سوائے ستمبر 20 کے اختتام پر تھوڑی کمی تھی۔ یہ کہنا بے جا نہ ہوگا کہ ستمبر 20 کے بعد میوچل 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۔

انتظامیہ کے زیر نگرانی افادہ جات (بشمول سپر مینجیٹل اکاؤنٹس - ISMAS اور فنڈز آف فنڈز) 31 دسمبر 2019 کے 20.3 بلین روپے کے مقابلے میں 20.8 بلین روپے تھا، جس سے خالص AuM کی بڑھوتی کے لحاظ سے نسبتاً بہتر صورتحال ظاہر ہوتی ہے۔ 9 ماہ کی مدت کے دوران، شریعہ کمپلائنس کی طرف CPPI 3 پلانز میچور ہوئے جبکہ ہم نے ستمبر 20 کو JS اسلامک ڈیلی ڈیوڈ فنڈ کا اجراء کیا جس کو مارکیٹ میں خوب پذیرائی حاصل ہوئی۔ JSIL نے اپنے مجموعہ مالیاتی گوثاروں میں 30 ستمبر 2020 کو بعد از ٹیکس 65 ملین پاکستانی روپے کا خالص نقصان رپورٹ کیا ہے جب کہ اس کے مقابلے میں گزشتہ سال کی اسی مدت کیلئے 283 ملین پاکستانی روپے کا خالص نقصان ظاہر کیا گیا تھا۔ مدت بختم 30 ستمبر 2020 کیلئے بنیادی اور ہلکا (diluted) نقصان 1.05 روپے فی شیئر رہا۔

مستقبل کے امکانات

کلینڈر سال 20 کی دوسری اور تیسری سہ ماہی (2nd & 3rd QCY20) 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 پرائیویٹسز کی میوچل فنڈز میں حصہ داری بڑھے گی جو AMC کی آمدنی کے لئے اچھی علامت ہے۔ انکم / منی مارکیٹ کی سطح پر ہم نے JS اسلامک ڈیلی ڈیوڈ فنڈ کا حال میں اجراء کیا ہے جو شریعہ کمپلائنس کو ترجیح دینے والے صارفین کی نقد رقم کی منجبت کی ضروریات کیلئے تشکیل دیا گیا ہے۔ فکسڈ انکم / منی پر کم آمدنی کی پروفاںل سے توقع ہے کہ آنے والے دنوں میں انکم / منی مارکیٹ فنڈز میں فیس کی سطح پر مقابلے میں شدت آجائے گی۔

سرمایہ کاری کو متنوع راین فراہم کرنے اور اسٹاک مارکیٹ میں تجارت کے مزے کو محسوس کرنے کے موقع کو حاصل کرنے کی غرض سے، یونٹ ہولڈرز کی میوچل فنڈز میں سرمایہ کاری کرتے ہوئے JSIL ایکٹیوٹریٹ فنڈ کے اجراء کے مراحل میں ہے۔

ہم یہ مطلع کرتے ہوئے خوشی محسوس کرتے ہیں کہ سیکورٹیز اینڈ ایکٹیوٹریٹ کمیشن آف پاکستان (SECP) نے JSIL کو ریئل اسٹیٹ انویسٹمنٹ ٹرسٹ (REIT) منجبت کا لائسنس بھی دے دیا ہے۔ پاکستان ریئل اسٹیٹ مارکیٹ کی مجموعی حرکیات کے پیش نظر یہ ایک بہت ہی پرامید شعبہ ہے اور ہمیں لگتا ہے کہ یہ زیر انتظام اثاثے جات (AUMs) کو متنوع بنانے کی صحیح سطح فراہم کرے گا۔

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

ایسیٹ منیجر اور ایڈیٹیوٹریٹ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے پابلس انویسٹمنٹ لمیٹڈ کو "AM2" (اے ایم ٹو) کی منجبت کوائٹی ریٹنگ "stable" امکانات کے ساتھ تقویض کی ہے۔ یہ ریٹنگ منجبت کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

اظہار تشکر

ڈائریکٹرز میں قدر معانت، مدد اور رہنمائی پر سیکورٹیز اینڈ ایکٹیوٹریٹ کمیشن آف پاکستان (SECP) اور اپنے زیر انتظام فنڈز کے ٹرسٹیوز سے اظہار تشکر کرتے ہیں۔ بورڈ ممبران اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شریعہ ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بجانب بورڈ

چیف ایگزیکٹو آفیسر ڈائریکٹر

کراچی: 20 اکتوبر 2020



FINANCIAL STATEMENTS

JS Investments Limited

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	(Un- Audited) September 30, 2020	(Audited) December 31, 2019
ASSETS			
Non - current assets			
Property and equipment	7	415,443,610	476,086,870
Intangible assets	8	13,456,903	15,323,841
Long-term investment in a subsidiary (at cost)		37,500,000	37,500,000
Long-term loans and prepayments - considered good		3,831,544	3,387,150
		470,232,057	532,297,861
Current assets			
Balances due from funds under management - related parties		107,018,137	123,073,939
Loans and advances - considered good		2,689,652	3,973,499
Trade deposits, short term prepayments and other receivables		67,775,674	59,509,508
Other financial assets - investments	9	1,488,719,063	1,741,945,710
Taxation - net		88,579,897	87,784,493
Cash and bank balances	10	9,498,366	13,440,272
		1,764,280,788	2,029,727,421
Total assets		2,234,512,845	2,562,025,282
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		617,742,560	617,742,560
Unappropriated profit		1,128,172,991	1,197,045,225
		1,745,915,551	1,814,787,785
LIABILITIES			
Non - current liabilities			
Deferred taxation	11	-	-
Liability against assets subject to finance lease		255,816,936	290,383,259
Current liabilities			
Accrued and other liabilities	12	204,429,788	185,525,504
Dividend payable		-	247,097,024
Unclaimed dividend		5,325,400	2,952,805
Current maturity of liability against assets subject to finance lease		23,025,171	21,278,905
Total liabilities		488,597,294	747,237,497
Total equity and liabilities		2,234,512,845	2,562,025,282
Contingencies and commitments			
	13		

