

JS Investments Limited

Half Yearly Report for the period
ended June 30, 2021

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VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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

COMPANY INFORMATION

Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director
Mr. Mirza Muhammad Sadeed Hassan Barlas*	Non-Executive Director

*Mr. Mirza Muhammad Sadeed Hassan Barlas has been appointed as Director of JS Investments Limited w.e.f August 09, 2021 in place of Mr. Tahir Ali Sheikh.

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Director Finance/Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

KPMG Taseer Hadi & Co.

Legal Advisors

Bawaney and Partners

BOARD COMMITTEES

Audit Committee

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

Human Resource & Remuneration Committee

Ms. Aisha Fariel Salahuddin (Chairperson)
Mr. Suleman Lalani
Ms. Iffat Zehra Mankani

Executive Risk Management Committee

Mr. Suleman Lalani (Chairman)
Ms. Iffat Zehra Mankani
Mr. Imran Haleem Shaikh

Share Registrar

CDC Share Registrar Services Limited (CDCRSL)
CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi

Registered Office

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Website: www.jsil.com



DIRECTORS' REPORT TO THE SHAREHOLDERS

For the half year ended June 30, 2021

We are pleased to present the condensed interim financial statements duly reviewed by external auditors along with auditors' review report of JS Investments Limited for the half year ended June 30, 2021.

Economy Review:

Despite successful containment of the first wave of COVID-19 during 2020 through effective measures, the country was hit by the second wave in the fall of 2020 and the third wave in March 2021 that made it more challenging for keeping the economic recovery to continue. Regardless, the accommodative fiscal and monetary policies, fiscal stimulus of PKR 1.24 trillion along with monetary support given in the pandemic and quicker vaccination which supported economic recovery earlier than expected has built investors' confidence. It is expected that the economy will keep its trajectory of higher growth (FY 2021 – 3.94% GDP growth) without any macroeconomic imbalances.

Inflation is still one of the bigger issues however, that our economy faces today. CPI inflation rose continually during the period, once again stirring expectations of monetary tightening by the State Bank. Food inflation doubled from 7.75% to 15.09% between January and April. Headline numbers rose as well; from 5.65% in January '21 to 11.1% in April '21. The rise in inflation was partly due to the low base for inflation set in the preceding year when the first lockdown was enforced, nonetheless has started declining from May 2021. This was a result of correction of imbalances in agricultural supply side along with a reduction in the base effect on headline inflation.

In response to heightening inflation fears, secondary market yields briefly raised however, the SBP maintained its forward guidance and quelled concerns on the interest rate outlook. Yields corrected once it was clear the SBP would maintain its dovish monetary stance.

The current account dipped back into a deficit from December 2020. During the first half of the calendar year 2021 (1HCY21), the current account deficit came in at USD 2.8 billion (bn). Although this was a noticeable increase from 2020 levels, the current account deficit still remained half of what it was in the same period in 2019.

The State Bank of Pakistan (SBP) continued to maintain a flexible exchange rate regime. The PKR hit a low of PKR 152 in March before rising to PKR 164 at June end. PKR devaluation coincided with the rise in the current account deficit; demonstrating that the SBP is keeping to its guidance of managing the external account by adjusting terms of trade.

Equity Market Review:

The KSE100 index remained positive from January through February on the back of sanguine economic conditions. However, the rise in COVID cases and inflation led to volatility at the bourse for most of the period. As inflation started to recede and monetary tightening expectations waned, the equity market gained with a 7.5% return for the half year.

Traded value rose to PKR 14.6 bn from PKR 12.0 bn in the previous 6 months period, which translated into a gain of 22%. Foreigners continued to remain net sellers in the market with an outflow of USD 108 million (mn).

The government unveiled its FY22 budget in May 2021. Despite initial expectations of austerity driven measures, the budget was considered populist by most with large tax breaks for manufacturers, no increase in salary taxes, reduction in taxes on automobiles and reduction in the Capital Gains Tax on equity market profits. Positive momentum generated by the budget led to the equity market paring most of its losses from February – April 2021 and positive closure for the half year.

Income & Money Market Review:

During 1H CY21, SBP maintained the Policy Rate at 7% in order to promote growth and offset the impact of Covid-19 pandemic on the economy. This has led to the yield curve steepening with longer dated PIBs returning a higher yield than shorter tenor T-Bills.

Ministry of Finance and SBP remain committed to promote economic growth. Although concerns around the current account and inflation remain intact; investors have preferred to remain in short-term treasury bills and floating rate bonds due to expectations of modest interest rate tightening in the medium term. During 1H CY 21, the cut-off for the 3 month, 6 month and 12 month T-bill has increased between 6 bps to 39 bps to 7.31%, 7.58% and 7.67%, respectively.

JS Investments Limited

Mutual Fund Industry Review

At the end of 2H CY21, Assets Under Management (AUM) of the mutual fund industry stood at PKR 1,050 bn (excluding Fund of Funds structures) showing a growth of 11.0% (PKR 104.0 bn) from the December 2020 level of PKR 946 bn. The industry-wide main focus continues to be on the Cash & Income Funds category with a net inflow of PKR. 59.8 bn. Interestingly, this period, the split of this inflow was PKR. 13.7 bn in conventional whereas PKR. 46.1 bn was in the Shariah Compliant space showing the strong growth trend of the latter. Customers adopted a risk-averse strategy and favored Income and Money market funds which enjoyed a massive inflow of PKR 58 bn during the period. As equity markets stabilized, we are expecting an inflow into the equity space.

Company's Performance Review:

JSIL posted a net after-tax loss of PKR 138.1 mn (LPS of PKR 2.24) for the half year ended June 30, 2021, vs. a loss of PKR 175 mn (LPS of PKR 2.83) in the corresponding period last year. Due to stagnant equity market performance on account of COVID 19, the Industry-wide main focus has been on low margin products like Cash & Income Funds category that resulted in a substantial decline in the management fee earning of the Company. The Company earned management remuneration from funds under management (including Separately Managed Accounts - SMAs) of PKR 80.6 mn compared to PKR 98.6 mn during the corresponding period last year. The assets under management (excluding SMAs & Fund of Funds) were PKR 17.6 bn as on June 30, 2021 compared to PKR 23.8 bn as of December 31, 2020, depicting a decline of 26%.

Significant Events

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 its 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 are fully cognizant 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.

On 19 February 2021, the Board of Directors of the Company passed a resolution approving a Scheme of Amalgamation under Section 284(1) of the Companies Act, 2017, to amalgamate its wholly owned subsidiary, JS ABAMCO Commodities Limited with and into the Company, which was approved by SECP on 24 June 2021. As such, as of the Effective Date 31 March 2021, the entire undertaking of JS ABAMCO Commodities Limited will stand merged with and into the Company. Accordingly on 31 March 2021, the entire business of JS ABAMCO Commodities Limited including its assets, liabilities and rights and obligations vested into the Company. Since JS ABAMCO Commodities Limited was a group company under common control, the merger has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessor accounting, the acquired net assets of JS ABAMCO Commodities Limited are included in the financial statements of the Company at the same carrying values as recorded in JS ABAMCO Commodities Limited's own financial statements as on 31 March 2021. The results and the statement of financial position of JS ABAMCO Commodities Limited are consolidated prospectively from the date of merger.



