

# JS Investments Limited

Quarterly Report for the period  
ended September 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

## ORGANIZATION

<b>Board of Directors</b>	Mr. Suleman Lalani Ms. Iffat Zehra Mankani Mr. Hasan Shahid Mr. Asif Reza Sana Ms. Aisha Fariel Salahuddin Mr. Zahid Ullah Khan Mr. Imran Haleem Shaikh Mr. Mirza M Sadeed H Barlas	Chairman Chief Executive Officer Non-Executive Director Independent Director Independent Director Non-Executive Director Non-Executive Director Non-Executive Director
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**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 & Partners

### BOARD COMMITTEES

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

**HR 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

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Website: www.jsil.com



## DIRECTORS' REPORT TO THE SHAREHOLDERS

For the period ended September 30, 2021

We are pleased to present the condensed interim financial statements of JS Investments Limited (the Company) for the nine months period ended September 30, 2021.

### Economic Review:

After hitting a low of 5.65% in January 2021, CPI inflation rose throughout 2021. Inflation has so far averaged 9%, hitting a high of 11.1% in April 2021. While non-food non-energy inflation has remained stable, headline inflation has risen due to rise in food prices. However, the rise in food prices is part of a larger global rise in food and non-food commodity prices. Rising demand, and the rebound in economic activity in China and India in particular has created demand for coal, oil, gas and myriad other commodities. At the same time supply remains constrained as commodity supply generally is slow to respond to changes in demand. The situation has been further exacerbated by supply constraints, container shortages and supply chain bottlenecks due to the coronavirus. Much of this renewed growth may be due to the outsized fiscal and monetary stimulus doled out during 2019 and 2020 as compared to the more conservative bailouts of the economy seen during the 2008 Global Financial Crisis. The stimulus measures, enacted globally, have put more money into the pockets of the individual and have thereby fueled demand.

As a result of this, the Current Account Deficit (CAD) has risen to US Dollar (USD) 1.4 billion as on August 2021 after hitting a low of USD 47 million in February 2021. Imports have risen from USD 4.4 billion as of January, 2021 to USD 6.0 billion as of August, 2021. These are expected to rise further as commodity prices impact the import bill with a lag.

Higher CAD has led to slippages in the currency. The Pak Rupee (PKR) has devalued to 172 against the dollar after hitting a low of 152 a few months ago. The PKR has therefore depreciated by 13% over a short span of time. This has led the SBP to restart the monetary tightening cycle and has raised the Policy Rate by 25bps, citing concerns on the Current Account Deficit and second round impacts of the commodity price boom on inflation.

### Equity Market Review:

The KSE100 rose 611 points from January to September of the current year. The index has risen 1.4% in the 9 month period after hitting a high of over 5%. The return has largely been eliminated due to a 5.3% drop in the index in September alone.

TRG, Systems and Meezan were the largest contributors to the index at 782, 689 and 434 points respectively. OGDC, HBL and PPL were the three largest negative contributors at 285, 257 and 256 points respectively. Despite a rise in oil prices, OGDC & PPL were one of the worst performers during the period due to cash flow problems at both companies on account of rising circular debt. On the other hand, tech stocks did well on improved earnings growth outlook.

On a sector wise basis, Technology & Communication and Commercial Banks outperformed the general market while Cement, E&P and OMC underperformed the market.

### Income and Money Market Review:

During nine months of calendar year 2021 (9MCY21), the increase in the Policy Rate by 25 basis points to 7.25% on September 20, 2021 while maintained the status quo stance in larger period to promote growth and counterbalance the impact of Covid-19 pandemic on the economy. The rationale for this moderate

# JS Investments Limited

increase is the robust growth in domestic demand, coupled with higher international commodity prices, which lead to increase in the imports and exchange rate vulnerability. As a result, the yield curve has become steep because inflationary expectation mounted. There was only one auction of Government of Pakistan (GOP) Ijara Sukuk of five years maturity in January 2021.

Ministry of Finance and State Bank of Pakistan (SBP) remain committed to promote economic growth. Although concerns around the current account and inflation remain intact; investors have preferred to remain at the shorter end of the yield curve due to expectations of further interest rate tightening in the medium term. During 9MCY 21, the cut-off for the 3 and 6 months T-bill has increased between 43 to 75 bps to 7.57%, 7.95% while several bids were rejected in 12 months.

## Mutual Fund Industry Review

At the end of 9M CY21, Assets Under Management (AUM) of the mutual fund industry stood at PKR 1,068 billion (excluding Fund of Funds structures) showing a growth of 12.9% (PKR 121.8 billion) from the December 2020 level of PKR 946 bn. Around 47% of this growth is attributable to NAV appreciation whereas around 53% or Rs 65 billion of assets have flown in to the mutual fund space. Due to the reversal of the interest rate cycle, Cash & Income Funds category continued to be the preferred category with a net inflow of PKR. 81 billion whereas around Rs 16 billion were withdrawn from the equity funds under management due to the negative outlook on stock markets at the back of rising interest rates. The split of this inflow was PKR. 50 billion in conventional whereas PKR. 31 billion in the Shariah Compliant space.