The annexed notes 1 to 19 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 PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2020

Note	Nine Months ended		Quarter ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
-----Rupees-----				
INCOME				
Remuneration from funds under management - gross	153,428,939	165,910,326	42,981,610	50,469,804
Less: Sindh sales tax	(17,651,117)	(19,087,029)	(4,944,787)	(5,806,261)
	<u>135,777,822</u>	<u>146,823,297</u>	<u>38,036,823</u>	<u>44,663,543</u>
Commission from open end funds under management	3,362,539	796,719	508,699	151,359
Dividend income	14,955,806	18,594,552	260,883	909,588
Net unrealised (loss) / gain on revaluation of investments classified as at fair value through profit or loss	38,624,276	(118,211,147)	157,490,217	(20,768,687)
Net gain on sale of investments	6,549,372	13,305,061	(3,793,769)	11,917,834
Return on bank deposits under interest / mark-up arrangements	2,812,342	6,610,187	453,710	3,602,784
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	1,311,465	2,327,908	455,618	699,420
Return on debt securities	<u>11,964,351</u>	<u>12,214,799</u>	<u>2,881,285</u>	<u>4,571,721</u>
Administrative expenses	215,357,972	82,461,376	196,293,466	45,747,562
Selling and distribution expenses	(224,327,135)	(254,588,098)	(74,954,546)	(84,347,513)
	<u>(32,544,829)</u>	<u>(75,536,955)</u>	<u>(8,262,054)</u>	<u>(27,032,178)</u>
OPERATING (LOSS) / PROFIT	<u>(41,513,992)</u>	<u>(247,663,677)</u>	<u>113,076,866</u>	<u>(65,632,129)</u>
Financial charges	(25,583,405)	(27,857,508)	(8,352,872)	(8,650,639)
	<u>(67,097,397)</u>	<u>(275,521,185)</u>	<u>104,723,994</u>	<u>(74,282,768)</u>
Other income	13,640,932	50,549,595	2,373,785	804,017
(Loss) / profit for the period before tax	<u>(53,456,465)</u>	<u>(224,971,590)</u>	<u>107,097,779</u>	<u>(73,478,751)</u>
Income tax				
- Current	15,415,770	19,858,624	946,895	6,010,903
- Deferred	-	41,548,406	-	81,150,868
	<u>15,415,770</u>	<u>61,407,030</u>	<u>946,895</u>	<u>87,161,771</u>
(Loss) / profit for the period after tax	<u>(68,872,234)</u>	<u>(286,378,620)</u>	<u>106,150,884</u>	<u>(160,640,522)</u>
(Loss) / earnings per share for the period - basic and diluted	<u>(1.11)</u>	<u>(3.66)</u>	<u>1.72</u>	<u>(2.05)</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2020

	Nine Months ended		Quarter ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
(Loss) / profit for the period after tax	(68,872,234)	(286,378,621)	106,150,884	(160,640,522)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(68,872,234)</u>	<u>(286,378,621)</u>	<u>106,150,884</u>	<u>(160,640,522)</u>

The annexed notes 1 to 19 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 NINE MONTHS ENDED SEPTEMBER 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	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 September 30, 2019	-	-	-	-	(286,378,621)	(286,378,621)
Surplus on revaluation during the period	-	-	290,762,157	-	-	290,762,157
Transfer from surplus on on account of disposal	-	-	(519,713,858)	-	519,713,858	-
Buy back of 18,397,562 shares having face value of Rs. 10/- each at a purchase price of Rs. 18/- each	(183,975,620)				(147,180,496)	(331,156,116)
Reversal of Related Deferred Tax (Asset)/ liability			59,863,434		(12,924,895)	46,938,539
Transfer from Capital Re-purchases reserve account of incremental depreciation charged thereon - net of tax		(198,281,820)			198,281,820	
	-	-	(4,803,425)	-	4,803,425	-
Balance as at September 30, 2019	617,742,560	-	-	-	1,253,100,475	1,870,843,035
Balance as at January 01, 2020	617,742,560	-	-	-	1,197,045,225	1,814,787,785
Total comprehensive loss for the period ended September 30, 2020	-	-	-	-	(68,872,234)	(68,872,234)
Balance as at September 30, 2020	617,742,560	-	-	-	1,128,172,991	1,745,915,551