Asset Manager 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.

Acknowledgement

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

On behalf of the Board

Director

Chief Executive Officer

August 21, 2021
Karachi

شرکت داروں کے لیے ڈائریکٹر رپورٹ برائے مختتمہ ششماہی 30 جون 2021

ہم 30 جون 2021 کو ختم ہونے والی ششماہی کے لیے ایس ایس انویسٹمنٹ لمیٹڈ (JSIL) کے مختصر عبوری مالیاتی گوشوارے جسکا بیرونی آڈیٹر نے جائزہ لیا آڈیٹر کی جائزہ رپورٹ کے ہمراہ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

معیشت کا جائزہ

2020 کے دوران COVID-19 کی پہلی لہر پر موثر اقدامات کے ذریعے کامیابی کے ساتھ قابو پانے کے باوجود، 2020 کے اواخر میں دوسری لہر ملک پر بہت زیادہ اثر انداز ہوئی اور پھر مارچ 2021 میں آنے والی تیسری لہر سے معاشی بحالی کے عمل کو جاری رکھنا مزید بڑا چیلنج بن گیا۔ مالی اور مالیاتی سہولت کی پالیسیز سے قطع نظر، وبا کے عرصے میں 1.24 ٹریلین پاکستانی روپے کے مالیاتی محرک کے ساتھ مالی تعاون کے علاوہ تیز ویکسی نیشن کی توقع سے کم عرصے میں معاشی بحالی ہوئی جس نے سرمایہ دار کا اعتماد قائم کیا۔ یہ توقع کی جاتی ہے کہ معیشت بغیر کسی بڑے معاشی عدم توازن کے اپنی اعلیٰ شرح نمو (مالی سال 2021-3.94 فیصدی ڈی پی پی گروتھ) کو برقرار رکھے گی۔

افراط زر اب بھی بڑے مسائل میں سے ایک ہے، تاہم ہماری معیشت آج اس سے دوچار ہے۔ اس عرصے میں CPI افراط زر میں اضافے کا سلسلہ جاری رہا اور اسٹیٹ بینک کی جانب سے معاشی ترقی کی توقعات نے مزید پچھل چا دی ہے۔ جنوری اور اپریل کے درمیان میں فوڈ سے متعلق افراط کی شرح 7.75% سے دگنی ہو کر 15.09% ہو گئی۔ جنوری 21 میں اس کی حد 5.65% تھی جو اپریل 21 میں 11.1% ہو گئی۔ افراط زر میں یہ اضافہ جزوی طور پر گزشتہ سال ہوا جس کا سبب پہلے لاک ڈاؤن کے نفاذ پر افراط کی کم سطح کا تعین کیا جانا تھا، بہر حال اس میں کمی کا آغاز مئی 2021 میں ہوا۔ یہ زریعی رسد کے عدم توازن کو درست کرنے کے علاوہ افراط زر کی حد پر بنیادی اثر میں کمی آنے کا نتیجہ تھا۔

افراط زر کے خطرات کو نمایاں کرنے کے باعث ثانوی مارکیٹ کے نتائج میں مختصر اضافہ ہوا، تاہم اسٹیٹ بینک آف پاکستان نے اپنی آئندہ کی رہنمائیادایات برقرار رکھیں اور شرح سود کے منظر پر اپنے تحفظات کو ایک طرف رکھ دیا۔ اسٹیٹ بینک آف پاکستان کی جانب سے واضح طور پر معاشی سہولت کی مدت برقرار رکھنے کے نتائج سامنے آنا شروع ہو گئے۔

کرنٹ اکاؤنٹ دسمبر 2020 سے دوبارہ خسارے میں ڈوب گیا۔ گیلنڈر سال 2021 (1HCY21) کے پہلے نصف عرصے کے دوران میں کرنٹ اکاؤنٹ کا خسارہ 2.8 بلین (bn) امریکی ڈالر پر آ گیا۔ اگرچہ یہ 2020 کی سطح سے نمایاں اضافہ تھا، لیکن کرنٹ اکاؤنٹ کا خسارہ اب بھی 2019 کی اسی مدت کے مقابلے میں آدھا رہا۔

اسٹیٹ بینک آف پاکستان نے لیکچرار پیچھے رہت مدت کا سلسلہ برقرار رکھا۔ پاکستانی روپے کے قدر مارچ میں 152 روپے کی کم سطح سے جون کے آخر میں 164 روپے تک بڑھ گئی۔ پاکستانی روپے کی قدر میں کمی کے ساتھ ہی کرنٹ اکاؤنٹ کے خسارے میں بھی اضافہ ہوا جس سے ظاہر ہوتا ہے کہ اسٹیٹ بینک آف پاکستان بیرونی اکاؤنٹ کو سنبھالنے کی اپنی ہدایات کو تجارت کی شرائط کو ایڈجسٹ کر کے عمل پیرا ہے۔

ایکویٹی مارکیٹ کا جائزہ

امید افزا معاشی صورتحال کے پس منظر کے ساتھ جنوری اور فروری کی پوری مدت میں KSE 100 انڈیکس مثبت رہا تاہم اس عرصے کے دوران میں کووڈ کیسز میں اضافے اور افراط زر کے باعث مارکیٹ شیئرز میں زیادہ تاثرات رچھاؤ کی کیفیت رہی۔ افراط زر میں کمی شروع ہونے اور معاشی ترقی کے امکانات ختم ہونے سے پہلی ششماہی میں ایکویٹی مارکیٹ میں 7.5% آمدنی کا حصول ہوا۔

تجارتی قدر گزشتہ چھ ماہ کے عرصے میں 12.0 بلین پاکستانی روپے سے بڑھ کر 14.6 بلین پاکستانی روپے ہو گئی جس کے مطابق 22% کا فائدہ ہوا۔ مارکیٹ میں غیر ملکی خالص خریدار رہے اور خارجی بہاؤ 108 ملین (mn) امریکی ڈالر رہا۔

حکومت نے مئی 2021 میں اپنے مالی سال 22 کے بجٹ کا اعلان کر دیا۔ ابتدائی طور پر کفایت پر مبنی اقدامات کی توقعات کے باوجود پیچھے رہنے کی بجائے بڑی چھوٹ، تنخواہوں کے ٹیکسز میں کوئی اضافہ نہیں، آٹوموبائلز پر ٹیکس میں کمی اور ایکویٹی مارکیٹ کے منافع پر کپٹل گین ٹیکس میں کمی کے ساتھ بجٹ کو عوامی پذیرائی ملی۔ بجٹ سے پیدا ہونے والی معیشت کی مثبت رفتار کے نتیجے میں ایکویٹی مارکیٹ میں فروغی سے اپریل 2021 تک ہونے والے بیشتر نقصانات کا ازالہ ہوا اور وہ ششماہ کیلئے مثبت سطح پر بند ہوئی۔