## Company's Performance Review:

JSIL posted a net after-tax loss of PKR 248.92 mn (LPS of PKR 4.03) for the nine months ended September 30, 2021, vs. a loss of PKR 68.87 mn (LPS of PKR 1.11) 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 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 119.93 million compared to PKR 137.09 million during the corresponding period last year. The assets under management (excluding SMAs & Fund of Funds) were PKR 19.92 billion as on September 30, 2021 compared to PKR 23.8 billion as of December 31, 2020, depicting a decline of 16%.

## Significant Events

Covid-19 continued to haunt economy. However, Government's smart lock down policy, subsidies and other financial support packages offered by the Government for various economic sectors along with subsidized loans, deferral payments on debt and grants provided by various international donor agencies and friendly countries provided much needed financial support to the country. Economic chaos created by Covid-19 is expected to take some time to settle down both on international and local levels. 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. Thereafter, as of the Effective Date 31 March 2021, the entire undertaking of JS ABAMCO Commodities Limited is merged with and into the Company.



## Asset Manager Rating

The Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Limited' 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**

October 22, 2021  
Karachi

Director

Chief Executive Officer

## ڈائریکٹرز کی جائزہ رپورٹ

ہم 30 ستمبر 2021 کو ختم ہونے والی نو ماہ کی مدت کے لیے جے ایس اینفوسٹ لمیٹڈ (JSIL) کے مختصر عبوری مالیاتی گوشوارے پیش کرتے ہوئے زمرست محسوس کرتے ہیں۔

### معیشت کا جائزہ

جنوری 2021 میں 5.65% کی چٹائی کو چھونے کے بعد افراط زر میں سال 2021 کے پورے عرصے میں اضافہ کا رجحان رہا۔ اپریل 2021 میں 11.1% کی بلند ترین سطح تک پہنچنے کے بعد افراط زر اب تک 9% کی اوسط شرح پر برقرار ہے۔ جب کہ غیر غذائی اور غیر توانائی کیلئے افراط زر میں استحکام رہا جبکہ غذائی اشیاء کی قیمتوں میں اضافے کے سبب مجموعی طور پر افراط زر میں اضافہ ہے۔ تاہم اشیاء خورد و نوش کی قیمتوں میں اضافہ خوراک اور غیر غذائی اشیاء کی قیمتوں میں عالمی سطح پر بڑے اضافہ کا حصہ ہے۔ بڑھتی ہوئی طلب اور خاص طور پر چین اور بھارت میں اقتصادی سرگرمیوں میں تیزی نے کسے، تیل، گیس اور دیگر بے شمار اجناس کی مانگ پیدا کر دی ہے۔ اس کے ساتھ رسد محدود رہتی ہے کیونکہ اجناس کی فراہمی عام طور پر طلب میں تبدیلیوں کا جواب دینے میں سست ہوتی ہے۔ کورونا وائرس کی وجہ سے سپلائی کی رکاوٹوں، کنٹینرز کی قلت اور سپلائی چین کے محدود ہوجانے سے صورتحال مزید خراب ہو گئی۔ اس تجدید شدہ نمونہ کا زیادہ تر حصہ 2019 اور 2020 کے دوران بیرونی مالیاتی تحریکات کی وجہ سے ہو سکتا ہے جو معیشت کے زیادہ قدامت پسند تیل آؤٹ کے مقابلے میں ہوئے جنہیں 2018 کے عالمی مالیاتی بحران میں دیکھا گیا۔ عالمی طور پر نافذ کئے گئے محرکات سے افراد کے پاس زیادہ پیسہ آگیا جس کے نتیجے میں طلب میں اضافہ ہوا۔

اس کے نتیجے میں، فروری 2021 میں 47 بلین امریکی ڈالر کی کم ترین سطح پر پہنچنے کے بعد اگست 2021 تک کرنٹ اکاؤنٹ خسارہ (CAD) بڑھ کر 1.4 بلین امریکی ڈالر ہو گیا ہے۔ درآمدات جنوری 2021 تک 4.4 بلین امریکی ڈالر سے بڑھ کر اگست 2021 تک 6.0 بلین امریکی ڈالر تک پہنچ گئی ہے۔ توقع ہے کہ ان میں مزید اضافہ ہوگا کیونکہ اشیاء کی قیمتیں درآمدی بل پر تاخیر کا اثر ڈالتی ہیں۔

بلنڈر CAD سے کئی نیچے کی طرف سلاپ ہونے لگی۔ ڈالر کے مقابلے میں پاکستانی روپے (PKR) کی قدر 172 ہو گئی جو چند ماہ پہلے تک 152 روپے کی کم سطح پر تھی۔ اس طرح مختصر مدت میں پاکستانی روپے کی قدر میں 13% کمی واقع ہوئی۔ اس کے نتیجے میں اسٹیٹ بینک آف پاکستان نے نائیٹری سائیکل کو دوبارہ سخت کرنا شروع کر دیا اور پالیسی ریٹ میں 25 بیس پوائنٹس تک اضافہ کر دیا جس سے کرنٹ اکاؤنٹ کے خسارے اور افراط زر کے ساتھ اشیاء کی قیمتوں میں تیزی سے اثرات مرتب ہوئے۔

### ایکویٹی مارکیٹ کا جائزہ

موجودہ سال جنوری تا ستمبر تک KSE100 میں 611 پوائنٹس کا اضافہ ہوا۔ انڈیکس میں 5% سے زائد کی بلند ترین سطح کو چھونے کے بعد 9 ماہ کی مدت میں 1.4% اضافہ ہوا ہے۔ صرف ستمبر میں انڈیکس میں 5.3% کمی کی وجہ سے منافع بڑی حد تک ختم ہو گیا ہے۔

