

# MARCH 2022 QUARTERLY REPORT.



QR Code for  
website access



## INTRODUCTION

Vision & Mission Statement

02



## ORGANIZATIONAL STRUCTURE

Company information

03

Directors' Report to the Members

04



## FINANCIAL STATEMENTS

09

Condensed Interim Statement of Financial Position

10

Condensed Interim Profit & Loss Account

11

Condensed Interim Statement of Comprehensive Income

12

Condensed Interim Statement of Changes in Equity

13

Condensed Interim Cash Flow Statement

14

Notes to the Condensed Interim Financial Statements

15

# Vision

---

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

# Mission Statement

---

To build JS Investments into a top ranking Asset Management Company; founded on sound values; powered by refined know-how; supported by a 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.

## COMPANY INFORMATION

### Board of Directors

Mr. Suleman Lalani  
Ms. Iffat Zehra Mankani  
Ms. Aisha Fariel Salahuddin  
Mr. Asif Reza Sana  
Mr. Hasan Shahid  
Mr. Imran Haleem Shaikh  
Mr. Mirza M. Sadeed H. Barlas  
Mr. Zahid Ullah Khan

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

### Chief Executive Officer

Ms. Iffat Zehra Mankani

### Chief Financial Officer

Mr. Zeeshan Khawar

### Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

### Statutory Auditors

KPMG Taseer Hadi & Co, Chartered Accountants

### Legal Advisors

Bawaney and Partners

## BOARD COMMITTEES

### Audit Committee

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

### Human Resource & Remuneration Committee

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

### Executive Risk Management Committee

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

### Share Registrar

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

### Registered Office

JS Investments Limited  
19th Floor, The Centre, Plot # 28,  
SB-5 Abdullah Haroon Road, Saddar,  
Karachi-75600  
Tel: (92-21) 111-222-626 Fax: (92-21) 35165540  
E-mail: info@jsil.com  
Website: www.jsil.com

## DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE PERIOD ENDED MARCH 31, 2022

"We are pleased to present the financial statements of JS Investments Limited (JSIL) for the period ended March 31, 2022."

### Economic Review:

During the 1Q CY2022, the domestic growth outlook remained largely at the crossroads given heightened economic imbalances. While inflation has been rising since last year, the Russia-Ukraine war further exasperated the price pressures even further. The CPI inflation increased from 9.05% in March 2021 to 12.72% in March 2022.

The interest rates also started to increase again after showing some signs of stability in the first two months, as the central bank was widely expected to be back on the policy tightening path. Given our low foreign exchange reserves and import reliance, the threat of a large-scale economic crisis has started to emerge. The current account deficit ballooned by 31% on a year-on-year basis to USD 6.098 billion because of 29% higher imports, at USD 11.480 billion. Although exports managed to grow by 26% on a year-on-year basis to USD 5.382 billion, remittances decreased by 5% during the first quarter of 2022, totaling USD 4.334 billion. The increasing external pressure was noted on the rapidly depleting FX reserves. Pakistan's liquid reserves stood at USD 18.5 billion at the end of the period, compared to USD 23.9 billion at the start of the quarter. The PKR/USD parity depreciated by 4% to stand at 183.3 at the end of the period.

The overheated domestic political situation in recent months added to the prevailing economic uncertainty. Hence, negotiations with the IMF under the ongoing review of the three-year Extended Fund Facility (EFF) were put on hold, which however are expected to be resumed soon after the formation of the new government.

### Equity Market Review:

The above challenges dented investor confidence toward risky assets. As a result, investors were seen adopting a cautious stance amid limited participation. During the first quarter of 2022, the KSE-100 index increased by 0.75% closing at 44,929 points, while the KSE-30 index lost 2.19% of its value. Moreover, the benchmark Islamic equity index (KMI-30) gained 1.71% during the same period. Overall participation shrank by 58% with an average daily turnover of 232 million shares compared to 558 million in the same quarter last year. The average daily traded value also declined by 69% to PKR 7.3 billion compared to PKR 23.7 billion last year.

The fertilizer sector was the largest contributor to the KSE-100 index at 604 points, followed by the Automobile Assemblers and Chemical sectors at 191 points and 190 index points, respectively. On the flip side, the Technology & Communication, Cement, and Refinery sectors were the major laggards pulling out 497 points, 222 points, and 127 points respectively from the index.

### Income & Money Market Review:

Given the prevalent risks emerging on the economic front as well as local politics, money managers were seen positioning towards the shorter end of the yield curve. This has led the markets to witness the rare occasion of some inversion in the yield curve by the end of the quarter. Secondary market yields were up in the range of 21 bps to 147 bps during the quarter. The 12M PKRV settled at 12.45% from 11.38% at the end of December 2021. Similarly, 3-year, 5-year, and 10-year yields were higher by 73 bps, 56 bps, and 26 bps, to stand at 12.15%, 12.02%, and 11.88% respectively. While the market has already been reflecting the developing situation, the State Bank of Pakistan (SBP) in an unscheduled Monetary Policy Committee (MPC) meeting on April 9th, 2022 raised the Policy Rate by 250 bps to 12.25% to safeguard external account and invoke price stability.