The annexed notes 1 to 19 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 CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	<u>Rupees</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before taxation	(53,456,465)	(224,971,591)
Adjustment for:		
Remuneration from funds under management - net	(135,777,822)	(146,823,297)
Commission from open end funds under management	(3,362,539)	(796,719)
Dividend income	(14,955,806)	(18,594,552)
Depreciation expense	53,193,280	64,530,797
Amortisation expense	3,689,658	3,428,696
Financial charges	25,583,405	27,857,508
Return on bank deposits under interest / mark-up arrangements	(2,812,342)	(6,610,187)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(6,549,372)	(13,305,061)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	(38,624,276)	118,211,147
Gain on disposal of property and equipment	(8,191,921)	(38,756,103)
	<u>(181,264,200)</u>	<u>(235,829,362)</u>
Working capital changes		
Loans and advances - considered good	839,453	1,041,920
Trade deposits, short term prepayments and other receivables	(8,266,166)	(9,123,204)
Accrued and other liabilities	18,904,284	28,009,847
	<u>11,477,571</u>	<u>19,928,563</u>
	<u>(169,786,629)</u>	<u>(215,900,799)</u>
Taxes paid - net	(16,211,174)	(66,508,028)
Remuneration and commission received from funds under management	155,196,163	150,818,437
Net cash used in operating activities	<u>(30,801,639)</u>	<u>(131,590,390)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds / (Investments made) from sale of investments - net	298,400,295	(90,806,988)
Payments for purchase of property, equipment and intangible assets	(5,784,215)	(54,822,826)
Dividends received	14,955,806	18,594,552
Return on bank deposits under interest / mark-up arrangements	2,812,342	6,610,187
Sale proceeds from disposal of property and equipment	19,603,396	611,008,301
Net cash generated from investing activities	<u>329,987,624</u>	<u>490,583,226</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(244,724,429)	-
Payment of lease liability	(32,820,057)	(340,742)
Financial Charges Paid	(25,583,405)	(27,857,508)
Buy Back of shares	-	(331,156,116)
Net cash used in financing activities	<u>(303,127,891)</u>	<u>(359,354,366)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(3,941,907)</u>	<u>(361,530)</u>
Cash and cash equivalents at beginning of the period	13,440,272	23,014,577
Cash and cash equivalents at end of the period	<u>9,498,366</u>	<u>22,653,048</u>

The annexed notes 1 to 19 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 NINE MONTHS ENDED SEPTEMBER 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 (Jahanqir 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 and REIT 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 period ended September 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
- JS Islamic Daily Dividend Fund

Private Equity & Venture Capital fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

2. STATEMENT OF COMPLIANCE

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

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

JS Investments Limited

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 period:

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)
IAS 1	Classification of Liabilities as Current or Non-current (Amendments)
IAS 16	Proceeds before Intended Use (Amendments)
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)
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	Note	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
		----- 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	1,444,775	174,854,593
Disposals during the period / year	7.2	(11,411,477)	(609,790,736)
Depreciation for the period / year		(27,380,804)	(43,421,806)
		178,177,324	215,524,830
Capital work-in-progress - advance against purchase of assets		3,829,934	1,313,212
Right of use of assets		233,436,352	259,248,828
		415,443,610	476,086,870

JS Investments Limited

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

		(Un-Audited) September 30, 2020	(Audited) December 31, 2019
Note		----- Rupees -----	
	Furniture and fixtures	-	12,755,200
	Office equipment	1,444,775	30,506,679
	Vehicles	-	4,117,360
	Lease hold improvement	-	127,475,355
		<u>1,444,775</u>	<u>174,854,594</u>

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

		(Un-Audited) September 30, 2020	(Audited) December 31, 2019
		----- Rupees -----	
	Office premises	-	(606,831,542)
	Furniture and fixtures	-	(310,235)
	Office equipment	(128,309)	(146,347)
7.2.1	Vehicles	<u>(11,283,168)</u>	<u>(2,502,612)</u>
		<u>(11,411,477)</u>	<u>(609,790,736)</u>

7.2.1 During the period, ten 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	15,323,841	16,315,422
Additions during the period / year	1,822,720	3,610,249
Amortisation for the period / year	<u>(3,689,658)</u>	<u>(4,601,830)</u>
	<u>13,456,903</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	1,363,719,129	1,616,945,710
Term Finance Certificate	9.2	<u>125,000,000</u>	<u>125,000,000</u>
		<u>1,488,719,063</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) September 30, 2020	(Audited) December 31, 2019
September 30, 2020	December 31, 2019		Average cost	Fair value
			----- Rupees -----	
516,826	2,925,657	JS Income Fund	49,401,773	50,137,681
3,305	3,305	JSIHFOF-Mustahkem	288,464	216,604
76,142	-	JSIHFOF-Mufeed	3,000,000	3,342,640
49,068	-	JSIHFOF-Mutanasib	3,000,000	3,370,952
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	99,320,000
1,343,094	1,716,379	JS Value Fund	249,114,943	261,392,926
1,971,060	1,903,901	JS Growth Fund	332,192,587	334,134,086
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	89,990,799
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	40,546,795
		JS Pension Savings Fund - Money Market	39,425,272	42,413,756
177,463	177,463	JS Fund of Funds	165,326,754	169,535,193
2,822,294	2,772,987	JS Islamic Pension Savings Fund - Equity	104,609,005	111,341,502
182,354	182,354			104,609,005

Number of Units			(Un-Audited) September 30, 2020		(Audited) December 31, 2019
September 30, 2020	December 31, 2019		Average cost	Fair value	Fair value
			Rupees		
213,852	213,852	JS Islamic Pension Savings Fund - Debt	49,087,518	51,181,126	49,087,518
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	44,231,701	46,550,325	44,231,701
502,422	-	JS Islamic Daily Dividend Fund	50,242,242	50,242,242	16,839,666
125,078	-	JS Islamic Hybrid Fund Of Funds (Mutanad)	10,000,000	10,002,502	16,609,187
			1,325,094,854	1,363,719,129	1,616,945,710
		Unrealized surplus on remeasurement at fair value - net	38,624,275	-	-
			1,363,719,129	1,363,719,129	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.