انکم / منی مارکیٹ کا جائزہ

کیلنڈر سال 21 کی پہلی ششماہی میں اسٹیٹ بینک آف پاکستان نے پالیسی ریٹ 7% پر برقرار رکھا جس کا مقصد مومکافروغ اور معیشت پر COVID-19 کی عالمی وبا کے اثرات کو کم کرنا تھا۔ اس کے نتیجے میں طویل المدت PIBs کے مقابلے میں قلیل المدت ٹریڈری بلز میں زیادہ فائدہ ہونے کی بناء پر نتائج کی قوس میں کمی آنا شروع ہوئی۔

وزارت خزانہ اور اسٹیٹ بینک آف پاکستان کی معاشرتی ترقی کے فروغ کے لئے پرعزم رہے۔ اگرچہ کرنٹ اکاؤنٹ اور افراط زر کے بارے میں تحفظات موجود رہے، سرمایہ کار نے قلیل المدت ٹریڈری بلز اور وسط مدت کیلئے سود کے مناسب ہونے کی بناء پر فلوٹنگ ریٹ بونڈز کو ترجیح دی۔ کیلنڈر سال 21 کی پہلی ششماہی میں 3 ماہ، 6 ماہ اور 12 ماہ کے ٹریڈری بلز میں 6bps سے 39bps کے درمیان بالترتیب 7.31%، 7.58% اور 7.67% کٹ آف ہوا۔

میوچل فنڈ کی صنعت کا جائزہ

21HCY2 کے اختتام پر میوچل فنڈ انڈسٹری کے زیر انتظام اثاثے جات (AUM) 1,050 بلین روپے رہے (علاوہ فنڈز آف فنڈز اسٹریکچرز) 11.0% (104.0 بلین روپے) کی نمو ظاہر کرتے ہوئے دسمبر 2020 کی سطح 946 بلین روپے کا اضافہ دیکھا گیا۔ تمام صنعتوں کی خاص توجہ 59.8 بلین روپے کی خالص اندرونی بہاؤ کے ساتھ کیش اینڈ انکم فنڈز کی کیلگری پر ہی رہی۔ دلچسپ بات یہ ہے کہ اس مدت کے دوران، اس اندرونی بہاؤ کی تقسیم کنویشنل میں 13.7 بلین روپے جبکہ سٹریٹجک کیلنڈر کی جگہ میں 46.1 بلین روپے تھی، جو منور الذکر کے مضبوط نمو کے رجحان کو ظاہر کرتا ہے۔ صارفین نے خدمات کے خلاف حکمت عملی اپنائی اور انکم اور منی مارکیٹ فنڈز کی موافقت کی جس کو اس مدت کے دوران میں 58 بلین پاکستانی روپے کا ہماری اندرونی بہاؤ حاصل ہوا۔ ایکویٹی مارکیٹ کے مستحکم ہونے پر ہمیں ایکویٹی کے حلقے میں داخلی بہاؤ کی توقع ہے۔

کمپنی کی کارکردگی کا جائزہ

JSIL نے 30 جون 2021 کو اختتام پانے والے نصف سال کے لیے 138.1 بلین روپے (2.24 روپے کے نقصان فی حصص (LPS)) کا مجموعی نقصان درج کروایا جو گزشتہ سال کی اسی مدت کے دوران 175 بلین روپے (2.83 روپے کے نقصان فی حصص (LPS)) کے نقصان کے مقابلے ہے۔ COVID-19 کی وجہ سے ایکویٹی مارکیٹ کی کارکردگی پر جمود کے باعث تمام صنعتوں کی خاص توجہ کم کارجن کی پروڈکٹس جیسے کیش اینڈ انکم فنڈز کی کیلگری پر ہی رہی جس کے نتیجے میں کمپنی کی انتظامی فیس کی آمدنی میں زبردستی کمی آئی۔ کمپنی نے گزشتہ سال کی یکساں مدت کے دوران 98.6 بلین روپے کے مقابلے میں 80.6 بلین روپے کے انتظامیہ کے زیر نگرانی فنڈز (شمول SMAs) سے منبجست ریویو نیشن کرائے۔ انتظامیہ کے زیر نگرانی اثاثہ جات (شمول سٹیجیٹل منیجمنٹ اکاؤنٹس - SMAs اور فنڈز آف فنڈز) 31 دسمبر 2020 میں 23.8 بلین روپے کے مقابلے میں 31 جون 2021 کو 17.6 بلین روپے رہے، جس نے 26% کی کمی کو ظاہر کیا۔

اہم معاملات

عالمی ادارہ صحت نے 30 جنوری 2020 کو کوورونا وائرس (COVID-19) کو عالمی وبا قرار دیا۔ COVID-19 ملک بھر میں پھیل چکا ہے اور حکومت پاکستان کی جانب سے COVID-19 کے پھیلاؤ کو کم کرنے کے لیے کیے گئے اقدامات میں کاروبار بند (lockdown) کرنا، فلائٹ آپریشن معطل کرنا، شہروں کے مابین نقل و حرکت، بڑی تقریبات کی منسوخی وغیرہ شامل ہیں۔ کمپنی کی الحال حکومتی احکامات پر عمل کرتے ہوئے اور صحت سے متعلق احتیاطی تدابیر کا مشاہدہ کرنے کا کام کے اوقات کار کی تعداد کو محدود کرنے اور جہاز بھی ممکن ہو ریویوٹ ورکنگ پروٹوکول کا نفاذ جیسے ضروری اقدامات اٹھاتے ہوئے صارفین کی خدمت کا کام جاری رکھے ہوئے ہے۔ کمپنی کی انتظامیہ اور بورڈ COVID-19 کی وباء سے پیدا ہونے والے کاروباری چیلنجوں سے پوری طرح سے واقف ہیں اور کمپنی کے آپریشنز اور لیکویڈیٹی پوزیشنز پر ممکنہ اثرات کی کڑی نگرانی کر رہے ہیں۔ اگرچہ کمپنی کی انتظامیہ کو مختصر مدت میں کمپنی کی مالی صحت پر کسی اہم اثرات کی توقع نہیں ہے، لیکن کمپنی کے آپریشنز اور طویل مدت میں مالی کارکردگی پر COVID-19 کے اثرات کی مکمل حد اور مدت کا انحصار مستقبل کی پیش رفت پر ہوگا جو کہ غیر یقینی اور غیر متوقع ہیں، بشمول وباء کی مدت اور پھیلاؤ، مالیاتی کارکنوں کے اثرات میکرو اکنامک سطح پر ہیں۔

