

JS Investments Limited

Quarterly Report for the period
ended March 31, 2021

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VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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

JS Investments Limited

COMPANY INFORMATION

Board of Directors

Mr. Suleman Lalani	Chairman
Ms. Iffat Zehra Mankani*	Chief Executive Officer
Mr. Hasan Shahid	Non-Executive Director
Mr. Tahir Ali Sheikh	Non-Executive Director
Mr. Asif Reza Sana	Independent Director
Ms. Aisha Fariel Salahuddin	Independent Director
Mr. Zahid Ullah Khan**	Non-Executive Director
Mr. Imran Haleem Shaikh	Non-Executive Director

* Ms. Iffat Zehra Mankani has been appointed as Chief Executive Officer of JS Investments Limited w.e.f April 15, 2021 in place of Mr. Hasnain Raza Nensey.

** Mr. Zahid Ullah Khan has been appointed as Director on the Board of JS Investments Limited w.e.f March 18, 2021 in place of Mr. Kamran Jafar.

Chief Executive Officer

Ms. Iffat Zehra Mankani

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Director Finance/Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

KPMG Taseer Hadi & Co.

Legal Advisors

Bawaney and Partners

BOARD COMMITTEES

Audit Committee

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

Human Resource & Remuneration Committee

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

Executive Risk Management Committee

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

Share Registrar

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

Registered Office

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



DIRECTORS' REPORT TO THE SHAREHOLDERS

For the period ended March 31, 2021

"We are pleased to present the unconsolidated financial statements of JS Investments Limited (JSIL) for the period ended March 31, 2021."

Economic Review:

The year 2021 started on a positive note as several global pharmaceutical companies announced corona virus vaccines with efficacy rates higher than 70% that renewed hopes of worldwide economic recovery as early as first half of the calendar year. Pakistan's economic conditions also started to improve as the country's second coronavirus wave had almost subsided and businesses ramped up their operations to full capacities. However, the economic recovery was overshadowed in the second half of the quarter by rising inflation and emergence of the third wave.

Similarly, the IMF program has also resumed after a yearlong suspension with another disbursement of USD 500 million. The performance targets remain largely unchanged and the government is expected to achieve the set targets barring any political distraction and escalation of the coronavirus situation.

The current account improved considerably during the first quarter of the calendar year as the country reported a lower deficit of USD 279 million compared to USD 732 million in the same period last year. The improvement was led by 22% growth in remittances and 5% growth in exports. As a result, foreign reserves continued to strengthen and PKR/USD parity also improved with the PKR trading at 153 to the dollar in March 2020 as compared to 160 at the start of the year.

Lastly, CPI inflation increased from 5.7% in January 2021 to 9.1% in March 2021 due to low base effect. Despite the increasing inflation, the State Bank of Pakistan continues to maintain a dovish policy stance as it has shifted its focus towards economic recovery stimulation.

Equity Market Review:

During the first quarter of 2021, the KSE-100 returned 1.9% closing at 44,589 points while the KSE-30 and KMI-30 indices returned 0.5% and 2.6%, respectively. The equity market performance was marred by concerns on rising inflation and economic slowdown amid resurgence of coronavirus cases. Furthermore, political pressure from the opposition parties also created uncertainty regarding the market's future performance.

Technology & Communication sector was the largest contributors to the KSE-100 index at 810 points, followed by Cement sector at 474 points and Power Generation & Distribution sector at 188 points. On the other hand, Commercial Bank and the Fertilizer sectors were the major laggards with -355 and -165 points, respectively.

Income & Money Market Review:

During the period under review, the State Bank of Pakistan maintained the Policy Rate at 7% in order to stimulate demand and offset the impact of coronavirus pandemic on the economy. This has led to the yield curve once again becoming upward sloping with longer tenor Pakistan Investment Bonds (PIBs) returning a higher yield than shorter tenor Treasury Bills. Therefore, the cut-off yields have increased considerably in fixed rate PIBs. Similarly, secondary market yields for longer tenor PIBs have also improved by ~50 – 100bps from their lows.

Recently, the bidding has tilted in favor of shorter tenor treasury bills in anticipation of a policy rate hike on the back of increasing inflation. Consequently, the cut-off yields for the 3 month, 6 month and 12 month treasury bills have increased during the period under review.

JS Investments Limited

Mutual Fund Industry Review:

At the end of 1QCY21, Assets Under Management (AUM) of the mutual fund industry stood at PKR 985 billion (excluding Fund of Funds structures) showing a growth of 4.1% (PKR 38.4 billion) from a December 2020 level of PKR 946 billion. The industry-wide main focus has been on the Cash & Income Funds category with a net inflow of PKR. 21 billion. Interestingly, this quarter, the split of this inflow was Rs. 4 billion in conventional whereas Rs. 17 billion was in the Shariah Compliant space showing the strong growth trend and future potential of the latter. Customers adopted a risk-averse strategy and favored Income and Money market funds which enjoyed a massive inflow during the period. As equity markets stabilize and confidence returns, we like other AMCs expect inflows into the equity space to increase this area is very critical for the income generation of AMCs.

Company's Performance Review:

JSIL posted a net after-tax loss of PKR 55.65 million (LPS of PKR 0.90) for the period ended March 31, 2021, vs. a loss of PKR 276 million (LPS of PKR 4.47) in 2020. Due to stagnant equity market performance on account of COVID 19, the Industry-wide main focus has been on low margin products like Cash & Income Funds category resulted in a substantial decline in the management fee earning of the Company.

The recovery of mutual fund / VPS portfolio values going forward is expected to contribute positively to the profitability of the AMC. The Company earned management remuneration from funds under management (including Separately Managed Accounts - SMAs) of PKR 41.68 million compared to PKR 57.38 million during the corresponding period last year. The assets under management (excluding SMAs & Fund of Funds) were PKR 22.88 billion as on March 31, 2021 compared to PKR 23.80 billion as of December 31, 2020, depicting an decrease of 4%.

Asset Manager Rating

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

Acknowledgment

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

On behalf of the Board

Director

Chief Executive Officer

April 23, 2021
Karachi

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ سہ ماہی 31 مارچ 2021

ہم 31 مارچ 2021 کو ختم ہونے والی مدت کے لیے بے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے غیر مجتمع مالیاتی گوشوارے پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

معیشت کا جائزہ

سال 2021 کا آغاز مثبت انداز میں ہوا جب متعدد عالمی دوا ساز کمپنیوں نے 70% سے زیادہ افادیت کی شرح کے ساتھ کورونا ویکسین کا اعلان کیا جس نے کلینڈر سال کی پہلی ششماہی کے اوائل میں دنیا بھر میں معاشی بحالی کی امیدوں کو تازہ کر دیا۔ پاکستان کے معاشی حالات میں بھی بہتری آنا شروع ہو گئی کیونکہ ملک کی کورونا وائرس کی دوسری لہر تقریباً کم ہو گئی اور کاروباروں نے اپنی کاروائیوں کو پوری صلاحیتوں تک بڑھا دیا۔ تاہم، سہ ماہی کے دوسرے نصف حصے میں بڑھتے ہوئے افراط زر اور تیسری لہر کے ابھرنے سے معاشی بحالی سست پڑ گئی۔

اسی طرح، آئی ایم ایف پروگرام ایک سال کے طویل تعطل کے بعد ایک بار پھر 500 ملین امریکی ڈالر کی ادائیگی کے ساتھ شروع ہو گیا ہے۔ کارکردگی کے اہداف میں عموماً کوئی تبدیلی نہیں ہے اور توقع ہے کہ حکومت مقررہ اہداف کو حاصل کرنے میں کامیاب ہو جائے گی بشرط یہ کہ کسی سیاسی اضطراب یا کورونا وائرس کی صورتحال میں اضافے سے کوئی رکاوٹ نہ پیدا ہو جائے۔

