



HALF YEARLY REPORT  
DECEMBER 31, 2023

UNIT TRUST OF PAKISTAN





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# NOISIV

To be the preferred choice  
of every investor, offering  
diverse and innovative  
investment solutions





# MISSION

To establish a leadership position in bringing more investable asset classes and innovative products, while managing them with prudence and excellence





# COMPANY INFORMATION

## Management Company

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

## Board of Directors

Mr. Suleman Lalani	Non-Executive Director / Chairman
Ms. Iffat Zehra Mankani	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Mirza M. Sadeed H. Barlas	Non-Executive Director
Mr. Atif Salim Malik	Non-Executive Director
Ms. Aisha Fariel Salahuddin	Non-Executive Independent Director
Ms. Mediha Kamal Afsar	Non-Executive Independent Director
Mr. Farooq Ahmed Malik	Non-Executive Independent Director

## Chief Executive Officer

Ms. Iffat Zehra Mankani

## Chief Financial Officer

Mr. Raheel Rehman

## Chief Investment Officer

Mr. Syed Hussain Haider

## Chief Operating Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

## Statutory Auditors

A.F Ferguson & Co., Chartered Accountants

## Legal Advisors

Bawaney and Partners  
3rd & 4th Floor, 68-C, Lane-13  
Bokhari Commercial Area  
Phase-VI DHA, Karachi

## Audit Committee

Ms. Mediha Kamal Afsar (Chairperson)  
Mr. Hasan Shahid (Member)  
Mr. Mirza M. Sadeed H. Barlas (Member)

## Trustee

Central Depository Company of Pakistan Limited  
CDC House, 99-B, Block 'B', S.M.C.H.S.,  
Main Sharah-e-Faisal, Karachi-74400 Pakistan.  
Tel: (92-21) 111-111-500  
Fax: (92-21) 34326040



# DIRECTORS' REPORT TO THE UNIT HOLDERS

The Board of Directors of JS Investments Limited has the pleasure in presenting to you the un-audited Financial Statements of **Unit Trust of Pakistan** (the Fund) for the half year ended December 31, 2023.

## Economy Review:

During FY23, Pakistan's economy faced severe shocks from floods, Geo-political tensions escalating commodity prices, tightening financing conditions, and policy setbacks, leading to stalled growth, surging inflation, depleted reserves, and acute fiscal pressures. However, during 1HFY24 the country transitioned from a rhetoric of default with no visible solutions toward reform implementation, sustainable policies, and reinforcing external accounts. Guided by SIFC and IMF directives, this shift reoriented the outlook from potential default to sustained growth, signaling an optimistic turn and leaving the worst economic challenges behind.

Asset sales under SIFC are expected to help prevent a significant decline in FX reserves, supported by reforms in the energy sector and SOEs, creating fiscal space. Concurrently, the anticipated influx of FDI is poised to address the country's gross financing needs, bolstering Pakistan's economic stability and growth. In FY24, GDP growth is projected at 2.5%, driven by the post-flood recovery in the agriculture sector. Additionally, sustained policies, effective reforms, and substantial financial support remain pivotal to long-term growth.

The financial inflows under the SIFC asset sale and the IMF program will bolster exchange rate stability, playing a pivotal role in curbing inflation by maintaining a stable PKR. During 1HFY24, the average inflation was recorded at 28.8%, compared to 25.04% in the corresponding period last year. Moving forward monetary policy to remain tightly linked to the external account and inflation outlook while contractionary measures will remain the central theme on the fiscal side.

## Income / Money Market Review:

Money managers strategically focused on the shorter end of the yield curve in 1HFY24, amid high inflation and the resultant tight monetary stance. However, towards the end of the period, the indications of easing inflationary pressures, a notable shift in strategy emerged, increasing exposure towards longer-term instruments in anticipation of prospective rate adjustments.

This shift in money managers' strategy aligns with the broader economic landscape, where monetary policy is poised to closely track the country's external accounts and inflation outlook. The inflation is expected to slow down towards the end of FY24, mainly due to the high base effect, contained aggregate demand, easing supply constraints, and moderation in international commodity prices. However, this slowdown could be countered by the potential currency devaluation and further increases in gas/energy tariffs. Looking ahead, the strategic approach would entail maximizing returns through greater allocation to longer-tenure instruments.

## Equity Market Review:

KSE-100 index began the year on a strong note influenced by the successful agreement with the IMF under the Stand-By Arrangement (SBA) which played a pivotal role in economic stability. In 1HFY24, the KSE-100 Index displayed remarkable growth and optimism, registering an impressive 51% increase, gaining 20,998.35 points, and closing the index at 62,451.04 points at year-end.

The overall trading activity witnessed an increase of ~118% Y-o-Y, as the volumes rose to 477.6mn shares, compared to 219.2mn shares in 1HFY23. Similarly, the value of shares traded displayed growth of 69% Y-o-Y, averaging around USD 50.2mn in 1HFY24. During 1HFY24, Commercial Banks, Oil & Gas Exploration Companies, and Power Generation & Distribution were notable outperformers.



Looking ahead, the equity market's performance would largely be influenced by the government's adherence to the reforms under the IMF program, materialization of FDI flows under SIFC, and political stability.

### Review of Fund Performance

The Fund's return was 33.01% for the half year ended December 31, 2023, against the benchmark return of 36.54%. Net Assets moved from PKR 913.84 million (June 30, 2023) to PKR 1,233.41 million as of December 31, 2023. The total expense ratio (TER) of the Fund is 4.50% which includes 0.45% of government levies on the Fund.

### Asset Manager Rating

Pakistan Credit Rating Agency Limited (PACRA) has maintained Management Company's asset manager rating of 'AM2+' with a 'stable outlook' to JS Investments Limited. This rating underscores our dedication to maintaining high-quality management standards, reflecting positively on the overall performance and outlook of our operations.

### Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan and Central Depository Company of Pakistan Limited (CDC) for their valuable support, assistance, and guidance. The Board also thanks the employees of the Management Company for their dedication and hard work and the unit holders for their confidence in the Management.



**Director**

February 20, 2024  
Karachi



**Chief Executive Officer**  
Iffat Zehra Mankani



# TRUSTEE REPORT TO THE UNIT HOLDERS

**CENTRAL DEPOSITORY COMPANY  
OF PAKISTAN LIMITED**

**Head Office:**

CDC House, 99-B, Block 'B'  
S.M.C.H.S., Main Shahra-e-Faisal  
Karachi - 74400, Pakistan.

