



Accounting
Financial
2020
Business
Assets
Value
Stock
JS Investment

ANNUAL
REPORT

2020

Accounting
Financial
2020
Business
Assets
Value
Stock
JS Investment

 **JS investments**
Managing Mutual Funds Better!



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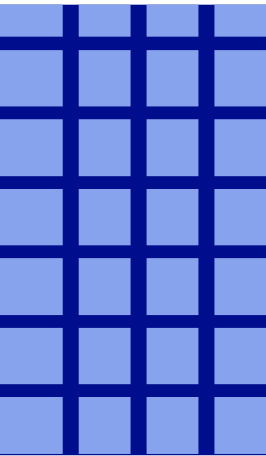
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CERTIFICATE OF MERIT



The joint Committee of Institute of Chartered Accountants of Pakistan and Institute of Cost and Management Accountants of Pakistan awarded Certificate of Merit to the Annual Report of 2019 of JS Investments Limited under Best Corporate and Sustainability Reports Awards 2019.

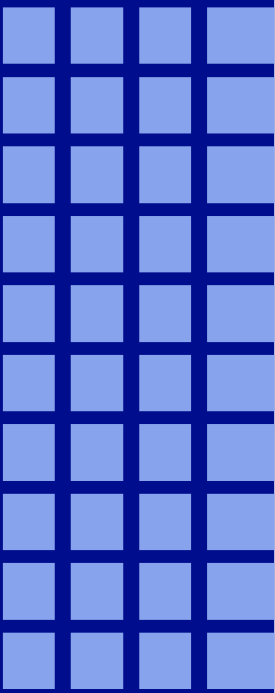


VISION

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

COMPANY INFORMATION

Board of Directors

Mr. Suleman Lalani
Mr. Hasnain Raza Nensey
Mr. Hasan Shahid
Mr. Tahir Ali Sheikh
Mr. Asif Reza Sana
Ms. Aisha Fariel Salahuddin
Mr. Kamran Jafar*
Mr. Imran Haleem Shaikh**

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

* Mr. Kamran Jafar has resigned as Director and Chairman of the Board of JS Investments Limited w.e.f January 18, 2021 and Mr. Suleman Lalani appointed as the Chairman of the Board in his place.

** Mr. Imran Haleem Shaikh has been appointed w.e.f January 15, 2021, in place of Mr. Babbar Wajid.

Chief Executive Officer

Mr. Hasnain Raza Nensey

Chief Financial Officer

Mr. Zafar Iqbal Ahmed

Director Finance/Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

EY Ford Rhodes

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
Mr. Hasnain Raza Nensey

Executive Risk Management Committee

Mr. Suleman Lalani (Chairman)
Mr. Tahir Ali Sheikh
Mr. Hasnain Raza Nensey
Mr. Imran Haleem Shaikh

Share Registrar

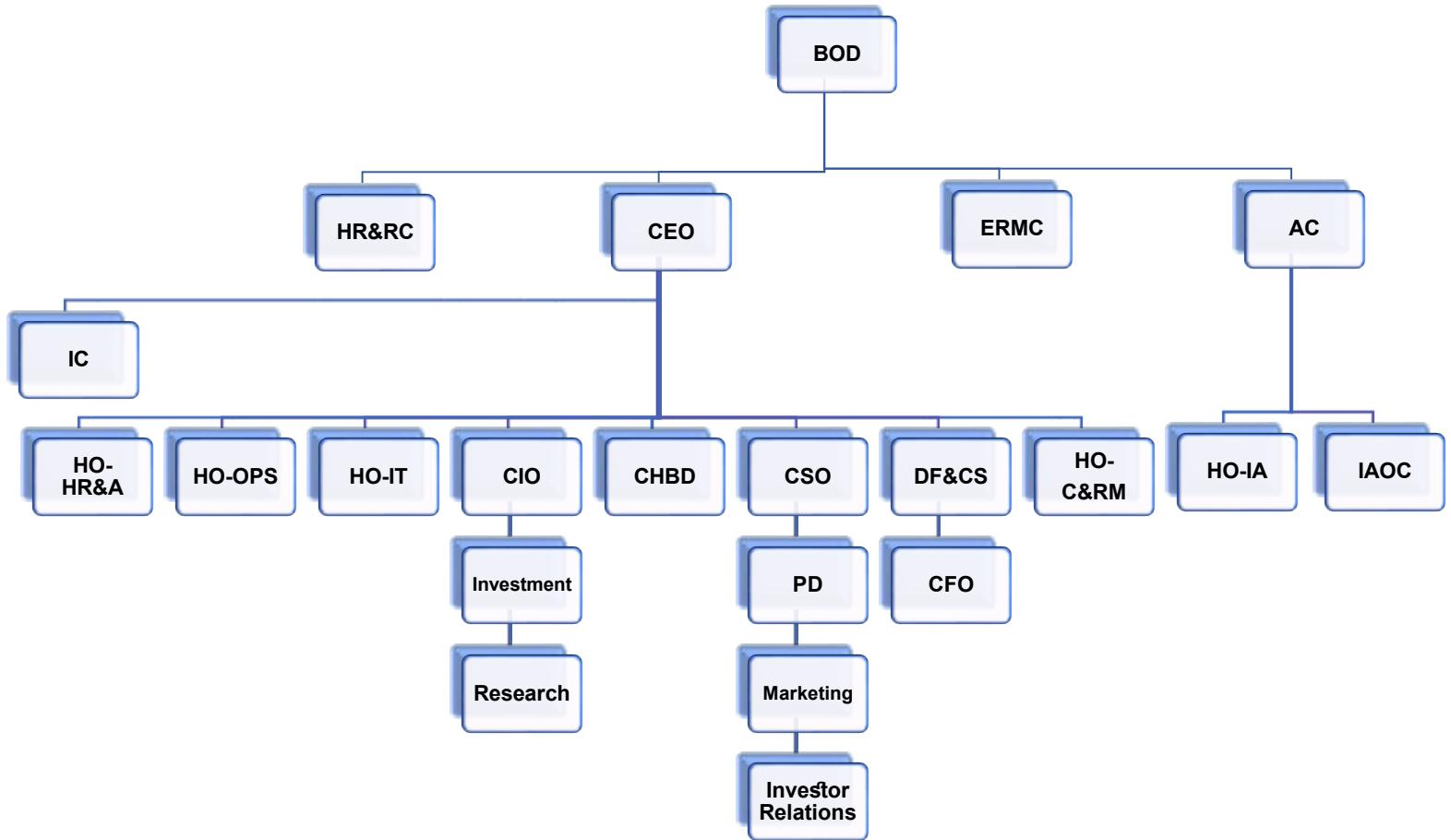
CDC Share Registrar Services Limited (CDCRSL)
CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi

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



ORGANIZATIONAL STRUCTURE & EXTERNAL ENVIRONMENT



Legends

BOD: Board of Directors

CEO: Chief Executive Officer

ERM: Executive Risk Management Committee

AC: Audit Committee

HR&RC: Human Resources & Remuneration Committee

IC: Investment Committee

HO-HR&A: Head of Human Resources & Administration

HO-OPS: Head of Operations

HO-IT: Head of Information Technology

CIO: Chief Investment Officer

CHBD: Country Head Business Development

CSO: Chief Strategy Officer

DF&CS: Director Finance & Company Secretary

HO-C&RM: Head of Compliance & Risk Management

HO-IA: Head of Internal Audit

IAOS: Internal Audit Outsourced Company

PD: Product Development

CFO: Chief Financial Office

SIGNIFICANT FACTORS EFFECTING EXTERNAL ENVIRONMENT

JS Investments' primary business is to provide investment solutions to customers seeking savings and investments avenues. Therefore, any change in external environment that can impact the savings habits of customers can impact the organization's business. Some of the key factors are listed below:

Political & Economic Factors: Healthy physical environment macro-economic indicators and capital market returns encourage savings/investments, and therefore benefit the asset management business. On the contrary, economic uncertainty and high volatility in capital markets have a negative impact on the business.

Regulatory/Legal environment: A balanced regulatory/legal regime allowing for convenient customer experience, while also ensuring the avenues are not mis-used by nefarious elements, is the key to sustainable growth of the Asset management industry. Overly tight regulatory environment limits business growth potential, and also keeps potential customers from availing the regulated services.

Technological environment: Technology can be a significant factor in improving the customer experience in any financial services business. Recent technological developments have started impacting the financial services industry. However, true disruption of traditional financial services models is still to be seen.

Social Factors: Social factors drive the overall tendency savings for a population. Pakistan has traditionally had a low savings rate due to a culture of dependence on social safety nets. However, with urbanization and modernization of the population, the availability of, and dependence on such safety-nets is reducing. Such changes in the social structure are likely to encourage individuals to take responsibility of their own financial security - leading to higher saving rates.

Seasonality: Seasonality also effect the performance of the Asset management industry. However, a spike in new investments is witnessed whenever sub-sections of the population receive exceptional liquidity e.g at the time of annual bonus disbursements for salaried individuals, and at crop harvest times in rural areas.

Pandemic: The recent outbreak of Covid-19 proves to be the worst for the Asset Management Industry. Due to irregular performance of the equity market investors were reluctant to invest their money in the mutual funds. However, after introduction of relief schemes by the Government of Pakistan the situation gets better, and the market started performing well. This shows that apart from the above factors Covid-19 or other pandemic could also have the significant effect on the performance of Asset Management Industry. In future if the Covid-19 cases rises it would create an impact on the performance of the Asset Management Industry.

SENSITIVITY ANALYSIS DUE TO FOREIGN CURRENCY FLUCTUATION

JS Investments Limited is in the business of providing savings and investment solutions. There is no direct dependence on any imported material for providing these services. However, foreign currency fluctuations can impact the preference of investors towards or away from foreign currency savings, which in turn impacts the demand for saving/investment solutions denominated in Pakistani rupee.

COMPETITIVE LANDSCAPE AND MARKET POSITIONING

The Asset Management Industry is highly competitive with majority of companies offering similar products to the same customer-base. There is a high sensitivity to product performance, especially for corporate customers. Due to the nature of asset management business, the competition does not translate into bargaining power for customers, but rather customers shifting frequently from one Asset Management Company to another.

Being a tightly regulated sector, the barriers to entry for new asset management companies are fairly high. Also, considering the thin-margins in the business, it will be challenging for a new entrant to achieve the economies of scale where the business become sustainable.

The underlying asset-classes for investment products are unlikely to change significantly. However, the packaging and structuring of investment products can be significantly impacted by technology or otherwise.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the twenty sixth 26th Annual General Meeting of the members of JS Investments Limited, (the "Company") will be held at 10:30 a.m. on Friday, April 9, 2021 through Zoom Video Conference to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the standalone and consolidated audited financial statements of the Company for the year ended December 31, 2020, together with the Directors' and Auditors' reports thereon and Chairman's Review Report.
2. To appoint Auditors of the Company and fix their remuneration. The members are hereby notified that the retiring auditors, Messrs EY Ford Rhodes, Chartered Accountants have completed their five years as Auditors of the Company and are no longer eligible for appointment as per the requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019. The Audit Committee and the Board of Directors have recommended the appointment of new auditors, Messrs KMPG Taseer Hadi & Co., Chartered Accountants in their place who have indicated their consent to act as Auditors.

Special Businesses:

3. To ratify and approve balances and the transactions carried out by the Company and funds under its management in the ordinary course of business on arm's length basis with JS Bank Limited (Related Party) as at and during the financial year ended December 31, 2020 under the authority of the resolution passed by the members in the last annual general meeting held on April 09, 2020.
4. To authorize the Chief Executive of the Company to approve all transactions carried out or to be carried out with Related Parties in the ordinary course of business on arm's length basis till next Annual General Meeting.

Attached to this Notice is a statement of material facts in relation to the aforesaid special business, as required under Section 134(3) of the Companies Act, 2017. The said statement also contains the precise text of the resolutions to be passed in this regard. The notice of meeting as well as statement has also been placed on the Company's website: (www.jsil.com).

By order of the Board

Muhammad Khawar Iqbal
Company Secretary

Karachi: March 18, 2021

Notes:

Corona virus Contingency Planning for AGM

The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. 6 of 2021 dated March 3, 2021, permitted Companies which are facing difficulties in holding general meeting physically, to opt to hold such meeting through electronic mode.

Considering the above referred regulatory permissibility, and in view of threat posed by the third wave of COVID-19, the highly contagious nature of the virus, and the practical difficulties in maintain social distancing in a public gathering, the Company intends to convene this AGM electronically through webinar only to safeguard the health and well-being of its members, Officers and Directors.

In view of the above, please note that the Company has made proper arrangements for the shareholders who will be participating in the AGM proceedings through Zoom Link. For that purpose, the shareholders are requested to email the following information with subject "Registration for 26th AGM of JSIL" at email address AGM@jsil.com. Zoom link to join the AGM will be shared with only those shareholders from whom all required particulars are received at the given email address not less than 48 hours before the time of holding the AGM. The shareholders can also provide their comments and questions relating to agenda items of the AGM on email at AGM@jsil.com.

Sr.No.	Name	Folio/CDS Account Number	CNIC No.	Mobile Number	Email Address

The Company will follow the best practices and comply with the instructions of the Government and SECP to ensure protective measure are in place for well being of its shareholders.

1. The Company, in accordance with Section 223(7) of the Companies Act 2017, has placed the Audited Financial Statements for the year ended 31 December 2020 along with Auditors' and Directors' Reports thereon and Chairman's Review Report on its website: www.jsil.com.
2. The share transfer books of the Company will remain closed from April 02, 2021 to April 9, 2021 (both days inclusive) for attending the Annual General Meeting. Physical transfers and deposit requests under Central Depository System received at the close of business on April 01, 2021 by the Independent Share Registrar of the Company, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S, Main Shakra-e-Faisal, Karachi, will be treated as being in time for entitlement to attend the meeting.
3. A member entitled to attend and vote at the meeting may appoint another person as proxy to attend, speak and vote for him/ her. An instrument of proxy or power of attorney or other authority (if any) under which it is signed or a notarial certified copy of such power of attorney or such authority to be valid, be deposited with the registered office of the Company not later than 48 hours before the scheduled time of the meeting. The proxy form in English and Urdu Languages is attached with this report and has also been placed on Company's website.



4. Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No. 1 of 2000:

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the meeting.
- b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
5. Shareholders are requested to immediately notify the Share Registrar of the change in their addresses, if any.
6. **Computerized National Identity Card ("CNIC")** Shareholders are requested to provide immediately if not already provided, copy of their valid CNIC to the Company's Independent Share Registrar, M/s. CDC Share Registrar Services Limited, CDC House, 99-B, Block "B", S.M.C.H.S, Main Shahra-e-Faisal, Karachi. A legible scanned copy of the same can also be forwarded at CNIC@jsil.com along with folio number and updated address for correspondence.
7. **Payment of cash dividend through electronic mode.** The provisions of Section 242 of the Companies Act, 2017 provides that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. 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 bank accounts.

8. Electronic Transmission of Annual Financial Statement and Notices (Optional)

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) under S.R.O 787 (I)/2014, the SECP has allowed companies to circulate annual Audited Financial Statements, along with the notice of annual general meeting (Notice) to its members through e-mail subject to compliance with the conditions outlined in the referred SRO of SECP.

The transmission of annual Audited Financial Statements with Notice to members through e-mail shall be considered compliance with the relevant requirements of Sections 223 and 233 of the Companies Act 2017 subject to certain conditions, prescribed in the said notification.

For the convenience of its Shareholders, the Company has placed a Standard Request Form on the Company's website (www.jsil.com), so that the members may use it to communicate their e-mail address and consent for electronic transmission of annual Audited Financial Statement and Notice thereon.

- 9.** SECP through its SRO 40(I)/2016, dated May 31, 2016 and Section 223 (6) has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc. ("annual audited accounts") to its members through digital recording devices such as, CD/DVD/USB at their registered addresses. In view of the above, the Company has sent its Annual Report, 2020 to its shareholders in the form of CD CD (Digital Disc). Any member requiring printed copy of Annual Report, 2020 may send a request using a Standard Request Form placed on Company's website www.jsil.com.

10. Unclaimed Dividend and Bonus Shares

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical share, if any, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited, to collect/enquire about their unclaimed dividend or pending shares, if any.

In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

11. E-Voting

Members can exercise their right to poll subject to meeting of requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.



STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business proposed to be transacted at the annual general meeting.

Agenda Item No. 3 of the Notice – Ratification / Approval of Transactions carried out with related parties during the year ended December 31, 2020.

The Company and funds under its management carried out transactions as detailed in the below draft resolution with JS Bank Limited in the ordinary course of business on arm's length basis and under the authority of the special resolution of the members as approved by them during the last annual general meeting held on April 09, 2020. All such transactions and balances appearing on balance sheet date are presented before the Board of Directors for their review and consideration on recommendation of the Audit Committee on quarterly basis pursuant to Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019 and Regulation 5 of Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.

However, since majority of the Company's Directors (namely Mr. Kamran Jafar, Mr. Mr. Tahir Ali Sheikh, Mr. Babbar Wajid and Mr. Hasan Shahid) were considered interested in the transactions carried out with JS Bank Limited as mentioned in the below draft resolution. Therefore, these transactions conducted by the Company and Funds under its management with JS Bank Limited during the calendar year ended December 31, 2020 are being placed before the shareholders for their consideration and approval. These transactions with related party are entered in ordinary course of business on arm's length basis, and have been duly cleared by the Audit Committee of JSIL.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

"Resolved that following transactions carried out by the Company and Funds under its management in the ordinary course of business with JS Bank Limited during the financial year ended December 31, 2020 be and are hereby ratified, approved and confirmed.

Entity	Rent paid	Rent Payable	Rent Receivable	Bank balance with JS Bank Ltd.	Return on bank deposits	Management fee paid on sharing on distribution of mutual funds	Amount received under Refinancing Scheme for Salaries & Wages	Amount payable under Refinancing Scheme for Salaries & Wages	Other receivable
JS Investments Limited	2,676,634	33,942	2,409,149	6,563,839	3,224,053	9,667,565	80,185,959	80,925,089	1,465,064

Fund / Entity	Bank balance/ TDR balance in JSBL	Mark up income	Mark up receivable	Bank charges
JS Income Fund	70,095,088	6,887,692	-	-
JS Islamic Income Fund	3,845,355	-	-	-
JS Fund of Funds	824,862	68,373	1,365	-
JS Cash Fund	5,153,143	601,233	19,829	569
JS Growth Fund	94,938,133	3,879,037	1,410,751	870
JS Value Fund	58,094,928	1,277,466	405,869	-
JS Pension Savings Fund-Equity Sub-Fund	17,392,868	134,953	72,097	-
JS Large Cap. Fund	8,926,651	903,580	179,688	225
JS Pension Savings Fund-Money Market Sub-Fund	490,900	564,951	19,104	
Unit Trust of Pakistan	10,983,105	2,859,116	417,949	0
JS Islamic Fund	572,672	-	-	-
JS Islamic Hybrid Fund of Funds Mustahkem	10,000	-	-	-
JS Islamic Hybrid Fund of Funds Mustanad	19,485	-	-	-
JS Islamic Hybrid Fund of Funds Mutasabib	10,000	-	-	-
JS Islamic Hybrid Fund of Funds Mufeed	10,000	-	-	-

Agenda Item No. 4 of the Notice – Authorisation to the Chief Executive Officer for the approval of transactions carried out and to be carried out with JS Bank Limited (related party) till next Annual General Meeting.

The Company and funds under its management shall continue to carry out transactions with JS Bank Limited in the ordinary course of business on arm's length basis till next annual general meeting. Such transactions shall be 'routine' in nature and shall not involve any material or special deals or arrangements.

The majority of the Directors of JSIL (being nominees of JS Bank Limited) are considered interested in these transactions. Therefore, these transactions with JS Bank Limited (as a related parties party) have to be approved by the shareholders in terms of Section 208 of the Companies Act, 2017, Clause 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019 and Regulation 5 of Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve routine transactions to be carried out in the ordinary course of business on arm's length basis with related parties as mentioned in the following draft resolution (with or without modifications) till next annual general meeting. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification. Such a proposal has been cleared by the Audit Committee of JSIL.



“Resolved that the Chief Executive of the Company be and is hereby authorized to approve transactions to be carried out with JS Bank Limited in the ordinary course of business on arm’s length basis till next Annual General Meeting.

Resolved further that these transactions shall be placed before the shareholders in the next Annual General Meeting for ratification/approval.”

Interest of Directors:

The majority of the Directors are employees of JSBL and are interested to the extent of their shareholding in the Company.

اطلاع برائے سالانہ اجلاس عام

بذریعہ نوٹس ہذا اطلاع دی جاتی ہے کہ جے ایس انویسٹمنٹس لمیٹڈ کے ممبران کا 26 واں سالانہ اجلاس عام بروز جمعہ، 09 اپریل 2021ء صبح 10:30 بجے بذریعہ زوم (Zoom) ویڈیو کانفرنس درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا:

غیر رسمی کاروائی

- 1- 31 دسمبر 2020 کو ختم ہونے والے سال کے لئے کمپنی کی غیر مجتمع اور مجتمع آڈٹ شدہ مالیاتی گوشوارے و ڈائریکٹرز اور آڈیٹرز کی رپورٹ اور چیئرمین کے جائزہ رپورٹ کی وصولی، اس پر غور اور منظور کرنا۔
- 2- کمپنی کے آڈیٹرز کا تقرر اور ان کے معاوضے کا تعین کرنا۔ آڈٹ کمیٹی اور بورڈ آف ڈائریکٹرز نے ریٹائر ہونے والے آڈیٹرز میسرز EY فورڈ روڈز، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹرز کے طور پر اپنے پانچ سال مکمل کر لیے ہیں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضرورت کے مطابق تقرری کے اہل نہیں ہیں۔ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی نے نئے آڈیٹرز کی تقرری کی تجویز پیش کرتے ہوئے، میسرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو ان کی جگہ پر آڈیٹرز کی حیثیت سے کام کرنے پر رضامندی ظاہر کی ہے۔

خصوصی کاروائی

- 3- 09 اپریل 2020 کو منعقد ہونے والی پچھلی سالانہ اجلاس عام میں اراکین سے منظور کردہ قرارداد کے اختیار کے تحت 31 دسمبر 2020 کو ختم ہونے والے مالی سال کے دوران کمپنی اور اس کے زیر انتظام فنڈز کی JS بینک لمیٹڈ (متعلقہ فریق) کے ساتھ روزمرہ کاروبار میں ایک خاص حدود میں رہتے ہوئے کی جانے والی ٹرانزیکشنز اور بیلنس کی توثیق اور منظوری دینا۔
- 4- اگلے سالانہ اجلاس عام تک کے لئے کمپنی کے چیف ایگزیکٹو کو یہ اختیار حاصل ہو کہ وہ ایک خاص حدود میں رہتے ہوئے روزمرہ معاملات میں کی جانے والی تمام ٹرانزیکشنز جو کمپنی کے متعلقہ فریقین کے ساتھ کی جائیں ان کی منظوری دینا۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کے تحت لازمی طور پر پیش کردہ خصوصی کاروبار کے سلسلے میں مادی حقائق پر مبنی گوشوارے اس نوٹس سے منسلک ہیں۔ مذکورہ اسٹیٹمنٹ میں اس ضمن میں منظور کی جانے والی قراردادوں کا بھی متن موجود ہے۔ اجلاس کا نوٹس گوشواروں کے ساتھ ساتھ کمپنی کی ویب سائٹ (www.jsil.com) پر بھی موجود ہے۔

محکم بورڈ

محمد خاور اقبال

کمپنی سیکریٹری

کراچی: 18 مارچ 2021

نوٹس

سالانہ اجلاس عام (AGM) کے لیے کورونا وائرس ہنگامی منصوبہ بندی

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) نے مورخہ 3 مارچ 2021ء کو سرکولر نمبر 6 کے تحت ایسی کمپنیز کو اجلاس عام بذریعہ الیکٹرانک موڈ منعقد کرنے کی اجازت دی ہے جنہیں عام طور پر اجلاس منعقد کرنے میں دشواری کا سامنا کرنا پڑ رہا ہے۔



مذکورہ بالا ریگولیٹری اجازت کو مد نظر رکھتے ہوئے، اور COVID-19 کی تیسری لہر کی انتہائی متعدد نوعیت اور عوامی اجتماع میں معاشرتی فاصلے کو برقرار رکھنے میں عملی مشکلات کے پیش نظر کمپنی اس سالانہ اجلاس کو ویبنار کے ذریعے کرنے کا ادادہ رکھتی ہے تاکہ ممبران، افسران اور ڈائریکٹران کی صحت اور بہبود کا تحفظ یقینی بنایا جاسکے۔

مذکورہ بالا کے پیش نظر، ازراہ کرم نوٹ کریں کہ کمپنی نے بذریعہ زوم لنک کے سالانہ اجلاس عام کی کاروائی میں حصہ لینے والے شیئر ہولڈرز کے لیے مناسب انتظامات کیے ہیں۔ اسی مقصد کے تحت، شیئر ہولڈرز سے گزارش ہے کہ مندرجہ ذیل معلومات بمعہ مضمون "رجسٹریشن برائے JSIL کا 26 واں سالانہ اجلاس عام" ای میل ایڈریس AGM@jsil.com پر ای میل کریں۔ سالانہ اجلاس عام میں شمولیت اختیار کرنے کے لیے زوم لنک انہی شیئر ہولڈرز کے ساتھ شیئر کیا جائے گا جن کی تمام مطلوبہ تفصیلات دیئے گئے ای میل ایڈریس پر سالانہ اجلاس عام کے انعقاد کے وقت سے 48 گھنٹے قبل موصول ہوں گی۔ شیئر ہولڈرز سالانہ اجلاس عام کے ایجنڈا آئٹم سے متعلق اپنی آراء اور سوالات AGM@jsil.com پر ای میل پر فراہم کر سکتے ہیں۔

سیریل نمبر	نام	فولیو / سی ڈی سی اکاؤنٹ نمبر	کمپیوٹرائزڈ قومی شناختی کارڈ	موبائل نمبر	ای میل ایڈریس

کمپنی بہترین طریقوں اور حکومت و SECP کی ہدایات پر عمل پیرا ہو کر اپنے شیئر ہولڈرز کی خیر و عافیت کے لئے تمام حفاظتی اقدام یقینی بنائے گی۔

1- کمپنی نے کمپنیز ایکٹ 2017 کے سیکشن (7) 223 کے مطابق 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے آڈٹ شدہ مالیاتی گوشواروں اور ان پر آڈٹرز اور ڈائریکٹرز کی رپورٹ اور چیئرمین کی جائزہ رپورٹ اپنی ویب سائٹ www.jsil.com پر فراہم کر دی ہے۔

2- کمپنی کے حصص کی منتقلی کی کتابیں 02 اپریل 2021 سے 09 اپریل 2021 (بشمول دونوں دن) میں سالانہ اجلاس عام میں شرکت کے لیے بند رہیں گے۔ سینٹرل ڈپازٹری سسٹم کے تحت فزیکل ٹرانسفرز و ڈپازٹ کی درخواستیں جو کمپنی کے خود مختار شیئر رجسٹرار میسرز سی ڈی سی شیئر رجسٹرار سرورسز لمیٹڈ، سی ڈی سی ہاؤس، B-99، بلاک بی، ایس ایم سی ایچ ایل، مین شاہراہ فیصل، کراچی، کو 01 اپریل 2021 تک بزنس کے اختتام سے قبل موصول ہوگی وہ اجلاس میں شمولیت میں بروقت تصوری جائیں گی۔

3- اجلاس میں شرکت اور ووٹ کا استحقاق رکھنے والے کسی بھی رکن کو یہ حق حاصل ہے کہ وہ اجلاس میں شرکت کرنے، بولنے اور ووٹ دینے کے لیے اپنی جگہ دوسرے شخص کو بطور پراسکسی مقرر کر سکتا ہے۔ پراسکسی کی دستاویز یا پاور آف اٹارنی یا کوئی دیگر دستاویز (اگر کوئی ہو) جس کے تحت یہ حق دیا گیا ہو یا اس پاور آف اٹارنی کی تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس پر اجلاس کے مقررہ وقت سے 48 گھنٹے قبل جمع کروادی جائیں۔ انگریزی اردو زبان میں تیار کردہ پراسکسی فارم اس رپورٹ اور کمپنی کی ویب سائٹ پر بھی ڈالی جا چکی ہے۔

4- سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ (CDC) ہیفیشل اونرز اور / یا ان کی پراسکسیز کو یکویٹریٹری اینڈ ایچینج کمیشن آف پاکستان کی جانب سے 2000 کے سرکیولر نمبر 1 درج ذیل وضع کردہ رہنما ہدایات پر عمل کرنا ہوگا:

A- اجلاس میں شرکت کے لئے

a- انفرادی صورت میں اکاؤنٹ ہولڈر اور / یا سب اکاؤنٹ ہولڈر جن کی رجسٹریشن کی تفصیلات سی ڈی سی ضوابط کے مطابق جاری کردی گئی ہیں، کو شناخت کے لئے اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ مع شرکت دار کے آئی ڈی نمبر اور اکاؤنٹ نمبر اجلاس میں شرکت کے وقت دکھانا لازمی ہوگا۔

b- کارپوریٹ انٹیٹی کی صورت میں بورڈ کی قرارداد / پاور آف اٹارنی نامزد کردہ کے دستخط کے نمونے کے ساتھ اجلاس میں شرکت کے وقت پیش کرنی ہوگی (اگر پہلے فراہم نہیں کی گئیں ہیں)۔

B- پراسکسیز کی نامزدگی

a- انفرادی صورت میں اکاؤنٹ ہولڈر اور / یا سب اکاؤنٹ ہولڈر جسکی رجسٹریشن کی تفصیلات CDC ضوابط کے مطابق جاری کردی گئی ہیں، مذکورہ بالا درکار ضروریات کے مطابق پراسکسی فارم جمع کروائیں گے۔

b- پراسکسی فارم کا دو افراد سے تصدیق شدہ ہونا لازمی ہے، جن کا نام، پتہ اور کمپیوٹرائزڈ شناختی کارڈ کے نمبرز فارم پر درج ہوں۔

c- پراسکسی فارم کے ساتھ پراسکسی اور ہیفیشل اونرز کے کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل منسلک کرنا ہوگی۔

d- پر کسی کو اپنا اصل کمپیوٹر انٹرنیٹ کی شناختی کارڈ یا اصل پاسپورٹ اجلاس کے وقت کمپنی کو پیش کرنا ہوگا۔

e- کا پوریٹ اینٹیٹی کی صورت میں دستخط کے نمونے کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد / پاور آف اٹارنی پر کسی فارم کے ہمراہ کمپنی کو فراہم کرنا ہوگی (اگر پہلے فراہم کئے گئے ہوں)۔

5- شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ اپنے پتے میں ہونے والی کسی بھی تبدیلی سے (اگر کوئی ہو) شیئرز رجسٹر اوفیوری طور پر مطلع کریں۔

6- کمپیوٹر انٹرنیٹ کی شناختی کارڈ ("CNIC")

شیئرز ہولڈرز سے درخواست کی جاتی ہے کہ وہ کمپنی کے خود مختار شیئرز رجسٹر اوفیوری میسرز سی ڈی سی شیئرز رجسٹر افسر سید سمیر لمیٹڈ سی ڈی سی ہاؤس، 99-B، بلاک بی، ایس ایم سی ایچ ایس، مین شاہراہ فیصل، کراچی کو اپنے کمپیوٹر انٹرنیٹ کی شناختی کارڈ کی نقل فراہم کریں۔ اسکی واضح اسکیں کی گئی ایک نقل بمع فوئیو نمبر اور خط و کتابت کے لئے موجودہ پتے کے ساتھ CNIC@jsil.com پر بھی بھیجی جاسکتی ہے۔

7- الیکٹرانک موڈ کے ذریعے کیش ڈیویڈنڈ کی ادائیگی

کمپنیز ایکٹ 2017 کے سیکشن 242 کی شرائط اس بات کا ثبوت دیتا ہے کہ لکٹر کمپنی کی طرف سے اعلان کردہ کسی بھی کیش ڈیویڈنڈ کی براہ راست انشالہڈ شیئرز ہولڈرز کی طرف سے نامزد کردہ بینک اکاؤنٹ کے الیکٹرانک موڈ کے ذریعے ادائیگی کی جاسکتی ہے۔ چنانچہ کمپنی کے شیئرز ہولڈرز سے درخواست ہے کہ وہ الیکٹرانک ڈیویڈنڈ مینڈیٹ کو e-dividend فارم پر فراہم کریں جو کہ کمپنی کی ویب سائٹ (www.jsil.com) پر دستیاب ہے، جو کمپنی کو اس قابل بنائیں کہ وہ اپنے مستقبل کے کیش ڈیویڈنڈ کو براہ راست اپنے نامزد کردہ بینک اکاؤنٹس میں کریڈٹ کروائیں۔

8- سالانہ مالیاتی گوشواروں اور نوٹس کے لئے الیکٹرانک ترسیل (اختیاری)

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی SRO 787 (I)/2014 کے ذریعے دی گئی ہدایات کے مطابق، SECP نے کمپنیوں کو مذکورہ SRO میں دی گئی شرائط کی تکمیل سے مشروط سالانہ اجلاس عام کے نوٹس کے ساتھ سالانہ آڈٹ شدہ مالیاتی گوشواروں کی اپنے ممبرز کو بذریعہ ای میل ترسیل کی اجازت دی ہے۔ ممبرز کو نوٹس کے ساتھ سالانہ آڈٹ شدہ مالیاتی گوشواروں کی بذریعہ ای میل ترسیل مذکورہ نوٹیفیکیشنز میں تجویز کی گئی مخصوص شرائط سے مشروط کمپنیز آرڈیننس کے سیکشن 223 اور 233 کی متعلقہ شرائط کی تکمیل سمجھی جائے گی۔ اپنے ممبرز کی سہولت کے لئے کمپنی نے اسٹینڈرڈ درخواست فارم کمپنی کی ویب سائٹ (www.jsil.com) پر فراہم کر دیا ہے، تاکہ ممبرز اپنے ای میل ایڈریس سے آگاہ کریں اور نوٹس اور سالانہ آڈٹ شدہ مالیاتی گوشواروں کی الیکٹرانک ترسیل پر رضامندی ظاہر کر سکیں۔

9- SECP نے اپنے 31 مئی 2016 کے SRO 40 (I) / 2016 اور سیکشن (6) 223 کے ذریعہ کمپنیوں کو اپنے ممبران کے رجسٹرڈ پتوں پر ڈیجیٹل ریکارڈنگ ڈیوائس جیسے، سی ڈی / ڈی وی ڈی / یو ایس بی کے ذریعے سالانہ بیلنس شیٹ، منافع اور نقصان کا اکاؤنٹ، آڈیٹرز کی رپورٹ اور ڈائریکٹرز کی رپورٹ وغیرہ (سالانہ آڈٹ اکاؤنٹ) کو تقسیم کرنے کی اجازت دی ہے۔ مذکورہ بالا کے پیش نظر، کمپنی نے اپنے شیئرز ہولڈرز کو سی ڈی (ڈیجیٹل ڈسک) کی شکل میں اپنی سالانہ رپورٹ 2020 ارسال کر دی ہے۔ سالانہ رپورٹ 2020 کی طباعت شدہ کاپی کا تقاضہ کرنے والا کوئی بھی ممبر کمپنی کی ویب سائٹ (www.jsil.com) پر موجود اسٹنڈرڈ ریکویسٹ (Standard Request) فارم کا استعمال کر کے درخواست بھیج سکتا ہے۔

10- غیر اعلان شدہ ڈیویڈنڈ اور بونس شیئرز

شیئرز ہولڈرز (جو کسی وجہ کی بناء پر) اپنے ڈیویڈنڈ یا بونس شیئرز یا اپنے فزیکل شیئرز کو حاصل نہیں کر سکے ہیں (اگر ایسا کوئی ہے) تو ان کو یہ مشورہ دیا جاتا ہے کہ وہ شیئرز رجسٹر اوفیوری میسرز سی ڈی سی شیئرز رجسٹر افسر سید سمیر لمیٹڈ سے رابطہ کریں اور ان سے اپنے غیر اعلان شدہ ڈیویڈنڈ اور زیر التوا شیئرز (اگر کوئی ہو) کو حاصل / معلوم کریں۔ کمپنیز ایکٹ 2017 کے سیکشن 244 سے مطابقت رکھتے ہوئے، مقررہ طریقہ کار کے مکمل ہونے کے بعد، اس طرح کے تمام ڈیویڈنڈ اور شیئرز جو 3 سال سے زائد مدت واجب الادا ہیں ان غیر اعلان شدہ ڈیویڈنڈ کو وفاقی حکومت کے کریڈٹ میں جمع کر دیا جائے اور شیئرز کی صورت میں SECP کو بھیجی جائے۔

11-ای۔ووٹنگ (E-Voting)

ارکان کمپنیز ایکٹ 2017 کے سیکشن 143-145 اوکینیز (پوسٹل بیلٹ) ریگولیشنز 2018 کی قابل اطلاق شقوق کی ضرورت کو پورا کرنے کے تحت رائے شماری کے حق سے استفادہ حاصل کر سکتے ہیں۔

کمپنیز ایکٹ 2017 کے سیکشن (3) 134 کی پیروی میں خصوصی کاروبار سے متعلق مادی حقائق کا اسٹیٹمنٹ

اس اسٹیٹمنٹ میں خصوصی کاروبار سے متعلق مادی حقائق بیان کئے گئے جن کے بارے میں سالانہ اجلاس عام میں کارروائی تجویز کی گئی ہے۔
نوٹس کا ایجنڈا اسٹم نمبر 3 - متعلقہ پارٹیز کے درمیان سال مختتمہ 31 دسمبر 2020 کے دوران کی گئی ٹرانزیکشنز کی توثیق / منظوری دینا۔

جیسا کہ مندرجہ ذیل ڈرافٹ قرارداد میں بیان ہے کہ کمپنی اور اس کے زیر انتظام فنڈز نے جے ایس بینک لمیٹڈ کے ساتھ ٹرانزیکشنز انجام دیں جو 09 اپریل 2020 کو منعقدہ گذشتہ سالانہ اجلاس عام کے دوران ممبران سے منظور شدہ ان کی خصوصی قرارداد کی اتھارٹی کے تحت عمومی کاروباری کورس کے تحت ایک خاص حدود میں رہتے ہوئے کی گئیں۔ لیسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز، 2019 کی شق 15 اور کمپنیز (ریلیٹڈ پارٹی ٹرانزیکشنز اینڈ مینجمنٹس آف ریلیٹڈ ریکارڈز) ریگولیشنز 2018 کی ریگولیشن 5 کے تحت سہ ماہی بنیاد پر ایسے تمام ٹرانزیکشنز اور بیلنسز جو بیلنس شیٹ کی تاریخ پر موجود ہوں گے وہ آڈٹ کمیٹی کی تجویز اور تجربے کے بعد نظر ثانی کے لئے بورڈ آف ڈائریکٹرز کو پیش کیے جائیں گے۔

تاہم، جیسا کہ کمپنی کے ڈائریکٹرز کی اکثریت (جناب کامران جعفر، جناب طاہر علی شیخ، جناب عمران حلیم شیخ اور جناب حسن شاہد) کو درج ذیل ڈرافٹ قرارداد کے مطابق جے ایس بینک کے ساتھ لین دین کے امور میں دلچسپی کو زیر غور لایا گیا۔ لہذا کمپنی اور اس کے زیر انتظام فنڈز کے جے ایس بینک کے ساتھ کلینڈر سال مختتمہ 31 دسمبر 2020 کے دوران کئے گئے لین دین کو شیئر ہولڈرز کے سامنے غور کرنے اور منظوری کیلئے پیش کیا جائے گا۔ متعلقہ پارٹی کے ساتھ یہ لین دین عمومی کاروباری کورس کے مطابق کمپنی کی آڈٹ کمیٹی کی اجازت کے بعد موثر انداز میں کیا جا رہا ہے۔

مندرجہ ذیل قرارداد کو ترمیم یا بغیر کسی ترمیم کے ایک خصوصی قرارداد کے طور پر منظور کرنے کی تجویز دی ہے:

"طے پایا کہ کمپنی اور اس کے زیر انتظام فنڈز کے تحت مالی سال مختتمہ 31 دسمبر 2020 کے دوران جے ایس بینک کے ساتھ کئے درج ذیل ٹرانزیکشنز عمومی کاروباری کورس کے مطابق کی گئیں ان کی توثیق، منظوری اور تصدیق کی جاتی ہے۔

ایٹھنیٹی	اداشدہ کرایہ	قابل ادائیگی کرایہ	وصول شدہ کرایہ	جے ایس بینک لمیٹڈ کے ساتھ بینک بیلنس	بینک ڈپازٹ پر منافع	میوچل فنڈ کی تقسیم پر شیئرنگ پر انتظامی فیس کی ادائیگی	تختواہوں اور اجرتوں کی ری فنانسنگ اسکیم کے تحت حاصل شدہ رقم	تختواہوں اور اجرتوں کی ری فنانسنگ اسکیم کے تحت قابل ادائیگی رقم	دیگر قابل وصول
جے ایس انویسٹمنٹس لمیٹڈ	2,676,634	33,942	2,409,149	6,563,839	3,224,053	9,667,565	80,185,959	80,925,089	1,465,064

فنڈ / ایٹھنیٹی	بینک بیلنس / TDR بیلنس میں JSBL	مارک اپ آمدنی	مارک اپ وصول شدہ	بینک چارجز کی کٹوتی
جے ایس انکم فنڈ	70,095,088	6,887,692	-	-
جے ایس اسلاک انکم فنڈ	3,845,355	-	-	-
جے ایس فنڈ آف فنڈز	824,862	68,373	1,365	-

569	19,829	601,233	5,153,143	جے ایس کیش فنڈ
870	1,410,751	3,879,037	94,938,133	جے ایس گروتھ فنڈ
-	405,869	1,277,466	58,094,928	جے ایس ویلیو فنڈ
-	72,097	134,953	17,392,868	جے ایس پینشن سیویٹنگز فنڈ - ایکویٹی سب-فنڈ
225	179,688	903,580	8,926,651	جے ایس لارج کیپیٹل فنڈ
-	19,104	564,951	490,900	جے ایس پینشن سیویٹنگز فنڈ - منی مارکیٹ سب-فنڈ
-	417,949	2,859,116	10,983,105	یونٹ ٹرسٹ آف پاکستان
-	-	-	572,672	جے ایس اسلامک فنڈ
-	-	-	10,000	جے ایس اسلامک ہابیز فنڈ آف فنڈز مستحکم
-	-	-	19,485	جے ایس اسلامک ہابیز فنڈ آف فنڈز مستند
-	-	-	10,000	جے ایس اسلامک ہابیز فنڈ آف فنڈز متناسب
-	-	-	10,000	جے ایس اسلامک ہابیز فنڈ آف فنڈز مفید

نوٹس کا ایجنڈا آئٹم نمبر 4 - چیف ایگزیکٹو آفیسر کو اگلے سالانہ اجلاس عام تک جے ایس بینک لمیٹڈ (متعلقہ پارٹی) کے ساتھ کئے گئے اور کئے جانے والے ٹرانزیکشنز کی منظوری دینے کا اختیار دینا۔

کمپنی اور اس کے زیر انتظام فنڈز کو اگلے سالانہ اجلاس عام تک جے ایس بینک لمیٹڈ کے ساتھ کاروبار کے عمومی طریقہ کار کے مطابق محتاط انداز سے انجام دینا جاری رکھیں گے۔ ڈائریکٹرز کی اکثریت کو اس لین دین میں دلچسپی رکھنے کو زیر غور لایا گیا۔ لہذا متعلقہ پارٹیز کے ساتھ اس ٹرانزیکشنز کو کمپنیز ایکٹ 2017 کے سیکشن 208، سٹیکہولڈرز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی شق 15 اور کمپنیز (ریلیٹیو پارٹی ٹرانزیکشنز اینڈ مینجمنٹس آف ریلیٹیو ریکارڈز) ریگولیشنز 2018 کی ریگولیشن 5 کے تحت شیئر ہولڈرز سے منظور کرانا ہوگا۔ یہ ٹرانزیکشنز معمولات کے مطابق ہیں جن میں کوئی معدی یا خصوصی سودے یا انتظامات شامل نہیں۔

کاروباری عمل کو روانی کے ساتھ جاری رکھنے کیلئے شیئر ہولڈرز چیف ایگزیکٹو کو متعلقہ پارٹیز کے کاروبار کو اگلے سالانہ اجلاس عام تک محفوظ طریقے سے انجام دینے کی منظوری کا مجاز قرار دے سکتے ہیں، جیسا کہ درج ذیل ڈرافٹ قرارداد (ترمیم کے ساتھ یا بلا ترمیم) میں موجود ہے۔ تاہم جے ایس بینک کے ساتھ ان ٹرانزیکشنز کو اگلی اے جی ایم میں شیئر ہولڈرز کے سامنے ان کی منظوری / تصدیق کیلئے پیش کرنا ہوگا۔ اس تجویز پر آڈٹ کمیٹی نے اجازت دے رکھی ہے۔



قراردے سکتے ہیں، جیسا کہ درج ذیل ڈرافٹ قرارداد (ترمیم کے ساتھ یا بلا ترمیم) میں موجود ہے۔ تاہم جے ایس بینک کے ساتھ ان ٹرانزیکشنز کو اگلی اے جی ایم میں شیئر ہولڈرز کے سامنے ان کی منظوری / تصدیق کیلئے پیش کرنا ہوگا۔ اس تجویز پر آڈٹ کمیٹی نے اجازت دے رکھی ہے۔

"طے پایا کہ کمپنی کے چیف ایگزیکٹو کو جے ایس بینک کے ساتھ آئندہ سالانہ اجلاس تک عام کاروبار کے عمومی طریقہ کار کے مطابق محتاط طور پر ہونے والی ٹرانزیکشنز کی منظوری کا اختیار ہوگا۔"

مزید طے پایا کہ یہ ٹرانزیکشنز حصص یافتگان کے سامنے توثیق / منظوری کے لیے اگلے سالانہ اجلاس عام میں رکھے جائیں گے۔

ڈائریکٹرز کی دلچسپی

ڈائریکٹرز کی اکثریت جے ایس بینک لمیٹڈ کے ملازمین ہیں اور کمپنی میں اپنی شیئر ہولڈنگ کی حد تک دلچسپی رکھتے ہیں۔

Audit Committee and its Terms of Reference

The board of directors of JS Investments Limited has established an Audit Committee, comprising three non-executive directors.