کلینڈر سال کی پہلی سہ ماہی کے دوران کرنٹ اکاؤنٹ میں نمایاں طور پر بہتری آئی اور ملک میں 279 ملین امریکی ڈالر کا کم خسارہ ریکارڈ ہوا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں 732 ملین امریکی ڈالر کا خسارہ ہوا تھا۔ اس بہتری کی بناء پر ترسیلات زر میں 22% اور برآمدات میں 5% اضافہ ہوا۔ اس کے نتیجے میں غیر ملکی ذخائر مضبوط رہے اور USD / PKR یکسانیت میں بھی بہتری آئی اور مارچ 2020 میں ڈالر کے مقابلے میں روپے کی قیمت 153 پاکستانی روپے رہی جو سال کے آغاز پر 160 روپے تھی۔

آخر کار اثر کی وجہ سے، جنوری 2021 میں سی پی آئی افراط زر میں 5.7% اضافہ اور مارچ 2021 میں 9.1% اضافہ ہوا۔ بڑھتے ہوئے افراط زر کے باوجود، اسٹیٹ بینک آف پاکستان نے بدستور نرم پالیسی کے سلسلے کو برقرار رکھا اس نے اپنی توجہ معاشی بحالی کے محرک کی طرف موڑ دی ہے۔

ایکویٹی مارکیٹ کا جائزہ

2021 کی پہلی سہ ماہی کے دوران، KSE-100 1.9% منافع کے ساتھ 44,589 پوائنٹس پر بند ہوا جب کہ KSE-30 اور KMI-30 انڈیس کا منافع بالترتیب 0.5% اور 2.6% رہا۔ مارکیٹ کی کارکردگی بڑھتے ہوئے افراط زر اور کورونا وائرس کیسز میں اضافے کے ساتھ معاشی سست روی پر تحفظات کی بنا پر خراب رہی۔ اس کے علاوہ اپوزیشن پارٹیز کی جانب سے سیاسی دباؤ نے بھی مارکیٹ کی مستقبل کی کارکردگی سے متعلق غیر یقینی کیفیت پیدا کر دی۔

ٹیکنالوجی اور کمیونیکیشن سیکٹر کا 810 پوائنٹس کے ساتھ KSE-100 انڈیکس میں سب سے بڑا حصہ رہا، جس کے بعد سیمنٹ سیکٹر 474 پوائنٹس اور پاور جنریشن اور ڈسٹری بیوٹن سیکٹر 188 پوائنٹس پر رہے۔ دوسری طرف، کمرشل بینکس اور فریٹ لائزرز کے شعبے بالترتیب 355- اور 165- پوائنٹس کے ساتھ سب سے زیادہ پیچھے رہے۔



ایسیٹ مینیجر ریٹنگ

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

اظہار تشکر

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

بجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی: 23 اپریل 2021

FINANCIAL STATEMENTS

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

		(Un- Audited) March 31, 2021	(Audited) December 31, 2020
-----Rupees-----			
ASSETS			
Non - current assets			
Property and equipment	7	382,084,907	399,187,334
Intangible assets	8	12,631,355	12,235,839
Long-term investment in a subsidiary (at cost)		37,500,000	37,500,000
Long-term loans and prepayments - considered good		2,968,856	2,252,802
		435,185,118	451,175,975
Current assets			
Balances due from funds under management - related parties		109,207,432	109,501,155
Loans and advances - considered good		2,034,500	3,810,261
Trade deposits, short term prepayments and other receivables		68,454,304	56,610,095
Other financial assets - investments	9	1,489,217,185	1,585,292,142
Taxation - net		87,807,170	89,466,101
Cash and bank balances	10	18,812,829	9,433,434
		1,775,533,420	1,854,113,188
Total assets		2,210,718,538	2,305,289,163
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		617,742,560	617,742,560
Unappropriated profit		1,101,596,331	1,157,244,225
Surplus on revaluation of fixed assets - net of tax		-	-
		1,719,338,891	1,774,986,785
LIABILITIES			
Non - current liabilities			
Deferred Liabilities		784,127	1,301,172
Long term financing		66,566,449	75,581,938
Liability against assets subject to finance lease		236,165,650	260,150,050
Current liabilities			
Accrued and other liabilities	12	160,814,097	166,112,386
Unclaimed dividend		5,075,204	5,182,716
Current maturity of liability against assets subject to finance lease		21,974,117	21,974,117
Total liabilities		491,379,644	530,302,378
Total equity and liabilities		2,210,718,538	2,305,289,163
Contingencies and commitments	13		

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

Chief Executive Officer

Chief Financial Officer

Director

JS Investments Limited

UNCONSOLIDATED CONDENSED INTERIM PROFIT OR LOSS ACCOUNT (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

Note	March 31, 2021	March 31, 2020
	-----Rupees-----	
INCOME		
Remuneration from funds under management - gross	46,365,345	64,367,400
Less: Sindh sales tax	<u>(5,418,034)</u>	<u>(7,405,099)</u>
	41,031,279	56,962,301
Commission from open end funds under management	102,112	303,664
Dividend income	517,254	-
Net unrealised loss on revaluation of investments classified as at fair value through profit or loss	(19,044,665)	(250,008,205)
Net gain on sale of investments	7,178,353	6,042,048
Return on bank deposits under interest / mark-up arrangements	775,215	1,451,658
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	645,904	416,965
Return on debt security	<u>2,735,233</u>	<u>4,649,454</u>
	33,940,686	(180,182,115)
Administrative expenses	(80,022,801)	(75,397,316)
Selling and distribution expenses	<u>(2,176,531)</u>	<u>(12,322,694)</u>
OPERATING LOSS	<u>(48,258,646)</u>	<u>(267,902,125)</u>
Financial charges	<u>(8,421,857)</u>	<u>(8,748,858)</u>
	(56,680,503)	(276,650,983)
Other income	<u>4,434,991</u>	<u>7,889,635</u>
Loss for the period before tax	<u>(52,245,512)</u>	<u>(268,761,348)</u>
Income tax		
- Current	<u>(3,402,350)</u>	<u>(7,237,878)</u>
- Deferred	<u>(3,402,350)</u>	<u>(7,237,878)</u>
Loss for the period after tax	<u>(55,647,862)</u>	<u>(275,999,226)</u>
Loss per share for the period - basic and diluted	14 <u>(0.90)</u>	<u>(4.47)</u>

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

Chief Executive Officer

Chief Financial Officer

Director



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020		
	-----Rupees-----			
Net loss for the period	(55,647,862)	(275,999,226)		
Other comprehensive income / (loss)	<table border="1"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1"><tr><td style="text-align: center;">-</td></tr></table>	-
-				
-				
Total comprehensive loss for the period	<u>(55,647,862)</u>	<u>(275,999,226)</u>		

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

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	----- Rupees -----		
Balance as at January 01, 2020	617,742,560	1,197,045,225	1,814,787,785
Total comprehensive loss for the period ended March 31, 2020	-	(275,999,227)	-
Balance as at March 31, 2020	<u>617,742,560</u>	<u>921,045,998</u>	<u>1,538,788,558</u>
Balance as at January 01, 2021	617,742,560	1,157,244,225	1,774,986,785
Total comprehensive loss for the period ended March 31, 2021	-	(55,647,862)	-
Balance as at March 31, 2021	<u>617,742,560</u>	<u>1,101,596,363</u>	<u>1,719,338,919</u>

