JS investments

Better Investments for a Better Future!

Shaping Tomorrow's Solutions, Today!

HALF YEARLY REPORT
JUNE 30, 2024

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

Chief Executive Officer
Ms. Iffat Zehra Mankani

Chief Financial Officer
Mr. Raheel Rehman

Chief Investment Officer
Mr. Hussain Haider

Chief Operating Officer & Company Secretary
Mr. Muhammad Khawar Iqbal

Statutory Auditors
KPMG Taseer Hadi & Co, Chartered Accountants

Legal Advisors
Bawaney and Partners

BOARD COMMITTEES

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

Human Resource & Remuneration Committee
Ms. Aisha Fariel Salahuddin (Chairperson)
Mr. Suleman Lalani
Ms. Iffat Zehra Mankani

Executive Risk Management Committee
Mr. Suleman Lalani (Chairman)
Ms. Iffat Zehra Mankani
Mr. Atif Salim Malik

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

Vision

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

Mission

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

DIRECTORS REPORT TO THE SHAREHOLDERS

FOR THE PERIOD ENDING JUNE 30, 2024

"We are pleased to present JS Investments Limited's (JSIL) financial statements for the period ending June 30, 2024."

ECONOMIC REVIEW:

The first half of the calendar year 2024 has been marked by significant political and economic developments in Pakistan. The transition to a new government, despite initial uncertainties, provided immediate direction for the country, particularly reassuring given the acute challenges faced in recent years. Additionally, the macroeconomic framework under the IMF's Stand-By Agreement (SBA), which included a short-term US$3 billion funding facility signed in June of the previous year and executed mainly by the caretaker government, concluded at the end of April with a final disbursement of US$1 billion.

Turning to the real economy, robust growth of 6.5% in agriculture, encompassing all major crops and livestock, significantly boosted the provisional GDP growth for FY24 to 2.38%, surpassing projections from the IMF (2%), ADB (1.9%), and the World Bank (1.8%). This underscores the economy's resilience. During this period, two key macroeconomic events were the easing of monetary policy and the simultaneous tightening of fiscal policy, trends expected to continue into the next fiscal year. The impact of these policies on overall economic growth will be critical, especially as the industry faces a highly challenging business environment characterized by cost-push inflation and sluggish demand.

The Federal Budget for FY25 envisions a substantial 40% increase in FBR revenues, with the government projecting an inflation rate of 12% and a real GDP growth rate of 3.6%. According to the government's estimates presented in the budget, the fiscal deficit, recorded at 6.8% for FY24, has improved from the revised estimate of 7.4% outlined in the latest budget documents. It is further projected to decline to 5.9% for FY25.

The external account experienced considerable strengthening, with SBP FX Reserves more than doubling from their lows at the end of June 2023 to reach US$9.4 billion by the end of June 2024. The Pakistani rupee appreciated by 2.8%, closing at 278 against the US dollar. The current account deficit for FY24 saw a significant reduction to US$681 million, compared to US$3,275 million in FY23, instilling confidence in the balance of payments situation. Building on this, Pakistan's upcoming new and larger funding program with the IMF holds paramount importance, as it will significantly strengthen the country's fundamental macroeconomic pillars, particularly fiscal operations, while also providing essential support for managing external debt obligations.

MONEY MARKET REVIEW

During the period under discussion, the yield curve shifted markedly downward, with yields falling across all tenors. The most notable decline was observed in the 12-month paper, which closed at 18.68%, down by 264 basis points from the end of December 2023. In June, the SBP's Monetary Policy Committee (MPC) cut the policy rate by 150 basis points. This decision followed a more-than-expected drop in the headline inflation rate for May, which stood at 11.8%, primarily due to a decline in food inflation.

The steady accumulation of FX reserves and the softening inflation outlook gradually instilled market confidence, reflected in higher participation levels in 12M T-Bill in recent auctions. The offer-to-target ratio in the auctions for the 12M tenor almost doubled to 5.9x during the first half of 2024 compared to the preceding six months. M2 growth continued to be driven by government borrowings, which is evident in the continuously rising trend of net outstanding liquidity injections via open market operations (OMOs).