19 فروری 2021 کو کمپنی کے بورڈ آف ڈائریکٹرز نے ایک قرارداد منظور کی جس میں کمپنیز ایکٹ 2017 کی شخ نمبر 284 (1) کے تحت کمپنی کی مکمل ملکیتی ماتحت ادارہ ہے ایس ابا ملوکوڈ ٹیئر لمیٹڈ کو انضمام کی اسکیم کے تحت کمپنی میں ضم کرنے کی منظوری دی جسے سیکپو ریٹیز اینڈ اسپیج کمیشن آف پاکستان نے 24 جون 2021 کو منظور کیا۔ اس طرح مؤثر تاریخ تک بے ایس ابا ملوکوڈ ٹیئر لمیٹڈ کمپنی میں ضم ہو جائے گی۔ اس کے مطابق 31 مارچ 2021 کو بے ایس ابا ملوکوڈ ٹیئر لمیٹڈ کا سارا کاروبار جس میں اس کے اثاثے، واجبات، حقوق اور ذمہ داریاں شامل ہیں چونکہ بے ایس ابا ملوکوڈ ٹیئر لمیٹڈ مشترکہ کنٹرول کمپنی تھی، اس لئے انضمام کو ایک مشترکہ کنٹرول ٹرانزیکشن کے طور پر شمار کیا گیا ہے اور سابقہ اکاؤنٹنگ کا اطلاق کیا گیا ہے۔ سابقہ اکاؤنٹنگ کے تحت بے ایس ابا ملوکوڈ ٹیئر لمیٹڈ کے حاصل کردہ خالص اثاثے حیات کیساں قیمت پر بے ایس ابا ملوکوڈ ٹیئر لمیٹڈ کے مالیاتی گوشواروں میں 31 مارچ 2021 تک درج کمپنی کے مالیاتی گوشواروں میں بھی شامل ہیں۔ نتائج اور بے ایس ابا ملوکوڈ ٹیئر لمیٹڈ کی مالی پوزیشن کا بیان انضمام کی تاریخ سے ممکنہ طور پر مضحکم ہے۔

ایسیٹ منیجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے بے ایس انویسٹمنٹس کی منجمنٹ کو ایٹریٹنگ کو "AM2" (اے ایم ٹو) "stable" امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ منجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

اظہار تشکر

ڈائریکٹرز پیش قدمی، مدد اور رہنمائی پر سیکپو ریٹیز اینڈ اسپیج کمیشن آف پاکستان (SECP) اور اپنے زیر انتظام فنڈز کے ڈسٹریبیوٹرز سے اظہار تشکر کرتے ہیں۔ بورڈ ممبران اور JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بجانب بورڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

21 اگست 2021

کراچی



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JS Investment Limited

Report on review of Condensed Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of JS Investment Limited ("the Company") as at June 30, 2021 and the related condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial information for the six-months period then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing as applicable in Pakistan and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other matters

The figures for the quarter ended 30 June 2020 in the condensed interim financial statements have not been reviewed and we do not express a conclusion thereon.

The financial statements of the Company for the period ended 30 June 2020 were reviewed by another firm of chartered accountants who had expressed an unmodified conclusion thereon dated 06 October 2020.

The engagement partner on the engagement resulting in this independent auditor's review report is Muhammad Taufiq.

Date:

Karachi

KPMG Taseer Hadi & Co.
Chartered Accountants

FINANCIAL STATEMENTS

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	(Un-Audited) June 30, 2021	(Audited) December 31, 2020
----- Rupees -----			
ASSETS			
Non - current assets			
Property and equipment	7	379,122,452	399,187,334
Intangible assets	8	11,303,668	12,235,839
Long-term investment in a subsidiary		-	37,500,000
Long-term loans and prepayments - considered good		1,847,197	2,252,802
Deferred tax asset - net	11	-	-
		392,273,317	451,175,975
Current assets			
Balances due from funds under management - related parties		107,629,406	109,501,155
Loans and advances - considered good		3,321,851	3,810,261
Trade deposits, short term prepayments and other receivables		59,133,588	56,610,095
Other financial assets - investments	9	1,491,836,107	1,585,292,142
Taxation - net		81,294,907	89,466,102
Cash and bank balances	10	11,269,318	9,433,434
		1,754,485,177	1,854,113,189
Total assets		<u>2,146,758,494</u>	<u>2,305,289,164</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>1,048,677,192</u>	<u>1,157,244,225</u>
		1,666,419,752	1,774,986,785
LIABILITIES			
Non - current liabilities			
Deferred Liabilities		393,821	1,301,172
Long term financing		19,027,317	38,778,533
Liability against assets subject to finance lease		238,538,950	260,150,050
		257,960,088	300,229,755
Current liabilities			
Accrued and other liabilities	12	154,708,857	166,112,387
Unclaimed dividend		4,984,665	5,182,716
Current maturity of long term financing		38,999,575	36,803,405
Current maturity of liability against assets subject to finance lease		23,685,557	21,974,117
Total liabilities		<u>222,378,654</u>	<u>230,072,625</u>
Total equity and liabilities		<u>2,146,758,494</u>	<u>2,305,289,164</u>
Contingencies and commitments	13		

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2021

	Half year ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Note	Rupees			
INCOME				
Remuneration from funds under management gross	89,583,038	110,447,329	43,217,693	46,079,929
Less: Sindh sales tax	(10,306,013)	(12,706,330)	(4,971,947)	(5,301,231)
	<u>79,277,025</u>	<u>97,740,999</u>	<u>38,245,746</u>	<u>40,778,698</u>
Commission from open end funds under management	467,688	2,853,840	365,576	2,550,176
Dividend income	7,428,224	14,694,923	6,910,970	14,694,923
Net unrealised gain/(loss) on revaluation of investments classified as at fair value through profit or loss	(50,106,682)	(118,865,941)	(31,062,018)	131,142,264
Net gain on sale of investments	11,812,756	10,343,141	4,634,403	4,301,093
Return on bank deposits under interest / mark-up arrangements	1,117,376	2,358,632	342,161	906,974
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	1,296,369	855,847	650,465	438,882
Return on debt security	5,495,002	9,083,066	2,759,769	4,433,612
	<u>56,787,758</u>	<u>19,064,507</u>	<u>22,847,072</u>	<u>199,246,622</u>
Administrative expenses	(167,914,140)	(149,372,589)	(87,891,339)	(73,975,273)
Selling and distribution expenses	(3,523,522)	(24,282,775)	(1,346,991)	(11,960,081)
OPERATING LOSS	<u>(114,649,904)</u>	<u>(154,590,857)</u>	<u>(66,391,258)</u>	<u>113,311,268</u>
Financial charges	(17,636,269)	(17,230,533)	(9,214,412)	(8,481,675)
	<u>(132,286,173)</u>	<u>(171,821,390)</u>	<u>(75,605,670)</u>	<u>104,829,593</u>
Other income	8,194,441	11,267,147	3,759,450	3,377,512
Loss for the period before tax	<u>(124,091,732)</u>	<u>(160,554,243)</u>	<u>(71,846,220)</u>	<u>108,207,105</u>
Income tax				
- Current	(14,011,756)	(14,468,875)	(10,609,406)	7,230,997
- Deferred	-	-	-	-
	<u>(14,011,756)</u>	<u>(14,468,875)</u>	<u>(10,609,406)</u>	<u>7,230,997</u>
Loss for the period after tax	<u>(138,103,488)</u>	<u>(175,023,118)</u>	<u>(82,455,626)</u>	<u>100,976,108</u>
Loss per share for the period - basic and diluted	14 (2.24)	(2.83)	(1.33)	1.63

