



HALF YEARLY REPORT  
JUNE 30, 2023

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# NOVIA

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

## 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 Hassan 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. Umair Khatri

## Chief Investment Officer

Mr. Hussain Haider

## 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

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

### Human Resource & Remuneration Committee

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

### Executive Risk Management Committee

Mr. Suleman Lalani (Chairman)  
Ms. Iffat Zehra Mankani  
Mr. Atif Salim Malik

### Share Registrar

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



# DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE PERIOD ENDED JUNE 30, 2023

“We are pleased to present the financial statements of JS Investments Limited (JSIL) for the period ended June 30, 2023.”

## ECONOMIC REVIEW:

During the first half of CY23, Pakistan's economy encountered a series of macroeconomic challenges. These challenges included the delayed IMF program, dwindling forex reserves, sharp currency devaluation, elevated inflation, and ongoing political uncertainty. Notably, Pakistan has registered a current account surplus of USD 1.20 billion during 1HCY23, an improvement from the deficit of USD 8.37 billion recorded in 1HCY22, primarily attributed to import restrictions. Nevertheless, SBP foreign exchange reserves remained thin, providing only one month of import cover, amounting to USD 4.47 billion in June'23 from USD 5.59 billion in Dec'22.

In response to these challenges and to resume the halted IMF tranche, the government implemented measures such as raising energy and gas tariffs, changing the currency regime, introducing additional taxes, and maintaining a monetary tightening stance. Despite these efforts, the government could not complete the IMF program, while the Pakistani rupee remained under pressure depreciating by 26% in 1HFY23.

Inflation remained elevated during 1HCY23, averaging 33.04% compared to 14.38% in 1HCY22, primarily driven by increased food prices and elevated electricity, gas, and petroleum costs. In June 2023, there were signs of easing inflationary pressures, as they declined from the peak of 37.97% recorded in May 2023. The prevailing outlook suggests that inflation is anticipated to decline to 17% by the end of FY24. However, it is crucial to acknowledge that the challenge lies in the risk associated with the funding shortfall on the external account front, which could impact this projection. To maintain macroeconomic stability and regulate aggregate demand, the SBP has adopted a contractionary monetary stance, increasing the benchmark interest rate to 22% from 16% in Dec'22.

At the conclusion of the fiscal year, Pakistan successfully secured a last-minute Stand by Arrangement (SBA) agreement, unlocking more than the anticipated USD 1.1 billion. This achievement provided a much-needed short-term respite from the imminent risk of default and was met with enthusiasm by investors and financial markets. The SBA also outlines an economic roadmap for the next nine months, including the period leading up to elections and a caretaker government, with a strong emphasis on fiscal discipline, energy reforms, and consistent policy implementation. Nevertheless, it is paramount to acknowledge that while the Stand-By Arrangement (SBA) provides temporary relief, it necessitates the eventual undertaking of negotiations for a long-term program with the IMF following the conclusion of the SBA in March 2024.

## EQUITY MARKET PERFORMANCE:

During the first half of 2023, the KSE 100 index exhibited a notable rise of 2.55%, gaining 1,032.24 points to culminate at 41,452.69 points. Despite the prevailing political noise, the State Bank of Pakistan's steadfast commitment to monetary tightening, and lingering external account concerns, investors' interest surged towards the end of the period, primarily driven by the successful conclusion of the Stand by Arrangement with the IMF, leading to a substantial influx of liquidity into the equity market.

Among the sectors, Fertilizer, Commercial Banks, Cement, and Chemical segments emerged as the outperformers, showcasing their robustness in the market. In contrast, Technology & Communication, Pharmaceuticals, and Oil & Gas Marketing Companies sectors underperformed during this period.

On a forward looking basis, it is crucial to acknowledge two critical factors significantly shaping the financial markets. Firstly, the inflow of foreign exchange (FX) will wield a decisive influence over market dynamics. Secondly, unwavering dedication to adhering to the IMF's guidelines within the Stand-By Arrangement (SBA) will pave the way for subsequent negotiations on a long-term program with the IMF after the SBA's conclusion early next year. Moreover, political stability will play a key role in fostering investor confidence and directing liquidity into the equity market. The dynamic interplay of FX inflows, adherence

to IMF guidelines, and political stability will form the base upon which the overall economic performance will rest in the coming months. Strategic decisions grounded in these factors will be pivotal in seizing opportunities and driving growth within the constantly evolving investment landscape.

### **MONEY MARKET PERFORMANCE:**

The State Bank of Pakistan maintained its monetary tightening stance in 1HCY23 in response to the heightening macroeconomic concerns and hyperinflationary pressures. As a result, the policy rate was hiked to an-all time high of 22% by June 2023.

In the midst of prevailing political and economic uncertainty, the increase in the policy rate continued to portray a yield curve inversion, with long-term instruments yielding less than short-term financial instruments. Given this context, the investors preferred to remain in short-term government securities, as they anticipated further interest rate hikes due to continued concerns about escalating inflation.

In the backdrop of a prevailing fiscal constraint and dwindling FX reserves, the total amount borrowed through T-bills exceeded the target, reaching PKR 15.22 trillion compared to the intended PKR 13.68 trillion. During 1HCY23 yields in the secondary market rose by 5.85%, 5.87%, and 5.93% for 3-month, 6-month, and 12-month T-bills, respectively.

### **COMPANY'S PERFORMANCE REVIEW:**

JSIL posted a net after-tax profit of PKR 46.2 million (EPS of PKR 0.75) for the half year ended June 30, 2023, compared to a loss of PKR 141.2 million (LPS of 2.28 PKR) SPLY.