	Note	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
		Rupees	
10. CASH AND BANK BALANCES			
Cash in hand		130,949	68,045
Cash at bank in:			
Current accounts		1,168,596	1,168,596
Savings accounts	10.1	8,198,821	12,203,631
	10.2	9,367,417	13,372,227
		9,498,366	13,440,272

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

10.2 It includes Rs.6,574 (2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).

11. DEFERRED TAXATION

As of September 30, 2020, the Company has accumulated losses of Rs.282.919 million. The deferred tax on such losses works out to Rs. 82.046 million, however, the Company has recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.5.33 million. Unrecognized deferred tax asset on carried forward business losses as at September 30, 2020 amounted to Rs.76.711 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. This also includes refinance amount of Rs. 40 million obtained from JS Bank Ltd. (a related party) under temporary refinance scheme for payment of wages and salaries to the workers and employees of the business concerns of State Bank of Pakistan.

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.

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13. CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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 except the following event:

Securities and Exchange Commission of Pakistan vide its order dated March 09, 2020 imposed an aggregate fine of Rs. 250,000/- on JSIL u/s section 40 of the SECP Act 1997. The Company has filed an appeal against the order before the Appellate Bench of the Commission which is pending.

13.2 Commitments in respect of:

Use of name and advisory payment - a related party

3,750,000

15,000,000

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.224.327 (Sep 30, 2019: Rs.254.588) million.

15. OTHER INCOME

This mainly include gain on disposal of property and equipment amounting to Rs. 8.191 (Sep 30, 2019: Rs. 38.756) million.

(Un-Audited)			
Nine months ended		Quarter ended	
September 30 2020	September 30 2019	September 30 2020	September 30 2019
----- Rupees -----			

16. (LOSS)/EARNINGS PER SHARE

(Loss) / profit for the period	Rupees:	(68,872,234)	(286,378,621)	106,150,884	(160,640,522)
Weighted average number of ordinary shares outstanding during the period	Number:	61,774,256	78,253,754	61,774,256	78,253,754
(Loss) / earnings per share	Rupees:	(1.11)	(3.66)	1.72	(2.05)

16.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2020 and September 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 Global Capital Limited, 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) -----
September 30, September 30,
2020 2019
 ----- Rupees -----

17.1 Transaction with related parties

17.1.1 Funds under management

Remuneration - net of taxes	135,777,822	146,823,297
Commission received	3,362,539	796,719
Amount paid	50,620,164	28,839,838
Amount received	44,709,463	29,544,500
Dividends received	14,955,806	18,594,552
Investments made	186,154,978	1,460,849,438
Investments disposed off / matured	484,555,206	1,370,044,070

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	2,397,000	4,197,000
Rent paid	150,000	-
Amount paid	-	45,667
Amount received	-	45,667

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	1,418,140	2,601,350
Management fee sharing on distribution of mutual funds	8,928,435	18,299,571
Amount paid	-	1,964,474
Amount received	-	1,139,938
Return on bank deposits	2,738,266	6,508,046
Amount received against Refinance Scheme for Salaries and Wages	40,000,000	-

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

Basis of relationship - Common directorship of the Group

Rent received	-	2,704,176
Amount paid	-	618,175
Amount received	-	1,675,202

----- (Un-Audited) -----
September 30, 2020 September 30, 2019
 ----- Rupees -----

17.1.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)

Basis of relationship - Common Substantial Shareholder

Rent received	-	917,910
Amount paid	-	354,660
Amount received	720,197	-

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

Basis of relationship - Common directorship of the Group

Rent received	-	330,940
Amount paid	-	223,048
Amount received	-	375,819

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

Basis of relationship - Common directorship of the Group

Amount paid	-	62,821
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17.1.8 Associated company - EFU General Insurance

Percentage of shareholding - JSCL holds 21.10%

Insurance premium paid	3,457,249	3,570,603
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17.1.9 Associated company - EFU Life Assurance

Percentage of shareholding - JSCL holds 20.05%

Insurance premium paid	1,538,674	2,026,033
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17.1.10 Associated company - JS Investments Staff Provident Fund (the Fund)

Basis of relationship - Employee benefit plan

Amount paid	90,765	112,460
Amount received	90,765	112,460
Provident fund contributions made	6,672,777	7,580,897

17.1.11 Associated company - JS Global Capital Limited (JSGCL)

Basis of relationship - JSBL holds 83.53% shares of JSGCL

Amount paid	470,556	163,213
Amount received	782,553	45,667



JS Investments Limited

----- (Un-Audited) -----
September 30, 2020 September 30, 2019
 ----- Rupees -----

17.1.12 Subsidiary company - JS ABAMCO Commodities Limited (JSACL)

Basis of Relationship - Subsidiary

Percentage of shareholding - 100% of JSIL

Amount paid	296,185	90,000
Amount received	-	90,000

17.1.13 Common Substantial Shareholder - JS Lands (Private) Limited

Basis of Relationship - Common Substantial Shareholder

Rent paid	28,379,120	27,316,800
Maintenance paid	10,381,293	11,602,484

17.1.14 Common Directorship - Future Trust

Basis of relationship - Common directorship of the Company

Donation paid	-	745,747
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17.1.15 Transactions made with key management personnel

Remuneration	87,497,487	53,131,232
Directors fee	525,000	475,000
Disbursements of personal loans and advances	2,088,000	2,787,400
Repayments of loans and advances	2,152,052	1,006,998
Use of name and Advisory for the period	11,250,000	7,500,000