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

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

Note	March 31, 2021	March 31, 2020
-----Rupees-----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period before taxation	(52,245,512)	(268,761,348)
Adjustment for:		
Remuneration from funds under management - net	(41,031,279)	(56,962,301)
Commission from open end funds under management	(102,112)	(303,664)
Dividend income	(517,254)	-
Depreciation expense	17,405,203	18,148,518
Amortisation expense	1,259,590	1,188,183
Financial charges	8,421,857	8,748,858
Return on bank deposits under interest / mark-up arrangements	(775,215)	(1,451,658)
Net gain on sale of investments classified as 'at fair value through profit or loss'	(7,178,353)	(6,042,048)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'	19,044,665	250,008,205
Gain on disposal of property and equipment	(80,000)	(3,918,865)
	(55,798,410)	(59,346,120)
Working capital changes		
Loans and advances - considered good	1,059,707	179,703
Trade deposits, short term prepayments and other receivables	(11,844,209)	(14,537,584)
Accrued and other liabilities	(14,830,856)	6,421,415
	(25,615,358)	(7,936,466)
	(81,413,768)	(67,282,586)
Taxes paid - net	(1,743,419)	(6,585,207)
Remuneration and commission received from funds under management	41,427,114	68,090,313
Net cash used in operating activities	(41,730,073)	(5,777,480)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Investments made) / proceeds from sale of investments - net	84,208,649	315,000,000
Payments for purchase of property, equipment and intangible assets	(1,957,882)	(2,787,322)
Dividends received	517,254	-
Return on bank deposits under interest / mark-up arrangements	775,215	1,451,658
Sale proceeds from disposal of property and equipment	80,000	10,466,000
Net cash generated from investing activities	83,623,236	324,130,336
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(107,512)	(244,657,856)
Payment of lease liability	(23,984,400)	(44,438,062)
Financial charges paid	(8,421,857)	(8,748,858)
Running Finance Facility Obtained	15.1.3 85,000,000	-
Running Finance Facility Settled	15.1.3 (85,000,000)	-
Net cash used in financing activities	(32,513,769)	(297,844,776)
Net (decrease) / increase in cash and cash equivalents	9,379,394	20,508,080
Cash and cash equivalents at beginning of the period	9,433,434	13,440,272
Cash and cash equivalents at end of the period	18,812,829	33,948,351

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

Chief Executive Officer

Chief Financial Officer

Director

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

FOR THE QUARTER ENDED MARCH 31, 2021

1. STATUS AND NATURE OF BUSINESS

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

The Company has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license and REIT Management Services license from Securities and Exchange Commission of Pakistan (SECP).

- 1.2 The Company is an asset management company, pension fund and private equity and venture capital manager for the following funds at quarter ended March 31, 2021:

Open-end mutual funds

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2 - *Fully matured in March 2021*
- JS Islamic Hybrid Fund of Funds - 3
- JS Islamic Dedicated Equity Fund
- JS Islamic Daily Dividend Fund

Private Equity and Venture Capital Fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

- 1.3 This unconsolidated condensed interim financial information is separate financial information of the Company in which the investment in subsidiary is stated at cost.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These unconsolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act;
- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions and directives issued under the Act, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Act, the NBFC Rules and the NBFC Regulations have been

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

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

3 BASIS OF MEASUREMENT

- 3.1** These unconsolidated financial statements have been prepared under historical cost convention except for certain investments which are stated at fair value.
- 3.2** This unconsolidated condensed interim financial information has been presented in Pakistani Rupee, which is the Company's functional and presentation currency.

4 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these unconsolidated condensed interim financial statements are consistent with those followed in the preparation of the unconsolidated annual audited financial statements for the year ended December 31, 2020

4.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 3	Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1	Classification of Liabilities as Current or Non-current (Amendment)	01 January 2022*
IAS 16	Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37	Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10 / IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendment)	Not yet finalised

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 9	Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41	Agriculture – Taxation in fair value measurements	01 January 2022

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation		Effective date (annual periods beginning on or after)
IFRS 1	First time adoption of IFRSs	01 January 2009
IFRS 17	Insurance Contracts	01 January 2023

JS Investments Limited

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

The preparation of these unconsolidated condensed interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

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

6 SIGNIFICANT EVENTS

6.1 The World Health Organization declared Corona Virus (COVID-19) as a global pandemic on January 30, 2020. COVID-19 has spread throughout the country and measures taken by the Government of Pakistan to reduce the spread of the COVID-19 include lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is currently continuing their operations to serve customers by observing Government instructions and taking necessary steps such as observing health precautions, limiting the number of working hours and implementation of remote working protocols wherever possible. The Company's management and Board is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions. Whilst the management of the Company does not expect any significant impacts on the financial health of the Company in the short term, the full extent and duration of the impact of COVID-19 on the Company's operations and financial performance in the long term will depend on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on financial markets on a macro-economic level.

6.2 Since JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL were therefore desirous of merging JSACL with and into JSIL. Accordingly, a draft Scheme of Arrangement under Section 284 of the Companies Act, 2017, for Merger/Amalgamation of JS ABAMCO Commodities Limited with and into JS Investments Limited was prepared and submitted to the Commission for seeking its permission under Rule 7(2) (cb) of NBFC Rules 2003. The Securities and Exchange Commission of Pakistan vide its letter January 13, 2021 granted its 'No Objection' to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. Subsequent to SECP's concurrence, the Board of Directors of the Company at its meeting held on February 19, 2021 has decided to proceed with the Merger/Amalgamation of JSACL with and into JSIL at an effective date of March 31, 2021. The material information in this regards was disseminated to the Exchange and SECP after the Boards' approvals. Thereafter, as required by the section 284 of the Companies Act, 2017, the Scheme of Amalgamation, duly approved by the Board submitted to Companies Registration Office alongwith Form-35. As soon as the clearance from the CRO will receive then we will proceed further under supervision of legal counsel of the Company. The matter is under observation by the SECP due to some clarification which will be resolved shortly.

	Note	(Un-Audited)	(Audited)
		March 31, 2021	December 31, 2020
		Rupees -----	
7 PROPERTY AND EQUIPMENT			
Opening written down value		172,558,300	215,524,830
Additions during the period	7.1	1,195,954	4,575,740
Disposals during the period	7.2	-	(11,411,477)
Depreciation for the period		(8,816,453)	(36,130,792)
		164,937,801	172,558,300
Capital work-in-progress - advance against purchase of assets		718,762	1,611,934
Right of use of assets		216,428,349	225,017,100
		382,084,907	399,187,334

		(Un-Audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees -----	
7.1	The following additions were made to tangible - property and equipment during the period :		
	Furniture and fixtures	325,000	-
	Office equipment	870,954	1,811,924
	Lease hold improvement	-	2,763,816
		<u>1,195,954</u>	<u>4,575,740</u>
		(Un-Audited) March 31, 2021	(Audited) December 31, 2020
		----- Rupees -----	
7.2	The following disposals of tangible - property and equipment		
	Office equipment	-	(128,309)
	Vehicles	-	(11,283,168)
		<u>-</u>	<u>(11,411,477)</u>

8 INTANGIBLE ASSETS

Opening written down value	12,235,839	15,323,841
Additions during the period / year	1,655,107	1,889,920
Amortisation for the period / year	<u>(1,259,591)</u>	<u>(4,977,922)</u>
	<u>12,631,355</u>	<u>12,235,839</u>

9 OTHER FINANCIAL ASSETS - INVESTMENTS

At fair value through profit or loss'

Units of mutual funds - related parties	9.1	1,364,217,185	1,460,292,142
Term Finance Certificate	9.2	125,000,000	125,000,000
		<u>1,489,217,185</u>	<u>1,585,292,142</u>

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

Number of Units		(Un-Audited) March 31, 2021		(Audited) December 31, 2020	
March 31, 2021	December 31, 2020	Average cost	Fair value ----- Rupees -----	Fair value	Fair value
525,769	456,110	52,150,314	52,939,632	45,150,314	
3,305	3,305	217,563	219,711	217,563	
76,142	76,142	3,659,391	3,684,518	3,659,391	
49,068	49,068	3,698,234	3,725,221	3,698,234	
1,000,000	1,000,000	97,700,000	86,540,000	97,700,000	
1,195,157	1,343,094	261,763,340	254,640,271	286,643,090	
1,603,578	1,937,116	295,875,216	289,525,955	348,448,361	
205,210	205,210	98,131,485	98,568,582	98,131,485	
137,349	137,349	41,339,299	41,972,478	41,339,299	
177,463	177,463	43,073,920	43,741,183	43,073,920	
4,195,940	2,822,294	266,582,560	267,239,387	179,582,560	
182,354	182,354	119,968,655	120,854,893	119,968,655	
213,852	213,852	51,942,438	52,767,906	51,942,438	
222,303	222,303	47,159,436	47,797,447	47,159,436	
-	382,292	-	-	40,435,029	
-	407,754	-	-	40,775,361	
-	123,571	-	-	12,367,005	
		<u>1,383,261,850</u>	<u>1,364,217,185</u>	1,460,292,141	
		Unrealized diminution on remeasurement at fair value - net			
		<u>(19,044,665)</u>	-	-	
		<u>1,364,217,185</u>	<u>1,364,217,185</u>	<u>1,460,292,142</u>	