انڈیکس میں ٹی آر جی (TRG)، سسٹمز (Systems) اور میزبان (Meezan) بالترتیب 782، 689 اور 434 پوائنٹس کے ساتھ سب سے زیادہ حصہ دار ہے۔ انڈیکس میں اوی جی ڈی سی (OGDC)، ایچ بی ایل (HBL) اور پی پی ایل (PPL) بالترتیب 285، 257 اور 256 پوائنٹس کے ساتھ تین سب سے بڑے منفی حصہ دار ہے۔ تیل کی قیمتوں میں اضافے کے باوجود، مذکورہ مدت کے دوران اوی جی ڈی سی اور پی پی ایل کی کارکردگی انتہائی خراب رہی جس کا سبب گرتی قرضہ میں اضافے کی بناء پر دونوں کمپنیوں کے نقد بہاؤ میں مسائل پیدا ہونا تھا۔ دوسری طرف آئی سی اے میں بہتر اضافے کے منظرے پر ٹیک اسٹاک نے اچھی کارکردگی کا مظاہرہ کیا۔

سیکٹور و بنیادیوں پر، بینکوں کی اینڈ کیپیٹلیشن اور کمرشل بینکوں نے عام مارکیٹ کو پیچھے چھوڑ دیا جبکہ سینٹ، ای ایئرڈی (E&P) اور او ایم سی (OMC) نے مارکیٹ سے کم کارکردگی کا مظاہرہ کیا۔

### انکم اور منی مارکیٹ کا جائزہ

کیلنڈر سال 2021 کے نو ماہ (9MCY21) کے دوران 20 ستمبر 2021 کو پالیسی ریٹ 25 بیس پوائنٹس کے اضافے سے 7.25% ہو گیا جب کہ زیادہ مدت تک جوں کا توں کی صورتحال کو برقرار رکھا گیا تاکہ ترقی کو فروغ دیا اور COVID-19 کی وبا کے معیشت پر اثرات کے مٹاؤ کیلئے متوازن کیا جاسکے۔ یہ مناسب اضافہ سب سے بڑے منافع طلب میں ہے پناہ اضافے کے ساتھ ساتھ بین الاقوامی اشیاء کی قیمتیں بڑھ گئیں جن سے درآمدات اور شرح مبادلہ میں اتار چڑھاؤ کی صورتحال پیدا ہو گئی تھی۔ اس کے نتیجے میں پیداوار کی قوس نیچے کی طرف آگئی کیونکہ افراط زر کی توقعات میں اضافہ ہو گیا۔ حکومت پاکستان (GOP) کی طرف سے صرف ایک اجارہ ملک کا بنیام جنوری 2021 میں کیا گیا جس کی تھیل کی مدت پانچ سال ہے۔



وزارت خزانہ اور اسٹیٹ بینک آف پاکستان (SBP) معاشی ترقی کے فروغ کے لیے پرعزم ہیں۔ اگرچہ کرنٹ اکاؤنٹ اور افراط زر کے بارے میں خدشات موجود ہیں، سرمایہ کاروں نے مستقبل میں اوسط مدت کی شرح سود میں مزید کمی کی توقع کے باعث پیداواری قوس میں مختصر عرصے کو ترجیح دی۔ یکم دسمبر سال 2021 کے نو ماہ (9MCY21) کے دوران، 3 ماہ اور 6 ماہ کے ٹریژری بلز کے کٹ آف 43 سے 75 پیسے پائمنٹس کے درمیان بڑھ کر 7.57%، 7.95% ہو گئے، جبکہ 12 ماہ میں متعدد بولیوں میں مسترد کردی گئیں۔

### میو چوئل فنڈ کی صنعت کا جائزہ

نوامہ کے اختتام پر میو چوئل فنڈ انڈسٹری کے زیر انتظام اثاثے 1,068 بلین روپے رہے (علاوہ فنڈز آف فنڈ اسٹرکچرز) جو دسمبر 2020 کے 1,646 بلین روپے سے 12.9 فیصد (121.8) بلین پاکستانی روپے) زیادہ ہے۔ اس ٹوکا تقریباً 47% NAV کی قدر میں اضافے کی وجہ سے ہے جب کہ تقریباً 53% یا 65 بلین روپے کے اثاثہ جات میو چوئل فنڈ کی جگہ پر چلے گئے۔ شرح سود کے چکر کے الٹ جانے کی وجہ سے کیش اور انکم فنڈز کی ٹریڈنگ 81 بلین پاکستانی روپے کے خالص اندرونی بہاؤ کے ساتھ ترجیحی کیٹیگری رہی جب کہ بڑھتی ہوئی شرح سود کے پیچھے اسٹاک مارکیٹوں پر منفی نقطہ نظر کی وجہ سے بینجٹ کے تحت ایکٹیوٹی فنڈز سے تقریباً 16 بلین روپے واپس لیے گئے تھے۔ اس اندرونی بہاؤ کی تقسیم کنوینشنل 50 بلین روپے جب کہ شریعہ کیٹیگریٹ کی جگہ میں 31 بلین روپے رہی۔