Tel : (92-21) 111-111-500

Fax: (92-21) 34326021 - 23

URL: [www.cdcPakistan.com](http://www.cdcPakistan.com)

Email: [info@cdcpak.com](mailto:info@cdcpak.com)



## TRUSTEE REPORT TO THE UNIT HOLDERS

### UNIT TRUST OF PAKISTAN

#### Report of the Trustee pursuant to Regulation 41(h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008

We, Central Depository Company of Pakistan Limited, being the Trustee of Unit Trust of Pakistan (the Fund) are of the opinion that JS Investments Limited being the Management Company of the Fund has in all material respects managed the Fund during the six months period ended December 31, 2023 in accordance with the provisions of the following:

- (i) Limitations imposed on the investment powers of the Management Company under the constitutive documents of the Fund;
- (ii) The pricing, issuance and redemption of units are carried out in accordance with the requirements of the constitutive documents of the Fund; and
- (iii) The management fee, fee payable to Commission and other expenses paid from the Fund during the period are in accordance with the applicable regulatory framework; and
- (iv) The Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and the constitutive documents of the Fund.

**Badiuddin Akber**  
Chief Executive Officer  
Central Depository Company of Pakistan Limited

Karachi, February 29, 2024



# AUDITOR REPORT TO THE UNIT HOLDERS

**A.F. FERGUSON & CO.**

## REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL STATEMENTS TO THE UNIT HOLDERS

### Introduction

We have reviewed the accompanying condensed interim statement of assets and liabilities of **Unit Trust of Pakistan** (the Fund) as at December 31, 2023 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim statement of movement in unit holders' fund and condensed interim cash flow statement together with the notes forming part thereof (here-in-after referred to as the 'condensed interim financial statements'), for the half year ended December 31, 2023. The Management Company (JS Investments Limited) is responsible for the preparation and presentation of these condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review. The figures included in the condensed interim income statement and condensed interim statement of comprehensive income for the quarters ended December 31, 2023 and December 31, 2022 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2023.

### Scope of Review

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

### Conclusion

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



A.F. Ferguson & Co.  
Chartered Accountants

Engagement Partner: **Noman Abbas Sheikh**

Dated: February 29, 2024

Karachi

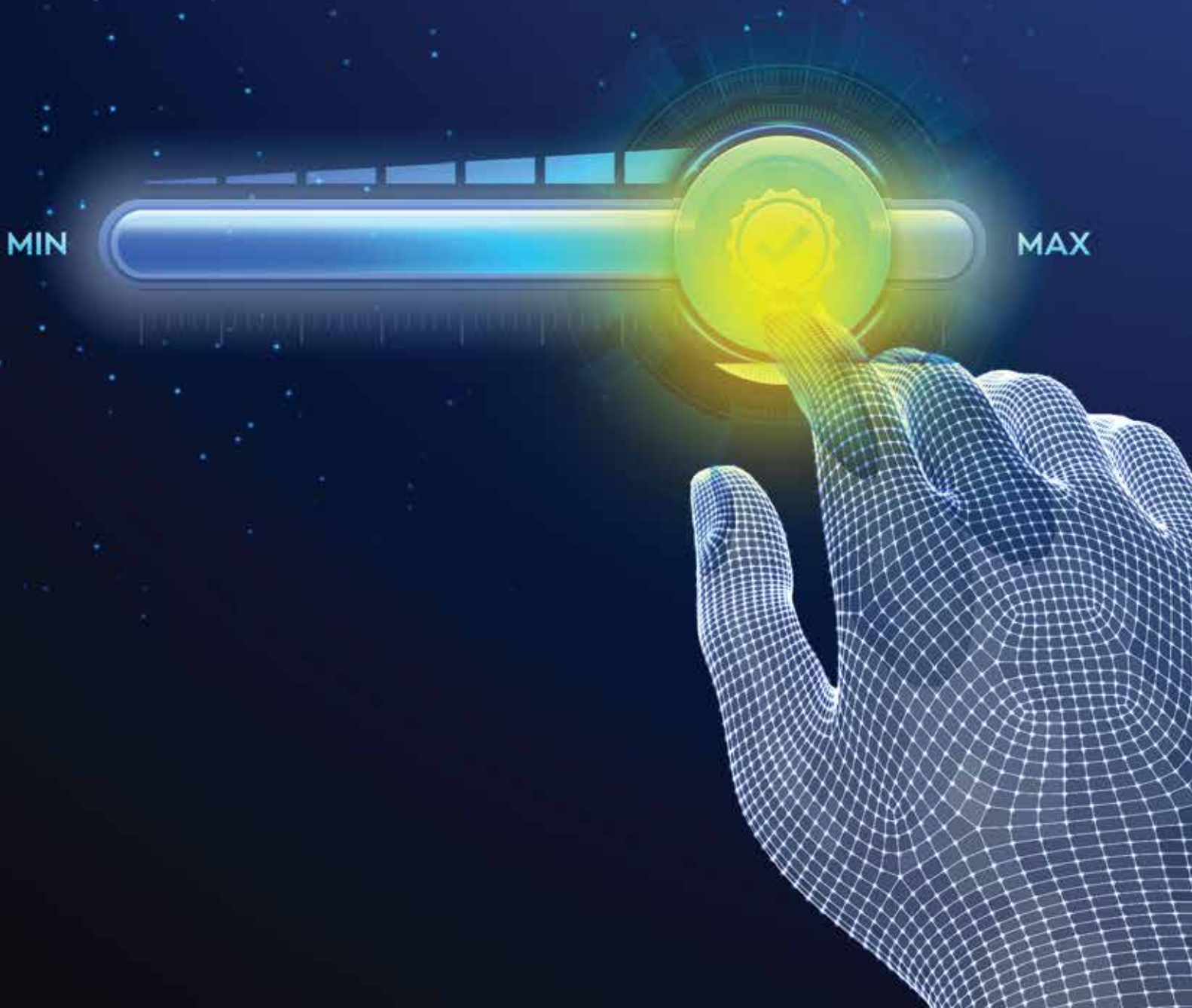
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# CONDENSED INTERIM FINANCIAL STATEMENTS





# CONDENSED INTERIM STATEMENT OF ASSETS AND LIABILITIES

AS AT DECEMBER 31, 2023

		December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	Note	Rupees	
ASSETS			
Bank balances	4	172,131,889	8,103,621
Investments	5	1,111,312,709	913,529,190
Receivable against sale of investment		-	8,734,936
Mark-up receivable	6	7,751,756	6,794,859
Advances, deposits, prepayments and other receivables	7	3,795,655	2,905,280
Total assets		1,294,992,009	940,067,886
LIABILITIES			
Payable to the JS Investments Limited - Management Company	8	20,828,927	19,908,177
Payable to the Central Depository Company of Pakistan Limited - Trustee	9	212,886	170,720
Payable to the Securities and Exchange Commission of Pakistan (SECP)	10	88,142	186,072
Payable against purchase of securities		37,863,658	-
Dividend payable		928,218	1,443,069
Accrued expenses and other liabilities	11	1,661,128	4,523,244
Total liabilities		61,582,959	26,231,282
NET ASSETS		1,233,409,050	913,836,604
Unit holders' fund (As per statement attached)		1,233,409,050	913,836,604
Contingencies and commitments	12		
NUMBER OF UNITS IN ISSUE			
		6,079,367	5,991,265
NET ASSET VALUE PER UNIT			
		202.88	152.53