The AUMs (including SMAs & REIT but excluding FoF) have shown significant growth to close at PKR 54.78 billion as of June 30, 2023, compared to PKR 29.6 billion as of June 30, 2022. The continuation of this growth and the stability of our portfolio invested in fixed-income funds at attractive rates will henceforth improve our bottom line results.

### **ASSET MANAGER AND ENTITY RATING**

'Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Limited a rating of 'AM2+' with 'stable outlook' dated December 27, 2022, which is an improvement from the previous rating of AM2 with 'positive outlook.' The rating denotes high management quality.


### **ACKNOWLEDGMENT**

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



Director

On behalf of the  
Board



Chief Executive Officer  
Iffat Zehra Mankani

August 18, 2023  
Karachi

## شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ مدت 30 جون 2023

ہم 30 جون 2023 کو ختم ہونے والی مدت کے لیے جے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### معاشی جائزہ

کلینڈر سال 2023 کی پہلی ششماہی کے دوران، پاکستان کی معیشت کو میکرو اکنامک چیلنجز کے ایک سلسلے کا سامنا کرنا پڑا۔ ان چیلنجز میں (IMF) آئی ایم ایف کے پروگرام میں تاخیر، کم ہوتے غیر ملکی زرمبادلہ کے ذخائر، کرنسی کی قدر میں تیزی سے کمی، افراط زر میں اضافہ اور جاری سیاسی غیر یقینی کی صورت حال شامل ہیں۔ قابل ذکر بات یہ ہے کہ پاکستان نے کلینڈر سال 2023 کی پہلی ششماہی میں 1.20 بلین امریکی ڈالر کا کرنٹ اکاؤنٹ سر پلس درج کیا ہے، جو کہ کلینڈر سال 2022 کی پہلی ششماہی میں ریکارڈ کئے گئے 8.37 بلین امریکی ڈالر کے خسارے سے بہتر ہے، جس کی بنیادی وجہ درآمدی پابندیاں ہیں۔ اس کے باوجود، اسٹیٹ بینک آف پاکستان (SBP) کے غیر ملکی زرمبادلہ کے ذخائر کم رہے، جس نے صرف ایک ماہ کے لئے درآمداتی احاطہ فراہم کیا جو کہ دسمبر 2022 میں 5.59 بلین امریکی ڈالر کے مقابلے میں جون 2023 میں 4.47 بلین امریکی ڈالر رہا۔

ان چیلنجز کے جواب میں اور (IMF) آئی ایم ایف کی رکی ہوئی قسط کی بحالی کے لئے، حکومت نے توانائی اور گیس کے نرخوں میں اضافہ، کرنسی کے نظام کو تبدیل کرنے اور اضافی ٹیکس متعارف کرانے اور مالیاتی سختی کے متوقف کو برقرار رکھنے جیسے اقدامات پر عمل درآمد کیا۔ ان کوششوں کے باوجود، حکومت (IMF) آئی ایم ایف کے پروگرام کو مکمل نہیں کر سکی جبکہ مالی سال 2023 کی پہلی ششماہی میں پاکستانی روپے کی قدر 26% کمی کے ساتھ دباؤ میں رہی۔

کلینڈر سال 2023 کی پہلی ششماہی کے دوران، افراط زر کی شرح کلینڈر سال 2022 کی پہلی ششماہی میں 14.38% کے مقابلے میں اوسطاً 33.04% رہی جس کی بنیادی وجہ خوراک کی قیمتوں میں اضافہ اور بجلی، گیس اور پیٹرولیم کی قیمتوں میں اضافہ تھا۔ جون 2023 میں افراط زر کے دباؤ میں کمی کے آثار نمودار ہوئے کیونکہ وہ مئی 2023 میں ریکارڈ کردہ 37.97% کی بلند ترین سطح سے کم ہوئے تھے۔ موجودہ نقطہ نظر سے یہ پتہ چلتا ہے کہ مالی سال 2024 کہ اختتام تک افراط زر 17% تک گرنے کا امکان ہے۔ تاہم، یہ تسلیم کرنا ضروری ہے کہ چیلنج بیرونی اکاؤنٹ کے محاذ پر فنڈنگ کی کمی سے وابستہ خطرے میں ہے، جو اس پروجیکشن کو متاثر کرتا ہے۔ میکرو اکنامک استحکام کو برقرار رکھنے اور مجموعی طلب کو منظم کرنے کے لئے، اسٹیٹ بینک آف پاکستان (SBP) نے تخفیفی (Contractionary) مانیٹری کے متوقف کو اپنایا ہے جس سے بیچ مارک شرح سود دسمبر 2022 کے 16% سے بڑھا کر 22% کر دی گئی ہے۔

مالی سال کے اختتام پر، پاکستان نے کامیابی کے ساتھ آخری لمحات میں اسٹینڈ بائی آرینجمنٹ (SBA) معاہدہ حاصل کیا، جس سے متوقع 1.1 بلین امریکی ڈالر سے زیادہ رقم حاصل ہوئی۔ اس کامیابی نے ڈیفالٹ کے متوقع قطرے سے ایک انتہائی ضروری قلیل مدتی راحت فراہم کی اور سرمایہ کاروں اور مالیاتی مارکیٹوں نے جوش و خروش کے ساتھ اس کا سامنا کیا۔ اسٹینڈ بائی آرینجمنٹ (SBA) نے آئندہ 9 ماہ کے لئے ایک اقتصادی روڈ میپ کا خاکہ بھی پیش کیا ہے، جس میں انتخابات اور نگران حکومت تک کی مدت شامل ہے، جس میں مالی نظم و ضبط، توانائی اصلاحات اور مستقل پالیسی کے نفاذ پر زور دیا گیا ہے۔ اس کے باوجود، یہ تسلیم کرنا ضروری ہے کہ اگرچہ اسٹینڈ بائی آرینجمنٹ (SBA) عارضی ریلیف فراہم کرتا ہے لیکن مارچ 2024 میں SBA کے اختتام کے بعد IMF کے ساتھ ایک طویل مدتی پروگرام کے لیے مذاکرات کا حتمی آغاز کرنے کی ضرورت ہے۔