The Audit Committee meets at least once every quarter of the financial year. During the year under review four meetings of the Committee were held which were attended by the members as follows:

Mr. Asif Reza Sana (Chairman).....	4
Mr. Hasan Shahid (Member).....	4
Ms. Aisha Fariel Salahuddin (Member).....	4

The Audit Committee shall, inter alia, recommend to the Board of Directors the appointment of external auditors, their removal, audit fees, the provision by the external auditors of any service to the listed company in addition to audit of its financial statements. The Board of Directors shall give due consideration to the recommendations of the Audit Committee in all these matters and where it acts otherwise; it shall record the reasons thereof.

The terms of reference of the Audit Committee shall also include the following:

The board of directors of every listed company shall determine the terms of reference of the audit committee. The board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be explicitly documented and shall also include the following:

- a) Determination of appropriate measures to safeguard the listed company's assets;
- b) Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:
 - (i) Major judgmental areas;
 - (ii) Significant adjustments resulting from the audit;
 - (iii) Going concern assumption;
 - (iv) Any changes in accounting policies and practices;
 - (v) Compliance with applicable accounting standards;
 - (vi) Compliance with listing regulations and other statutory and regulatory requirements; and
 - (vii) Significant related party transactions.
- c) Review of preliminary announcements of results prior to publication;
- d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);
- e) Review of management letter issued by external auditors and management's response thereto;
- f) Ensuring coordination between the internal and external auditors of the listed company;
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;
- h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;
- j) Review of the listed company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports;
- k) instituting special projects, value for money studies or other investigations on any matter specified by the board of directors, in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body;
- l) Determination of compliance with relevant statutory requirements;
- m) Monitoring compliance with these regulations and identification of significant violations thereof;
- n) review of arrangement for staff and management to report to audit committee in confidence, concerns, if any, about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the board of directors the appointment of external auditors, their removal, audit fees, the provision of any service permissible to be rendered to the listed company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise and shall record the reasons thereof.
- p) Consideration of any other issue or matter as may be assigned by the board of directors.



CORPORATE GOVERNANCE

Review Report on Statement of Compliance contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **JS Investments Limited** (the Company) for the year ended **31 December 2020** in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended 31 December 2020

EY Ford Rhodes
Chartered Accountants

Date: 17 March 2020

Place: Karachi



Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended December 31, 2020

This statement is being presented to comply with Listed Companies (Code of Corporate Governance) Regulations, 2019, where JS Investments Limited (the Company) is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance. The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 8 as per the following;

Male: 7

Female: 1

2. The composition of the Board is as follows:

Category		Names
Independent Directors	Female	Ms. Aisha Fariel Salahuddin
	Male	Mr. Asif Reza Sana
Executive Directors		Mr. Hasnain Raza Nensey – Chief Executive Officer
Non-Executive Directors		Mr. Kamran Jafar * Mr. Suleman Lalani Mr. Tahir Ali Shaikh Mr. Hasan Shahid Mr. Babbar Wajid**

Mr. Kamran Jafar has resigned as Director and Chairman of the Board of JS Investments Limited w.e.f January 18, 2021 and Mr. Suleman Lalani appointed as the Chairman of the Board in his place.

** Mr. Imran Haleem Shaikh has been appointed w.e.f January 15, 2021 in place of Mr. Babbar Wajid who resigned on December 02, 2020.

The independent directors meet the criteria of independence as defined under section 166 of the Companies Act, 2017.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of the significant policies along with the date on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of eight Directors on the Board six are certified under the Directors Training Program (DTP).
10. There was no change of Company Secretary, Chief Financial Officer and Head of Internal Audit during the year. However, the Board has approved their annual appraisals to meet the relevant requirement of the regulations.
11. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.
12. The Board has formed committees comprising of members given below:

Committees	Members
Audit Committee	Mr. Asif Reza Sana (Chairman) Ms. Aisha Fariel Salahuddin (Member) Mr. Hasan Shahid (Member)
Human Resource and Remuneration Committee	Ms. Aisha Fariel Salahuddin (Chairperson) Mr. Kamran Jafar (Member) Mr. Hasnain Raza Nensey (Member)
Executive Risk Management Committee	Mr. Kamran Jafar (Chairman) Mr. Tahir Ali Shaikh (Member) Mr. Hasnain Raza Nensey (Member)

The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committees was as per following:
 - a) Audit Committee (quarterly); four meetings of the committee were held during the year
 - b) HR and Remuneration Committee (on need basis); one meeting of the committee was held during the year
 - c) Executive Risk Management Committee (on need basis); two meetings of the committee were held during the year
15. The Board has outsourced the internal audit function to BOD Ebrahim & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICA and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal auditor, company secretary or director of the company.



17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. The two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations under which hereby fulfilled the necessary requirements; not warrant the appointment of a third independent director.

Hasnain Raza Nensey
Chief Executive Officer

Suleman Lalani
Chairman

February 19, 2021
Karachi.

PROFILE OF BOARD OF DIRECTORS

Mr. Suleman Lalani

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Limited ("JSCL") on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he served as CFO and Company Secretary for seven years.

Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002 he joined The First Micro Finance Bank Limited as its Chief Financial Officer and Company Secretary. Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has 25 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance.

Directorships

1. Al-Abbas Sugar Mills Limited
2. Shahtaj Sugar Mills Limited
3. Future Trust

Mr. Hasnain Raza Nensey

Mr. Hasnain Raza Nensey is the Chief Executive Officer of JS Investments Ltd since March 2017. He has an aggregate work experience of 24 years of which around 16 years has been in the Financial Industry in Pakistan. Prior to joining JSIL, he spent 11 years at UBL Fund Managers Ltd in multiple capacities namely Chief Operating Officer, Chief Financial Officer & Chief Investment Officer. Prior to 2005, Mr. Nensey was associated with the JS Group in various roles including Chief Investment Officer at Abamco Limited.

Mr. Nensey has a BSBA Degree with a concentration in Finance and Marketing from Boston University in Massachusetts, USA. He is also an MBA from Babson College in Massachusetts, USA which is very well known for its specialization in entrepreneurial studies.

Directorships

JS Abamco Commodities Limited

Mr. Hasan Shahid

With over twenty years of experience in the fields of finance, auditing, internal controls evaluation and re-designing, compliance and taxation, Mr. Hasan Shahid is Chief Financial Officer of JS Bank Limited where he joined in November 2019.

Prior to JS Bank, he was the Director Finance and Company Secretary of the Jahangir Siddiqui & Co Ltd. (JSCL) where he joined as Manager Finance in 2006. He also served as Chief Financial Officer of JSCL from 2012 to 2018. His role encompasses a wide range of matters ranging from financial management, reporting, audit, taxation, compliance with laws and other secretarial matters.



Mr. Hasan Shahid is a fellow member of the Institute of Chartered Accountants of Pakistan (ICAP) and Pakistan Institute of Public Financial Accountants (PIPFA) and holds a Masters degree in Economics from University of Karachi.

Directorships

1. Energy Infrastructure Holding (Private) Limited – Director
2. JS Engineering Investments 1 (Private) Limited – Director & CEO
3. Future Trust – Trustee & Treasurer

Mr. Asif Reza Sana

Mr. Asif Reza Sana is a senior banker. He is a Private Equity, Banking, Finance, marketing and Corporate Advisor. Currently he is also a member of Board of Directors of Askari Bank, Chairman of the Board Audit committee and member of board risk management committee. His prior career has been with world leader multinationals in the disciplines of Finance, General Management and Marketing.

He has carried out the due diligence assignments of United Bank, Emirates Bank and Askari Bank in Pakistan, Meshraq Bank in Sri Lanka and Habib Sons Bank in South Africa to determine the enterprise value for acquirers running into more than Rs. 50 billion collectively. He was part of the core team managing the former Union Bank of Pakistan. He was appointed advisor to the board of directors in 2000. He was appointed SEVP in Union Bank and was also elected a member of the board of directors. As the executive director of the bank he was also member of the management team, ALCO and the custodian of the monthly business performance review of country group heads of all departments of the bank. He searched, negotiated and closed the sale of Union Bank to Standard Chartered at a landmark price of PKR 29 billion(US\$ 485 million) at the highest multiple in the banking industry.

In 1988 he was headhunted by Philip Morris, then the largest consumer products company in the world (now split into Philip Morris International, Altria Group and Kraft Foods). Here, he was at the forefront of price wars of 1980s between Philip Morris and RJR Nabisco. In 1989 at the beginning of Soviet Block countries disintegration he became member of a task force to establish Philip Morris business in newly formed countries of Central and Eastern Europe through acquisitions, Licensing and joint ventures. In 1991, based at the international headquarters in Switzerland, he was appointed to the coveted position of Group Brand Manager of Worlds legendary and Philip Morris's flagship brand Marlboro that had annual worldwide sales of \$ 26 billion at that time.

He holds an MBA from Quaid-e-Azam University Islamabad and got his executive training at Institute of Management Development in Lausanne, Switzerland and INSEAD France.

Directorships:
Nil

Mr. Tahir Ali Sheikh

Mr. Sheikh has a diversified national and international work experience of 22+ years at senior leadership roles in asset management, investment banking, private equity, debt capital markets, project and corporate financing, and energy and infrastructure investments.

Mr. Sheikh started in financial services career in 2003 from Islamic Development Bank (IsDB), Jeddah as Project Officer in Infrastructure Finance Division. Later, he served at the Capital Management House, Bahrain and Abu Dhabi Islamic Bank, Dubai at key positions. Subsequently, he has worked in Kuala Lumpur with CapAsia, a private equity fund manager, as Director leading a USD 287 million regional infrastructure fund, and with CIMB Islamic Bank as Director & Head Islamic Advisory, Islamic Wholesale Banking. As part of his role at CIMB Islamic, Mr. Sheikh jointly managed USD 5.7 billion AUM Islamic Asset Management Business of CIMB. Mr. Sheikh was SEVP and Group Head Investment Banking and Emerging Business at JS Bank prior to joining a start-up NS Renewables that sets up solar, run-of-river hydro, and geothermal projects in Pakistan.

Mr. Sheikh has a Master in Public Administration (MPA) degree from Harvard University and is a CFA Charterholder. He received his B.Sc. in Mechanical Engineering from University of Engineering and Technology, Lahore and also has a Master in Business Administration (MBA) degree as a gold medalist from Institute of Business Management (IoBM), Karachi.

Directorships:
Nil

Mr. Imran Haleem Shaikh

Mr. Shaikh is Senior Executive Vice President at JS Bank, one of Pakistan's fastest growing banks, with branches located across Pakistan as well as an international presence. The Bank is a leader in the digital banking, SME & consumer loans space. JS Bank has been recognized on multiple international and national forums including the prestigious Asia Money, Asian Banking and Finance, DIGI and Pakistan Banking Awards. The Bank is part of JS Group, one of Pakistan's most diversified and progressive financial services groups.

His role encapsulates both an advisory role to the President & CEO as well as responsibility to lead the Bank's Product, Marketing and Retail Banking teams. Mr. Shaikh is also the primary liaison with the Board of Directors for alignment of the Bank's overall strategic oversight, continuing policy development and performance monitoring.

In addition to his professional commitments, Imran dedicates substantial energy towards social & philanthropic causes through voluntary engagements. He also serves on the Board of JS Bank's charitable partner, the Mahvash and Jahangir Siddiqui Foundation. He has been a prolific contributor to various leading publications and a speaker at numerous multilateral conferences. Recognized for his dedication and commitment, Mr. Shaikh strives to build synergistic, long-term, value-adding partnerships & associations.

Mr. Shaikh believes in challenging status quo to bring about a positive change. He graduated with a majors in Marketing from the Institute of Business Management (IoBM) in 2005. Imran has attended a number of executive development courses worldwide including the Global Branding Forum, National Security Workshop at the National Defense University and the Executive Development Program at National School of Public Policy.

Directorships:
Nil

Ms. Aisha Fariel Salahuddin

Fariel's career spans journalism, investment banking, energy policy advisory and entrepreneurship. She is the founder and chief executive officer of UpTrade, a unique bartering model enabling off-grid farmers to use their livestock as currency in developing rural economies. She has over 10 years of international experience in energy finance, project development, and energy policy. Her geographical experience spans Indonesia, Egypt, Pakistan, and the Middle East North Africa region where she has advised governments and private sector on energy policy, pricing and reforms.

Fariel has done her MPA from Columbia University, New York and BSc from Lahore University of Management Sciences, Lahore.

Directorships:

1. Pakistan Paper Products Limited



ROLE OF BOARD

A well-composed board of JSIL recognizes its responsibilities for value creation through sustainable business performance, ethics, transparency and well-defined corporate governance processes. Board is aware of the trust entrusted upon it by the shareholders for safeguarding their interest.

The role of the Board of Directors have been defined in reference to applicable provisions of law such as Companies Act, 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, Articles of Association of the Company etc. The types of decisions taken by the Board includes the following:

- to issue shares
- to issue debentures or any instrument in the nature of redeemable capital
- to borrow moneys otherwise than on debenture
- to invest and divest funds of the company
- to determine the nature of loans and advances made by the Company and to fix monetary limit thereof
- to authorise a director or the firm of which he is a partner or any partner of such firm or a private company of which he is a member or director to enter into any contract with the company for making sale, purchase or supply of goods or rendering services with the company
- to approve financial statements
- to approve bonus to employees
- to incur capital expenditure on any single item or dispose of a fixed asset in accordance with the limits as may be specified
- to undertake obligations under leasing contracts exceeding such amount as may be notified
- to declare interim dividend
- having regard to such amount as may be determined to be material (as construed in Generally Accepted Accounting Principles) by the board
- to write off bad debts, advances and receivables
- to write off inventories and other assets of the company
- to determine the terms of and the circumstances in which a law suit may be compromised and a claim or right in favour of a company may be released, extinguished or relinquished
- to take over a company or acquire a controlling or substantial stake in another company
- any other matter which may be specified

MATTERS DELEGATED TO THE MANAGEMENT

The primary responsibility of the Management is to conduct routine business operations in an effective and ethical manner adhering to the core values, Boards' approved strategies and annual targets. It is also the responsibility of the management to establish and maintain a system of internal controls, in conformity with the applicable accounting standards and the requirements of the applicable laws. It is also the role of the management is to establish a corporate culture that is imprinted in the day-to-day running of the company and maintain inspiration and motivation of employees towards achievement of company goals.

ANNUAL EVALUATION OF THE BOARD

We have outsourced the Board evaluation process to Pakistan Institute of Corporate Governance

DIRECTORS ORIENTATION

Every new member of the Board upon induction apprised about business operations, strategy, goals organizational / group structure, subsidiaries, associates and other related parties, Company's visions etc, in addition, to the training programs offered to the Directors for enhancement of their skills. On every quarterly board meeting, management also acquaints the board about new laws introduced during the period as well as amendments in the existing laws and accounting standards.

DIRECTORS TRAINING PROGRAM

Following directors & executive have duly completed the Directors' Training Program.

Directors	Executive
Mr. Kamran Jafar	Hasnain Raza Nensey, Chief Executive Officer
Mr. Asif Reza Sana	Muhammad Khawar Iqbal, Director Finance & Company Secretary
Mr. Babbar Wajid	
Mr. Hasan Shahid	
Ms. Aisha Fariel Salahuddin	

DIRECTORS REMUNERATION POLICY

Preamble

This policy has been developed pursuant to the provisions of clause 17 of Chapter VI of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (hereinafter referred to as the "**Regulations**"). Section 17 of the Regulations bears the heading "Formal Policy" which is reproduced herein below:

The board of directors shall have in place a formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meetings of the board and its committees.

In respect of Directors' Remuneration, The Articles of the Company states that;

"The remuneration of directors for attending meetings of the Board shall from time to time be determined by the directors in their meeting, provided that neither the Chief Executive nor any directors in whole time remunerated service with the Company shall be entitled to any payment for attending meetings of the Board. A Director may also be paid all travelling, hotel and other expenses properly incurred by him in attending and returning from the meetings of the Directors or any Committee of the Directors or General Meeting of the Company or in connection with the business of the company"

Guiding Factors

1. The Remuneration of Directors including the Chairman, Chief Executive Officer, Executive Directors, non-Executive and Independent Directors will be fixed by the Board.
2. The remuneration to be paid to any director for attending the meetings of the board or a committee of directors shall not exceed the scale approved by the company or the board, as the case may be, in accordance with the provisions of the articles or as may from time to time be permissible by Law.
3. Neither the Chief Executive nor any directors in whole time remunerated service with the Company shall be entitled to any payment for attending meetings of the Board and/or sub-committees.



1. A Director shall be entitled to be paid reasonable travelling expenses, hotel charges and other expenses incurred by him for attending Board, Sub-Committee and General Meetings.
2. If any Director is called upon to perform extra services within or outside Pakistan for any of the purposes of the Company or in giving special attention to the business of the Company as a member of a Committee, the Company may remunerate the Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors, and such remuneration may be either in addition to or in substitution for his or their share in the remuneration above provided for the Directors.

CHAIRMAN OF THE BOARD

The Chairman of the Board of Directors may be entitled to such extra remuneration as the Board of Directors may determine.

CHIEF EXECUTIVE OFFICER

The remuneration of Chief Executive Officer shall be governed by the terms and conditions of his contract of employment as approved by the Board keeping in view of his qualifications, expertise, effectiveness etc. The annual increases and performance bonuses, if any, will be determined by the Board from time to time in line with the contract of employment.

EXECUTIVE DIRECTORS

The remuneration of Executive Directors shall be fixed by the Board keeping in view of their qualifications, expertise, effectiveness and the time given to the Company. The remuneration may include but not limited to salary, transport, medical, telephone, medical insurance for self and spouse, club and/or other memberships and other privileges and benefits incidental or relating to their office in accordance with Company's policies.

The annual increases will be determined by the Board, in consultation with Human Resource and Remuneration Committee with effect from January 1st every year. He may also be entitled to annual performance bonus as determined by the Board. The Board as it may deem fit consult the Human Resource & Remuneration Committee in fixing the increases.

NON- EXECUTIVE DIRECTORS AND INDEPENDENT DIRECTORS

The remuneration of Non- Executive Directors for attending the meetings of Board and its Sub-Committees shall be fixed by the Board from time to time. Similarly, the remuneration of Non-Executive Directors for the extra services performed shall be fixed by the Board from time to time as and when they perform extra services

APPLICATION OF GOVERNANCE PRACTICES EXCEEDING LEGAL REQUIREMENT

The Board has ensured good corporate governance by maintaining high levels of professional and business conduct, implementing effective internal controls and audit functions including risk management framework. The Board recognizes that well-defined corporate governance processes are vital to enhance corporate accountability and is committed to ensure high standards of corporate governance to preserve and maintain shareholders value.

The strong business ethics of JSIL creates a level of trust in all of our business relationships, and we ensure all employees understand the importance of ethical behavior in conducting business on behalf of the Company, in order to maintain these standards.

JSIL's commitment towards moral and ethical values is demonstrated by voluntary adoption of best business practices in addition to the applicable regulatory requirements. Some of the governance practices exceeding legal requirements that have been adopted by the Company include:

- Best reporting practices recommended by ICAP / ICMAP
- Adoption of Pakistan Stock Exchange criteria for selecting top companies
- Disclosure of various financial analysis including ratios, reviews, risk matrix and graphs etc.
- Implementation of Directors training program ahead of prescribed timeframe

OBJECTIVE SET FOR IMPLEMENTING THE POLICY

In accordance with the Companies Act 2017, Listed Companies (Code of Corporate Governance) Regulations, 2019, Articles of Association of the Company and other applicable provisions, JSIL's Board composed of skilled, competent and diverse group of highly qualified professionals from varied disciplines

The Board consists of 8 Directors, among which seven are nonexecutive Directors whereas only one executive Director, exceeding the legal requirement of 25% representation by non-executive Directors. The non-executive Directors include 2 independent Directors. In line with the Board policy of diversity and gender mix, JSIL maintains female representation on the Board of Directors with one member representing female directorship on the Board.

The independent Directors have submitted along with their consent to act as Director, a declaration to the Company that they qualify the criteria of independence notified under the Companies Act, 2017.

POLICY ON RELATED PARTY TRANSACTIONS

Every director (including spouse, children, step children and parents) of the JSIL who is in any way, whether directly or indirectly, concerned or interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the JSIL shall disclose the nature of his concern or interest at a meeting of the board. No director of the JSIL shall take any part in the discussion of, or vote on, any contract or arrangement entered into, or to be entered into, by or on behalf of the JSIL. If he/ she is in any way, whether directly or indirectly, concerned or interested in the contract or arrangement.

DEFINITIONS

"Applicable Laws" means all applicable laws, statutes, ordinances, rules, and regulations, applicable to the Company in the context of Related Party Transactions, whether or not having the force of law, and including all official directives, consents, approvals, authorizations, guidelines, orders and policies of any Authority having or purporting to have authority over the Company and all general principles of common law and equity, including but not limited to Companies Act, 2017, COCG and NBFC Laws, and rules and regulations issued thereunder.

"Board" means the Board of the Company.

"COCG" means the Code of Corporate Governance for Listed Companies issued by the Commission as amended from time to time.

"Commission" means the Securities and Exchange Commission of Pakistan.

"Committee" means the Audit Committee of the Board.

"Company" means JS Investment Company Limited.

"NBFC Laws" means NBFC (Establishment and Regulation) Rules, 2003 and Non-Banking Finance Companies and Notified Entities Regulations, 2008 as amended from time to time.

"Policy" means this Policy for the regulation of Related Party Transactions.



“Related Party” means a Related Party as defined under the Applicable Laws.

“Related Party Transaction” means a transaction between the Company and a Related Party with respect to a subject matter provided under Applicable Laws, provided that transactions executed between the funds, under the management of the Company, and/ or transactions executed between funds and the Company or any of its associated or group companies shall also be deemed to be a Related Party Transaction.

PREAMBLE

The Policy has been developed to ensure compliance with the Applicable Laws in relation to Related Party Transactions. In the event of any inconsistency between the provisions of this Policy and any Applicable Laws, existing or new laws or directives applicable to the Company, the latter shall take precedence over this Policy. Management of JSIL will ensure that all applicable laws / regulations / requirements are complied with in letter and spirit for undertaking Related Party Transactions.

PURPOSE

This Policy is intended to ensure the approval and reporting of Related Party Transactions between the Company and a Related Party in accordance with Applicable Laws.

EFFECTIVE DATE

This Policy shall be deemed to be effective from the date of its approval by the Board and shall continue to remain in force until amended or rescinded by the Board.

APPROVALS FOR RELATED PARTY TRANSACTIONS

1. The Company may enter into Related Party Transactions in its ordinary course of business on an arm’s length basis without the prior approval of the Board.
2. The details of all Related Party Transactions other than clause (1) above, shall be placed before the Committee for review and upon recommendations of the Committee, the same shall be placed before the Board for its approval.
3. If the Committee determines not to recommend a Related Party Transaction to the Board, the Committee, as it deems appropriate, may direct additional actions including, but not limited to, immediate discontinuation or rescission of the transaction.
4. In case of a Related Party Transaction which is not on an arm’s length basis, necessary justification shall be placed before the Committee and the Board explaining why the transaction is proposed to be executed other than on an arm’s length basis.
5. If a Related Party Transaction requires approvals or clearance from the Committee/Board in terms of clause (2) above, the same shall be obtained before the execution of such transaction provided that the Board may, at its discretion, modify or waive any provisions/requirements of this Policy.
6. Where appropriate, the following factors amongst others should be evaluated and presented by the Management to the Committee/ Board, for approval of a Related Party Transaction:
 - (a) the Company’s interest, benefit and purpose of the transaction;
 - (b) whether the anticipated transaction falls under the normal course of Company’s business;

- (a) is there any Related Party's interest in the transaction,
 - (b) whether the terms and conditions are on an arm's length basis;
 - (c) conflicts of interest in the proposed transaction, if any;
 - (d) whether the transaction is proposed to be executed at a group level;
 - (e) whether parties other than a Related Party is also participating in the proposed transaction;
 - (f) whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with such proposed transaction.
7. If the Board or the Committee requires further clarification before approving or recommending a Related Party Transaction, as the case may be, it may direct the management to submit such information or take such actions as it deems necessary.

CONFLICT OF INTEREST

- 8. Any Board member who has any interest in a Related Party Transaction shall restrain from participating and voting on the approval of such transaction at the Committee/Board level.
- 9. If majority of Board members are interested in any Related Party Transaction, the matter shall be placed before the general meeting for approval through a special resolution.

RECORD RETENTION AND DISCLOSURES

- 10. The Company shall maintain a detailed record of all Related Party Transactions (including those covered under clause (1) above) entered into in each financial year, along with all relevant documents and information in the manner as may be prescribed under the Applicable Laws.
- 11. All Related Party Transactions shall be disclosed in the Director's Report / Annual Report as per the disclosure requirement(s) set forth in the Applicable Laws and accounting standards.
- 12. The particulars of all the Related Party Transaction entered into with the approval of the Board of Directors shall be entered into the Register of Contracts or Arrangements in which Directors are interested, maintained by the Company as per the provisions of the Companies Act, 2017.

RATIFICATION

- 13. Any Related Party Transaction entered into by a director or employee of the Company, without following the procedures laid out in this Policy, may be ratified by the Board or shareholders in a general meeting, as the case may be, within ninety (90) days from the date such transaction is executed or such other period as may be prescribed under Applicable Laws. If the transaction is not ratified, as above, it may be voidable at the discretion of the Board.

CONFLICT OF INTEREST POLICY

The Code provides guidance on what constitutes a conflict of interest and how such a conflict will be managed. In order to avoid any actual or perceived conflict of interest, formal disclosure of vested interests is required by the Code.

All Directors are obligated to avoid actual, potential and perceived conflicts of interest. Agenda points for the Board's proceedings are finalized after obtaining relevant information regarding vested interests and quantification thereof, whereas all observations / suggestions of Board members during their proceedings are accordingly recorded.



The governance structure of the JSIL ensures that Directors take all necessary steps to avoid conflicts of interest and any Director with a material personal interest in a matter being considered by the Board must be declared. Directors abstain from voting on any Board resolution in which they or their close relations have interests. Their votes are also not counted in establishing the quorum for the relevant agenda item.

INVESTOR GRIEVANCE POLICY

All queries including grievances and information requests lodged by shareholders and potential investors are handled on priority by the Investors' Relation department through an effective grievance management mechanism. All matters are resolved in line with the legal requirements and in a timely manner. Key elements of the Compliant mechanism include:

- JSIL ensures quality services with uncompromising focus on investors' concerns and transparency in execution
- Ensuring timely response to investor grievances and complaints
- Multiple mediums to lodge a complaint are available on the JSIL website such as toll free number, email, fax, etc.
- A managerial level resource is designated for compliant handling process and escalation matrix is also defined
- Appropriate remedial action is taken immediately to ensure that Investor's grievances are resolved in a timely manner.

POLICY FOR PROTECTION OF DATA OF THE COMPANY

Record Management in JSIL ensures that the valuable record evidencing and organizational activities that have legal, financial, administrative value are protected and maintained. Hence, JSIL has put in place a comprehensive process, controls, retention and retrieval of recorded business and information generated daily that are of ongoing importance to overall service capability and regulatory compliance.

Further, the Company's Policy for safety of records falls in the ambit of a comprehensively formulated Business Continuity Plan (BCP), which ensures integrity and confidentiality of sensitive data through secure back-up and real time recovery of all data critical to continuity of smooth operations. JSIL sufficient Information Security Management System signifying that the Company has maintained necessary threats.

DISCLOSURE OF IT GOVERNANCE POLICY

JSIL has a very competitive, experienced and qualified IT team aligned with management's strategy and vision with a state of the art IT Datacenter with completely digitized salesforce, online web portal and mobile platform, complete virtualized infrastructure and fully automated and robust DR/BCP and archiving followed by satisfactory observations by audits.

JSIL has a proper, approved IT governance plan which is properly divided and covered into following policy:

1. User acceptable policy
2. information security policy
3. Change management policy
4. infrastructure related policy
5. Network policy
6. group user policy
7. Systems related policy
8. Applications related policy
9. and other related policies and procedures

These policies are regularly reviewed by IT Steering and Management Committees of the management. In addition to that the Internal Audit assess and review these policies based on TORS and procedure in line with organization vision and strategy.

DISCLOSURE OF WHISTLE BLOWING POLICY

The objective of the Whistle Blowing Policy is to address the concerns of Company's staff (Employees) and other stakeholder about irregularities, impropriety, financial malpractices, frauds & forgeries, personnel harassment and improper conduct or wrongdoing without any fear of reprisal or adverse consequences in order to strengthen the Company's reputation and its overall performance.

The Whistle Blowing Policy is applicable to all its employees working across the country and other stakeholders that includes but not limited to customers, vendors, brokers etc.

Employees are encouraged to report concerns directly to immediate supervisors or where impractical to senior level management without fear of reprisal. The policy also encourages stakeholders to raise concern against any unsatisfactory inquiry or proceedings.



DISCLOSURE OF HUMAN RESOURCE MANAGEMENT POLICY

JSIL believes that its human capital is one of the most valuable assets of the Company and the key to success. The company acknowledges the importance of having a competent and motivated workforce to create value for its shareholders and therefore, framed its Human Resources policies focusing on the following long term objectives:

1. Develop the highest caliber people in the right number.
2. Ensure corporate culture fostering strong working relationships and competitiveness amongst the employees of JSIL.
3. Improving the organization's relationship with its employees and the communication channels, leading to improved and informed decision making and operations through effective communication of goals and strategies.
4. Provide a working environment conducive to professional development of employees and providing them with opportunities to build a long-term career in JSIL.
5. Improving our ability to retain, motivate, develop and reward employees.
6. To provide JSIL with uniform rules in order to ensure equitable and consistent application of the policies and eliminate the need for personal decisions.

We strongly believe that having a comprehensive succession planning process is critical for achieving organizational tactical and strategic goals. JS Investments plans its manpower needs as far ahead as possible. Thus, the organization endeavors to maintain a required number of employees, possessing the necessary skills, experience, and qualifications, to efficiently carry out its operations.

Following JSIL's manpower planning, succession planning is conducted and monitored by the team of senior management. The team identifies individuals in their area who demonstrate quality performance and have potential for further growth based on their performance reviews, relevant job competencies as defined in the current and the potential to assume higher responsibilities. These individuals' are especially monitored to assess any training and development needs or any other job-related assistance in order to prepare them for the next level job whenever it becomes available. JSIL strives to follow this internal succession planning to promote from within existing employee ranks.

Equal Opportunity Employer

JSIL is an equal opportunity employer. All employees are treated on their merits, without regard to race, age, color, sex, religion, sect, relationship status or any other factor not applicable to the position. Employees are valued according to how well they perform their duties, and on their ability to maintain Company standards of service. JSIL aims to create a working environment which is free from discrimination and where all members of staff are treated in a fair and reasonable manner that is, being just and working within commonly accepted rules exercising sound judgment, and taking a sensible approach.

Learning Culture

At its core, JSIL's strength lies in its valued people and a culture based on growth mindset. We have developed an environment which enables our people to learn, unlearn, relearn and grow. We believe potential can be nurtured with constant mentoring and is not pre-determined, and we should always be learning and curious trying new things without fear of failure. JSIL ensures its achievement through firm commitment and flexible approach.

Our Commitment and Approach

At JSIL, we're focused on bringing out the best in people, supporting their goals, and allowing them to find deep meaning in their work. We strive to create a respectful, rewarding, diverse, and inclusive work environment that enables our employees to provide invaluable services that create difference in people lives.

Learning and Development

Our growth mindset culture begins with valuing learning with applications over knowing, seeking out new ideas, embracing challenges, learning from failure, and improving over time. To support this culture, we offer a diverse range of learning and development opportunities. We believe training can be more than formal instructions, and our training philosophy focuses on providing the right learning, at the right time, in the right way. The initiatives we have taken offer special emphasis on employees' mental and emotional stability. Opportunities include:

- New employee orientation covering a range of topics including company values, culture, and Standards of Business Conduct and processes.
- Employees' wellness sessions to help them develop mental strength and gain emotional stability.
- One-to-one coaching and counseling opportunities with in-house dedicated trainer and certified Neuro-Linguistic Programming practitioner.
- Personalized learning sessions through our E-learning portal.
- In-the-classroom learning with participative approach.
- One to One coaching opportunities with in-house dedicated trainer.
- Training through practical assignments and activities.
- Exclusive sessions on Meditation and Mind Body relaxation.
- Regular sessions on product understanding, clients' needs and regulatory requirements.
- Preparation for the exam of regulatory certification required by Institute of Financial Markets of Pakistan.

Risk: Turnover of trained employees at critical positions

Retention efforts particularly focusing on staff motivation, learning, growth and competitive compensation are necessary to avoid turnover of trained employees and succession planning of such critical positions is imperative to avoid instant skill gap.



Growth Opportunity

The Company encourages existing employees for taking up high level of responsibilities i.e. promotion from within and focuses on enhancing their skill-set through relevant learning initiatives and on-the-job training in addition to providing them with competitive remuneration. It also helps the company transform existing talent into a competent workforce and become successor to take up a critical role/position in the Company.

Human Resources Planning, Talent Acquisition & Induction

JSIL management team engages into a vigorous HR planning exercise each year to ascertain the new hiring / skill-set requirement in consonance to the goals set out for the following year.

The Company aims to employ right person for the right job by deploying evaluation tools such as psychometric test, interviewing stages based on the level of position etc. following the job specifications and job description. JSIL ensures that the new employee is being equipped with the required set of knowledge and tools both technical as well as others to enable him/her settling down within the diverse culture / environment of the Company.

Internships

JSIL provides Internship opportunities to young prospective candidates to gain practical experience and better insight on the working of different departments. This helps in broadening their knowledge and understanding to become better future managers. Internship is also used as an assessment tool to judge the capabilities, knowledge and qualities of a candidate who may be hired as a regular employee in future. Thus, internship may serve as an assessment tool for identifying future leaders.

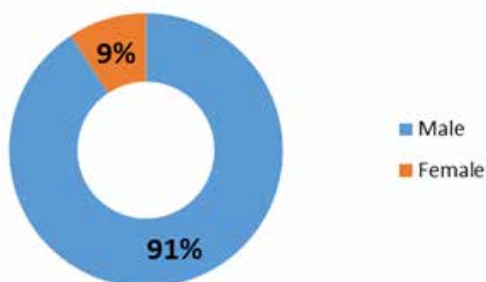
Workforce Diversity

JSIL acknowledges the importance of workforce diversity in the workplace because it helps building a multitalented competitive environment, leading to achieve the desired results. The following composition of our diverse workforce reflects human resources belong to different gender, religion, age group, locations:

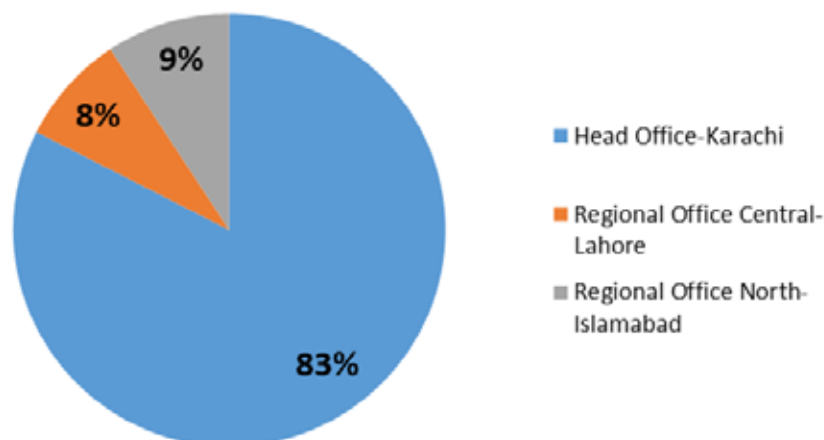
Total Number of Employees

97 2020

Employees Breakdown by Gender



EMPLOYEES BREAKDOWN BY LOCATION



Employees Breakdown by Gender, Minority Group and Age Group

	Minority Group		Age Group		
	Muslim	Non Muslim	<30	30-50	>50
Male	98%	2%	18%	76%	6%
Female	78%	22%	33%	67%	0%

Employee Engagement

At JSIL, we encourage greater employee engagement through various activities depending upon their function and level of involvement in achieving the Company's strategic objectives. Employees involved in business driving functions are encouraged to participate in the strategy formulation deliberation and its implementation and monthly meetings, whereas activities such as Independence Day, Women's Day, and New Year celebrations, Recognition Drive for going extra mile, dissemination of Performance Recognition Certificates are organized to keep the employees motivated and engaged.

A Decent and Productive Workplace

JSIL is committed to provide a decent and productive workplace to its employees. The office is equipped with the latest furniture, lights, ambiance, provision of adequate work space, departmentalization, safety measures, accompanied with all necessary facilities such as Prayer Hall, Cafeteria, Fire Safety, Emergency Exit etc.

Employee Benefits

JSIL ensures to provide competitive benefits to its employees and makes consistent efforts in bringing improvements in its benefits structure form time to time. At present, the employees of JSIL enjoy a number of benefits which includes but not limited to:



Medical Benefit

JSIL offers medical benefit to help employees in maintaining a high standard of physical fitness needed to perform their jobs and also to help reduce the employees' financial burden. JSIL employees and their dependents are provided with health insurance coverage to facilitate their hospitalization needs and efforts are made to extend best possible support whenever needed.

Life Insurance and Pay Continuation Plan

JSIL employees are covered under life insurance policy and in addition, they are also being covered under pay continuation plan which is a special benefit being offered whereby the beneficiary of the demised employee continues to receive the pay till next 5 to 10 years or retirement age whichever comes earlier.

Leaves

JSIL recognizes the importance of self-renewal through recreation and rest to reduce stress around personal needs, and accordingly offers annual leaves, besides casual and sick leaves so as to enable the staff to contribute to JSIL's work at their highest level of competency and creativity.

Loans Facility

JSIL acknowledges that there are situations in which the employee looks up for financial assistance and accordingly offers multiple loan facilities to extend necessary support to its employees.

Retirement Benefit

JSIL recognizes the need of financial security after retirement and accordingly offers contributory provident fund scheme to its permanent employees.

Performance Management System

Performance Management is a process for establishing a shared understanding about what is to be achieved and how it is to be achieved. It is an approach to managing people, communicating business goals and achieving success. JSIL Performance Management System is aimed at accomplishing the following goals:

- Providing direction and clarifying performance expectations for employees.
- Providing feedback and coaching the staff members on things concerning job performance, both, of what is done well and what needs improvement.
- Identifying the learning and development needs of employees.
- Serving as the driving tool for ensuring that performing employees are rewarded in a fair and equitable manner.

The year 2020 was a unique year in which we all have experienced unprecedented challenges and witnessed slow-down of economic activities globally, owing to Covid-19 pandemic and lockdown situation. We were exposed to a new normal (virtual environment) with limited access to new business opportunities and clientele. During these uncertain times, JSIL continued its efforts on the corporate social responsibility front as well as employees well being:

- A fundraising campaign was initiated in collaboration with 'Future Trust' to support research for Covid-19 testing kits in which the employees of JSIL voluntarily contributed their one-day gross salary.
- Rapid Antibody Test for Covid-19 was arranged for employees across the organization (Karachi, Lahore & Islamabad).
- Employees were appropriately enabled or equipped to work from home during lock down period, facilitated with an extended health insurance limits and a safe working environment at office following Covid-19 precautionary measures such as measuring temperature, provision of face masks, sanitizers, ensure social distancing, disinfection of office, dissemination of allied protection guidelines and reimbursement of Covid-19 (PCR) testing charges.
- A corporate wellness program and bite sized learning sessions were organized both online and physical to ensure employee engagement, personal growth and professional development.
- Facilitated timely payments to all the vendors and salaried to all employees following IBFT facility.

SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY.

As a responsible corporate entity, JS Investments Limited (JSIL) strives to support Corporate Social Responsibility (CSR) initiatives that support economic growth, social progress and environmental protection in Pakistan. JSIL carries out major philanthropic activities in partnership with the Mahvash & Jahangir Siddiqui Foundation (MJSF) and Future Trust. In times of humanitarian disasters, we also run and execute fundraising programs in a joint fashion.

ROLE OF CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Code of Corporate Governance ("**Code**") requires that the Chairman and the Chief Executive ("**CEO**"), by whatever name called, shall not be the same person except where provided for under any other law. Further, the Chairman shall be elected from among the non-executive directors of the listed company. The Code also requires that the Board of Directors of a listed company shall clearly define the respective roles and responsibilities of the Chairman and CEO.

Accordingly, the following description set out clear division between the roles and responsibilities of the Chairman and CEO.

ROLE AND RESPONSIBILITY OF CHAIRMAN OF BOARD

The Chairman shall be responsible for leadership of the board and shall ensure that the board plays an effective role in fulfilling all its responsibilities. In particular, he shall:

1. Ensure effective functioning of the Board Room and committees of the Board in accordance with the highest standards of corporate governance;
2. Ensure effective communication with shareholders and other stakeholders of the Company to understand their views.



3. Ensure that such an agenda for the Company is set which primarily focus on strategy, performance, value creation and accountability, and ensure that issues relevant to those areas are regularly considered by the Board.
4. Ensure that the Board discussions promote constructive debate and effective decision-making.
5. Ensure that the Board determines the nature and extent of the significant risks to the Company and that the Board reviews regularly the effectiveness of risk management and internal control systems.
6. Ensure that adequate time is allowed for discussion of all agenda items and to ensure that complex or contentious issues are dealt with effectively, making sure in particular that non-executive directors have sufficient time to consider them.
7. Ensure that the Board members receive accurate, timely and clear information relating to agenda items and, in particular, about the company's performance.
8. Ensure that the Board delegate appropriate authority to the management.
9. Ensure that all Board committees as required under the Code are properly established, composed and effectively operated.
10. Ensure to build an effective Board, its composition and balance, diversity, including gender, and succession planning for the Board and the appointment of senior executives.
11. Liaise with the Human Resource & Remuneration Committee regarding remuneration of the executive directors and senior executives.
12. Ensure that the chairman of the Board Committees properly brief the Board regarding proceedings of their Committees.
13. Ensure proper disclosure in the annual report as required under the Code of Corporate Governance;
14. Ensure that the directors continually update their skills and the knowledge and familiarity with the company to fulfill their role both on Board and Board Committees including in terms of the code of corporate governance.
15. Communicate with the Chief Executive whenever need be.
16. Ensure that the performance and effectiveness of the Board, its committees and individual directors is formally evaluated on an annual basis.

17. Establish a harmonious and open relationship with all executive directors and Chief Executive in particular providing advice and support while respecting the executive responsibilities.
18. Ensure that conflict of interest issues are adequately addressed at Board level.

ROLE AND RESPONSIBILITY OF THE CEO

The Chief Executive shall be responsible for the leadership of business and subject to the control and direction of and the authorities delegated to him by the Board of Directors, be responsible for the management of affairs of the company. In particular, he shall:

1. Develop strategy for the Company for Board approval and ensure that approved corporate strategy is duly reflected in the business.
2. In conjunction with the Chief Financial Officer, develop an annual budget and the cash flow plan consistent with approved corporate strategies, for presentation to the Board for approval. This should include developing processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps are taken to manage the risk to the business.
3. Be responsible to the Board for the performance of the Business consistent with approved business plans, corporate strategies and policies and keep the Board as a whole update on progress made against such approved plans, corporate strategies and policies.
4. Plan human resourcing to ensure that the company has the capabilities and resources required to achieve its plans and ensure that robust management succession and management development plans are in place and presented to the Board from time to time.
5. Develop an organizational structure and establish processes and systems to ensure the efficient organization of resources.
6. Ensure that financial results, business strategies and, where appropriate, targets and milestones are placed before the Board.
7. Develop and promote effective communication with shareholders and other stakeholders.
8. Ensure that business is conducted in accordance with the highest standards of corporate governance.
9. Ensure that the flow of information to the Board is accurate, timely and clear.



10. Establish a close relationship of trust with the Chairman, reporting key developments to him in timely manner and seeking advice and support as appropriate.
11. Ensure that the reporting lines within the Company are clearly established and are effective.
12. Ensure that proper procedures are in place to ensure compliance with all applicable laws, rules and regulations.
13. Ensure an effective framework of internal controls including risk management in relation to all business activities.
14. Ensure that the company has a suitable system and policy for the timely and accurate disclosure of information in accordance with regulatory requirements.
15. Ensure that conflict of interest issues are adequately addressed at management level.

BUSINESS CONTINUITY PLAN AND DISASTER RECOVERY PLAN

A disaster is defined as any event that renders a business facility inoperable or unusable so that it interferes with the organization's ability to deliver essential business services. The objective of the Business Continuity Plan is to coordinate recovery of critical business functions in managing and supporting the business recovery in the event of a facilities (office building) disruption or disaster. This can include short or long-term disasters or other disruptions, such as fires, earthquakes, explosions, terrorism, tornadoes, extended power interruptions and other natural or man-made disasters including IT Infrastructure/Systems breakdowns.

COVID-19 poses significant challenges and, unlike many crises, has unfolded without much advance warning or scope for preparation. Organizations faced unprecedented times as the measures deployed to slow the spread of the novel coronavirus (COVID-19) impacted capital markets, supply chains, and business operations. The uncertainties of the current environment served as a powerful reminder to senior decision-makers of the need for risk management and crisis planning.

JS Investment was one of the organizations that typically survived and extended unhindered services while working from home, during the pandemic crises as the Company:

- had a well-tested business continuity plan or prepared such a plan promptly
- had strong leadership to ensure decisive action in response to immediate uncertainties
- communicated swiftly and frankly with stakeholders and
- demonstrated practical compassion for those impacted
- were prepared for the mundane and predictable problems of business continuity (e.g., alternative technological and communication systems, preservation of vital records and other operational requirements, including remote access)
- had access to financial and other resources to absorb the effects of the crisis or conducted an early and aggressive review of cash flow and developed a cash management plan

The Company's comprehensive Business Continuity Plan (BCP) covers safety of investors records beyond the legal requirements to ensure sustained business operation in case of occurrence of any God forbid disaster or crisis. All material record is efficiently archived in digital form and uploaded on Company's secure onsite and off-site servers, ensuring safety of record, easy retrieval thereof as well as transactional data to provide uninterrupted services to investors to get their money back and to invest further to meet their financial needs.

The investors' data has been archived in a well preserved manner as follows: • Real-time back up of investors' data is maintained at on and off-site locations • Storage of data at secure location with state of the art protections against physical deterioration, fire, natural disasters etc. • Establishment of remote Disaster Recovery site to provide immediate backup of all primary data, in line with business continuity practices.

STAKEHOLDERS RELATIONSHIP AND ENGAGEMENT

Engagement with Shareholders:

Share-holders are represented by the Board of directors. The management is fully engaged with the Board of Directors via quarterly meetings in a formal setting, and on a much more frequent basis in informal settings.