## Mutual Fund Industry Review

At the end of 1Q CY2022, Assets Under Management (AUM) of the mutual fund industry stood at PKR 1,136 billion (excluding Fund of Funds structures) showing a growth of only 1% (PKR 10 billion) from the December 2021 level of PKR 1,126 billion. The mutual fund industry has entered a consolidation phase post-June 30, 2021 when the taxation advantage available to cash mutual funds investments was equated with government securities investments in the federal budget. Consequently, the industry has faced redemption pressures from corporate surplus invested in cash funds, which led to a net outflow of PKR 9 billion in the 1Q CY 2022. Similarly, the dismal performance of the local stock market kept investors away from stock funds in general. However, after successive quarters where stock funds have witnessed net outflows, the current quarter has seen an inflow in stock funds of Rs 1.1 bn, which may not be representative of the general trend as the growth is skewed in favor of a few AMCs only. On an overall basis, the assets under management have witnessed an outflow of around 0.7% in the quarter ending March 31, 2022, as compared to the close of December 31, 2021.

## Company's Performance Review:

JSIL posted a net after-tax loss of PKR 49.8 million (LPS of PKR 0.81) for the quarter ended March 2022, as compared to a loss of PKR 55.6 million (LPS of 0.9 PKR) during the corresponding quarter last year. The management fee earnings of the Company declined from PKR 41.7 million in 1Q 2021 to PKR 36.9 million in 1Q CY2022 due to the reduction in AUM from PKR 22.9 billion at quarter-end March 2021 to PKR 21.7 billion at quarter-end 2022 and assets under management that is tilting in favor of low fee-earning assets such as cash funds. However, the investment income due to higher interest rates and lower exposure to equity funds viz. a viz. the same period last year resulted in lesser losses under this head. We expect the recovery of equity funds / VPS portfolio values going forward to contribute positively to the profitability of the company.

The AUMs (excluding SMAs & Fund of Funds) have declined by 1 billion to close at PKR 21.7 billion as of March 31, 2022, since December 2021 depicting a decline of 4.4%.

## Asset Manager Rating

Pakistan Credit Rating Agency has assigned JS Investments' Management Quality Rating of "AM2" (AM-Two) with a "stable" outlook. The rating denotes High Management Quality.

## Acknowledgment

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

On behalf of the Board

Director

Chief Executive Officer

April 22, 2022  
Karachi

## شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ مدت 31 مارچ 2022

ہم 31 مارچ 2022 کو ختم ہونے والی مدت کے لیے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معیشت

2022 کی پہلی سہ ماہی کے دوران مقامی نمو کی صورتحال زیادہ تر گلوں کی کیفیت میں رہی جس میں معاشی عدم توازن نمایاں رہا۔ افراط زر میں گزشتہ سال سے ہی اضافہ دیکھنے میں آ رہا تھا جس پر روس اور یوکرین کی جنگ نے قیمتوں کے دباؤ میں مزید شدت پیدا کر دی CPI افراط زر کی شرح جو مارچ 2021 میں 9.05% تھی بڑھ کر مارچ 2022 میں 12.72% تک پہنچ گئی۔

شرح سود میں پہلے دو ماہ میں نظر آنے والے استحکام کی علامات کے بعد دوبارہ اضافہ کا رجحان شروع ہو گیا جبکہ مرکزی بینک کی پالیسی کے سخت کرنے کی شدید توقعات پیدا ہونے لگیں۔ ہمارے زرمبادلہ کے ذخائر میں کمی اور درآمدات پر انحصار کے باعث بڑے پیمانے پر معاشی بحران کا خطرہ پیدا ہو گیا ہے۔ کرنٹ اکاؤنٹ کا خسارہ سال بہ سال 31% کی بنیاد پر بھرپور اضافے کے ساتھ 6.098 ملین امریکی ڈالر تک پہنچ گیا جس کی وجہ درآمدات کا 29% اضافے کے ساتھ 11.480 ملین امریکی ڈالر کی حد تک پہنچا تھا۔ اگرچہ برآمدات سال بہ سال کی بنیاد پر 26% اضافے کے ساتھ 5.382 ملین امریکی ڈالر کی سطح پر پہنچیں، مگر مذکورہ مدت کے درمیان میں ترسیلات زر 5% کمی کے ساتھ کل 4.334 ملین امریکی ڈالر رہیں۔ بیرونی دباؤ کے بڑھنے کے ساتھ غیر ملکی زرمبادلہ کے ذخائر میں تیزی سے کمی دیکھنے میں آئی۔ مذکورہ مدت کے اختتام پر پاکستان کے لیکویڈ ریزو 18.5 ملین امریکی ڈالر تھے جو سہ ماہی کے آغاز میں 23.8 ملین ڈالر ہو گئے۔ مدت کے اختتام پر پاکستانی روپے / امریکی ڈالر کی برابری کی قدر میں 4% کمی ہو کر 183.3 ہو گئی۔