## ایکویٹی مارکیٹ کی کارکردگی

2023 کی پہلی ششماہی کے دوران، KSE-100 انڈیکس میں 2.55% کا نمایاں اضافہ دیکھنے میں آیا، جس کے نتیجے میں انڈیکس 1,032.24 پوائنٹس کے اضافے سے 41,452.69 پوائنٹس پر بند ہوا۔ موجودہ سیاسی شوروغل کے باوجود، SBP کی جانب سے مالیاتی سختی کے لئے ثابت قدمی اور بیرونی اکاؤنٹس کے خدشات میں اضافہ، اس مدت کے اختتام پر سرمایہ کاروں کی دلچسپی میں اضافہ کر گیا، جو بنیادی طور پر IMF کے ساتھ SBA کے کامیاب اختتام کی وجہ سے تھا جو ایکویٹی مارکیٹ میں لیکویڈیٹی کی خاطر خواہ آمد کا سبب بنا۔

ان شعبوں میں فرٹیلائزر، کمرشل بینکس، سیمنٹ اور کیمیکلز کے شعبے نے مارکیٹ میں اپنی مضبوطی کا مظاہرہ کیا اور بہتر کارکردگی کا مظاہرہ کرنے والے شعبے کے طور پر سامنے آئے۔ اس کے برعکس، ٹیکنالوجی اور کمپنیز کیشن، فارماسیوٹیکل اور آئل اینڈ گیس مارکیٹنگ کمپنیوں کے شعبوں نے اس عرصے کے دوران ناقص کارکردگی کا مظاہرہ کیا۔

مستقبل کی بنیاد پر، مالیاتی مارکیٹوں کو نمایاں طور پر تشکیل دینے والے دو اہم عوامل کو تسلیم کرنا ضروری ہے۔ سب سے پہلے، غیر ملکی زرمبادلہ (FX) کی آمد مارکیٹ کی حرکیات پر فیصلہ کن اثر ڈالے گی۔ دوم یہ کہ، اسٹیٹڈ بانائی ارتجمنٹ (SBA) کے اندر IMF کی ہدایات پر عمل کرنے کی غیر متزلزل لگن اگلے سال کے اوائل میں SBA کے اختتام کے بعد IMF کے ساتھ طویل مدتی پروگرام پر مذاکرات کی راہ ہموار کرے گی۔ مزید برآں، سیاسی استحکام سرمایہ کاروں کے اعتماد کو فروغ دینے اور ایکویٹی مارکیٹ میں لیکویڈیٹی کو راہ فراہم کرنے میں کلیدی کردار ادا کرے گا۔ غیر ملکی زرمبادلہ کے بہاؤ کا متحرک باہمی تعامل، IMF کی ہدایات کی تکمیل اور سیاسی استحکام وہ بنیاد بنیں گے جس پر آنے والے مہینوں میں مجموعی معاشی کارکردگی قائم ہوگی۔ ان عوامل پر مبنی اسٹریٹجک فیصلے مسلسل بدلتے ہوئے سرمایہ کاری کے منظر نامے میں مواقع سے فائدہ اٹھانے اور ترقی کا آگے بڑھانے میں اہم ثابت ہوں گے۔

## منی مارکیٹ کی کارکردگی

اسٹیٹ بینک آف پاکستان نے بڑھتی ہوئی میکرو اکنامک خدشات اور افراط زر کے دباؤ کے جواب میں کلینڈر سال 2023 کی پہلی ششماہی میں اپنی سخت مالیاتی موقف کو برقرار رکھا۔ اس کے نتیجے میں، پالیسی کی شرح جون 2023 تک 22% کی بلند ترین سطح پر پہنچ گیا۔

موجودہ سیاسی اور معاشی غیر یقینی کی صورتحال کے درمیان، پالیسی کی شرح میں اضافے نے پیداوار کے منحنی خطوط کو تبدیل کرنا جاری رکھا، جس میں طویل مدتی آلات قلیل مدت مالی آلات سے کم پیداوار دیتے ہیں۔ اس تناظر میں، سرمایہ کاروں نے قلیل مدتی گورنمنٹ سیکورٹیز میں رہنے کو ترجیح دی، کیونکہ انہیں بڑھتی ہوئی افراط زر کے بارے میں مسلسل خدشات کی وجہ سے شرح سود میں مزید اضافے کی توقع تھی۔

موجودہ مالی مشکلات اور کم ہوتے زرمبادلہ کے ذخائر کے پس منظر میں ٹریژری بلز (T-Bills) کے ذریعے لیے گئے قرضوں کی مجموعی رقم ہدف سے تجاوز کر گئی اور 13.68 ٹریلین پاکستانی روپے کے مقابلے میں 15.22 ٹریلین پاکستانی روپے تک پہنچ گئی۔ کلینڈر سال 2023 کی پہلی ششماہی کے دوران 3 ماہ، 6 ماہ اور 12 ماہ کے ٹریژری بلز (T-Bills) میں بالترتیب 5.85%، 5.87% اور 5.93% کا اضافہ ہوا۔