(Un-Audited) (Audited)
September 30, 2020 December 31, 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	107,018,137	145,494,632
Payable to funds under management	331,658	3,010,722

	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
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		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 84.56% shares of JSIL		
Bank balance	6,573,731	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	41,029,186	5,595,075
Dividend payable	-	208,947,912
17.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of the Group		
Other receivable	660,165	660,165
Rent receivable	2,486,352	2,486,352
17.2.5 Associated company - JS Private Equity (JSPE)		
Basis of relationship - Common Substantial Shareholder		
Other receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
17.2.6 Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Other receivable	177,106	177,106
Rent receivable	379,929	379,929

	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
17.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other receivable	1,017,169	1,017,169
17.2.8 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other receivable	770,009	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
17.2.9 Subsidiary company - JS ABAMCO Commodities Limited (JSACL)		
Basis of relationship - Subsidiary		
Percentage of Shareholding - 100% of the Company		
Other receivable	584,141	287,956
17.2.10 Common Substantial Shareholder - JS Lands (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other payable	1,275,825	626,010
Other receivable	-	242,000
17.2.11 Outstanding from key management personnel	1,341,026	1,406,580
17.2.12 Key mangement 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.

JS Investments Limited

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:

	September 30, 2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,363,719,129	-	1,363,719,129
Term Finance Certificate	-	125,000,000	-	125,000,000
	-	1,488,719,129	-	1,488,719,129

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

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 September 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. GENERAL

19.1 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.

19.2 These unconsolidated condensed interim financial information were authorised for issue on October 20, 2020 by the Board of Directors of the Company.

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

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

Chief Executive Officer

Director

Chief Financial Officer

JS Investments Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT SEPTEMBER 30, 2020

	Note	(Un- Audited) September 30, 2020	(Audited) December 31, 2019
ASSETS			
Non - current assets			
Property and equipment	7	415,443,610	476,086,870
Intangible assets	8	13,456,903	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		3,831,544	3,387,150
Deferred tax asset - net		30,211	-
		<u>436,262,268</u>	<u>498,297,861</u>
Current assets			
Balances due from funds under management - related parties		107,018,137	123,073,939
Loans and advances - considered good		2,689,652	3,973,499
Trade deposits, short term prepayments and other receivables		67,794,424	59,588,008
Other financial assets - investments	9	1,554,020,540	1,803,840,399
Taxation - net		90,296,328	88,528,207
Cash and bank balances	10	9,936,528	13,866,415
		<u>1,831,755,608</u>	<u>2,092,870,467</u>
Total assets		<u><u>2,268,017,876</u></u>	<u><u>2,591,168,328</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up capital		<u>617,742,560</u>	<u>617,742,560</u>
Unappropriated profit		<u>1,160,083,358</u>	<u>1,224,732,253</u>
		<u>1,777,825,918</u>	<u>1,842,474,813</u>
LIABILITIES			
Non - current liabilities			
Deferred taxation	11	-	306,446
Liability against assets subject to finance lease		255,816,936	264,907,566
Current liabilities			
Accrued and other liabilities	12	206,024,453	186,675,076
Dividend payable		-	247,097,024
Unclaimed dividend		5,325,400	2,952,805
Current maturity of liability against assets subject to finance lease		23,025,171	46,754,598
Total liabilities		<u>490,191,959</u>	<u>748,693,515</u>
Total equity and liabilities		<u><u>2,268,017,876</u></u>	<u><u>2,591,168,328</u></u>
Contingencies and commitments	13		

The annexed notes 1 to 19 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 PROFIT OR LOSS (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2020

Note	Nine Months ended		Quarter ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
-----Rupees-----				
INCOME				
Remuneration from funds under management - gross	153,428,939	165,910,326	42,981,610	50,469,804
Less: Sindh sales tax	(17,651,117)	(19,087,029)	(4,944,787)	(5,806,261)
	<u>135,777,822</u>	<u>146,823,297</u>	<u>38,036,823</u>	<u>44,663,543</u>
Commission from open end funds under management	3,362,539	796,719	508,699	151,359
Dividend income	21,421,129	23,223,064	260,883	909,588
Net unrealised (loss) / gain on revaluation of investments classified as at fair value through profit or loss	36,535,539	(118,214,139)	158,243,770	(18,822,324)
Net gain on sale of investments	6,549,372	13,299,318	(3,793,769)	11,912,091
Return on bank deposits under interest / mark-up arrangements	2,837,688	6,620,687	459,553	3,607,796
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	1,311,465	2,327,908	455,618	699,420
Return on debt securities	<u>11,964,351</u>	<u>12,214,799</u>	<u>2,881,285</u>	<u>4,571,721</u>
Administrative expenses	219,759,904	87,091,653	197,052,862	47,693,194
Selling and distribution expenses	(224,842,085)	(255,013,611)	(75,131,139)	(84,500,969)
	<u>(32,544,829)</u>	<u>(75,536,955)</u>	<u>(8,262,054)</u>	<u>(27,032,178)</u>
OPERATING (LOSS) / PROFIT	<u>(37,627,010)</u>	<u>(243,458,913)</u>	<u>113,659,669</u>	<u>(63,839,953)</u>
Financial charges	(25,583,405)	(27,957,268)	(8,286,788)	(8,702,147)
	<u>(63,210,415)</u>	<u>(271,416,181)</u>	<u>105,372,881</u>	<u>(72,542,100)</u>
Other income	13,640,932	50,549,595	2,373,785	804,017
(Loss) / profit for the period before tax	<u>(49,569,483)</u>	<u>(220,866,586)</u>	<u>107,746,666</u>	<u>(71,738,083)</u>
Income tax				
- Current	15,079,114	20,213,576	610,239	6,365,855
- Deferred	-	41,548,405	468,909	81,462,526
	<u>15,079,114</u>	<u>61,761,981</u>	<u>1,079,148</u>	<u>87,828,381</u>
(Loss) / profit for the period after tax	<u>(64,648,597)</u>	<u>(282,628,567)</u>	<u>106,667,518</u>	<u>(159,566,464)</u>
(Loss) / earnings per share for the period - basic and diluted	<u>(1.05)</u>	<u>(3.61)</u>	<u>1.73</u>	<u>(2.04)</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2020