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director



JS Investments Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2021

	Half year ended		Quarter ended	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	----- Rupees -----			
Net loss for the period	(138,103,488)	(175,023,118)	(82,455,626)	100,976,108
Other comprehensive income / (loss)	<div>-</div>	<div>-</div>	<div>-</div>	<div>-</div>
	-	-	-	-
Total comprehensive loss for the period	<u>(138,103,488)</u>	<u>(175,023,118)</u>	<u>(82,455,626)</u>	<u>100,976,108</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Unappropriated profit Rupees	Total
Balance as at January 01, 2020	617,742,560	1,197,045,225	1,814,787,785
Total comprehensive loss for the period ended June 30, 2020	-	(175,023,118)	(175,023,118)
Balance as at June 30, 2020	617,742,560	1,022,022,107	1,639,764,667
Balance as at January 01, 2021	617,742,560	1,157,244,225	1,774,986,785
Transfer upon merger		29,536,455	29,536,455
Total comprehensive loss for the period ended June 30, 2021	-	(138,103,488)	(138,103,488)
Balance as at June 30, 2021	617,742,560	1,048,677,192	1,666,419,752

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE HALF YEAR ENDED JUNE 30, 2021

Note	June 30, 2021	June 30, 2020
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before taxation	(124,091,731)	(160,554,243)
Adjustment for:		
Remuneration from funds under management - net	(79,277,025)	(97,740,999)
Commission from open end funds under management	(467,688)	(2,853,840)
Dividend income	(7,428,224)	(14,694,923)
Depreciation expense	35,187,310	35,732,296
Amortisation expense	2,587,277	2,414,912
Financial charges	17,636,269	17,230,533
Return on bank deposits under interest / mark-up arrangements	(1,117,377)	(2,358,632)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(11,812,756)	(10,343,141)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	50,106,682	118,865,941
Gain/loss on disposal of property and equipment	(566,282)	(5,838,628)
	<u>(119,243,545)</u>	<u>(120,140,724)</u>
Working capital changes		
Loans and advances - considered good	894,015	1,010,887
Trade deposits, short term prepayments and other receivables	(2,523,493)	1,776,787
Accrued and other liabilities	(28,008,524)	(14,952,892)
	<u>(29,638,002)</u>	<u>(12,165,218)</u>
	<u>(148,881,547)</u>	<u>(132,305,942)</u>
Taxes paid - net	(5,985,681)	(14,672,597)
Remuneration and commission received from funds under management	81,616,464	115,329,017
Net cash used in operating activities	<u>(73,250,764)</u>	<u>(31,649,522)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
(Investments made) / proceeds from sale of investments - net	55,161,264	314,034,816
Payments for purchase of property, equipment and intangible assets	(17,792,471)	(3,757,001)
Amalgamation of wholly owned subsidiary company	37,500,000	-
Dividends received	7,428,224	14,694,923
Return on bank deposits under interest / mark-up arrangements	1,117,377	2,358,632
Sale proceeds from disposal of property and equipment	1,581,219	14,146,000
Office premises & Membership - provided	-	-
Net cash generated from investing activities	<u>84,995,613</u>	<u>341,477,370</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(198,051)	(244,669,620)
Payment of lease liability	(21,611,100)	(34,110,519)
Financial charges paid	(17,636,269)	(17,296,617)
Running Finance Facility Obtained	15.1.3 185,000,000	-
Running Finance Facility Settled	15.1.3 (185,000,000)	-
Net cash used in financing activities	<u>(39,445,420)</u>	<u>(296,076,756)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(27,700,571)</u>	<u>13,751,092</u>
Cash and cash equivalents at beginning of the period	9,433,434	13,440,272
Transfer upon merger	29,536,455	-
Cash and cash equivalents at end of the period	<u>11,269,318</u>	<u>27,191,364</u>

The annexed notes 1 to 17 form an integral part of this condensed interim financial information.

Chief Executive Officer

Chief Financial Officer

Director

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

FOR THE HALF YEAR ENDED JUNE 30, 2021

1. STATUS AND NATURE OF BUSINESS

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

The Company has obtained the license of an "Investment Advisor" 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. JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license and REIT Management Services license from Securities and Exchange Commission of Pakistan (SECP).

- 1.2** The Company is an asset management company, pension fund and private equity and venture capital manager for the following funds at half year ended June 30, 2021:

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 *Fully matured in March 2021*
- 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



2 SIGNIFICANT EVENTS

On 19 February 2021, the Board of Directors of the Company passed a resolution approving a Scheme of Amalgamation under Section 284(1) of the Companies Act, 2017, to amalgamate its wholly owned subsidiary, JS ABAMCO Commodities Limited with and into the Company, which was approved by SECP on 24 June 2021. As such, as of the Effective Date 31 March 2021, the entire undertaking of JS ABAMCO Commodities Limited will stand merged with and into the Company. Accordingly on 31 March 2021, the entire business of JS ABAMCO Commodities Limited including its assets, liabilities and rights and obligations vested into the Company. Since JS ABAMCO Commodities Limited was a group company under common control, the merger has been accounted for as a common control transaction and predecessor accounting has been applied. Under predecessor accounting, the acquired net assets of JS ABAMCO Commodities Limited are included in the financial statements of the Company at the same carrying values as recorded in JS ABAMCO Commodities Limited's own financial statements as on 31 March 2021. The results and the statement of financial position of JS ABAMCO Commodities Limited are consolidated prospectively from the date of merger.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan 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 Act;
- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

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

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and Section 237 of the Companies Ordinance, 1984 are not applicable in case of investments made by companies in mutual funds established under Trust structure. Accordingly, the Company has not consolidated the financial position and result of operations of mutual funds managed by it in their condensed interim financial information.

This condensed interim financial information do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements of the Company as at December 31, 2020.

The comparative condensed interim statement of financial position presented in these condensed interim financial information have been extracted from the audited annual financial statements of the Company for the year ended 31 December 2020, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity are extracted from the unaudited condensed interim financial statements for the period ended 30 June 2020.

JS Investments Limited

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required by listing regulations of Pakistan Stock Exchange vide section 237 of the Companies Act, 2017.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

This condensed interim financial information has been presented in Pakistani Rupee, which is the Company's functional and presentation currency of the Company and rounded off to nearest rupee.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2020.

4.1 New / Revised Standards, Interpretations and Amendments

There are certain interpretations and amendments that are mandatory for the company's accounting periods beginning on or after January 01, 2021 but are considered not to be relevant or do not have any significant effect on the company's operations and therefore not detailed in these condensed interim financial statements.

4.1.1 Standards, Interpretations and Amendments to Published Approved Accounting Standards That Are Not Yet Effective

The following International Financial Reporting Standards (IFRS Standards) as notified under the Companies Act, 2017 and the amendments and interpretations thereto will be effective for accounting periods beginning on or after July 01, 2021:

Interest Rate Benchmark Reform – Phase 2 which amended IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 is applicable for annual financial periods beginning on or after January 01, 2021, with earlier application permitted. The amendments introduce a practical expedient to account for modifications of financial assets or financial liabilities if a change results directly from IBOR reform and occurs on an 'economically equivalent' basis. In these cases, changes will be accounted for by updating the effective interest rate. A similar practical expedient will apply under IFRS 16 for lessees when accounting for lease modifications required by IBOR reform. The amendments also allow a series of exemptions from the regular, strict rules around hedge accounting for hedging relationships directly affected by the interest rate benchmark reforms. The amendments apply retrospectively with earlier application permitted. Hedging relationships previously discontinued solely because of changes resulting from the reform will be reinstated if certain conditions are met.