## کمپنی کی کارکردگی کا جائزہ

JSIL نے پچھلے سال کی یکساں سہ ماہی کے دوران 141.2 ملین روپے کے نقصان ( 2.28 پاکستانی روپے کا نقصان فی حصص ) کے مقابلے میں 30 جون 2023 کو اختتام پانے والی ششماہی کے لیے 46.2 ملین روپے ( 0.75 روپے کا نقصان فی حصص ) کا خالص نقصان بعد از ٹیکس درج کروایا۔

انتظامیہ کے زیر نگرانی اثاثہ جات ( AUMs ) ( بشمول سپیریٹل میجٹ اکاؤنٹس - SMAs اور REIT لیکن علاوہ فنڈز آف فنڈز ) نے 30 جون 2022 کو 29.6 بلین روپے کے مقابلے میں 30 جون 2023 کو 54.78 بلین روپے پر بند ہو کر قابل قدر اضافہ ظاہر کیا۔ ہم توقع کرتے ہیں کہ اس اضافے کے تسلسل اور ہمارے پورٹ فولیو کا استحکام جو پرکشش شرحوں پر فکسڈ انکم فنڈز میں سرمایہ کاری کرتا ہے اس سے اب ہمارے نچلے درجے کے نتائج میں بہتری آئی گی۔

## ایسیٹ مینیجر ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ ( PACRA ) نے جے ایس انویسٹمنٹس کو 27 دسمبر 2022 کو 'stable outlook' مستحکم امکانات کے ساتھ AM2+ کی ( اے ایم ٹو پلس ) مینجمنٹ کوالٹی ریٹنگ تفویض کی ہے جو کہ 'positive outlook' مثبت امکانات کے ساتھ AM2 کی پچھلی ریٹنگ سے بہتری ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

## اظہار تشکر

ڈائریکٹرز پیش قدمی اور تعاون، مدد اور رہنمائی پر سیکورٹیز 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 لیگن اور محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بجانب بورڈ



چیف ایگزیکٹو آفیسر  
عفت زہرہ مکانی



ڈائریکٹر

# AUDITOR'S REPORT TO MEMBERS

FOR THE PERIOD ENDED JUNE 30, 2023

**DRAFT**

**To the members of JS Investments Limited**

**Report on review of condensed Interim financial information**

## ***Introduction***

We have reviewed the accompanying condensed interim statement of financial position of JS Investments Limited (the Company) as at June 30, and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial information for the six-months period then ended (here-in –after referred to as the “condensed interim financial statements”). Management is responsible for the preparation and presentation of this 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.

## ***Scope of Review***

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of condensed interim financial 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 is not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

## ***Other matters***

The figures for the quarter ended June 30, 2023 in the condensed interim statement of profit or loss and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion thereon.

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

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**KPMG Taseer Hadi & Co.**  
**Chartered Accountants**

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2023

	Note	Un-audited June 30, 2023	Audited December 31, 2022
<b>ASSETS</b>			
<b>Non - Current Assets</b>			
Property and equipment	7	248,365,126	275,654,014
Intangible assets	8	4,864,877	6,469,897
Long-term loans and prepayments - considered good		1,887,762	2,152,930
Long-term investment	10	265,000	265,000
		<b>255,382,765</b>	<b>284,541,841</b>
<b>Current Assets</b>			
Balances due from funds under management - related parties		111,939,581	124,610,226
Loans and advances - considered good		4,070,528	2,336,220
Deposits, prepayments and other receivables		132,626,879	97,347,215
Other financial assets - investments	9	1,189,567,152	1,159,071,682
Taxation - net		94,170,900	91,587,518
Cash and bank balances	11	17,684,715	12,288,813
		<b>1,550,059,755</b>	<b>1,487,241,674</b>
<b>Total Assets</b>		<b>1,805,442,520</b>	<b>1,771,783,515</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital</b>			
Authorised capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		617,742,560	617,742,560
Unappropriated profit		783,813,675	737,654,383
		<b>1,401,556,235</b>	<b>1,355,396,943</b>
<b>LIABILITIES</b>			
<b>Non - Current Liabilities</b>			
Lease liabilities		209,950,700	213,734,571
		<b>209,950,700</b>	<b>213,734,571</b>
<b>Current Liabilities</b>			
Accrued and other liabilities	13	165,834,290	173,481,210
Unclaimed dividend		4,922,407	4,922,407
Current maturity of lease liabilities		23,178,888	24,248,384
		<b>193,935,585</b>	<b>202,652,001</b>
<b>Total Liabilities</b>		<b>403,886,285</b>	<b>416,386,572</b>
<b>Contingencies and commitments</b>	14	-	-
<b>Total Equity and Liabilities</b>		<b>1,805,442,520</b>	<b>1,771,783,515</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive Officer