During the period the Company ensure to keep up to date website related to latest developments. Company also conducted Analyst Briefing session and the queries and concerns are adequately handled through proper channels. During AGM, the shareholders were encouraged to raise queries and they were thoroughly briefed about the plans of the company and the structure thereof.

Engagement with Customers:

JS Investments sees our customers as key stake-holders in our business. We are committed to engaging customers on a continuous basis. Apart from dedicated customer servicing teams, a dedicated "investor relations" team is available to our investors via a help-desk / call-center. Further, digital modes such as the company website, internet portal, mobile app, and social-media presence provide avenues for customer engagement.

JS Investments' website has a dedicate "Investor's Relations" section. The section is designed according to SECP's subject guidelines for asset management companies.



MANAGEMENT REVIEW AND REPRESENTATIONS

CHAIRMAN'S REVIEW

I am pleased to present this report to the shareholders of JS Investments Limited (JSIL) on the overall performance of the Board and its effectiveness in achieving the Company's objectives.

The year 2020 has been an eventful year in the history of the company due to momentous changes witnessed on account of COVID 19. The world economy and social dynamics have been impacted by a virus in a way that no country, has been left unhurt. Pakistan has tackled the crisis well and exhibited its resilience and immense potential. COVID cases in Pakistan are reducing which is a good omen for the overall economy. The management and the Board of Directors of the Company would continue to monitor the evolving situation in relation to the pandemic.

During a year of macro-economic headwinds and extremely volatile market movements, the growth was driven by investor demand for low-risk investment solutions like Income and Cash Funds. Due to the sluggish economy on account of COVID 19, the funds under management of JSIL also witnessed significant attritions during the year but with the team efforts and support of the customers, JSIL managed to grow Assets under Management (AUM) from (approx) PKR 20.3 Bn to PKR 23.8 Bn in CY 2020. The significant growth in Industry AuMs albeit on the lower earning spectrum of Cash & Income Funds shows the strong footing of the Industry which is on its way to cross the PKR 1 Trillion mark for the first time.

Going forward, the Company shall target sustainable AUM growth by offering innovative niche products, as well as customized investment solutions covering the entire risk/return spectrum. The Company's profitability is expected to improve due to a shift towards a leaner and more cost-efficient model, driven by technology and automation. The optimization in organizational structure is aligned with the aspirations of the Board and the shareholders.

I would like to acknowledge the contribution of all members of the Board for their time and effort. A well-composed board brings a diverse range of expertise, perspectives, and knowledge to provide quality strategic direction to the management. The Board has performed its duties and responsibilities diligently and has contributed effectively in guiding the Company in its strategic affairs. The Board recognizes that well-defined corporate governance processes are vital to enhance corporate accountability and is committed to ensuring high standards of corporate governance to preserve and maintain shareholders' value.

The Board has constituted highly effective Human Resource & Remuneration, Audit and Executive Risk Management Committees with clear charters and adequate representation of independent and non-executive directors. During the year, the Board and its various committees met frequently to provide strategic guidance to the management. The Board has engaged the Pakistan Institute of Corporate Governance to evaluate the Boards' own performance.

The Board of JSIL has played a critical role in reviewing and approving risk management policies and procedures within JSIL, to help clearly define the risk management framework and recognize the fiduciary responsibility of the organization. This framework has been successfully implemented by the Company's senior executives and risk managers in line with the Company's strategy. The Committee also deliberated extensively on the Anti Money Laundering / Counter Financing Terrorism Regulations, 2020, and approved a policy that was adopted and implemented across JSIL.

In the end, I wish to place on record my appreciation for the support received by the Company from the Securities & Exchange Commission of Pakistan which has clearly exhibited itself to be a model Regulator in 2020 with its response to the Covid crisis and has set a new standard with respect to resolution of Industry issues, thereby paving the way for the Trillion rupee AuM mark and beyond. Needless to say, other key stakeholders who deserve appreciation are the dedicated staff of JS Investments, unitholders who entrusted us with their savings, and our shareholders for their continued support and confidence.

Suleman Lalani
Chairman

February 19, 2021
Karachi

چیرمین کا جائزہ

میں جے ایس انویسٹمنٹس لمیٹڈ کے شیئر ہولڈرز کو بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد کے حصول میں اس کی تاثیر پر رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہا ہوں۔

2020 کا سال کمپنی کی تاریخ میں سرگرمیوں سے بھرپور سال رہا کیونکہ COVID-19 کے باعث لمحہ بہ لمحہ صورتحال بدلتی رہی۔ دنیا کی معیشت اور سماجی سرگرمیوں پر ایک وائرس کا ایسا اثر پڑا جس سے دنیا کا کوئی ملک نہیں بچ سکا۔ پاکستان نے اس بحران کا اچھے طریقے سے مقابلہ کیا اور پچک اور زبردست استعداد کا مظاہرہ کیا۔ پاکستان میں COVID-19 کیسز کی تعداد کم سے کم ہوتی جا رہی ہے جو نہ صرف مجموعی معیشت کیلئے بلکہ آپ کی کمپنی کے لئے بھی اچھی علامت ہے۔ تاہم کمپنی کی انتظامیہ اور بورڈ آف ڈائریکٹرز وبا کے حوالے سے بدلتی ہوئی صورتحال کو باقاعدگی سے مانٹر کر رہے ہیں۔

دوران سال میکرو اکنامکس کی مخالف ہواؤں اور شدید مارکیٹ کے اتار چڑھاؤں کے سبب سرمایہ کاری کی کم خدشات والے انویسٹمنٹ سلوشن، جیسے انکم اینڈ ایکشن فنڈز میں دلچسپی اور طلب کی وجہ سے ترقی کی رفتار میں اضافہ ہوا۔ COVID-19 کے نتیجے میں معاشی سست روی کے سبب سال کے دوران میں JSIL کے زیر انتظام فنڈز پر مایوسی کی کیفیت نمایاں رہی لیکن ٹیم کی کاوشوں اور صارفین کے تعاون سے JSIL ترقی کی راہ پر قدم بڑھانے میں کامیاب ہو گئی۔ انتظامیہ کے تحت اثاثہ جات (AUM) 20.3 بلین پاکستانی روپے (تقریباً) سے بڑھ کر CY2020 میں 23.8 بلین پاکستانی روپے ہو گئے۔ یہ AUMs کی انڈسٹری میں نمایاں اضافہ ہے البتہ کمیشن اینڈ انکم فنڈز کے کم آمدنی کے منظر نامے میں انڈسٹری کے مضبوط قدم نظر آئے جو پہلی بار 1 ٹریلین پاکستانی روپے کی حد عبور کرنے کے قریب ہے۔

آئندہ کمپنی مستحکم AUM ترقی کا ہدف مقرر کرے گی جس کیلئے جدت پر مبنی اعلیٰ مصنوعات پیش کرنے کے ساتھ ساتھ خصوصی انویسٹمنٹ سلوشن پیش کئے جائیں گے جس میں مکمل خدشات / آمدنی کا احاطہ کیا جائے گا۔ ٹیکنالوجی اور آٹومیشن کے سبب کم تر اور زیادہ باکفایت ماڈل پر منتقلی کے استعمال سے کمپنی کی منفعت میں بہتری آئے گی۔ تنظیمی ڈھانچے میں اصلاح بورڈ اور شیئر ہولڈرز کی اُمگلوں کے مطابق ہے۔

میں بورڈ کے ان تمام ارکان جنہوں نے بہت وقت اور محنت کی، کے تعاون کا اعتراف کرنا چاہتا ہوں۔ ایک اچھی طرح سے مرتب شدہ بورڈ انتظامیہ کو معیاری اسٹریٹجک سمت فراہم کرنے کے لیے متفرق مہارت، نقطہ نظر اور علم لاتا ہے۔ بورڈ نے اپنے فرائض پوری تہی سے سرانجام دیے ہیں اور کمپنی کو اس کے اسٹریٹجک امور میں رہنمائی کرنے میں موثر کردار ادا کیا ہے۔ بورڈ تسلیم کرتا ہے کہ کارپوریٹ احتساب کو بہتر بنانے کے لیے اچھی طرح سے متعین کردہ کارپوریٹ گورننس کے طریقہ کار انتہائی ضروری ہیں اور بورڈ کارپوریٹ گورننس کے اعلیٰ معیار کو یقینی بنانے اور شیئر ہولڈرز کی قدر کو برقرار رکھنے کے لیے پرعزم ہے۔

بورڈ نے انتہائی موثر ہیومن ریسورس اینڈ ریمونریشن، آڈٹ اور ایگزیکٹو مینجمنٹ کمیٹیاں تشکیل دی ہیں جو واضح چارٹر اور خود مختار اور نان ایگزیکٹو ڈائریکٹرز کی درست نمائندگی کرتی ہیں۔ سال کے دوران انتظامیہ کی حکمت عملی کیلئے رہنمائی فراہم کرنے کیلئے بورڈ اور اس کی مختلف کمیٹیوں کی باقاعدہ میٹنگز ہوئی ہیں۔ بورڈ نے خود اپنی کارکردگی کی جانچ کیلئے پاکستان انسٹی ٹیوٹ آف کارپوریٹ گورننس کو مقرر کیا ہے۔

JSIL کے بورڈ نے JSIL میں انتظامیہ کی پالیسیز اور طریقہ کار کے جائزے اور منظوری، رسک مینجمنٹ فریم ورک کی واضح تشریح اور ادارے کی ایماندارانہ ذمہ داری کو تسلیم کرنے میں نہایت اہم کردار ادا کیا ہے۔ کمپنی کے سینئر ایگزیکٹوز اور رسک مینجرز نے اس فریم ورک پر کمپنی کی حکمت عملی کے مطابق کامیابی کے ساتھ عمل درآمد کیا ہے۔ کمپنی نے اینٹی منی لانڈرنگ / کاؤنٹر فنانسنگ ٹیرزم ریگولیشنز 2020 پر تفصیلی غور و خوض کیا اور ایک ایسی پالیسی کی منظوری دی جس کو پورے JSIL میں اختیار کیا گیا اور اس پر عمل درآمد کیا ہے۔

آخر میں، میں کمپنی کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) کی طرف سے موصول ہونے والی معاونت پر اپنی تحسین کا اظہار کرنے کا خواہشمند ہوں، جس نے واضح طور پر COVID بحران پر اپنے رد عمل کے ساتھ 2020 میں ایک ماڈل ریگولیٹر ہونا ظاہر کیا ہے اور صنعت کے مسائل کے حل کے سلسلے میں ایک نیا معیار قائم کیا ہے، جس سے ٹریلین روپے کی AUM حد اور اس سے آگے کی راہ ہموار ہوگی۔ یہ کمپنی کی ضرورت نہیں کہ تعریف کے مستحق دوسرے اسٹیک ہولڈرز جے ایس انویسٹمنٹس کے پُرلگن اسٹاف، یونٹ ہولڈرز جو اپنی سیونگز سے ہم پر بھروسہ کرتے ہیں اور ہمارے شیئر ہولڈرز کا ان کے مسلسل تعاون اور بھروسے کو سہارا ہوں۔

سلیمان لالانی

چیرمین

کراچی: 19 فروری 2021

DIRECTORS' REPORT TO THE SHARE HOLDERS FOR THE YEAR ENDED DECEMBER 31, 2020

We are pleased to present the unconsolidated audited financial statements and auditors' report of JS Investments Limited (JSIL) for the year ended December 31, 2020.

PRINCIPAL BUSINESS

JSIL, a public listed company, was incorporated in Pakistan in 1995. The company operates under the following licenses; Investment Advisor, Asset Management Company, Pension Funds Manager, REIT Management Services, and Private Equity & Venture Capital Fund Management. All licenses were obtained from the Securities & Exchange Commission of Pakistan (SECP) under applicable laws.

ECONOMY:

The highlight of Calendar Year 2020 (CY20) was the COVID pandemic that started in Wuhan, China in January and quickly spread across the world. The first few cases in Pakistan were reported near the end of February. The country went into a nationwide lockdown on 22nd March 2020 and economic activity reached a standstill. Fortunately, the mortality rate remained low in Pakistan resulting in the quicker lifting of lockdowns despite the absence of a vaccine.

The SBP reduced the Policy Rate from 13.25% to 7% over the course of a few months in order to support economic activity during the crisis for one of the fastest monetary easings on record. Focus has shifted from controlling inflation to promoting growth. Several loan deferment and refinance schemes were also introduced by the SBP to support business activity.

The monetary easing was made possible by a reduction in inflation from 14.6% in January 2020 to 7.97% as of December 2020. Inflation averaged 9.5% in CY20 against 10.2% in the previous year. Inflation is expected to moderate further to 5% – 7% as per the SBP, over the medium term.

The Current Account also improved sharply during the year. led by a steep rise in remittances. Remittances rose by 16.9% Year on Year (YoY) in CY20 after years of low single-digit growth. Currency adjustment in 2018-19 also helped increase the inflow of dollars. The trade deficit remained more or less flat at USD 22BN, however, the services deficit dropped 46%. As a result, the Current Account Deficit (CAD) declined to US Dollar (USD) 369 million for CY20 compared to USD 7.3 billion for CY19. The entirety of the decline was due to lower services deficit and higher remittances.

EQUITY MARKET PERFORMANCE:

The equity market had a volatile year in 2020. Due to the spread of COVID, the KSE100 index declined from 39,382 points on 5th March 2020 to 27,228 points on 25th March 2020. The index dropped 31% as liquidity slowed and redemptions piled in. Once the initial shock of the pandemic was digested by investors, and the mortality rate in Pakistan remained lower than global standards, the equity market continued to gradually recover. Investor sentiment shifted from risk-off to risk-on as COVID concerns took a back seat and focus shifted to lower inflation, lower interest rates, strong Balance of Payment (BOP) performance, and a theme of quick economic recovery.

The improved economic outlook and receding COVID situation led to a sharp improvement in liquidity at the PSX. The traded value rose 85% YoY in CY20 to a daily average of PKR 9.3 billion.



Foreigners were net sellers of USD 571 million during the year compared to USD 55.8 million inflows during the same period last year. Foreign flows into the equity market started out positive in January 2020, however, they turned sharply negative for the remainder of the year due to the COVID crisis.

MONEY MARKET PERFORMANCE:

During CY20, the SBP has decreased the Policy Rate from 13.25% to 7% in order to stimulate demand and offset the impact of the Covid-19 pandemic on the indigenous economy. The yield curve had inverted considerably in the first 7 months of the year. Pakistan's growth slowed down dramatically because of lockdowns imposed in the major cities and many industries facing lackluster demand. To stimulate growth and support businesses, the State Bank aggressively cut the Policy Rate which led to high volatility in the market. The cumulative reduction in the Policy Rate, since mid-March 2020, is 625 basis points. This has led to the yield curve, once again becoming upward sloping indicating that the market expects higher future interest rates. This is reflected by the longer-term PIB yields climbing faster than shorter tenor T-Bills yields. Over CY20, the SBP received bids of PKR 1,084 billion, PKR 571 billion, and PKR 505 billion respectively for the 3 Years, 5 Years, and 10 Years PIBs (Fixed Rate). Against this, the SBP accepted PKR 394 billion, PKR 285 billion, and PKR 201 billion respectively in the 3 Years, 5 Years, and 10 Years tenors. Due to the supply-demand imbalance, PIB cut-offs have decreased. The SBP received PKR 1,271 billion, PKR 583 billion, and PKR 976 billion bids respectively for the 3 Years, 5 Years, and 10 Years PIBs (Semi-Annual Floating Rate) while accepted PKR 671 billion, PKR 263 billion, and PKR 433 billion respectively in the 3 Years, 5 Years and 10 Years tenors.

The 3 Years PIB (Fixed Rate) cutoff has decreased from a high of 12.05% to 8.24%. Similarly, the 5 Years and 10 Years PIB cutoffs have declined from 11.40% to 8.45% and 12.02% to 8.99% respectively. Cumulatively, secondary market yields for longer tenor PIBs have contracted by ~200bps from their highs.

The SBP has been more conducive to borrowing at the shorter end of the yield curve. Cumulatively PKR 25 trillion bids were received for 3-12 month treasury bills. Recently, the bidding has tilted in preference for treasury bills while the market was expecting no further reduction in the policy rate as SBP announced the status quo in November 2020 Monetary Policy Statement. During 2020, the cut-off for the 3 Months, 6 Months and 12 Months T bills has come down from 13.49%, 13.29%, and 13.33% to 7.15%, 7.20%, and 7.30% respectively.

The Islamic money market witnessed the issuance of the Government of Pakistan (GOP) Ijara Sukuk in CY20. The SBP received PKR 1,109 billion bids for the 5 years Variable Rental Rate (VRR) Ijara Sukuk. Against this, the SBP accepted PKR 512 billion. The SBP received PKR 74 billion bids for the 5 years Fixed Rental Rate (FRR) Ijara Sukuk and accepted PKR 53 billion. The Ministry of Energy issued its second Pakistan Energy Sukuk worth PKR 200 billion on 1st May 2020. The Sukuk is based on the ijarah mode of financing, has a 10 year tenor, and is priced at 6 Months KIBOR minus 10 bps.

THE AMC INDUSTRY

At the end of CY20, Assets Under Management (AUM) of the mutual fund industry stood at PKR 946 billion (excluding Fund of Funds structures) showing a growth of 41% (PKR 274 billion) from a December 2019 level of PKR 673 billion. AUMs of conventional schemes recorded a growth of around PKR 144 billion reaching PKR 568 billion (excluding Fund of Funds structures) at the end of the year. AUMs of shariah compliant schemes recorded an increase of nearly PKR 130 billion reaching PKR 378 billion (excluding Fund of Funds structures).

The industry-wide main focus has been on the Cash & Income Funds category with a net inflow of Rs 210 Bn. Interestingly, this year, the split of this inflow was Rs 111 Bn in conventional whereas Rs 99 Bn was in the Shariah Compliant space showing the strong growth trend and future potential of the latter. Higher earning asset classes of equity/asset allocation have witnessed Rs 29 Bn outflow during the year - therefore the net inflow was around PKR 181 Bn.

PRINCIPAL RISKS & UNCERTAINTIES

Key sources of uncertainty emanating from the challenging environment the Company operates in. Changes in political, social, technological, economic, or legal factors also lead to risks, which the Company might be exposed to.

JSIL's management has performed a robust and systemic review of those risks that could affect the company's performance, prospects, reputation, or ability to deliver on its commitments. JSIL's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

JSIL's profitability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geopolitical environment, commodities prices, and movements in exchange rates also impact the performance of the capital markets and hence the profitability of JSIL.

The competitive nature of the industry and sluggish equity markets performance in CY20 has led to increased pressure on the key revenue drivers such as management fees and a sales load. The competitive pressure has been witnessed in the income/money market funds space where average management fee has declined significantly for the industry players and this has, in turn, led to earnings volatility.

PERFORMANCE REVIEW

JSIL posted a net after-tax loss of PKR 39.80 million (LPS of PKR 0.64) for the year ended December 31, 2020, vs. a loss of PKR 86.64 million (LPS of PKR 1.17) in 2019. 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.

JSIL recorded total revenue of PKR 333.65 million vs. PKR 337.17 million during the corresponding period last year. The Company earned management remuneration from funds under management (including Separately Managed Accounts - SMAs) of PKR 175 million compared to PKR 201 million during the corresponding period last year. The assets under management (excluding SMAs & Fund of Funds) were PKR 23.8 billion as on December 31, 2020 compared to PKR 20.3 billion as of December 31, 2019, depicting an increase of 4%.

Summary of operating results for the year	Year ended December 31, 2020	Year ended December 31, 2019
	PKR(000)	
Shareholders' Equity	1,774,986	1,814,785
Total Revenue	333,646	337,173
Operating expenses	(336,458)	(429,110)
Operating (loss)/profit	(2,811)	(91,938)
Other net operating (loss)/income	(20,181)	32,943
Profit (loss) before tax	(22,992)	(58,995)
Taxation-net	(16,808)	(27,650)
(Loss) / Profit after tax	(39,801)	(86,645)
Loss per share - basic and diluted (PKR)	(0.64)	(1.17)



In its consolidated financial statements, the JSIL has reported a net loss after tax of PKR 35.63 million as of December 31, 2020 as compared to a net loss of PKR 82.41 million for the corresponding period last year. The basic and diluted loss per share is PKR 0.58 for the year ended December 31, 2020.

MATERIAL CHANGES AND COMMITMENTS

No material changes and commitments affecting the financial position of the company occurred during the period to which the balance sheet relates and the date of this report.

CHAIRMAN'S REVIEW

The Chairman's review on the performance of the Company is annexed to this annual report.

FUTURE OUTLOOK

JSIL has closed CY20 with an AUM level of PKR 26.10 billion (including Separately Managed Accounts (SMAs) and Fund of Funds). The major increase in JSIL's AUMs was driven by growth in JS Cash Fund, JS Islamic Income Fund & JS Islamic Daily Dividend Fund AUMs whereas there was an attrition of AuMs primarily due to the maturity of 4 plans under the Capital Preservation Allocation Plan series.

JS Investments Limited will continue with its two-pronged approach of increasing AUMs and the retail investor base. In the traditional mutual-fund space, fixed income funds shall continue to be a key driver of AUM growth and investor-base. JSIL also plans to focus on niche market spaces and customer segments with unique needs, by offering specialized solutions to address these needs. Various new measures were undertaken in 2020, including the launch of the Daily Dividend Fund, despite the pandemic constraints which bore fruit. An Exchange Traded Fund (ETF) is also in the pipeline and will be launched as soon as Regulatory approvals are in place.

In line with the Government initiative for digitization, offering technology-driven value-added services and market-leading service quality shall help expand market share and improve customer loyalty. In this respect, Digital account opening of Sahulat Sarmayakari Program has been launched through which an individual can invest up to PKR 800 thousand in mutual funds. In addition, the Company is also working on the regular digital account opening as per SECP Circular of 30th December, 2020.

The equity market sentiments have improved significantly since last quarter 2020, and the Company will continue with the general strategy of recommending a tilt towards equities for long term investors. Various campaigns are planned for our Internal Teams as well as Distributors to focus on a shift towards equity products commensurate with the risk profile of the customers.

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

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 cognizant 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.

Since JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL are 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 approval. SECP vide its letter January 13, 2021 acceded approval to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. 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.

CORPORATE GOVERNANCE AND FINANCIAL REPORTING FRAMEWORK

The Directors are pleased to state as follows:

- a. The financial statements, prepared by the management of JSIL present fairly the state of affairs, results of its operations, cash flows, and changes in equity
- b. Proper books of account have been maintained by JSIL
- c. Appropriate accounting policies have been consistently applied in the preparation of financial statements, and financial estimates are based on the reasonable and prudent judgment
- d. International Financial Reporting Standards (IFRS), as applicable in Pakistan have been followed in the preparation of the financial statements, and any departures therefrom have been adequately disclosed and explained
- e. The system of internal controls is sound in design and has been effectively implemented and monitored
- f. There are no significant doubts about JSIL's ability to continue as a going concern
- g. There has been no material departure from the best practices of Corporate Governance as contained in Listed Companies (Code of Corporate Governance) Regulations, 2019
- h. A summary of key financial data of last six years is given on page 71 of this Annual Report
- i. Outstanding taxes, duties, levies, and charges have been fully disclosed in annexed audited financial statements
- j. JSIL keeps an effective and efficient internal financial controls system that remains active through consistent innovation and monitoring. The internal audit and compliance functions of JSIL evaluate the financial controls and ensure that there is an effective control environment throughout the company. Based on the evaluation processes, the BoD considers that the existing internal financial control system is adequate and has been effectively implemented
- k. The Code of Conduct has been disseminated throughout JSIL along with supporting policies and procedures
- l. The value of investments of the Staff Provident Fund of JSIL as per the audited accounts as of June 30, 2020, were PKR 1.749 million.

COMPOSITION OF THE BOARD AND ITS COMMITTEES

The following directors served on the board during the year



Mr. Kamran Jafar*	Chairman / Non-executive Director
Mr. Hasnain Raza Nensey	Chief Executive Officer
Mr. Suleman Lalani	Non-executive Director
Mr. Hasan Shahid	Non-executive Director
Mr. Tahir Ali Sheikh	Non-executive Director
Mr. Asif Reza Sana	Independent, Non-executive Director
Ms. Aisha Fariel Salahuddin	Independent, Non-executive Director
Syed Tauqir Haider Rizvi	Resigned
Mr. Babbar Wajid**	Resigned
Mr. Kamran Jafar	Resigned

*Mr. Kamran Jafar has resigned as Director and Chairman of the Board of JS Investments Limited w.e.f January 18, 2021 and Mr. Suleman Lalani appointed as the Chairman of the Board in his place.

** Mr. Imran Haleem Shaikh has been appointed w.e.f January 15, 2021, in place of Mr. Babbar Wajid

Details of Directors

During the year under review the board of the Company comprised of 8 directors, the composition of whom is given below;

Executive Director	01
Non-executive Director	05
Independent / Non-executive Directors [including one female director]	02

Casual Vacancy

During the year, two casual vacancies occurred on the Board of JSIL due to the resignations of Syed Tauqir Haider Rizvi and Mr. Babbar Wajid effective from August 7, 2020, and December 2, 2020, respectively. The Board of directors appointed Mr. Suleman Lalani and Mr. Imran Haleem Shaikh respectively against these casual vacancies.

Meetings of the Board of Directors

During the year five meetings of the Board of Directors were held, the attendance of each director for these meetings is as follows:

Name	Meetings Eligibility	Meetings attended
Mr. Kamran Jafar	Five	Five
Mr. Hasnain Raza Nensey	Five	Five
Mr. Suleman Lalani	Two	One
Mr. Asif Reza Sana	Five	Four
Syed Tauqir Haider Rizvi	Two	Two
Mr. Babbar Wajid*	Four	Three
Mr. Hasan Shahid	Five	Five
Mr. Tahir Ali Sheikh	Five	Five
Ms. Aisha Fariel Salahuddin	Five	Five

Meetings of the Board Audit Committee

During the year, four meetings of the Board Audit Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings Eligibility	Meetings attended
Mr. Asif Reza Sana	Four	Four
Ms. Aisha Fariel Salahuddin	Four	Four
Mr. Hasan Shahid	Four	Four

Meetings of the Board Human Resources & Remuneration (HR&R) Committee

During the year, one meeting of the Board Human Resources & Remuneration (HR&R) Committee was held. The attendance of each director for this meeting is as follows:

Name	Meetings Eligibility	Meetings attended
Ms. Aisha Fariel Salahuddin	One	One
Mr. Kamran Jafar	One	One
Mr. Hasnain Raza Nensey	One	One

Meetings of the Board Executive Risk Management Committee

During the year, two meetings of the Executive Risk Management Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings Eligibility	Meetings attended
Mr. Kamran Jafar	Two	Two
Mr. Tahir Ali Sheikh	Two	Two
Mr. Babbar Wajid	One	One
Mr. Hasnain Raza Nensey	Two	Two

Directors' Training Program

Six out of eight Directors on the Board are certified under the Directors Training Program (DTP).

Directors' Remuneration Policy

The Remuneration of Directors including the Chairman, Chief Executive Officer, Executive Directors, non-Executive, and Independent Directors is fixed by the Board within the permissible limits if any. A Director is entitled to be paid traveling, hotel, and other expenses incurred by him to attend the meetings. The Board of Directors has approved the Directors' Remuneration Policy as required by law.

Board Evaluation

In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019, the performance evaluation of the Board is conducted by the Pakistan Institute of Corporate Governance (PICG) annually.



Disclosure of Interest by Directors

Except purchase of 500 shares of the Company, no trades in JSIL shares have been carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, executives, and their spouses and minor children during 2020.

PARENT COMPANY

JS Bank, the holding company of JS Investments Limited, holds 84.56% of the equity.

PATTERN OF SHAREHOLDING

A statement showing the pattern of shareholding in JSIL and additional information as of December 31, 2020, is given in the Annual Report.

RELATED PARTY TRANSACTIONS

Related party transactions are disclosed at Note 31 to the unconsolidated financial statements and note 30 to the consolidated financial statements for the year ended December 31, 2020.

DIVIDEND

As the Company incurred a loss before tax of PKR 39.8 million, the Board of Directors has opted to not declare a dividend for the year ended December 2020.

CORPORATE SOCIAL RESPONSIBILITY

JSIL strongly believes in giving back to society and regularly conducts events that benefit the larger community. JSIL also contributes to philanthropic activities in partnership with Future Trust. A fundraising campaign was initiated in collaboration with 'Future Trust' to support research for Covid-19 testing kits in which the employees of JSIL voluntarily contributed their one-day gross salary. Future Trust is actively engaged in the areas of education, health care, improvement of socio-economic conditions, and humanitarian relief. We are continuously looking at options to become environmentally friendly with efforts such as reducing paper by switching to electronic forms and methods especially in the area of customer statements and marketing collateral.

ADDITIONAL MATTERS

- No changes have occurred during the financial year concerning the nature of the business of the company or of its subsidiary, or any other company in which the company has interest
- JSIL is not involved in defaults in payment of any debt

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.

AUDITORS

The current auditors, Messrs EY Ford Rhodes, are completing their 5 year term, and are not eligible for reappointment as per the requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants as the auditors of the Company for the financial year 2021.

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 to the employees of JSIL for their dedication and hard work and the shareholders for their confidence in the management.

On behalf of the Board

Aisha Fariel Salahuddin
Director

Hasnain Raza Nensey
Chief Executive Officer

February 19, 2021
Karachi

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ سال 31 دسمبر 2020

ہم 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے جے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے غیر مجمع آڈٹ شدہ مالیاتی گوشوارے اور آڈیٹرز رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں۔

مرکزی کاروبار

JSIL 1995 میں پاکستان میں قائم شدہ ایک پبلک لسٹڈ کمپنی ہے۔ کمپنی مندرجہ ذیل لائسنسز کے تحت کام کرتی ہے: انویسٹمنٹ ایڈوائزر، ایسیٹ مینجمنٹ کمپنی، پینشن فنڈ مینجمر، REIT مینجمنٹ سروسز، اور پرائیوٹ ایکویٹی اینڈ وینچر کیپیٹل فنڈ مینجمنٹ۔ تمام لائسنسز سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) قابل اطلاق قوانین کے تحت حاصل شدہ ہیں۔

معیشت

کلینڈر سال 2020 (CY20) کا سب سے بڑا واقعہ COVID-19 کی وبا کا تھا جو چین کے شہر واہان سے جنوری کے مہینے میں شروع ہوئی اور بڑی تیزی کے ساتھ پوری دنیا میں پھیل گئی۔ فروری میں پاکستان میں پہلے چند کیسز سامنے آئے۔ 22 مارچ 2020 کو پورے ملک میں لاک ڈاؤن کر دیا گیا اور معاشی سرگرمیاں ایک دم رک گئیں۔ خوش قسمتی سے پاکستان میں اس وبا سے اموات کی شرح کافی کم رہی جس کے نتیجے میں، ویکسین دستیاب نہ ہونے کے باوجود لاک ڈاؤن جلد ہی ختم کر دیا گیا۔

چند ماہ کی مدت کے اندر بحران کے دوران معاشی سرگرمیوں کو سہارا دینے کیلئے اسٹیٹ بینک آف پاکستان (SBP) نے پالیسی ریٹ کی شرح 13.25% سے کم کر کے 7% کردی جو تیز ترین مالی سہولت کا ریکارڈ ہے۔ اس طرح توجہ افراط زر پر کنٹرول کرنے کی بجائے ترقی کے فروغ پر مرکوز ہو گئی۔ اسٹیٹ بینک آف پاکستان نے کاروباری سرگرمیوں کو سہارا دینے کیلئے قرضوں کی ادائیگی کو موخر کرنے اور سرمایہ کاری کی مختلف اسکیمیں متعارف کروائیں۔

مالیاتی سہولت کو ممکن بنانے کیلئے افراط زر کی شرح، جو جنوری 2020 میں 14.6% تھی، کم ہو کر دسمبر 2020 میں 7.97% ہو گئی۔ CY20 میں افراط زر کی اوسط شرح 9.5% ہو گئی جو گزشتہ سال 10.2% تھی۔ SBP کے مطابق کچھ عرصے میں افراط زر کی شرح مزید کمی کے ساتھ 7% - 5% تک ہونے کی توقع ہے۔

سال کے دوران میں کرنٹ اکاؤنٹ میں بھی بہتری آئی جس سے ترسیلات زر میں بھی نمایاں اضافہ ہوا جو کئی سالوں تک ایک عددی اضافہ کی کم سطح کے بعد CY20 میں سال بہ سال (YoY) کے لحاظ سے 16.9% ہو گئیں۔ 2018-19 میں کرنسی کی مطابقت سے ڈالر کے داخلی بہاؤ میں اضافے میں مدد ملی۔ تجارتی خسارہ کم و بیش 22 بلین امریکی ڈالر کی یکساں سطح پر رہا، تاہم خدمات کے خسارے میں 46% کمی دیکھنے میں آئی۔ اسی وجہ سے کرنٹ اکاؤنٹ کا خسارہ (CAD) کے نتیجے میں امریکی ڈالر CY19 کے 7.3 بلین امریکی ڈالر کے مقابلے میں CY20 میں گر کر 369 (USD) ملین امریکی ڈالر ہو گیا۔ یہ پوری کمی ہونے کی وجہ خدمات کا کم تر خسارہ اور ترسیل زر میں اضافہ ہونا تھی۔

ایکویٹی مارکیٹ کی کارکردگی

2020 میں ایکویٹی مارکیٹ غیر مستحکم رہی۔ COVID-19 کے پھیلنے کی وجہ سے KSE100 انڈیکس 5 مارچ 2020 کو 39,382 پوائنٹس سے گر کر 25 مارچ 2020 کو 27,228 پوائنٹس پر آ گیا۔ انڈیکس میں 31% کمی کی وجہ لیکویڈیٹی کی سست روی اور (Redemptions) کا جمع ہونا تھی۔ جب سرمایہ کاروں کیلئے وبا کے ابتدائی جھٹکے کے اثرات کم ہوئے اور پاکستان میں شرح اموات دنیا کے معیار سے کم رہی تو ایکویٹی مارکیٹ میں رفتہ رفتہ بحالی آنے لگی۔ کووڈ کے کیسز میں کمی آنے سے سرمایہ کاروں کی توجہ بھی خدشات کے بجائے افراط زر میں کمی، کم شرح سود، توازن ادائیگی (BOP) کی مضبوط کارکردگی اور معیشت کی جلد بحالی کی طرف مڑ گئی۔

بہتر معاشی منظر نامے اور کووڈ کے کیسز میں کمی سے PSX پر لیکویڈیٹی میں بھی تیزی سے بہتری آنا شروع ہو گئی۔ CY20 میں تجارتی دلیو YoY 85% تک بڑھ گئی جو اوسطاً 9.3 بلین روپے روزانہ بنتی ہے۔

سال کے دوران میں غیر ملکی 571 ملین امریکی ڈالر کے ساتھ نمایاں فروخت کنندہ رہے جب کہ گزشتہ سال اسی مدت کے دوران میں داخلی بہاؤ 55.8 ملین امریکی ڈالر تھا۔ جنوری 2020 میں ایکویٹی مارکیٹ میں غیر ملکی داخلی بہاؤ مثبت رجحان کے ساتھ شروع ہوا، تاہم کووڈ کے بحران کے باعث سال کے بقیہ حصے میں یہ منفی ہو گیا۔

منی مارکیٹ کی کارکردگی

CY20 کے دوران میں اسٹیٹ بینک آف پاکستان (SBP) نے طلب میں حوصلہ افزائی اور ملکی معیشت پر COVID-19 کی وبا کے اثرات کو کم کرنے کیلئے پالیسی ریٹ 13.25% سے کم کر کے 7% کر دیئے۔ سال کے پہلے سات ماہ میں پیداواری کرف نمایاں طور پر نیچے آگئی۔ بڑے شہروں میں لاک ڈاؤن کے نفاذ اور متعدد صنعتوں کو طلب میں تخفیف کا سامنا ہونے کے باعث پاکستان میں معاشی ترقی کی رفتار ڈرامائی طور پر سست روی کا شکار ہوگئی۔ ترقی کیلئے حوصلہ افزائی کرنے اور کاروباری عمل کو سہارا دینے کیلئے اسٹیٹ بینک نے جارحانہ انداز میں پالیسی ریٹ میں کمی کردی جس سے مارکیٹ میں شدید اتار چڑھاؤ کی کیفیت پیدا ہوگئی۔ مارچ 2020 کے وسط سے پالیسی ریٹ میں مجموعی طور پر 625 بیس پوائنٹ کی کمی ہوئی۔ اس سے پیداواری کرف کا رخ ایک مرتبہ پھر اوپر کی طرف ہو گیا جس سے ظاہر ہو رہا تھا کہ مستقبل میں مارکیٹ میں شرح سود بڑھنے کی توقع ہے۔ اس کا اندازہ قلیل المدتی بلز کے نتائج کے مقابلے میں طویل المدتی PIB نتائج کے زیادہ تیزی کے ساتھ بڑھنے سے بھی ہوتا تھا۔ کلینڈر سال 20 (CY20) میں اسٹیٹ بینک آف پاکستان (SBP) کو 3 سال، 5 سال اور 10 سال PIBs (fixed rate) کے لیے بالترتیب 1,084 بلین، 571 بلین اور 505 بلین پاکستانی روپے کی بولیاں موصول ہوئی۔ اس کے برعکس، SBP نے 3 سال، 5 سال اور 10 سال کی مدت کے لیے بالترتیب 394 بلین، 285 بلین اور 201 بلین پاکستانی روپے قبول کیے۔ ترسیل۔ طلب میں عدم توازن کی بناء پر PIB کٹ آف میں کمی واقع ہوئی۔ اسٹیٹ بینک آف پاکستان (SBP) کو 3 سال، 5 سال اور 10 سال PIBs (Semi-Annual Floating Rate) کے لیے بالترتیب 1,271 بلین، 583 بلین اور 976 بلین پاکستانی روپے کی بولیاں موصول ہوئی، جبکہ 3 سال، 5 سال اور 10 سال کی مدت کے لیے بالترتیب 671 بلین، 263 بلین اور 433 بلین پاکستانی روپے قبول کیے۔

3 سال PIBs (fixed rate) کٹ آف 12.05% کی سطح سے کم ہو کر 8.24% ہو گیا۔ اسی طرح 5 سال اور 10 سال PIBs کٹ آف بالترتیب 11.40% اور 12.02% سے کم ہو کر 8.45% اور 8.99% ہو گئے۔ مجموعی طور پر طویل المدتی PIBs کے لیے سیکنڈری مارکیٹ کی پیداوار اپنی بلند سطح سے تقریباً 200 بیس پوائنٹس کم ہوئی۔

SBP پرقرض لینے میں زیادہ سازگار رہا ہے۔ مجموعی طور پر 3 سے 12 ماہ کے ٹریژری بلز کے لیے 25 ٹریلین پاکستانی روپے کی بولیاں موصول ہوئیں۔ حال ہی میں بولیوں کا جھکاؤ ٹریژری بلیوں کی طرف ہو گیا جب کہ مارکیٹ کو پالیسی ریٹ میں مزید کمی کی توقع نہیں تھی، اس بناء پر کہ اسٹیٹ بینک آف پاکستان نے نومبر 2020 کے مانیٹری پالیسی اسٹیٹمنٹ میں صورتحال کے برقرار رہنے کا اعلان کیا تھا۔ کلینڈر سال 20 کے دوران 3، 6 اور 12 ماہ کی مدت کیلئے ٹی بلز کا کٹ آف 13.49%، 13.29% اور 13.33% سے بالترتیب کم ہو کر 7.15%، 7.20% اور 7.30% ہو گیا۔

کلینڈر سال 20 میں حکومت پاکستان (GoP) نے اسلامک منی مارکیٹ کے اجارہ سکوکس کا اجراء کیا۔ SBP نے 5 سالہ ویری ایبل ریٹ (VRR) اجارہ سکوک کے لیے 1,109 بلین روپے کی بولی موصول کی۔ اس کے برعکس، SBP نے 512 بلین روپے منظور کیے۔ SBP نے 5 سالہ فکسڈ ریٹ (FRR) اجارہ سکوک کے لیے 74 بلین روپے کی بولی موصول کی اور 53 بلین روپے منظور کیے۔ یکم مئی 2020 کو وزارت توانائی نے 200 بلین روپے مالیت کا اپنا دوسرا پاکستان انرجی سکوک جاری کیا۔ یہ سکوک فنانشنگ کے اجارہ طرز پر مبنی ہے، اس کی میعاد 10 سال ہے، اور اس کی قیمت 6 ماہ KIBOR مائنس 10 بیس پوائنٹس ہے۔

AMC انڈسٹری

کلینڈر سال 2020 کے اختتام پر میوچل فنڈ انڈسٹری کے زیر انتظام اثاثے جات (AUM) میں 41% (274 بلین روپے) کا اضافہ دیکھا گیا جو دسمبر 2019 میں 673 بلین روپے سے بڑھ کر 946 بلین روپے ہوا۔ کنوینشنل اسکیم کے AUM نے 144 بلین روپے کا اضافہ ظاہر کیا جو کہ اس سال کے اختتام پر 568 بلین روپے (علاوہ فنڈ ز آف فنڈ) تک پہنچ گیا۔ جبکہ شریعہ کمپلائنس اسکیم کے AUM تقریباً 130 بلین پاکستانی روپے کا اضافہ ریکارڈ کرنے کے بعد 378 بلین روپے (علاوہ فنڈ ز آف فنڈ) تک پہنچ گئے۔ پوری صنعت میں زیادہ توجہ کیش اینڈ انکم فنڈز کی کیٹگری پر تھی جس میں خالص داخلی بہاؤ 210 بلین روپے تھی۔ جس میں کنوینشنل میں 111 بلین روپے اور شریعہ کمپلائنس کے شعبہ میں 99 بلین روپے تھے جس سے مضبوط نمو کے رجحان اور آخر الذکر میں مستقبل کی استعداد کا اظہار ہوتا ہے۔ سال کے دوران میں ایکویٹی/اثاثہ کے تفویض کردہ زیادہ آمدنی والے اثاثہ کے درجوں میں 29 بلین روپے کا خارجی بہاؤ دیکھنے میں آیا اور اس طرح خالص داخلی بہاؤ تقریباً 181 بلین روپے تھا۔

مرکزی خطرات اور بے یقینی

چیلنج والے ماحول سے غیر یقینی کے بنیادی ذرائع نکل جانے کے بعد کمپنی کا روباری عمل جاری ہے۔ سیاسی، سماجی، ٹیکنالوجیکل، معاشی یا قانونی عوامل میں تبدیلی بھی خطرات کی طرف لیجاتی ہے جو کمپنی کو درپیش ہو سکتے ہیں۔

JSIL کی انتظامیہ نے ان خطرات کا زبردست اور منظم جائزہ لیا ہے جو کمپنی کی کارکردگی، امکانات، ساکھ یا اس کے وعدے پورا کرنے کی اہلیت پر اثر انداز ہو سکتے ہیں۔ JSIL کا مجموعی خطرات کے بندوبست کا پروگرام مالیاتی مارکیٹس کی غیر متوقع کیفیت اور مالیاتی کارکردگی پر متوقع منفی اثرات کو کم سے کم کرنے پر مرکوز ہے۔

JSIL کی منفعت ملک کی کیپٹل مارکیٹ کی مجموعی کارکردگی سے منسلک ہے، جو اس سلسلے میں مجموعی میکرو اکنامکس اور پاکستان کے سیاسی ماحول کے زیر اثر ہے۔ عالمی معاشی کارکردگی، جغرافیائی ماحول، اشیاء کی قیمتیں اور زرمبادلہ کی شرح کی حرکات کیپٹل مارکیٹس کی کارکردگی پر اور اس کے نتیجے میں JSIL کی منفعت پر پڑتا ہے۔

صنعت کی مسابقتی فطرت اور CY20 میں ایکویٹی مارکیٹس کی سست کارکردگی اور فروخت کے دباؤ سے آمدنی کے بنیادی ذرائع پر دباؤ میں اضافہ ہوا۔ یہ مسابقتی دباؤ / منی مارکیٹ فنڈز کی جگہوں پر دیکھا گیا جہاں کاروبار کرنے والوں کیلئے اوسط منبجٹ فیس میں نمایاں کمی آئی اور اس کے نتیجے میں آمدنی میں اتار چڑھاؤ کی کیفیت پیدا ہو گئی۔

کارکردگی کا جائزہ

JSIL نے 2019 میں 86.64 ملین روپے (1.17 روپے کا LPS) کے مقابلے میں 31 دسمبر 2020 کو 39.80 ملین روپے (0.64 پاکستانی روپے کا LPS) کا مجموعی نقصان ٹیکس خسارے کے بعد اٹھایا۔ COVID 19 کی وجہ سے ایکویٹی مارکیٹ کی کارکردگی پر جمود کے باعث تمام صنعتوں کی خاص توجہ کم مارجن کی پروڈکٹس جیسے کیش اینڈ انکم فنڈز کی کیئرگری پر رہی جس کے نتیجے میں کمپنی کی انتظامی فیس کی آمدنی میں زبردست کمی آئی۔ میوچوئل فنڈز / vps پورٹ فولیو والوز کی بحالی AMC کی منفعت پر مثبت طور پر اثر ڈالے گی۔

JSIL نے پچھلے سال کے یکساں مدت کے دوران 337.17 ملین روپے کے مقابلے میں 333.65 ملین روپے کی کل آمدنی ریکارڈ کروائی۔ JSIL نے پچھلے سال اسی مدت کے لیے 201 ملین روپے کے مقابلے میں 175 ملین روپے کا حجم انتظامیہ کے زیر نگرانی فنڈز (بشمول SMAs) سے منبجٹ ری میئریشن کمائے۔ انتظامیہ کے زیر نگرانی اثاثہ جات (بشمول سپر سیٹل میٹجٹ اکاؤنٹس - SMAs اور فنڈز آف فنڈز) 31 دسمبر 2019 کے 20.3 ملین روپے کے مقابلے میں 31 دسمبر 2020 کے 23.8 ملین روپے تھا، یعنی 4% کا اضافہ ظاہر کیا۔

سال کے لیے کاروباری نتائج کا خلاصہ
سال ختمہ 31 دسمبر 2020 سال ختمہ 31 دسمبر 2019
(000) پاکستانی روپے