### کمپنی کی کارکردگی کا جائزہ

JSIL نے 30 ستمبر 2021 کو اختتام پر ہونے والے نوامہ کے لیے 248.92 بلین روپے کا مجموعی نقصان درج کروایا (4.03 روپے کے نقصان فی حصص (LPS)) جو بمقابلہ گزشتہ سال کی اسی مدت میں 68.87 بلین روپے (1.11 روپے کے نقصان فی حصص (LPS)) تھا۔ COVID-19 کی وجہ سے ایکٹیوٹی مارکیٹ کی کارکردگی پر جمود کے باعث تمام صنعتوں کی خاص طور پر مارجن کی پروڈکٹس جیسے کیش اینڈ انکم فنڈز کی ٹریڈنگ پر پری جس کے نتیجے میں کمپنی کی انتظامی فیس کی آمدنی میں زبردستی کمی آئی۔ JSIL نے گزشتہ سال کی یکساں مدت کے دوران 137.09 بلین روپے کے مقابلے میں 119.93 بلین روپے کے انتظامیہ کے زیر نگرانی فنڈز (SMA) سے منجھت ریویو نیشن کماے۔ انتظامیہ کے زیر نگرانی اثاثہ جات (بشمول سپر ہٹل منجھت اکاؤنٹس) SMAز اور فنڈز آف فنڈز (31 دسمبر 2020 کے 23.8 بلین روپے کے مقابلے میں 30 ستمبر 2021 کو 19.92 بلین روپے رہے جنہوں نے 16% کی کمی کو ظاہر کیا۔

### اہم واقعات

COVID-19 معیشت کو فروغ دے کر رہی ہے گی۔ تاہم حکومت کی اسٹارٹ لاک ڈاؤن پالیسی، سبسڈی پر اور دیگر مالی معاونت کے پیچھے جو حکومت نے مختلف اقتصادی شعبوں کے لیے پیش کیے ہیں ان کے ساتھ سیڈی والے قرضے، مختلف بین الاقوامی ویزا کنڈیشنوں اور دوست ممالک کی جانب سے فراہم کردہ قرضوں اور گرانٹ پر منحصر ادائیگیاں ملک کو انتہائی ضروری مالی معاونت فراہم کرتی ہیں۔ توقع ہے کہ COVID-19 کے ذریعے پیدا کردہ معاشی انتشار کو بین الاقوامی اور مقامی دونوں سطحوں پر آباد ہونے میں کچھ وقت لگے گا۔ اگرچہ کمپنی کی انتظامیہ 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 غیر یقینی اور غیر متوقع ہیں، بشمول وباء کی مدت اور پھیلاؤ، ہیکرو وائرس سطح پر مالیاتی منڈیوں پر اس کے اثرات ہیں۔

19 فروری 2021 کو کمپنی کے بورڈ آف ڈائریکٹرز نے کمپنی ایکٹ 2017 کے سیکشن (1) 284 کے تحت انضمام کی منظوری دیتے ہوئے ایک قرارداد منظور کی تھی جس کے تحت کمپنی کی مکمل ملکیت ذیلی کمپنی جے ایس ایل کو موکوڈ ٹیلیکام کو کمپنی کے ساتھ اور اس میں ضم کیا گیا تھا جسے SECP نے 24 جون 2021 کو منظور کیا تھا۔ اس کے بعد 31 مارچ 2021 کی موثر تاریخ کے مطابق جے ایس ایل کو موکوڈ ٹیلیکام کو پورا کام کمپنی کے ساتھ اور اس میں ضم ہو گیا ہے۔

### ایسیٹ منیجر اور ایڈیٹیو ریٹنگ

پاکستان کرڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے جے ایس ایل انویسٹمنٹ لمیٹڈ کو "AM2" (اے ایم ٹو) کی منجھت کوالٹی ریٹنگ "stable" امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ منجھت کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

## اظہار تشکر

ڈائریکٹر پیش قدمی و معاونت، مدد اور رہنمائی پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اپنے زیر انتظام فنڈز کے ٹرسٹیز سے اظہار تشکر کرتے ہیں۔ بورڈ ممبران اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بورڈ کی طرف سے

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 22 اکتوبر 2021



# **FINANCIAL STATEMENTS**

# JS Investments Limited

## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2021

	Note	(Un- Audited) September 30, 2021	(Audited) December 31, 2020
		Rupees	
ASSETS			
Non - current assets			
Property and equipment	7	357,532,437	399,187,334
Intangible assets	8	11,854,116	12,235,839
Long-term investment in a subsidiary - at cost		-	37,500,000
Long-term loans and prepayments - considered good		2,314,081	2,252,802
		371,700,634	451,175,975
Current assets			
Balances due from funds under management - related parties		106,190,645	109,501,155
Loans and advances - considered good		2,370,285	3,810,261
Trade deposits, short term prepayments and other receivables		75,077,461	56,610,095
Other financial assets - investments	9	1,374,556,648	1,585,292,143
Taxation - net		89,887,465	89,466,101
Cash and bank balances	10	15,441,335	9,433,434
		1,663,523,839	1,854,113,189
Total assets		2,035,224,473	2,305,289,164
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		937,857,284	1,157,244,225
		1,555,599,844	1,774,986,785
LIABILITIES			
Non - current liabilities			
Deferred Liabilities		131,862	1,301,172
Long term financing		9,889,689	38,999,575
Liability against assets subject to finance lease		229,721,753	260,150,050
		239,743,304	300,450,797
Current liabilities			
Accrued and other liabilities	12	161,106,559	166,112,387
Unclaimed dividend		4,984,665	5,182,716
Current maturity of long term financing		38,879,740	36,582,363
Current maturity of liability against assets subject to finance lease		34,910,361	21,974,117
Total liabilities		239,881,325	229,851,583
Total equity and liabilities		2,035,224,473	2,305,289,164
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 NINE MONTHS AND THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021**