	Nine Months ended		Quarter ended	
	September 30, 2020	September 30, 2019	September 30, 2020	September 30, 2019
	-----Rupees-----			
(Loss) / profit for the period after tax	(64,648,597)	(282,628,567)	106,667,517	(159,566,464)
Other comprehensive income for the period	-	-	-	-
Total comprehensive (loss) / income for the period	<u>(64,648,597)</u>	<u>(282,628,567)</u>	<u>106,667,517</u>	<u>(159,566,464)</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED SEPTEMBER 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	
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,381	775,188,681	2,174,129,754
Adjustment due to reclassification as per IFRS 9	-	-	-	(225,049,381)	225,049,381	-
Total comprehensive loss for the nine months period ended September 30, 2019	-	-	-	-	(282,628,567)	(282,628,567)
Surplus on revaluation during the period	-	-	290,762,157	-	-	290,762,157
Transfer from surplus on account of disposal			(519,713,860)		519,713,860	-
Buy back of 18,397,562 shares having face value of Rs.10 each at a purchase price of Rs. 18/- each	(183,975,620)	-	-	-	(147,180,496)	(331,156,116)
Reversal of Related Deferred Tax (Asset)/ liability			59,863,433		(12,924,895)	46,938,538
Reversal of Incremental Depreciation during the period			(4,803,422)		4,803,422	-
Transfer from capital re-purchases reserve account	-	(198,281,820)	-	-	198,281,820	-
Balance as at September 30, 2019	617,742,560	-	-	-	1,280,303,206	1,898,045,766
Balance as at January 01, 2020	617,742,560	-	-	-	1,224,731,955	1,842,474,515
Total comprehensive loss for the period ended September 30, 2020	-	-	-	-	(64,648,597)	(64,648,597)
Balance as at September 30, 2020	617,742,560	-	-	-	1,160,083,358	1,777,825,918

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer

CONSOLIDATED CONDENSED STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2020

	September 30, 2020	September 30, 2019
	<u>Rupees</u>	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before taxation	(49,569,483)	(220,866,586)
Adjustment for:		
Remuneration from funds under management - net	(135,777,822)	(146,823,297)
Commission from open end funds under management	(3,362,539)	(796,719)
Dividend income	(21,421,129)	(23,223,064)
Depreciation expense	53,193,280	64,530,797
Amortisation expense	3,689,658	3,428,696
Financial charges	25,583,405	27,857,508
Return on bank deposits under interest / mark-up arrangements	(2,837,688)	(6,620,687)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(6,549,372)	(13,299,318)
Net unrealised loss on revaluation of investments classified as 'at fair value through profit or loss'	(36,535,539)	118,214,139
Gain on disposal of property and equipment	(8,191,921)	(38,756,103)
	<u>(181,779,150)</u>	<u>(236,354,634)</u>
Working capital changes		
Loans and advances - considered good	839,453	1,041,920
Trade deposits, short term prepayments and other receivables	(8,206,416)	(9,280,559)
Accrued and other liabilities	<u>19,349,377</u>	<u>28,037,005</u>
	<u>11,982,414</u>	<u>19,798,366</u>
	<u>(169,796,736)</u>	<u>(216,556,268)</u>
Taxes paid - net	(17,184,191)	(67,037,449)
Remuneration and commission received from funds under management	<u>155,196,163</u>	<u>150,818,437</u>
Net cash used in operating activities	<u>(31,784,764)</u>	<u>(132,775,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds / (Investments made) from sale of investments - net	292,904,770	(94,341,224)
Payments for purchase of property, equipment and intangible assets	(5,784,215)	(54,822,827)
Dividends received	21,421,129	23,223,064
Return on bank deposits under interest / mark-up arrangements	2,837,688	6,620,685
Sale proceeds from disposal of property and equipment	<u>19,603,396</u>	<u>611,008,299</u>
Net cash generated from investing activities	<u>330,982,768</u>	<u>491,687,997</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(244,724,429)	-
Payment of lease liability	(32,820,057)	(340,742)
Financial Charges Paid	(25,583,405)	(27,857,508)
Buy Back of shares	-	(331,156,116)
Net cash used in financing activities	<u>(303,127,891)</u>	<u>(359,354,366)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(3,929,887)</u>	<u>(441,649)</u>
Cash and cash equivalents at beginning of the period	13,866,415	23,353,558
Cash and cash equivalents at end of the period	<u>9,936,528</u>	<u>22,911,910</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Chief Financial Officer



NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 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 (Jahanair 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 and REIT Management services licenses 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 period ended September 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
- JS Islamic Daily Dividend Fund

Private Equity & Venture Capital fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

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

2. STATEMENT OF COMPLIANCE

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

- 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).