JS Investments Limited

9.2 Investment in Debt Security - Term Finance Certificate

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

	Note	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
----- Rupees -----			
10 CASH AND BANK BALANCES			
Cash in hand		123,067	75,302
Cash at bank in:			
Current accounts		1,149,734	1,168,596
Savings accounts	10.1	17,540,029	8,189,536
		<u>18,689,762</u>	<u>9,358,132</u>
		<u>18,812,829</u>	<u>9,433,434</u>

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

10.2 It includes Rs.15.857 (December 31, 2020: Rs.6.563) million held with JS Bank Limited (the Parent Company).

11 DEFERRED TAXATION

As of March 31, 2021, the Company has accumulated tax losses of Rs.361.211 million and the deferred tax asset on such losses works out to Rs.104.751 million. The Company has only recognized deferred tax asset on such losses to the extent of deferred tax liability of Rs. 3.21 million pertaining to operating fixed assets, right of use assets, investments & lease obligation. Unrecognized deferred tax asset on carried forward business losses as of March 31, 2021, is amounting to Rs.101.53 million.

12 ACCRUED AND OTHER LIABILITIES

12.1 This includes Rs.92.245 (December 31, 2020: Rs.92.245) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note # 18.1 to the unconsolidated annual financial statements of the Company for the year ended December 31, 2020.

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

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

13.2 Commitments in respect of:

Use of name and advisory payment - a related party

11,250,000 15,000,000

(Un-Audited)

Quarter ended

March 31, March 31,

2021 2020

----- Rupees -----

14 LOSS PER SHARE

Loss for the period	Rupees:	<u>(55,647,862)</u>	<u>(275,999,226)</u>
Weighted average number of ordinary shares outstanding during the period	Number:	<u>61,774,256</u>	<u>61,774,256</u>
Loss per share	Rupees:	<u>(0.90)</u>	<u>(4.47)</u>

JS Investments Limited

15.1.4	Associated company - JS PE Management Limited		
	Basis of relationship - Common Substantial Shareholder		
	Amount Received	-	720,197
15.1.5	Associated company - EFU General Insurance		
	Percentage of shareholding - JSCL holds 21.10%		
	Insurance premium paid	2,598,764	2,973,958
15.1.6	Associated company - EFU Life Assurance		
	Percentage of shareholding - JSCL holds 20.05%		
	Insurance premium paid	1,422,651	1,168,226
15.1.7	Associated company - JS Investments Staff Provident Fund (the Fund)		
	Basis of relationship - Employee benefit plan		
	Amount Paid	81,989	46,006
	Amount Received	468	46,006
	Provident fund contributions made	2,256,791	2,236,844
15.1.8	Associated company - JS Global Capital Limited (JSGCL)		
	Basis of relationship - JSBL holds 83.53% shares of JSGCL		
	Amount Paid	146,787	143,162
	Amount Received	328,368	453,296
	Rent Paid	2,048,004	-
15.1.9	Subsidiary company - JS ABAMCO Commodities Limited (JSACL)		
	Basis of Relationship - Subsidiary		
	Percentage of shareholding - 100% of JSIL		
	Amount Paid	105,000	153,025
15.1.10	Common Substantial Shareholder - JS Lands (Private) Limited		
	Basis of Relationship - Common Substantial Shareholder		
	Rent Paid	7,831,572	9,257,360
	Amount Paid	3,785,647	3,563,835
15.1.11	Transactions made with key management personnel		
	Remuneration	33,434,596	32,002,823
	Directors fee	175,000	325,000
	Disbursements of personal loans and advances	736,000	1,103,000
	Repayments of loans and advances	1,323,081	936,824
	Use of name and Advisory for the period	3,750,000	3,750,000

	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
	----- Rupees -----	
15.2 Balance outstanding with related parties		
15.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	132,469,823	131,242,385
Payable to funds under management	39,065	337,601
15.2.2 Jahangir Siddiqui & Co. Ltd. (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other Payable	-	75,000
15.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 84.56% shares of JSIL		
Bank Balance	15,857,685	6,563,839
Other Receivable	1,465,064	1,465,064
Rent payable	-	33,942
Rent receivable	2,409,149	2,409,149
Other payables	71,556,775	80,925,089
15.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of the Group		
Other Receivable	558,385	558,385
Rent receivable	2,486,352	2,486,352
15.2.5 Associated company - Jahangir Siddiqui Securities Services Ltd		
Basis of relationship - JSCL holds 43.89% shares of JSSSL		
Other Receivable	29,887	29,887
Rent receivable	94,429	94,429
15.2.6 Associated company - JS PE Management Limited		
Basis of relationship - Common Substantial Shareholder		
Other Receivable	1,625,826	1,625,826
Rent receivable	930,938	930,938
15.2.7 Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	177,106	177,106
Rent receivable	379,929	379,929

JS Investments Limited

	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
	----- Rupees -----	
15.2.8 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	1,017,169	1,017,169
15.2.9 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other Receivable	601,093	782,674
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
15.2.10 Subsidiary company - JS ABAMCO Commodities Limited (JSACL)		
Basis of relationship - Subsidiary		
Percentage of Shareholding - 100% of the Company		
Other Receivable	719,141	614,141
15.2.11 Associated company - JS Investments Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Other Receivable	81,521	-
15.2.12 Common Substantial Shareholder - JS Lands (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other Payable	1,386,776	1,233,285
15.2.13 Outstanding from key management personnel	1,171,953	1,758,994
15.2.14 Key management personnel and directors hold 4,009 shares in the company		
15.3 Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.		
15.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.		
16 FAIR VALUE OF FINANCIAL AND OTHER ASSETS		

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

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

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

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

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

	MARCH 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,364,217,185	-	1,364,217,185
Term Finance Certificate		125,000,000		125,000,000
	-	1,489,217,185	-	1,489,217,185
	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,460,292,143	-	1,460,292,143
Term Finance Certificate		125,000,000		125,000,000
	-	1,585,292,143	-	1,585,292,142

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

- 16.1.1** Fair values of investment in mutual funds are measured on the basis of closing net asset value as announced by the respective Asset Management Company.
- 16.1.2** Investment in term finance certificate, issued by Bank AL Habib Limited, for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).

JS Investments Limited

16.2 During the period ended March 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

17 GENERAL

17.1 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA+ by a rating agency registered with the Commission, against financial losses that may be caused as a result of gross negligence of its employees.

17.2 During the year 2013 the Securities and Exchange Commission of Pakistan filed a Complaint No. 242 of 2013 against the Company and others in the Session Court allegedly for manipulating share price of ANL. Aggrieved by the complaint JSIL and others filed a constitution petition CPD 1985 of 2013 in the Honorable High Court of Sind to quash the complaint filed by SECP in the Session Court. The Honorable Court graciously granted the stay in the subject case, which is still effective.

As the stay order on the referred case has been granted by the Honorable High Court of Sindh the matter is Sine-die in Session Court without any future date being assigned. There has been no change in the status of the case and the matter is still pending the Court. As advised by the advisor there would be no possible legal action against the Company or its CEO / Directors / Officers and similarly, this will not pose any financial impact on the Company."

17.3 These unconsolidated condensed interim financial information were authorised for issue on April 23, 2021 by the Board of Directors of the Company.

17.4 The figures in the unconsolidated condensed interim financial information have been rounded off to the nearest rupee.

17.5 Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Chief Financial Officer

Director

DIRECTORS' REPORT TO THE SHAREHOLDERS ON CONSOLIDATED FINANCIAL STATEMENTS

For the period ended March 31, 2021

The Directors of your Company feel pleasure in presenting the consolidated financial statement of the Company for the period ended March 31, 2021.