Note	Nine Months ended		Three Months ended	
	September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
<b>-----Rupees-----</b>				
<b>INCOME</b>				
Remuneration from funds under management - gross	133,316,190	153,428,939	43,733,152	42,981,610
Less: Sindh sales tax	(15,337,261)	(17,651,117)	(5,031,248)	(4,944,787)
	<u>117,978,929</u>	<u>135,777,822</u>	<u>38,701,904</u>	<u>38,036,823</u>
Commission from open end funds under management	467,688	3,362,539	-	508,699
Dividend income	7,542,880	14,955,806	114,656	260,883
Net unrealised (loss) /gain on revaluation of investments classified as at fair value through profit or loss	(138,477,528)	38,624,276	(88,370,846)	157,490,217
Net gain on sale of investments	12,813,204	6,549,372	1,000,448	(3,793,769)
Return on bank deposits under interest / mark-up arrangements	1,464,510	2,812,342	347,133	453,710
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	1,955,857	1,311,465	659,488	455,618
Return on listed debt securities	<u>8,385,714</u>	<u>11,964,351</u>	<u>2,890,711</u>	<u>2,881,285</u>
	<u>12,131,253</u>	<u>215,357,972</u>	<u>(44,656,506)</u>	<u>196,293,466</u>
Administrative expenses	(243,629,717)	(224,327,135)	(75,715,577)	(74,954,546)
Selling and distribution expenses	(6,650,946)	(32,544,829)	(3,127,424)	(8,262,054)
<b>OPERATING (LOSS) / PROFIT</b>	<u>(238,149,410)</u>	<u>(41,513,992)</u>	<u>(123,499,507)</u>	<u>113,076,866</u>
Financial charges	(26,582,104)	(25,583,405)	(8,945,834)	(8,352,872)
	<u>(264,731,514)</u>	<u>(67,097,397)</u>	<u>(132,445,341)</u>	<u>104,723,994</u>
Other income	22,824,370	13,640,932	14,629,929	2,373,785
<b>(Loss) / profit for the period before tax</b>	<u>(241,907,144)</u>	<u>(53,456,465)</u>	<u>(117,815,412)</u>	<u>107,097,779</u>
<b>Income tax</b>				
- Current	(7,016,255)	(15,415,770)	6,995,502	(946,895)
<b>(Loss) / profit for the period after tax</b>	<u>(248,923,397)</u>	<u>(68,872,234)</u>	<u>(110,819,910)</u>	<u>106,150,884</u>
(Loss) / earnings per share for the period - basic and diluted	14 (4.03)	(1.11)	(1.79)	1.72

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 COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE NINE MONTHS AND THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2021

	<b>Nine Months ended</b>		<b>Three Months ended</b>	
	<b>September 30, 2021</b>	<b>September 30, 2020</b>	<b>September 30, 2021</b>	<b>September 30, 2020</b>
	<b>-----Rupees-----</b>			
Net loss for the period	(248,923,397)	(68,872,234)	(110,819,910)	106,150,884
Other comprehensive income / (loss)	-	-	-	-
	-	-	-	-
<b>Total comprehensive loss for the period</b>	<b><u>(248,923,397)</u></b>	<b><u>(68,872,234)</u></b>	<b><u>(110,819,910)</u></b>	<b><u>106,150,884</u></b>

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

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

\_\_\_\_\_  
**Chief Financial Officer**

\_\_\_\_\_  
**Director**

**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	Rupees		
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
Balance as at January 01, 2021	617,742,560	1,157,244,225	1,774,986,785
Transfer upon merger		29,536,457	
Total comprehensive loss for the period ended September 30, 2021	-	(248,923,397)	-
Balance as at September 30, 2021	617,742,560	937,857,284	1,555,599,844

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 CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021