حالیہ مہینوں میں ملکی سیاسی صورتحال میں شدید گرما گرمی نے پہلے سے جاری معاشی غیر یقینی کی کیفیت میں مزید اضافہ کر دیا۔ اگرچہ آئی ایم ایف کے ساتھ جاری تین سالہ ایکسلنڈ ڈیفنڈ فیسلٹی (EFF) کے تحت گفت و شنید کر گئی تھی، تاہم، وہ نئی حکومت کی تشکیل کے فوری بعد دوبارہ شروع ہونے کی توقع ہے۔

### ایکویٹی مارکیٹ کی کارکردگی

معیشت کے ہمارے جائزے میں زیر بحث چیلنجوں نے پرخطر اثاثوں کی طرف سرمایہ کاروں کے اعتماد کو نقصان پہنچایا ہے۔ اس کے نتیجے میں سرمایہ کار محتاط رویے کے ساتھ محدود شرکت کر رہے ہیں۔ 2022 کی پہلی سہ ماہی کے دوران KSE-100 انڈیکس 0.75% اضافے کے ساتھ 44,929 پوائنٹس پر بندہ واجب کہ KSE-30 انڈیکس اپنی ویلیو کا 2.19% کھو بیٹھا۔ اس کے علاوہ بیج مارک اسلامک ایکویٹی انڈیکس (KMI-30) نے اسی مدت میں 1.17% منافع حاصل کیا۔ مجموعی طور پر شرکت 58% تک کم ہو گئی ہے اور روزانہ کا اوسط ٹرن اوور گزشتہ سہ ماہی کے 558 ملین کے مقابلے میں 232 ملین شیئرز رہا۔ روزانہ کی اوسط تجارتی ویلیو گزشتہ سال کے 23.7 ملین پاکستانی روپے کے مقابلے میں 69% کمی کے ساتھ 7.3 ملین پاکستانی روپے رہی۔ فریڈا زریکٹر 604 پوائنٹس کے ساتھ KSE-100 انڈیکس میں سب سے بڑا حصہ دار رہا، جس کے بعد آٹوموبائل اسمبلر زاوکیمل سیکٹر بالترتیب 191 پوائنٹس اور 190 انڈیکس پوائنٹس پر رہے۔ دوسری طرف، ٹیکنالوجی اور کمیونیکیشن، سینٹ اور ریفرنسری کے شعبے بالترتیب 497، 222 اور 127 پوائنٹس کے ساتھ سب سے زیادہ پیچھے رہے۔

## انکم اور منی مارکیٹ کی کارکردگی

معاشی محاذ پر ابھرتے ہوئے موجودہ خدشات کے ساتھ ساتھ مقامی سیاست کی بناء پر منی مینجرز نتائج کی قوس پر مختصر تر سرے پر پوزیشن لیتے ہوئے نظر آ رہے تھے۔ اس کے باعث سہ ماہی کے آخر تک مارکیٹ کو نتائج کی قوس میں اٹھنے کے کچھ معمولی مواقع نظر آئے۔ اس سہ ماہی کے دوران ٹائو مارکیٹ کی پیداوار 21 پیس پوائنٹس سے 147 پیس پوائنٹس کی حد میں تھی۔ دسمبر 2021 کے آخر میں 12 ماہ کی پاکستانی روپے کی قدر 11.38% سے 12.45% پر طے پائی۔ اسی طرح 3 سال، 5 سال اور 10 سال کی پیداوار میں 73 پیس پوائنٹس، 56 پیس پوائنٹس اور 26 پیس پوائنٹس کا اضافہ ہوا جو بالترتیب 12.15%، 12.02% اور 11.88% رہا۔ جبکہ مارکیٹ میں پہلے ہی ڈیولپمنٹ کے آثار جھلک رہے تھے، اسٹیٹ بینک آف پاکستان (SBP) نے بیرونی اکاؤنٹ کو تحفظ دینے اور قیمتوں کے استحکام کو مدد دینے کیلئے 9 اپریل 2022 کو غیر شیڈول مانیٹری پالیسی کمیٹی (MPC) کی میٹنگ میں پالیسی ریٹ میں 250 پیس پوائنٹس کے ساتھ 12.25% اضافہ کر دیا۔