1,814,785	1,774,986	شیرز ہولڈرز کی ایکویٹی
337,173	333,646	کل آمدنی
(429,110)	(336,458)	آپریٹنگ اخراجات
(91,938)	(2,811)	آپریٹنگ (نقصان) / منافع
32,943	(20,181)	کل دیگر آپریٹنگ (نقصان) / آمدنی
(58,995)	(22,992)	قبل از ٹیکس منافع (نقصان)
(27,650)	(16,808)	ٹیکسیشن نیٹ
(86,645)	(39,801)	بعد از ٹیکس منافع (نقصان)
(1.17)	(0.64)	نقصان فی شیر - بنیادی اور تحلیل شدہ

اپنے مجتمع مالی گوشواروں میں، JSIL نے پچھلے سال کے یکساں مدت کے دوران 82.411 ملین روپے کے خالص نقصان کے مقابلے میں 31 دسمبر 2020 کو 35.63 ملین

روپے کا بعد از ٹیکس خالص نقصان درج کروائی۔ 31 دسمبر 2020 کو ختم ہونے والے سال کے لیے بنیادی اور تحلیل شدہ نقصان فی حصص 0.58 روپے رہا۔

اہم تبدیلیاں اور وعدے

اس مدت کے دوران کمپنی کی مالی حالت پر اثر انداز ہونے والی اہم تبدیلیاں اور وعدے جس کا اس رپورٹ کی تاریخ اور بیلنس شیٹ سے تعلق ہے، وقوع پذیر نہیں ہوئے۔

چیئرمین کا جائزہ

کمپنی کی کارکردگی پر چیئرمین کا جائزہ اس سالانہ رپورٹ میں منسلک ہے۔

مستقبل کے امکانات

JSIL نے کلینڈر سال 2020 کا اختتام 26.10 بلین پاکستانی روپے کی AUM سطح (بشمول سپیریٹیلی مینجٹ اکاؤنٹس - SMAs اور فنڈز آف فنڈز) کے ساتھ کیا۔ JSIL کے AUM's میں قابل قدر اضافہ جے ایس کیش فنڈ، جے ایس اسلامک انکم فنڈ، اور جے ایس اسلامک ڈیلی ڈیویڈنڈ فنڈ کے AUMs میں نموسے ہوا، جب کہ بنیادی طور پر کیپیٹل پریزرویشن ایلویشن پلان سیریز کے تحت 4 پلانز کی مچھوری کی وجہ سے AUMs میں کمی محسوس ہوئی۔

JS انویسٹمنٹس لمیٹڈ AUMs اور ریٹیلر انویسٹر میں کو بڑھانے کے لیے اپنی دورانی حکمت عملی کو قائم رکھے گی۔ روایتی میوچل فنڈ کی جگہ میں، فکسڈ انکم فنڈز AUM کی ترقی اور انویسٹر میں ایک اہم محرک رہیں گے۔ JSIL نے ان ضروریات کو حل کرنے کے لئے خصوصی حل پیش کرتے ہوئے طاق مارکیٹ کی جگہوں اور انفرادی ضروریات کے ساتھ کسٹمر کے لئے مخصوص پروڈکٹس لانے کا بھی ادارہ کیا ہے۔ 2020 میں مختلف نئے اقدامات اٹھائے گئے ہیں جس میں ڈیلی ڈیویڈنڈ فنڈ کا اجراء جو وبا کی رکاوٹوں کے باوجود نتیجہ خیز ثابت ہوا۔ ایک ایچ جی ٹریڈ فنڈ (ETF) بھی تیاری کے مرحلے میں ہے اور جیسے ہی ریگولیٹری منظوری حاصل ہوگی، اس کو جاری کر دیا جائے گا۔

حکومت کے ڈیجیٹائزیشن کے اقدام کی پیروی میں ٹیکنالوجی پر مبنی اضافی خدمات اور مارکیٹ میں معروف سروس کوالٹی پیش کر کے مارکیٹ شیئر میں اضافہ اور صارفین کے اعتماد میں بہتری لانے میں مدد ملے گی۔ اس سلسلے میں سہولت سرمایہ کاری پروگرام کے ڈیجیٹل اکاؤنٹ کھولنے کا آغاز کر دیا گیا ہے جس کے ذریعہ کوئی بھی شخص میوچل فنڈز میں 8 لاکھ پاکستانی روپے تک کی سرمایہ کاری کر سکتا ہے۔ اس کے علاوہ کمپنی SECP کے 30 دسمبر 2020 کے سرکلر کے مطابق ریگولر ڈیجیٹل اکاؤنٹ کھولنے پر بھی کام کر رہی ہے۔ گزشتہ 2020 کی سہ ماہی سے ایکویٹی مارکیٹ کی حساسیت میں نمایاں طور پر بہتری آئی اور کمپنی طویل المدت سرمایہ کاری کرنے والوں کو ایکویٹیز کی جانب رجوع کرنے کی سفارش کی حکمت عملی جاری رکھے گی۔ اپنی داخلی ٹیموں کے علاوہ تقسیم کاروں کیلئے ہم نے ایکویٹی پروڈکٹس کے مطابق صارفین کے رسک پروفائل پر توجہ مرکوز کرنے کیلئے مختلف مہمات کی پلاننگ کی ہے۔

رپورٹنگ مدت کے دوران آنے والے اہم واقعات

30 جنوری 2020 کو عالمی ادارہ صحت نے کورونا وائرس (COVID-19) کو عالمی وبا قرار دینے کا اعلان کیا۔ ملک بھر میں COVID-19 پھیل چکا تھا اور حکومت کی جانب سے COVID-19 کے پھیلاؤ کو روکنے کیلئے مختلف اقدامات کئے جن میں کاروباری عمل کا لاک ڈاؤن، ہوائی پروازوں کی معطلی، بین الشہر نقل و حمل روکنے، بڑی تفریبات کی منسوخی وغیرہ شامل ہیں۔ کمپنی اس وقت اپنے کاروباری عمل کو جاری رکھنے اور صارفین کو خدمات فراہم کرنے کیلئے حکومتی ہدایات اور ضروری اقدامات، جیسے صحت کیلئے احتیاطی تدابیر، اوقات کار میں کمی اور جہاں تک ممکن ہو فاصلے سے کام کرنے کے طریقہ کار پر عمل درآمد کر رہی ہے۔ کمپنی کی انتظامیہ اور بورڈ COVID-19 کے باعث کاروبار کو درپیش چیلنجز سے بخوبی آگاہ ہے اور کمپنی کے کاروباری عمل اور لیکویڈیٹی کی صورتحال پر اس کے اثرات کا گہرائی کے ساتھ جائزہ لے رہی ہے۔ اگرچہ کمپنی کی انتظامیہ آئندہ تھوڑی مدت میں کمپنی کی مالی حالت پر کسی نمایاں اثر کی توقع نہیں رکھتی، لیکن طویل عرصے میں کمپنی کے کاروباری عمل اور مالیاتی کارکردگی پر COVID-19 کے اثرات کی شدت اور دورانیہ مستقبل کی ڈیولپمنٹ پر منحصر ہے جو غیر یقینی اور غیر متوقع ہے جس میں وبا کے دورانیے اور اس کے پھیلنے، مالیاتی مارکیٹس میں میکرو اکنامک کی سطح پر اس کے اثرات شامل ہیں۔

JS ABAMCO کموڈٹیز 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 کموڈٹیز لمیٹڈ کے JS انویسٹمنٹس لمیٹڈ کے ساتھ اور اس میں انضمام/ادغام کیلئے کمپنیز ایکٹ 2017 کے

سیکشن 284 کے تحت "اسکیم آف آرٹھیٹ" کا ایک ڈرافٹ تیار کیا گیا اور منظوری کیلئے کمیشن کے پاس جمع کرا دیا گیا۔ SECP نے اپنے خط مورخہ 13 جنوری 2021 میں نان بینکنگ فنانس کمپنیز (اسٹیبلشمنٹ اینڈ ریگولیشنز) رولز 2003 کے رول (cb) (2) کی رو سے انضمام / ادغام کی اسکیم کی منظوری دے دی۔ کمپنی کے بورڈ آف ڈائریکٹرز نے 19 فروری 2021 منعقدہ اپنے اجلاس میں JSACL کو JSIL کے ساتھ ضم کر کے اس سلسلے میں آگے بڑھنے کا فیصلہ کیا ہے۔

کارپوریٹ گورننس اور فنانشل رپورٹنگ فریم ورک

ڈائریکٹرز بصدر خوشی اطلاع دیتے ہیں کہ:

الف۔ JSIL کی انتظامیہ کی طرف سے تیار کردہ گوشوارے منصفانہ طور پر اس کے معاملات کی صورت حال، سرگرمیوں کے نتائج، کیش فلو اور ایکویٹی میں تبدیلیاں پیش کرتے ہیں۔

ب۔ JSIL کی طرف سے اکاؤنٹس کے درست کھاتے برقرار رکھے گئے۔

پ۔ مالیاتی گوشواروں کی تیاری میں مستقلاً مناسب اکاؤنٹنگ پالیسیز کا اطلاق کیا گیا ہے اور حسابات کے گوشوارے مناسب عاقلانہ فیصلوں پر مبنی ہیں۔

ت۔ مالیاتی گوشواروں کی تیاری میں انٹرنیشنل فنانشل رپورٹنگ اسٹینڈرڈز (IFRS)، جیسا کہ پاکستان میں قابل اطلاق ہیں، کی پیروی کی گئی اور ان سے کسی بھی پہلو تہی کا مناسب انداز میں انکشاف اور وضاحت کی گئی ہے۔

ث۔ اندرونی اختیار کا نظام ساخت کے اعتبار سے محفوظ ہے اور اس کا موثر اطلاق اور نگرانی کی گئی ہے۔

ج۔ JSIL کے کاروبار جاری رکھنے کی اہلیت پر کوئی قابل ذکر خدشات نہیں ہیں۔

ج۔ کارپوریٹ گورننس کی بہترین روایات سے کسی قسم کا بنیادی انحراف نہیں کیا گیا ہے، جیسا کہ لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 میں درج ہے۔

چ۔ گزشتہ چھ سالوں کے اہم مالیاتی اعداد و شمار کا خلاصہ اس سالانہ رپورٹ کے صفحہ نمبر 71 پر دیا گیا ہے۔

ح۔ واجب الادا ٹیکسز، ڈیوٹیز، محصولات اور چارجز کا منسلک آڈٹ شدہ مالیاتی گوشواروں میں پوری طرح بیان کیا گیا ہے۔

خ۔ JSIL موثر اور کارآمد انٹرئل فنانشل کنٹرول سسٹم رکھتی ہے جو لگاتار تنوع اور نگرانی کے ذریعے فعال رہتا ہے۔ JSIL کے انٹرئل آڈٹ اور کمپلائنس فنکشنز فنانشل کنٹرول کی جانچ کرتے ہیں اور یقینی بناتے ہیں کہ پوری کمپنی میں موثر نگرانی کا ماحول موجود ہو۔ جانچ پڑتال کے طریقہ کار کی بنیاد پر، بورڈ آف ڈائریکٹرز سمجھتے ہیں کہ موجودہ انٹرئل فنانشل کنٹرول سسٹم مناسب ہیں اور موثر انداز میں نافذ کیے گئے ہیں۔

د۔ ضابطہ عمل معاون پالیسیز اور طریقہ کار کے ہمراہ پورے JSIL میں تقسیم کر دیا گیا ہے۔

ڈ۔ JSIL کے اسٹاف کے پروویڈنٹ فنڈ کی سرمایہ کاری کی مالیت آڈٹ شدہ اکاؤنٹس کے مطابق 30 جون 2020 کو 1.749 ملین روپے تھی۔

بورڈ اور اسکی کمیٹیوں کی تشکیل

سال کے دوران مندرجہ ذیل ڈائریکٹرز نے بورڈ میں خدمات پیش کیں۔

جناب کامران جعفر *	چیئرمین، نان ایگزیکٹو ڈائریکٹر
جناب حسنین رضانیسی	چیف ایگزیکٹو آفیسر
جناب سلیمان لالانی	نان ایگزیکٹو ڈائریکٹر
جناب حسن شاہد	نان ایگزیکٹو ڈائریکٹر
جناب طاہر علی شیخ	نان ایگزیکٹو ڈائریکٹر
جناب آصف رضا ثناء	انڈیپنڈنٹ، نان ایگزیکٹو ڈائریکٹر
محترمہ عائشہ فیصل صلاح الدین	انڈیپنڈنٹ، نان ایگزیکٹو ڈائریکٹر



جناب سید توقیر حیدر رضوی	مستعفی
جناب بابر واجد**	مستعفی
جناب کامران جعفر	مستعفی

* جناب کامران جعفر جے ایس انویسٹمنٹس لمیٹڈ کے بطور ڈائریکٹر اور بورڈ کے چیئرمین مستعفی ہو گئے، یہ 18 جنوری 2021 سے موثر ہوا۔ اُن کی جگہ جناب سلیمان لالانی کو بورڈ کا نیا چیئرمین مقرر کیا گیا۔

** 15 جنوری 2021 سے جناب بابر واجد کی جگہ جناب عمران حلیم شیخ کی تقرری ہوئی۔

ڈائریکٹرز کی تفصیلات

اس وقت کمپنی کا بورڈ کل 8 ڈائریکٹرز پر مشتمل ہے، جن کی تشکیل درج ذیل ہے:

01	ایگزیکٹو ڈائریکٹر
05	نان ایگزیکٹو ڈائریکٹر
02	انڈیپنڈنٹ / نان ایگزیکٹو ڈائریکٹر (بشمول ایک خاتون ڈائریکٹر)

عارضی اسامی

دوران سال JSIL کے بورڈ نے جناب توقیر حیدر رضوی اور جناب بابر واجد کے استعفیوں کی وجہ سے دو عارضی اسامیاں بلترتیب 17 اگست 2020 اور 2 دسمبر 2020 کو واقع ہوئی۔ بورڈ آف ڈائریکٹرز نے ان عارضی اسامیوں کی جگہ پر جناب سلیمان لالانی اور جناب عمران حلیم شیخ کو مقرر کیا۔

بورڈ کے ڈائریکٹرز کے اجلاس

سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ اجلاس منعقد کیے گئے، ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل ہیں:

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب کامران جعفر	پانچ	پانچ
جناب حسنین رضائنسی	پانچ	پانچ
جناب سلیمان لالانی	دو	ایک
جناب آصف رضا ثناء	پانچ	چار
جناب سید توقیر حیدر رضوی	دو	دو
جناب بابر واجد	چار	تین
جناب حسن شاہد	پانچ	پانچ
جناب طاہر علی شیخ	پانچ	پانچ
محترمہ عائشہ فیصل صلاح الدین	پانچ	پانچ

بورڈ آڈٹ کمیٹی کے اجلاس

سال کے دوران بورڈ آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل ہیں:

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب آصف رضا ثناء	چار	چار
محترمہ عائشہ فیصل صلاح الدین	چار	چار
جناب حسن شاہد	چار	چار

بورڈ آف ہیومن ریسورسز اینڈ ریمونیویشن کمیٹی کے اجلاس

سال کے دوران HR&R کمیٹی کا ایک اجلاس ہوا۔ جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

نام	اجلاس میں اہلیت	اجلاس میں حاضری
محترمہ عائشہ فیصل صلاح الدین	ایک	ایک
جناب کامران جعفر	ایک	ایک
جناب حسنین رضائینی	ایک	ایک

بورڈ ایگزیکٹو رسک مینجمنٹ کمیٹی کے اجلاس

سال کے دوران ایگزیکٹو رسک مینجمنٹ کمیٹی کے دو اجلاس منعقد کیے گئے، ان اجلاسوں میں ہر ڈائریکٹر کی حاضری بمطابق ذیل ہیں:

نام	اجلاس میں اہلیت	اجلاس میں حاضری
جناب کامران جعفر	دو	دو
جناب طاہر علی شیخ	دو	دو
جناب بابر واجد	ایک	ایک
جناب حسنین رضائینی	دو	دو

ڈائریکٹرز کے تربیتی پروگرام

بورڈ کے آٹھ ڈائریکٹرز میں سے چھ ڈائریکٹرز ٹریننگ پروگرام (DTP) کے تحت سرٹیفیکیٹ یافتہ ہیں۔

ڈائریکٹرز ریمونیویشن

بورڈ کی طرف سے ڈائریکٹرز کی ریمونیویشن کی حدود متعین شدہ ہیں جس میں چیئر مین، چیف ایگزیکٹو آفیسر، ایگزیکٹو ڈائریکٹرز، غیر ایگزیکٹو اور غیر جانبدار ڈائریکٹرز شامل ہیں۔ ڈائریکٹرز اس بات کے حقدار ہیں کہ جو سفری، ہوٹل اور دیگر اخراجات اجلاس کی شرکت کے دوران اُن کو پیش آتے وہ ادا کئے جائیں۔ بورڈ آف ڈائریکٹرز نے قانون کے تحت ڈائریکٹرز ریمونیویشن پالیسی کی منظوری دی ہوئی ہے۔

بورڈ کی جانچ

بورڈ کی کارکردگی کی سالانہ جانچ پاکستان انسٹیٹیوٹ آف کارپوریٹ گورننس (PICG) کے ذریعے لسٹڈ کمپنیوں (کوڈ آف کارپوریٹ گورننس) ریگولیشن 2019 کے بتائے ہوئے اصولوں کے تحت ہوتی ہے۔

ڈائریکٹرز کی عدم دلچسپی

کمپنی کے 500 شیئرز کے علاوہ سال 2020 کے دوران ڈائریکٹرز، چیف ایگزیکٹو آفیسر، چیف فنانشل آفیسر، کمپنی سیکریٹری، ایگزیکٹوز اور اُن کے شریک حیات اور کم عمر بچوں نے JSIL کے حصص کی کسی بھی قسم کی تجارت نہیں کی۔

پیرنٹ کمپنی

JS بینک، JS انوسٹمنٹس لمیٹڈ کی ہولڈنگ کمپنی ہے اور 84.56% ایکویٹی اس کی ملکیت ہے۔

پیٹرن آف شیئر ہولڈنگ

JSL میں پیٹرن آف شیئر ہولڈنگ اور اضافی معلومات برطابق 31 دسمبر 2020 کا ایک گوشوارہ سالانہ رپورٹ میں دیا گیا ہے۔

منسلک پارٹی کی ٹرانزیکشنز

منسلک پارٹی کی ٹرانزیکشنز سے متعلق 31 دسمبر 2020 کو اختتام ہونے والے سال کیلئے غیر مجتمع مالیاتی گوشوارے کے نوٹ 31 اور مجتمع مالیاتی گوشوارے کے نوٹ 30 میں ظاہر ہے۔

منافع منقسمہ (ڈیویڈنڈ)

کمپنی کے بورڈ آف ڈائریکٹرز نے نختمہ سال دسمبر 2020 کے لیے ڈیویڈنڈ کا اعلان نہیں کیا، کیونکہ کمپنی کو قبل از انکم ٹیکس 39.8 ملین پاکستانی روپے نقصان ہوا۔

کارپوریٹ سماجی ذمہ داری

JSL معاشرے کی فلاح میں شرکت پر پختہ یقین رکھتی ہے اور معاشرے کے بڑے حصہ کے فائدے کیلئے تقریبات کا انعقاد کرتی رہتی ہے۔ JSL فیوچر ٹرسٹ کے ساتھ شراکت میں مخیر سرگرمیوں میں بھی حصہ لیتی ہے۔ COVID-19 کی ٹیسٹنگ کسٹ کی تحقیق کی معاونت کے لیے فیوچر ٹرسٹ کے اشتراک سے ایک فنڈ ریزنگ مہم کا آغاز کیا گیا تھا جس میں JSL کے ملازمین نے رضا کارانہ طور پر اپنی ایک دن کی مجموعی تنخواہ کا حصہ ڈالا۔ فیوچر ٹرسٹ تعلیم، صحت اور سماجی و معاشی حالات کی بہتری اور انسانی خدمت کی سرگرمیوں میں سرگرم عمل ہیں۔ ہم زیادہ سے زیادہ ماحول دوست سرگرمیوں میں حصہ لیتے ہیں اور اس سلسلے میں کاغذ کے استعمال کو کم سے کم اور اس کی جگہ الیکٹرونک طریقہ اور ڈریج کا استعمال زیادہ کرتے ہیں، جو خاص طور پر صارفین سے رابطوں اور مارکیٹ کے طریقہ کار کی مناسبت سے کیا جاتا ہے۔

اضافی معاملات

ا۔ مالیاتی سال کے دوران میں کمپنی یا اس کی ذیلی کمپنی یا کسی اور کمپنی میں جہاں کمپنی کا مفاد ہو، کاروبار کی نوعیت کے لحاظ سے کوئی تبدیلی نہیں کی گئی ہے۔

ب۔ JSL کسی قرضہ کی ادائیگی کیلئے ناہندہ ہونے میں ملوث نہیں ہے۔

ایسیٹ منیجر اور اینٹیٹی ریٹنگ

پاکستان کریڈٹ ریٹنگ کمپنی نے جے ایس انوسٹمنٹس لمیٹڈ کو "AM2" (اے ایم ٹو) کی مینجمنٹ کو ایٹی ریٹنگ "stable" مستحکم امکانات کے ساتھ تفویض کی ہے۔ یہ ریٹنگ مینجمنٹ کے اعلیٰ معیار کی نشاندہی کرتی ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز EY فورڈروڈز، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹرز کے طور پر اپنے پانچ سال مکمل کر لیے ہیں اور سڈی کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضرورت کے مطابق تقرری کے اہل نہیں ہیں۔ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی نے نئے آڈیٹرز کی تقرری کی تجویز پیش کی ہے، میسرز کے پی ایم جی تاثیر بادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو ان کی جگہ پر آڈیٹرز کی حیثیت سے کام کرنے کے تجویز پیش کی ہے۔

اظہار تشکر

ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور اپنے زیر انتظام فنڈز کے ٹرسٹیز کی مسلسل گراں قدر تعاون، معاونت اور رہنمائی کیلئے اظہار تشکر کرتے ہیں۔ بورڈ لگن اور محنت پر JSL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کا بھی شکریہ ادا کرتا ہے۔

بورڈ کی طرف سے

عائشہ فیصل صلاح الدین

ڈائریکٹر

حسین رضانیسی

چیف ایگزیکٹو آفیسر

19 فروری 2021

کراچی

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate entity, JS Investments Limited (JSIL) strives to support Corporate Social Responsibility (CSR) initiatives that support economic growth, social progress and environmental protection in Pakistan.

JSIL carries out major philanthropic activities in partnership with the Mahvash & Jahangir Siddiqui Foundation (MJSF) and Future Trust. A fundraising campaign was initiated in collaboration with 'Future Trust' to support research for Covid-19 testing kits in which the employees of JSIL voluntarily contributed their one-day gross salary. Future Trust is actively engaged in the areas of education, health care, improvement of socio-economic conditions, and humanitarian relief.. We are continuously looking at options to become environmentally friendly with efforts such as reducing paper by switching to electronic forms and methods especially in the area of customer statements and marketing collateral

MAHVASH & JAHANGIR SIDDIQUI FOUNDATION

In 2003, entrepreneur and former Karachi Stock Exchange President, Jahangir Siddiqui with his wife Mahvash, retired university professor, founded the Mahvash & Jahangir Siddiqui Foundation (MJSF).

The foundation aims to create sustainable livelihood opportunities and provide support to empower disadvantaged members of society. In addition to projects directly managed by MJSF, partnerships have also been formed with key international organizations including United Nations agencies, Acumen and Oxfam.

Following is an overview of MJSF's activities:

Education

The population of Pakistan is continually growing with over half the total population stated to be below the age of 25 years. These individuals have tremendous potential and the importance of education and vocational training for them cannot be understated. MJSF realizes that to ensure a bright future for the nation's children; creative ideas and a desire to make a difference can go a long way. MJSF's educational programs focus on providing grants for:

- Higher education
- Mainstream education including schools for children with special needs
- Vocational training
- Specialized summer exchange programs

MJSF has provided support to leading educational institutions of Pakistan including Lahore University of Management Sciences, Karachi School for Business and Leadership, Institute of Business Administration Karachi, Progressive Education Network, JS Academy for the Deaf, Fakhre-Imdad Foundation and Karigar Training Institute along with having created a unique redeemable endowment fund for Sukkur Institute of Business Administration.

Healthcare

MJSF believes it is the fundamental right of every human being to receive adequate and affordable healthcare. Knowing how simple solutions can be effective for both prevention and treatment, MJSF supports provision of free healthcare to the underprivileged. This deep commitment to public health is reflected by:

- Upgrading and adding specialist wards at existing hospitals
- Developing healthcare facilities in rural areas
- Providing mobile health care and surgical services in difficult-to-access areas
- Distribution of specialized wheelchairs

MJSF is linked with numerous projects and organizations in the healthcare sector including Karachi National Hospital, National Institute of Cardiovascular Diseases, Sindh Institute of Urology and Transplantation, Indus Hospital, National Institute of Child Health and Walkabout Foundation.



MJSF initiated medical and eye camp programs in response to the critical health care needs of the rural population who are deprived of basic health care services.

In 2017, over 18,000 patients were examined in these camps and almost 4,000 cataract surgeries were performed. In addition, 9,500 patients were screened for Hepatitis B and C.

Social Enterprise & Sustainable Development (SESD)

Social enterprises aim to provide services at affordable prices to low-income earners so that they may build their own assets and improve their standard of living. The SESD program funds projects that are economically productive and sustainable and which remove or reduce the need for ongoing grants. MJSF is linked with numerous initiatives to help improve the lives of its fellow citizens by supporting organizations like Kashf Microfinance, Acumen Pakistan and its Fellows program, First Response Initiative of Pakistan, along with providing Iftaar for underprivileged and supporting the Magnus Kahl Seeds project to help improve the average yield of crops in the country.

Humanitarian Relief

Pakistan's geographical location and topography make it highly susceptible to natural disasters such as monsoon flooding, landslides, droughts and earthquakes. MJSF has a strategy whereby funding is made available for disaster relief enabling timely action. In addition, it continues support for disaster victims in the aftermath of catastrophes so that they may rebuild their lives as effectively as possible. The Foundation has contributed with significant humanitarian assistance during the following crises:

- 2005 - Earthquake in Azad Jammu & Kashmir(AJK) and Khyber-Pakhtunkhwa Province
- 2008 - Swat Conflict and related Internally Displaced Persons crisis
- 2010 - Super Floods
- 2014 - Thar Drought crisis
- 2015 - Earthquake in Khyber Pakhtunkhwa and Gilgit-Baltistan provinces

FUTURE TRUST (FT)

The following is an overview of philanthropic activities of Future Trust:

Education

FT has provided financial support to the following organizations: Allama Gulam Mustafa Qasmi Chair, University of Sindh, Jamshoro for promoting educational and scholarly activities. It also supported Cadet College Hasan Abdal for the construction of a Services Block and in the establishment of the "Jahangir Siddiqui Career Counseling Center".

Healthcare

Future Trust provides financial support to individuals suffering from cancer and other such terminal diseases.

Improvement of socio-economic conditions

Future Trust supported the "The i-Care Foundation" in its mission to improve the quality of life of underprivileged Pakistanis, by enhancing the level of philanthropic support to deserving charities. FT also works with them to improve their capacity to deliver more, with greater impact.

FT in collaboration with MJSF has started the installation of deep well hand-pumps in Tharparkar as it is a desert area with the lowest Human Development index in Pakistan. The major source of income of a majority of the Thar villagers remains rain-fed agriculture and livestock which is vulnerable to seasonal rains. These hand pumps will bring relief to those villages.

Women Empowerment

JSIL has supported the Pakistan Federation of Business and Professional Women's Organization (PFBPWO). PFBPWO's principle objectives include organizing women in all parts of country to use their combined abilities and strength to encourage women and girls to acquire education in all fields.

FINANCIAL PERFORMANCE

Profit & Loss Statement

The company attained a net loss of PKR 39.8 MN compared to a net loss of PKR 86.64 MN in the previous year. The decline in profitability is mainly attributed to lower income and high operating and financial expenses.

The Company's income declined 1.03% YoY to stand at PKR 333.6 MN as compared to PKR 337.1 MN in the previous year. The decline in income was mainly driven by lower realized and unrealized gains on the company's investments due to dismal performance of the equity market on ground of Covid-19. However, the company's assets under management increased by 4.0% YoY, from Rs. 25.03 million to Rs. 26.0 million..

The administrative and marketing expenses decreased by 11% YoY on the back of higher depreciation expense whereas selling and distribution decreased by 180.9% YoY.

The company's financial charges decreased to PKR 35.0 MN as compared to PKR 38.4 MN in the previous year.

The Company's other income stood at PKR 14.8 MN - as compared to PKR 17.3 MN in the previous year.

Consequently, the Company achieved net loss of PKR 39.8 MN as during 2020, translating into a loss per share of PKR 0.64 company's to loss per share of PKR 1.17 in the previous year.

Statement of Financial Position

The Company's net worth in 2020 stood at PKR 1.774 BN, which translate into a breakup value of PKR 28.73 per share.

Liabilities against assets subject to finance lease decreased to PKR 260.1 MN as compared to PKR 264.9 MN in the previous year.

Accrued and other liabilities declined 11.7 % YoY.

Balances due from funds under management declined 12.4% in 2020, which was mainly due to an decreased in management fees.

The Company's investments in financial assets PKR 1.58 BN as compared to previous year PKR 1.74 BN.

The total asset base of the Company reported to PKR 2.30 BN, which was mainly driven by balances from funds under management and investments in financial assets.

Business Model:

JS Investments is an Asset Management Company. The business model is primarily based upon managing investor's money with the objective of generation returns, and charging a management for providing these services.

The investment products are offered to the institutional and retail investors via an in-house sales-team as well as distribution partnerships. The investment products are structured and managed by in-house "Product development" and "Investment" teams. Back-office services are provided by an operations and Finance team, which are supported by a purpose build software infrastructure. The business model is based upon economies of scale where the management-fee generated by managing investor's funds covers the cost of maintaining the in-house professional teams and infrastructure.

Primary inputs:

- Asset under management
- Management Fee rate

Primary outputs and outcomes:

- Revenue generated via Management Fee
- Profit generated for customers/investors



FINANCIAL AND BUSINESS HIGHLIGHTS

		2020	2019	2018	2017	2016	2015
KEY INDICATORS							
Performance							
Return on assets	%	(1.64)	(3.47)	1.66	1.14	7.06	6.34
Total assets turnover	Days	50.04	49.25	56.31	45.40	59.52	53.87
Receivables turnover	Days	231.06	226.00	211.11	202.81	270.64	216.04
Return on equity	%	(2.22)	(4.57)	2.02	1.36	8.53	7.65
Leverage							
Debt:Equity	%	0.19	0.15	0.02	-	-	-
Interest cover	times	1.66	(0.54)	18.14	232.81	11,878.71	13,628.04
Liquidity							
Current	times	11.16	10.96	7.56	9.28	11.72	10.93
Quick	times	11.16	10.96	7.56	9.25	11.70	10.91
Valuation							
Earnings per shares	Rs.	(0.64)	(1.40)	0.52	0.40	2.49	1.75
Breakup value per share	Rs.	28.74	29.38	24.66	26.97	32.10	26.29
Price earning ratio	times	(36.08)	(11.56)	15.37	23.39	6.22	9.89
Market price to break up value	times	0.81	0.55	0.32	0.35	0.48	0.66
Market value per share - year end	Rs.	23.25	16.21	8.00	9.40	15.50	17.30
Market value per share - High	Rs.	25.50	18.50	11.50	17.50	17.49	18.64
Market value per share - Low	Rs.	9.86	6.31	7.65	9.95	13.51	12.04
Market capitalization (Rs. in Million)		1,436.25	1,001.36	641.37	753.62	1,242.66	1,386.97
Historical trends							
Management fee (Rs. in Million)		172.97	198.77	195.07	198.37	155.35	159.72
Operating profit (Rs. in Million)		(2.81)	(91.94)	17.18	35.58	181.89	170.38
Profit before tax (Rs. in million)		(22.99)	(59.00)	57.01	67.50	209.80	199.30
Profit after tax (Rs. in million)		(39.80)	(86.65)	41.73	32.22	199.70	174.27
Assets under management (Rs. in million)		26,007.37	25,130.95	20,847.76	14,453.00	13,521.00	9,548.00
No. of funds under management		17	16	14	14	12	11
Share capital (Rs. in million)		617.74	617.74	801.72	801.72	801.72	801.72
Shareholders equity (Rs. in million)		1,774.99	1,814.79	1,976.79	2,161.94	2,573.74	2,107.58
Total assets (Rs. in million)		2,305.29	2,562.03	2,435.73	2,599.12	3,074.01	2,586.12
Contribution to the national exchequer (Rs. in million)		62.38	48.13	51.31	30.58	29.01	27.34
Payouts							
Cash dividend	%	-	4	-	0.50	5	-

RISKS AND OPPORTUNITIES

Management doesn't see any risk in term of availability of capital as more than 69% of the Net Assets and of the Total Assets of the company is available in a highly liquid short term investments and the majority of investment is with the Funds under Management of JSIL.

Sources of risks and opportunities

JSIL's management performs regular review of those risks that could affect the company's prospects, reputation or its ability to deliver on its commitments. JSIL's overall risk management program focuses on the financial markets and seeks to mitigate the effects on the performance of the Funds, under its management.

JSIL's profitability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geo-political environment and movements in exchange rates also impact the performance of the capital markets and hence the profitability of JSIL.

However, as the country's economic indicators are improving and the interest rates remained stable, the significant portion of Assets under Management may be invested in the equity asset class in 2021. The vaccine rollout in the coming months and strong corporate profitability in the upcoming quarters may have positive result in the equity market.

Assessment of the 'likelihood' that the risk or opportunity will come to fruition and the 'magnitude' effect if it does.

Risk type	Materiality Rating	Probability of Risk Occurrence	Monitoring and Measurement
Market Risk	High	High probability	The prices of scrips and the income generated by the securities held by the Fund may decline in response to certain events, including those directly involving the companies whose securities are owned by the Fund, general economic and market conditions, regional or global economic instability, or currency and interest rate fluctuations. Monitoring and Measurement: JSIL monitors and measures market risk through various statistical tools to determine the value of a portfolio that can decrease due to change in the variables of the risk indicators. Some of these statistical tools are VaR reports, ratio analysis, etc.
Credit Risk	High	Medium probability	Credit Risk is the potential that the counterparty will fail to meet its obligations in accordance with agreed terms and conditions. The goal of credit risk management is to maximize the company's risk-adjusted return by maintaining credit risk exposure within acceptable parameters.



Risk type	Materiality Rating	Probability of Risk Occurrence	Monitoring and Measurement
			Measurement and Monitoring: Credit Risk Management function measures, monitors and mitigates credit risk. Credit Risk is measured through detailed financial and non-financial analysis, including CAMEL approach also applied to evaluate credit risk for potential investments.
Regulatory Risk	High	High probability	Regulatory Risk is the risk of a change in Regulations and Laws that might affect a business. Such changes in regulations can make significant changes in the business framework, changes in processes, functions cost-structure, etc Measurement and Monitoring: With the promulgation of any change in applicable Laws, JSIL monitors/ reviews relevant areas/ function in order to ensure implementation of necessary changes required in the systems of JSIL.
Liquidity Risk	High	Medium probability	Liquidity Risk arises from the lack of marketability/ availability of any investment that cannot be sold bought in a short time in order to prevent or minimize a loss. Measurement and Monitoring: To evaluate the nature of stocks into [liquid, IL-liquid or semi Liquidity Risk arises from the lack of marketability/ availability of any investment that cannot be sold bought in a short time in order to prevent or minimize a loss. Measurement and Monitoring: To evaluate the nature of stocks into [liquid, IL-liquid or semi liquid] would provide an overview as to probable discount/ loss that could be confronted if the Fund Manager tries to offload required quantity of shares in the market. Further, it is also ensured that minimum cash and cash equivalent requirements shall be maintained at all times to fulfill payment obligations of the Funds.

Risk type	Materiality Rating	Probability of Risk Occurrence	Monitoring and Measurement
Portfolio Performance Risk	High	Medium to High probability	A risk regarding uncertainty on performance of the Fund and to its ability to earn consistent income stream is also evaluated through various performance measurement tools. Measurement and Monitoring of portfolio performance carried out on regular basis through number of reports such as attribution report, benchmark, comparison with peer group etc.
Country and Political Risk	Medium	Medium probability	Stability of the Country and controlled law & order situation is a pre-requisite for any economic development and reposes investor confidence in the country, providing corporate a potential investment opportunity. Measurement and Monitoring Investment and disinvestment decisions are closely evaluated based on the law and order situation of the country, change in political and economic environment, governmental actions, legislative changes, etc.

Specific steps being taken to mitigate or manage key risks or to create value from key opportunities identifying the associated strategic objective, strategies, plans, policies, targets and KPIs.

The first step to managing risk and capitalizing on opportunities is to identify the areas/ functions that are relevant to evaluate the sources of risk and opportunities from both internally as well as externally. In this regard, JSIL's Investment, Research and Risk Management functions are responsible to categorize, measure, evaluate, and monitor different types of risks and evaluate opportunities at the optimum level.

Risk Management Function through various risk reports such as market risk, credit risk, operational risk and regulatory risk etc. identify, monitors and mitigate risk on a continuous basis.

Further, role of Research is most valuable ingredient in the investment process. Therefore, JSIL ensures that best ethical practices shall be adopted at every step of the overall research process. In this regard, the Research Analysts are obliged to:

- Exercise diligence and thoroughness in making investment recommendations
- Provide a reasonable and adequate investment case, supported by appropriate research and investigation
- Make diligent efforts to avoid any material misrepresentation in any research report and/or investments recommendation
- Maintain appropriate records to support such investment recommendations



Moreover, responsibility for the prudent investment of assets under management shall rest with the Investments department, under the broad umbrella of the Investment Committee. The primary objective of the Investment Committee is to maximize risk-adjusted returns to the unit-holders. IC ensured that the Funds' assets are prudently invested in accordance with Investment Policy as stated in its Trust Deed and Offering Document. Further, IC formulates periodic investment strategy for each fund, in the light of the current and expected market movements. IC is also responsible for monitoring performance in the Investment Management process.

Board efforts for determining the company's level of risk tolerance by establishing risk management policies.

The Board of Directors has carried out an in depth and critical analysis of the principal risks / threats faced by the Company business, including those that would threaten the future performance of the Company and Funds under its management. The Board has delegated the responsibility of monitoring and control of business risks to the management of the Company through its directions and guidelines issued with the approved policies on Risk Management, Research and Investment Functions. Management is responsible for the overall implementation and oversight of risk identification and management policy and procedures. Further, all Functions / Departments of the Company are responsible for identification and evaluation of all types of risks relating to their areas, devising adequate mitigating strategies thereof and report any changes / additions therein to Board.

Risk and Uncertainties already annexed with the Directors' Report

JSIL's management has performed a robust and systemic review of those risks that could affect the company's performance, prospects, reputation, or ability to deliver on its commitments. JSIL's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

JSIL's profitability is linked to the overall performance of the capital markets of the country, which in turn, are influenced by the overall macroeconomic and political environment of Pakistan. Global economic performance, geopolitical environment, commodities prices, and movements in exchange rates also impact the performance of the capital markets and hence the profitability of JSIL.

The competitive nature of the industry and sluggish equity markets performance in CY20 has led to increased pressure on the key revenue drivers such as management fees and a sales load. The competitive pressure has been witnessed in the income/money market funds space where average management fee has declined significantly for the industry players and this has, in turn, led to earnings volatility.

Inadequacy in the capital structure and plans to address such inadequacy

JSIL have an adequate capital structure with nominal portion in financing and with strong asset base.

Information about defaults in payment of any debt

JSIL never defaulted on any of its obligations.

Segmental review of business performance

There are no segments of JSIL current business model

Rational for Capital Expenditure

The Capital Expenditure of Rs. 4.87 million was incurred mainly to acquire office equipment and civil work. For the next year capital expenditure of Rs. 30.5 million are projected mainly for software development and acquisition of hardware to upgrade IT in line with optimum needs and technological advancement.

STRATEGY AND RESOURCE ALLOCATION

Short, medium and long term strategic objectives.

Short-term:

- The AMC has an aggressive sales strategy in place for offering investment solutions to customers via an in-house Sales team. In addition, the AMC is actively utilizing the outreach of the parent Bank's network for distribution of its products.
- Growth in Management Fee and Assets under Management via traditional mutual fund business model, physical sales teams as well as through digital products.
- To bring people into the conservative products and then diversify into medium / high risk products in smaller proportion gradually given market conditions.
- Lead Generation & Centralized Pipeline Management Programs.
- Various campaigns are planned for our Teams to sell equity given the overall market conditions are expected to improve in 2021.

Medium-term:

- The AMC has acquired license to manage Private Funds. "JS Motion Picture Fund" was launched as Pakistan's first entertainment oriented investment scheme.
- The AMC has also obtained Real-Estate management license.
- Gain foot-hold in niche market spaces i.e. Real-Estate Management and Private Funds.
- Increase weightage of Retail investors in the customer-base.
- Enroll new corporate distributors in each Region and expansion in Corporate Team.
- Influencer programs that gives us not only very specific brand targeting / promotion opportunities, but also access to a group of like minded HNW business groups.
- SMAs to be offered primarily or individuals. Further, the Employee Funds pool, Trusts, NGOs etc. will also be tapped for personalized / customized portfolio management.

Long-term:

- Shift to a low-cost digital model offering exceptional customer experience, and with minimal human-re source requirement.
- Increase focus for areas of business owners for portfolio management services and to move away / add value from the traditional liquidity management area.
- Launch of Need-based Investment Plans (Asset Allocation Plans).
- VPS will be offered through Employee Banking Team of JSBL.

Resource Allocation

The management company allocates the resources in line with the budget approved by the Board of Directors. The management is committed towards achieving the strategic objectives of the company and has accordingly allocates the resources towards sound assets building for sustainable growth and profitability.

Key Performance Indicators

Key Performance Indicators (KPIs) are measurable values that demonstrate how effectively an organization is achieving key business objectives. JSIL has identified KPIs that are critical to its business segment. The JSIL analyzed various indicators while identifying said KPIs.

The year under review remained most difficult year in terms of various economic challenges along with an outbreak of COVID-19 which has changed all economic and businesses landscape globally.

The pandemic has terribly slowed down overall economic and businesses activities, due to said impact our business and rest of asset management companies affected.



Due to the nature of the business and strategic objectives, the KPIs are inherently quantitative in nature.

- Management Fee generation – This KPI shall remain relevant in the future
- Assets under management - This KPI shall remain relevant in the future
- Customer-base - This KPI shall remain relevant in the future
- Weightage of Retail customers in overall customer-base - This KPI shall remain relevant in the future
- Weightage of revenues from Real-estate Management and Private Fund business-lines in the overall revenue mix - This KPI shall become increasingly more relevant in the future
- Weightage of AUMs raised via digital avenues in the overall revenue mix - This KPI shall become increasingly more relevant in the future

Strategy to overcome liquidity problem and the Company's plan to manage its repayment of debts meet operational losses.

Liquidity management and financing arrangement process being adequately managed by the management. Senior management monitors and manages liquidity and financing requirements on a daily basis. During the period under review, Liquidity of the company remained satisfactory. During the year, the Company obtained and utilized Rs. 80 million against Refinancing Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under Covid-19 relief package.

Significant plans and decisions such as corporate restructuring, business expansion and discontinuance of operations etc."

The business expansion plans are covered in the strategic objectives. Apart from these, the company has no significant corporate restructuring of operation discontinuation plans.

Significant changes in objectives and strategies from prior years.

Entry into the Private Fund and Real-estate management space mark strategic re-focusing for the company. The company, and the parent group, have ample pool of experience and skill-set to develop these nascent spaces into major revenue contributors over the coming years.

Digitization is revolutionizing industries across the globe. The board of directors and the management are committed to a digital future for the AMC business.

Explanation of negative change in the performance against prior year including analysis of variation in results reported in interim reports with the final accounts

During the period the per unit Share Holder equity decreased primarily due to adverse market conditions during the period and given tough market conditions especially on equity side and AUM increase in low margin management fee funds resulted in declining top line while at the same time expenses were curtailed for the year ended December 2020.

Product and Services

JS Investments Limited (JSIL) (estd. 1995) is the oldest private sector Asset Management Company in Pakistan. JS Investments Limited has obtained the license of an Investment Advisory and Asset Management Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2009. In addition the JS Investments Limited also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. The JSIL has also acquired the license for Private Equity and Venture Capital Fund Management Services and RIET Management Service from SECP.

PRODUCTS AND SERVICES

SECP has granted renewed license No. AMCW/08/JSIL/AMS/03/2016, dated May 04, 2016 to JS Investments Limited under Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended through S.R.O.1131 (1) 2007, S.R.O.271(I)/2010, S.R.O 570(I)/2012 and S.R.O 1002(i)/2015 (the "Rules"), to undertake asset management services.

Investment Advisory

SECP has granted renewed license No. AMCW/07/JSIL/IA/05/2016, dated May 04, 2016 to JS Investments Limited under Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended through S.R.O.1131 (1) 2007, S.R.O.271(I)/2010, S.R.O 570(I)/2012 and S.R.O 1002(i)/2015 (the "Rules"), to undertake investment advisory services.

Voluntary Pension Scheme Management

SECP has granted Registration No. SECP/PW/Reg-03/2007, dated January 8, 2007 to JS Investments Limited under Rule 5(2) of the Voluntary Pension System Rules 2005, to undertake business as a Pension Fund Manager.

Private Equity and Venture Capital Fund Management Services

SECP has granted license No. AMCW/01/JSIL/PE&VC/04/2018, dated August 10, 2018 to JS Investments Limited under Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 as amended through S.R.O.1131 (1) 2007, S.R.O.271(I)/2010, S.R.O 570(I)/2012 and S.R.O 1002(i)/2015 (the "Rules"), to carry out Private Equity and Venture Capital Fund Management Services.

REIT Management Services

SECP has granted license No.SCD/PRDD/REIT/JSIL/2020/02, dated July 28, 2020 to JS Investments Limited under Rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 to carry out REIT Management Services.