	Note	September 30, 2021	September 30, 2020
		Rupees	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss for the period before taxation		(241,907,143)	(53,456,465)
<b>Adjustment for:</b>			
Remuneration from funds under management - net		(117,978,929)	(135,777,822)
Commission from open end funds under management		(467,688)	(3,362,539)
Dividend income		(7,542,880)	(14,955,806)
Depreciation expense		52,355,383	53,193,280
Amortisation expense		4,001,669	3,689,658
Financial charges		26,582,104	25,583,405
Return on bank deposits under interest / mark-up arrangements		(1,464,510)	(2,812,342)
Net gain on sale of investments classified as 'at fair value through profit or loss'		(12,813,204)	(6,549,372)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'		138,477,528	(38,624,276)
Gain/loss on disposal of property and equipment		(15,188,132)	(8,191,921)
		(175,945,802)	(181,264,200)
<b>Working capital changes</b>			
Loans and advances - considered good		1,378,697	839,453
Trade deposits, short term prepayments and other receivables		(18,467,366)	(8,266,166)
Accrued and other liabilities		(19,905,440)	18,904,284
		(36,994,109)	11,477,571
		(212,939,911)	(169,786,629)
Taxes paid - net		(7,582,739)	(16,211,174)
Remuneration and commission received from funds under management		121,757,127	155,196,163
<b>Net cash used in operating activities</b>		<b>(98,765,523)</b>	<b>(30,801,640)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Investments made) / proceeds from sale of investments - net		85,070,326	298,400,295
Payments for purchase of property, equipment and intangible assets		(22,568,700)	(5,784,215)
Amalgamation of wholly owned subsidiary company		37,500,000	-
Dividends received		7,542,880	14,955,806
Return on bank deposits under interest / mark-up arrangements		1,464,510	2,812,342
Sale proceeds from disposal of property and equipment		23,436,400	19,603,396
<b>Net cash generated from investing activities</b>		<b>132,445,416</b>	<b>329,987,624</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividend paid		(198,051)	(244,724,429)
Payment of lease liability		(30,428,297)	(32,820,057)
Financial charges paid		(26,582,104)	(25,583,407)
Running Finance Facility Obtained	15.1.3	330,824,067	-
Running Finance Facility Settled	15.1.3	(330,824,067)	-
<b>Net cash used in financing activities</b>		<b>(57,208,452)</b>	<b>(303,127,893)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(23,528,559)</b>	<b>(3,941,909)</b>
Cash and cash equivalents at beginning of the period		9,433,434	13,440,272
Transfer upon merger		29,536,460	-
<b>Cash and cash equivalents at end of the period</b>		<b>15,441,335</b>	<b>9,498,366</b>

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 INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE NINE MONTHS ENDED SEPTEMBER 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 for the period ended September 30, 2021.

#### **Open-end mutual funds**

- JS Growth Fund
- JS Value Fund - *Merged in JS Growth Fund in September 2021*
- 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 and 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 has 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,

# JS Investments Limited

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.

**3.2** 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 September 2021.

**3.3** 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.

### 3.3 Basis of measurement

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

### 3.4 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 period 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 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.

## 7 PROPERTY AND EQUIPMENT

		(Un-Audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees -----	
Opening written down value		172,558,300	215,524,829
Additions during the period	7.1	17,113,342	4,575,740
Disposals during the period	7.2	(8,258,088)	(11,411,477)
Depreciation for the period		(26,517,478)	(36,130,792)
		<u>154,896,076</u>	<u>172,558,300</u>
Capital work-in-progress - advance against purchase of assets		526,857	1,611,934
Right of use of assets		<u>202,109,505</u>	<u>225,017,100</u>
		<u>357,532,438</u>	<u>399,187,334</u>

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	----- Rupees -----	

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

Furniture and fixtures	3,247,999	-
Office equipment	3,856,593	1,811,924
Vehicles	10,008,750	-
Lease hold improvement	-	2,763,816
	<u>17,113,342</u>	<u>4,575,740</u>

	(Un-Audited) September 30, 2021	(Audited) December 31, 2020
	----- Rupees -----	
7.2 The following disposals of tangible - property and equipment		
Furniture and fixtures	(538,269)	(128,309)
Office equipment	(27,171)	(11,283,168)
Vehicles	(7,692,648)	-
	<u>(8,258,088)</u>	<u>(11,411,477)</u>

## 8 INTANGIBLE ASSETS

Opening written down value	12,235,839	15,323,841
Additions during the period / year	3,619,947	1,889,920
Amortisation for the period / year	(4,001,670)	(4,977,922)
	<u>11,854,116</u>	<u>12,235,839</u>

## 9 OTHER FINANCIAL ASSETS - INVESTMENTS

### At fair value through profit or loss'

Units of mutual funds - related parties	9.1	1,249,556,648	1,460,292,142
Term Finance Certificate	9.2	125,000,000	125,000,000
		<u>1,374,556,648</u>	<u>1,585,292,142</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, 2021		(Audited) December 31, 2020
September 30, 2021	December 31, 2020		Carrying Value	Fair value	Fair value
			Rupees		
511,401	456,110	JS Income Fund	48,591,967	50,413,885	45,150,314
29,641	-	JS Large Cap Fund	4,127,816	3,755,524	-
4,507	3,305	JSIHFOF-Mustahkem	293,882	305,112	217,563
61,443	49,068	JSIHFOF-Mutanasib	4,465,652	3,282,309	3,698,234
1,000,000	1,000,000	JS Motion Picture Fund	97,700,000	21,440,000	97,700,000
-	1,343,094	JS Value Fund	-	-	286,643,091
3,175,696	1,937,116	JS Growth Fund	581,077,263	529,706,188	348,448,361
205,210	205,210	JS Pension Savings Fund - Equity	98,131,485	94,123,731	98,131,485
137,349	137,349	JS Pension Savings Fund - Debt	41,339,299	43,698,955	41,339,299
177,463	177,463	JS Pension Savings Fund - Money Market	43,073,920	45,419,987	43,073,920
-	-				
3,373,965	2,822,294	JS Fund of Funds	214,359,670	201,054,570	179,582,560
147,900	182,354	JS Islamic Pension Savings Fund - Equity	97,301,913	93,474,262	119,968,655
-	-				
213,852	213,852	JS Islamic Pension Savings Fund - Debt	51,942,438	55,071,089	51,942,438
-	-				
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	47,159,436	49,275,764	47,159,436
-	382,292	JS Islamic Income Fund	-	-	40,435,029
550,975	407,754	JS Islamic Daily Dividend Fund	55,097,458	55,097,458	40,775,361
-	123,571	JS Islamic Fund	-	-	12,367,005
-	76,142	JS IHFOF - Mufeed	-	-	3,659,391
32,989	-	JS Cash Fund	3,371,977	3,437,814	-
			1,388,034,176	1,249,556,648	1,460,292,142
Unrealized diminution on remeasurement at fair value - net			(138,477,528)	-	-
			1,249,556,648	1,249,556,648	1,460,292,142