JS Investments Limited

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 period:

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

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	Note	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
		----- 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	1,444,775	174,854,593
Disposals during the period / year	7.2	(11,411,477)	(609,790,736)
Depreciation for the period / year		(27,380,804)	(43,421,806)
		178,177,324	215,524,830
Capital work-in-progress - advance against purchase of assets		3,829,934	1,313,212
Right of use of assets		233,436,352	259,248,828
		415,443,610	476,086,870

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	Note	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees -----			
7.1 The following additions were made to tangible - property and equipment during the period / year:			
Furniture and fixtures		-	12,755,200
Office equipment		1,444,775	30,506,679
Vehicles		-	4,117,360
Lease hold improvement		-	127,475,355
		1,444,775	174,854,594
		(Un-Audited) September 30, 2020	(Audited) December 31, 2019
----- Rupees -----			
7.2 The following disposals of tangible - property and equipment were made during the period / year:			
Office premises		-	(606,831,542)
Furniture and fixtures		-	(310,235)
Office equipment	7.2.1	(128,309)	(146,347)
Vehicles		(11,283,168)	(2,502,612)
		(11,411,477)	(609,790,736)

7.2.1 During the period, ten 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		15,323,841	16,315,422
Additions during the period / year		1,822,720	3,610,249
Amortisation for the period / year		(3,689,658)	(4,601,830)
		13,456,903	15,323,841

9. OTHER FINANCIAL ASSETS - INVESTMENTS

At fair value through profit or loss'

Units of mutual funds - related parties	9.1	1,429,020,977	1,616,945,710
Term Finance Certificate	9.2	125,000,000	125,000,000
		1,554,020,541	1,741,945,710

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

Number of Units			(Un-Audited) September 30, 2020	(Audited) December 31, 2019
September 30, 2020	December 31, 2019		Average cost	Fair value
----- Rupees -----				
1,189,972	2,925,657	JS Income Fund	114,030,475	115,439,528
3,305	3,305	JSIHFOF-Mustahkem	288,464	216,604
76,142	-	JSIHFOF-Mufeed	3,000,000	3,342,640
49,068	-	JSIHFOF-Mutanasib	3,000,000	3,370,952
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	99,320,000
1,343,094	1,716,379	JS Value Fund	249,114,943	261,392,926
1,971,060	1,903,901	JS Growth Fund	332,192,587	334,134,086
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	89,990,799
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	40,546,795
				294,087,027
				288,464
				-
				-
				99,990,000
				341,336,249
				322,482,694
				86,654,082
				38,530,512

Number of Units		September 30, 2020		December 31, 2019
September 30, 2020	December 31, 2019	Average cost	Fair value	Fair value
		Rupees		
	JS Pension Savings Fund -			
177,463	177,463 Money Market	39,425,272	42,413,756	39,425,272
2,822,294	2,772,987 JS Fund of Funds	165,326,754	169,535,193	162,774,333
	JS Islamic Pension Savings			
182,354	182,354 Fund - Equity	104,609,005	111,341,502	104,609,005
	JS Islamic Pension Savings			
213,852	213,852 Fund - Debt	49,087,518	51,181,126	49,087,518
	JS Islamic Pension Savings			
222,303	222,303 Fund - Money Market	44,231,701	46,550,325	44,231,701
	JS Islamic Daily Dividend Fund			
502,422	-	50,242,242	50,242,242	16,839,666
	JS Islamic Hybrid Fund Of Funds (Mutanad)			
125,078	-	10,000,000	10,002,502	16,609,187
	Unrealized surplus on remeasurement at fair value - net	1,389,723,556	1,429,020,977	1,616,945,710
		39,297,421	-	-
		<u>1,429,020,977</u>	<u>1,429,020,977</u>	<u>1,616,945,710</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.

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

10. CASH AND BANK BALANCES

Cash in hand		130,949	68,045
Cash at bank in:			
Current accounts		1,188,596	1,168,596
Savings accounts	10.1	8,616,983	12,203,631
	10.2	9,805,579	13,372,227
		<u>9,936,528</u>	<u>13,440,272</u>

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

10.2 It includes Rs.6,574 (2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).

11. DEFERRED TAXATION

As of September 30, 2020, the Company has accumulated losses of Rs.282.919 million. The deferred tax on such losses works out to Rs. 82.046 million, however, the Company has recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.5.33 million. Unrecognized deferred tax asset on carried forward business losses as at September 30, 2020 amounted to Rs.76.711 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 consolidated annual financial statements of the Company for the year ended December 31, 2019. This also includes refinance amount of Rs. 40 million obtained from JS Bank Ltd. (a related party) under temporary refinance scheme for payment of wages and salaries to the workers and employees of the business concerns of State Bank of Pakistan.

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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 except the following event:

Securities and Exchange Commission of Pakistan vide its order dated March 09, 2020 imposed an aggregate fine of Rs. 250,000/- on JSIL u/s section 40 of the SECP Act 1997. The Company has filed an appeal against the order before the Appellate Bench of the Commission which is pending.

13.2 Commitments in respect of:

Use of name and advisory payment - a related party	<u>3,750,000</u>	<u>15,000,000</u>
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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.225.122 (Sep 30, 2019: Rs.254.588) million.

15. OTHER INCOME

This mainly include gain on disposal of property and equipment amounting to Rs. 8.191 (Sep 30, 2019: Rs. 38.756) million.