Summary of operating results for the quarter ended March 31, 2021

	Quarter ended March 31, 2021	Quarter ended March 31, 2020
	Rs. (000)	
Shareholders' Equity	1,752,040	1,567,869
Financial Performance		
Income	52,991	69,837
Unrealized loss on investment	(17,900)	(248,142)
Operating expenses	(82,321)	(87,923)
Operating loss	(47,230)	(266,228)
Other expenses	(20)	(33)
Financial charges	(8,422)	(8,748)
Other operating income	4,435	7,889
Loss before tax	(51,237)	(267,120)
Taxation-net	(3,569)	(7,484)
Loss after tax	(54,806)	(274,604)
Loss per share - basic and diluted	(0.89)	(4.45)

On consolidated basis the Company posted loss of PKR. 54.806 million due to stagnant equity market performance on account of COVID 19, the Industry-wide main focus has been on low margin products like Cash & Income Funds category resulted in a substantial decline in the management fee earning of the Company. Further Subsidiary Company also not contributed much in performance due to non commencement of its core operations.

Subsidiary Company

JS ABAMCO Commodities Limited

JS ABAMCO Commodities Limited (the Company) was incorporated in Pakistan as a public limited company on September 25, 2007 under the repealed Companies Ordinance, 1984 and is a wholly owned subsidiary of JS Investments Limited (the holding company). The principal object of the Company is to carry out business in commodity market and related brokerage, advisory and consultancy services. The Company has not commenced its core operations of commodity, brokerage and related advisory services up to the balance sheet date.

Since JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL were therefore desirous of merging JSACL with and into JSIL. Accordingly, a draft Scheme of Arrangement under Section 284 of the Companies Act, 2017, for Merger/Amalgamation of JS ABAMCO Commodities Limited with and into JS Investments Limited was prepared and submitted to the Commission for seeking its permission under Rule 7(2) (cb) of NBFC Rules 2003. The Securities and Exchange Commission of Pakistan vide its letter January 13, 2021 granted its 'No Objection' to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. Subsequent to SECP's concurrence, the Board of Directors of the Company at its meeting held on February 19, 2021 has decided to proceed with the Merger/Amalgamation of JSACL with and into JSIL at an effective date of March 31, 2021. The material information in this regards was disseminated to the Exchange and SECP after the Boards' approvals. Thereafter, as required by the section 284 of the Companies Act, 2017, the Scheme of Amalgamation, duly approved by the Board submitted to Companies Registration Office alongwith Form-35. As soon as the clearance from the CRO will receive then we will proceed further under supervision of legal counsel of the Company. The matter is under observation by the SECP due to some clarification which will be resolved shortly.

JS Investments Limited

Internal Control Framework

The Board of Directors of the Company has a responsibility to ensure that internal financial controls systems of the company are adequate and effective.

Board of Directors

During the quarter ended March 31, 2021, following is the list of persons who were Directors of JS ABAMCO Commodities Limited (the Company):

Name

Mr. Hasnain Raza Nensey

Mr. Munawar Alam Siddiqui

Mr. Muhammad Khawar Iqbal

Mr. Malik Zafar Javaid

On behalf of the Board

Director

Chief Executive Officer

April 23, 2021
Karachi

ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ برائے مختتمہ سہ ماہی 31 مارچ 2021

آپ کی کمپنی کے ڈائریکٹرز 31 مارچ 2021ء کو ختم ہونے والی مدت کے لیے کمپنی کے مجتمع مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

31 مارچ 2021 کو ختم ہونے والی سماہی کے لیے کاروباری نتائج کا خلاصہ

31 مارچ 2021 کو ختم ہونے والی سماہی

31 مارچ 2020 کو ختم ہونے والی سماہی

روپے (000)

1,567,869	1,752,040	شیریز ہولڈرز کی ایکویٹی
		مالیاتی کارکردگی
69,837	52,991	آمدنی
(248,142)	(17,900)	سرمایہ کاری پر غیر متوقع نقصان
(87,923)	(82,321)	آپریٹنگ اخراجات
(266,228)	(47,230)	آپریٹنگ نقصان
(33)	(20)	دیگر اخراجات
(8,748)	(8,422)	مالیاتی چارجز
7,889	4,435	دیگر آپریٹنگ آمدنی
(267,120)	(51,237)	قبل از ٹیکس نقصان
(7,484)	(3,569)	ٹیکسیشن نیٹ
(274,604)	(54,806)	بعد از ٹیکس نقصان
(4.45)	(0.89)	آمدنی فی شیئر۔ بنیادی اور تھمیل شدہ

مجمع بنیاد پر کمپنی نے 54.806 ملین روپے کا نقصان درج کروایا، COVID 19 کی وجہ سے ایجوینی مارکیٹ کی کارکردگی پر جمود کے باعث تمام صنعتوں کی خاص توجہ کم مارجن کی پروڈکٹس جیسے کیش اینڈ انکم فنڈز کی کھلگاری پر رہی جس کے نتیجے میں کمپنی کی انتظامی فیس کی آمدنی میں زبردستی کمی آئی۔ مزید یہ کہ ڈیلی کمپنی نے بھی اپنی بنیادی کاروائیوں کے شروع نہ ہونے کے سبب کارکردگی میں زیادہ حصہ نہیں لیا۔

ذیلی کمپنی

JS ABAMCO کوڈ شیئر لمیٹڈ

JS ABAMCO کوڈ شیئر لمیٹڈ (دی کمپنی) کا قیام 25 ستمبر 2007 کو منسوخ شدہ کمپنیز آرڈینینس 1984 کے تحت بطور ایک پبلک لمیٹڈ کمپنی، پاکستان میں عمل میں آیا اور JS انویسٹمنٹس لمیٹڈ (دی ہولڈنگ کمپنی) کا کلی ملکیتی ذیلی ادارہ ہے۔ کمپنی کا بنیادی مقصد کموڈٹی مارکیٹ اور متعلقہ بروکریج، ایڈوائزری اور کنسلٹنٹس سروسز میں کاروبار کرنا ہے۔ کمپنی نے بیننس شیٹ تیار ہونے تک اپنے کموڈٹی، بروکریج اور متعلقہ ایڈوائزری سروسز کے مرکزی کاروباروں کا آغاز نہیں کیا ہے۔

JS ABAMCO کوڈ ٹریڈنگ لمیٹڈ (JSACL) اب Futures Broker کے کاروبار کو مزید جاری نہیں رکھنا چاہتا، اس لئے JSIL کے ڈائریکٹرز JSACL کو JSIL میں ضم کرنے کے خواہشمند ہیں۔ اس لئے JS ABAMCO کوڈ ٹریڈنگ لمیٹڈ کے JS انویسٹمنٹس لمیٹڈ کے ساتھ اور اس میں انضمام/ادغام کیلئے کمپنیز ایکٹ 2017 کے سیکشن 284 کے تحت "اسکیم آف آرٹینجمنٹ" کا ایک ڈرافٹ تیار کیا گیا اور منظوری کیلئے NBFC رولز 2003 کے رول (cb) (2) 7 کی تحت کمیشن کے پاس جمع کر دیا گیا۔ سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے اپنے خط مورخہ 13 جنوری 2021 میں نان بینکنگ فنانس کمپنیز (ایٹیلیمینٹ اینڈ ریگولیشنز) رولز 2003 کے رول (cb) (2) 7 کی رو سے انضمام/ادغام کی اسکیم کو "کوئی اعتراض نہیں" ("No Objection") دے دیا۔ SECP کی رضامندی کے بعد، کمپنی کے بورڈ آف ڈائریکٹرز نے 19 فروری 2021 کو منعقد ہونے والے اپنے اجلاس میں 31 مارچ 2021 کی موثر تاریخ پر JSACL کو JSIL میں اور ساتھ انضمام/ادغام کرنے کو آگے بڑھانے کا فیصلہ کیا ہے۔ بورڈ کی منظوری کے بعد اس سلسلے میں موجود مواد کی معلومات اکٹھی اور SECP تک پہنچادی گئیں۔ اس کے بعد کمپنیز ایکٹ 2017 کے سیکشن 284 کی ضرورت کے مطابق، انضمام کی اسکیم، بورڈ کی باضابطہ منظوری کے بعد کمپنیز رجسٹریشن آفس میں فارم-35 کے ساتھ جمع کروائی جا چکی تھی۔ جیسے ہی CRO سے کلیرنس ملے گی ویسے ہی ہم کمپنی کے قانونی کونسل کی نگرانی میں مزید کارروائی کریں گے۔ کچھ وضاحت کی بناء پر یہ معاملہ SECP کی زیر نگرانی ہے جسے جلد حل کر لیا جائے گا۔