Cost as at September 30, 2021

1,084,377,302

# JS Investments Limited

## 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) September 30, 2021	(Audited) December 31, 2020
	Note	----- Rupees -----	
<b>10 CASH AND BANK BALANCES</b>			
Cash in hand		61,388	75,302
Cash at bank in:			
Current accounts		569,933	1,168,596
Savings accounts	10.1	14,810,014	8,189,536
		15,379,947	9,358,132
		15,441,335	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%). It includes Rs.13.035 (December 31, 2020: Rs.6.563) million held with JS Bank Limited (the Parent Company).

**10.2** 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 December 31, 2021, and the interest rate is 1 month KIBOR plus 2% on the exercised amount and over the exercised period.

## 11 DEFERRED TAXATION

As of September 30, 2021, the Company has accumulated tax losses of Rs.479.039 million and the deferred tax asset on such losses works out to Rs.138.922 million. The Company has recognized deferred tax asset on such losses to the extent of initial deferred tax assets of Rs. 20.78 million pertaining to operating fixed assets, right of use assets, investments & lease obligation. Unrecognized deferred tax asset on carried forward business losses as of September 30, 2021, is amounting to Rs.159.700 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	3,750,000	15,000,000
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		(Un-Audited)			
		Nine months ended		Three months ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		----- Rupees -----			
<b>14 (LOSS)/EARNINGS PER SHARE</b>					
(Loss) / profit for the period	<b>Rupees:</b>	<b><u>(248,923,397)</u></b>	<b><u>(68,872,234)</u></b>	<b><u>(110,819,910)</u></b>	<b><u>106,150,884</u></b>
Weighted average number of ordinary shares outstanding during the period	<b>Number:</b>	<b><u>61,774,256</u></b>	<b><u>61,774,256</u></b>	<b><u>61,774,256</u></b>	<b><u>61,774,256</u></b>
(Loss) / earnings per share	<b>Rupees:</b>	<b><u>(4.03)</u></b>	<b><u>(1.11)</u></b>	<b><u>(1.79)</u></b>	<b><u>1.72</u></b>

**14.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2021 and September 30, 2020 which would have any effect on the earnings/ loss 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) -----	
		September 30, 2021	September 30, 2020
		----- Rupees -----	

### 15.1 Transaction with related parties

#### 15.1.1 Transactions with the funds under management

Remuneration - net of taxes	<b>117,978,929</b>	135,777,822
Commission received	<b>467,688</b>	3,362,539
Amount paid	<b>63,978,997</b>	50,620,164
Amount received	<b>60,677,746</b>	44,709,463
Dividends received	<b>7,542,880</b>	14,955,806
Investments made	<b>1,813,817,322</b>	186,154,978
Investments disposed off / matured	<b>1,966,667,522</b>	484,555,206

#### 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	<b>3,999,375</b>	2,397,000
Rent paid	<b>225,000</b>	150,000

# JS Investments Limited

		----- (Un-Audited) -----	
		September 30, 2021	September 30, 2020
		----- Rupees -----	
<b>15.1.3</b>	<b>JS Bank Limited (JSBL)</b>		
	<b>Parent company</b>		
	Rent Paid	<b>1,500,513</b>	1,418,140
	Management fee sharing on distribution of mutual funds	<b>2,108,326</b>	8,928,435
	Return on bank deposits	<b>1,419,717</b>	2,738,266
	Running Finance Facility Obtained 10.2	<b>330,824,067</b>	-
	Running Finance Facility Settled 10.2	<b>330,824,067</b>	-
	Amount paid against Refinance Scheme for Salaries and Wages	<b>30,069,735</b>	
	Amount received against Refinance Scheme for Salaries and Wages	-	40,000,000
	Bank charges and Interest on Running Finance & Refinance Scheme	<b>3,894,245</b>	-
<b>15.1.4</b>	<b>Jahangir Siddiqui &amp; Sons Limited (JSSONS)</b>		
	<b>Common directorship of Parent Co.</b>		
	Amount Received	<b>505,697</b>	-
<b>15.1.5</b>	<b>JS PE Management Limited</b>		
	<b>Common Substantial Shareholder of Ultimate Parent Co.</b>		
	Amount Received	-	720,197
<b>15.1.6</b>	<b>EFU General Insurance</b>		
	<b>Common directorship of Ultimate Parent Co.</b>		
	Insurance premium paid	<b>3,407,000</b>	3,457,249
<b>15.1.7</b>	<b>EFU Life Assurance</b>		
	<b>Common directorship of Ultimate Parent Co.</b>		
	Insurance premium paid	<b>1,917,137</b>	1,538,674
<b>15.1.8</b>	<b>JS Investments Staff Provident Fund - (the Fund)</b>		
	<b>Post-Employment benefit fund</b>		
	Amount Paid	<b>88,455</b>	90,765
	Amount Received	<b>468</b>	90,765
	Provident fund contributions made	<b>6,668,452</b>	6,672,777