History of Major Events

- 2020– RIET Management Services License Acquired | Certificate of Merit was awarded to the Annual Report of 2019
- 2019 – AUM PkR 25 Billion
- 2018 – Private Fund Management License Acquired | Launch of “Mobile-App” and “Online Portal”
- 2017 – Wealth Management Products launched | AUM PkR 14.6 Billion
- 2016 – Lipper Fund Award given to JS Islamic Fund for performing as the best fund in the 3 and 5 years categories.
- 2010 – AUM PkR 16.5 Billion
- 2007 – Pension Fund Management License Acquired
- 2004 – AUM 14 Billion
- 2003 – Investment Advisory License Acquired
- 2003 – Acquisition of ICP Funds | AUM PkR 5.5 Billion
- 2001 – AUM PkR 1.2 Billion
- 1995 – First AMC in the Private Sector with International Finance Corporation (IFC) and INVESCO PLC as founding partners

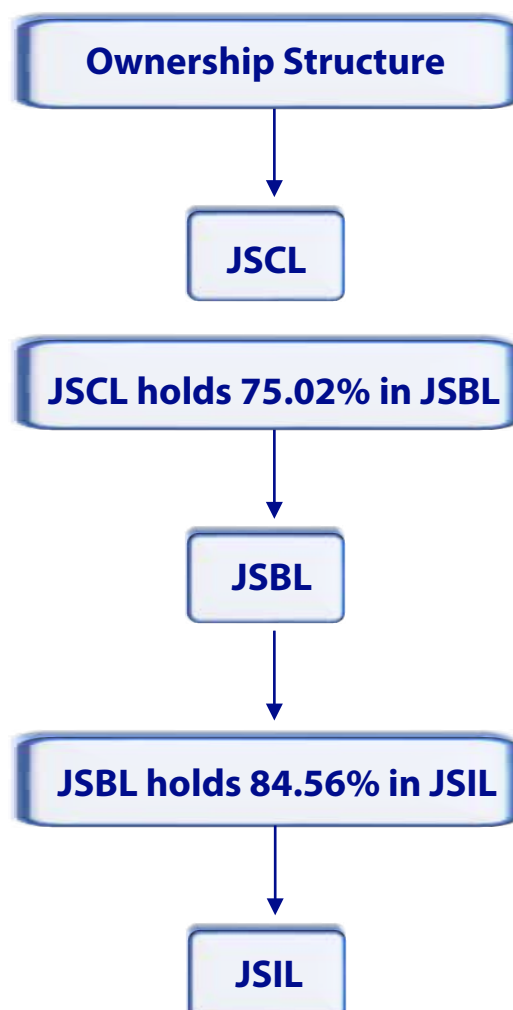


CODE OF BUSINESS CONDUCT AND ETHICS

Our long-term corporate success depends, among other things, on our ability to conduct business in a responsible manner. JSIL has adopted the 'The Asset Manager Code of Professional Conduct' formulated by the CFA Centre for Financial Market Integrity for the purposes of strengthening corporate governance, enhancing compliance culture, and promoting ethical and professional standards among employees. The code defines core values that all employees, especially fund managers, are required to follow when performing business operations or when interacting with colleagues, clients and other stakeholders. It also plays an important role in guiding the Company's efforts to inspire and maintain the trust and confidence of all its stakeholders.

The Code of Conduct and business ethics are essential for every organization. It spells out the behavior expected from employees, reflecting fairness, transparency and accountability. It guides staff members to conduct themselves with honesty and integrity in all actions representing the organization.

We are committed to conduct our business in accordance with applicable laws, rules and regulations as defined by our regulators. It always abide by ethical standards and consider it to be a key business priority. Our Code of Ethics requires that it is necessary to ensure that the appropriate standards of behavior are followed to the letter and spirit in accordance with the approved and agreed Code of Conduct by the employees of JSIL. Adherence of Code of Conduct is mandatory for all employees of JSIL.



OUTLOOK

JSIL has closed CY20 with an AUM level of PKR 26.10 billion (including Separately Managed Accounts (SMAs) and Fund of Funds). The major increase in JSIL's AUMs was driven by growth in JS Cash Fund, JS Islamic Income Fund & JS Islamic Daily Dividend Fund AUMs whereas there was an attrition of AuMs primarily due to the maturity of 4 plans under the Capital Preservation Allocation Plan series.

JS Investments Limited will continue with its two-pronged approach of increasing AUMs and the retail investor base. In the traditional mutual-fund space, fixed income funds shall continue to be a key driver of AUM growth and investor-base. JSIL also plans to focus on niche market spaces and customer segments with unique needs, by offering specialized solutions to address these needs. Various new measures were undertaken in 2020, including the launch of the Daily Dividend Fund, despite the pandemic constraints which bore fruit. An Exchange Traded Fund (ETF) is also in the pipeline and will be launched as soon as Regulatory approvals are in place.

In line with the Government initiative for digitization, offering technology-driven value-added services and market-leading service quality shall help expand market share and improve customer loyalty. In this respect, Digital account opening of Sahulat Sarmayakari Program has been launched through which an individual can invest up to PKR 800 thousand in mutual funds. In addition, the Company is also working on the regular digital account opening as per SECP Circular of 30th December, 2020.

The equity market sentiments have improved significantly since last quarter 2020, and the Company will continue with the general strategy of recommending a tilt towards equities for long term investors. Various campaigns are planned for our Internal Teams as well as Distributors to focus on a shift towards equity products commensurate with the risk profile of the customers.

The Conventional Exchange Traded Fund (ETF) has been finalized based primarily on the maximum possible correlation to KSE-30 and the liquidity of the underlying stocks. The Trust Deed of the Fund has been sent to SECP for approval which is awaited.

Explanation as to how the performance of the entity meets the forward-looking disclosures made in the previous year

Due to stagnant equity market performance on account of COVID 19, the Industry-wide main focus has been on low margin products like Cash & Income Funds category 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.

JSIL recorded total revenue of PKR 333.65 million during the year. The Company earned management remuneration from funds under management (including Separately Managed Accounts - SMAs) of PKR 175 million. The assets under management (excluding SMAs & Fund of Funds) were PKR 23.8 billion as on December 31, 2020.

Status of the projects in progress and were disclosed in the forward-Looking Statement in the previous year.

Subsequent to the acquisition of license to carry out the Private Equity and Venture Capital Management Services, the Company has launched a movie fund, JS Motion Picture Fund with an initial capital of Rs. 100 million. The Fund has invested Rs. 75 million in a movie project. The duration of the project was 18 months, however, due to COVID the project is currently halted.



During the year SECP granted a license to carry out REIT Management Services to the Company. REIT team has commenced preliminary working to create project's financial model / feasibility along with sorting out various taxation issues. Due to the change in the overall scenario on account of COVID across the globe the project is in abeyance.

In line with the Government initiative for digitization, offering technology-driven value-added services and market-leading service quality shall help expand market share and improve customer loyalty. In this respect, Digital account opening of Sahulat Sarmayakari Program has been launched through which an individual can invest up to PKR 800 thousand in mutual funds.

6.04 Source of information and assumption used for projections / forecasts in the forward-looking statement and assistance taken by any external consultant.

Mutual Funds Association of Pakistan (MUFAP), the trade body for Pakistan's multi billion rupees asset management industry, manages comprehensive data of Asset Management Companies incorporated in Pakistan. Most of the data for comparative analysis was obtained from MUFAP in addition to that certain assumptions and historical trends were employed to prepare future projections.

Critical challenges and uncertainties

The major external risks relate to unfavorable interest rate changes, equity market movements, and taxation on financial products. The Board of directors and the management of JS Investments is committed to having a diversified product suite to weather weakness in equity or debt markets. Also, the entry into niche markets (REITs & Private Funds) will also hedge the business model from the above mentioned external risks.

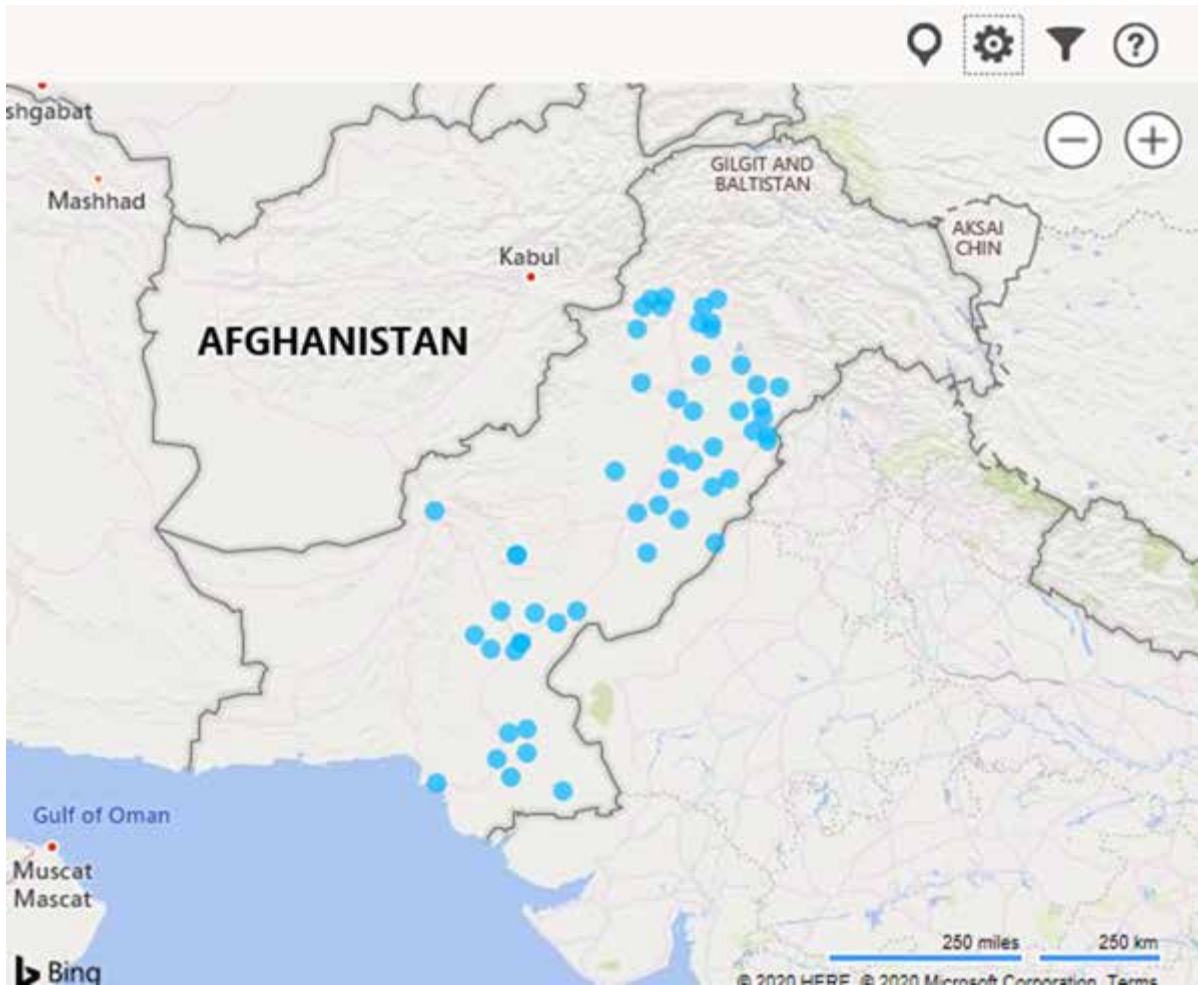
Growing share of Retail customer-base also helps weather adverse external developments.

Statement of value added and its distribution with graphical presentation

Employees as remuneration



Shareholders as dividends



Government as taxes

Even though the company was in taxable losses but during the period JSIL contributed Rs. 62.38 million in terms of indirect taxes (Sales Tax) to the exchequer.

HORIZONTAL & VERTICAL ANALYSIS

Statement of Profit & Loss Horizontal Analysis									
	2020	20V19	2019	19V18	2018	18V17	2017	17V16	2016
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
Income	333,646	-1%	337,173	-13%	389,381	10%	352,842	-24%	461,529
Administrative and Marketing Expense	303,652	-10%	336,949	19%	283,166	18%	240,207	-14%	279,638
Selling and distribution expenses	32,806	-64%	92,162	5%	88,034	14%	77,058	NA	-
Operating profit	(2,811)	NA	(91,938)	-606%	18,181	-49%	35,577	-80%	181,891
Other expenses	-	NA	-	NA	1,163	-12%	1,324	-69%	4,282
Financial charges	35,002	-9%	38,423	1055%	3,327	1042%	291	1549%	18
Other income	14,821	-79%	71,367	65%	43,319	29%	33,538	4%	32,204
Profit before taxation	(22,992)	-61%	(58,995)	-203%	57,010	-16%	67,501	-68%	209,796
Taxation - net	16,809	-39%	27,650	81%	15,282	-57%	35,285	249%	10,098
Profit for the year	(39,801)	-54%	(86,645)	-308%	41,728	30%	32,216	-84%	199,698
EPS	(0.64)	-325%	(1.17)	30%	0.52	-84%	2.49	42%	1.75

Statement of Financial Position Horizontal Analysis									
	2020	20V19	2019	19V18	2018	18V17	2017	17V16	2016
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
ASSETS									
Non - current assets									
Property and equipment	399,187	-16%	476,087	-2%	485,306	27%	381,270	6%	359,860
Intangible assets	12,236	-20%	15,324	-6%	16,315	93%	8,465	388%	1,735
Long-term investment in a subsidiary	37,500	0%	37,500	0%	37,500	0%	37,500	0%	37,500
Long-term loans and prepayments - considered good	2,253	-33%	3,387	-20%	4,210	-1%	4,236	369%	903
	451,176	-15%	532,298	-2%	543,331	26%	431,471	8%	399,998
Current assets									
Balances due from funds under management - related parties	109,501	-11%	123,074	9%	112,825	2%	110,222	17%	94,536
Loans and advances - considered good	3,810	-4%	3,973	63%	2,437	-57%	5,612	170%	2,078
Trade deposits, short term prepayments and other receivables	56,610	-5%	59,510	-2%	60,456	-16%	72,102	474%	12,552
Other financial assets - investments	1,585,292	-9%	1,741,946	9%	1,604,144	-14%	1,875,546	-3%	1,942,368
Taxation - net	89,466	2%	87,784	-2%	89,518	1%	88,636	-27%	121,849
Cash and bank balances	9,433	-30%	13,440	-42%	23,015	48%	15,535	22%	12,743
	1,854,113	-9%	2,029,727	7%	1,892,395	-13%	2,167,652	-1%	2,186,126
Total Assets	2,305,289	-10%	2,562,025	5%	2,435,726	-6%	2,599,123	1%	2,586,124
EQUITY AND LIABILITIES									
Share capital and reserves									
Share capital									
Authorised capital	2,500,000	0%	2,500,000	0%	2,500,000	0%	2,500,000	0%	2,500,000
Issued, subscribed and paid-up capital	617,743	0%	617,743	-23%	801,718	0%	801,718	0%	801,718
Reduction in share capital	-	-	-	0%	-	0%	-	0%	-
Unappropriated profit	1,157,244	-3%	1,197,045	59%	751,736	7%	700,841	42%	491,901
Capital repurchase reserve account	-	0%	-	-100%	198,282	0%	198,282	0%	198,282
Unrealised appreciation on remeasurement of "available-for-sale" financial assets - net	-	0%	-	-100%	225,049	-51%	461,102	-25%	615,678
Surplus on revaluation of fixed assets - net	-	0%	-	-100%	173,892	-5%	183,059	-9%	200,171
	1,774,987	-2%	1,814,788	-16%	2,150,677	-8%	2,345,002	2%	2,307,750
LIABILITIES									
Non - current liabilities									
Deferred Liabilities	1,301	-	-	0%	-	0%	-	0%	-
Long-term Financing	75,582	0%	-	0%	-	0%	-	0%	-
Deferred taxation	-	0%	-	0%	-	-100%	15,590	-80%	78,368
Liabilities against assets subject to finance lease	260,150	-	264,908	665%	34,635	887%	3,508	0%	-
	337,033	27%	264,908	665%	34,635	81%	19,098	-76%	78,368
#DIV/0!									
Current liabilities									
Accrued and other liabilities	166,112	-	185,526	-21%	235,674	2%	230,094	15%	200,006
Accrued mark-up	-	-	-	0%	-	0%	-	0%	-
Short term running finance - secured	-	0%	-	0%	-	0%	-	0%	-
Securitisation of management fee receivables - debt	-	0%	-	0%	-	0%	-	0%	-
Dividend payable	-	-100%	247,097	0%	-	0%	-	0%	-
Unclaimed dividend	5,183	76%	2,953	0%	2,953	-13%	3,405	0%	-
Current maturity of liabilities against assets subject to finance lease	21,974	-53%	46,755	297%	11,787	673%	1,524	0%	-
	193,269	-60%	482,330	93%	250,414	7%	235,023	18%	200,006
Total Liabilities	530,302		747,237		285,049		254,122		278,374
Total Equity and Liabilities	2,305,289		2,562,025		2,435,726		2,599,123		2,586,124

Statement of Profit & Loss Vertical Analysis									
	2020	20Vs19	2019	19Vs18	2018	18Vs17	2017	17Vs16	2016
	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands	%	Rs Thousands
Income	333,646	100%	337,173	100%	389,381	100%	352,842	100%	461,529
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Operating profit	(2,811)	-1%	(91,938)	-27%	18,181	5%	35,577	10%	181,891
Other expenses	-	0%	-	0%	1,163	0%	1,324	0%	4,282
Financial charges	35,002	10%	38,423	11%	3,327	1%	291	0%	18
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EPS	(0.64)		(1.17)		0.52		2.49		1.75

Statement of Financial Position Vertical Analysis									
	2020	20Vs19	2019	19Vs18	2018	18Vs17	2017	17Vs16	2016
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Share capital									
Authorised capital	2,500,000		2,500,000		2,500,000		2,500,000		2,500,000
Issued, subscribed and paid-up capital	617,743	27%	617,743	24%	801,718	33%	801,718	31%	801,718
Reduction in share capital	-	0%	-	0%	-	0%	-	0%	-
Unappropriated profit	1,157,244	50%	1,197,045	47%	751,736	31%	700,841	27%	491,901
Capital repurchase reserve account	-	0%	-	0%	198,282	8%	198,282	8%	198,282
Unrealised appreciation on remeasurement of "available-for-sale" financial assets - net	-	0%	-	0%	225,049	9%	461,102	18%	615,678
Surplus on revaluation of fixed assets - net	-	0%	-	0%	173,892	7%	183,059	7%	200,171
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LIABILITIES									
Non - current liabilities									
Deferred Liabilities	1,301	0%	-	0%	-	0%	-	0%	-
Long-term Financing	75,582	3%	-	0%	-	0%	-	0%	-
Deferred taxation	-	0%	-	0%	-	0%	15,590	1%	78,368
Liabilities against assets subject to finance lease	260,150	11%	264,908	10%	34,635	1%	3,508	0%	-
	337,033	15%	264,908	10%	34,635	1%	19,098	1%	78,368
Current liabilities									
Accrued and other liabilities	166,112	7%	185,526	7%	235,674	10%	230,094	9%	200,006
Accrued mark-up	-	0%	-	0%	-	0%	-	0%	-
Short term running finance - secured	-	0%	-	0%	-	0%	-	0%	-
Securitisation of management fee receivables - debt	-	0%	-	0%	-	0%	-	0%	-
Dividend payable	-	0%	247,097	10%	-	0%	-	0%	-
Unclaimed dividend	5,183	0%	2,953	0%	2,953	0%	3,405	0%	-
Current maturity of liabilities against assets subject to finance lease	21,974	1%	46,755	2%	11,787	0%	1,524	0%	-
	193,269	8%	482,330	19%	250,414	10%	235,023	9%	200,006
Total Liabilities	530,302	23%	747,237	29%	285,049	12%	254,122	10%	278,374
Total Equity and Liabilities	2,305,289	100%	2,562,025	100%	2,435,726	100%	2,599,123	100%	2,586,124



Horizontal & Vertical Analysis Comments on Horizontal & Vertical Analysis

Horizontal Analysis Statement of Financial Position

Shareholders' Equity: JSIL's share capital remained at the same level as in CY19 at Rs. 617.74mn. Reserves witnessed a gradual decline over the past five years, despite higher profit retention, mainly due to a decline in paid-up capital and capital reserve account while unrealized gain on investments and revaluation surplus were removed from the shareholders' equity. Resultantly, shareholders' equity stood at Rs 1.7 billion with a decrease of 23% since 2015.

Non-Current Assets: Property, plant & equipment, intangible assets, long term investments and long term loans constitute the Company's non-current assets. Investment in a new office premises besides routine capital expenditure has resulted in net increase of Rs 39 million since 2015 to Rs 399 million in property, plant and equipment, which constitutes 88% of total non-current assets.

Current Assets: The Company's investment portfolio forms around 86% of the total current assets and stands at Rs 1.58bn as of CY19. The volatility in investments during the last five years is due to correlation of the investment portfolio with KSE-100 index. Total investment value has declined by 18% since 2015, resultantly leading to a 15% overall decline in Current Assets.

Current Liabilities: Current Liabilities decreased 60% YoY due to dividend payable in the previous year which was not present in the current year.

Non-Current Liabilities: Non-Current Liabilities increased 27% YoY due to the use of PKR 75 MN in long term financing by the company.

Vertical Analysis Statement of Financial Position

Property, plant & equipment: Property, plant & equipment stood at PKR 399 MN during the year, down from PKR 476 MN in the previous year. PPE comprised 17% of the total assets of the company as the second biggest line item after the company's investments.

Investments: The company's investment portfolio continues to comprise a major chunk of the overall asset. The portfolio stood at PKR 1.6 BN during the year ended December 2020 and comprised 69% of the total assets of the company.

Equity & Liabilities: The company's total equity stood at PKR 1.7BN. Total liabilities stood at PKR 530 MN i.e. 30% of total equity.

Horizontal Analysis Income Statement

Income: Core income i.e. revenue from funds under management grew 8% since 2016. Total income declined 27% since 2016 due to lower gain on investments in 2020. This was due to the relatively poor performance of the KSE100 in 2020 compared to 2015.

Administrative and Marketing Expenses: Administrative and Marketing cost have registered an average annualized increase of 2% since 2015 owing to rising inflationary pressure. Major escalation was due to increased Depreciation expense as the company adopted IFRS 16.

Other Income: Other income varied through the years and stood at PKR 14.8 MN during the year compared to PKR 71.3 MN in 2019.

Financial Charges: Financial charges for the year PKR 35 MN compared to PKR 38.4 in 2019.

Net profit: The Company booked a Net Loss of PKR 39 MN in CY20 as compared to Net Profit of PKR 199 MN in 2016, having remained under pressure since CY17 which saw a decline of 84% in profitability as the stock market plummeted 28% from its all time high. JSIL's profitability is linked to the overall performance of the capital markets of the country. CY20 saw the company's profitability veer into red mainly due to rise in expenses that were not offset by rising revenues.

Vertical Analysis Income Statement

Administrative and Marketing Expenses: Administrative expenses as a percentage of income increased to 91% (CY19: 105%) due to a combination of an 1% decline in Income coupled with a 10% decrease in cost.

Operating Profit: Operating profit as a percentage of income has improved YoY, with CY20 showcasing an operating loss of PKR 2.8 MN vs PKR 91 MN loss in the year before. Operating loss improved YoY due to higher gains on the investments portfolio.

Taxation: Taxation charge for the year was recorded at PKR 17 MN and the company had a loss before tax of PKR 22 MN for a net loss of PKR 39 MN during the year.

Net Profit: Net profit reduced from PKR 199 MN in 2016 to a Net Loss of PKR 39 MN in 2020 mainly because of increase in operating costs as explained above, in addition to a decline in total income, higher finance cost and higher tax expense.

DUPONT AND WRITEUP

JS Investments Limited	CY15	CY16	CY17	CY18	CY19	CY20
Profit & Loss Statement						
Income						
Remuneration from funds under management - net	159,721,956	155,352,581	198,371,204	195,074,253	198,773,230	172,974,760
Commission from open end funds under management	3,736,341	8,650,537	8,281,530	4,319,519	9,058,365	4,096,138
Dividend income	18,981,897	26,879,322	40,746,025	3,882,418	20,613,047	15,644,418
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss			-	1,004,831	76,814,744	114,009,775
Net gain on sale of investments classified as at fair value through profit or loss	38,139,128	2,591,700	2,959,496	2,778,670	5,017,074	6,913,914
Net gain on sale of investments classified as 'available-for-sale'	175,708,021	261,128,788	95,392,424	175,736,478	-	-
Return on bank deposits	2,377,871	1,296,432	1,387,815	2,125,280	7,433,571	3,343,723
Mark up on Term Finance Certificates	2,107,083	-	-	-	-	-
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	5,239,429	5,629,603	5,703,483	4,459,869	2,634,368	1,859,231
Return on debt security					16,828,238	14,804,122
	406,011,726	461,528,963	352,841,977	389,381,318	337,172,637	333,646,080
Administrative and marketing expenses	(235,630,824)	(279,637,926)	(240,206,912)	(283,166,433)	(336,948,704)	(303,651,642)
Selling and distribution expenses	-	-	(77,057,572)	(88,033,932)	(92,162,351)	(32,805,782)
Operating (Loss)/Profit	170,380,902	181,891,037	35,577,493	18,180,953	(91,938,418)	(2,811,344)
Other expenses	(4,067,208)	(4,281,551)	(1,323,592)	(1,163,256)	-	-
Financial charges	(14,625)	(17,663)	(291,187)	(3,326,506)	(38,423,472)	(35,002,110)
	166,299,069	177,591,823	33,962,714	13,691,191	(130,361,890)	(37,813,454)
Other income	32,996,404	32,204,172	33,537,797	43,318,652	71,366,716	14,821,145
(Loss)/Profit before taxation	199,295,473	209,795,995	67,500,511	57,009,843	(58,995,174)	(22,992,309)
Taxation - net	(25,022,933)	(10,098,142)	(35,284,935)	(15,281,693)	(27,650,041)	(16,808,691)
(Loss)/Profit for the year	174,272,540	199,697,853	32,215,576	41,728,150	(86,645,215)	(39,801,000)
(Loss) / earnings per share for the year - basic and diluted	1.75	2.49	0.40	0.52	(1.17)	(0.64)
	12.6%	4.8%	52.3%	26.8%	-46.9%	-73.1%
Statement of Financial Position						
ASSETS						
Non - Current Assets						
Property and equipment	359,859,663	373,686,528	381,270,208	485,306,147	476,086,870	399,187,334
Intangible assets	1,734,992	1,617,337	8,464,922	16,315,422	15,323,841	12,235,839
Long-term investment in a subsidiary	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000	37,500,000
Long-term loans and prepayments - considered good	902,887	7,168,287	4,235,554	4,209,830	3,387,150	2,252,802
	399,997,542	419,972,152	431,470,684	543,331,399	532,297,861	451,175,975
Current Assets						
Balances due from funds under management - related parties	94,536,339	115,188,859	110,221,608	112,825,238	123,073,939	109,501,155
Loans and advances - considered good	2,077,719	1,905,138	5,612,073	2,436,861	3,973,499	3,810,261
Trade deposits, short term prepayments and other receivables	12,551,657	28,317,112	72,102,307	60,455,636	59,509,508	56,610,095
Other financial assets - investments	1,942,367,635	2,383,626,304	1,875,545,886	1,604,144,245	1,741,945,710	1,585,292,142
Taxation - net	121,849,376	113,853,242	88,635,731	89,518,144	87,784,493	89,466,101
Cash and bank balances	12,743,292	11,144,714	15,534,837	23,014,578	13,440,272	9,433,434
	2,186,126,018	2,654,035,369	2,167,652,442	1,892,394,702	2,029,727,421	1,854,113,189
Total Assets	2,586,123,560	3,074,007,521	2,599,123,126	2,435,726,101	2,562,025,282	2,305,289,164
					5.2%	-10.0%
EQUITY AND LIABILITIES						
Share Capital and Reserves						
Share Capital						
Authorised Capital	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	801,718,180	801,718,180	801,718,180	801,718,180	617,742,560	617,742,560
Unappropriated profit	491,901,151	700,155,016	700,840,694	751,736,003	1,197,045,225	1,157,244,225
Capital repurchase reserve account	198,281,820	198,281,820	198,281,820	198,281,820	-	-
Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	615,677,768	873,584,690	461,102,049	225,049,381	-	-
	2,107,578,919	2,573,739,706	2,161,942,743	1,976,785,384	1,814,787,785	1,774,986,785
Surplus on revaluation of fixed assets - net	200,170,871	191,614,859	183,058,851	173,891,692	-	-
	2,307,749,790	2,765,354,565	2,345,001,594	2,150,677,076	1,814,787,785	1,774,986,785

JS Investments Limited	CY14	CY15	CY16	CY17	CY18	CY19	CY20
Profit & Loss Statement							
LIABILITIES							
Non - Current Liabilities							
Deferred liabilities						-	1,301,172
Long term financing						-	75,581,938
Deferred taxation		78,367,529	82,222,385	15,590,093	-	-	-
Liabilities against assets subject to finance lease			-	3,508,147	34,634,633	264,907,566	260,150,050
Current Liabilities							
Accrued and other liabilities	200,006,241	223,311,062	230,094,008	235,674,385	185,525,504	166,112,387	
Dividend payable					247,097,024	-	
Unclaimed dividend		3,119,509	3,405,084	2,952,805	2,952,805	5,182,716	
Current maturity of liabilities against assets subject to finance lease			-	1,524,200	11,787,202	46,754,598	21,974,117
	200,006,241	226,430,571	235,023,292	250,414,392	482,329,931	193,269,219	
Total Liabilities	278,373,770	308,652,956	254,121,532	285,049,025	747,237,497	530,302,379	
Total Equity and Liabilities	2,586,123,560	3,074,007,521	2,599,123,126	2,435,726,101	2,562,025,282	2,305,289,164	

DuPont Analysis	2018	2019	2020
Net Profit Margin	10.7%	-25.7%	-11.9%
Asset Turnover	16.0%	13.2%	14.5%
Equity Multiplier	1.13	1.41	1.30
Return on Equity	1.9%	-4.8%	-2.2%

Extended DuPont Analys	2018	2019	2020
Tax Burden	73.2%	146.9%	173.1%
Interest Burden	0.95	2.87	(1.91)
EBIT Margin	15.8%	-6.1%	3.6%
Asset Turnover	0.16	0.13	0.14
Leverage	1.13	1.41	1.30
Return on Equity	2.0%	-4.8%	-2.2%

The company's ROE turned negative as it recorded a net loss of PKR39 MN during the year, compared to a net loss of PKR87 MN in the previous year. Although the EBIT margin improved from -6.1% in the previous year to 3.6% in the current year, ROE remained negative due to heightened administrative expenses. Total assets of the company decreased by 10% due to decline in the value of investments held by the company and depreciation of property, plant & equipment. Shareholders equity declined by 2.2% during the year due to the negative ROE

UNCONSOLIDATED STATEMENT OF CASH FLOWS

	2020	2019	2018	2017	2016	2015
	----- Rupees -----					
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss) / profit before taxation	(22,992,309)	(58,995,174)	57,009,843	67,500,511	209,795,995	199,295,473
Adjustment for:						
Remuneration from funds under management - net	(172,974,760)	(198,773,230)	(195,074,253)	(198,371,204)	(155,352,581)	(159,721,956)
Commission from open end funds under management	(4,096,138)	(9,058,365)	(4,319,519)	(8,281,530)	(8,650,537)	(3,736,341)
Remuneration of discretionary and non discretionary client portfolio	(1,859,231)	(2,634,368)	(4,459,869)	-	-	-
Dividend income	(15,644,418)	(20,613,047)	(3,882,418)	(40,746,025)	(26,879,322)	(18,981,897)
Return on debt securities	(14,804,122)	(16,828,238)	-	-	-	-
Depreciation	70,362,524	77,838,441	34,686,862	32,483,982	26,062,259	23,362,126
Amortisation of intangible assets	4,977,922	4,601,830	3,270,118	1,462,096	556,405	412,668
Financial charges	35,002,110	38,423,472	3,326,506	291,187	17,663	14,625
Return on bank deposits	(3,343,723)	(7,433,571)	(2,125,280)	(1,387,815)	(1,296,432)	(2,377,871)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'	(6,913,914)	(5,017,074)	(2,778,670)	(2,959,496)	(2,591,700)	-
Net gain on sale of investments classified as 'available-for-sale'	-	-	(175,736,478)	(95,392,424)	(261,128,788)	(213,847,149)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	(114,009,775)	(76,814,744)	(1,004,831)	(1,369,443)	(4,338,414)	(6,747,467)
Gain on disposal of property and equipment	(8,191,921)	(519,828)	(966,980)	(598,488)	-	(100,035)
	(254,487,755)	(275,823,896)	(292,054,969)	(247,368,649)	(223,805,452)	(182,427,824)
Increase / (decrease) in assets and liabilities						
Loans and advances	1,297,583	(713,958)	2,807,730	(1,167,404)	(2,747,669)	514,695
Trade deposits, short term prepayments and other receivables	2,899,413	(10,884,050)	12,080,548	(43,406,870)	(19,175,850)	8,105,092
Accrued and other liabilities	(19,413,118)	(62,516,714)	46,969,944	11,815,306	26,424,330	22,185,424
	(15,216,122)	(74,114,722)	61,858,222	(32,758,968)	4,500,811	30,805,211
	(269,703,877)	(349,938,618)	(230,196,747)	(280,127,617)	(219,304,641)	(151,622,613)
Taxes paid - net	(18,490,302)	(25,851,969)	(22,813,960)	(30,576,788)	(29,011,188)	(27,343,256)
Remuneration and commission received from funds under management	192,502,913	200,217,262	201,250,009	211,619,985	143,350,598	135,385,385
Net cash used in operating activities	(95,691,266)	(175,573,325)	(51,760,698)	(99,084,420)	(104,965,231)	(43,580,484)
CASH FLOWS FROM INVESTING ACTIVITIES						
Purchase of investments	(268,919,192)	(1,955,174,949)	(1,642,626,251)	(574,512,100)	(771,731,275)	(1,230,261,093)
Sale proceeds from disposal of investments	546,496,451	1,899,205,302	1,848,554,891	723,708,302	887,202,466	1,618,508,757
Dividends received	15,644,418	20,613,047	3,882,418	40,746,025	26,879,322	18,981,897
Payment for purchase of property and equipment	(4,874,463)	(56,750,125)	(141,359,988)	(41,244,490)	(39,889,125)	(8,742,713)
Payment for purchase of intangible assets	(1,889,920)	(3,610,249)	(11,120,618)	(8,309,681)	(438,750)	(655,500)
Return on bank deposits	3,343,723	7,433,571	2,084,607	1,402,691	1,361,678	1,860,382
Return on debt securities	14,804,122	16,828,238	-	-	-	-
Sale proceeds from disposal of property and equipment	19,603,396	610,310,565	3,604,166	1,775,315	-	402,747
Net cash generated from investing activities	324,208,536	538,855,400	63,019,225	143,566,062	103,384,316	400,094,477
CASH FLOWS FROM FINANCING ACTIVITIES						
Dividends paid	(244,867,113)	-	(452,279)	(39,800,332)	-	(27,160)
Deferred Liabilities	1,301,172	-	-	-	-	-
Long-term financing	75,581,938	-	-	-	-	-
Payment of lease liabilities / Financial Charges	(29,537,997)	(41,700,265)	(3,326,507)	(291,187)	(17,663)	(14,625)
Financial charges paid	(35,002,110)	-	-	-	-	-
Buy back of shares	-	(331,156,116)	-	-	-	(356,907,276)
Net cash used in financing activities	(232,524,110)	(372,856,381)	(3,778,786)	(40,091,519)	(17,663)	(356,949,061)
Net increase in cash and cash equivalents	(4,006,841)	(9,574,306)	7,479,741	4,390,123	(1,598,578)	(435,068)
Cash and cash equivalents at beginning of the year	13,440,272	23,014,578	15,534,837	11,144,714	12,743,292	13,178,360
Cash and cash equivalents at end of the year	9,433,431	13,440,272	23,014,578	15,534,837	11,144,714	12,743,292

JS Investments Limited		Dec-20	Dec-19	Dec-18	Dec-17	Dec-16
Profitability Ratios						
Profit before Tax Margin	%	-6.9%	-17.5%	14.6%	19.1%	45.5%
Cost to Revenue Ratio	%	114.4%	86.8%	82.5%	57.5%	54.6%
Return on Equity (ROE)	%	-2.2%	-4.4%	1.9%	1.3%	7.9%
Return on Assets (ROA)	%	-1.6%	-3.5%	1.7%	1.1%	7.1%
Income to Expense Ratio	Times	87.4%	115.2%	121.2%	173.9%	183.1%
Growth in Gross Income	%	-1.0%	-13.4%	10.4%	-23.5%	13.7%
Growth in Net Profit after Tax	%	-54.1%	-307.6%	29.5%	-83.9%	14.6%
Liquidity Ratios						
Current Ratio	Times	9.6	4.2	7.6	9.2	11.7
Investment / Market Ratios						
Earnings / (Loss) Per Share	Rs.	(0.64)	(1.17)	0.52	0.40	2.49
Price Earnings Ratio	Times	(36.33)	(13.85)	15.38	23.50	6.22
Price to Book Ratio	Times	0.81	0.55	0.23	0.25	0.35
Dividend Yield	%	NA	24.7%	NA	5.3%	NA
Dividend Payout Ratio	Times	NA	(0.01)	NA	8.04	NA
Dividend Cover Ratio	%	NA	-8378.02%	NA	12.44%	NA
Dividend Per Share		NA	4.00	NA	0.50	NA
Market Value Per Share						
At the end of the year	Rs.	23.25	16.21	8.00	9.40	15.50
High during the year	Rs.	25.50	23.50	11.50	17.19	17.49
Low during the year	Rs.	9.90	6.31	7.65	8.25	13.51
Average during the year	Rs.	17.11	12.48	9.50	13.47	14.54
No. of Shares		61,774,256	61,774,256	80,171,818	80,171,818	80,171,818
Market Cap		1,436,251,452	1,001,360,690	641,374,544	753,615,089	1,242,663,179
Capital Structure Ratios						
Net Assets Per Share	Times	28.73	29.38	26.83	29.25	34.49
Total Assets to Shareholders' Funds	Times	1.30	1.41	1.13	1.11	1.11



RATIOS

Profitability Ratios

Return on Equity has reduced from 7.9% in 2016 to -2.2% In 2020 due to increase in the Cost to Revenue ratio from 54.6% to 114.4% over the same period. This has also resulted in reduced Profit Before Tax Margin from 45.5% to -6.9%. Growth in gross income has been variable, rising in some years and declining over some. Growth in gross income was negative over the last two years.

Liquidity Ratios

The current ratio of 9.6 times deteriorated over the last 5 years from 11.7 in 2016 owing to decreases in current financial assets and increases in current liabilities. The ratio is still very high due to the large size of JSIL's assets parked in investments (mostly through mutual funds) allowing for plenty of working capital.

Investment / Market Ratios

Earnings per share (EPS) has reduced consistently over the last 5 years from PKR 2.49 to PKR -0.64 owing to decreases in profitability. Price to Book ratio improved from 0.35 in 2016 to 0.81 in 2020 due to appreciation in the share price of the company. The dividend yield for the year was nil as the company did not declare a dividend for the year ended 2020.

Capital Structure Ratios

Earning assets to total assets has remained fairly stable throughout last 5 years. However, Net assets per share have reduced from 34.49 times in 2016 to 28.73 times in 2020. The total assets to shareholders' fund ratio has increased from 1.11 times in 2016 to 1.3 times in 2020.

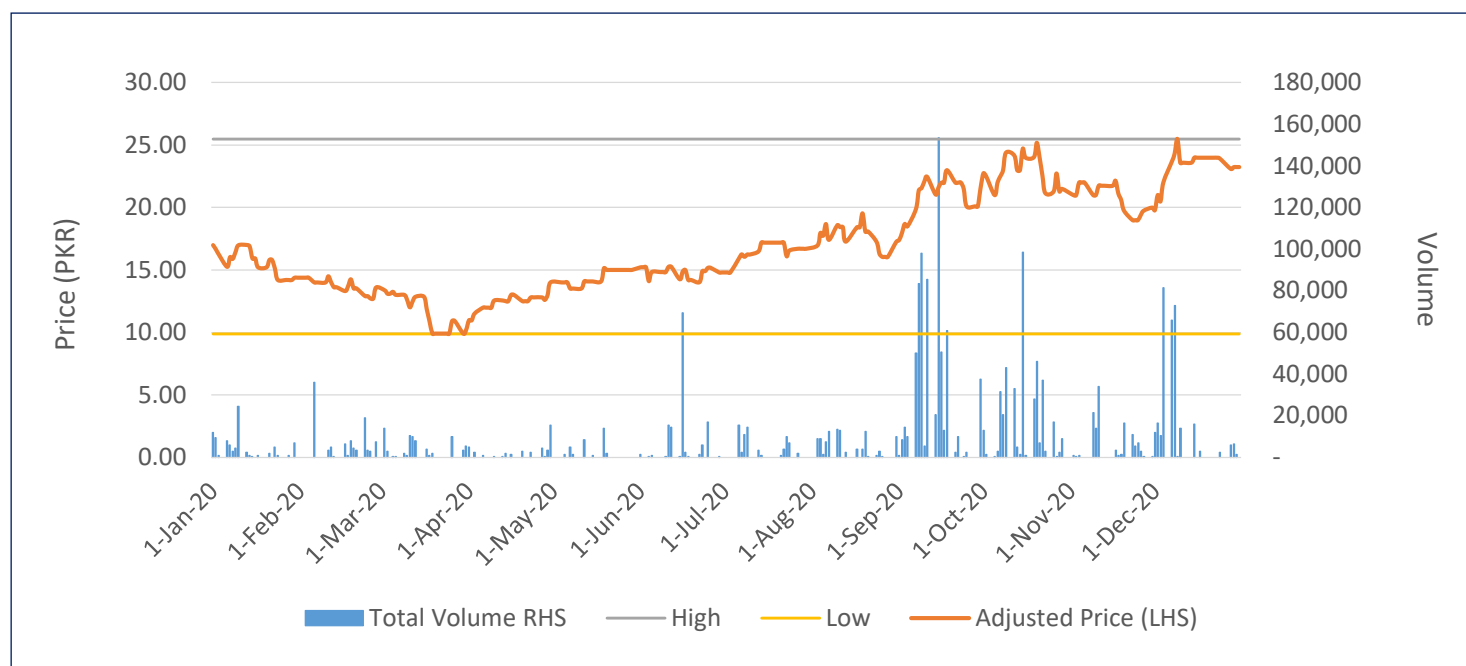
Capital Market & Market Capitalization

The Company's market capitalization stood at PKR 1.4 BN, depicting an increase of 40% as compared to last year, whereas the KSE-100 index rose 7%.

Market price of the company experienced fluctuations between the highest of PKR 25.5 per share to the lowest of PKR 9.9 per share.

Variations in share prices are principally caused by market psychology, occurrence of material events and speculative transactions by investors during the year.