انٹرنل فریم ورک

کمپنی کے بورڈ آف ڈائریکٹرز یقینی بنانے کے ذمہ دار ہیں کہ کمپنی کے انٹرنل کنٹرول سسٹمز مناسب اور موثر ہوں۔

بورڈ آف ڈائریکٹرز

31 مارچ 2021ء کو ختم ہونے والی سہ ماہی کے دوران JS ABAMCO کوڈ ٹریڈنگ لمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے:

نام

جناب حسین رضانیسی

جناب منور عالم صدیقی

جناب محمد خاور اقبال

جناب ملک ظفر جاوید

بجانب بورڈ

چیف ایگزیکٹو آفیسر

ڈائریکٹر

کراچی: 23 اپریل 2021

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	Note	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
-----Rupees-----			
ASSETS			
Non - current assets			
Property and equipment	7	382,084,907	399,187,334
Intangible assets	8	12,631,355	12,235,839
Advance for office premises		2,500,000	2,500,000
Deposit for membership (Pakistan Mercantile Exchange Limited)		1,000,000	1,000,000
Long-term loans and prepayments - considered good		2,968,856	2,252,802
		401,185,118	417,175,975
Current assets			
Balances due from funds under management - related parties		109,207,432	109,501,155
Loans and advances - considered good		2,034,500	3,810,261
Trade deposits, short term prepayments and other receivables		68,510,554	56,610,095
Other financial assets - investments	9	1,556,996,208	1,651,926,818
Taxation - net		88,550,883	90,209,815
Cash and bank balances	10	19,260,816	9,876,527
		1,844,560,393	1,921,934,671
Total assets		<u>2,245,745,511</u>	<u>2,339,110,646</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital		617,742,560	617,742,560
Unappropriated profit		1,134,297,101	1,189,103,056
		1,752,039,661	1,806,845,616
LIABILITIES			
Non - current liabilities			
Deferred Liabilities		784,127	1,301,172
Long term financing		66,566,449	75,581,938
Liability against assets subject to finance lease		236,165,650	260,150,050
Deferred taxation		305,935	140,148
Current liabilities			
Accrued and other liabilities	12	162,834,364	167,934,889
Unclaimed dividend		5,075,204	5,182,716
Current maturity of liability against assets subject to finance lease		21,974,117	21,974,117
Total liabilities		493,705,847	532,265,030
Total equity and liabilities		<u>2,245,745,511</u>	<u>2,339,110,646</u>
Contingencies and commitments			

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

Chief Executive Officer

Chief Financial Officer

Director

JS Investments Limited

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

Note	March 31, 2021	March 31, 2020
	-----Rupees-----	
INCOME		
Remuneration from funds under management - gross	46,365,345	64,367,400
Less: Sindh sales tax	<u>(5,418,034)</u>	<u>(7,405,099)</u>
	41,031,279	56,962,301
Commission from open end funds under management	102,112	303,664
Dividend income	517,254	-
Net unrealised loss on revaluation of investments classified as at fair value through profit or loss	(17,900,318)	(248,142,498)
Net gain on sale of investments	7,178,353	6,042,048
Return on bank deposits under interest / mark-up arrangements	780,972	1,463,140
Remuneration and share of profit from management of discretionary and non discretionary client portfolios	645,904	416,965
Return on debt security	<u>2,735,233</u>	<u>4,649,454</u>
	35,090,790	(178,304,926)
Administrative expenses	(80,144,161)	(75,600,1554)
Selling and distribution expenses	<u>(2,176,531)</u>	<u>(12,322,694)</u>
OPERATING LOSS	<u>(47,229,902)</u>	<u>(266,228,174)</u>
Other expenses	(20,172)	(33,479)
Financial charges	<u>(8,421,857)</u>	<u>(8,748,858)</u>
	(55,671,931)	(275,010,511)
Other income	4,434,991	7,889,635
Loss for the period before tax	<u>(51,236,940)</u>	<u>(267,120,876)</u>
Income tax		
- Current	(3,402,350)	(7,237,878)
- Deferred	(166,665)	(246,747)
	<u>(3,569,015)</u>	<u>(7,484,625)</u>
Loss for the period after tax	<u>(54,805,955)</u>	<u>(274,605,502)</u>
Loss per share for the period - basic and diluted	<u>(0.89)</u>	<u>(4.45)</u>

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

Chief Executive Officer

Chief Financial Officer

Director



CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	March 31, 2021	March 31, 2020		
-----Rupees-----				
Net loss for the period	(54,805,955)	(274,605,502)		
Other comprehensive income / (loss)	<table border="1"><tr><td style="text-align: center;">-</td></tr></table>	-	<table border="1"><tr><td style="text-align: center;">-</td></tr></table>	-
-				
-				
Total comprehensive loss for the period	<u>(54,805,955)</u>	<u>(274,605,502)</u>		

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

Chief Executive Officer

Chief Financial Officer

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	subscribed and paid-up capital	Unappropriated profit	Total
	----- Rupees -----		
Balance as at January 01, 2020	617,742,560	1,224,731,955	1,842,474,515
Total comprehensive loss for the period ended March 31, 2020	-	(274,605,502)	-
Balance as at March 31, 2020	617,742,560	950,126,453	1,567,869,013
Balance as at January 01, 2021	617,742,560	1,189,103,056	1,806,845,616
Total comprehensive loss for the period ended March 31, 2021	-	(54,805,955)	-
Balance as at March 31, 2021	617,742,560	1,134,297,101	1,752,039,661

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

Chief Executive Officer

Chief Financial Officer

Director

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2021

	Note	March 31, 2021	March 31, 2020
Rupees			
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the period before taxation		(51,236,940)	(267,120,876)
Adjustment for:			
Remuneration from funds under management - net		(41,031,279)	(56,962,301)
Commission from open end funds under management		(102,112)	(303,664)
Dividend income		(517,254)	-
Depreciation expense		17,405,203	18,148,518
Amortisation expense		1,259,590	1,188,183
Financial charges		8,421,857	8,748,858
Return on bank deposits under interest / mark-up arrangements		(780,972)	(1,463,140)
Net gain on sale of investments classified as 'at fair value through profit or loss'		(7,178,353)	(6,042,048)
Net unrealised loss / (gain) on revaluation of investments classified as 'at fair value through profit or loss'		17,900,318	248,142,498
Gain on disposal of property and equipment		(80,000)	(3,918,865)
		(55,939,943)	(59,582,837)
Working capital changes			
Loans and advances - considered good		1,059,728	179,703
Trade deposits, short term prepayments and other receivables		(11,900,459)	(14,554,584)
Accrued and other liabilities		(14,633,954)	6,671,619
		(25,474,685)	(7,703,262)
		(81,414,628)	(67,286,099)
Taxes paid - net		(1,743,418)	(6,833,103)
Remuneration and commission received from funds under management		41,427,114	68,090,313
Net cash used in operating activities		(41,730,932)	(6,028,889)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Investments made) / proceeds from sale of investments - net		84,208,646	314,999,999
Payments for purchase of property, equipment and intangible assets		(1,957,882)	(2,783,807)
Dividends received		517,254	-
Return on bank deposits under interest / mark-up arrangements		780,972	1,463,140
Sale proceeds from disposal of property and equipment		80,000	10,466,000
Net cash generated from investing activities		83,628,990	324,145,332
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		(107,512)	(244,657,856)
Payment of lease liability		(23,984,400)	(44,191,316)
Financial charges paid		(8,421,857)	(8,748,858)
Running Finance Facility Obtained	15.1.3	85,000,000	-
Running Finance Facility Settled	15.1.3	(85,000,000)	-
Net cash used in financing activities		(32,513,769)	(297,598,030)
Net (decrease) / increase in cash and cash equivalents		9,384,289	20,518,413
Cash and cash equivalents at beginning of the period		9,876,527	13,866,415
Cash and cash equivalents at end of the period		19,260,816	34,384,828

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

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2021

1. STATUS AND NATURE OF BUSINESS

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

The Holding Company has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license and REIT Management Services license from Securities and Exchange Commission of Pakistan (SECP).