Director



# CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

	Note	Half year ended		Quarter ended	
		June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
		(Rupees)		(Rupees)	
<b>Income</b>					
Remuneration from funds under management - gross		92,857,134	78,090,844	50,422,748	37,062,073
Less: Sindh sales tax		(10,682,679)	(10,151,810)	(5,166,209)	(5,431,686)
		<u>82,174,455</u>	<u>67,939,034</u>	<u>45,256,539</u>	<u>31,630,387</u>
Commission from open end funds under management		999,946	54,518	432,355	33,055
Dividend income		2,678,498	7,585,415	834,518	6,487,852
Net unrealised gain/(loss) on remeasurement of investments classified as at fair value through profit or loss		54,112,982	(52,706,865)	33,125,643	(48,482,693)
Net gain on sale of investments classified as at fair value through profit or loss		60,188,580	5,819,976	47,940,948	5,435,451
Return on bank deposits		1,839,339	976,539	1,307,173	533,840
Remuneration and share of profit from management of discretionary and non discretionary client portfolio		345,996	1,078,735	136,219	522,081
Return on debt security		11,729,561	8,175,738	6,497,074	4,232,057
		<u>214,069,357</u>	<u>38,923,090</u>	<u>135,530,469</u>	<u>392,030</u>
Administrative expenses		(155,930,139)	(161,925,081)	(77,072,134)	(75,905,364)
Selling and distribution expenses		(1,071,148)	(18,883,777)	(804,311)	(17,386,868)
<b>Operating Profit/(Loss)</b>		<u>57,068,070</u>	<u>(141,885,768)</u>	<u>57,654,024</u>	<u>(92,900,202)</u>
Other expenses		(1,029,187)	-	(1,029,187)	-
Financial charges		(11,941,866)	(14,110,793)	(6,111,414)	(6,948,160)
		<u>44,097,017</u>	<u>(155,996,561)</u>	<u>50,513,423</u>	<u>(99,848,362)</u>
Other income		5,391,132	18,331,583	2,920,641	10,529,394
<b>Profit/(Loss) before Taxation</b>		<u>49,488,149</u>	<u>(137,664,978)</u>	<u>53,434,064</u>	<u>(89,318,968)</u>
Taxation - net		(3,328,857)	(3,483,993)	(1,725,217)	(2,033,961)
<b>Profit/(Loss) for the period after tax</b>		<u>46,159,292</u>	<u>(141,148,971)</u>	<u>51,708,847</u>	<u>(91,352,929)</u>
Earnings/(Loss) per share for the period - basic and diluted	15	0.75	(2.28)	0.84	(1.48)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive Officer



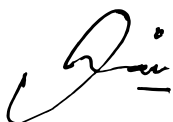
Director

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

	Half year ended		Quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)		(Rupees)	
<b>Profit/(Loss) for the period</b>	<b>46,159,292</b>	(141,148,971)	<b>51,708,847</b>	(91,352,929)
Other comprehensive income	-	-	-	-
	-	-	-	-
<b>Total comprehensive income/(loss) for the period</b>	<b>46,159,292</b>	(141,148,971)	<b>51,708,847</b>	(91,352,929)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive Officer



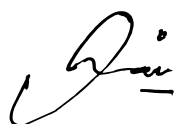
Director

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)


FOR THE PERIOD ENDED JUNE 30, 2023

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	(Rupees)		
Balance as at January 01, 2022	617,742,560	886,705,096	1,504,447,656
Total comprehensive loss for the period ended June 30, 2022	-	(141,148,971)	(141,148,971)
	-	(141,148,971)	(141,148,971)
Balance as at June 30, 2022	<u>617,742,560</u>	<u>745,556,125</u>	<u>1,363,298,685</u>
Balance as at January 01, 2023	617,742,560	737,654,383	1,355,396,943
Total comprehensive income for the period ended June 30, 2023	-	46,159,292	46,159,292
	-	46,159,292	46,159,292
Balance as at June 30, 2023	<u>617,742,560</u>	<u>783,813,675</u>	<u>1,401,556,235</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive Officer



Director

# STATEMENT OF CASH FLOWS (Un-audited)

FOR THE PERIOD ENDED JUNE 30, 2023

	Note	June 30, 2023	June 30, 2022
(Rupees)			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit/(Loss) for the period before taxation		49,488,149	(137,664,978)
<b>Adjustment for:</b>			
Remuneration from funds under management - net		(82,174,455)	(67,939,034)
Remuneration and share of profit from management of discretionary and non discretionary client portfolio		(345,996)	(1,078,735)
Commission from open end funds under management		(999,946)	(54,518)
Dividend income		(2,678,498)	(7,585,415)
Return on debt securities		(11,729,561)	(8,175,738)
Depreciation expense	7	27,988,315	31,622,358
Amortization expense	8	2,025,020	2,791,808
Financial charges		11,941,866	14,110,793
Return on bank deposits		(1,839,339)	(976,539)
Net gain on sale of investments classified as 'at fair value through profit or loss'		(60,188,580)	(5,819,976)
Net unrealised (gain)/loss on remeasurement of investments classified as 'at fair value through profit or loss'	9.1	(54,112,982)	52,706,865
Gain on disposal of property and equipment		-	(11,775,964)
		<b>(122,626,007)</b>	<b>(139,839,072)</b>
<b>Working Capital Changes</b>			
<b>(Increase) / decrease in current assets :</b>			
Loans and advances - secured		(1,469,140)	(564,067)
Deposits, prepayments and other receivables		(35,279,664)	(17,019,940)
<b>Increase / decrease in current liabilities:</b>			
Accrued and other liabilities		(7,646,919)	(8,074,160)
		<b>(44,395,723)</b>	<b>(25,658,167)</b>
		<b>(167,021,730)</b>	<b>(165,497,239)</b>
Taxes paid - net		(5,912,239)	(4,913,524)
Remuneration and commission received from funds under management		96,191,042	70,151,046
<b>Net cash used in operating activities</b>		<b>(76,742,927)</b>	<b>(100,259,717)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment made		(3,993,794,490)	(3,200,018,167)
Proceeds from sale of investments		4,077,714,032	3,306,991,026
Payments for purchase of property, equipment and intangible assets		(1,119,427)	(1,765,057)
Dividends received		2,678,498	7,585,415
Return on bank deposits received		1,918,393	955,156
Return on debt securities		11,537,055	8,021,712
Sale proceeds from disposal of property and equipment		-	15,965,000
<b>Net cash generated from investing activities</b>		<b>98,934,062</b>	<b>137,735,084</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease rentals paid		(4,853,367)	(23,881,462)
Financial charges paid		(11,941,866)	(26,512,784)
<b>Net cash used in financing activities</b>		<b>(16,795,233)</b>	<b>(50,394,246)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>5,395,902</b>	<b>(12,918,879)</b>
Cash and cash equivalents at beginning of the period		12,288,813	26,145,280
<b>Cash and cash equivalents at end of the period</b>		<b>17,684,715</b>	<b>13,226,401</b>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements



Chief Financial Officer



Chief Executive Officer



Director



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

## 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 (now Companies Act, 2017). 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. Ltd.), 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. The Company 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)

Pakistan Credit Rating Agency Limited (PACRA) has assigned JS Investments Management Quality Rating of AM2+ with a stable outlook with effect from December 27, 2022, which is an improvement from the previous rating of AM2 with positive outlook. The rating denotes High Management Quality.

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, Karachi.	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 June 30, 2023.

### 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
- JS Momentum Factor Exchange Traded Fund
- JS Microfinance Sector Fund
- JS Rental REIT Fund
- JS Money Market Fund

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

## 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 for interim financial reporting. 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 Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the International Financial Reporting Standards, the provisions of and directives issued under the Companies Act, 2017, part VIII A of the repealed Companies Ordinance, 1984, 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 repealed Companies Ordinance, 1984 (Section 228 of Companies Act 2017), 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 financial statements.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company as at December 31, 2022.

- 2.2** The comparative condensed interim statement of financial position presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended December 31, 2022, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows for the period ended are extracted from the unaudited condensed interim financial statements for the period ended June 30, 2022.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

**2.3** These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 237 of the Act.

## **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**

These condensed interim financial statements have been presented in Pakistani Rupee, which is the functional and presentation currency of the Company and rounded off to nearest rupee.

## **3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2022.

## **4 FINANCIAL RISK MANAGEMENT**

The Company's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2022.

## **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, 2022. 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, 2022.

## **6 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE**

### **6.1 Standard, interpretations and amendments to publish 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 Company's accounting periods beginning on or after January 01, 2023. However these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

## 6.2 Standard, interpretations and amendments to publish accounting and reporting standards that are not yet effective

There are certain new standards and amendments to the accounting and reporting standards that are mandatory for the company's accounting periods beginning on or after January 01, 2023. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

		(Un-Audited) June 30, 2023	(Audited) December 31, 2022
		(Rupees)	
<b>7</b>	<b>PROPERTY AND EQUIPMENT</b>		
	<i>Note</i>		
	<b>Operating Fixed Assets</b>		
	Opening written down value	113,205,609	146,269,405
	Additions during the period/year	503,316	3,557,057
	Disposals during the period/year	-	(7,105,664)
	Depreciation for the period/year	(11,968,697)	(29,515,189)
		101,740,228	113,205,609
	<b>Right of use of assets</b>		
	Opening written down value	162,061,005	194,099,697
	Depreciation for the period/year	(16,019,618)	(32,038,692)
		146,041,387	162,061,005
	Capital work-in-progress	583,511	387,400
		248,365,126	275,654,014
<b>7.1</b>	The following additions were made to tangible - property and equipment during the period/year :		
	Office equipment	503,316	3,557,057
		503,316	3,557,057
<b>7.2</b>	The following disposals were made to tangible - property and equipment during the period/year :		
	Vehicles	-	(7,105,664)
		-	(7,105,664)
<b>8</b>	<b>INTANGIBLE ASSETS</b>		
	Opening written down value	6,469,897	10,994,010
	Additions during the period / year	420,000	504,000
	Amortization for the period / year	(2,025,020)	(5,028,113)
		4,864,877	6,469,897

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

## 9 OTHER FINANCIAL ASSETS - INVESTMENTS

Note

### At fair value through profit or loss

		(Un-Audited) June 30, 2023	(Audited) December 31, 2022
Investment in units of mutual funds under management	9.1	1,064,567,152	1,034,071,682
Unlisted debt security - Term Finance Certificate [5,000 certificates (2022: 5,000 certificates)]	9.2	125,000,000	125,000,000
		<b>1,189,567,152</b>	<b>1,159,071,682</b>

### 9.1 Units of mutual funds - Related Parties

Number of Units	
June 30, 2023	December 31, 2022

		(Un-Audited) June 30, 2023	(Audited) December 31, 2022
		Carrying Value	Fair value
		(Rupees)	
1,000,000	1,000,000	22,900,000	22,900,000
101,755	101,755	59,630,583	59,630,583
141,420	141,420	57,500,087	57,500,087
2,450,944	2,152,338	258,795,208	240,093,268
22,727	22,727	6,357,981	6,357,981
1,976	1,976	499,947	499,947
61,437	61,437	22,095,922	22,095,922
85,028	85,028	25,107,158	25,107,158
1,783	148,003	183,145	15,170,283
5,435,210	5,317,939	339,377,687	309,876,329
2,168,140	2,682,101	218,006,452	269,953,513
-	50,892	-	4,886,611
		<b>1,010,454,170</b>	<b>1,034,071,682</b>
	Unrealized gain on remeasurement at fair value - net	<b>54,112,982</b>	-
		<b>1,064,567,152</b>	<b>1,034,071,682</b>

### 9.2 Investment in Debt Security - Term Finance Certificate

This represents investment in AA+ rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Bank AL Habib Limited, having face value of Rs.5,000 per certificate and carries profit at the rate of 6 Months KIBOR + 1.50% per annum since 2018.