MARKET PRICE & VOLUME





FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed unconsolidated financial statements of **JS Investments Limited** (the Company), which comprise the statement of financial position as at **31 December 2020**, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of the profit or loss, comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan / Institute of Cost and management Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Following are the Key audit matters:

Key audit matter	How our audit addressed the key audit matter
Valuation of investments	
As disclosed in note 11 to the accompanying financial statements of the Company for the year ended 31 December 2020, the investments (mainly comprising of units of mutual funds) held by the Company represents 69% of the total assets of the Company as at the year end. In view of the significance of investments in relation to the total assets of the Company, we have considered the existence and valuation of such investments as a key audit matter	We performed a combination of audit procedures focusing on the valuation of investments. Our key procedures included the following: - We performed substantive audit procedures on the year-end balance of portfolio including review of account statement, re-performance of investment valuations on the basis of quoted market prices at the Mutual Funds Association of Pakistan (MUFAP); - We tested controls over acquisition, disposals and periodic valuation of investments portfolio; and - We also evaluated the adequacy of the disclosures in the financial statements in respect of the investment portfolio in accordance with the requirements of the regulations and applicable financial reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditors' report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants

Date: 17 March, 2021

Karachi

UNCONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
ASSETS			
Non - current assets			
Property and equipment	4	399,187,334	476,086,870
Intangible assets	5	12,235,839	15,323,841
Long-term investment in a subsidiary	6	37,500,000	37,500,000
Long-term loans and prepayments - considered good	7	2,252,802	3,387,150
		451,175,975	532,297,861
Current assets			
Balances due from funds under management - related parties	8	109,501,155	123,073,939
Loans and advances - considered good	9	3,810,261	3,973,499
Trade deposits, short term prepayments and other receivables	10	56,610,095	59,509,508
Other financial assets - investments	11	1,585,292,142	1,741,945,710
Taxation - net		89,466,101	87,784,493
Cash and bank balances	12	9,433,434	13,440,272
		1,854,113,189	2,029,727,421
Total assets		<u>2,305,289,164</u>	<u>2,562,025,282</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorised capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	617,742,560	617,742,560
Unappropriated profit		1,157,244,225	1,197,045,225
		1,774,986,785	1,814,787,785
LIABILITIES			
Non - current liabilities			
Deferred Liabilities	14	1,301,172	-
Long-term financing	15	75,581,938	-
Deferred taxation	16	-	-
Liabilities against assets subject to finance lease	17	260,150,050	264,907,566
		337,033,160	264,907,566
Current liabilities			
Accrued and other liabilities	18	166,112,387	185,525,504
Dividend payable		-	247,097,024
Unclaimed dividend		5,182,716	2,952,805
Current maturity of liabilities against assets subject to finance lease	17	21,974,117	46,754,598
		193,269,219	482,329,931
Total liabilities		530,302,379	747,237,497
Total equity and liabilities		<u>2,305,289,164</u>	<u>2,562,025,282</u>
Contingencies and commitments			
	19		

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- Rupees -----	2019
Income			
Remuneration from funds under management - net	20	172,974,760	198,773,230
Commission from open end funds under management	21	4,096,138	9,058,365
Dividend income	22	15,644,418	20,613,047
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss	11.1	114,009,775	76,814,744
Net gain on sale of investments classified as at fair value through profit or loss		6,913,914	5,017,074
Return on bank deposits		3,343,723	7,433,571
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	23	1,859,231	2,634,368
Return on debt security		14,804,122	16,828,238
		<u>333,646,080</u>	<u>337,172,637</u>
Administrative and marketing expenses	24	(303,651,642)	(336,948,704)
Selling and distribution expenses	25	(32,805,782)	(92,162,351)
		<u>(2,811,344)</u>	<u>(91,938,418)</u>
Operating Loss			
Financial charges	26	(35,002,110)	(38,423,472)
		<u>(37,813,454)</u>	<u>(130,361,890)</u>
Other income	27	14,821,145	71,366,716
		<u>(22,992,309)</u>	<u>(58,995,174)</u>
Loss before taxation			
Taxation - net	28	(16,808,691)	(27,650,041)
		<u>(39,801,000)</u>	<u>(86,645,215)</u>
Loss for the year			
Loss per share for the year - basic and diluted	29	<u>(0.64)</u>	<u>(1.17)</u>

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020 ----- Rupees -----	2019 ----- Rupees -----
Loss for the year	(39,801,000)	(86,645,215)
Other comprehensive loss that will not be reclassified to profit and loss account in subsequent periods		
Surplus on revaluation of property during the year	-	329,009,064
Total comprehensive loss for the year	<u>(39,801,000)</u>	<u>242,363,849</u>

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director



UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2020

	Reserve					Total
	Capital reserve		Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
	Issued, subscribed and paid-up capital	Capital repurchase reserve account			Unappropriated profit	
				Rupees		
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,381	751,736,003	2,150,677,076
Adjustment due to reclassification as per IFRS 9	-	-	-	(225,049,381)	225,049,381	-
Balance as at January 01, 2019 - (Adjusted)	801,718,180	198,281,820	173,891,692	-	976,785,384	2,150,677,076
Total comprehensive (loss) / income						
Loss for the year	-	-	-	-	(86,645,215)	(86,645,215)
Other comprehensive income - net	-	-	329,009,064	-	-	329,009,064
Total comprehensive (loss) / income for the year ended December 31, 2019	-	-	329,009,064	-	(86,645,215)	242,363,849
Transfer from surplus on account of disposal	-	-	(502,900,756)	-	502,900,756	-
Buy back of 18,397,562 shares having face value of Rs.10 each at a purchase price of Rs.18 each	(183,975,620)	-	-	-	(147,180,496)	(331,156,116)
Transfer from capital re-purchases reserve account	-	(198,281,820)	-	-	198,281,820	-
Interim distribution @ Rs.4.00 per share	-	-	-	-	(247,097,024)	(247,097,024)
Balance as at December 31, 2019	617,742,560	-	-	-	1,197,045,225	1,814,787,785
Balance as at January 01, 2020	617,742,560	-	-	-	1,197,045,225	1,814,787,785
Total comprehensive loss for the period ended December 31, 2020	-	-	-	-	(39,801,000)	(39,801,000)
Balance as at December 31, 2020	617,742,560	-	-	-	1,157,244,225	1,774,986,785

Chief Executive Officer

Chief Financial Officer

Director

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- Rupees -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(22,992,309)	(58,995,174)
Adjustment for:			
Remuneration from funds under management - net	20	(172,974,760)	(198,773,230)
Commission from open end funds under management	21	(4,096,138)	(9,058,365)
Remuneration of discretionary and non discretionary client portfolio		(1,859,231)	(2,634,368)
Dividend income	22	(15,644,418)	(20,613,047)
Return on debt securities		(14,804,122)	(16,828,238)
Depreciation	4.1	70,362,524	77,838,441
Amortisation of intangible assets	5.	4,977,922	4,601,830
Financial charges	26	35,002,110	38,423,472
Return on bank deposits		(3,343,723)	(7,433,571)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		(6,913,914)	(5,017,074)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	11.1	(114,009,775)	(76,814,744)
Gain on disposal of property and equipment	4.1.2	(8,191,921)	(519,828)
		(254,487,755)	(275,823,896)
Increase / (decrease) in assets and liabilities			
Loans and advances		1,297,583	(713,958)
Trade deposits, short term prepayments and other receivables		2,899,413	(10,884,050)
Accrued and other liabilities		(19,413,118)	(62,516,714)
		(15,216,122)	(74,114,722)
Taxes paid - net		(269,703,877)	(349,938,618)
Remuneration and commission received from funds under management		(18,490,302)	(25,851,969)
Net cash used in operating activities		(95,691,266)	(175,573,325)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(268,919,192)	(1,955,174,949)
Sale proceeds from disposal of investments		546,496,451	1,899,205,302
Dividends received		15,644,418	20,613,047
Payment for purchase of property and equipment		(4,874,463)	(56,750,125)
Payment for purchase of intangible assets		(1,889,920)	(3,610,249)
Return on bank deposits		3,343,723	7,433,571
Return on debt securities		14,804,122	16,828,238
Sale proceeds from disposal of property and equipment		19,603,396	610,310,565
Net cash generated from investing activities		324,208,536	538,855,400
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Liabilities		1,301,172	-
Long-term financing		75,581,938	-
Dividends paid		(244,867,113)	-
Payment of lease liabilities		(29,537,997)	(41,700,265)
Financial charges paid		(35,002,110)	-
Buy back of shares		-	(331,156,116)
Net cash used in financing activities		(232,524,110)	(372,856,381)
Net increase in cash and cash equivalents		(4,006,841)	(9,574,306)
Cash and cash equivalents at beginning of the year		13,440,272	23,014,578
Cash and cash equivalents at end of the year	32	<u>9,433,434</u>	<u>13,440,272</u>

The annexed notes 1 to 36 form an integral part of these unconsolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. STATUS AND NATURE OF BUSINESS

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

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

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

Location	Address	Purpose
Karachi	The Centre, 19th Floor, Plot No. 28, SB-5 Abdullah Haroon Road Saddar	Head Office
Karachi	Plot No. 16-C, Phase-I, Near Nadra Mega Centre, DHA, Karachi	Branch Office
Lahore	1st Floor, Block C, Abul Hassan Isfahani Road, Faisal 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 at the year end:

1.2.1 Asset management company of the following funds:

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
- JS Islamic Hybrid Fund of Funds - 3
- JS Islamic Dedicated Equity Fund
- JS Islamic Daily Dividend Fund

Private Equity & Venture Capital fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

- 1.3 These unconsolidated financial statements are separate financial statements of the Company in which the investment in subsidiary is stated at cost.

- 1.4 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.

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 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.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

These unconsolidated financial statements have been presented in Pakistani Rupees, which is the Company's functional and presentation currency.

2.4 Use of estimates and judgments

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

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



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

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

- i) Amortisation of intangible assets (notes 3.3 and 5);
- ii) Provision for taxation (notes 3.10 and 28);
- iii) Classification and valuation of investments (notes 3.4 and 11);
- iv) Determination and measurement of useful life and residual value of property and equipment (notes 3.2 and 4.1);
- v) Recognition and measurement of deferred tax assets and liabilities (notes 3.10 and 14); and
- vi) Leases (note 3.14).

2.5 The Company has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2020 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these unconsolidated financial statements.

Standard or Interpretation

IFRS 3 - Definition of a Business (Amendments);

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments);

IFRS 14 - Regulatory Deferral Accounts;

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IFRS 15 - Revenue from Contracts with Customers

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

IAS 1 / IAS 8 - Definition of Material (Amendments);

IFRS 16 - COVID 19 Related Rent Concessions (Amendments); and

The Conceptual Framework for Financial Reporting - revised

Improvements to Accounting Standards Issued by the IASB (2018 - 2020 cycle)

IFRS 3 Business Combinations - Previously held Interests in a joint operation

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Company's financial statements.

2.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations with respect 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)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2023
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39	01 January 2021
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022
AIP IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities	01 January 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

The above amendments are not likely to have a material impact on Company's financial statements.



Standard	IASB 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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these unconsolidated financial statements are consistent with those of the previous financial year.

3.2 Property and equipment

a) Owned assets

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less impairment, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the statement of profit or loss account as and when incurred.

Depreciation is charged to statement of profit or loss applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net) is transferred directly to equity.

Gains or losses on disposal of assets are included in the statement of profit or loss account currently, except that the related surplus on revaluation of fixed assets (net) is transferred directly to equity.

3.3 Intangible assets

Intangible assets includes software with a finite useful life and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rate specified in note 5 to these unconsolidated financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

3.4 Financial instruments

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Company recognises due to counterparties when funds reach the Company.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'

3.4.1 Classification - IFRS 9

In accordance with IFRS 9, the Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Company classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:



- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Company includes in this category short-term payables, including accrued and other liabilities.

3.4.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Company has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Company has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

3.4.3 Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The Company holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Company does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Company uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

3.4.4 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.5 Investment in subsidiary

Investment in a subsidiary, where control exists are stated at cost. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognized as expense in the statement of profit and loss account. Where impairment losses are subsequently reversed, the carrying amount of the investments are increased to the revised recoverable amount but limited to the extent of initial cost of investments.

Investments are derecognized when the right to receive cash flows from the investments has expired, realised or transferred and the Company has transferred substantially all risk and rewards of ownership.

3.6 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds. The fee so charged does not exceed the limit prescribed in the NBFC Regulations / Voluntary Pension System Rules 2005.
- Realised gains / losses on sale of investments is recognized in the statement of profit or loss at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognized on time proportionate basis by using effective rate of interest.
- Commission income from open end funds is recognized at the time of sale of units.
- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognized as services are rendered.



3.7 Staff retirement benefits - Staff Provident Fund

The Company operates an approved contributory provident fund for all of its permanent employees. The Company and employees make equal monthly contributions to the fund at the rate of 7.33 percent of the basic salary.

3.8 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

3.9 Impairment

Non-financial assets

The carrying amount of the Company's non-financial assets other than deferred tax asset is reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell. Impairment losses are recognized in profit and loss account immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

3.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss account, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in that case it is recognized in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

3.11 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks, running finance facilities availed by the Company (if any), which are payable on demand and form an integral part of the Company's cash management.

3.12 Earning per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

3.13 Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in financial statements in the periods in which these are approved.

3.14 Leases

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of one to five years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Company included the renewal period as part of the lease term for leases of Company's head office and branches due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on operations if a replacement is not readily available.

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
4. PROPERTY AND EQUIPMENT			
Operating fixed assets	4.1	172,558,300	215,524,830
Right-of-use assets	4.2	225,017,100	259,248,828
Capital work-in-progress - advance against capex	4.3	1,611,934	1,313,212
		399,187,334	476,086,870

4.1 Operating fixed assets

At January 01, 2020

Cost / revalued amount	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Accumulated depreciation	-	(12,209,334)	(25,254,381)	(111,099,880)	(26,094,318)	(174,657,913)
Net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,830

Year ended December 31, 2020

Opening net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,832
Additions	-	2,763,816	-	1,811,924	-	4,575,740
Disposals	-	-	-	(128,309)	(11,283,168)	(11,411,477)
Depreciation charge for the year	-	(12,770,567)	(1,803,768)	(13,731,546)	(7,824,914)	(36,130,796)
Closing net book value	-	108,250,163	13,984,164	26,283,837	24,040,136	172,558,300

At December 31, 2020

Cost / revalued amount	-	133,230,064	41,042,313	151,115,263	57,959,369	383,347,009
Accumulated depreciation	-	(24,979,901)	(27,058,149)	(124,831,426)	(33,919,232)	(210,788,709)
Net book value	-	108,250,163	13,984,164	26,283,837	24,040,134	172,558,300

Depreciation rate % per annum

2020						
	Office premises	Lease hold improvement	Furniture and fixtures	Office equipment	Vehicles (note 4.1.1)	Total
	Rupees					
At January 01, 2020	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Cost / revalued amount	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Accumulated depreciation	-	(12,209,334)	(25,254,381)	(111,099,880)	(26,094,318)	(174,657,913)
Net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,830
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Opening net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,832
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Closing net book value	-	108,250,163	13,984,164	26,283,837	24,040,136	172,558,300
At December 31, 2020	-	133,230,064	41,042,313	151,115,263	57,959,369	383,347,009
Cost / revalued amount	-	133,230,064	41,042,313	151,115,263	57,959,369	383,347,009
Accumulated depreciation	-	(24,979,901)	(27,058,149)	(124,831,426)	(33,919,232)	(210,788,709)
Net book value	-	108,250,163	13,984,164	26,283,837	24,040,134	172,558,300
Depreciation rate % per annum	-	10%	10%	25%	20%	

At January 01, 2019

Cost / revalued amount	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Accumulated depreciation	(85,401,250)	(2,990,894)	(23,725,880)	(97,803,126)	(16,152,481)	(226,073,631)
Net book value	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715

Year ended December 31, 2019

Opening net book value	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715
Revaluation	329,009,064	-	-	-	-	329,009,064
Additions	-	127,475,354	12,755,200	30,506,679	4,117,360	174,854,593
Disposals	(606,831,542)	-	(310,235)	(146,347)	(2,502,612)	(609,790,736)
Depreciation charge for the year	(9,436,272)	(9,218,440)	(1,528,501)	(13,296,754)	(9,941,838)	(43,421,806)
Closing net book value	-	118,256,914	15,787,932	38,331,768	43,148,217	215,524,830

At December 31, 2019

Cost / revalued amount	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Accumulated depreciation	-	(12,209,334)	(25,254,381)	(111,099,880)	(26,094,318)	(174,657,914)
Net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,830

Depreciation rate % per annum

2019						
	Office premises	Lease hold improvement	Furniture and fixtures	Office equipment	Vehicles	Total
	Rupees					
At January 01, 2019	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Cost / revalued amount	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Accumulated depreciation	(85,401,250)	(2,990,894)	(23,725,880)	(97,803,126)	(16,152,481)	(226,073,631)
Net book value	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715
Year ended December 31, 2019	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715
Opening net book value	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715
Revaluation	329,009,064	-	-	-	-	329,009,064
Additions	-	127,475,354	12,755,200	30,506,679	4,117,360	174,854,593
Disposals	(606,831,542)	-	(310,235)	(146,347)	(2,502,612)	(609,790,736)
Depreciation charge for the year	(9,436,272)	(9,218,440)	(1,528,501)	(13,296,754)	(9,941,838)	(43,421,806)
Closing net book value	-	118,256,914	15,787,932	38,331,768	43,148,217	215,524,830
At December 31, 2019	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Cost / revalued amount	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Accumulated depreciation	-	(12,209,334)	(25,254,381)	(111,099,880)	(26,094,318)	(174,657,914)
Net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,830
Depreciation rate % per annum	-	20%	10%	25%	20%	

4.1.1 Vehicles with a net book value of Rs.24.040 (2019: Rs.43.148) million are held under finance lease. The leased vehicles are pledged as security for the related finance lease obligation.

4.1.2 Details of operating fixed assets disposed of:

	Cost / revalued	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
	----- Rupees -----						
<i>Vehicles</i>							
Honda City	2,058,680	283,069	1,775,612	2,160,000	384,389	Third party via bid	Fawad Ahmed Siddiqui
Wagon R VXL	1,069,740	468,011	601,729	1,085,000	483,271	Third party via bid	Tabish Zaheer
Swift DLX	1,499,510	693,523	805,987	1,506,000	700,013	Third party via bid	Fawad Ahmed Siddiqui
Swift DLX	1,499,525	693,530	805,995	1,505,000	699,005	Third party via bid	Shoaib Naseem
Honda City	1,921,750	360,328	1,561,422	2,085,000	523,578	Related party	Afham Elahi Usmani
Toyota Corolla Gli	1,886,629	896,149	990,480	2,100,000	1,109,520	Third party via bid	Mansoor Sadiq
Suzuki Cultus VXL	1,410,760	546,670	864,091	1,520,000	655,910	Third party via bid	Mansoor Randhawa
Toyota Corolla Gli	1,886,625	990,478	896,147	2,160,000	1,263,853	Third party via bid	Murtaza Roshan Ali
Suzuki Cultus VXL							Muhammad Hafeez
	2,058,680	437,470	1,621,211	2,310,000	688,790	Third party via bid	Qureshi
Toyota Corolla Gli	2,418,660	1,058,162	1,360,498	3,025,000	1,664,502	Third party via bid	Muhammad Zubair
Items having Book Values of Less than Rs.500,000 each*	172,300	43,992	128,308	147,396	19,088	Third party via bid	Others
As at December 31, 2020	17,882,859	6,471,382	11,411,477	19,603,396	8,191,919		
As at December 31, 2019	617,369,234	7,578,497	609,790,736	610,310,565	519,828		

* Includes Disposals of all other class of operating fixed assets.

4.1.3 The cost of fully depreciated assets as at December 31, 2020 is Rs.36.629 (2019: Rs.29.372) million.

2020 2019
----- Rupees -----

4.2 Right-of-use assets

As at January 01	259,248,828	293,665,460
Depreciation expense	(34,231,728)	(34,416,632)
As at December 31	<u>225,017,100</u>	<u>259,248,828</u>

4.3 This represents the balance amount to be paid to contractor and suppliers in respect of civil works pertaining to new premises and software. The additions and transfers during the year amounted to Rs. 3.137(2019: Rs.209.689) million and Rs.2.838 (2019: Rs.327.794) million, respectively.

2020 2019
----- Rupees -----

5. INTANGIBLE ASSETS

At January 01

Cost	56,828,713	53,218,464
Accumulated amortization	(41,504,872)	(36,903,042)
Net book value	<u>15,323,841</u>	<u>16,315,422</u>

	2020	2019
	----- Rupees -----	
Year ended December 31		
Opening net book value	15,323,841	16,315,422
Additions during the year	1,889,920	3,610,249
Amortization for the year	(4,977,922)	(4,601,830)
Closing net book value	<u>12,235,839</u>	<u>15,323,841</u>
At December 31		
Cost	58,718,633	56,828,713
Accumulated amortization	(46,482,794)	(41,504,872)
Net book value	<u>12,235,839</u>	<u>15,323,841</u>
Amortization rate % per annum	<u>20%</u>	<u>20%</u>

6. LONG-TERM INVESTMENT - INVESTMENT IN A SUBSIDIARY

3,750,000 (2019: 3,750,000) unquoted ordinary shares
of Rs.10 each held in JS ABAMCO Commodities Limited
(Net assets value as per the audited financial statements
as at December 31, 2020:
Rs.70.63 (2019: Rs.65.19) million

<u>37,500,000</u>	<u>37,500,000</u>
-------------------	-------------------

- 6.1** Since JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSIL are 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 SECP for approval. The SECP vide its letter January 13, 2021 acceded approval to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. The Scheme has placed before the respective Boards of Directors of JSIL and JSACL for approval under Section 284 of the Companies Act 2017.

	Note	2020	2019
		----- Rupees -----	
7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD			
Loans to employees	7.1	1,177,630	1,970,713
Less: Current portion	9	(696,502)	(748,771)
		<u>481,128</u>	<u>1,221,942</u>
Long term prepayment	7.2	3,935,342	3,935,342
Less: Amortisation		(1,770,134)	(1,376,600)
Less: Current portion		(393,534)	(393,534)
		<u>1,771,674</u>	<u>2,165,208</u>
		<u>2,252,802</u>	<u>3,387,150</u>



- 7.1** These represent loans given to employees for purchase of motor vehicles, house loans and staff personal loans. These loans are recovered through deduction from salaries over varying periods up to a maximum period of five years, fifteen years and four years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and staff personal loan carry mark-up at rates ranging from 3.57% to 13.46% (2019: 5.15% to 13.74%) per annum. The Company has not discounted these loans at market interest rates as the effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.1.17 (2019: Rs.1.97) million.

- 7.2** This represents payment made in respect of club membership fee for ten years to Karachi Boat Club.

8. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

8.1 Balances due from funds under management

Open end Funds (note 8.2)

JS Value Fund	15,534,089	15,642,014
JS Growth Fund	37,295,467	36,400,614
JS Large Cap Fund	12,042,332	12,057,113
Unit Trust of Pakistan	17,333,925	17,199,257
JS Income Fund	5,510,284	5,466,326
JS Islamic Fund	6,357,504	6,355,599
JS Fund of Funds	518,302	562,537
JS Pension Savings Fund	3,600,240	3,570,632
JS Islamic Pension Savings Fund	1,952,563	1,917,786
JS Islamic Income Fund	1,509,513	1,255,839
JS Cash Fund	7,143,377	5,567,821
JS Islamic Hybrid Fund of Funds	-	8,168,259
JS Islamic Dedicated Equity Fund	100,769	3,090,531
JS Islamic Hybrid Fund of Funds - 2	-	4,893,466
JS Islamic Hybrid Fund of Funds - 3	102,684	734,831
JS Motion Picture Fund	368,738	191,314
JS Islamic Daily Dividend Fund	131,367	-
	109,501,155	123,073,939

- 8.2** Balances due from funds under management primarily represent accrual of management fee, sales tax and federal excise duty. Management fee is received within next month from the date of accrual.

	Note	2020 ----- Rupees -----	2019
9. LOANS AND ADVANCES - CONSIDERED GOOD			
Current portion of long-term loans to employees	7	696,502	748,771
Unsecured advances to			
- employees		2,938,758	2,299,703
- suppliers		175,001	925,025
		3,113,759	3,224,728
		3,810,261	3,973,499
10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Rent and other receivable from related parties	10.1	40,029,929	41,827,290
Deposits		4,228,956	4,228,956
Prepayments		8,692,175	9,941,886
Others		3,659,035	3,511,376
		56,610,095	59,509,508
10.1 This includes Rs.34.689 (2019: Rs.36.023) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.3.236 (2019: Rs.4.665) million of expenses incurred on the formation cost on behalf of funds under management.			
11. OTHER FINANCIAL ASSETS - INVESTMENTS			
Investments by category			
At fair value through profit or loss'			
Units of mutual funds - related parties	11.1	1,460,292,142	1,616,945,710
Unlisted debt security - Term Finance Certificate	11.2	125,000,000	125,000,000
		1,585,292,142	1,741,945,710
		1,585,292,142	1,741,945,710



11.1 Units of mutual funds - 'At fair value through profit or loss' (related parties)

Number of units			2020		2019
2020	2019		Average cost	Fair value	Fair value
			----- Rupees -----		
456,110	2,925,657	JS Income Fund (note 11.1.1)	43,598,082	45,150,314	294,087,027
382,292	-	JS Islamic Income Fund	40,178,894	40,435,029	-
3,305	3,305	JSIHFOF - Mustahkem	288,464	217,563	288,464
76,142	-	JSIHFOF - Mufeed	3,000,000	3,659,391	-
49,068	-	JSIHFOF - Mutanasib	3,000,000	3,698,234	-
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	97,700,000	99,990,000
1,343,094	1,716,379	JS Value Fund	249,114,943	286,643,090	341,336,249
1,937,116	1,903,901	JS Growth Fund (note 11.1.1)	326,471,779	348,448,361	322,482,694
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	98,131,485	86,654,082
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	41,339,299	38,530,512
		JS Pension Savings Fund -			
177,463	177,463	Money Market	39,425,272	43,073,920	39,425,272
2,822,294	2,772,987	JS Fund of Funds	165,326,754	179,582,560	162,774,333
		JS Islamic Pension Savings			
182,354	182,354	Fund - Equity	104,609,005	119,968,655	104,609,005
		JS Islamic Pension Savings			
213,852	213,852	Fund - Debt	49,087,518	51,942,438	49,087,518
		JS Islamic Pension Savings			
222,303	222,303	Fund - Money Market	44,231,701	47,159,436	44,231,701
407,754	-	JS Islamic Daily Dividend Fund	40,775,361	40,775,361	-
123,571	-	JS Islamic Fund	12,000,000	12,367,005	-
-	157,204	JS Islamic Capital Preservation	-	-	16,839,666
		Allocation Plan 4			
-	153,647	JS Islamic Capital Preservation	-	-	16,609,187
		Allocation Plan 5			
			1,346,282,367	1,460,292,142	1,616,945,710
		Unrealised gain on			
		remeasurement at fair value - net	114,009,775	-	-
			1,460,292,142	1,460,292,142	1,616,945,710

11.1.1 450,000 units of JS Income Fund and 285,000 units of JS Growth Fund are pledged with JS Bank Ltd. against the Refinance Scheme for payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under Covid-19 relief package through its circular IH&SMEFD Circular No. 07 dated April 10, 2020.

11.2 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.

12. CASH AND BANK BALANCES

		2020	2019
		----- Rupees -----	
Cash in hand		75,302	68,045
Cash at bank in:			
Current accounts	12.1	1,168,596	1,168,596
Saving accounts	12.2	8,189,536	12,203,631
		9,358,132	13,372,227
		9,433,434	13,440,272

12.1 These carry mark-up at the rates ranging from 5.50% to 13.70% (2019: 8.00% to 13.70%) per annum.

12.2 It includes Rs.6.563 (2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2020	2019		2020	2019
----- Shares -----			----- Rupees -----	
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs.10 each	2,000,000,000	2,000,000,000
		Convertible preference		
50,000,000	50,000,000	shares of Rs.10 each	500,000,000	500,000,000
250,000,000	250,000,000		2,500,000,000	2,500,000,000
		Issued, subscribed and paid-up capital		
		Ordinary shares of Rs.10 each		
21,250,000	21,250,000	issued as fully paid in cash	212,500,000	212,500,000
		Fully paid ordinary shares		
700,000	700,000	of Rs.10 each issued on	7,000,000	7,000,000
		amalgamation with Confidence		
		Financial Services Limited		
		Ordinary shares of Rs.10 each		
78,050,000	78,050,000	issued as fully paid bonus shares	780,500,000	780,500,000
		Shares repurchased (2015: 19.8		
(38,225,744)	(38,225,744)	million and 2019: 18.4 million)	(382,257,440)	(382,257,440)
61,774,256	61,774,256		617,742,560	617,742,560



13.1 As at year end, JS Bank Limited, the Parent Company, holds 52,236,978 (2019: 52,236,978) shares in the Company.

13.2 There is only one class of ordinary shares issued.

13.3 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

	Note	2020 ----- (Rupees) -----	2019 -----
14. DEFERRED LIABILITIES			
Government Grant	14.1	1,301,172	-
14.1 Movement of Government grant			
Opening balance		-	-
Received during the year		4,604,021	-
Closing balance		4,604,021	-
Current Portion of Government Grant	14.2	3,302,849	-
Long - term Portion of Government Grant		1,301,172	-
		4,604,021	-

14.2 The Government grant has been recorded against subsidized rate loan obtained to a refinance scheme introduced by State Bank of Pakistan to provide working capital loan at concessional mark-up rates for businesses to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Company would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

	Note	2020 ----- (Rupees) -----	2019 -----
15. LONG-TERM FINANCING			
- Salaries and Wages	15.1	75,581,938	-

15.1 During the year, the Company utilized Rs.80 million from JS Bank Ltd. against Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under Covid-19 relief package through its circular IH&SMEFD Circular No. 07 dated April 10, 2020. This carries mark-up at the subsidised rate of 3% and is repayable latest by September 2022. The differential mark-up has been recognised as government grant (as mentioned in note 14.2) which will be amortised to mark-up income over the period of facility. The facility is secured against units of mutual funds (refer note 11.1.1).

16. DEFERRED TAXATION

As of December 31, 2020, the Company has accumulated 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 recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.0.637 million pertaining to operating fixed assets, right of use assets, investments & lease obligation. Unrecognized deferred tax asset on carried forward business losses as at December 31, 2020 is amounting to Rs.104.114 million.

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2020	2019
	----- Rupees -----	
As at January 01	311,662,164	34,634,633
Add: Effect of adoption of IFRS 16	-	281,835,282
Interest expense	33,970,978	38,423,472
Deletion	(8,796,397)	(1,530,958)
Payments	(54,712,578)	(41,700,265)
As at December 31	282,124,167	311,662,164
Less: Current Maturity	(21,974,117)	(46,754,598)
	<u>260,150,050</u>	<u>264,907,566</u>

17.1 The liability against assets subject to finance lease represents the lease entered into with a Modaraba for 22 different vehicles (2019: 32 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2019: KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20%) per annum. The Company, shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

18. ACCRUED AND OTHER LIABILITIES	Note	2020	2019
		----- Rupees -----	
Salary payable		2,684,798	2,583,247
Staff bonus accrued		17,000,002	20,651,897
Accrued expenses		13,657,586	21,692,343
Fee and commission payable		2,000,340	6,519,476
Sales tax payable		17,862,834	19,982,152
Federal excise duty payable	18.1	92,244,587	92,244,586
Provision for Sindh Workers' Welfare Fund	18.2	10,839,562	10,839,549
Term finance - salaries and wages		3,302,850	-
Payable to Provident Fund		11,877	-
Other liabilities		6,507,952	11,012,254
		<u>166,112,387</u>	<u>185,525,504</u>

18.1 This represents amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.



Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

- 18.2** In view of promulgation of Sindh Workers Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Company has maintained an aggregated provision against Sindh Workers Welfare Fund as the year end mounting to Rs.10.839 (2019: Rs.10.839) million. The Company is under litigation with Sindh Revenue Board vide Constitution Petition No. 1005 dated February 13, 2019, filed before the Honorable Sindh High Court, which is a pending adjudication.

19. CONTINGENCIES AND COMMITMENTS

19.1.1 Contingencies

In respect of the appeals filed by the Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of above said order of CIR (Appeals) for tax year 2006 and 2009, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenses. The ATIR vide order dated April 20, 2017 deleted the additions on proration of expenses for tax year 2006 however, confirmed the CIR(A)'s order whereby CIR(A) remanded back / set-aside the issue of apportionment of expenses.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 was deleted the additions of tax amortization of management rights and remand back the issues of disallowed provisions and advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax year 2006 and 2009 whereby demands for these tax years were reduced at Rs.77.33 million and Rs.59.93 million respectively. As the allocation of expenditure in the said appeal effect orders were not made according to actual incurrence of expenditure to the various sources of income, therefore, the Company again filed appeals before the CIR (Appeals) against the said orders.

In respect of second round of appeal filed by the Company before CIR (Appeals) against appeal effect orders for tax year 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

The CIR (Appeals) also rectified the order passed by his predecessor for tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs.29 million. The tax authorities have filed an appeal before ATIR against said order of CIR (Appeals) in respect of deletion of addition regarding the portion of capital gain included in dividend. The ATIR vide order dated December 07, 2016 set-aside with the direction that the ACIR should examine the issue in the light of FBR Circular letter dated September 10, 2002.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time barred however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which Company filed appeal before the CIR(A). The DCIR consider our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million. The CIR(A) vide order dated May 6, 2019 was partly considered our submissions put before him. The DCIR passed appeal effect order dated February 17, 2020 determined refund of Rs 30.66 million. The company submitted appeal before the CIR (Appeal) against the appeal effect order. The Company also submitted appeal before the ATIR against the order of the CIR(A).

The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 and reduce the refund claimed of Rs.8.499 million to Rs.3.102 million for the tax year 2012. The learned CIR (Appeal) vide order dated May 06, 2019 was confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. Company submitted appeal before the ATIR against the order of the CIR(A).

19.1.2 Securities and Exchange Commission of Pakistan vide its order dated March 09, 2020 imposed an aggregate fine of Rs. 250,000/- on JSIL u/s section 40 of the SECP Act 1997. The Company has filed an appeal against the order before the Appellate Bench of the Commission which is pending.

19.2 Commitments in respect of:

Use of name and advisory payment - a related party

2020 **2019**
----- Rupees -----

	2020	2019
Use of name and advisory payment - a related party	15,000,000	15,000,000

20. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

2020 **2019**
----- Rupees -----

Open end Funds

JS Value Fund	12,610,815	14,649,761
JS Growth Fund	41,940,205	32,810,531
Unit Trust of Pakistan	22,789,786	25,116,121
JS Income Fund	21,028,855	14,112,785
JS Islamic Fund	10,527,977	14,089,317
JS Fund of Funds	63,636	696,375
JS Islamic Hybrid Fund of Funds	1,441,129	96,087
JS Islamic Hybrid Fund of Funds - 2	22,795,413	72,628,480
JS Pension Savings Fund	5,576,329	5,000,813
JS Islamic Pension Savings Fund	3,076,461	2,741,747
JS Cash Fund	19,747,303	7,610,796
JS Islamic Income Fund	4,346,153	5,060,511
JS Islamic Dedicated Equity Fund	13,520,260	11,142,944
JS Large Cap Fund	9,513,124	12,490,021
JS Islamic Hybrid Fund of Funds - 3	4,013,375	6,083,696
JS Motion Picture Fund	2,245,303	273,129
JS Islamic Daily Dividend Fund	225,356	
	195,461,479	224,603,114
	195,461,479	224,603,114
Less: Sindh sales tax	(22,486,719)	(25,829,884)
	172,974,760	198,773,230



20.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management company of the Fund is entitled to an accrued remuneration at the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. An Asset Management Company shall be entitled to an accrued remuneration that has been verified by the trustee and is paid in arrears. During the year ended December 31, 2020 the Company has charged management fee at the rates ranging from 0.00% to 2.00% (2019: 0.00% to 2.00%).

20.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2020 amounts to Rs.24.002 (2019: Rs.23.37) billion.

21. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT	Note	2020	2019
		----- Rupees -----	
Unit Trust of Pakistan		27,175	50,554
JS Islamic Fund		65,380	17,290
JS Fund of Funds		444	1,033
JS Value Fund		9,651	18,738
JS Growth Fund		319,792	30,986
JS Islamic Income Fund		211,151	37,088
JS Income Fund		14,517	72,224
JS Pension Savings Fund		24,412	48,238
JS Islamic Pension Savings Fund		3,390	16,175
JS Cash Fund		695,156	150,054
JS Large Cap Fund		162,230	217,242
JS Islamic Hybrid Fund of Funds - 2		-	186,031
JS Islamic Hybrid Fund of Funds - 3		2,561,364	140,679
JS Islamic Hybrid Fund of Funds		1,476	8,072,033
	21.1	<u>4,096,138</u>	<u>9,058,365</u>

21.1 This represents gross commission income earned by the Company on account of sale of units made on behalf of the funds under management.

	2020	2019
	----- Rupees -----	
22. DIVIDEND INCOME		
'At fair value through profit or loss - held-for-trading' - Funds under Management		
JS Income Fund	-	2,613,422
JS Islamic Income Fund	-	5,669,513
JS Cash Fund	61,415	10,222,692
JS Islamic Hybrid Fund of Fund-2	-	1,764,500
JS Islamic Active Allocation Plan	-	342,920
JS Motion Picture Fund	30,000	-
JS Fund of Funds	3,002,848	-
JS Growth Fund	11,423,404	-
JS Value Fund	238,671	-
JS Islamic Daily Dividend Fund	888,079	-
	15,644,418	20,613,047

23. REMUNERATION AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS AND NON DISCRETIONARY CLIENT PORTFOLIO

This represents commission income and share of profit earned by the Company from management of discretionary portfolios and non-discretionary portfolio. Currently, the Company is managing Eleven (2019: Twelve) discretionary and One (2019: One) non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2020 was Rs.1,813.769 (2019: Rs.1,431.804) million and Rs.1,822.239 (2019: Rs.1,437.605) million respectively.

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
24. ADMINISTRATIVE AND MARKETING EXPENSES			
Salaries and benefits		104,750,962	90,815,820
Directors' fee		900,000	875,000
Staff retirement benefits	24.2	6,578,254	7,181,183
Staff bonus		17,000,000	26,727,501
Amortisation of intangible assets	5	4,977,922	4,601,830
Depreciation	4.1 & 4.2	70,362,524	77,838,441
Printing and stationery		2,346,084	2,591,643
Rent, rates, taxes and maintenance		4,206,157	6,633,988
Travelling, conveyance and vehicle maintenance		10,613,202	15,256,639
Share registrar / transfer agent remuneration		455,000	665,919
Postage and telephone		2,168,867	4,171,568
Legal and professional		16,430,427	26,536,651
Fees and subscription		9,197,029	12,724,206
IT services		18,200,815	19,936,246
Utilities		6,498,068	5,973,431
Office security		771,271	656,944
Insurance		7,713,598	8,822,194
Newspaper		49,386	88,990
Use of name and advisory fee	24.3	15,000,000	15,000,000
Shariah advisory fee	24.4	73,774	46,461
Auditors' remuneration	24.5	1,912,680	1,800,610
Training and development		162,996	958,854
Miscellaneous expenses		3,282,626	7,044,585
		303,651,642	336,948,704
		2020 ----- Rupees -----	2019 ----- Rupees -----
24.1 Number of employees at the end of the year		97	120
Average number of employees during the year		100	138



24.2 Based on un-audited financial statements of the Fund, the investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

24.3 This represents the "Use of Name" on account of use of "JS" as a part of Company's name and "Advisory" fees paid to Mr. Jahangir Siddiqui (associated person) under two separate agreements dated August 01, 2006. His current address is House no. D-185, Clifton, Karachi.

24.4 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund, JS Islamic Income Fund, JS Islamic Hybrid Fund of Funds series, JS Islamic Daily Dividend Fund and JS Islamic Dedicated Equity Fund.

24.5 Auditors' remuneration

	2020	2019
	----- Rupees -----	
Annual audit fee	1,175,000	1,000,000
Fee for review of the statement of compliance on Code of Corporate Governance	75,000	70,000
Fee for review of half yearly financial statements	290,000	260,000
	1,540,000	1,330,000
Out of pocket expenses	231,000	370,010
Sindh sales tax	141,680	100,600
	1,912,680	1,800,610

	2020	2019
	----- Rupees -----	

25. SELLING AND DISTRIBUTION EXPENSES

Salaries and benefits		45,697,220	60,257,512
Staff retirement benefits	24.2	2,196,533	2,811,272
Utilities		1,967,977	2,229,343
Postage and telephone		677,790	931,176
Office security		763,554	812,916
Printing and stationery		97,322	132,926
Rent, rates, taxes and maintenance		7,931,715	8,582,290
IT services		4,086,720	1,672,623
Travelling, conveyance and vehicle maintenance		1,897,354	2,206,943
Fees and commission		15,482,275	23,380,050
Advertisement, selling and marketing expense		3,760,373	10,831,542
Miscellaneous expenses		480,294	-
		85,039,126	113,848,593
Less: Reimbursement of selling and distribution expenses	25.1	(52,233,344)	(21,686,242)
		32,805,782	92,162,351

25.1 Circular 11/2019 dated July 05, 2019 of SECP, that superseded Circular No. 40 of 2016, Circular No. 05, of 2017 and Circular No. 05, of 2018. In this circular Selling and Marketing expense are allowed to be charged on all categories of Opened end Mutual Funds managed by Asset Management Company except Fund of Funds. These expenses are counted in the Total Expense Ratio Cap of the Fund.

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
26. FINANCIAL CHARGES			
Bank charges		113,106	78,894
Interest expenses on Term Finance (Wages & Salaries)		918,026	
Financial charges for liability against assets subject to finance lease		33,970,978	38,344,578
		<u>35,002,110</u>	<u>38,423,472</u>

27. OTHER INCOME

Income from financial assets

Mark-up on loans to employees		83,248	179,675
Reversal of provision against Workers' Welfare Fund		-	57,619,058
Liabilities no longer required written back		6,545,975	6,205,974

Income from non-financial assets

Gain on disposal of property and equipment	4.1.2	8,191,921	519,828
Rental income		-	6,842,181
		<u>14,821,145</u>	<u>71,366,716</u>

28. TAXATION - Net

Current		16,808,691	24,984,288
Prior years		-	2,665,753
		<u>16,808,691</u>	<u>27,650,041</u>

28.1 The Company computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Company has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Company.

28.2 The income tax assessments of the Company has been finalized up to and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2020 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax Ordinance, 2001. The details of tax years 2006 and 2009 have been described in note 19.1 above.



28.3 The numerical reconciliation is not provided as the tax charge of the Company is mainly comprise of minimum tax and tax at reduced rates under the relevant sections of Income Tax Ordinance, 2001.

29. EARNINGS PER SHARE - Basic and diluted

Loss for the year after taxation	(39,801,000)	(86,645,215)
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	61,774,256	74,324,922
Loss per share (Rupees)	(0.64)	(1.17)

29.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2020 and December 31, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Executives *	
	2020	2019	2020	2019
	----- Rupees -----			
Managerial remuneration	18,545,460	16,800,000	77,544,756	75,977,353
Bonus paid	4,000,000	5,000,000	9,152,966	13,342,601
Car allowance	-	-	-	-
Retirement benefits	1,359,384	1,231,440	4,716,613	5,529,637
Medical allowance	1,854,540	1,680,000	7,754,452	7,597,754
Other benefits	29,256	30,720	5,051,610	4,478,429
	25,788,640	24,742,160	104,220,398	106,925,774
Number of persons	1	1	23	28

30.1 These represent executives as prescribed under the Companies Act, 2017.

30.2 The Chief Executive Officer of the Company is provided with free use of company owned and maintained vehicle during the year.

30.3 The Company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

30.4 In addition, meeting fee amounting to total Rs.900,000 (2019: Rs.875,000) was paid to three non-executive directors for meetings attended during the year (2019: two non-executive directors) . The non-executive directors are not entitled to any remuneration except meeting fee.

30.5 The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

31. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company), JS Abamco Commodities Limited (subsidiary 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:

	2020	2019
	----- Rupees -----	----- Rupees -----
31.1 Transactions during the year		
31.1.1 Funds under management		
Remuneration - net of taxes	172,974,760	198,773,230
Commission received	4,096,138	9,058,365
Investments made	268,919,192	1,955,173,329
Investments disposed off / matured	546,496,451	1,899,205,309
Amount paid	67,871,605	46,374,316
Amount received	67,860,813	37,911,873
Dividend received	15,644,418	20,613,046

	2020	2019
	----- Rupees -----	----- Rupees -----

31.1.2 Jahangir Siddiqui & Co. Ltd. (JSCL)

Basis of relationship - Ultimate parent company

Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)

Amount paid	-	45,667
Amount received	-	45,667
Rent Paid	225,000	-
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	2,397,000	4,197,000



	2020	2019
	----- Rupees -----	
31.1.3 JS Bank Limited (JSBL)		
Basis of relationship - Parent company		
Percentage of shareholding - JSBL holds 84.56% shares of the Company		
Proceeds received from disposal of office premises	-	606,831,542
Proceeds received from disposal of office equipment and furniture and fixtures	-	467,458
Rent received	-	2,763,395
Rent paid	2,676,634	3,434,874
Management fee sharing on distribution of mutual funds	9,667,565	23,955,467
Amount paid	-	1,964,474
Amount received	-	1,195,641
Return on bank deposits	3,224,053	7,289,172
Amount received against Refinance Scheme for Salaries and Wages	80,185,959	-
31.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of the Group		
Rent received	-	2,704,176
Amount paid	-	618,175
Amount received	101,780	1,675,202
31.1.5 Associated company - JS Private Equity (JSPE)		
Basis of relationship - Common Substantial Shareholder		
Rent received	-	917,910
Amount paid	-	2,346,023
Amount received	720,197	-
31.1.6 Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Company		
Rent received	-	330,940
Amount paid	-	223,048
Amount received	-	375,819

	2020	2019
	----- Rupees -----	
31.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - common directorship of the Company		
Amount paid	-	62,821
31.1.8 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 21.10%		
Insurance premium paid	3,473,278	3,590,700
30.1.9 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	1,728,866	2,202,835
31.1.10 Associated company - JS Investments Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Amount paid	299,797	120,884
Amount received	299,797	120,884
Provident fund contributions made	8,774,787	9,992,454
31.1.11 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Amount paid	628,235	566,669
Amount received	782,553	45,667
31.1.12 Subsidiary company - JS ABAMCO Commodities Limited (JSACL)		
Basis of Relationship - Subsidiary		
Percentage of shareholding - 100% of JSIL		
Amount paid	326,185	347,956
Amount received	-	90,000



	2020	2019
	----- Rupees -----	
31.1.13 Common Substantial Shareholder - JS Lands (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Rent paid	37,940,000	36,422,400
Amount paid	15,171,246	17,074,352
31.1.14 Common Directorship - Future Trust		
Basis of relationship - common directorship of the Company		
Donation paid	-	745,747
31.1.15 Transactions made with key personnel		
Remuneration	112,120,461	97,424,985
Directors' fee	900,000	875,000
Disbursements of personal loans and advances	3,348,000	4,116,105
Repayments of loans and advances	2,994,084	3,321,125
Royalty and Advisory for the period	15,000,000	15,000,000
31.2 Balance outstanding with related parties		
31.2.1 Funds under management		
Basis of relationship - Funds managed by the Company		
Receivable from funds under management	131,242,385	145,494,632
Payable to funds under management	337,601	3,010,722
31.2.2 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 receivables	-	23,372
Other Payables	75,000	75,000
Payable against Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Holding Company	-	2,397,000

	2020	2019
	----- Rupees -----	
31.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 84.56% shares of JSIL		
Bank balance	6,563,839	10,717,477
Other receivable	1,465,064	1,465,064
Rent payable	33,942	56,570
Rent receivable	2,409,149	2,409,149
Dividend payable	-	208,947,912
Other payable	80,925,089	5,595,075
31.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of the Group		
Other receivable	558,385	660,165
Rent receivable	2,486,352	2,486,352
30.2.5 Associated company - JS Private Equity (JSPE)		
Basis of relationship - Common Substantial Shareholder		
Other receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
31.2.6 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
31.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other receivable	1,017,169	1,017,169
31.2.8 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Other receivable	782,674	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831



2020 2019
----- Rupees -----

31.2.9 Subsidiary company - JS ABAMCO Commodities Limited (JSACL)

Basis of relationship - Subsidiary

Percentage of Shareholding - 100% of the Company

Other receivable	614,141	287,956
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31.2.10 Common Substantial Shareholder - JS Lands (Private) Limited

Basis of Relationship - Common Substantial Shareholder

Other payable	1,233,285	626,010
Other receivable	-	242,000

31.2.10 Outstanding from key management personnel	1,758,994	1,406,580
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31.2.11 Key management personnel hold 3,008 shares in the Company

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

31.4 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.

31.5 There are no transactions with key management personnel other than under their terms of employment.

31.6 Details of the remuneration relating to Chief Executive officer, directors and executives are disclosed in note 30 to the financial statements.

2020 2019
----- Rupees -----

32. CASH AND CASH EQUIVALENTS

Cash and bank balances	<u>9,433,434</u>	<u>13,440,272</u>
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33. FINANCIAL RISK MANAGEMENT

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Company are being managed by the Company's management in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company financial assets primarily comprise of balance with banks, balances due from funds under management - related parties, loans and advances - considered good, other financial assets - investments classified as: 'At fair value through profit or loss - held-for-trading' - units of mutual funds - related parties. The Company also has profit receivable, deposits and other receivables. The Company's principal financial liabilities includes accrued and other liabilities.

33.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

33.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

33.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Company does not hold any variable profit based investment except balances with bank in deposit account and investment in term finance certificate exposing the Company to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2020, with all other variables held constant, the equity of the Company and net profit for the year would have been higher / lower by Rs.1.331 (2019: Rs.1.372)

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2020 the Company does not hold any fixed rate instruments, therefore the Company is not exposed to fair value profit rate risk.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.