## میوچل فنڈ انڈسٹری کا جائزہ

کلینڈر سال 2022 کی پہلی سہ ماہی (1 Q CY 22) کے اختتام پر میوچل فنڈ انڈسٹری کے زیر انتظام اثاثے جات (AUM) 1,136 بلین روپے رہی (علاوہ فنڈز آف اسٹریٹجرز) صرف 1% (10 بلین روپے) کی نمو دسمبر 2021 کے 1,126 بلین روپے کی سطح سے ظاہر کی۔ میوچل فنڈ انڈسٹری 30 جون 2021 کے بعد سے استحکام کے مرحلے میں داخل ہو گئی جب کیش میوچل فنڈز کی سرمایہ کاری پر حاصل ہونے والا ٹرنڈیشن کا فائدہ وفاقی بجٹ میں حکومتی سیکورٹیز کی سرمایہ کاری کے برابر ہو گیا۔ اس کے نتیجے میں انڈسٹری کو کیش فنڈز میں کئے گئے کارپوریٹ سرپلس سے خلاصی کے دباؤ کا سامنا ہے، جس کے باعث کلینڈر سال 2022 کی پہلی سہ ماہی میں 9 بلین پاکستانی روپے کا خالص خارجی بہاؤ ہوا۔ اسی طرح مقامی اسٹاک مارکیٹ کی مایوس کن کارکردگی نے سرمایہ کاروں کو عام طور پر اسٹاک فنڈز سے دور رکھا۔ تاہم ایسی مسلسل سہ ماہیوں کے بعد جب اسٹاک فنڈز میں خالص خارجی بہاؤ نظر آنے لگا اور موجودہ سہ ماہی میں 1.1 بلین روپے کے اسٹاک فنڈز کا داخلی بہاؤ دیکھا گیا، جو عام رجحان کی عکاس نہیں ہو سکتا کیونکہ نمونہ صرف چند AMC's کے حق کی طرف جھکی ہے۔ مجموعی طور پر منیجمنٹ کے تحت اثاثہ جات میں 31 مارچ 2022 کو ختم ہونے والی سہ ماہی میں 31 دسمبر 2021 کے اختتام کے مقابلے میں تقریباً 0.7% کا خارجی بہاؤ دیکھا گیا تھا۔

## کمپنی کی کارکردگی کا جائزہ

JSIL نے پچھلے سال کی یکساں سہ ماہی کے دوران 55.6 بلین روپے کے نقصان (0.9 پاکستانی روپے کا نقصان فی حصص) کے مقابلے میں 31 مارچ 2022 کو اختتام پانے والی سہ ماہی کے لیے 49.8 بلین روپے (0.81 روپے کا نقصان فی حصص) کا خالص نقصان بعد از ٹیکس درج کروایا۔ انتظامیہ کے زیر نگرانی اثاثہ جات (AUM) میں مارچ 2021 کی سہ ماہی کے اختتام پر 22.9 بلین روپے سے 2022 کی سہ ماہی کے اختتام پر 21.7 بلین روپے کی کمی کی وجہ سے کمپنی کی انتظامی فیس کی آمدنی میں کلینڈر سال 2021 کی پہلی سہ ماہی میں 41.7 بلین روپے سے کم ہو کر کلینڈر سال 2022 کی پہلی سہ ماہی میں 36.9 بلین روپے ہو گئی اور انتظامیہ کے زیر نگرانی اثاثہ جات کم فیس کمانے والے اثاثوں جیسا کہ کیش فنڈز کی طرف مائل ہیں۔ تاہم زیادہ شرح سود اور ایکویٹی فنڈز میں کم تشہیر کی وجہ سے سرمایہ کاری کی آمدنی یعنی گزشتہ سال کی اسی مدت کے نتیجے میں اس سرے کے تحت کم نقصان ہوا۔ ہم توقع کرتے ہیں کہ میوچل فنڈز / VPS پورٹ فولیو مینیوجری و صولی کمپنی کی منفعت پر مثبت طور پر اثر ڈالے گی۔

انتظامیہ کے زیر نگرانی اثاثہ جات (علاوہ سپیریئر بیٹلی میٹڈ اکاؤنٹس - SMAs اور فنڈز آف فنڈز) 31 دسمبر 2021 سے لے کر 31 مارچ 2022 تک 1 بلین کی کمی سے 21.7 بلین روپے پر بند ہوئے جو کہ 4.4% کی کمی کو ظاہر کرتا ہے۔



## ایسیٹ مینیجر ریٹنگ

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

## اظہار تشکر

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

بجانب بورڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 22 اپریل 2022

# FINANCIAL STATEMENTS

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

## AS AT MARCH 31, 2022

		Un-audited March 31, 2022	Audited December 31, 2021
	Note	----- Rupees -----	
ASSETS			
Non - current assets			
Property and equipment	6	325,334,874	341,147,973
Intangible assets	7	10,072,490	10,994,010
Long-term loans and prepayments - considered good		1,832,859	1,454,417
		337,240,223	353,596,400
Current assets			
Balances due from funds under management - related parties		103,057,530	105,157,354
Loans and advances - considered good		1,804,158	3,258,499
Trade deposits, short term prepayments and other receivables		70,500,672	56,660,058
Other financial assets - investments	8	1,274,330,432	1,352,102,015
Taxation - net		88,098,181	87,941,712
Cash and bank balances	9	18,586,638	26,145,280
		1,556,377,611	1,631,264,918
Total assets		1,893,617,834	1,984,861,318
EQUITY AND LIABILITIES			
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		836,909,054	886,705,096
		1,454,651,614	1,504,447,656
LIABILITIES			
Non - current liabilities			
Lease liabilities		210,734,680	235,185,675
		210,734,680	235,185,675
Current liabilities			
Accrued and other liabilities	10	162,282,952	167,884,028
Unclaimed dividend		4,945,642	4,945,642
Current maturity of long term financing		28,854,801	38,778,533
Current maturity of lease liabilities		32,148,145	33,619,784
		228,231,540	245,227,987
Total liabilities		438,966,220	480,413,662
Total equity and liabilities		1,893,617,834	1,984,861,318
Contingencies and commitments			
	11		