- 1.2 The Holding Company is an asset management company, pension fund and private equity and venture capital manager for the following funds at quarter ended March 31, 2021:

Open-end mutual funds

- JS Growth Fund
- JS Value Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Islamic Hybrid Fund of Funds
- JS Islamic Hybrid Fund of Funds - 2 - Fully matured in March 2021
- JS Islamic Hybrid Fund of Funds - 3
- JS Islamic Dedicated Equity Fund
- JS Islamic Daily Dividend Fund

Private Equity and Venture Capital Fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

- 1.3 This Consolidated condensed interim financial information is separate financial information of the Company in which the investment in subsidiary is stated at cost.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. Such standards comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act); and
- Provisions of and directives issued under the Act;
- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and
- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions and directives issued under the Act, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Act, the NBFC Rules and the NBFC Regulations have been followed.

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

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

3 BASIS OF MEASUREMENT

- 3.1** These consolidated financial statements have been prepared under historical cost convention except for certain investments which are stated at fair value.
- 3.2** This consolidated condensed interim financial information has been presented in Pakistani Rupee, which is the Company's functional and presentation currency.

4 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these Consolidated condensed interim financial statements are consistent with those followed in the preparation of the Consolidated annual audited financial statements for the year ended December 31, 2020

4.1 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan that are not yet effective in the current period

The following standards, amendments and improvements to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 3 Reference to the Conceptual Framework (Amendments)	01 January 2022
IAS 1 Classification of Liabilities as Current or Non-current (Amendments)	01 January 2022*
IAS 16 Proceeds before Intended Use (Amendments)	01 January 2022
IAS 37 Onerous Contracts – Costs of Fulfilling a Contract (Amendments)	01 January 2022
IFRS 10 / Sale or Contribution of Assets between an Investor and its	
IAS 28 Associate or Joint Venture (Amendment)	Not yet finalised

*The IASB has issued an exposure draft proposing to defer the effective date of the Amendments to IAS 1 to 01 January 2023.

Improvements to Accounting Standards Issued by the IASB

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 9 Financial Instruments – Fees in the '10 percent' test for derecognition of financial liabilities	01 January 2022
IAS 41 Agriculture – Taxation in fair value measurements	01 January 2022

Further, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective date (annual periods beginning on or after)
IFRS 1 First time adoption of IFRSs	01 January 2009
IFRS 17 Insurance Contracts	01 January 2023

JS Investments Limited

5 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

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

6 SIGNIFICANT EVENTS

6.1 The World Health Organization declared Corona Virus (COVID-19) as a global pandemic on January 30, 2020. COVID-19 has spread throughout the country and measures taken by the Government of Pakistan to reduce the spread of the COVID-19 include lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. The Company is currently continuing their operations to serve customers by observing Government instructions and taking necessary steps such as observing health precautions, limiting the number of working hours and implementation of remote working protocols wherever possible. The Company's management and Board is fully cognisant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions. Whilst the management of the Company does not expect any significant impacts on the financial health of the Company in the short term, the full extent and duration of the impact of COVID-19 on the Company's operations and financial performance in the long term will depend on future developments that are uncertain and unpredictable, including the duration and spread of the pandemic, its impact on financial markets on a macro-economic level.

6.2 Since JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL were therefore desirous of merging JSACL with and into JSIL. Accordingly, a draft Scheme of Arrangement under Section 284 of the Companies Act, 2017, for Merger/Amalgamation of JS ABAMCO Commodities Limited with and into JS Investments Limited was prepared and submitted to the Commission for seeking its permission under Rule 7(2) (cb) of NBFC Rules 2003. The Securities and Exchange Commission of Pakistan vide its letter January 13, 2021 granted its 'No Objection' to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. Subsequent to SECP's concurrence, the Board of Directors of the Company at its meeting held on February 19, 2021 has decided to proceed with the Merger/Amalgamation of JSACL with and into JSIL at an effective date of March 31, 2021. The material information in this regards was disseminated to the Exchange and SECP after the Boards' approvals. Thereafter, as required by the section 284 of the Companies Act, 2017, the Scheme of Amalgamation, duly approved by the Board submitted to Companies Registration Office alongwith Form-35. As soon as the clearance from the CRO will receive then we will proceed further under supervision of legal counsel of the Company. The matter is under observation by the SECP due to some clarification which will be resolved shortly.

7 PROPERTY AND EQUIPMENT

	Note	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
----- Rupees -----			
Opening written down value		172,558,300	215,524,830
Additions during the period	7.1	1,195,954	4,575,740
Disposals during the period	7.2	-	(11,411,477)
Depreciation for the period		(8,816,453)	(36,130,792)
		<u>164,937,801</u>	<u>172,558,300</u>
Capital work-in-progress - advance against purchase of assets		718,762	1,611,934
Right of use of assets		<u>216,428,349</u>	<u>225,017,100</u>
		<u><u>382,084,907</u></u>	<u><u>399,187,334</u></u>

JS Investments Limited

9.2 Investment in Debt Security - Term Finance Certificate

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

	Note	(Un-Audited)	(Audited)
		March 31, 2021	December 31, 2020
		----- Rupees -----	
10 CASH AND BANK BALANCES			
Cash in hand		123,067	75,302
Cash at bank in:			
Current accounts		1,169,934	1,188,796
Savings accounts	10.1	17,967,816	8,612,430
		<u>19,137,749</u>	<u>9,801,226</u>
		<u>19,260,816</u>	<u>9,876,527</u>
10.1	These carry mark-up at the rates ranging from 5.50% to 7.00% (2020: 9.50% to 13.70%)		
10.2	It includes Rs.15.857 (December 31, 2020: Rs.6.563) million held with JS Bank Limited (the Parent Company).		

11 DEFERRED TAXATION

As of March 31, 2021, the Company has accumulated tax losses of Rs.361.211 million and the deferred tax asset on such losses works out to Rs.104.751 million. The Company has only recognized deferred tax asset on such losses to the extent of deferred tax liability of Rs. 3.21 million pertaining to operating fixed assets, right of use assets, investments & lease obligation. Unrecognized deferred tax asset on carried forward business losses as of March 31, 2021, is amounting to Rs.101.53 million.

12 ACCRUED AND OTHER LIABILITIES

- 12.1** This includes Rs.92.245 (December 31, 2020: Rs.92.245) million payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note # 18.1 to the consolidated annual financial statements of the Company for the year ended December 31, 2020.
- 12.2** This includes Rs.10.839 (2020: Rs.10.839) million payable against Sindh Workers' Welfare Fund. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note # 18.2 to the annual audited financial statements for the year ended December 31, 2020.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

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

13.2 Commitments in respect of:

Use of name and advisory payment - a related party

11,250,000 15,000,000

(Un-Audited)	
Quarter ended	
March 31, 2021	March 31, 2020
----- Rupees -----	

14 LOSS PER SHARE

Loss for the period	Rupees:	<u>(54,805,955)</u>	<u>(274,605,502)</u>
Weighted average number of ordinary shares outstanding during the period	Number:	<u>61,774,256</u>	<u>61,774,256</u>
Loss per share	Rupees:	<u>(0.89)</u>	<u>(4.45)</u>

14.1 Diluted loss per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2021 and March 31, 2020 which would have any effect on the earning per share if the option to convert is exercised.