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director



# CONDENSED INTERIM INCOME STATEMENT (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

		Half year ended December 31,		Quarter ended December 31,	
		2023	2022	2023	2022
Note		----- Rupees -----			
<b>INCOME</b>					
Profit on bank balances and investments		43,472,191	29,547,611	21,451,952	16,361,787
Dividend income		23,329,094	33,448,172	12,717,755	22,215,163
Other income	5.3.1 & 5.3.2	5,561,405	7,596,170	2,023,013	4,089,381
Gain / (loss) on sale of investments		87,864,199	(1,625,329)	67,491,542	(10,468,475)
Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets at 'fair value through profit or loss'	5.6	157,341,886	(44,670,710)	130,527,737	(11,916,800)
		245,206,085	(46,296,039)	198,019,279	(22,385,275)
<b>Total income</b>		317,568,775	24,295,914	234,211,999	20,281,056
<b>EXPENSES</b>					
Remuneration to JS Investments Limited - Management Company	8.1	10,455,232	9,342,770	5,544,487	4,742,522
Sindh Sales Tax on remuneration of the Management Company	8.2	1,359,180	1,214,560	720,783	616,528
Remuneration of the Central Depository Company of Pakistan Limited - Trustee	9.1	1,020,439	945,692	529,825	474,132
Sindh Sales Tax on remuneration of the Trustee	9.2	132,657	122,910	68,878	61,607
Accounting and operational charges	8.3	522,794	475,380	277,249	237,109
Selling and marketing expenses	8.4	5,593,905	5,086,965	2,966,581	2,537,468
Fee of the Securities and Exchange Commission of Pakistan (SECP)	10	444,477	95,082	235,682	47,425
Fee of the National Clearing Company of Pakistan Limited		365,129	-	187,658	-
Listing fee		15,375	13,750	7,687	6,875
Printing and stationery		51,151	51,150	25,576	32,025
Auditor's remuneration		447,523	351,406	266,964	155,454
Securities transaction cost		2,894,997	1,241,736	1,863,448	739,953
Legal and professional charges		-	184,000	-	92,000
Bank and settlement charges		92,754	384,888	39,686	219,106
<b>Total expenses</b>		23,395,613	19,510,289	12,734,504	9,962,204
<b>Net income for the period before taxation</b>		294,173,162	4,785,625	221,477,495	10,318,852
Taxation	14	-	-	-	-
<b>Net income for the period after taxation</b>		294,173,162	4,785,625	221,477,495	10,318,852
<b>Allocation of net income for the period</b>					
Net income for the period after taxation		294,173,162	4,785,625		
Income already paid on units redeemed		(3,271,916)	(385,800)		
		290,901,246	4,399,825		
<b>Accounting income available for distribution:</b>					
Relating to capital gains		245,206,085	-		
Excluding capital gains		45,695,161	4,399,825		
		290,901,246	4,399,825		

**Earnings per unit**

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The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director





# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2023

	Half year ended December 31,		Quarter ended December 31,	
	2023	2022	2023	2022
	----- Rupees -----			
<b>Net income for the period after taxation</b>	<b>294,173,162</b>	4,785,625	<b>221,477,495</b>	10,318,852
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>294,173,162</b>	4,785,625	<b>221,477,495</b>	10,318,852

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.



Chief Financial Officer



Chief Executive Officer



Director





# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

		Half year ended December 31,	
		2023	2022
	Note	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income for the period before taxation		294,173,162	4,785,625
<b>Adjustments for non cash and other items:</b>			
Net unrealised (appreciation) / diminution on remeasurement of investments classified as financial assets at 'fair value through profit or loss'	5.6	(157,341,886)	44,670,710
		136,831,276	49,456,335
<b>Decrease / (increase) in assets</b>			
Investments - net		65,342,803	(130,079,880)
Profit receivable		(956,897)	(625,114)
Advances, deposits, prepayments and other receivables		(890,375)	1,281,664
		63,495,531	(129,423,330)
<b>Increase / (decrease) in liabilities</b>			
Payable to the JS Investments Limited - Management Company		920,750	(190,788)
Payable to the Central Depository Company of Pakistan Limited - Trustee		42,166	5,316
Payable to the Securities and Exchange Commission of Pakistan (SECP)		(97,930)	(109,988)
Payable against purchase of securities		37,863,658	(144,155)
Dividend payable		(514,851)	-
Accrued and other liabilities		(2,862,116)	102,423
		35,351,677	(337,192)
<b>Net cash generated from / (used in) operating activities</b>		235,678,484	(80,304,187)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Receipts from issuance of units		134,213,976	129,179,248
Payments against redemption of units		(108,814,692)	(135,634,206)
<b>Net cash generated from / (used in) financing activities</b>		25,399,284	(6,454,958)
<b>Net increase / (decrease) in cash and cash equivalents during the period</b>		261,077,768	(86,759,145)
Cash and cash equivalents at beginning of the period		8,103,621	296,720,670
<b>Cash and cash equivalents at end of the period</b>	16	269,181,389	209,961,525

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director





# CONDENSED INTERIM STATEMENT OF MOVEMENT IN UNIT HOLDERS' FUND (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

	Half year ended December 31, 2023			Half year ended December 31, 2022		
	Capital value	Undistributed income	Total	Capital value	Undistributed income	Total
	-----Rupees-----			-----Rupees-----		
Net assets at the beginning of the period	882,650,551	31,186,053	913,836,604	909,936,613	27,351,578	937,288,191
Issuance of 747,584 units (2022: 865,907 units)						
- Capital value (at net asset value per unit at the beginning of the period)	114,028,988	-	114,028,988	131,438,850	-	131,438,850
- Element of income / (loss)	20,184,988	-	20,184,988	(2,259,602)	-	(2,259,602)
	134,213,976	-	134,213,976	129,179,248	-	129,179,248
Redemption of 659,482 units (2022: 906,330 units)						
- Capital value (at net asset value per unit at the beginning of the period)	(100,590,789)	-	(100,590,789)	(137,574,789)	-	(137,574,789)
- Element of (income) / loss	(4,951,987)	(3,271,916)	(8,223,903)	2,326,383	(385,800)	1,940,583
	(105,542,776)	(3,271,916)	(108,814,692)	(135,248,406)	(385,800)	(135,634,206)
Total comprehensive income for the period	-	294,173,162	294,173,162	-	4,785,625	4,785,625
<b>Net assets as at the end of the period</b>	<b>911,321,751</b>	<b>322,087,299</b>	<b>1,233,409,050</b>	<b>903,867,455</b>	<b>31,751,403</b>	<b>935,618,858</b>
<b>Undistributed income brought forward</b>						
- Realised		79,755,816			159,247,304	
- Unrealised		(48,569,763)			(131,895,726)	
		31,186,053			27,351,578	
<b>Accounting income available for distribution</b>						
- Relating to capital gains	245,206,085			-		
- Excluding capital gains	45,695,161			4,399,825		
	290,901,246			4,399,825		
<b>Undistributed income carried forward</b>		<b>322,087,299</b>			<b>31,751,403</b>	
<b>Undistributed income carried forward</b>						
- Realised income	164,745,413			76,422,113		
- Unrealised income / (loss)	157,341,886			(44,670,710)		
	322,087,299			31,751,403		
	<b>(Rupees)</b>			<b>(Rupees)</b>		
Net asset value per unit at beginning of the period	152.53			151.79		
Net asset value per unit at end of the period	202.88			152.52		

The annexed notes from 1 to 20 form an integral part of these condensed interim financial statements.