## 10 LONG TERM INVESTMENT

Shares of Mutual Funds Association of Pakistan  
at fair value through profit or loss

	(Un-Audited) June 30, 2023	(Audited) December 31, 2022
	<b>265,000</b>	<b>265,000</b>

Mutual Funds Association of Pakistan (MUFAP) has converted into a Self-Regulatory Organization (SRO) upon the directive of SECP and thus, is required to be registered under Section 42 of the Companies Act, 2017. Since it was converted into a SRO, the capital requirements were met from all the Asset Management Companies (AMCs) who are also the members of MUFAP. All AMCs contributed equally towards the share capital of MUFAP by subscribing for 26,500 shares at a par value of Rs. 10 each, the Company also subscribed for the shares of MUFAP being its member.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

		(Un-Audited) June 30, 2023	(Audited) December 31, 2022
	Note	(Rupees)	
<b>11 CASH AND BANK BALANCES</b>			
Cash in hand		<b>54,687</b>	57,262
Cash at bank in:			
Current accounts		<b>549,733</b>	549,733
Savings accounts	11.1	<b>17,080,295</b>	11,681,818
		<b>17,630,028</b>	12,231,551
		<b>17,684,715</b>	12,288,813

**11.1** These carry mark-up at the rates ranging from 14.50% to 19.85% (December 31, 2022: 11.75% to 14.50%). It includes Rs. 15.144 million (December 31, 2022: Rs. 9.850 million) held with JS Bank Limited.

## 12 DEFERRED TAXATION

Net deferred tax asset to the extent of Rs. 146.84 million on accumulated losses of Rs. 506.33 million has not been recognized in these condensed interim financial statements in view of uncertainty about the availability of taxable profits in the foreseeable future against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

## 13 ACCRUED AND OTHER LIABILITIES

**13.1** This includes Rs. 92.245 million (December 31, 2022: 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 19.1 to the annual audited financial statements of the Company for the year ended December 31, 2022.

**13.2** This includes Rs. 12.316 million (December 31, 2022 : Rs. 11.286 million) payable against Sindh Workers' Welfare Fund. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 19.2 to the annual audited financial statements for the year ended December 31, 2022.

## 14 CONTINGENCIES AND COMMITMENTS

### 14.1 Contingencies

There is no change in the status of contingencies as disclosed in note 20.1 to the annual audited financial statements of the Company for the year ended December 31, 2022.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

## 14.2 Commitments in respect of:

Use of name and advisory payment - a related party

	(Un-Audited) June 30, 2023	(Audited) December 31, 2022
	(Rupees)	
	<u>7,500,000</u>	<u>15,000,000</u>

## 15 EARNINGS/(LOSS) PER SHARE

Profit/(Loss) for the period

	(Un-Audited)			
	Half year ended		Quarter ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
	(Rupees)			
	<u>46,159,292</u>	<u>(141,148,971)</u>	<u>51,708,847</u>	<u>(91,352,929)</u>

Weighted average number of ordinary shares outstanding during the period

	Number			
	<u>61,774,256</u>	<u>61,774,256</u>	<u>61,774,256</u>	<u>61,774,256</u>

Earnings/(Loss) per share

	(Rupees)			
	<u>0.75</u>	<u>(2.28)</u>	<u>0.84</u>	<u>(1.48)</u>

**15.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2023 (December 31, 2022 : Nil) which would have any effect on the earnings per share if the option to convert is exercised.

## 16 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, the 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:

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

	----- (Un-Audited) -----	
	June 30, 2023	June 30, 2022
(Rupees)		
<b>16.1 Transactions during the period</b>		
<b>16.1.1 Funds under management</b>		
Remuneration - net of tax	82,174,455	67,939,034
Commission received	999,946	54,518
Expenses incurred on behalf of the funds	113,378,360	37,839,989
Expenses reimbursed from the funds	80,167,844	39,367,555
Dividends received	2,678,498	7,585,415
Investments made	3,993,794,490	3,200,018,167
Investments disposed off / matured	4,077,714,032	3,306,991,026
JS Rental REIT Fund - Rent expense	11,484,787	-
<b>16.1.2 Jahangir Siddiqui &amp; Co. Ltd.</b>		
<b>Basis of relationship - Ultimate parent company</b>		
Rent paid	225,000	75,000
<b>16.1.3 JS Bank Limited</b>		
<b>Basis of relationship - Parent company</b>		
Rent Paid	-	1,414,770
Return on bank deposits	1,676,939	893,604
Amount paid against Refinance Scheme for Salaries and Wages	-	20,046,490
Markup on Refinance Scheme for Salaries and Wages	-	372,371
Bank charges	154,662	48,103
<b>ASSOCIATED COMPANIES, FUNDS AND OTHER RELATED PARTIES</b>		
<b>16.1.4 Fakhr-e-Imdad Foundation</b>		
<b>Basis of relationship - Common directorship of ultimate parent company</b>		
Amount received	-	297,169
<b>16.1.5 EFU General Insurance</b>		
<b>Basis of relationship - Common directorship of ultimate parent company</b>		
Insurance premium paid	1,481,219	2,698,344
<b>16.1.6 EFU Life Assurance</b>		
<b>Basis of relationship - Common directorship of ultimate parent company</b>		
Insurance premium paid	1,636,039	1,301,052