(Un-Audited)			
Nine months ended		Quarter ended	
September 30	September 30	September 30	September 30
2020	2019	2020	2019
----- Rupees -----			

16. (LOSS)/EARNINGS PER SHARE

(Loss) / profit for the period	Rupees:	<u>(64,648,596)</u>	<u>(282,628,567)</u>	<u>106,667,518</u>	<u>(159,566,464)</u>
--------------------------------	----------------	----------------------------	-----------------------------	---------------------------	-----------------------------

Weighted average
number of ordinary
shares outstanding during
the period

Number:	<u>61,774,256</u>	<u>78,253,754</u>	<u>61,774,256</u>	<u>78,253,754</u>
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(Loss) / earnings per share	Rupees:	<u>(1.05)</u>	<u>(3.61)</u>	<u>1.73</u>	<u>(2.04)</u>
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16.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2020 and September 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 Global Capital Limited, 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) -----
September 30, September 30,
2020 2019
 ----- Rupees -----

17.1 Transaction with related parties

17.1.1 Funds under management

Remuneration - net of taxes	135,777,822	146,823,297
Commission received	3,362,539	796,719
Amount paid	50,620,164	28,839,838
Amount received	44,709,463	29,544,500
Dividends received	14,955,806	18,594,552
Investments made	186,154,978	1,460,849,438
Investments disposed off / matured	484,555,206	1,370,044,070

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	2,397,000	4,197,000
Rent paid	150,000	-
Amount paid	-	45,667
Amount received	-	45,667

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	1,418,140	2,601,350
Management fee sharing on distribution of mutual funds	8,928,435	18,299,571
Amount paid	-	1,964,474
Amount received	-	1,139,938
Return on bank deposits	2,738,266	6,508,046
Amount received against Refinance Scheme for Salaries and Wages	40,000,000	-

----- (Un-Audited) -----
September 30, 2020 September 30, 2019
 ----- Rupees -----

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

Basis of relationship - Common directorship of the Group

Rent received	-	2,704,176
Amount paid	-	618,175
Amount received	-	1,675,202

17.1.5 Associated company - Jahangir Siddiqui Private Equity (JSPE)

Basis of relationship - Common Substantial Shareholder

Rent received	-	917,910
Amount paid	-	354,660
Amount received	720,197	-

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

Basis of relationship - Common directorship of the Group

Rent received	-	330,940
Amount paid	-	223,048
Amount received	-	375,819

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

Basis of relationship - common directorship of the Group

Amount paid	-	62,821
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17.1.8 Associated company - EFU General Insurance

Percentage of shareholding - JSCL holds 21.10%

Insurance premium paid	3,457,249	3,570,603
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17.1.9 Associated company - EFU Life Assurance

Percentage of shareholding - JSCL holds 20.05%

Insurance premium paid	1,538,674	2,026,033
------------------------	------------------	-----------

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

Basis of relationship - Employee benefit plan

Amount paid	90,765	112,460
Amount received	90,765	112,460
Provident fund contributions made	6,672,777	7,580,897

----- (Un-Audited) -----
September 30, 2020 September 30, 2019
 ----- Rupees -----

17.1.11 Associated company - JS Global Capital Limited (JSGCL)

Basis of relationship - JSBL holds 83.53% shares of JSGCL

Amount paid	470,556	163,213
Amount received	782,553	45,667

17.1.12 Common Substantial Shareholder - JS Lands (Private) Limited

Basis of Relationship - Common Substantial Shareholder

Rent paid	28,379,120	27,316,800
Maintenance paid	10,381,293	11,602,484

17.1.13 Common Directorship - Future Trust

Basis of relationship - common directorship of the Company

Donation paid	-	745,747
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17.1.14 Transactions made with key management personnel

Remuneration	87,497,487	53,131,232
Directors fee	525,000	475,000
Disbursements of personal loans and advances	2,088,000	2,787,400
Repayments of loans and advances	2,152,052	1,006,998
Use of name and Advisory for the period	11,250,000	7,500,000

(Un-Audited) (Audited)
September 30, 2020 December 31, 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	107,018,137	145,494,632
Payable to funds under management	331,658	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	-	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

	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
17.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 85.56% shares of JSIL		
Bank balance	6,573,731	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	41,029,186	5,595,075
Dividend payable	-	208,947,912
17.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of the Group		
Other receivable	660,165	660,165
Rent receivable	2,486,352	2,486,352
17.2.5 Associated company - JS Private Equity (JSPE)		
Basis of relationship - Common Substantial Shareholder		
Other receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
17.2.6 Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Other receivable	177,106	177,106
Rent receivable	379,929	379,929
17.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other receivable	1,017,169	1,017,169
17.2.8 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other receivable	770,009	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831



JS Investments Limited

	(Un-Audited) September 30, 2020	(Audited) December 31, 2019
	----- Rupees -----	
17.2.9 Common Substantial Shareholder - JS Lands (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other payable	1,275,825	626,010
Other receivable	-	242,000
17.2.10 Outstanding from key management personnel	1,341,026	1,406,580

17.2.11 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:

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:

September 30, 2020			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			
-	1,429,020,977	-	1,429,020,977
-	125,000,000	-	125,000,000
-	1,554,020,977	-	1,554,020,977

December 31, 2019			
Level 1	Level 2	Level 3	Total
----- (Rupees) -----			

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 September 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. GENERAL

19.1 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.



JS Investments Limited

- 19.2** These consolidated condensed interim financial information were authorised for issue on October 20, 2020 by the Board of Directors of the Company.
- 19.3** The figures in the consolidated condensed interim financial information have been rounded off to the nearest rupee.
- 19.4** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Director

Chief Financial Officer

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