COVID-19 - Related Rent Concessions (Amendment to IFRS 16) – the International Accounting Standards Board (the Board) has issued amendments to IFRS 16 (the amendments) to provide practical relief for lessees in accounting for rent concessions. The amendments are effective for periods beginning on or after June 01, 2020, with earlier application permitted. Under the standard's previous requirements, lessees assess whether rent concessions are lease modifications and, if so, apply the specific guidance on accounting for lease modifications. This generally involves remeasuring the lease liability using the revised lease payments and a revised discount rate. In light of the effects of the COVID-19 pandemic, and the fact that many lessees are applying the standard for the first time in their financial statements, the Board has provided an optional practical expedient for lessees. Under the practical expedient, lessees are not required to assess whether eligible rent concessions are lease modifications, and instead are permitted to account for them as if they were not lease modifications.



The practical expedient introduced in the 2020 amendments only applied to rent concessions for which any reduction in lease payments affected payments originally due on or before June 30, 2021. In light of persistence of economic challenges posed by the COVID-19 pandemic, the Board has extended the practical expedient for COVID-19 related rent concessions by one year i.e. permitting lessees to apply it to rent concessions for which any reduction in lease payments affects only payments originally due on or before June 30, 2022.

Rent concessions are eligible for the practical expedient if they occur as a direct consequence of the COVID-19 pandemic and if all the following criteria are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments originally due on or before June 30, 2022; and
- there is no substantive change to the other terms and conditions of the lease.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) effective for the annual periods beginning on or after January 01, 2022 amends IAS 1 by mainly adding paragraphs which clarifies what comprises the cost of fulfilling a contract, Cost of fulfilling a contract is relevant when determining whether a contract is onerous. An entity is required to apply the amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments (the date of initial application). Restatement of comparative information is not required, instead the amendments require an entity to recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

4.1.2 Annual Improvements to IFRS Standards 2018-2020

The following annual improvements to IFRS Standards 2018-2020 are effective for annual reporting periods beginning on or after January 01, 2022.

IFRS 9 – The amendment clarifies that an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf, when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability.

IFRS 16 – The amendment partially amends Illustrative Example 13 accompanying IFRS 16 by excluding the illustration of reimbursement of leasehold improvements by the lessor. The objective of the amendment is to resolve any potential confusion that might arise in lease incentives.

IAS 41 – The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) effective for annual periods beginning on or after January 01, 2022 clarifies that sales proceeds and costs of items produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management e.g. when testing etc., are recognized in profit or loss in accordance with applicable Standards. The entity measures the cost of those items applying the measurement requirements of IAS 2. The standard also removes the requirement of deducting the net sales proceeds from cost of testing. An entity shall apply those amendments retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.



Reference to the Conceptual Framework (Amendments to IFRS 3) - Reference to the Conceptual Framework, issued in May 2020, amended paragraphs 11, 14, 21, 22 and 23 of and added paragraphs 21A, 21B, 21C and 23A to IFRS 3. An entity shall apply those amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 01, 2022. Earlier application is permitted if at the same time or earlier an entity also applies all the amendments made by Amendments to References to the Conceptual Framework in IFRS Standards, issued in March 2018.

Classification of liabilities as current or non-current (Amendments to IAS 1) amendments apply retrospectively for the annual periods beginning on or after January 01, 2023. These amendments in the standards have been added to further clarify when a liability is classified as current. The standard also amends the aspect of classification of liability as non-current by requiring the assessment of the entity's right at the end of the reporting period to defer the settlement of liability for at least twelve months after the reporting period. An entity shall apply those amendments retrospectively in accordance with IAS 8.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) – the Board has issued amendments on the application of materiality to disclosure of accounting policies and to help companies provide useful accounting policy disclosures. The key amendments to IAS 1 include:

- requiring companies to disclose their material accounting policies rather than their significant accounting policies;
- clarifying that accounting policies related to immaterial transactions, other events or conditions are themselves immaterial and as such need not be disclosed; and
- clarifying that not all accounting policies that relate to material transactions, other events or conditions are themselves material to a company's financial statements.

The Board also amended IFRS Practice Statement 2 to include guidance and two additional examples on the application of materiality to accounting policy disclosures. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Definition of Accounting Estimates (Amendments to IAS 8) – The amendments introduce a new definition for accounting estimates clarifying that they are monetary amounts in the financial statements that are subject to measurement uncertainty.

The amendments also clarify the relationship between accounting policies and accounting estimates by specifying that a company develops an accounting estimate to achieve the objective set out by an accounting policy. The amendments are effective for periods beginning on or after January 01, 2023, and will prospectively to changes in accounting estimates and changes in accounting policies occurring on or after the beginning of the first annual reporting period in which the company applies the amendments.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

– The amendments narrow the scope of the initial recognition exemption (IRE) so that it does not apply to transactions that give rise to equal and offsetting temporary differences. As a result, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. For leases and decommissioning liabilities, the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. The amendments are effective for annual reporting periods beginning on or after January 01, 2023 with earlier application permitted.

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) – The amendment amends accounting treatment on loss of control of business or assets. The amendments also introduce new accounting for less frequent transaction that involves neither cost nor full step-up of certain retained interests in assets that are not businesses. The effective date for these changes has been deferred indefinitely until the completion of a broader review.

5 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2020.

6 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 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 annual audited financial statements for the year ended December 31, 2020. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2020.

		(Un-Audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees -----	
7 PROPERTY AND EQUIPMENT	<i>Note</i>		
Opening written down value		172,558,300	215,524,829
Additions during the period	7.1	12,797,532	4,575,740
Disposals during the period	7.2	(1,014,939)	(11,411,477)
Depreciation for the period		(17,740,038)	(36,130,792)
		166,600,855	172,558,300
Capital work-in-progress - advance against purchase of assets		2,021,460	1,611,934
Right of use of assets		210,500,137	225,017,100
		379,122,452	399,187,334
7.1	The following additions were made to tangible - property and equipment during the period :		
Furniture and fixtures		325,000	-
Office equipment		2,463,782	1,811,924
Vehicles		10,008,750	
Lease hold improvement		-	2,763,816
		12,797,532	4,575,740

		(Un-Audited) June 31, 2021	(Audited) December 31, 2020
	Note	Rupees	
7.2	The following disposals of tangible - property and equipment		
	Furniture and fixtures	(538,270)	(128,309)
	Office equipment	(27,172)	(11,283,168)
	Vehicles	(449,497)	-
		(1,014,939)	(11,411,477)

8 INTANGIBLE ASSETS

Opening written down value	12,235,839	15,323,841
Additions during the period / year	1,655,107	1,889,920
Amortisation for the period / year	(2,587,278)	(4,977,922)
	11,303,668	12,235,839

9 OTHER FINANCIAL ASSETS - INVESTMENTS

At fair value through profit or loss'

Units of mutual funds - related parties	9.1	1,366,836,107	1,460,292,142
Term Finance Certificate	9.2	125,000,000	125,000,000
		1,491,836,107	1,585,292,142