15 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company), JS Global Capital Limited, funds under management and other companies with common directorship, staff provident fund and key management employees. Contributions to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plans. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms. Transactions and balances with related parties can be summarised below:

		----- (Un-Audited) -----	
		March 31, 2021	March 31, 2020
		----- Rupees -----	
15.1	Transaction with related parties		
15.1.1	Transactions with the funds under management		
	Remuneration - net of taxes	40,867,091	56,962,301
	Commission Received	102,112	303,664
	Amount Paid	20,731,390	20,560,879
	Amount Received	19,975,118	14,655,315
	Dividend Received	517,254	-
	Investments made	886,577,260	-
	Investments disposed off / matured	970,785,909	315,000,000
15.1.2	Jahangir Siddiqui & Co. Ltd. (JSCL)		
	Basis of relationship - Ultimate parent company		
	Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
	Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	3,999,375	2,397,000
	Rent Paid	150,000	-
15.1.3	JS Bank Limited (JSBL)		
	Basis of relationship - Parent company		
	Percentage of shareholding - JSBL holds 84.56% shares of the Holding Company		
	Rent Paid	643,077	870,888
	Management fee sharing on distribution of mutual funds	631,331	2,960,724
	Return on bank deposits	775,219	847,226
	Running Finance Facility Obtained	85,000,000	-
	Running Finance Facility Settled	85,000,000	-
	Bank charges and Interest on Running Finance	376,718	-

JS Investments Limited

15.1.3.1 During the period, JS Investments Limited has obtained a running finance facility to meet the short-term working capital requirements. The limit of the said facility is Rs. 100 million obtained from JS Bank Limited (related party) against pledge of Bank Al-Habib TFC. The facility will be expiring on June 01, 2021, and the interest rate is 1 month KIBOR plus 2% on the exercised amount and over the exercised period.

15.1.4 Associated company - JSPE Management Limited

Basis of relationship - Common Substantial Shareholder

Amount Received	-	720,197
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15.1.5 Associated company - EFU General Insurance

Percentage of shareholding - JSCL holds 21.10%

Insurance premium paid	2,598,764	2,973,958
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15.1.6 Associated company - EFU Life Assurance

Percentage of shareholding - JSCL holds 20.05%

Insurance premium paid	1,422,651	1,168,226
------------------------	------------------	-----------

15.1.7 Associated company - JS Investments Staff Provident Fund (the Fund)

Basis of relationship - Employee benefit plan

Amount Paid	81,989	46,006
Amount Received	468	46,006
Provident fund contributions made	2,256,791	2,236,844

15.1.8 Associated company - JS Global Capital Limited (JSGCL)

Basis of relationship - JSBL holds 83.53% shares of JSGCL

Amount Paid	146,787	143,162
Amount Received	328,368	453,296
Rent Paid	2,048,004	-

15.1.9 Common Substantial Shareholder - JS Lands (Private) Limited

Basis of Relationship - Common Substantial Shareholder

Rent Paid	7,831,572	9,257,360
Amount Paid	3,785,647	3,563,835

15.1.10 Transactions made with key management personnel

Remuneration	33,434,596	32,002,823
Directors fee	175,000	325,000
Disbursements of personal loans and advances	736,000	1,103,000
Repayments of loans and advances	1,323,081	936,824
Use of name and Advisory for the period	3,750,000	3,750,000

	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
	----- Rupees -----	
15.2 Balance outstanding with related parties		
15.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	132,469,823	131,242,385
Payable to funds under management	39,065	337,601
15.2.2 Jahangir Siddiqui & Co. Ltd. (JSCL)		
Basis of relationship - ultimate parent company		
Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)		
Other Payable	-	75,000
15.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 84.56% shares of JSIL		
Bank Balance	15,857,685	6,563,839
Other Receivable	1,465,064	1,465,064
Rent payable	-	33,942
Rent receivable	2,409,149	2,409,149
Other payables	71,556,775	80,925,089
15.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of the Group		
Other Receivable	558,385	558,385
Rent receivable	2,486,352	2,486,352
15.2.5 Associated company - Jahangir Siddiqui Securities Services Ltd		
Basis of relationship - JSCL holds 43.89% shares of JSSSL		
Other Receivable	29,887	29,887
Rent receivable	94,429	94,429
15.2.6 Associated company - JS PE Management Limited		
Basis of relationship - Common Substantial Shareholder		
Other Receivable	1,625,826	1,625,826
Rent receivable	930,938	930,938
15.2.7 Associated Company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	177,106	177,106
Rent receivable	379,929	379,929

JS Investments Limited

	(Un-Audited) March 31, 2021	(Audited) December 31, 2020
	----- Rupees -----	
15.2.8 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other Receivable	1,017,169	1,017,169
15.2.9 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other Receivable	601,093	782,674
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831
15.2.10 Associated company - JS Investments Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Other Receivable	81,521	-
15.2.11 Common Substantial Shareholder - JS Lands (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Other Payable	1,386,776	1,233,285
15.2.12 Outstanding from key management personnel	1,171,953	1,758,994
15.2.13 Key management personnel and directors hold 4,009 shares in the company		

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

15.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. Management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

16 FAIR VALUE OF FINANCIAL AND OTHER ASSETS

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

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

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

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

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

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

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

	MARCH 31, 2021			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,431,996,208	-	1,431,996,208
Term Finance Certificate		125,000,000		125,000,000
	<u>-</u>	<u>1,556,996,208</u>	<u>-</u>	<u>1,556,996,208</u>

	December 31, 2020			
	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Financial assets classified as 'at fair value through profit or loss - held-for-trading'				
Units of mutual funds - related parties	-	1,526,926,818	-	1,526,926,818
Term Finance Certificate		125,000,000		125,000,000
	<u>-</u>	<u>1,651,926,818</u>	<u>-</u>	<u>1,651,926,818</u>

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

16.1.1 Fair values of investment in mutual funds are measured on the basis of closing net asset value as announced by the respective Asset Management Company.

16.1.2 Investment in term finance certificate, issued by Bank AL Habib Limited, for the purpose of raising funds in the form of redeemable capital, are valued on the basis of the rates announced by the Mutual Funds Association of Pakistan (MUFAP) in accordance with the methodology prescribed by the Securities and Exchange Commission of Pakistan (SECP).

16.2 During the period ended March 31, 2021, there were no transfers between level 1 and level 2 fair value measurements, and no transfer into and out of level 3 fair value measurements.

17 GENERAL

17.1 In compliance of the NBFC Rules read with SRO 1002(1)/2015 dated October 15, 2015 of SECP, the management would like to report that the Company has sufficient insurance coverage from an insurance company, rated AA+ by a rating agency registered with the Commission, against financial losses that may be caused as a result of gross negligence of its employees.

JS Investments Limited

- 17.2** During the year 2013 the Securities and Exchange Commission of Pakistan filed a Complaint No. 242 of 2013 against the Company and others in the Session Court allegedly for manipulating share price of ANL. Aggrieved by the complaint JSIL and others filed a constitution petition CPD 1985 of 2013 in the Honorable High Court of Sind to quash the complaint filed by SECP in the Session Court. The Honorable Court graciously granted the stay in the subject case, which is still effective.

As the stay order on the referred case has been granted by the Honorable High Court of Sindh the matter is Sine-die in Session Court without any future date being assigned. There has been no change in the status of the case and the matter is still pending the Court. As advised by the advisor there would be no possible legal action against the Company or its CEO / Directors / Officers and similarly, this will not pose any financial impact on the Company."

- 17.3** These unconsolidated condensed interim financial information were authorised for issue on April 23, 2021 by the Board of Directors of the Company.
- 17.4** The figures in the unconsolidated condensed interim financial information have been rounded off to the nearest rupee.
- 17.5** Corresponding figures have been re-arranged / re-classified, wherever necessary, to facilitate comparison in the presentation in the current period. However, there are no material re-arrangements / re-classifications to report.

Chief Executive Officer

Chief Financial Officer

Director



Dear Shareholders,

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

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

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

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

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

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

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

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

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

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

Yours Sincerely,
Muhammad Khawar Iqbal
Director Finance & Company Secretary

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