The annexed notes 1 to 15 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 THREE MONTHS PERIOD ENDED MARCH 31, 2022**

	Note	Three months ended	
		March 31 2022	March 31 2021
		----- Rupees -----	
<b>INCOME</b>			
Remuneration from funds under management - gross		41,028,771	47,162,390
Less: Sindh sales tax		(4,720,124)	(6,131,111)
		<u>36,308,647</u>	<u>41,031,279</u>
Commission from open end funds under management		21,463	102,112
Dividend income		1,097,563	517,254
Net unrealised (loss) /gain on remeasurement of investments classified as at fair value through profit or loss		(4,224,172)	(19,044,665)
Net gain on sale of investments		384,525	7,178,353
Return on bank deposits under interest / mark-up arrangements		442,699	775,215
Remuneration and share of profit from management of discretionary and non discretionary client portfolios		556,654	645,904
Return on listed debt securities		<u>3,943,681</u>	<u>2,735,233</u>
Administrative expenses		38,531,060	33,940,685
Selling and distribution expenses		(86,019,717)	(80,022,801)
		<u>(1,496,909)</u>	<u>(2,176,531)</u>
<b>OPERATING (LOSS) / PROFIT</b>		<u>(48,985,565)</u>	<u>(48,258,647)</u>
Other expenses		-	-
Financial charges		<u>(7,162,633)</u>	<u>(8,421,857)</u>
		(56,148,198)	(56,680,504)
Other income		7,802,189	4,434,991
<b>(Loss) / profit for the period before tax</b>		<u>(48,346,010)</u>	<u>(52,245,513)</u>
<b>Income tax</b>			
- Current		<u>(1,450,032)</u>	<u>(3,402,350)</u>
<b>Loss for the period after tax</b>		<u><u>(49,796,042)</u></u>	<u><u>(55,647,862)</u></u>
Loss per share for the period - basic and diluted	12	(0.81)	(0.90)

The annexed notes 1 to 15 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 THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Three months ended	
	March 31	March 31
	2022	2021
	----- Rupees -----	
Net loss for the period	(49,796,042)	(55,647,862)
Other comprehensive income / (loss)	<div>-</div>	<div>-</div>
	-	-
Total comprehensive loss for the period	<u>(49,796,042)</u>	<u>(55,647,862)</u>

The annexed notes 1 to 15 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 THREE MONTHS PERIOD ENDED MARCH 31, 2022

	Issued, subscribed and paid-up capital	Unappropriated profit Rupees	Total
Balance as at January 01, 2021	617,742,560	1,157,244,225	1,774,986,785
Total comprehensive loss for the period ended March 31, 2021	-	(55,647,862)	(55,647,862)
Balance as at March 31, 2021	617,742,560	1,101,596,363	1,719,338,923
Balance as at January 01, 2022	617,742,560	886,705,096	1,504,447,656
Total comprehensive loss for the period ended March 31, 2022	-	(49,796,042)	(49,796,042)
Balance as at March 31, 2022	617,742,560	836,909,054	1,454,651,614

The annexed notes 1 to 15 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 THREE MONTHS PERIOD ENDED MARCH 31, 2022

	March 31 2022	December 31 2021
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the period before taxation	(48,346,010)	(288,735,271)
<b>Adjustment for:</b>		
Remuneration from funds under management client portfolio- net	(36,308,647)	(157,361,679)
Commission from open end funds under management	(21,463)	(465,252)
Dividend income	(1,097,563)	(8,199,539)
Return on debt securities	(3,943,681)	(11,428,554)
Depreciation expense	15,955,221	68,847,027
Amortization expense	1,425,520	5,441,776
Financial charges	7,162,633	34,400,093
Return on bank deposits under interest / mark-up arrangements	(442,699)	(1,957,860)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(384,525)	(11,076,059)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	4,224,172	137,639,293
Gain/loss on disposal of property and equipment	(3,206,173)	(16,309,097)
	<u>(64,983,215)</u>	<u>(249,205,122)</u>
<b>Working capital changes</b>		
Loans and advances - considered good	1,075,899	1,350,147
Trade deposits, short term prepayments and other receivables	(13,840,614)	(49,963)
Accrued and other liabilities	(17,367,241)	(36,332,936)
	<u>(30,131,956)</u>	<u>(35,032,752)</u>
	(95,115,171)	(284,237,874)
Taxes paid - net	(1,606,503)	(9,815,873)
Remuneration and commission received from funds under management	38,429,934	162,170,732
<b>Net cash used in operating activities</b>	<u>(58,291,740)</u>	<u>(131,883,015)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment made	(1,863,475,610)	(1,972,704,001)
Proceeds from sale of investments	1,937,407,545	2,079,330,844
Payments for purchase of property, equipment and intangible assets	(2,398,820)	(23,024,540)
Amalgamation of wholly owned subsidiary company	-	37,500,000
Dividends received	1,097,563	8,199,539
Return on bank deposits under interest / mark-up arrangements	442,699	1,957,860
Return on debt securities	-	11,428,554
Sale proceeds from disposal of property and equipment	4,180,000	25,644,400
<b>Net cash generated from investing activities</b>	<u>77,253,377</u>	<u>168,332,656</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividend paid	-	(237,074)
Payment of lease liability	(25,951,185)	(17,777,527)
Financial charges paid	(569,097)	(31,259,651)
<b>Net cash used in financing activities</b>	<u>(26,520,282)</u>	<u>(49,274,252)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(7,558,645)</u>	<u>(12,824,611)</u>
Cash and cash equivalents at beginning of the period	26,145,280	9,433,434
Transfer upon merger	-	29,536,455
<b>Cash and cash equivalents at end of the period</b>	<u>18,586,638</u>	<u>26,145,280</u>