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

Number of Units			(Un-Audited) June 31, 2021	(Audited) December 31, 2020	
June 31, 2021	December 31, 2020		Average cost	Fair value Rupees	Fair value
566,465	456,110	JS Income Fund	53,824,051	54,329,679	45,150,314
706,202	-	JS Income Fund - from JSACL	70,923,894	67,731,859	-
4,507	3,305	JSIHFOF-Mustahkem	293,882	286,180	217,563
101,122	76,142	JSIHFOF-Mufeed	4,652,855	4,038,828	3,659,391
61,443	49,068	JSIHFOF-Mutanasib	4,465,652	3,826,698	3,698,234
1,000,000	1,000,000	JS Motion Picture Fund	97,700,000	21,450,000	97,700,000
1,317,598	1,343,094	JS Value Fund	291,628,824	296,657,163	286,643,090
1,362,255	1,937,116	JS Growth Fund	251,277,772	253,937,890	348,448,361
205,210	205,210	JS Pension Savings Fund - Equity	98,131,485	101,954,549	98,131,485
137,349	137,349	JS Pension Savings Fund - Debt	41,339,300	42,682,572	41,339,300
177,463	177,463	JS Pension Savings Fund - Money Market	43,073,920	44,456,360	43,073,920
3,827,480	2,822,294	JS Fund of Funds	243,173,052	251,465,436	179,582,560
147,900	182,354	JS Islamic Pension Savings Fund - Equity	97,301,913	101,941,535	119,968,655
213,852	213,852	JS Islamic Pension Savings Fund - Debt	51,942,438	53,661,806	51,942,438
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	47,159,436	48,346,536	47,159,436
-	382,292	JS Islamic Income Fund	-	-	40,435,029
-	407,754	JS Islamic Daily Dividend Fund	-	-	40,775,361
-	123,571	JS Islamic Fund	-	-	12,367,005
196,716	-	JS Cash Fund	20,054,315	20,069,014	-
			1,416,942,789	1,366,836,107	1,460,292,142
		Unrealized diminution on remeasurement at fair value - net	(50,106,682)	-	-
			1,366,836,107	1,366,836,107	1,460,292,142

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% per annum.

		(Un-Audited) June 31, 2021	(Audited) December 31, 2020
	Note	----- Rupees -----	
10 CASH AND BANK BALANCES			
Cash in hand		81,146	75,302
Cash at bank in:			
Current accounts	10.1	569,934	1,168,596
Savings accounts	10.2	10,618,239	8,189,536
		11,188,173	9,358,132
		11,269,318	9,433,434

10.1 These carry mark-up at the rates ranging from 5.50% to 7.00% (2020: 9.50% to 13.70%).

10.2 It includes Rs.8.787 (December 31, 2020: Rs.6.563) million held with JS Bank Limited (the Parent Company).

11 DEFERRED TAXATION

As of June 30, 2021, the Company has accumulated tax losses of Rs.361.211 million and the deferred tax asset on such losses works out to Rs.104.751 million. The Company has recognized deferred tax asset on such losses to the extent of initial deferred tax assets of Rs. 2.10 million pertaining to operating fixed assets, right of use assets, investments & lease obligation. Unrecognized deferred tax asset on carried forward business losses as of June 30, 2021, is amounting to Rs.102.65 million.

12 ACCRUED AND OTHER LIABILITIES

12.1 This includes Rs.92.245 (December 31, 2020: 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 18.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2020.

12.2 This includes Rs.11.2856 (2020: Rs.10.839) million payable against Sindh Workers' Welfare Fund. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 18.2 to the annual audited financial statements for the year ended December 31, 2020.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

There is no change in the status of contingencies as disclosed in note 19.1.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2020.

13.2 Commitments in respect of:

Use of name and advisory payment - a related party

(Un-Audited) Half year ended		(Un-Audited) Quarter ended	
June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
----- Rupees -----		----- Rupees -----	

14 (LOSS) / EARNINGS PER SHARE

(Loss) / profit for the period	Rupees:	(138,103,488)	(175,023,118)	(82,455,626)	100,976,108
Weighted average number of ordinary shares outstanding during the period	Numbers:	61,774,256	61,774,256	61,774,256	61,774,256
(Loss) / earnings per share	Rupees:	(2.24)	(2.83)	(1.33)	1.63

- 14.1** Diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2021 and June 30, 2020 which would have any effect on the earning per share if the option to convert is exercised.

15 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) -----		
	June 30, 2021	June 30, 2020
	----- Rupees -----	
15.1 Transaction with related parties		
15.1.1 Transactions with the funds under management		
Remuneration - net of taxes	79,277,025	97,740,999
Commission Received	467,688	2,853,840
Amount Paid	40,560,100	39,673,897
Amount Received	40,580,811	37,540,402
Dividend Received	7,428,224	14,694,923
Investments made	1,114,617,041	86,319,528
Investments disposed off / matured	1,237,419,318	400,354,344
15.1.2 Jahangir Siddiqui & Co. Ltd. (JSCL)		
Ultimate parent company		
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	3,999,375	2,397,000
Rent Paid	150,000	150,000
15.1.3 JS Bank Limited (JSBL)		
Parent company		
Rent Paid	1,286,154	1,327,628
Management fee sharing on distribution of mutual funds	1,304,821	8,196,343
Return on bank deposits	1,072,587	2,358,632
Running Finance Facility Obtained	185,000,000	-
Running Finance Facility Settled	185,000,000	-
Bank charges and Interest on Running Finance	2,055,948	-

15.1.3.1 During the period, JS Investments Limited has obtained a running finance facility to meet the short-term working capital requirements. The limit of the said facility is Rs. 100 million obtained from JS Bank Limited (related party) against pledge of Bank Al-Habib TFC. The facility will be expiring on September 30, 2021, and the interest rate is 1 month KIBOR plus 2% on the exercised amount and over the exercised period.

JS Investments Limited

		----- (Un-Audited) -----	
		June 30, 2021	June 30, 2020
		----- Rupees -----	
15.1.4	Jahangir Siddiqui & Sons Limited (JSSONS)		
	Common directorship of Parent Co.		
	Amount Received	505,697	558,385
15.1.5	JS PE Management Limited		
	Common Substantial Shareholder of Ultimate Parent Co.		
	Amount Received	-	720,197
15.1.6	EFU General Insurance		
	Common directorship of Ultimate Parent Co.		
	Insurance premium paid	2,720,491	3,452,106
15.1.7	EFU Life Assurance		
	Common directorship of Ultimate Parent Co.		
	Insurance premium paid	1,422,651	1,348,304
15.1.8	JS Investments Staff Provident Fund - (the Fund)		
	Post-Employment benefit fund		
	Amount Paid	81,989	46,006
	Amount Received	468	46,006
	Provident fund contributions made	4,628,616	4,449,009
15.1.9	JS Global Capital Limited (JSGCL)		
	Subsidiary of Parent Co.		
	Amount Paid	398,793	286,313
	Amount Received	571,372	453,296
	Rent Paid	2,048,004	-
15.1.10	JS Lands (Private) Limited		
	Common Substantial Shareholder of Ultimate Parent Co.		
	Rent Paid	14,798,490	18,818,240
	Amount Paid	7,943,640	6,963,785
15.1.11	Transactions made with key management personnel		
	Remuneration	59,098,077	57,799,730
	Directors fee	400,000	325,000
	Disbursements of personal loans and advances	2,061,000	1,103,000
	Repayments of loans and advances	1,966,402	1,690,543
	Use of name and Advisory for the period	7,500,000	7,500,000