2020								
Exposed to yield / interest rate risk								
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total			
							(Rupees)	
5.15% to 13.74%	-	-	481,128	-	481,128			
	-	-	-	109,501,155	109,501,155			
5.15% to 13.74%	-	696,502	-	-	696,502			
	-	-	-	47,917,920	47,917,920			
as:								
6M KIBOR+1.50%	-	-	125,000,000	1,460,292,142	1,585,292,142			
	-	-	-	-	-			
8.00% - 13.70%	8,189,536	-	-	1,243,898	9,433,434			
	8,189,536	696,502	125,481,128	1,618,955,114	1,753,322,281			
	-	-	-	35,201,046	35,201,046			
	3,781,754	18,192,363	260,150,050	-	282,124,167			
	3,781,754	18,192,363	260,150,050	35,201,046	317,325,213			
	4,407,782	(17,495,861)	(134,668,922)	1,583,754,069	1,435,997,068			
2019								
Exposed to yield / interest rate risk								
Yield / effective interest rate (%)	Upto three months	More than three months and upto one year	More than one year	Not exposed to yield / interest risk	Total			
							(Rupees)	
5.15% to 13.74%	-	-	1,221,942	-	1,221,942			
	-	-	-	123,073,939	123,073,939			
5.15% to 13.74%	-	748,771	-	-	748,771			
	-	-	-	49,567,622	49,567,622			
as:								
6M KIBOR+1.50%	-	-	125,000,000	1,616,945,710	1,741,945,710			
	-	-	-	-	-			
8.00% - 13.70%	12,203,631	-	-	1,236,641	13,440,272			
	12,203,631	748,771	126,221,942	1,790,823,912	1,929,998,256			
	-	-	-	62,358,617	62,358,617			
	3,781,754	42,972,844	264,907,566	-	311,662,164			
	3,781,754	8,005,448	34,634,633	62,358,617	374,020,781			
	18,577,440	(7,200,058)	92,016,455	1,728,465,295	1,555,977,475			

33.1.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Company manages its exposure to price risk by investing in Companies as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2020, the equity of the Company would increase / decrease by Rs.73.014 (2019: Rs.80.847) million, as a result of reduction / increase in unrealized gains / (losses).

33.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to fulfil their obligations. There is a possibility of default of issuers of the instrument, financial institutions or counter parties.

Management of credit risk

The Company's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The Investment Committee closely monitors the creditworthiness of the Company's counterparties (e.g. issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Company only invests in liquid equity and money market based collective investment schemes (CIS).

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2020	2019
	----- Rupees -----	
Long-term loans - considered good	481,128	1,221,942
Balances due from funds under management - related parties	109,501,155	123,073,939
Loans and advances - considered good	696,502	748,771
Trade deposits and other receivables	47,917,920	49,567,622
Other financial assets - investments	1,585,292,142	1,741,945,710
Cash and bank balances	9,433,434	13,440,272
	<u>1,753,322,281</u>	<u>1,929,998,256</u>

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2020.

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure.



83.29% (2019: 90.29%) of the financial assets aggregating to Rs.1,460.292 (2019: Rs.1,616.945) million are invested in the Funds managed by the Company. The Company believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Company to any major concentration risk.

Details of the credit ratings of the bank balances are as follows:

	2020	2019
	Bank balances	
	----- % -----	
AAA	11.9%	0.4%
AA+	0.27%	0.2%
AA-	87.83%	91.4%
AA	-	8.0%

33.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business.

Maturity analysis for financial liabilities

The table below analyse the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2020				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	----- (Rupees) -----				
Liabilities					
Accrued and other liabilities	35,201,046	11,166,395	24,034,651	-	-
Liabilities against assets subject to finance lease	282,124,167	1,269,535	2,512,219	18,192,363	260,150,050
	317,325,213	12,435,930	26,546,870	18,192,363	260,150,050

2019

	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	(Rupees)				
Liabilities					
Accrued and other liabilities	62,358,617	11,166,395	51,192,222	-	-
Liability against assets subject to finance lease	311,662,164	1,269,535	2,512,219	42,972,844	264,907,566
	<u>374,020,781</u>	<u>12,435,930</u>	<u>53,704,441</u>	<u>42,972,844</u>	<u>264,907,566</u>

33.4 Financial instruments by category
2020

	Amortized Cost	At fair value through profit and loss	Fair value through other comprehensive income	Total
	(Rupees)			
Assets				
Long-term loans - considered good	481,128	-	-	481,128
Balances due from funds under management - related parties	109,501,155	-	-	109,501,155
Loans and advances - considered good	696,502	-	-	696,502
Trade deposits and other receivables	47,917,920	-	-	47,917,920
Other financial assets - investments	-	1,585,292,142	-	1,585,292,142
Cash and bank balances	1,243,898	-	-	1,243,898
	<u>159,840,603</u>	<u>1,585,292,142</u>	<u>-</u>	<u>1,745,132,744</u>

2020

	Amortised cost	Total
	(Rupees)	
Liabilities		
Accrued and other liabilities	35,201,046	35,201,046
Liability against asset subject to finance lease	282,124,167	282,124,167
	<u>317,325,213</u>	<u>317,325,213</u>

**2019**

	Loans and Receivables	At fair value through profit and loss' - held- for-trading	Available-for- sale	Total
	----- (Rupees) -----			
Assets				
Long-term loans - considered good	1,221,942	-	-	1,221,942
Balances due from funds under management - related parties	123,073,939	-	-	123,073,939
Loans and advances - considered good	748,771	-	-	748,771
Trade deposits and other receivables	49,567,622	-	-	49,567,622
Other financial assets - investments	-	1,741,945,710	-	1,741,945,710
Cash and bank balances	1,236,641	-	-	1,236,641
	<u>175,848,915</u>	<u>1,741,945,710</u>	<u>-</u>	<u>1,917,794,625</u>

2019

	Other financial liabilities	Total
	----- (Rupees) -----	
Liabilities		
Accrued and other liabilities	62,358,617	62,358,617
Liability against asset subject to finance lease	311,662,164	311,662,164
	<u>374,020,781</u>	<u>374,020,781</u>

34. 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 half year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets at fair value through profit or loss				
Units of mutual funds - related parties	-	1,460,292,142	-	1,460,292,142
Term finance certificate	-	125,000,000	-	125,000,000
	-	1,585,292,142	-	1,585,292,142
	2019			
	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	-	1,616,945,710	-	1,616,945,710
Term finance certificate	-	125,000,000	-	125,000,000
	-	1,741,945,710	-	1,741,945,710

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



33.1.1 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.

33.1.2 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).

34.2 During the year ended December 31, 2020, 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.

35. CAPITAL RISK MANAGEMENT

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

36. GENERAL

36.1 These financial statements were authorised for issue on February 19, 2021 by the Board of Directors of the Company.

36.2 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.

36.3 Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current year. However, there are no material reclassification / re-arrangement to report.

36.4 The figures in the unconsolidated financial statements have been rounded off to the nearest rupees.

Chief Executive Officer

Chief Financial Officer

Director

CONSOLIDATED FINANCIAL STATEMENTS



Report of the Directors to the Members on consolidated Financial Statements For the year ended December 31, 2020

The Directors of your Company feel pleasure in presenting the annual audited consolidated financial statement of the Company along with auditors' report thereon for the year ended December 31, 2020.

Summary of operating results for the year	Year ended December 31, 2020	Year ended December 31, 2019
	Rs. (000)	
Shareholders' Equity	1,806,846	1,842,475
Financial Performance		
Income	339,387	342,928
Operating expenses	(337,107)	(429,695)
Operating profit	2,280	(86,767)
Other expenses	(102)	(104)
Financial charges	(35,012)	(38,423)
Other operating income	14,821	71,366
Profit before tax	(18,013)	(53,926)
Taxation-net	(17,616)	(28,485)
Profit after tax	(35,629)	(82,411)
Earnings per share - basic and diluted	(0.58)	(1.11)

On consolidated basis the Company posted loss of PKR. 35.629 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 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 JS Investments Limited (JSIL) are therefore, desirous of merging JSACL with and into JSIL.

Since JS ABAMCO Commodities Limited (JSACL), does not intend to carry on the business of Futures Broker, the Directors of JSACL are 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 approval. SECP vide its letter January 13, 2021 acceded approval to the scheme of merger/amalgamation. The Scheme has been placed before the Board of Directors of JSACL for approval under Section 284 of the Companies Act 2017 which was acceded by the directors in February 17, 2021.

Auditors

The current auditors, Messrs EY Ford Rhodes, are completing their 5 year term, and are not eligible for reappointment as per the requirement of Listed Companies (Code of Corporate Governance) Regulations, 2019. Accordingly, the Board of Directors, on the recommendation of the Board Audit Committee, recommends the appointment of Messrs KPMG Taseer Hadi & Co., Chartered Accountants as the auditors of the Company for the financial year 2021.

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 financial year ended December 31, 2020, 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

Pattern of Shareholding

The statement of pattern of Shareholding as on December 31, 2020 is annexed to this report.

Aisha Fariel Salahuddin
Director

Hasnain Raza Nensey
Chief Executive Officer

Karachi: February 19, 2021

ڈائریکٹرز کی ارکان کو مجتمع مالیاتی گوشواروں پر رپورٹ برائے مختتمہ سال 31 دسمبر 2020

آپ کی کمپنی کے ڈائریکٹرز 31 دسمبر 2020ء کو ختم ہونے والے سال کے لیے کمپنی کے سالانہ آڈٹ شدہ مجتمع مالیاتی گوشوارے مع ان پراڈیٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

سال کے لیے کاروباری نتائج کا خلاصہ	مختتمہ سال 31 دسمبر 2020	مختتمہ سال 31 دسمبر 2019
		روپے (000)
شیر ہولڈرز کی ایکویٹی	1,806,846	1,842,475
مالیاتی کارکردگی		
آمدنی	339,387	342,928
آپریٹنگ اخراجات	(337,107)	(429,695)
آپریٹنگ منافع	2,280	86,767
دیگر اخراجات	(102)	(104)
مالیاتی چارجز	(35,012)	(38,423)
دیگر آپریٹنگ آمدنی	14,821	71,366
قبل از ٹیکس منافع	(18,013)	(53,926)
ٹیکسیشن نیٹ	(17,616)	(28,485)
بعد از ٹیکس منافع	(35,629)	(82,411)
نی شیر آمدنی۔ بنیادی اور تحلیل شدہ	(0.58)	(1.11)

مجمع بنیاد پر کمپنی نے 35.269 ملین روپے کا نقصان درج کروایا، COVID 19 کی وجہ سے ایکویٹی مارکیٹ کی کارکردگی پر جمود کے باعث تمام صنعتوں کی خاص توجہ کم مارجن کی پروڈکٹس جیسے کیش اینڈ انکم فنڈز کی کیٹگری پر رہی جس کے نتیجے میں کمپنی کی انتظامی فیس کی آمدنی میں زبردست کمی آئی۔ مزید یہ کہ ذیلی کمپنی نے بھی اپنی بنیادی کاروائیوں کے شروع نہ ہونے کے سبب کارکردگی میں زیادہ حصہ نہیں لیا۔

ذیلی کمپنی

JS ABAMCO کموڈٹیز لمیٹڈ

JS ABAMCO کموڈٹیز لمیٹڈ (دی کمپنی) کا قیام 25 ستمبر 2007 کو کمپنیز آرڈیننس 1984 کے تحت بطور ایک پبلک لمیٹڈ کمپنی، پاکستان میں عمل میں آیا اور JS انویسٹمنٹ لمیٹڈ (دی ہولڈنگ کمپنی) کا گل ملکیتی ذیلی ادارہ ہے۔ کمپنی کا بنیادی مقصد کموڈٹی مارکیٹ اور متعلقہ بروکریج، ایڈوائزری اور کنسلٹنسی سروسز میں کاروبار کرنا ہے۔ کمپنی نے بیلنس شیٹ تیار ہونے تک اپنے کموڈٹی، بروکریج اور متعلقہ ایڈوائزری سروسز کے مرکزی کاروباروں کا آغاز نہیں کیا ہے۔

JS ABAMCO کموڈیٹیز 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۔

JS ABAMCO کموڈیٹیز 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 کموڈیٹیز لمیٹڈ کے JS انوسٹمنٹس لمیٹڈ کے ساتھ اور اس میں انضمام/ادغام کیلئے کمپنیز ایکٹ 2017 کے سیکشن 284 کے تحت "اسکیم آف انجمنٹ" کا ایک ڈرافٹ تیار کیا گیا اور منظوری کیلئے کمیشن کے پاس جمع کرا دیا گیا۔ SECP نے اپنے خط مورخہ 13 جنوری 2021 میں نان بینکنگ فنانس کمپنیز (اسٹیٹسمنٹ اینڈ ریگولیشنز) رولز 2003 کے رول (cb) (2) 7 کی رو سے انضمام/ادغام کی اسکیم کی منظوری دے دی۔ کمپنی کے بورڈ آف ڈائریکٹرز نے 19 فروری 2021 منعقدہ اپنے اجلاس میں JSACL کو JSIL کے ساتھ ضم کر کے اس سلسلے میں آگے بڑھنے کا فیصلہ کیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز EY فورڈروڈز، چارٹرڈ اکاؤنٹنٹس نے کمپنی کے آڈیٹرز کے طور پر اپنے پانچ سال مکمل کر لیے ہیں اور لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز 2019 کی ضرورت کے مطابق تقرری کے اہل نہیں ہیں۔ بورڈ آف ڈائریکٹرز اور آڈٹ کمیٹی نے نئے آڈیٹرز کی تقرری کی تجویز پیش کی ہے، میسرز کے پی ایم جی تاثیر ہادی اینڈ کو، چارٹرڈ اکاؤنٹنٹس کو ان کی جگہ پر آڈیٹرز کی حیثیت سے کام کرنے کے تجویز پیش کی ہے۔

انٹرنل کنٹرول فریم ورک

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

بورڈ آف ڈائریکٹرز

مختتمہ مالی سال 31 دسمبر 2020 کے دوران JS ABAMCO کموڈیٹیز لمیٹڈ (دی کمپنی) کے ڈائریکٹرز کی حیثیت سے خدمات انجام دینے والے افراد کی فہرست درج ذیل ہے:

نام

جناب حسین رضا نینسی

جناب منور عالم صدیقی

جناب محمد خاور اقبال

ملک ظفر جاوید

شیئر ہولڈنگ کا پیٹرن

شیئر ہولڈنگ پیٹرن کا گوشوارہ بمطابق 31 دسمبر 2020 اس رپورٹ کے ساتھ منسلک ہے۔

19 فروری 2021

کراچی

حسین رضا نینسی

چیف ایگزیکٹو آفیسر

عائشہ فیصل صلاح الدین

ڈائریکٹر



INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed consolidated financial statements of **JS Investments Limited** and its subsidiary (the Group), which comprise the consolidated statement of financial position as at **31 December 2020**, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2020, and (of) its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the accounting and reporting standards as applicable in Pakistan.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of the Chartered Accountants of Pakistan / The Institute of Cost and Management Accountants of Pakistan (the Code), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How our audit addressed the key audit matter
Valuation of investments As disclosed in note 11 to the accompanying consolidated financial statements of the Company for the year ended 31 December 2020, the investments (mainly comprising of units of mutual funds) held by the Company represents 69% of the total assets of the Company as at the year end. In view of the significance of investments in relation to the total assets of the Company, we have considered the existence and valuation of such investments as a key audit matter	We performed a combination of audit procedures focusing on the valuation of investments. Our key procedures included the following: - We performed substantive audit procedures on the year-end balance of portfolio including review of account statement, re-performance of investment valuations on the basis of quoted market prices at the Mutual Funds Association of Pakistan (MUFAP); - We tested controls over acquisition, disposals and periodic valuation of investments portfolio; and - We also evaluated the adequacy of the disclosures in the consolidated financial statements in respect of the investment portfolio in accordance with the requirements of the regulations and applicable financial reporting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of Management and the Board of Directors for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting and reporting standards as applicable in Pakistan and Companies Act, 2017 and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditors' report is Shaikh Ahmed Salman.

EY Ford Rhodes
Chartered Accountants

Date: March 17, 2021

Karachi

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	Note	2020 ----- Rupees -----	2019
ASSETS			
Non - current assets			
Property and equipment	5	399,187,334	476,086,870
Intangible assets	6	12,235,839	15,323,841
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	7	2,252,802	3,387,150
		417,175,975	498,297,861
Current assets			
Balances due from funds under management - related parties	8	109,501,155	123,073,939
Loans and advances - considered good	9	3,810,261	3,973,499
Trade deposits, short term prepayments and other receivables	10	56,610,095	59,588,008
Other financial assets - investments	11	1,651,926,818	1,803,840,399
Taxation - net		90,209,815	88,528,207
Cash and bank balances	12	9,876,527	13,866,415
		1,921,934,671	2,092,870,467
Total assets		<u>2,339,110,646</u>	<u>2,591,168,328</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorised capital		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up capital	13	617,742,560	617,742,560
Unappropriated profit		1,189,103,056	1,224,732,253
		1,806,845,616	1,842,474,813
LIABILITIES			
Non - current liabilities			
Deferred Liabilities	14	1,301,172	306,446
Long-term financing	15	75,581,938	-
Deferred taxation	16	140,148	-
Liabilities against assets subject to finance lease	17	260,150,050	264,907,566
		337,173,308	265,214,012
Current liabilities			
Accrued and other liabilities	18	167,934,889	186,675,076
Dividend payable		-	247,097,024
Unclaimed dividend		5,182,716	2,952,805
Current maturity of liabilities against assets subject to finance lease	17	21,974,117	46,754,598
		195,091,722	483,479,503
Total liabilities		<u>532,265,030</u>	<u>748,693,515</u>
Total equity and liabilities		<u>2,339,110,646</u>	<u>2,591,168,328</u>
Contingencies and commitments			
	19		

The annexed notes 1 to 36 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director



CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- Rupees -----	2019
Income			
Remuneration from funds under management - net	20	172,974,760	198,773,230
Commission from open end funds under management	21	4,096,138	9,058,365
Dividend income	22	22,109,741	25,241,559
Net unrealised gain on revaluation of investments classified as at fair value through profit or loss	11.1	113,254,237	77,926,251
Net gain on sale of investments classified as at fair value through profit or loss		6,913,914	5,011,332
Return on bank deposits		3,374,870	7,455,388
Remuneration and share of profit from management of discretionary and non discretionary client portfolio	23	1,859,231	2,634,368
Return on debt securities		14,804,122	16,828,238
		<u>339,387,013</u>	<u>342,928,731</u>
Administrative and marketing expenses	24	(304,300,785)	(337,532,506)
Selling and distribution expenses	25	(32,805,785)	(92,162,351)
		<u>2,280,443</u>	<u>(86,766,126)</u>
Operating Loss			
Other expenses	24	(102,004)	(103,647)
Financial charges	26	(35,012,517)	(38,423,472)
		<u>(32,834,078)</u>	<u>(125,293,245)</u>
Other income	27	14,821,145	71,366,716
Loss before taxation		<u>(18,012,933)</u>	<u>(53,926,529)</u>
Taxation - net	28	(17,615,966)	(28,484,636)
Loss for the year		<u>(35,628,899)</u>	<u>(82,411,165)</u>
Loss per share for the year - basic and diluted	29	<u>(0.58)</u>	<u>(1.11)</u>

The annexed notes 1 to 36 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
	----- Rupees -----	
Loss for the year	(35,628,899)	(82,411,165)
Other comprehensive loss that will not be reclassified to profit and loss account in subsequent periods		
Surplus on revaluation of property during the year	-	329,009,064
Total comprehensive loss for the year	<u>(35,628,899)</u>	<u>246,597,899</u>

The annexed notes 1 to 36 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED DECEMBER 31, 2020

	Reserve					Total
	Issued, subscribed and paid-up capital	Capital reserve	Surplus on revaluation of fixed assets - net	Unrealised appreciation on remeasurement of 'available-for-sale' financial assets - net	Revenue reserve	
		Capital repurchase reserve account			Unappropriated profit	
	Rupees					
Balance as at January 01, 2019	801,718,180	198,281,820	173,891,692	225,049,381	775,188,683	2,174,129,756
Adjustment due to reclassification as per IFRS 9	-	-	-	(225,049,381)	225,049,381	-
Balance as at January 01, 2019 - (Adjusted)	801,718,180	198,281,820	173,891,692	-	1,000,238,064	2,174,129,756
Total comprehensive (loss) / income						
Loss for the year	-	-	-	-	(82,411,165)	(82,411,165)
Other comprehensive income - net	-	-	329,009,064	-	-	329,009,064
Total comprehensive (loss) / income for the year ended December 31, 2019	-	-	329,009,064	-	(82,411,165)	246,597,899
Transfer from surplus on account of disposal	-	-	(502,900,756)	-	502,900,756	-
Buy back of 18,397,562 shares having face value of Rs.10 each at a purchase price of Rs.18 each	(183,975,620)	-	-	-	(147,180,496)	(331,156,116)
Transfer from capital re-purchases reserve account	-	(198,281,820)	-	-	198,281,820	-
Interim distribution @ Rs.4.00 per share	-	-	-	-	(247,097,024)	(247,097,024)
Balance as at December 31, 2019	617,742,560	-	-	-	1,224,731,955	1,842,474,515
Balance as at January 01, 2020	617,742,560	-	-	-	1,224,731,955	1,842,474,515
Total comprehensive loss for the period ended December 31, 2020	-	-	-	-	(35,628,899)	(35,628,899)
Balance as at December 31, 2020	617,742,560	-	-	-	1,189,103,056	1,806,845,616

Chief Executive Officer

Chief Financial Officer

Director

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	Note	2020 ----- Rupees -----	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / profit before taxation		(18,012,933)	(53,926,529)
Adjustment for:			
Remuneration from funds under management - net	20	(172,974,760)	(198,773,230)
Commission from open end funds under management	21	(4,096,138)	(9,058,365)
Remuneration of discretionary and non discretionary client portfolio		(1,859,231)	(2,634,368)
Dividend income	22	(22,109,741)	(25,241,559)
Return on debt securities		(14,804,122)	(16,828,238)
Depreciation	4.1	70,362,524	77,838,441
Amortisation of intangible assets	5	4,977,922	4,601,830
Financial charges	26	35,012,517	38,423,472
Return on bank deposits		(3,374,870)	(7,433,571)
Net gain on sale of investments classified as 'at fair value through profit or loss - held-for-trading'		(6,913,914)	(5,011,332)
Net unrealised appreciation on revaluation of investments classified as 'at fair value through profit or loss - held-for-trading'	11.1	(113,254,237)	(77,926,251)
Gain on disposal of property and equipment	4.1.2	(8,191,921)	(519,828)
		(255,238,904)	(276,489,528)
Increase / (decrease) in assets and liabilities			
Loans and advances		1,297,583	(713,958)
Trade deposits, short term prepayments and other receivables		2,977,913	(10,948,050)
Accrued and other liabilities		(18,906,799)	(62,096,260)
		(14,631,303)	(73,758,268)
		(269,870,207)	(350,247,796)
Taxes paid - net		(19,297,574)	(26,549,905)
Remuneration and commission received from funds under management		192,502,913	200,217,262
Net cash used in operating activities		(96,664,868)	(176,580,439)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(274,414,717)	(1,959,109,184)
Sale proceeds from disposal of investments		546,496,451	1,899,605,302
Dividends received		22,109,741	25,241,559
Payment for purchase of property and equipment		(4,874,463)	(56,750,125)
Payment for purchase of intangible assets		(1,889,920)	(3,610,249)
Return on bank deposits		3,374,871	7,433,571
Return on debt securities		14,804,122	16,828,238
Sale proceeds from disposal of property and equipment		19,603,396	610,310,565
Net cash generated from investing activities		325,209,481	539,949,677
CASH FLOWS FROM FINANCING ACTIVITIES			
Deferred Liabilities		1,301,172	-
Long-term financing		75,581,938	-
Dividends paid		(244,867,113)	(41,700,265)
Payment of lease liabilities		(29,537,984)	-
Financial charges paid		(35,012,517)	(331,156,116)
Buy back of shares		-	(372,856,381)
Net cash used in financing activities		(232,534,504)	(372,856,381)
Net increase in cash and cash equivalents		(3,989,891)	(9,487,143)
Cash and cash equivalents at beginning of the year		13,866,415	23,353,558
Cash and cash equivalents at end of the year	32	<u>9,876,527</u>	<u>13,866,415</u>

The annexed notes 1 to 36 form an integral part of these consolidated financial statements.

Chief Executive Officer

Chief Financial Officer

Director



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2020

1. STATUS AND NATURE OF BUSINESS

The group consists of:

- JS Investments Limited (JSIL) - Holding Company
- JS ABAMCO Commodities Limited

1.1 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 Holding 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 licenses 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 Holding Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005. Recently, JSIL has also acquired the Private Equity and Venture Capital Fund Management Services license and REIT Management Services license from Securities and Exchange Commission of Pakistan (SECP).

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

Location	Address	Purpose
Karachi	The Centre, 19th Floor, Plot No. 28, SB-5 Abdullah Haroon Road Saddar	Head Office
Karachi	Plot No. 16-C, Phase-I, Near Nadra Mega Centre, DHA, Karachi	Branch Office
Lahore	1st Floor, Block C, Abul Hassan Isfahani Road, Faisal Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

The Holding Company is an asset management company, pension fund and private equity and venture capital manager for the following funds at the year end:

Asset management company of the following funds:

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
- 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

1.2 Subsidiary company

JS ABAMCO Commodities Limited (the Subsidiary 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 subsidiary Company is to carry out business in commodity market and related brokerage, advisory and consultancy services. The registered office of the Company is located at The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi

1.3 Since the management does not intend to carry on the business of Futures Broker, the Directors of JSIL are 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 SECP for approval. The SECP vide its letter January 13, 2021 acceded approval to the scheme of merger/amalgamation in terms of Rule 7(2)(cb) of the Non Banking Finance Companies (Establishment and Regulations) Rules 2003. The Board of Directors of the Company at its meeting held on February 19, 2021 has approved the Merger/Amalgamation of JSACL with and into JSIL Under section 284 of the Companies Act, 2017.

1.4 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 Group 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 Group'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 Group's operations and liquidity positions. Whilst the management of the Group does not expect any significant impacts on the financial health of the Group in the short term, the full extent and duration of the impact of COVID-19 on the Group'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.



2. BASIS OF CONSOLIDATION

2.1 The consolidated financial statements include the financial statements of JS Investments Limited and its subsidiary company together - "the Group".

- The financial statements of the Subsidiary Company are prepared for the same reporting year as the Holding Company for the purpose of consolidation, using consistent accounting policies.
- The assets, liabilities, income and expenses of Subsidiary Company have been consolidated on a line by line basis.
- Non-Controlling Interest, if any, in equity of the Subsidiary Company is measured at proportionate share of net assets of the acquiree as of the acquisition date.
- Material intra-group balances and transactions have been eliminated.

3. BASIS OF PREPARATION

3.1 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 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 of 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 will not be applicable with respect to the investment in mutual funds established under Trust structure.

3.2 Basis of measurement

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

3.3 Functional and presentation currency

These consolidated financial statements have been presented in Pakistani Rupees, which is Group functional and presentation currency.

3.4 Use of estimates and judgments

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

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

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

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

- i) Amortisation of intangible assets (notes 4.3 and 6);
- ii) Provision for taxation (notes 4.10 and 28);
- iii) Classification and valuation of investments (notes 4.4 and 11);
- iv) Determination and measurement of useful life and residual value of property and equipment (notes 4.2 and 5.1);
- v) Recognition and measurement of deferred tax assets and liabilities (notes 4.10 and 14); and
- vi) Leases (note 4.14).



3.5 The Group has adopted the following accounting standard and the amendments and interpretation of IFRSs which became effective for the current year

There are certain new and amended standards, issued by International Accounting Standards Board (IASB), interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after January 01, 2020 but are considered not to be relevant or do not have any significant effect on the Company's operations and therefore not detailed in these consolidated financial statements.

Standard or Interpretation

IFRS 3 - Definition of a Business (Amendments);

IFRS 9 / IAS 39 / IFRS 7 - Interest Rate Benchmark Reform (Amendments);

IFRS 14 - Regulatory Deferral Accounts;

IFRS 9 - Prepayment Features with Negative Compensation - (Amendments)

IFRS 15 - Revenue from Contracts with Customers

IAS 19 - Plan Amendment, Curtailment or Settlement (Amendments)

IAS 28 - Long-term Interests in Associates and Joint Ventures (Amendments)

IFRIC 23 - Uncertainty over income tax treatments

IAS 1 / IAS 8 - Definition of Material (Amendments);

IFRS 16 - COVID 19 Related Rent Concessions (Amendments); and

The Conceptual Framework for Financial Reporting - revised

Improvements to Accounting Standards Issued by the IASB (2018 - 2020 cycle)

IFRS 3 Business Combinations - Previously held Interests in a joint operation

IFRS 11 Joint Arrangements - Previously held Interests in a joint operation

IAS 12 Income Taxes - Income tax consequences of payments on financial instruments classified as equity

IAS 23 Borrowing Costs - Borrowing costs eligible for capitalisation

The adoption of the above standards, amendments and improvements to accounting standards did not have any material effect on the Group's financial statements.

3.6 New accounting standards / amendments and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations with respect 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)
Classification of Liabilities as Current or Non-current - Amendments to IAS 1	01 January 2023
Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16	01 January 2022
Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37	01 January 2022
Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39	01 January 2021
Reference to the Conceptual Framework – Amendments to IFRS 3	01 January 2022
AIP IFRS 9 Financial Instruments – Fees in the ‘10 per cent’ test for derecognition of financial liabilities	01 January 2022
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized

The above amendments are not likely to have a material impact on Group’s financial statements.

Standard	IASB 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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 The accounting policies adopted in the preparation of these consolidated financial statements are consistent with those of the previous financial year.

4.2 Property and equipment

a) Owned assets

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less impairment, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work-in-progress.



Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the statement of profit or loss account as and when incurred.

Depreciation is charged to statement of profit or loss applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each reporting date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net) is transferred directly to equity.

Gains or losses on disposal of assets are included in the statement of profit or loss account currently, except that the related surplus on revaluation of fixed assets (net) is transferred directly to equity.

4.3 Intangible assets

Intangible assets includes software with a finite useful life and are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rate specified in note 5 to these consolidated financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful lives and amortization method are reviewed and adjusted, if appropriate, at each reporting date.

4.4 Financial instruments

Bank balances and loans and advances to employees / counter parties are recognised when funds are transferred to the banks / employees / counterparties. The Group recognises due to counterparties when funds reach the Group.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded as 'at fair value through profit or loss'

4.4.1 Classification - IFRS 9

In accordance with IFRS 9, the Group classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be 'at fair value through profit or loss' if:

- i) It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- ii) On initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- iii) It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Financial assets

The Group classifies its financial assets as subsequently measured 'at amortised cost' or measured 'at fair value through profit or loss' on the basis of both:

- The entity's business model for managing of the financial assets
- The contractual cash flow characteristics of the financial asset

Financial assets measured 'at amortised cost'

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group includes in this category short-term non-financing receivables, accrued income and other receivables.

Financial assets measured 'at fair value through profit or loss'

A financial asset is measured 'at fair value through profit or loss' if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at FVPL when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial liabilities

Financial liabilities measured at amortised cost

This category includes all financial liabilities, other than those measured 'at fair value through profit or loss'. The Group includes in this category short-term payables, including accrued and other liabilities.



4.4.2 Derecognition

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired, or the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and the Group has:

- (a) Transferred substantially all of the risks and rewards of the asset; or
- (b) Neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained. The Group derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

4.4.3 Impairment of financial assets

Financial assets at fair value through profit or loss are not subject to impairment under IFRS 9.

The Group holds receivables with no financing component and which have maturities of less than 12 months 'at amortised cost' and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses (ECL) under IFRS 9 to all its receivables. Therefore, the Group does not track changes in credit risk, but instead, recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group uses the provision matrix as a practical expedient to measuring ECLs on trade receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

4.4.4 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the statement of financial position if the Group has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4.5 Investment in subsidiary

Investment in a subsidiary, where control exist are stated at cost. Subsequently, the recoverable amount is estimated to determine the extent of impairment losses, if any, and carrying amounts are adjusted accordingly. Impairment losses are recognized as expense in the profit and loss account. Where impairment losses are subsequently reversed, the carrying amount of the investments are increased to the revised recoverable amount but limited to the extent of initial cost of investments.

Investments are derecognized when the right to receive cash flows from the investments has expired, realised or transferred and the Group has transferred substantially all risk and rewards of ownership.

4.6 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognized on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds. The fee so charged does not exceed the limit prescribed in the NBFC Regulations / Voluntary Pension System Rules 2005.
- Realised gains / losses on sale of investments is recognized in the statement of profit or loss at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognized on time proportionate basis by using effective rate of interest.
- Commission income from open end funds is recognized at the time of sale of units.
- Commission income and share of profit from management of discretionary and non discretionary client portfolios is recognized as services are rendered.

4.7 Defined contribution scheme

The Group operates an approved contributory provident fund for all of its permanent employees. The Group and employees make equal monthly contributions to the fund at the rate of 7.33 percent of the basic salary.

4.8 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.



4.9 Impairment

Non-financial assets

The carrying amount of the Group's non-financial assets other than deferred tax asset is reviewed at each reporting date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell. Impairment losses are recognized in profit and loss account immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognised.

4.10 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of profit and loss account, except to the extent that it relates to items recognized directly in equity or other comprehensive income, in that case it is recognized in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Group under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognized using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised for all deductible temporary differences and carry-forward of unused tax losses, to the extent that it is probable that taxable profit or taxable temporary differences will be available against which the deductible temporary differences and / or carry-forward of unused tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is charged or credited to the profit and loss account.

4.11 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks, running finance facilities availed by the Group (if any), which are payable on demand and form an integral part of the Group's cash management.

4.12 Earning per share

Earnings per share is calculated by dividing the profit after tax for the year by the weighted average number of shares outstanding during the year.

4.13 Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in financial statements in the periods in which these are approved.

4.14 Leases

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.



Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of property and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms of one to five years. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of Group's head office and branches due to the significance of these assets to its operations. These leases have a short non-cancellable period (i.e., three to five years) and there will be a significant negative effect on operations if a replacement is not readily available.

		2020	2019
	Note	----- Rupees -----	
5. PROPERTY AND EQUIPMENT			
Operating fixed assets	5.1	172,558,300	215,524,830
Right-of-use assets	5.2	225,017,100	259,248,828
Capital work-in-progress - advance against capex	5.3	1,611,934	1,313,212
		<u>399,187,334</u>	<u>476,086,870</u>

5.1 Operating fixed assets

At January 01, 2020

	Office premises	Lease hold improvement	Furniture and fixtures	Office equipment	Vehicles (note 5.1.1)	Total
Cost / revalued amount	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Accumulated depreciation	-	(12,209,334)	(25,254,381)	(111,099,880)	(26,094,318)	(174,657,913)
Net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,830

Year ended December 31, 2020

Opening net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,832
Additions	-	2,763,816	-	1,811,924	-	4,575,740
Disposals	-	-	-	(128,309)	(11,283,168)	(11,411,477)
Depreciation charge for the year	-	(12,770,567)	(1,803,768)	(13,731,546)	(7,824,914)	(36,130,796)
Closing net book value	-	108,250,163	13,984,164	26,283,837	24,040,136	172,558,300

At December 31, 2020

Cost / revalued amount	-	133,230,064	41,042,313	151,115,263	57,959,369	383,347,009
Accumulated depreciation	-	(24,979,901)	(27,058,149)	(124,831,426)	(33,919,232)	(210,788,709)
Net book value	-	108,250,163	13,984,164	26,283,837	24,040,134	172,558,300

Depreciation rate % per annum	-	10%	10%	25%	20%	
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2019

Office premises	Lease hold improvement	Furniture and fixtures	Office equipment	Vehicles	Total
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Rupees

At January 01, 2019

Cost / revalued amount	372,660,000	2,990,894	28,597,348	119,071,316	67,627,788	590,947,346
Accumulated depreciation	(85,401,250)	(2,990,894)	(23,725,880)	(97,803,126)	(16,152,481)	(226,073,631)
Net book value	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715

Year ended December 31, 2019

Opening net book value	287,258,750	-	4,871,468	21,268,190	51,475,307	364,873,715
Revaluation	329,009,064	-	-	-	-	329,009,064
Additions	-	127,475,354	12,755,200	30,506,679	4,117,360	174,854,593
Disposals	(606,831,542)	-	(310,235)	(146,347)	(2,502,612)	(609,790,736)
Depreciation charge for the year	(9,436,272)	(9,218,440)	(1,528,501)	(13,296,754)	(9,941,838)	(43,421,806)
Closing net book value	-	118,256,914	15,787,932	38,331,768	43,148,217	215,524,830

At December 31, 2019

Cost / revalued amount	-	130,466,248	41,042,313	149,431,648	69,242,536	390,182,745
Accumulated depreciation	-	(12,209,334)	(25,254,381)	(111,099,880)	(26,094,318)	(174,657,914)
Net book value	-	118,256,914	15,787,932	38,331,768	43,148,218	215,524,830

Depreciation rate % per annum	-	20%	10%	25%	20%	
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5.1.1 Vehicles with a net book value of Rs.24.040 (2019: Rs.43.148) million are held under finance lease. The leased vehicles are pledged as security for the related finance lease obligation.



5.1.2 Details of operating fixed assets disposed of:

	Cost / revalued	Accumulated depreciation	Net book value	Sale proceeds	Gain / (loss)	Mode of disposal	Particulars of buyer
	----- Rupees -----						
<i>Vehicles</i>							
Honda City	2,058,680	283,069	1,775,612	2,160,000	384,389	Third party via bid	Fawad Ahmed Siddiqui
Wagon R VXL	1,069,740	468,011	601,729	1,085,000	483,271	Third party via bid	Tabish Zaheer
Swift DLX	1,499,510	693,523	805,987	1,506,000	700,013	Third party via bid	Fawad Ahmed Siddiqui
Swift DLX	1,499,525	693,530	805,995	1,505,000	699,005	Third party via bid	Shoaib Naseem
Honda City	1,921,750	360,328	1,561,422	2,085,000	523,578	Related party	Afham Elahi Usmani
Toyota Corolla Gli	1,886,629	896,149	990,480	2,100,000	1,109,520	Third party via bid	Mansoor Sadiq
Suzuki Cultus VXL	1,410,760	546,670	864,091	1,520,000	655,910	Third party via bid	Mansoor Randhawa
Toyota Corolla Gli	1,886,625	990,478	896,147	2,160,000	1,263,853	Third party via bid	Murtaza Roshan Ali
Suzuki Cultus VXL							Muhammad Hafeez
	2,058,680	437,470	1,621,211	2,310,000	688,790	Third party via bid	Qureshi
Toyota Corolla Gli	2,418,660	1,058,162	1,360,498	3,025,000	1,664,502	Third party via bid	Muhammad Zubair
Items having Book Values of Less than Rs.500,000 each*	172,300	43,992	128,308	147,396	19,088	Third party via bid	Others
As at December 31, 2020	17,882,859	6,471,382	11,411,477	19,603,396	8,191,919		
As at December 31, 2019	617,369,234	7,578,497	609,790,736	610,310,565	519,828		

* Includes Disposals of all other class of operating fixed assets.

5.1.3 The cost of fully depreciated assets as at December 31, 2020 is Rs.36.629 (2019: Rs.29.372) million.

2020 2019
----- Rupees -----

5.2 Right-of-use assets

As at January 01	259,248,828	293,665,460
Depreciation expense	(34,231,728)	(34,416,632)
As at December 31	<u>225,017,100</u>	<u>259,248,828</u>

5.3 This represents the balance amount to be paid to contractor and suppliers in respect of civil works pertaining to new premises and software. The additions and transfers during the year amounted to Rs. 3.137(2019: Rs.209.689) million and Rs.2.838 (2019: Rs.327.794) million, respectively.

6. INTANGIBLE ASSETS

At January 01

	2020	2019
Cost	56,828,713	53,218,464
Accumulated amortization	(41,504,872)	(36,903,042)
Net book value	<u>15,323,841</u>	<u>16,315,422</u>

Year ended December 31

Opening net book value	15,323,841	16,315,422
Additions during the year	1,889,920	3,610,249
Amortization for the year	(4,977,922)	(4,601,830)
Closing net book value	<u>12,235,839</u>	<u>15,323,841</u>

At December 31

Cost	58,718,633	56,828,713
Accumulated amortization	(46,482,794)	(41,504,872)
Net book value	<u>12,235,839</u>	<u>15,323,841</u>

Amortization rate % per annum	<u>20%</u>	<u>20%</u>
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7. LONG-TERM LOANS AND PREPAYMENTS - CONSIDERED GOOD

	Note	2020	2019
Loans to employees	7.1	1,177,630	1,970,713
Less: Current portion	9	(696,502)	(748,771)
		<u>481,128</u>	<u>1,221,942</u>
Long term prepayment	7.2	3,935,342	3,935,342
Less: Amortisation		(1,770,134)	(1,376,600)
Less: Current portion		(393,534)	(393,534)
		<u>1,771,674</u>	<u>2,165,208</u>
		<u>2,252,802</u>	<u>3,387,150</u>



- 7.1** These represent loans given to employees for purchase of motor vehicles, house loans and staff personal loans. These loans are recovered through deduction from salaries over varying periods up to a maximum period of five years, fifteen years and four years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and staff personal loan carry mark-up at rates ranging from 3.57% to 13.46% (2019: 5.15% to 13.74%) per annum. The Company has not discounted these loans at market interest rates as the effect of such discounting is not material to these consolidated financial statements.

The maximum aggregate amount due from employees outstanding at the end of any month during the year was Rs.1.17 (2019: Rs.1.97) million.

- 7.2** This represents payment made in respect of club membership fee for ten years to Karachi Boat Club.

8. BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES

8.1 Balances due from funds under management

Open end Funds (note 8.2)

JS Value Fund	15,534,089	15,642,014
JS Growth Fund	37,295,467	36,400,614
JS Large Cap Fund	12,042,332	12,057,113
Unit Trust of Pakistan	17,333,925	17,199,257
JS Income Fund	5,510,284	5,466,326
JS Islamic Fund	6,357,504	6,355,599
JS Fund of Funds	518,302	562,537
JS Pension Savings Fund	3,600,240	3,570,632
JS Islamic Pension Savings Fund	1,952,563	1,917,786
JS Islamic Income Fund	1,509,513	1,255,839
JS Cash Fund	7,143,377	5,567,821
JS Islamic Hybrid Fund of Funds	-	8,168,259
JS Islamic Dedicated Equity Fund	100,769	3,090,531
JS Islamic Hybrid Fund of Funds - 2	-	4,893,466
JS Islamic Hybrid Fund of Funds - 3	102,684	734,831
JS Motion Picture Fund	368,738	191,314
JS Islamic Daily Dividend Fund	131,367	-
	<u>109,501,155</u>	<u>123,073,939</u>

- 8.2** Balances due from funds under management primarily represent accrual of management fee, sales tax and federal excise duty. Management fee is received within next month from the date of accrual.

	Note	2020 ----- Rupees -----	2019
9. LOANS AND ADVANCES - CONSIDERED GOOD			
Current portion of long-term loans to employees	7	696,502	748,771
Unsecured advances to			
- employees		2,938,758	2,299,703
- suppliers		175,001	925,025
		3,113,759	3,224,728
		3,810,261	3,973,499
10. TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Rent and other receivable from related parties	10.1	40,029,929	41,827,290
Deposits		4,228,956	4,228,956
Prepayments		8,692,175	10,020,386
Others		3,659,035	3,511,376
		56,610,095	59,588,008
10.1 This includes Rs.34.689 (2019: Rs.36.023) million due from related parties on account of rent and expenses incurred on their behalf. It also includes Rs.3.236 (2019: Rs.4.665) million of expenses incurred on the formation cost on behalf of funds under management.			
11. OTHER FINANCIAL ASSETS - INVESTMENTS			
Investments by category			
At fair value through profit or loss'			
Units of mutual funds - related parties	11.1	1,526,926,818	1,678,840,399
Unlisted debt security - Term Finance Certificate	11.2	125,000,000	125,000,000
		1,651,926,818	1,803,840,399
		1,651,926,818	1,803,840,399



11.1 Units of mutual funds - 'At fair value through profit or loss' (related parties)

Number of units			2020		2019
2020	2019		Average cost	Fair value ----- Rupees -----	Fair value
1,129,256	3,504,221	JS Income Fund (note 11.1.1)	110,988,296	111,784,989	355,981,716
382,292	-	JS Islamic Income Fund	40,178,894	40,435,029	-
3,305	3,305	JSIHFOF - Mustahkem	288,464	217,563	288,464
76,142	-	JSIHFOF - Mufeed	3,000,000	3,659,391	-
49,068	-	JSIHFOF - Mutanasib	3,000,000	3,698,234	-
1,000,000	1,000,000	JS Motion Picture Fund	99,990,000	97,700,000	99,990,000
1,343,094	1,716,379	JS Value Fund	249,114,943	286,643,090	341,336,249
1,937,116	1,903,901	JS Growth Fund (note 11.1.1)	326,471,779	348,448,361	322,482,694
205,210	205,210	JS Pension Savings Fund - Equity	86,654,082	98,131,485	86,654,082
137,349	137,349	JS Pension Savings Fund - Debt	38,530,512	41,339,299	38,530,512
177,463	177,463	JS Pension Savings Fund - Money Market	39,425,272	43,073,920	39,425,272
2,822,294	2,772,987	JS Fund of Funds	165,326,754	179,582,560	162,774,333
182,354	182,354	JS Islamic Pension Savings Fund - Equity	104,609,005	119,968,655	104,609,005
213,852	213,852	JS Islamic Pension Savings Fund - Debt	49,087,518	51,942,438	49,087,518
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	44,231,701	47,159,436	44,231,701
407,754	-	JS Islamic Daily Dividend Fund	40,775,361	40,775,361	-
123,571	-	JS Islamic Fund	12,000,000	12,367,006	-
-	157,204	JS Islamic Capital Preservation Allocation Plan 4	-	-	16,839,666
-	153,647	JS Islamic Capital Preservation Allocation Plan 5	-	-	16,609,187
			1,413,672,581	1,526,926,818	1,678,840,399
Unrealised gain on remeasurement at fair value - net			113,254,237	-	-
			1,526,926,818	1,526,926,818	1,678,840,399

11.1.1 450,000 units of JS Income Fund and 285,000 units of JS Growth Fund are pledged with JS Bank Limited against the Refinance Scheme for payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under Covid-19 relief package through its circular IH&SMEFD Circular No. 07 dated April 10, 2020.

11.2 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.