Chief Financial Officer

Chief Executive Officer

Director



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Unit Trust of Pakistan ("the Fund") was established / registered under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) as an open end unit trust scheme. The Fund is governed under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008. The Fund was constituted under the Trust Deed, dated April 26, 1997 between JS Investments Limited as its Management Company, a company incorporated under the Companies Ordinance, 1984 (Now Companies Act, 2017) and Digital Custodian Company Limited as its Trustee. The Central Depository Company of Pakistan Limited was appointed as Trustee of the Fund on June 11, 2005 after voluntary resignation of Digital Custodian Company Limited.
- 1.2** During the year ended June 30, 2021, The Trust Act, 1882 was repealed due to the promulgation of Provincial Trust Act namely "Sindh Trusts Act, 2020" (the Sindh Trust Act) as empowered under the Eighteenth Amendment of the Constitution of Pakistan. The Fund was required to be registered under the Sindh Trust Act. Accordingly, on September 3, 2021 the above-mentioned Trust Deed has been registered under the Sindh Trust Act.
- 1.3** The Fund is an open end mutual fund categorised as "Balanced Scheme" and is listed on the Pakistan Stock Exchange Limited. Units are offered for public subscription on a continuous basis and are transferrable and can be redeemed by surrendering them to the Fund. As per offering document, the Fund shall invest in equity securities as well as debt securities including government securities, commercial papers and various other money market instruments.
- 1.4** The Management Company of the Fund has been licensed to act as an Asset Management Company under the NBFC Rules through a certificate of registration issued by the SECP. The registered office of the Management Company is situated at The Centre, 19th Floor, Plot No.28 SB-5, Abdullah Haroon Road, Saddar, Karachi, Pakistan.
- 1.5** Pakistan Credit Rating Agency Limited (PACRA) has maintained Management Company's asset manager rating of 'AM2+' with a 'stable outlook' to JS Investments Limited. This rating underscores our dedication to maintaining high-quality management standards, reflecting positively on the overall performance and outlook of our operations.
- 1.6** The title to the assets of the Fund is held in the name of Central Depository Company of Pakistan Limited as a Trustee of the Fund.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

- 2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting 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;
  - Provisions of and directives issued under the Companies Act, 2017, along with part VIIIA of the repealed Companies Ordinance, 1984; and
  - Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and requirements of the Trust Deed.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations and the requirements of the Trust Deed have been followed.

**2.1.2** The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. These condensed interim financial statements do not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published audited financial statements of the Fund for the year ended June 30, 2023.

**2.1.3** These condensed interim financial statements are unaudited. However, a limited scope review has been performed by the statutory auditors. In compliance with Schedule V of the NBFC Regulations, the Board of Directors of the Management Company declare that these condensed interim financial statements give a true and fair view of the state of affairs of the Fund as at December 31, 2023.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING AND RISK MANAGEMENT POLICIES, ESTIMATES AND JUDGMENTS AND CHANGES THEREIN**

**3.1** The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Fund for the year ended June 30, 2023.

**3.2** The preparation of these condensed interim financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgment in application of its accounting policies. The estimates, judgments and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The significant estimates, judgments and assumptions made by the management in applying the accounting policies and the key sources of estimation of uncertainty were the same as those that were applied in the audited annual financial statements of the Fund as at and for the year ended June 30, 2023.

The financial risk management objectives and policies are consistent with those disclosed in the annual published audited financial statements of the Fund for the year ended June 30, 2023.

### **3.3 Standards, interpretations and amendments to published accounting and reporting standards that are effective in the current period**

There are certain amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on July 1, 2023. However, these do not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.

### **3.4 Standards, interpretations and amendments to published accounting and reporting standards that are not yet effective**

There are certain new standards, interpretations and amendments to the published accounting and reporting standards that are mandatory for the Fund's annual accounting period beginning on or after July 1, 2024. However, these will not have any significant impact on the Fund's operations and, therefore, have not been detailed in these condensed interim financial statements.



FOR THE HALF YEAR ENDED DECEMBER 31, 2023

**4.1** These include a balance of Rs. 148.90 million (June 30, 2023: Rs. 2.80 million) with JS Bank Limited and carries profit at 20.82% per annum (June 30, 2023: 19.60%). Other savings accounts carry profit rates ranging from 18.50% to 20.50% (June 30, 2023: 15.50% to 20.50%) per annum.

## 5.1 Listed equity securities

Shares of listed companies - fully paid ordinary shares of Rs. 10 each unless stated otherwise.


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FOR THE HALF YEAR ENDED DECEMBER 31, 2023

\* Nil figures are due to rounding off  
\*\* Face value of Rs. 5 each

\* Nil figures are due to rounding off

\*\* Face value of Rs. 5 each

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Number of shares) -----		----- (Rupees) -----	
Habib Bank Limited	130,000	130,000	14,409,200	9,519,900
Pakistan State Oil Company Limited	150,000	-	26,506,500	-
The Hub Power Company Limited	-	240,000	-	16,699,200
Oil & Gas Development Company Limited	250,000	-	28,112,500	-
	530,000	370,000	69,028,200	26,219,100

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# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

In this regard, a constitutional petition had been filed by Collective Investment Schemes (CISs) through their Trustees in the High Court of Sindh, challenging the applicability of withholding tax provisions on bonus shares received by CISs. The petition was based on the fact that because CISs are exempt from deduction of income tax under Clause 99 Part I to the Second Schedule of the Income Tax Ordinance 2001, the withholding tax provision should also not be applicable on bonus shares received by CISs. A stay order had been granted by the High Court of Sindh (HCS) in favour of CISs.

During the year ended June 30, 2018, the Supreme Court of Pakistan passed a judgement on June 27, 2018 whereby the suits which are already pending or shall be filed in future must only be continued / entertained on the condition that a minimum of 50 percent of the tax calculated by the tax authorities is deposited with the authorities. Accordingly, the CISs were required to pay minimum 50% of the tax calculated by the tax authorities for the case to remain continued. The CISs failed to deposit the minimum 50% of the tax liability and accordingly the stay got vacated automatically during the year ended June 30, 2019. During the tax year 2020, the CISs filed a fresh constitutional petition via CP 4653 dated July 11, 2019 as a result of which the HCS issued an order dated July 15, 2019 whereby the previous stay has been restored. The matter is still pending adjudication and no provision has been recorded or contingent liability has been disclosed in these condensed interim financial statements as the management is confident that the case will be decided in favour of the CISs.