The annexed notes 1 to 15 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 THREE MONTHS ENDED MARCH 31, 2022**

**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), the 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).

Geographical location and addresses of business units of the Company are as under:

Location	Address	Purpose
Karachi	The Centre, 19th Floor, Plot No. 28, SB-5 Abdullah Haroon Road Saddar	Head Office
Lahore	Ground Floor, No 25, Block 13, Plot No.1-4, Usman Block, New Garden Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

**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 March 31, 2022.

**Open-end mutual funds**

- JS Growth 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 - 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 BASIS OF PREPARATION**

**2.1 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, 2021.

**2.2** 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 2021, 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 31 March, 2021.

**2.3** 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.

#### **2.4 Basis of measurement**

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

#### **2.5 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.

#### **2.6 Use of estimates and judgments**

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are as follows:

- i) Amortisation of intangible assets
- ii) Provision for taxation
- iii) Classification and valuation of investments
- iv) Determination and measurement of useful life and residual value of property and equipment
- v) Recognition and measurement of deferred tax assets and liabilities
- vi) Leases

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.

### 3 SUMMARY OF 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, 2021.

### 4 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, 2021.

### 5 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, 2021.

		(Un-Audited) March 31, 2022	(Audited) December 31, 2021
	Note	----- Rupees -----	
6 PROPERTY AND EQUIPMENT			
Opening written down value		146,269,405	172,558,300
Additions during the period	6.1	1,485,529	18,045,722
Disposals during the period	6.2	(1,034,427)	(9,335,303)
Depreciation for the period		(7,885,353)	(34,999,314)
		<u>138,835,154</u>	<u>146,269,405</u>
Capital work-in-progress - advance against purchase of assets		409,291	778,871
Right of use of assets		186,090,429	194,099,697
		<u>325,334,874</u>	<u>341,147,973</u>

		(Un-Audited) March 31, 2022	(Audited) December 31, 2021
	Note	Rupees	Rupees
6.1 The following additions were made to tangible - property and equipment during the period :			
Furniture and fixtures		-	3,247,999
Office equipment		1,485,529	4,788,973
Vehicles		-	10,008,750
		<u>1,485,529</u>	<u>18,045,722</u>

		(Un-Audited) March 31, 2022	(Audited) December 31, 2021
	Note	Rupees	Rupees
6.2 The following disposals of tangible - property and equipment			
Furniture and fixtures		-	(538,269)
Office equipment		-	(43,202)
Vehicles		(1,034,427)	(8,753,832)
		<u>(1,034,427)</u>	<u>(9,335,303)</u>

## 7 INTANGIBLE ASSETS

Opening written down value	10,994,010	12,235,839
Additions during the period / year	504,000	4,199,947
Amortization for the period / year	(1,425,520)	(5,441,776)
	<u>10,072,490</u>	<u>10,994,010</u>

## 8 OTHER FINANCIAL ASSETS - INVESTMENTS

### At fair value through profit or loss'

Units of mutual funds - related parties	8.1	1,149,330,432	1,227,102,015
Term Finance Certificate	8.2	125,000,000	125,000,000
		<u>1,274,330,432</u>	<u>1,352,102,015</u>

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

Number of Units			(Un-Audited)		(Audited)
March 31, 2022	December 31, 2021		March 31, 2022		December 31, 2021
			Carrying Value	Fair value Rupees	Fair value
2,370,012	3,175,696	JS Growth Fund	395,913,223	388,800,441	527,229,067
1,000,000	1,000,000	JS Motion Picture Fund	21,520,000	21,610,000	21,520,000
101,755	147,900	JS Islamic Pension Savings Fund - Equity	64,762,098	65,329,892	94,130,938
141,420	205,210	JS Pension Savings Fund Equity	64,750,707	65,801,460	93,957,510
1,152,323	461,361	JS Income Fund	117,468,606	118,090,024	46,362,212
61,443	61,443	JS Islamic Hybrid Fund of Funds-Mutanasib	3,182,770	3,035,921	3,182,770
22,727	213,852	JS Islamic Pension Savings Fund Debt	5,912,752	5,901,616	55,635,657
1,976	222,303	JS Islamic Pension Savings Fund MM	445,593	455,117	50,136,078
137,349	137,349	JS Pension Savings Fund Debt	44,453,001	44,988,662	44,453,001
177,463	177,463	JS Pension Savings Fund MM	46,257,614	47,370,309	46,257,614
3,287,210	419,093	JS Cash Fund	338,155,265	338,385,370	44,633,403
864,799	3,373,965	JS Fund of Funds	50,732,979	49,561,620	199,603,765
			1,153,554,608	1,149,330,432	1,227,102,015
		Unrealized diminution on remeasurement at fair value - net	(4,224,176)	-	-
			1,149,330,432	1,149,330,432	1,227,102,015