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

	----- (Un-Audited) -----	
	June 30, 2023	June 30, 2022
	(Rupees)	
<b>16.1.7 JS Investments Staff Provident Fund</b>		
<b>Employee benefit plan</b>		
Reimbursement of expenses from the fund	-	156,966
Provident Fund contributions made	5,552,716	4,334,848
<b>16.1.8 JS Global Capital Limited</b>		
<b>Basis of relationship - Subsidiary of the Parent Company</b>		
Expenses paid on behalf of the Company	375,787	214,168
Reimbursement of expenses from the Company	492,571	278,200
Rent Paid	-	6,451,212
<b>16.1.9 JS Lands (Private) Limited</b>		
<b>Basis of relationship - Common Substantial Shareholder</b>		
Rent Paid	-	14,689,416
Miscellaneous expenses paid	13,199,363	7,708,657
Refund of rent to JSIL	14,378,133	-
<b>16.1.10 Transactions with substantial shareholder of the Ultimate Parent Company</b>		
Use of name and advisory for the period	7,500,000	7,500,000
<b>16.1.11 Transactions made with Directors and key personnel</b>		
Remuneration	75,979,751	55,844,688
Directors fee	439,998	445,000
Disbursement of personal loans and advances	1,361,033	813,033
Repayments of loans and advances	910,710	755,506
<b>16.2 Balance outstanding with related parties</b>	<b>(Un-Audited)</b>	<b>(Audited)</b>
	June 30, 2023	December 31, 2022
	(Rupees)	
<b>16.2.1 Funds under management</b>		
<b>Basis of relationship - Funds managed by the company</b>		
Receivable from the funds under management	188,406,958	167,863,360
Payable to funds under management	3,688,737	2,783,318
<b>16.2.2 JS Bank Limited</b>		
<b>Basis of relationship - Parent Company</b>		
Bank Balance	15,144,303	14,737,077
Other Receivable	1,465,064	1,465,064
Rent receivable	2,409,149	2,409,149

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

	(Un-Audited)	(Audited)
	June 30, 2023	December 31, 2022
	(Rupees)	
<b>16.2.3 Jahangir Siddiqui &amp; Sons Limited</b>		
<b>Basis of relationship - Common ownership of the substantial shareholder</b>		
Rent receivable	2,486,352	2,486,352
<b>16.2.4 Jahangir Siddiqui Securities Services Ltd</b>		
<b>Basis of relationship - Common ownership of the substantial shareholder</b>		
Rent receivable	94,429	94,429
<b>16.2.5 Associated company - JS Private Equity</b>		
<b>Basis of relationship - Common Substantial Shareholder</b>		
Other Receivable	1,625,826	1,625,826
Rent receivable	930,938	930,938
<b>16.2.6 Associated company - Mahvash &amp; Jahangir Siddiqui Foundation</b>		
<b>Basis of relationship - Common directorship of the group</b>		
Rent receivable	379,929	379,929
<b>16.2.7 Associated company - JS Global Capital Limited</b>		
<b>Basis of relationship - Subsidiary of the Parent Company</b>		
Other Receivable	955,226	1,902,030
Rent receivable	181,957	181,957
<b>16.2.8 JS Investments Staff Provident Fund</b>		
<b>Employee benefit plan</b>		
Other Receivable	-	468
<b>16.2.9 JS Lands (Private) Limited</b>		
<b>Basis of relationship - Common Substantial Shareholder</b>		
Other Payable	2,618,079	2,282,942
Security deposit	-	2,023,467
Receivable against advance rent	-	12,447,629
Rent payable	9,815	9,815
<b>16.2.10 Outstanding from key management personnel</b>		
Receivable against loans and advances	1,261,332	936,009
Directors' fee payable	664,999	525,000
<b>16.2.11 Key management personnel and directors hold 5,000 shares in the Company</b>		
<b>16.3</b> Other balances outstanding with related parties as at reporting date have been disclosed in the relevant balance sheet notes.		
<b>16.4</b> Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Management considers all members of the management team, including the Chief Executive Officer and Directors to be key management personnel.		

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

## 17 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).

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

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

**Level 1:** Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

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

	June 30, 2023 (Un-Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets at fair value through profit or loss</b>				
Units of mutual funds - Related Parties	-	1,064,567,152	-	1,064,567,152
Term finance certificate	-	-	125,000,000	125,000,000
Long-term investment - Shares	-	-	265,000	265,000
	<u>-</u>	<u>1,064,567,152</u>	<u>125,265,000</u>	<u>1,189,832,152</u>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2023

	December 31, 2022 (Audited)			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
<b>Financial assets at fair value through profit or loss</b>				
Units of mutual funds - Related Parties	-	1,034,071,682	-	1,034,071,682
Term finance certificate	-	-	125,000,000	125,000,000
Long-term investment - Shares	-	-	265,000	265,000
	<u>-</u>	<u>1,034,071,682</u>	<u>125,265,000</u>	<u>1,159,336,682</u>

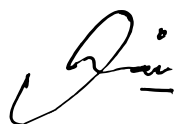
17.1 During the period, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

## 18 GENERAL

18.1 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.

18.2 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.

18.3 These condensed interim financial information were authorised for issue on August 18, 2023 by the Board of Directors of the Company.



Chief Financial Officer



Chief Executive Officer



Director



## JS INVESTMENTS OFFICES

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