Further, Finance Act, 2018 effective from July 01, 2018 has omitted Section 236M of Income Tax Ordinance, 2001 therefore, bonus shares, subsequent to this amendment, issued to the Fund were not withheld by the investee companies.

	December 31, 2023	December 31, 2023	June 30, 2023	June 30, 2023
	Bonus shares			
	Number of shares withheld	Market value	Number of shares withheld	Market value
		(Rupees)		(Rupees)
Synthetic Products Enterprises Limited	7,930	105,866	7,930	82,472
Al-Shaheer Corporation Limited	3,758	46,637	3,758	27,170
		<u>152,502</u>		<u>109,642</u>

## 5.2 Listed debt securities

Certificates have a face value of Rs. 100,000 each unless stated otherwise.

Name of security	Profit rate	Maturity date	As at July 01, 2023	Purchases during the period	Sold during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as a percentage of	
							Carrying value	Market value	Appreciation / (diminution)	net asset	total investments
Number of certificates							Rupees			%	
Term Finance Certificate											
Commercial banks											
Bank Alfalah TFC Series - A * (AAA, PACRA)	9.03%	January 15, 2024	6,000	-	-	6,000	28,350,750	29,829,755	1,479,005	2.42%	2.68%
Sukuks											
Power generation & distribution											
Hub Power Holding Limited (AA+, PACRA)	18.34%	November 12, 2025	1,000	-	-	1,000	102,630,000	101,990,000	(640,000)	8.27%	9.18%
K-Electric Limited (AA, PACRA)	17.45%	November 1, 2029	12,200	-	12,200	-	-	-	-	-	-
K-Electric Limited (AA, PACRA)	21.40%	November 23, 2029	-	660	-	660	66,002,637	66,792,000	789,363	5.42%	6.01%
K-Electric Limited SST** (A-1+, VIS)	22.94%	March 22, 2024	-	14	-	14	14,000,000	14,000,000	-	1.14%	1.26%
Total value as at December 31, 2023							210,983,387	212,611,755	1,628,368		
Total value as at June 30, 2023							188,518,220	193,348,858	4,830,638		

\* Certificate has a face value of Rs.5,000 each.

\*\* Certificate has a face value of Rs.1,000,000 each.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 5.2.2 Significant terms and conditions of term finance certificates and sukuks outstanding at the period end are as follows:

Name of security	Number of certificates	Face value per certificate	Face value / redemption value in total	Interest rate per annum	Maturity date	Secured / unsecured	Rating
----- Rupees -----							
Bank Alfalah Limited	6,000	5,000	30,000,000	6 M KIBOR + 0.75%	January 15, 2024	Secured	AAA
Hub Power Holding Limited	1,000	100,000	100,000,000	6M KIBOR + 2.50%	November 12, 2025	Unsecured	AA+
K-Electric Limited Sukuk	660	100,000	66,000,000	3M KIBOR + 1.70%	November 23, 2029	Unsecured	AA
K-Electric Limited SST	14	1,000,000	14,000,000	6M KIBOR + 0.55%	March 22, 2024	Unsecured	A-1+

## 5.3 Unlisted debt securities

Name of the Investee Company	Note	As at July 01, 2023	Purchases during the period	Sold during the period	As at December 31, 2023	Balance as at December 31, 2023			Market value as a percentage of	
						Carrying value	Market value	Appreciation / (diminution)	net asset	total investments
			----- Number of certificates -----			----- Rupees -----			----- % -----	
Sukuks										
Chemicals										
Agritech Limited	5.3.1	25,700	-	-	25,700	104,671,578	-	-	-	-
Less: provision against financial asset						(104,671,578)	-	-	-	-
Term Finance Certificates										
Textile composite										
Azgard Nine Limited (related party)	5.3.2	4,750	-	-	4,750	21,375,000	-	-	-	-
Less: provision against financial asset						(21,375,000)	-	-	-	-
Azgard Nine Limited (related party)	5.3.3	9,897	-	-	9,897	49,485,000	-	-	-	-
Less: provision against financial asset						(49,485,000)	-	-	-	-
Azgard Nine Limited (related party)	5.3.4	3,733	-	-	3,733	18,665,000	-	-	-	-
Less: provision against financial asset						(18,665,000)	-	-	-	-
Total value as at December 31, 2023						-	-	-		
Total value as at June 30, 2023						-	-			

### 5.3.1 These sukuk certificates having face value of Rs. 5,000 per certificate and carry a mark-up equal to six months offered rate of KIBOR plus 200 basis points receivable semi-annually in arrears and was to mature in August 2015. These are secured by way of hypothecation charge over the entire legal ownership and the beneficial interest of the issuer from time to time in and to all present and future fixed assets (excluding land and building) of the issuer in favour of the Trustee for the benefit of certificate holders. These sukuks were classified as non performing asset by Mutual Fund Association of Pakistan (MUFAP) as on August 21, 2010, on account of non payment of the coupon due in August 2010. Therefore, the Fund had made provision of 100% of principal outstanding in 2011 and accordingly, no accrual for profit have been made by the Fund.

In respect of Agritech Limited, the Petitioner and its management held various meetings with the creditors for the purpose of formulating a plan to discharge the Company's liability towards the creditor and finally agreed in principle on the terms and conditions which are enumerated in the Scheme of Arrangement. The Honorable High Court of Lahore has approved the said "Scheme of Arrangement"(SOA) on July 5, 2022. Scheme of arrangement has two options for the settlement of liabilities and fund has elected for option 2 as mentioned in 'schedule F' of the Scheme for the settlement of fund outstanding liability. As per option 2 of the SOA, the outstanding principal against above sukuk certificates and zero coupon PPTFCs will be converted into preference shares as reduced by application of unutilized cash flow available for debt servicing (CFADS). The overdue / outstanding markup amounting to 40,659,871 shall be converted into Zero coupon



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

PPTFCs which shall be payable at the end of FY 2026 as bullet payment. The instruments have not yet been issued by Agritech as at December 31, 2023. In this regard, the Fund received the three tranches CFADS of total Rs. 9,743,500 in the year ended June 30, 2023. During the current period, the Fund has received the two tranches CFADS of Rs. 2,350,892 and Rs. 835,513 on October 2, 2023 and December 28, 2023 respectively and written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

**5.3.2** The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. As per the Approved Scheme the Fund was classified as an Option C creditor. The Approved Scheme stated that the principal repayment of Rs. 31.980 million of the Option C creditor, will be paid over a period of 10 years starting from Time Zero Date i.e. April 29, 2021 through some partial cash payments (of which Rs. 1.41 and Rs. 1.19 million have already been received at time zero and Rs. 6.82 million will be received within 2 years from time zero) and remaining amount by issuance of 4,750 PPTFCs (Sub PPTFCs) of Rs. 23.75 million against 10,000 PPTFCs which was restructured during the year ended June 30, 2022. In this regard, the Fund received four tranches of interest income of Rs. 1,187,500 in the year ended June 30, 2023. During the current period, the Fund has received two tranches of principal redemption of Rs. 2,375,000 on July 25, 2023 and October 26, 2023 and written back to income in accordance with the requirement of circular 1 of 2009 and circular 33 of 2012 issued by SECP.