### Cost as at March 31, 2022

1,084,719,586

- 8.1.2 450,000 units of JS Income Fund and 285,000 units of JS Growth Fund are pledged with JS Bank Ltd. against the Refinance Scheme for payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under COVID-19 relief package through its circular IH&SMEFD Circular No. 07 dated April 10, 2020.

## 8.2 Investment in Debt Security - Term Finance Certificate

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

		(Un-Audited) March 31, 2022	(Audited) December 31, 2021
	Note	Rupees	
<b>9 CASH AND BANK BALANCES</b>			
Cash in hand		96,001	100,124
Cash at bank in:			
Current accounts		569,933	1,168,596
Savings accounts	9.1	17,920,705	8,189,536
		18,490,637	9,358,132
		18,586,638	9,458,256

**9.1** These carry mark-up at the rates ranging from 5.50% to 9.75% (2021: 5.50% to 8.75%). It includes Rs.16.096 (December 31, 2021: Rs. 23.694) million held with JS Bank Limited (the Parent Company).

## 10 ACCRUED AND OTHER LIABILITIES

**10.1** This includes Rs.92.245 (December 31, 2021: 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 annual financial statements of the Company for the year ended December 31, 2021.

**10.2** This includes Rs.11.286 (2021: Rs.11.286) 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, 2021.

## 11 CONTINGENCIES AND COMMITMENTS

### 11.1 Contingencies

There is no change in the status of contingencies as disclosed in note 19.1 to the annual financial statements of the Company for the year ended December 31, 2021.

### 11.2 Commitments in respect of:

Use of name and advisory payment - a related party

11,250,000 15,000,000

		(Un-Audited) Three months ended March 31, 2022	March 31 2021
		Rupees	

## 12 (LOSS)/EARNINGS PER SHARE

(Loss) / profit for the period	Rupees:	(49,796,042)	(55,647,862)
Weighted average number of ordinary shares outstanding during the period	Number:	61,774,256	61,774,256
(Loss) / earnings per share	Rupees:	(0.81)	(0.90)

**12.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2022 and March 31, 2021 which would have any effect on the earnings/ loss per share if the option to convert is exercised.

## 13 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 summarized below:

### 13.1 Transaction with related parties

#### 13.1.1 Transactions with the funds under management

Remuneration - net of taxes	<b>36,308,647</b>	40,867,091
Commission received	<b>21,463</b>	102,112
Amount paid	<b>19,393,745</b>	20,731,390
Amount received	<b>14,389,004</b>	19,975,118
Dividends received	<b>1,097,563</b>	517,254
Investments made	<b>1,863,475,610</b>	886,577,260
Investments disposed off / matured	<b>1,937,407,545</b>	970,785,909

#### 13.1.2 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
Rent paid	<b>75,000</b>	150,000

#### 13.1.3 JS Bank Limited (JSBL)

##### Parent company

Rent Paid	<b>707,385</b>	643,077
Management fee sharing on distribution of mutual funds	-	631,331
Return on bank deposits	<b>391,981</b>	775,219
Running Finance Facility Obtained	-	85,000,000
Running Finance Facility Settled	-	85,000,000
Amount paid against Refinance Scheme for Salaries and Wages	<b>10,023,245</b>	-
Markup on Refinance Scheme for Salaries and Wages	<b>222,434</b>	584,749
Bank charges and Interest on Running Finance & Refinance Scheme	-	376,718

#### 13.1.4 EFU General Insurance

##### Common directorship of Ultimate Parent Co.

Insurance premium paid	<b>1,770,137</b>	2,598,764
------------------------	------------------	-----------

#### 13.1.5 EFU Life Assurance

##### Common directorship of Ultimate Parent Co.

Insurance premium paid	<b>1,025,875</b>	1,422,651
------------------------	------------------	-----------

#### 13.1.6 JS Investments Staff Provident Fund - (the Fund)

##### Post-Employment benefit fund

Expenses paid on behalf of the Fund	-	81,898
Reimbursement of expenses from the fund	<b>150,500</b>	468
Provident fund contributions made	<b>2,215,193</b>	2,256,791

#### 13.1.7 JS Global Capital Limited (JSGCL)

##### Subsidiary of Parent Co.

Reimbursement of expenses from the Company	<b>132,595</b>	328,368
Rent Paid	-	2,048,004