		(Un-Audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees -----	
15.2	Balance outstanding with related parties		
15.2.1	Funds under management		
	Funds managed by the Company		
	Receivable from funds under management	130,115,493	131,242,385
	Payable to funds under management	59,030	337,601
15.2.2	Jahangir Siddiqui & Co. Ltd. (JSCL)		
	Ultimate parent company		
	Other Payable	-	75,000
15.2.3	JS Bank Limited (JSBL)		
	Parent company		
	Bank Balance	8,787,116	6,563,839
	Other Receivable	1,465,064	1,465,064
	Rent payable	-	33,942
	Rent receivable	2,409,149	2,409,149
	Other payables	59,327,012	80,925,089
15.2.4	Jahangir Siddiqui & Sons Limited (JSSONS)		
	Common directorship of Parent Co.		
	Other Receivable	-	558,385
	Rent receivable	2,486,352	2,486,352
15.2.5	Jahangir Siddiqui Securities Services Ltd		
	Other Related Party		
	Other Receivable	29,887	29,887
	Rent receivable	94,429	94,429
15.2.6	JS PE Management Limited		
	Common Substantial Shareholder of Ultimate Parent Co.		
	Other Receivable	1,625,826	1,625,826
	Rent receivable	930,938	930,938
15.2.7	Mahvash & Jahangir Siddiqui Foundation - (MJSF)		
	Common directorship of Ultimate Parent Co.		
	Other Receivable	177,106	177,106
	Rent receivable	379,929	379,929
15.2.8	Fakhr-e-Imdad Foundation (FIF)		
	Common directorship of Ultimate Parent Co.		
	Other Receivable	1,017,169	1,017,169

JS Investments Limited

		(Un-Audited) June 30, 2021	(Audited) December 31, 2020
		----- Rupees -----	
15.2.9	JS Global Capital Limited (JSGCL)		
	Subsidiary of Parent Co.		
	Other Receivable	610,095	782,674
	Rent receivable	181,957	181,957
	Rent payable	-	1,272,831
15.2.10	JS Investments Staff Provident Fund - (the Fund)		
	Post-Employment benefit fund		
	Other Receivable	81,521	-
15.2.11	JS Lands (Private) Limited		
	Common Substantial Shareholder of Ultimate Parent Co.		
	Other Payable	1,547,589	1,233,285
15.2.12	Outstanding from key management personnel	1,853,632	1,758,994
15.2.13	Key management personnel and directors hold 4,506 shares in the company		

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

15.4 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.

16 FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

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

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

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

JUNE 30, 2021				
	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	-	1,366,836,107	-	1,366,836,107
Term Finance Certificate		125,000,000		125,000,000
	-	1,491,836,107	-	1,491,836,107
December 31, 2020				
	Level 1	Level 2	Level 3	Total
	(Rupees)			

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

Units of mutual funds - related parties	-	1,460,292,142	-	1,460,292,142
Term Finance Certificate		125,000,000		125,000,000
	-	1,585,292,142	-	1,585,292,142

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

- 16.1.1** 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.
- 16.1.2** 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).

16.2 During the period ended June 30, 2021, 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.

17 GENERAL

17.1 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.

- 17.2** These condensed interim financial information were authorised for issue on August 21, 2021 by the the Board of Directors of the Company.
- 17.3** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

<hr/> Chief Executive Officer	<hr/> Chief Financial Officer	<hr/> Director
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Dear Shareholders,

Subject: Conversion of all Physical shares in Book-Entry-Form

In order to ensure compliance with the provision of Section 72 of the Companies Act, 2017 and subsequent letter No.CSD/ED/Misc/2016-639-640 dated March 26, 2021 of SECP addressed to all listed Companies on the captioned subject. All Members who hold physical shares are hereby requested to make necessary arrangements for conversion of their physical shares into book-entry form in order to avail the following key benefits:

1. Physical share certificates may be lost, stolen or spoilt and their duplicate issuance is very cumbersome activity.
2. Physical shares are not saleable in stock exchange and book-entry shares can instantly be traded/sold.
3. For transfer/sale of book-entry shares, there is no need of preparation and verification of transfer deeds.
4. Only book-entry shares can be pledged for any financing facility.
5. Shareholders held share in book-entry form could get instant credit of bonus and right shares entitlements in CDS Accounts.
6. Online access is allowed on book-entry shares kept in CDS Account for reviewing portfolio information and/or obtaining any statement/report, as and when required by you.

In order to convert physical shares into book-entry form you are requested to kindly follow the procedure provided hereunder:

1. Shareholder must open an account in CDS with any CDC Participant (Stock Broker) or with CDC Investors Account Services (IAS).
2. Fill the necessary columns of Transfer Deed (TD) form available on the Company's website (www.jsil.com), sign, attach valid CNIC copy of yourself & witnessing person and get it verified by our Registrar before submission of physical shares for conversion. If Transfer Deed already verified skip this step.
3. Transfer duty is to be affixed @0.15% of the face value of shares on the reverse of transfer deed in form of share transfer stamps.
4. Obtain prescribed Securities Deposit Form (SDF) from your respective CDC Participant or CDC IAS Department and fill and sign the same.
5. Lodge original physical share certificates together with verified transfer deeds and Security Deposit Form to your respective CDC Participant (Stock Broker) or CDC IAS Department.
6. CDC Participant (Stock Broker) or CDC IAS Deposit Section initiates deposit request in CDS, on behalf of shareholder, after receiving original share certificates and verified transfer deeds and signed Security Deposit Form.
7. CDC Participant (Stock Broker) or CDC IAS Deposit Section sends physical share certificate, verified transfer deed and Security Deposit Form (obtained after initiating deposit request in CDS) to the Share Registrar.
8. Share Registrar after verifying the documents and getting necessary endorsement from the Company will deposit shares in CDS.

For any clarification in this regards please contact us or our share registrar at following contact details:

CDC Share Registrar Services Limited
Email: info@cdcsrsl.com, Website: www.cdcsrsl.com
Contact Number: 92-21-111-111-500

JS Investments Limited
Email: info@jsil.com, Website: www.jsil.com
Contact Number: 92-21-111-222-626

International Bank Account Number for payment of Cash Dividend, if any through electronic Mode

As per requirement of Section 242 of the Companies Act, 2017 and subsequent SECP's notification bearing No. 421(I)/2018 dated April 02, 2018 and recent letter No. CL/CSD/Misc/2014-30 dated March 19, 2021. All shareholders are hereby requested to provide their International Bank Account Number (IBAN) to enable the Company to credit the cash dividend, if any, through electronic transfer directly into the shareholder's IBAN. Accordingly, the shareholders of the Company are requested to provide electronic dividend mandate on E-Dividend Form available on the Company's website (www.jsil.com) enabling the Company to credit their future cash dividends directly to their designated IBAN.

Yours Sincerely,
Muhammad Khawar Iqbal
Director Finance & Company Secretary



JS Investments Limited

19th Floor, The Centre, Plot # 28,
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Karachi-75600

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Website: www.jsil.com