**5.3.3** The Honorable Lahore High Court, on July 31, 2019, approved a scheme of arrangement (the "Approved Scheme") for the settlement / restructuring of Azgard Nine Limited's liabilities. A fresh issue of 9,897 zero coupon 10 years PPTFCs was issued of Rs. 49.485 million against the interest accrued on TFCs and PPTFCs till the date of restructuring on the existing PPTFC of 3,853 Sukuk certificates of Agritech Limited which were issued against the interest receivable on 10,000 PPTFCs of Azgard Nine Limited and was restructured during the year ended June 30, 2022. Since these TFCs are non-performing and no repayment has been received by the Fund therefore, these TFCs have been reclassified as a non-performing asset by MUFAP and have been fully provided.

**5.3.4** These zero coupon TFCs were issued on January 11, 2012 against outstanding mark-up due on 3,853 PPTFCs of Agritech Limited which was restructured during the year ended June 30, 2022. The principal amounting of Rs. 18.67 million outstanding against these TFCs was redeemable in six equal semi-annual instalments starting from July 01, 2012 and was matured on January 01, 2015. However no principal repayment has been received by the Fund. Therefore, these TFCs were classified as Non Performing Asset by MUFAP on January 17, 2012.

## 5.4 Market Treasury Bills

Name of security	Issue date	Face value				Balance as at December 31, 2023			Market value as a percentage of	
		As at July 1, 2023	Purchased during the period	Sold / matured during the period	As at December 31, 2023	Carrying value	Market value	Unrealised diminution	net asset	total investments
		(Rupees)							%	
Market Treasury Bills										
- 3 months	April 20, 2023	139,100,000	-	139,100,000	-	-	-	-	-	-
- 3 months	August 10, 2023	-	135,000,000	135,000,000	-	-	-	-	-	-
- 3 months	October 5, 2023	-	140,000,000	140,000,000	-	-	-	-	-	-
- 3 months	October 19, 2023	-	135,000,000	135,000,000	-	-	-	-	-	-
- 3 months	November 30, 2023	-	100,000,000	-	100,000,000	97,102,176	97,049,500	(52,676)	7.87%	8.73%
Market Treasury Bills										
- 6 months	November 16, 2023	-	100,000,000	100,000,000	-	-	-	-	-	-
Total value as at December 31, 2023						97,102,176	97,049,500	(52,676)		
Total value as at June 30, 2023						138,130,284	138,089,021	(41,263)		

**5.4.1** These will mature latest by February 28, 2023 and carry effective yield rate of 21.34% per annum.

## 5.5 Details of non-compliant Investment

The Securities and Exchange Commission of Pakistan (SECP), vide its circular No. 16 dated July 07, 2010, has prescribed certain disclosures for non-compliances, either with the minimum investment criteria specified for the category assigned to the Collective Investment Schemes or with the investment requirements of their constitutive documents.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

Following are the details of non-compliant investments:

Name of non-compliant investments	Type of Investments	Value of investment before provision	Provision held if any	Value of investment after provision	Market value as a percentage of	
					net asset	total investments
		(Rupees)				

Agritech Limited	Sukuk	104,671,578	(104,671,578)	-	-	-
Azgard Nine Limited (related party)	TFC	18,665,000	(18,665,000)	-	-	-
Azgard Nine Limited (related party)	TFC	21,375,000	(21,375,000)	-	-	-
Azgard Nine Limited (related party)	PPTFC	49,485,000	(49,485,000)	-	-	-

5.6	Net unrealised appreciation / (diminution) on remeasurement of investments classified as financial assets at 'fair value through profit or loss'	Note	December 31, 2023 (Unaudited)	December 31, 2022 (Audited)
			----- (Rupees) -----	
	Market value of investment	5.1 to 5.4	1,111,312,709	731,567,393
	Less: Carrying value of investments	5.1 to 5.4	(953,970,823)	(776,238,103)
			<u>157,341,886</u>	<u>(44,670,710)</u>

6	MARK-UP RECEIVABLE	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Mark-up receivable on:			
	- Bank balances		680,988	550,568
	- Listed debt securities		7,070,768	6,244,291
			<u>7,751,756</u>	<u>6,794,859</u>

7	ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
	Security deposit with National Clearing Company of Pakistan Limited (NCCPL)		2,750,000	1,750,000
	Security deposit with Central Depository Company of Pakistan Limited		100,000	100,000
	Advance tax	7.1	930,280	930,280
	Prepaid annual fee - NCCPL		-	125,000
	Prepaid legal and professional expense		15,375	-
			<u>3,795,655</u>	<u>2,905,280</u>

- 7.1** As per clause 47(B) of part IV of the Second Schedule to the Income Tax Ordinance, 2001, payments made to collective investment schemes (CISs) are exempt from withholding tax under section 151 and 150. However, withholding tax on dividend and profit on bank deposits paid to the Fund was deducted by various withholding agents based on the interpretation issued by FBR vide letter C. no. 1(43) DG (WHT)/2008-VOL.II-66417-R dated May 12, 2015 which requires every withholding agent to withhold income tax at applicable rates in case a valid exemption certificate under section 159(1) issued by the concerned Commissioner of Inland Revenue (CIR) is not produced by the withholder. The tax withheld on dividends and profit on bank deposits amounted to Rs. 0.93 million (June 30, 2023: Rs. 0.93 million).

For this purpose, Mutual Funds Association of Pakistan (MUFAP) on behalf of various mutual funds (including the Funds being managed by the Management Company) had filed a petition in the Honourable Sindh High Court (SHC) challenging the above mentioned interpretation of the Federal Board of Revenue (FBR) which was decided by the SHC in favour of FBR. A petition was filed in the Supreme Court of Pakistan by the Funds together with other CISs (managed by the



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

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Management Company and other Asset Management Companies) whereby the Supreme Court granted the petitioners leave to appeal from the initial judgment of the SHC. Pending resolution of the matter, the amount of withholding tax deducted on dividends and profit received by the Fund on bank deposits has been shown as advance tax (receivable) as at December 31, 2023 as, in the opinion of the management, the amount of tax deducted at source will be refunded to the Fund.

		Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
			----- (Rupees) -----	
8	PAYABLE TO JS INVESTMENTS LIMITED - MANAGEMENT COMPANY			
	Remuneration payable to the Management Company	8.1	2,073,799	1,510,686
	Sindh Sales Tax payable on remuneration of the Management Company	8.2	2,249,360	2,176,155
	Accounting and operational charges payable	8.3	103,696	75,539
	Selling and marketing expense payable	8.4	2,966,492	2,761,368
	Printing and stationary payable		173,105	121,954
	Federal Excise Duty payable on remuneration of the Management Company	8.5	13,262,475	13,262,475
			20,828,927	19,908,177

**8.1** As per Regulation 61 of the NBFC Regulations, 2008, the Management Company is entitled to a remuneration equal to amount not exceeding the maximum rate of management fee as disclosed in the Offering Document subject to the total expense ratio limit. Keeping in view the maximum allowable threshold, the Management Company has charged its remuneration at the rate of 2% (June 30, 2023: 2%) per annum of the average annual net assets of the Fund during the half year ended December 31, 2023. The remuneration is payable to the Management Company in arrears.

**8.2** Sindh sales tax on remuneration of the management company has been charged at the rate of 13% (June 30, 2023: 13%).

**8.3** In accordance with Regulation 60 of the NBFC Regulations, the Management Company is entitled to charge fees and expenses related to registrar services, accounting, operation and valuation services, related to a Collective Investment Scheme (CIS).

The Management Company has allocated expenses to the Fund based on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

**8.4** The SECP has allowed the Asset Management companies to charge selling and marketing expenses to all categories of open-end mutual funds upto a maximum limit approved by the Board of Directors of Management Company as part of annual plan.

The Management Company has charged selling and marketing expenses to the fund to the extent as it has think expedient on its discretion subject to not being higher than actual expenses, which has also been approved by the Board of Directors of the Management Company.

**8.5** The Finance Act, 2013 enlarged the scope of Federal Excise Duty (FED) on financial services to include Asset Management Companies (AMCs) as a result of which FED at the rate of 16 percent on the remuneration of the Management Company and sales load was applicable with effect from June 13, 2013. The Management Company was of the view that since the remuneration was already subject to provincial sales tax, further levy of FED would result in double taxation which did not appear to be the spirit of the law. Hence, on September 4, 2013 a constitutional petition was filed with the Sindh High Court (SHC) by the Management Company together with various other asset management companies challenging the levy of FED.

With effect from July 1, 2016, FED on services provided or rendered by non-banking financial institutions dealing in services which are subject to provincial sales tax has been withdrawn by the Finance Act, 2016.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

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During the year ended June 30, 2017, the SHC passed an order whereby all notices, proceedings taken or pending, orders made, duty recovered or actions taken under the Federal Excise Act, 2005 in respect of the rendering or providing of services (to the extent as challenged in any relevant petition) were set aside. In response to this, the Deputy Commissioner Inland Revenue has filed a Civil Petition for leave to appeal in the Supreme Court of Pakistan which is pending adjudication.

In view of the above, the Fund has discontinued making further provision in respect of FED on remuneration of the Management Company and sales load with effect from July 1, 2016. However, as a matter of abundant caution the provision for FED made of Rs. 13.262 million (June 30, 2023: Rs. 13.262 million) is being retained in these condensed interim financial statements of the Fund as the matter is pending before the Supreme Court of Pakistan. Had the provision not been made, the NAV per unit of the Fund would have been higher by Rs. 2.18 (June 30, 2023: Rs. 2.21).

	Note	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>9</b>	<b>PAYABLE TO CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED - TRUSTEE</b>	<b>----- (Rupees) -----</b>	
Remuneration payable to the Trustee	9.1	188,395	151,079
Sindh Sales Tax payable on Trustee's remuneration	9.2	24,491	19,641
		<u>212,886</u>	<u>170,720</u>

- 9.1** Central Depository of Pakistan Limited (the Trustee) is entitled to a monthly remuneration of services rendered to the Fund under the provision of the Trust Deed as follows:

- up to rupees one billion	0.2% per annum of the daily net assets
- exceeding rupees one billion	Rs. 2,000,000 plus 0.1% per annum of the daily net assets exceeding one billion

- 9.2** The Provincial Government of Sindh has levied Sindh Sales Tax at the rate of 13% (June 30, 2023: 13%) on the remuneration of Trustee through the Sindh Sales Tax on Services Act, 2011.

## **10 PAYABLE TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN**

In accordance with the NBFC Regulations, a Collective Investment Scheme (CIS) is required to pay non-refundable fee to the Securities and Exchange Commission of Pakistan (SECP).

Effective from July 1, 2023, the SECP vide SRO No. 592(I)/2023 dated May 17, 2023, revised the rate of annual fee to 0.085% of net assets, applicable on "balanced scheme". Previously, the rate of fee applicable on all categories of CISs was 0.02% per annum of the daily net assets of the Fund. Accordingly, the Fund has charged SECP Fee at the rate of 0.085% of net assets during the current period.

Further, the Fund is required to pay SECP fee within fifteen days of the close of every calendar month. Previously, the Fund was required to pay SECP fee within three months of the close of accounting year.

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
<b>11</b>	<b>----- (Rupees) -----</b>	
Auditors' remuneration payable	1,014,392	604,125
Withholding tax payable	223,121	3,407,352
Brokerage fee payable	58,200	28,378
Other payable	365,415	365,415
Zakat payable	-	117,974
	<u>1,661,128</u>	<u>4,523,244</u>



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 12 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments outstanding as at December 31, 2023 and June 30, 2023.

## 13 TOTAL EXPENSE RATIO

The annualised total expense ratio (TER) of the Fund for the current period is 4.50% (December 31, 2022: 4.10%) which includes 0.45% (December 31, 2022: 0.33%) representing government levies on the Fund such as federal excise duties and sales taxes, Workers' Welfare Fund, annual fee payable to the SECP, etc. This ratio is within the maximum limit of 4.50% (December 31, 2022: 4.50%) prescribed under the NBFC Regulations for a collective investment scheme categorised as a "Balanced Scheme".

## 14 TAXATION

The Fund's income is exempt from income tax as per clause (99) of part I of the Second Schedule to the Income Tax Ordinance, 2001 subject to the condition that not less than 90% of the accounting income available for distribution for the year as reduced by capital gains whether realised or unrealised is distributed amongst the unit holders by way of cash dividend. Furthermore, as per regulation 63 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008, the Fund is required to distribute 90% of the net accounting income available for distribution other than capital gains to the unit holders. The management intends to distribute at least 90% of the income to be earned by the Fund in cash during the year ending June 30, 2024 to the unit holders in the manner as explained above. Accordingly, no provision for taxation has been made in these condensed interim financial statements.

The Fund is also exempt from the provisions of Section 113 (minimum tax) under Clause 11(A) of Part IV of the Second Schedule to the Income Tax Ordinance, 2001.

## 15 EARNINGS PER UNIT

Earnings per unit (EPU) has not been disclosed as, in the opinion of the Management Company, the determination of weighted average units for calculating EPU is not practicable.