12. CASH AND BANK BALANCES

		2020 ----- Rupees -----	2019
Cash in hand		75,302	68,045
Cash at bank in:			
Current accounts	12.1	1,188,796	1,188,796
Saving accounts	12.2	8,612,430	12,609,574
		9,801,225	13,798,370
		9,876,527	13,866,415

12.1 These carry mark-up at the rates ranging from 5.50% to 13.70% (2019: 8.00% to 13.70%) per annum.

12.2 It includes Rs. 6.563 (2019: Rs.10.717) million held with JS Bank Limited (the Parent Company).

13. SHARE CAPITAL

2020 ----- Shares -----	2019		2020 ----- Rupees -----	2019
200,000,000	200,000,000	Authorised capital	2,000,000,000	2,000,000,000
50,000,000	50,000,000	Ordinary shares of Rs.10 each	500,000,000	500,000,000
250,000,000	250,000,000	Convertible preference shares of Rs.10 each	2,500,000,000	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs.10 each issued as fully paid in cash	212,500,000	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs.10 each issued on amalgamation with Confidence Financial Services Limited	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs.10 each issued as fully paid bonus shares	780,500,000	780,500,000
(38,225,744)	(38,225,744)	Shares repurchased (2015: 19.8 million and 2019: 18.4 million)	(382,257,440)	(382,257,440)
61,774,256	61,774,256		617,742,560	617,742,560

13.1 As at year end, JS Bank Limited, the Parent Company, holds 52,236,978 (2019: 52,236,978) shares in the Company.



13.2 There is only one class of ordinary shares issued.

13.3 Voting rights, board selection, right of first refusal and block voting are in proportion to their shareholding.

	Note	2020 ----- (Rupees) -----	2019 -----
14. DEFERRED LIABILITIES			
Government Grant	14.1	<u>1,301,172</u>	<u>-</u>
14.1 Movement of Government grant			
Opening balance		-	-
Received during the year		<u>4,604,021</u>	<u>-</u>
Closing balance		<u>4,604,021</u>	<u>-</u>
Current Portion of Government Grant	14.2	<u>3,302,849</u>	<u>-</u>
Long - term Portion of Government Grant		<u>1,301,172</u>	<u>-</u>
		<u>4,604,021</u>	<u>-</u>

14.2 The Government grant has been recorded against subsidized rate loan obtained to a refinance scheme introduced by State Bank of Pakistan to provide working capital loan at concessional mark-up rates for businesses to finance salary expense during the COVID-19 outbreak. The grant is conditional upon the fact that the Group would not terminate any employee, due / owing to cash flow limitations, for a period of three months from the date of receipt of the first tranche.

	Note	2020 ----- (Rupees) -----	2019 -----
15. LONG-TERM FINANCING			
- Salaries and Wages	15.1	<u>75,581,938</u>	<u>-</u>

15.1 During the year, the Group utilized Rs.80 million from JS Bank Limited against Refinance Scheme for Payment of Wages & Salaries to the Workers and Employees of Business Concerns issued by SBP under Covid-19 relief package through its circular IH&SMEFD Circular No. 07 dated April 10, 2020. This carries mark-up at the subsidised rate of 3% and is repayable latest by September 2022. The differential mark-up has been recognised as government grant (as mentioned in note 14.2) which will be amortised to mark-up income over the period of facility. The facility is secured against units of mutual funds (refer note 11.1.1).

16 DEFERRED TAXATION

	2020		
	Opening	Charge / (reversal) to profit and loss account	Closing
	Rupees		
Taxable temporary differences on:			
Revaluation on investments classified as 'at fair value through profit or loss	425,618	(106,674)	318,959
Deductible temporary differences on:			
Provision for Sindh Workers' Welfare Fund	(119,172)	(59,638)	(178,811)
	<u>306,446</u>	<u>(166,312)</u>	<u>140,148</u>

16.1 The reconciliation above relates to the subsidiary company. As of December 31, 2020, the Holding Company has accumulated losses of Rs.361.211 million and the deferred tax asset on such losses works out to Rs.104.751 million. The Holding Company has only recognised deferred tax asset on such losses to the extent of deferred tax liability of Rs.0.637 million pertaining to operating fixed assets, right of use assets, investments & lease obligation. Unrecognized deferred tax asset on carried forward business losses as at December 31, 2020 is amounting to Rs.104.114 million.

	2019		
	Opening	Charge / (reversal) to profit and loss account	Closing
	Rupees		
Taxable temporary differences on:			
Revaluation on investments classified as 'at fair value through profit or loss - held-for-trading'	270,114	155,504	425,618
Deductible temporary differences on:			
Provision for Workers' Welfare Fund	(102,735)	(16,437)	(119,172)
	<u>167,379</u>	<u>139,067</u>	<u>306,446</u>

17. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	2020	2019
	Rupees	
As at January 01	311,662,164	34,634,633
Add: Effect of adoption of IFRS 16	-	281,835,282
Interest expense	33,970,978	38,423,472
Deletion	(8,796,397)	(1,530,958)
Payments	(54,712,578)	(41,700,265)
As at December 31	<u>282,124,167</u>	<u>311,662,164</u>
Less: Current Maturity	<u>(21,974,117)</u>	<u>(46,754,598)</u>
	<u>260,150,050</u>	<u>264,907,566</u>



17.1 The liability against assets subject to finance lease represents the lease entered into with a Modaraba for 22 different vehicles (2019: 32 vehicle). The periodic lease payments include profit rates ranging from KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20% (2019: KIBOR 3M to 6M plus 1% to 1.5% with floor of 7% to 7.5% and ceiling of 20%) per annum. The Group, shall subject to compliance with the conditions specified in the lease agreements, purchase the assets from the lessor. There are no financial restriction in the lease agreements.

18. ACCRUED AND OTHER LIABILITIES	Note	2020	2019
		----- Rupees -----	----- Rupees -----
Salary payable		2,684,798	2,583,247
Staff bonus accrued		17,000,002	20,651,897
Accrued expenses		13,657,586	22,322,829
Fee and commission payable		2,391,517	6,519,476
Sales tax payable		17,862,834	19,982,152
Federal excise duty payable	18.1	92,244,587	92,244,586
Provision for Sindh Workers' Welfare Fund	18.2	11,286,127	11,080,465
Provision for Workers' Welfare Fund		170,023	273,669
Term finance - salaries and wages		3,302,850	-
Other liabilities		7,334,566	11,016,755
		167,934,889	186,675,076

18.1 This represents amount payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. The amount is being held for payment to Federal Board of Revenue on the basis of stay order of the Honorable High Court of Sindh dated September 04, 2013. The stay order was granted as a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

The Honorable Sindh High Court in its decision dated July 16, 2016 maintained the previous order passed against other constitutional petition whereby levy of FED is declared to be 'Ultra Vires' the Constitution. On September 23, 2016, the Federal Government has filed an appeal against the said order in the Honorable Supreme Court of Pakistan (SCP) and thus, the previous balance of FED has not been reversed.

Further, the Federal Government vide Finance Act, 2016 has excluded asset management companies and other non-banking finance companies from charge of FED on their services. Accordingly, no provision for FED is made from July 01, 2016 onwards.

18.2 In view of promulgation of Sindh Workers Welfare Fund Act, 2014, wherein the financial institutions have also been brought into definition of Industrial establishments, the Group has maintained an aggregated provision against Sindh Workers Welfare Fund as the year end mounting to Rs.10.839 (2019: Rs.10.839) million. The Group is under litigation with Sindh Revenue Board vide Constitution Petition No. 1005 dated February 13, 2019, filed before the Honorable Sindh High Court, which is a pending adjudication.

19. CONTINGENCIES AND COMMITMENTS

19.1.1 Contingencies

In respect of the appeals filed by the Holding Company before Commissioner Inland Revenue (Appeals) [CIR (Appeals)] against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and 66 million respectively, the CIR (Appeals) had not accepted the basis of additions by tax authorities and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

In respect of above said order of CIR (Appeals) for tax year 2006 and 2009, the Company filed second appeal before the Appellate Tribunal Inland Revenue (ATIR) in respect of apportionment of expenses. The ATIR vide order dated April 20, 2017 deleted the additions on proration of expenses for tax year 2006 however, confirmed the CIR(A)'s order whereby CIR(A) remanded back / set-aside the issue of apportionment of expenses.

The Appellate Tribunal Inland Revenue vide order dated May 21, 2016 was deleted the additions of tax amortization of management rights and remand back the issues of disallowed provisions and advertisement expenses for the tax year 2009.

The tax authorities issued orders giving effect (hereinafter referred collectively as 'appeal effect orders') to the order of CIR (Appeals) for both tax year 2006 and 2009 whereby demands for these tax years were reduced at Rs.77.33 million and Rs.59.93 million respectively. As the allocation of expenditure in the said appeal effect orders were not made according to actual incurrence of expenditure to the various sources of income, therefore, the Holding Company again filed appeals before the CIR (Appeals) against the said orders.

In respect of second round of appeal filed by the Holding Company before CIR (Appeals) against appeal effect orders for tax year 2006 and 2009, the CIR (Appeals) for tax year 2006 confirmed apportionment of expenditure made by the tax authorities in appeal effect order, however, adjustment of allowable expenses were set aside. For tax year 2009, CIR (Appeals) had set aside the appeal effect order in entirety for fresh assessment, which is yet to be made by tax authorities.

The CIR (Appeals) also rectified the order passed by his predecessor for tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs.29 million. The tax authorities have filed an appeal before ATIR against said order of CIR (Appeals) in respect of deletion of addition regarding the portion of capital gain included in dividend. The ATIR vide order dated December 07, 2016 set-aside with the direction that the ACIR should examine the issue in the light of FBR Circular letter dated September 10, 2002.

In respect of tax year 2006, management contends, based on views of its tax advisor, that amendment of assessment for such tax year by tax authorities is time barred. Accordingly, the Holding Company has filed an appeal before the Appellate Tribunal Inland Revenue. The ATIR of the view that the amendment of assessment is not time bared however, the ATIR deleted the addition of tax amortization of management right vide order dated February 10, 2017.

Order under section 122(1)/(5) dated December 30, 2017 for the tax year 2015 passed by the DCIR created demand of Rs.40 million against which Holding Company filed appeal before the CIR(A). The DCIR consider our request for rectification and passed order under section 221 dated February 27, 2017 as a result of the above order the demand reduced to Rs.36.904 million. The CIR(A) vide order dated May 6, 2019 was partly considered our submissions put before him. The DCIR passed appeal effect order dated February 17, 2020 determined refund of Rs 30.66 million. The Holding Company submitted appeal before the CIR (Appeal) against the appeal effect order. The Holding Company also submitted appeal before the ATIR against the order of the CIR(A).



The DCIR passed order under section 122(1)/(5) of the Income Tax Ordinance, 2001 dated June 23, 2014 and reduce the refund claimed of Rs.8.499 million to Rs.3.102 million for the tax year 2012. The learned CIR (Appeal) vide order dated May 06, 2019 was confirmed the ACIR's order and held that the appeal was not entertainable being barred by time limitation for the tax year 2012. The Holding Company submitted appeal before the ATIR against the order of the CIR(A).

19.1.2 Securities and Exchange Commission of Pakistan vide its order dated March 09, 2020 imposed an aggregate fine of Rs. 250,000/- on the Holding Company u/s section 40 of the SECP Act 1997. The Group has filed an appeal against the order before the Appellate Bench of the Commission which is pending.

19.2 Commitments in respect of:

Use of name and advisory payment - a related party

2020
----- Rupees -----

2019

15,000,000 15,000,000

20. REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

2020
----- Rupees -----

2019

Open end Funds

JS Value Fund	12,610,815	14,649,761
JS Growth Fund	41,940,205	32,810,531
Unit Trust of Pakistan	22,789,786	25,116,121
JS Income Fund	21,028,855	14,112,785
JS Islamic Fund	10,527,977	14,089,317
JS Fund of Funds	63,636	696,375
JS Islamic Hybrid Fund of Funds	1,441,129	96,087
JS Islamic Hybrid Fund of Funds - 2	22,795,413	72,628,480
JS Pension Savings Fund	5,576,329	5,000,813
JS Islamic Pension Savings Fund	3,076,461	2,741,747
JS Cash Fund	19,747,303	7,610,796
JS Islamic Income Fund	4,346,153	5,060,511
JS Islamic Dedicated Equity Fund	13,520,260	11,142,944
JS Large Cap Fund	9,513,124	12,490,021
JS Islamic Hybrid Fund of Funds - 3	4,013,375	6,083,696
JS Motion Picture Fund	2,245,303	273,129
JS Islamic Daily Dividend Fund	225,356	
	195,461,479	224,603,114
	195,461,479	224,603,114
Less: Sindh sales tax	(22,486,719)	(25,829,884)
	172,974,760	198,773,230

20.1 Under the provisions of the NBFC Regulations and the NBFC Rules, the management Holding Company of the Fund is entitled to an accrued remuneration at the maximum rate of management fee chargeable to Collective Investment Scheme within allowed expense ratio limit. An Asset Management Company shall be entitled to an accrued remuneration that has been verified by the trustee and is paid in arrears. During the year ended December 31, 2020 the Group has charged management fee at the rates ranging from 0.00% to 2.00% (2019: 0.00% to 2.00%).

20.2 Total net asset value of the Funds under management (excluding discretionary client portfolios) as at December 31, 2020 amounts to Rs.24.002 (2019: Rs.23.37) billion.

21. COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT	Note	2020	2019
		----- Rupees -----	
Unit Trust of Pakistan		27,175	50,554
JS Islamic Fund		65,380	17,290
JS Fund of Funds		444	1,033
JS Value Fund		9,651	18,738
JS Growth Fund		319,792	30,986
JS Islamic Income Fund		211,151	37,088
JS Income Fund		14,517	72,224
JS Pension Savings Fund		24,412	48,238
JS Islamic Pension Savings Fund		3,390	16,175
JS Cash Fund		695,156	150,054
JS Large Cap Fund		162,230	217,242
JS Islamic Hybrid Fund of Funds - 2		-	186,031
JS Islamic Hybrid Fund of Funds - 3		2,561,364	140,679
JS Islamic Hybrid Fund of Funds		1,476	8,072,033
21.1		<u>4,096,138</u>	<u>9,058,365</u>

21.1 This represents gross commission income earned by the Group on account of sale of units made on behalf of the funds under management.



22. DIVIDEND INCOME

2020 2019
----- Rupees -----

'At fair value through profit or loss - held-for-trading' - Funds under Management

JS Income Fund	6,465,323	7,241,934
JS Islamic Income Fund	-	5,669,513
JS Cash Fund	61,415	10,222,692
JS Islamic Hybrid Fund of Fund-2	-	1,764,500
JS Islamic Active Allocation Plan	-	342,920
JS Motion Picture Fund	30,000	-
JS Fund of Funds	3,002,848	-
JS Growth Fund	11,423,404	-
JS Value Fund	238,671	-
JS Islamic Daily Dividend Fund	888,079	-
	<u>22,109,741</u>	<u>25,241,559</u>

23. REMUNERATION AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS AND NON DISCRETIONARY CLIENT PORTFOLIO

This represents commission income and share of profit earned by the Group from management of discretionary portfolios and non-discretionary portfolio. Currently, the Group is managing Eleven (2019: Twelve) discretionary and One (2019: One) non-discretionary portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2020 was Rs.1,813.769 (2019: Rs.1,431.804) million and Rs.1,822.239 (2019: Rs.1,437.605) million respectively.

	Note	2020 ----- Rupees -----	2019 ----- Rupees -----
24. ADMINISTRATIVE AND MARKETING EXPENSES			
Salaries and benefits		104,750,962	90,815,820
Directors' fee		900,000	875,000
Staff retirement benefits	24.2	6,578,254	7,181,183
Staff bonus		17,000,000	26,727,501
Amortisation of intangible assets	6	4,977,922	4,601,830
Depreciation	5.1 & 5.2	70,362,524	77,838,441
Printing and stationery		2,376,084	2,621,643
Rent, rates, taxes and maintenance		4,358,067	6,704,988
Travelling, conveyance and vehicle maintenance		10,613,202	15,256,639
Share registrar / transfer agent remuneration		455,000	665,919
Postage and telephone		2,198,867	4,201,568
Legal and professional		16,508,427	22,717,986
Fees and subscription		9,409,322	12,883,512
IT services		18,230,815	19,966,246
Utilities		6,528,068	6,003,431
Office security		771,271	656,944
Insurance		7,713,598	8,822,194
Newspaper		49,386	88,990
Use of name and advisory fee	24.3	15,000,000	15,000,000
Shariah advisory fee	24.4	73,774	46,461
Auditors' remuneration	24.5	1,999,620	1,917,460
Training and development		162,996	958,854
Miscellaneous expenses		3,282,623	10,978,250
		304,300,782	337,532,506

	2020 ----- Rupees -----	2019 ----- Rupees -----
24.1 Number of employees at the end of the year	97	120
Average number of employees during the year	100	138

24.2 Based on un-audited financial statements of the Fund, the investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the Rules formulated for this purpose.

24.3 This represents the "Use of Name" on account of use of "JS" as a part of Group's name and "Advisory" fees paid to Mr. Jahangir Siddiqui (associated person) under two separate agreements dated August 01, 2006. His current address is House no. D-185, Clifton, Karachi.



24.4 This represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund, JS Islamic Income Fund, JS Islamic Hybrid Fund of Funds series, JS Islamic Daily Dividend Fund and JS Islamic Dedicated Equity Fund.

	2020	2019
	----- Rupees -----	
24.5 Auditors' remuneration		
Annual audit fee	1,245,000	1,095,000
Fee for review of the statement of compliance on Code of Corporate Governance	75,000	70,000
Fee for review of half yearly financial statements	290,000	260,000
	1,610,000	1,425,000
Out of pocket expenses	241,500	109,948
Sindh sales tax	148,120	382,512
	1,999,620	1,917,460

	Note	2020	2019
		----- Rupees -----	
25. SELLING AND DISTRIBUTION EXPENSES			
Salaries and benefits		45,697,220	60,257,512
Staff retirement benefits	24.2	2,196,533	2,811,272
Utilities		1,967,977	2,229,343
Postage and telephone		677,790	931,176
Office security		763,554	812,916
Printing and stationery		97,322	132,926
Rent, rates, taxes and maintenance		7,931,715	8,582,290
IT services		4,086,720	1,672,623
Travelling, conveyance and vehicle maintenance		1,897,354	2,206,943
Fees and commission		15,482,275	23,380,050
Advertisement, selling and marketing expense		3,760,373	10,831,542
Miscellaneous expenses		480,297	-
		85,039,129	113,848,593
Less: Reimbursement of selling and distribution expenses	25.1	(52,233,344)	(21,686,242)
		32,805,785	92,162,351

25.1 Circular 11/2019 dated July 05, 2019 of SECP, that superseded Circular No. 40 of 2016, Circular No. 05, of 2017 and Circular No. 05, of 2018. In this circular Selling and Marketing expense are allowed to be charged on all categories of Opened end Mutual Funds managed by Asset Management Company except Fund of Funds. These expenses are counted in the Total Expense Ratio Cap of the Fund.

	Note	2020 ----- Rupees -----	2019 -----
26. FINANCIAL CHARGES			
Bank charges		123,513	78,894
Interest expenses on Term Finance (Wages & Salaries)		918,026	-
Financial charges for liability against assets subject to finance lease		33,970,978	38,344,578
		35,012,517	38,423,472
27. OTHER INCOME			
Income from financial assets			
Mark-up on loans to employees		83,248	179,675
Reversal of provision against Workers' Welfare Fund		-	57,619,058
Liabilities no longer required written back		6,545,975	6,205,974
Income from non-financial assets			
Gain on disposal of property and equipment	4.1.2	8,191,921	519,828
Rental income		-	6,842,181
		14,821,145	71,366,716
28. TAXATION - Net			
Current		17,782,279	25,679,816
Prior years		-	2,665,753
Deffered		(166,313)	139,067
		17,615,966	28,484,636

28.1 The Group computes tax provisions based on the generally accepted interpretations of the tax laws to ensure that sufficient provision for the purpose of taxation is available. Accordingly, the management of the Group has assessed the sufficiency of the tax provisions and believes that the tax provisions are sufficient to reflect the actual tax liability of the Group.

28.2 The income tax assessments of the Holding and Subsidiary Company has been finalized up to and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 to 2020 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax Ordinance, 2001. The details of tax years 2006 and 2009 have been described in note 19.1 above.

28.3 The numerical reconciliation is not provided as the tax charge of the Group is mainly comprise of minimum tax and tax at reduced rates under the relevant sections of Income Tax Ordinance, 2001.



29. EARNINGS PER SHARE - Basic and diluted

	2020	2019
	----- Rupees -----	
Loss for the year after taxation	(35,558,040)	(86,645,215)
	----- Number of shares -----	
Weighted average number of ordinary shares outstanding during the year	61,774,256	61,774,256
Loss per share (Rupees)	(0.58)	(1.40)

29.1 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2020 and December 31, 2019 which would have any effect on the earnings per share if the option to convert is exercised.

30. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Group are as follows:

	Chief Executive Officer		Executives *	
	2020	2019	2020	2019
	----- Rupees -----			
Managerial remuneration	18,545,460	16,800,000	77,544,756	75,977,353
Bonus paid	4,000,000	5,000,000	9,152,966	13,342,601
Car allowance	-	-	-	-
Retirement benefits	1,359,384	1,231,440	4,716,613	5,529,637
Medical allowance	1,854,540	1,680,000	7,754,452	7,597,754
Other benefits	29,256	30,720	5,051,610	4,478,429
	25,788,640	24,742,160	104,220,398	106,925,774
Number of persons	1	1	23	28

30.1 These represent executives as prescribed under the Companies Act, 2017.

30.2 The Chief Executive Officer of the Group is provided with free use of company owned and maintained vehicle during the year.

30.3 The Group may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

30.4 In addition, meeting fee amounting to total Rs.900,000 (2019: Rs.875,000) was paid to three non-executive directors for meetings attended during the year (2019: two non-executive directors). The non-executive directors are not entitled to any remuneration except meeting fee.

30.5 The number of persons does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

31. TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

Related parties comprise of JS Bank Limited (parent company), Jahangir Siddiqui & Co. Ltd. (ultimate parent company), JS Abamco Commodities Limited (subsidiary 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:

2020 2019
----- Rupees -----

31.1 Transactions during the year

31.1.1 Funds under management

Remuneration - net of taxes	172,974,760	198,773,230
Commission received	4,096,138	9,058,365
Investments made	268,919,192	1,955,173,329
Investments disposed off / matured	546,496,451	1,899,205,309
Amount paid	67,871,605	46,374,316
Amount received	67,860,813	37,911,873
Dividend received	15,644,418	20,613,046

31.1.2 Jahangir Siddiqui & Co. Ltd. (JSCL)

Basis of relationship - Ultimate parent company

Percentage of shareholding - JSCL holds 75.02% shares of JS Bank Limited (JSBL)

Amount paid	-	45,667
Amount received	-	45,667
Rent Paid	225,000	-
Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Holding Company	2,397,000	4,197,000



	2020	2019
	----- Rupees -----	
31.1.3 JS Bank Limited (JSBL)		
Basis of relationship - Parent company		
Percentage of shareholding - JSBL holds 84.56% shares of the Holding Company		
Proceeds received from disposal of office premises	-	606,831,542
Proceeds received from disposal of office equipment and furniture and fixtures	-	467,458
Rent received	-	2,763,395
Rent paid	2,676,634	3,434,874
Management fee sharing on distribution of mutual funds	9,667,565	23,955,467
Amount paid	-	1,964,474
Amount received	-	1,195,641
Return on bank deposits	3,224,053	7,289,172
Amount received against Refinance Scheme for Salaries and Wages	80,185,959	-
31.1.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Rent received	-	2,704,176
Amount paid	-	618,175
Amount received	101,780	1,675,202
31.1.5 Associated company - JS Private Equity (JSPE)		
Basis of relationship - Common Substantial Shareholder		
Rent received	-	917,910
Amount paid	-	2,346,023
Amount received	720,197	-

	2020	2019
	----- Rupees -----	
31.1.6 Associated company - Mahvash & Jahangir Siddiqui Foundation (MJSF)		
Basis of relationship - Common directorship of the Group		
Rent received	-	330,940
Amount paid	-	223,048
Amount received	-	375,819
31.1.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - common directorship of the Group		
Amount paid	-	62,821
31.1.8 Associated company - EFU General Insurance		
Percentage of shareholding - JSCL holds 21.10%		
Insurance premium paid	3,473,278	3,590,700
30.1.9 Associated company - EFU Life Assurance		
Percentage of shareholding - JSCL holds 20.05%		
Insurance premium paid	1,728,866	2,202,835
31.1.10 Associated company - JS Investments Limited Staff Provident Fund (the Fund)		
Basis of relationship - Employee benefit plan		
Amount paid	299,797	120,884
Amount received	299,797	120,884
Provident fund contributions made	8,774,787	9,992,454
31.1.11 Associated company - JS Global Capital Limited (JSGCL)		
Basis of relationship - JSBL holds 83.53% shares of JSGCL		
Amount paid	628,235	566,669
Amount received	782,553	45,667



	2020	2019
	----- Rupees -----	
31.1.12 Common Substantial Shareholder - JS Lands (Private) Limited		
Basis of Relationship - Common Substantial Shareholder		
Rent paid	37,940,000	36,422,400
Amount paid	15,171,246	17,074,352
31.1.13 Common Directorship - Future Trust		
Basis of relationship - common directorship of the Company		
Donation paid	-	745,747
31.1.14 Transactions made with key management personnel		
Remuneration	112,120,461	97,424,985
Directors' fee	900,000	875,000
Disbursements of personal loans and advances	3,348,000	4,116,105
Repayments of loans and advances	2,994,084	3,321,125
Royalty and Advisory for the period	15,000,000	15,000,000
31.2 Balance outstanding with related parties		
31.2.1 Funds under management		
Basis of relationship - Funds managed by the Holding Company		
Receivable from funds under management	131,242,385	145,494,632
Payable to funds under management	337,601	3,010,722
31.2.2 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 receivables	-	23,372
Other Payables	75,000	75,000
Payable against Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Holding Company		2,397,000

	2020	2019
	----- Rupees -----	
31.2.3 JS Bank Limited (JSBL)		
Basis of Relationship - parent company		
Percentage of Shareholding - JSBL holds 84.56% shares of JSIL		
Bank balance	6,563,839	10,717,477
Other receivable	1,465,064	1,465,064
Rent payable	33,942	56,570
Rent receivable	2,409,149	2,409,149
Dividend payable	-	208,947,912
Other payable	80,925,089	5,595,075
31.2.4 Associated company - Jahangir Siddiqui & Sons Limited (JSSONS)		
Basis of relationship - Common directorship of JSCL		
Other receivable	558,385	660,165
Rent receivable	2,486,352	2,486,352
30.2.5 Associated company - JS Private Equity (JSPE)		
Basis of relationship - Common Substantial Shareholder		
Other receivable	1,625,826	2,346,023
Rent receivable	930,938	930,938
31.2.6 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
31.2.7 Associated company - Fakhr-e-Imdad Foundation (FIF)		
Basis of relationship - Common directorship of the Group		
Other receivable	1,017,169	1,017,169



	2020	2019
	----- Rupees -----	

31.2.8 Associated company - JS Global Capital Limited (JSGCL)

Basis of relationship - JSBL holds 83.53% shares of JSGCL

Other receivable	782,674	878,581
Rent receivable	181,957	181,957
Rent payable	1,272,831	1,272,831

31.2.9 Common Substantial Shareholder - JS Lands (Private) Limited

Basis of Relationship - Common Substantial Shareholder

Other payable	1,233,285	626,010
Other receivable	-	242,000

31.2.11 Outstanding from key management personnel	1,758,994	1,406,580
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31.2.11 Key management personnel hold 3,008 shares in the Holding Company

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

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

31.5 There are no transactions with key management personnel other than under their terms of employment.

31.6 Details of the remuneration relating to Chief Executive officer, directors and executive are disclosed in note 30 the financial statements.

2020	2019
----- Rupees -----	

32. CASH AND CASH EQUIVALENTS

Cash and bank balances	9,876,527	13,440,272
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33. FINANCIAL RISK MANAGEMENT

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate and other price risk), credit risk and liquidity risk. Risk of the Group are being managed by the Group's management in accordance with the approved policies of the investment committee which provide broad guidelines for management of above mention risks. The Board of Directors of the Group has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group financial assets primarily comprise of balance with banks, balances due from funds under management - related parties, loans and advances - considered good, other financial assets - investments classified as: 'At fair value through profit or loss - held-for-trading' - units of mutual funds - related parties. The Group also has profit receivable, deposits and other receivables. The Group's principal financial liabilities includes accrued and other liabilities.

33.1 Market risk

Market risk is the risk that the fair value or the future cash flows of a financial instrument may fluctuate as a result of changes in market prices.

The Group manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and investment guidelines approved by the Board and regulations laid down by the SECP, the NBFC Regulations and the NBFC Rules.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

33.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group, at present is not exposed to currency risk as all transactions were carried out in Pak Rupees.

33.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

a) Sensitivity analysis for variable rate instruments

Presently, the Group does not hold any variable profit based investment except balances with bank in deposit account and investment in term finance certificate exposing the Group to cash flow profit rate risk. In case of 100 basis points increase / decrease as on December 31, 2020, with all other variables held constant, the equity of the Group and net profit for the year would have been higher / lower by Rs.1.331 (2019: Rs.1.372) million.

b) Sensitivity analysis for fixed rate instruments

As at December 31, 2020 the Group does not hold any fixed rate instruments, therefore the Group is not exposed to fair value profit rate risk.

Yield / interest rate sensitivity position for on-balance sheet financial instruments is based on the earlier of contractual repricing or maturity date and for off-balance sheet instruments is based on the settlement date.



2020						
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.15% to 13.74%	-	-	481,128	-	481,128
Balances due from funds under management - related parties		-	-	-	109,501,155	109,501,155
Loans and advances - considered good	5.15% to 13.74%	-	696,502	-	-	696,502
Trade deposits and other receivables		-	-	-	47,917,920	47,917,920
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	6M KIBOR+1.50%	-	-	125,000,000	1,526,926,818	1,651,926,818
'Available-for-sale'		-	-	-	-	-
Cash and bank balances	8.00% - 13.70%	8,612,430	-	-	1,264,098	9,876,527
		8,612,430	696,502	125,481,128	1,685,609,990	1,820,400,050
Financial liabilities						
Accrued and other liabilities		-	-	-	35,585,783	35,585,783
Liability against asset subject to finance lease		3,781,754	18,192,363	260,150,050	-	282,124,167
		3,781,754	18,192,363	260,150,050	35,585,783	317,709,950
On-balance sheet gap						
		4,830,676	(17,495,861)	(134,668,922)	1,650,024,208	1,502,690,100
2019						
Yield / effective interest rate (%)	Exposed to yield / interest rate risk			Not exposed to yield / interest risk	Total	
	Upto three months	More than three months and upto one year	More than one year			
----- (Rupees) -----						
On-balance sheet financial instruments						
Financial assets						
Long-term loans - considered good	5.15% to 13.74%	-	-	1,221,942	-	1,221,942
Balances due from funds under management - related parties		-	-	-	123,073,939	123,073,939
Loans and advances - considered good	5.15% to 13.74%	-	748,771	-	-	748,771
Trade deposits and other receivables		-	-	-	49,567,622	49,567,622
Other financial assets - investments classified as:						
'At fair value through profit or loss - held-for-trading'	6M KIBOR+1.50%	-	-	125,000,000	1,616,945,710	1,741,945,710
'Available-for-sale'		-	-	-	-	-
Cash and bank balances	8.00% - 13.70%	12,203,631	-	-	1,236,641	13,440,272
		12,203,631	748,771	126,221,942	1,790,823,912	1,929,998,256
Financial liabilities						
Accrued and other liabilities		-	-	-	62,358,617	62,358,617
Liability against asset subject to finance lease		3,781,754	42,972,844	264,907,566	-	311,662,164
		3,781,754	8,005,448	34,634,633	62,358,617	374,020,781
On-balance sheet gap						
		18,577,440	(7,200,058)	92,016,455	1,728,465,295	1,555,977,475

33.1.3 Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or factors affecting all instruments traded in the market. The Group manages its exposure to price risk by investing in Groups as per the trust deed.

In case of a 5% increase / decrease in rates determined by MUFAP as on December 31, 2020, the equity of the Group would increase / decrease by Rs.73.014 (2019: Rs.80.847) million, as a result of reduction / increase in unrealized gains / (losses).

33.2 Credit risk

Credit risk arises from the inability of the issuers of the instruments, the relevant financial institutions or counter parties to fulfil their obligations. There is a possibility of default of issuers of the instrument, financial institutions or counter parties.

Management of credit risk

The Group's policy is to enter into financial contracts with reputable counterparties in accordance with the internal risk management policies and investment guidelines approved by the Board of Directors. The Investment Committee closely monitors the creditworthiness of the Group's counterparties (e.g. issuer of the instruments, brokers, banks, etc.) by reviewing their credit ratings, financial statements and press releases on a regular basis. In addition the credit risk is also minimized due to the fact that the Group only invests in liquid equity and money market based collective investment schemes (CIS).

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date is as follows:

	2020	2019
	----- Rupees -----	
Long-term loans - considered good	481,128	1,221,942
Balances due from funds under management - related parties	109,501,155	123,073,939
Loans and advances - considered good	696,502	748,771
Trade deposits and other receivables	47,917,920	49,567,622
Other financial assets - investments	1,651,926,818	1,741,945,710
Cash and bank balances	9,876,527	13,440,272
	<u>1,820,400,050</u>	<u>1,929,998,256</u>

Past due or impaired financial assets

None of the financial assets are considered to be past due or impaired as at December 31, 2020.

Concentration of the credit risk

Concentration of credit risk exists when changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.



83.29% (2019: 90.29%) of the financial assets aggregating to Rs.1,460.292 (2019: Rs.1,616.945) million are invested in the Funds managed by the Group. The Group believes that underlying assets held by these funds are sufficiently diverse and therefore do not expose the Group to any major concentration risk.

Details of the credit ratings of the bank balances are as follows:

	2020	2019
	Bank balances	
	----- % -----	
AAA	11.57%	0.4%
AA+	4.54%	0.2%
AA-	83.89%	91.4%
AA	-	8.0%

33.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business.

Maturity analysis for financial liabilities

The table below analyse the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	2020				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	----- (Rupees) -----				
Liabilities					
Accrued and other liabilities	35,585,783	11,166,395	24,419,388	-	-
Liabilities against assets subject to finance lease	282,124,167	1,269,535	2,512,219	18,192,363	260,150,050
	317,709,950	12,435,930	26,931,607	18,192,363	260,150,050

	2019				
	Carrying value	Upto one month	More than one month upto three months	More than three months and upto one year	More than one year
	----- (Rupees) -----				
Liabilities					
Accrued and other liabilities	62,358,617	11,166,395	51,192,222	-	-
Liability against assets subject to finance lease	311,662,164	1,269,535	2,512,219	42,972,844	264,907,566
	<u>374,020,781</u>	<u>12,435,930</u>	<u>53,704,441</u>	<u>42,972,844</u>	<u>264,907,566</u>

33.4 Financial instruments by category

	2020			
	Amortized Cost	At fair value through profit and loss	Fair value through other comprehensive income	Total
	----- (Rupees) -----			
Assets				
Long-term loans - considered good	481,128	-	-	481,128
Balances due from funds under management - related parties	109,501,155	-	-	109,501,155
Loans and advances - considered good	696,502	-	-	696,502
Trade deposits and other receivables	47,917,920	-	-	47,917,920
Other financial assets - investments	-	1,651,926,818	-	1,651,926,818
Cash and bank balances	1,264,098	-	-	1,264,098
	<u>159,860,803</u>	<u>1,651,926,818</u>	<u>-</u>	<u>1,811,787,620</u>

	2020	
	Amortised cost	Total
	----- (Rupees) -----	
Liabilities		
Accrued and other liabilities	35,585,783	35,585,783
Liability against asset subject to finance lease	282,124,167	282,124,167
	<u>317,709,950</u>	<u>317,709,950</u>



2019

	Loans and Receivables	At fair value through profit and loss' - held- for-trading	Available-for- sale	Total
	----- (Rupees) -----			
Assets				
Long-term loans - considered good	1,221,942	-	-	1,221,942
Balances due from funds under management - related parties	123,073,939	-	-	123,073,939
Loans and advances - considered good	748,771	-	-	748,771
Trade deposits and other receivables	49,567,622	-	-	49,567,622
Other financial assets - investments	-	1,741,945,710	-	1,741,945,710
Cash and bank balances	1,236,641	-	-	1,236,641
	<u>175,848,915</u>	<u>1,741,945,710</u>	<u>-</u>	<u>1,917,794,625</u>

2019

	Amortised cost	Total
	----- (Rupees) -----	
Liabilities		
Accrued and other liabilities	62,358,617	62,358,617
Liability against asset subject to finance lease	311,662,164	311,662,164
	<u>374,020,781</u>	<u>374,020,781</u>

34. 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 half year by the level in the fair value hierarchy into which the fair value measurement is categorised:

	2020			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets at fair value through profit or loss				
Units of mutual funds - related parties	-	1,526,926,818	-	1,526,926,818
Term finance certificate	-	125,000,000	-	125,000,000
	-	1,651,926,818	-	1,651,926,818
	2019			
	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	-	1,678,840,399	-	1,678,840,399
Term finance certificate	-	125,000,000	-	125,000,000
	-	1,803,840,399	-	1,803,840,399



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

33.1.1 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.

33.1.2 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).

34.2 During the year ended December 31, 2020, 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.

35. CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximize shareholder value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

36. GENERAL

36.1 These consolidated financial statements were authorised for issue on February 19, 2021 by the Board of Directors of the Group.

36.2 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 Group has sufficient insurance coverage from an insurance Group, 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.

36.3 Corresponding figures have been reclassified / re-arranged wherever necessary to facilitate comparison in the presentation in the current year. However, there are no material reclassification / re-arrangement to report.

36.4 The figures in the consolidated financial statements have been rounded off to the nearest rupees.

Chief Executive Officer

Chief Financial Officer

Director

PATTERN OF SHAREHOLDING

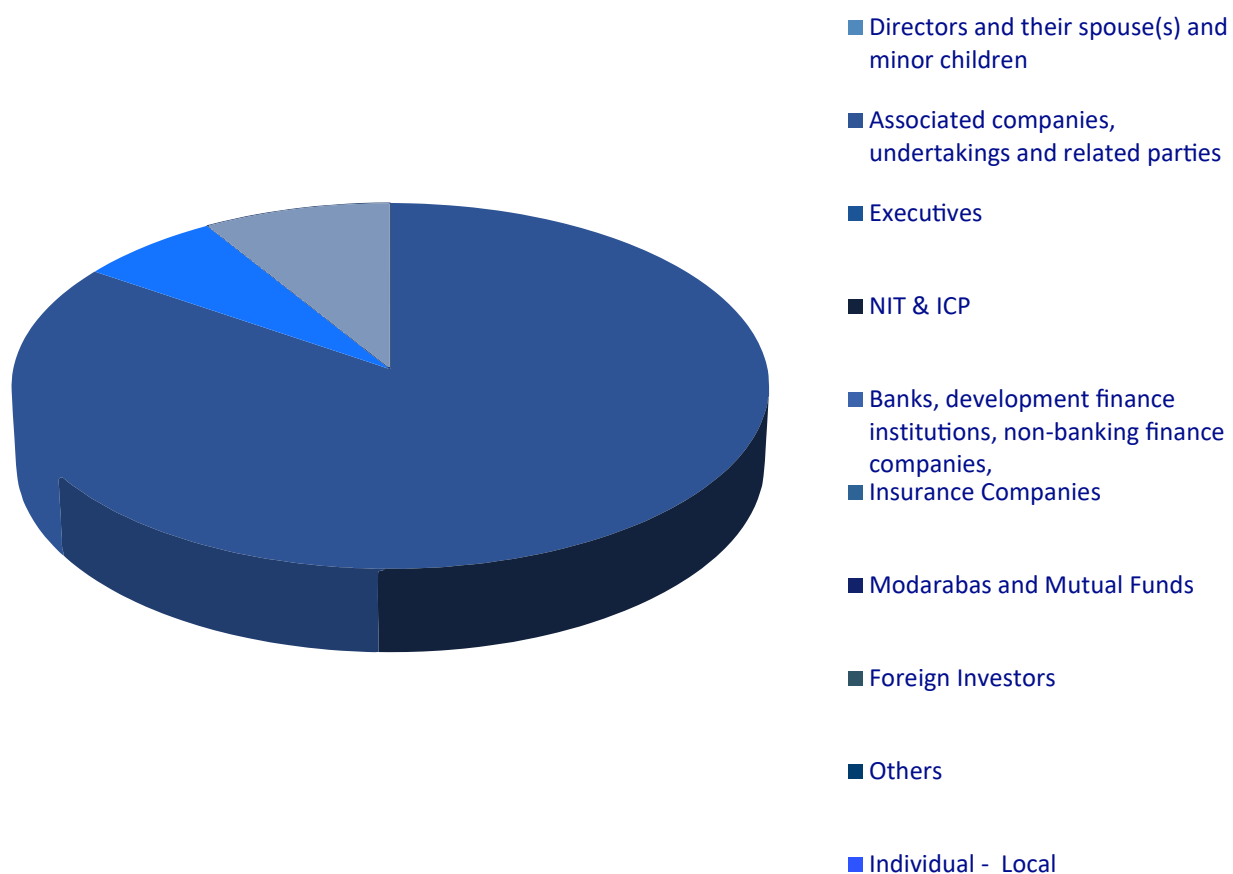
AS ON DECEMBER 31, 2020

No Of Shareholders	Shareholdings' Slab			Total Shares Held
514	1	to	100	8,276
525	101	to	500	230,554
196	501	to	1000	186,445
225	1001	to	5000	608,058
58	5001	to	10000	465,241
15	10001	to	15000	204,700
17	15001	to	20000	321,755
4	20001	to	25000	90,100
1	25001	to	30000	27,000
3	30001	to	35000	99,000
1	35001	to	40000	40,000
3	45001	to	50000	150,000
2	50001	to	55000	104,000
1	55001	to	60000	56,000
1	60001	to	65000	62,000
2	65001	to	70000	136,500
4	70001	to	75000	294,822
1	80001	to	85000	82,500
2	95001	to	100000	199,168
1	110001	to	115000	113,100
1	115001	to	120000	116,000
1	125001	to	130000	130,000
1	140001	to	145000	144,000
1	150001	to	155000	152,059
1	170001	to	175000	171,500
1	200001	to	205000	202,000
1	245001	to	250000	250,000
1	295001	to	300000	300,000
1	325001	to	330000	330,000
1	430001	to	435000	433,500
1	475001	to	480000	480,000
1	3345001	to	3350000	3,349,000
1	52235001	to	52240000	52,236,978
1587				61,774,256



Category of Shareholders	Shareholders	Shares Held	Per %
Directors and their spouse(s) and minor children			
MR. SULEMAN LALANI	1	2	0.00
MR. KAMRAN JAFAR	1	1	0.00
MR. ASIF REZA SANA	1	1	0.00
MR. HASNAIN RAZA NENSEY	1	3	0.00
MR. TAHIR ALI SHEIKH	1	1	0.00
HASAN SHAHID	1	1,000	0.00
AISHA FARIEL SALAHUDDIN	1	500	0.00
		1,508	0.00
Associated companies, undertakings and related parties			
J S BANK LIMITED.	1	52,236,978	84.56
JAHANGIR SIDDIQUI & SONS LIMITED	1	5	0.00
		52,236,983	84.56
Executives			
MR. MUHAMMAD KHAWAR IQBAL	1	1,001	0.00
MR. ZAFAR IQBAL AHMED	1	501	0.00
		1,502	0.00
NIT & ICP	0	-	-
Banks, development finance institutions, non-banking finance companies,			
TRUSTEE NATIONAL BANK OF PAKISTAN EMPLOYEES PENSION FUND	1	3,152	0.01
NATIONAL BANK OF PAKISTAN	1	19	0.00
		3,171	0.01
Insurance Companies			
STATE LIFE INSURANCE CORP. OF PAKISTAN	1	5,215	0.01
		5,215	0.01
Modarabas and Mutual Funds			
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	3,349,000	5.42
CDC - TRUSTEE GOLDEN ARROW STOCK FUND	1	433,500	0.70
		3,782,500	6.12
Foreign Investors	1	4,514	0.01
		4,514	0.01
Others	19	315,696	0.51
		315,696	0.51
Individual - Local	1551	5,423,167	8.78
		5,423,167	8.78
Totals	1587	61,774,256	100.00

Share holders holding 5% or more		Shares Held	Percentage
J S BANK LIMITED.	1	52,236,978	84.56
CDC - TRUSTEE AKD OPPORTUNITY FUND	1	3,349,000	5.42





FORM OF PROXY

ANNUAL GENERAL MEETING

The Company Secretary,
JS Investments Limited
 19th Floor, The Centre, Plot # 28,
 SB-5 Abdullah Haroon Road,
 Saddar, Karachi-75600

I/We _____ of _____ being member(s) of JS Investments Limited, holding _____ ordinary shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS) _____ hereby appoint Mr. / Mrs. / Miss _____ of _____ (Folio no. CDC A/c No.) _____ or failing him/her Mr. / Mrs. / Mss _____ of _____ (Folio no. CDC A/c No.) _____ being member of the company, as my / our proxy to attend, act and vote for me / us and my / our behalf at the Annual General Meeting of the Company to be held on April 09, 2021 and / or any adjournment thereof.

As witness my / our hand seal this _____ day of _____, 2021.

Signed by _____

In the presence of _____

Witnesses:

1. Name _____
 Signature _____
 Address _____

 CNIC / Passport No. _____

2. Name _____
 Signature _____
 Address _____

 CNIC / Passport No. _____

Signature on Rs. 5/-
 Revenue Stamp

The Signature should
 agree with the specimen
 registered with the

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
2. This proxy form, duly completed and signed, must be received at the office of Company situated at The Centre, 19th Floor, Plot # 28 SB-5, Abdullah Haroon Road, Saddar Karachi- 75600 not later than 48 hours before the scheduled time of the meeting.
3. No person shall act as proxy unless he / she himself / herself is a member with the Company, except that a Corporation may appoint a person who is not a member.
4. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
5. Beneficial Owner of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxy are required to produce their original CNIC or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature shall be submitted along with proxy form.

**AFFIX
CORRECT
POSTAGE**

The Company Secretary
JS Investments Limited
19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road,
Saddar, Karachi-75600

درست ٹکٹ چپائیں

کمپنی سیکرٹری،
جے ایس انویسٹمنٹس لمیٹڈ،
دی سینٹر، اینسوین منزل،
پلاٹ 28، SB-5،
عبداللہ ہارون روڈ،
صدر، کراچی، 74400

ANNUAL REPORT 2020

Karachi (Head Office)

19th Floor, The Centre, Plot # 28,
SB-5 Abdullah Haroon Road, Saddar,
Karachi-75600
Tel: (92-21) 111-222-626



Toll free: 0800-00887 | Email: ir@jsil.com | SMS Invest to 8027 | Web: www.jsil.com

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