#### 13.1.8 JS Lands (Private) Limited

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

Rent Paid	<b>6,247,418</b>	7,831,572
Miscellaneous expenses paid	<b>3,888,278</b>	3,785,647

**13.1.9 Transactions with substantial shareholder**

Use of name and advisory for the period	<b>3,750,000</b>	3,750,000
---	------------------	-----------

**13.1.10 Transactions made with key management personnel**

Remuneration	<b>30,945,413</b>	33,434,596
Directors fee	<b>175,000</b>	175,000
Disbursement of personal loans and advances	-	736,000
Repayments of loans and advances	<b>600,000</b>	1,323,081

**13.2 Balance outstanding with related parties**

**13.2.1 Funds under management**

Receivable from funds under management	<b>129,949,387</b>	132,469,823
Payable to funds under management	<b>2,317,831</b>	2,317,092

**13.2.2 JS Bank Limited (JSBL)**

**Parent company**

Bank Balance	<b>16,096,986</b>	23,694,615
Other Receivable	<b>1,465,063</b>	1,465,064
Rent receivable	<b>2,409,149</b>	2,409,149
Payable against refinance scheme for salaries & wages	<b>30,505,753</b>	41,156,888

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

**Common directorship of Parent Co.**

Rent receivable	<b>2,486,352</b>	2,486,352
-----------------	------------------	-----------

**13.2.4 Jahangir Siddiqui Securities Services Ltd**

**Other Related Party**

Other Receivable	-	29,887
Rent receivable	<b>94,429</b>	94,429

**13.2.5 JS PE Management Limited**

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

Other Receivable	<b>1,625,826</b>	1,625,826
Rent receivable	<b>930,938</b>	930,938

**13.2.6 Mahvash & Jahangir Siddiqui Foundation - (MJSF)**

**Common directorship of Ultimate Parent Co.**

Other Receivable	-	130,554
Rent receivable	<b>379,929</b>	379,929

**13.2.7 Fakhr-e-Imdad Foundation (FIF)**

**Common directorship of Ultimate Parent Co.**

Other Receivable	-	297,169
Received	<b>297,169</b>	-

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

**Subsidiary of Parent Co.**

Other Receivable	<b>579,976</b>	526,856
Rent receivable	<b>181,957</b>	181,957

### 13.2.9 JS Investments Staff Provident Fund - (the Fund)

#### Post-Employment benefit fund

Other Receivable	88,455	238,955
------------------	--------	---------

### 13.2.10 JS Lands (Private) Limited

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

Other Payable	1,676,010	2,792,020
Rent payable	9,815	19,630

13.2.11 Outstanding from key management personnel	100,000	1,758,994
---	---------	-----------

### 13.2.12 Key management personnel and directors hold 4,505 shares in the company

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

13.4 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.

## 14 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, analyzed 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).

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

	March 31, 2022			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Units of mutual funds - related parties	-	1,149,330,432	-	1,149,330,432
Term Finance Certificate		-	125,000,000	125,000,000
	-	1,149,330,432	125,000,000	1,274,330,432

	December 31, 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	-	1,227,102,015	-	1,227,102,015
Term Finance Certificate		-	125,000,000	125,000,000
	-	1,227,102,015	125,000,000	1,352,102,015

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

- 14.1.1** 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.
- 14.1.2** 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).

**14.2** During the period ended March 31, 2022, 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.

**15 GENERAL**

- 15.1** 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.
- 15.2** The Company is closely monitoring the situation of Covid - 19 and has invoked required actions to ensure safety and security of the staff and an uninterrupted service to the customers. Business Continuity Plans (BCP) for respective areas are in place and tested. The Company has significantly enhanced monitoring for all cyber security risk during these times from its information security protocols. The remote work capabilities were enabled for critical staff and related risk and control measures were assessed to make sure they are fully protected using virtual private network ("VPN") connections. Further, the Company has also ensured that its remote access systems are sufficiently resilient to any unwanted cyber-attacks.
- 15.3** These condensed interim financial information were authorised for issue on April 22, 2022 by the Board of Directors of the Company.
- 15.4** The figures in the condensed interim financial information have been rounded off to the nearest rupee.
- 15.5** 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**





#### JS INVESTMENTS' OFFICES

##### Karachi (Head Office)

19th Floor, The Centre,  
Plot No. 28, SB-5  
Abdullah Haroon road, Saddar,  
Karachi - South  
021-111-222-626

##### Lahore

Ground Floor, No.25, Block-13,  
Plot No. 1- 4, Usman Block,  
New Garden Town,  
Lahore - Central  
042-383-020-94

##### Islamabad

Office # 414, 4th Floor,  
PSX Tower, Jinnah Avenue,  
Islamabad - North  
051-2894423

 0800-00887

 "Invest" to 8027

 [ir@jsil.com](mailto:ir@jsil.com)

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

 [www.facebook.com/jsinvestments](http://www.facebook.com/jsinvestments)

 <http://twitter.com/JSInvestment>

 <http://www.linkedin.com/company/js-investments-limited>