## 16 CASH AND CASH EQUIVALENTS

Bank balances  
Market Treasury Bills

December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
----- (Rupees) -----	
172,131,889	209,961,525
97,049,500	-
<u>269,181,389</u>	<u>209,961,525</u>

## 17 TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related party / connected person include JS Investments Limited being the Management Company, Digital Custodian Company Limited being the Trustee, Jahangir Siddiqui & Co. Limited (holding 71.20% shares of JS Bank Limited) being the holding company of JS Bank Limited (JSBL - which is the holding company of the Management Company - holding 84.56% shares of JS Investments Limited), BankIslami Pakistan Limited (which is a fellow subsidiary of JSBL - 75.12% shares held by JS Bank Limited), JS Global Capital Limited (which is a fellow subsidiary of JSBL - 92.90% shares held by JS Bank Limited) and other associated companies of the Management Company and its subsidiaries, Key Management Personnel of the Management Company and other funds being managed by the Management Company and includes entities / persons holding 10% or more in the units of the Fund as at December 31, 2023. It also includes the staff retirement benefits of the above related parties / connected persons.

Transactions with connected persons essentially comprise sale and redemption of units, fee on account of managing the affairs of the Fund, other charges, sale and purchase of investments and distribution payments to connected persons. The transactions with connected persons are in the normal course of business, at contracted rates and at terms determined in accordance with market rates.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

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Remuneration of the Management Company of the Fund is determined in accordance with the provisions of the NBFC Regulations and the Trust Deed.

Remuneration of the Trustee of the Fund is determined in accordance with the provisions of the Trust Deed.

The details of transactions during the period and balances at period / year end with the connected persons / related parties are as follows:

## 17.1 Details of transactions with related parties / connected persons during the period are as follows:

	December 31, 2023 (Unaudited)	December 31, 2022 (Unaudited)
	----- (Rupees) -----	
<b>JS Investments Limited - Management Company</b>		
Remuneration to the Management Company	10,455,232	9,342,770
Sindh Sales Tax on remuneration of the Management Company	1,359,180	1,214,560
Accounting and operational charges	522,794	475,380
Selling and marketing expense	5,593,905	5,086,965
Printing and stationery	51,151	51,150
Issuance of: 75,357 (December 31, 2022: Nil) units	13,000,000	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration of the Trustee	1,020,439	945,692
Sindh Sales Tax on remuneration of the Trustee	132,657	122,910
Annual, transaction, custodian, CDS connection fee	67,274	36,079
<b>JS Global Capital Limited - Fellow subsidiary of JSBL</b>		
Brokerage expense	303,295	75,504
<b>JS Bank Limited - Parent company of JSIL</b>		
Profit on bank balances	6,582,270	2,630,709
<b>BankIslami Pakistan Limited - Fellow subsidiary of JSBL</b>		
Proceed from sale of investments	14,288,324	-
<b>Azgard Nine Limited - Other related Party</b>		
Markup received (ANL PPTFC)	2,375,000	595,377
<b>Key Management Personnel of the Management Company</b>		
Issuance of: 4,662 (2022: 669) units	850,000	100,000
<b>JS Fund of Funds</b>		
<b>(Fund under JSIL Management)</b>		
Issuance of: 665,358 (2022: 864,717) units	120,000,000	129,000,000
Redemption of: 425,791 (2022: 864,717) units	69,885,036	129,361,928



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 17.2 Details of balances with connected persons / related parties as at period end / year end:

	December 31, 2023 (Unaudited)	June 30, 2023 (Audited)
	----- (Rupees) -----	
<b>JS Investments Limited - Management Company</b>		
Remuneration payable to the Management Company	2,073,799	1,510,686
Sindh Sales Tax payable on remuneration of the Management Company	2,249,360	2,176,155
Federal Excise Duty payable on remuneration of the Management Company	13,262,475	13,262,475
Accounting and operational charges payable	103,696	75,539
Selling and marketing expense payable	2,966,492	2,761,368
Printing and stationary charges payable	173,105	121,954
75,357 (June 30, 2023: Nil) units held	15,288,428	-
<b>Central Depository Company of Pakistan Limited - Trustee</b>		
Remuneration payable to the Trustee	188,395	151,079
Sindh Sales Tax payable on Trustee remuneration	24,491	19,641
Annual, transaction, trustee, CDS connection fee payable	17,596	2,611
Security deposit	100,000	100,000
<b>JS Global Capital Limited - Fellow subsidiary of JSBL</b>		
Brokerage fee payable	77,290	10,860
<b>JS Bank Limited - Parent company of JSIL</b>		
Bank balance	148,898,625	2,799,811
Profit receivable on bank balance	256,634	355,379
<b>Key Management Personnel of the Management Company</b>		
25,199 (June 30, 2023: 20,536) units held	5,112,373	3,132,340
<b>JS Fund of Funds (Fund under JSIL Management)</b>		
239,567 (June 30, 2023: Nil) units held	48,603,353	-
<b>Unitholders holding 10% or more of units</b>		
3,940,091 (June 30, 2023: 3,940,091) units held	799,365,662	600,982,034

## 18 FAIR VALUE MEASUREMENT

Fair value is 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. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Fund is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradeable in an open market are revalued at market prices prevailing on the statement of assets and liabilities date. The estimated fair value of all other financial assets and liabilities is considered not to be significantly different from the respective book values.



# NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2023

## 18.1 Fair value hierarchy

International Financial Reporting Standard IFRS 13 - 'Fair Value Measurement' requires the fund to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : 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); and
- Level 3 : inputs for the assets or liability that are not based on observable market data (i.e. unobservable inputs).

The Fund held the following financial instruments measured at fair values:

As at December 31, 2023 (Unaudited)			
Level 1	Level 2	Level 3	Total
Financial assets measured at fair value (Rupees)			
Listed equity securities	801,651,454	-	801,651,454
Listed debt securities	-	212,611,755	212,611,755
Market Treasury Bills	-	97,049,500	97,049,500
	<u>801,651,454</u>	<u>309,661,255</u>	<u>1,111,312,709</u>

As at June 30, 2023 (Audited)			
Level 1	Level 2	Level 3	Total
Financial assets measured at fair value (Rupees)			
Listed equity securities	582,091,311	-	582,091,311
Listed debt securities	-	193,348,858	193,348,858
Market Treasury Bills	-	138,089,021	138,089,021
	<u>582,091,311</u>	<u>331,437,879</u>	<u>913,529,190</u>

During the half year ended December 31, 2023 and year ended June 30, 2023, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

## 19 GENERAL

19.1 Figures have been rounded off to the nearest Rupees unless stated otherwise.

## 20 DATE OF AUTHORISATION FOR ISSUE

These condensed interim financial statements were authorised for issue by the Board of Directors of the Management Company on February 20, 2024.

Chief Financial Officer

Chief Executive Officer

Director







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