----- (Un-Audited) -----  
**September 30,**      September 30,  
**2021**                      2020  
 ----- Rupees -----

**15.1.9 JS Global Capital Limited (JSGCL)**

**Subsidiary of Parent Co.**

Amount Paid	<b>573,261</b>	470,556
Amount Received	<b>739,368</b>	782,553
Rent Paid	<b>5,120,010</b>	-

**15.1.10 JS Lands (Private) Limited**

**Common Substantial Shareholder of Ultimate Parent Co.**

Rent Paid	<b>17,120,796</b>	28,379,120
Amount Paid	<b>12,326,856</b>	10,381,293

**15.1.11 Transactions made with key personnel**

Remuneration	<b>80,037,022</b>	87,497,487
Directors fee	<b>550,000</b>	525,000
Disbursements of personal loans and advances	<b>2,361,000</b>	2,088,000
Repayments of loans and advances	<b>3,229,701</b>	2,152,052
Use of name and Advisory for the period	<b>11,250,000</b>	11,250,000

**15.2 Balance outstanding with related parties**

**15.2.1 Funds under management**

**Funds managed by the Company**

Receivable from funds under management	<b>146,158,774</b>	131,242,385
Payable to funds under management	<b>4,556</b>	337,601

**15.2.2 JS Bank Limited (JSBL)**

**Parent company**

Bank Balance	<b>13,035,715</b>	6,563,839
Other Receivable	<b>1,465,064</b>	1,465,064
Rent payable	<b>-</b>	33,942
Rent receivable	<b>2,409,149</b>	2,409,149
Other payables	<b>53,387,348</b>	80,925,089

**15.2.3 Jahangir Siddiqui & Sons Limited (JSSONS)**

**Common directorship of Parent Co.**

Other Receivable	<b>-</b>	558,385
Rent receivable	<b>2,486,352</b>	2,486,352

# JS Investments Limited

		(Un-Audited) September 30, 2021	(Audited) December 31, 2020
		----- Rupees -----	
<b>15.2.4</b>	<b>Jahangir Siddiqui Securities Services Ltd</b>		
	<b>Other Related Party</b>		
	Other Receivable	29,887	29,887
	Rent receivable	94,429	94,429
<b>15.2.5</b>	<b>JS PE Management Limited</b>		
	<b>Common Substantial Shareholder of Ultimate Parent Co.</b>		
	Other Receivable	1,625,826	1,625,826
	Rent receivable	930,938	930,938
<b>15.2.6</b>	<b>Mahvash &amp; Jahangir Siddiqui Foundation - (MJSF)</b>		
	<b>Common directorship of Ultimate Parent Co.</b>		
	Other Receivable	130,554	177,106
	Rent receivable	379,929	379,929
<b>15.2.7</b>	<b>Fakhr-e-Imdad Foundation (FIF)</b>		
	<b>Common directorship of Ultimate Parent Co.</b>		
	Other Receivable	663,169	1,017,169
<b>15.2.8</b>	<b>JS Global Capital Limited (JSGCL)</b>		
	<b>Subsidiary of Parent Co.</b>		
	Other Receivable	616,567	782,674
	Rent receivable	181,957	181,957
	Rent payable	-	1,272,831
<b>15.2.9</b>	<b>JS Investments Staff Provident Fund - (the Fund)</b>		
	<b>Post-Employment benefit fund</b>		
	Other Receivable	88,455	-
<b>15.2.10</b>	<b>JS Lands (Private) Limited</b>		
	<b>Common Substantial Shareholder of Ultimate Parent Co.</b>		
	Other Payable	1,564,468	1,233,285
<b>15.2.11</b>	<b>Outstanding from key management personnel</b>	890,333	1,758,994
<b>15.2.12</b>	<b>Key management personnel and directors hold 5,006 shares in the company</b>		



**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:

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

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

	September 30, 2021			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	1,249,556,648	-	1,249,556,648
Term Finance Certificate		125,000,000		125,000,000
	-	1,374,556,648	-	1,374,556,648

	December 31, 2020			Total
	Level 1	Level 2	Level 3	
	(Rupees)			
<b>Financial assets classified as 'at fair value through profit or loss - held-for-trading'</b>				
Units of mutual funds - related parties	-	1,460,292,143	-	1,460,292,143
Term Finance Certificate		125,000,000		125,000,000
	-	1,585,292,143	-	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 September 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 October 22, 2021 by the Board of Directors of the Company.
- 17.3** The figures in the condensed interim financial information have been rounded off to the nearest rupee.
- 17.4** 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

Chief Financial Officer

Director



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](http://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](mailto:info@cdcsrsl.com), Website: [www.cdcsrsl.com](http://www.cdcsrsl.com)  
Contact Number: 92-21-111-111-500

JS Investments Limited  
Email: [info@jsil.com](mailto:info@jsil.com), Website: [www.jsil.com](http://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](http://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**

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E-mail: [info@jsil.com](mailto:info@jsil.com)

Website: [www.jsil.com](http://www.jsil.com)