EQUITY MARKET REVIEW

The equity market remained strong during the first half of 2024, continuing the bull rally that began in July of the previous year following the signing of the IMF's SBA funding facility. The KSE-100 index surged by 25.6%, closing at 78,445. Similarly, other key equity indices, such as the KSE-30 Total Return Index and the KMI-30 Index, rose by 28.7% and 20.7%, respectively, by the end of June 2024. The notable performance disparity between the conventional indices (KSE-100 and KSE-30) and the Shariah-compliant index (KMI-30) reflects the sharp gains in commercial banking stocks, which significantly outperformed the broader indices and accounted for most of the market gains during this period.

Foreign investors and local insurance companies were the most significant net buyers in the equity market during the period, continuing the trend from the previous six months. They purchased equities worth US$86 million and US$66 million, respectively. In contrast, banks/DFIs and individual investors were the major net sellers, offloading US$65 million and US$52 million worth of equities, respectively.

While the first half of 2024 saw a generally robust performance of global equity markets, the gains were uneven across regions due to a combination of local economic conditions, central bank policies, and geopolitical factors. Key themes included optimism around AI and technology, expectations of peaking interest rates, and slower-than-expected growth in China, while improving economic fundamentals in other select countries.

REIT SEGMENT REVIEW

Real Estate Investment Trusts (REITs) continue to be an attractive financial tool for real estate developers and owners, primarily due to their ability to provide a tax shield on real estate earnings and liquidity, among other benefits. As of March 2024, the total number of REIT schemes registered with SECP has reached 17, with the aggregate REIT fund size increasing to 168.4 billion as of December 2024. This growth underscores stakeholders' continued confidence in REITs as a viable option for real estate investments. The real estate sector has demonstrated exceptional earnings potential, with some asset classes experiencing increases in sale and rental values surpassing the country's GDP growth, interest rates, and inflation.

While new taxation on the transfer, sale, and purchase of property introduced in Pakistan's Budget 2024 may pose challenges for the real estate industry in general, REITs remain lucrative for real estate investors, owners, and developers in the long term due to their notable benefits. Firstly, real estate developers can gain access to institutional investments, which were previously difficult to secure due to unsophisticated investment propositions. REIT Management Companies (RMCs) employ professionals who understand the value proposition of investments and have a proven track record of raising funds for various asset classes. Secondly, REITs offer transparency, and the role of RMCs in protecting all stakeholders instills trust in the system. Additionally, REITs provide liquidity through the secondary market, allowing investors to buy and sell shares with ease.

In conclusion, despite new taxation challenges, REITs' advantages, such as access to institutional investment, enhanced transparency, and liquidity through the secondary market, ensure their continued appeal to real estate developers, owners, and investors.

COMPANY'S PERFORMANCE REVIEW

JS Investments Limited posted a net after-tax profit of PKR 178.48 million (EPS of PKR 2.89) for the half year ended June 30, 2024, compared to a profit of PKR 46.2 million (EPS of 0.75 PKR) for the half year ended June 30, 2023.

The AUMs (including SMAs & REIT but excluding FoF) have shown significant growth to close at PKR 96.2 billion as of June 30, 2024, compared to PKR 54.8 billion as of June 30, 2023. We foresee that the ongoing growth and the strength of our balanced portfolio, now comprising both fixed-income and equity investments with favorable returns, will positively impact our bottom line moving forward.

ASSET MANAGER AND ENTITY RATING:

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

ACKNOWLEDGMENT:

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

On behalf of the Board

Director

Chief Executive Officer

Augsut 20, 2024
Karachi

شراکت داروں کے لیے ڈائریکٹرز رپورٹ برائے مختتمہ مدت 30 جون 2024

ہم 30 جون 2024 کو ختم ہونے والی مدت کے لیے جے ایس انویسٹمنٹس لمیٹڈ (JSIL) کے مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

معیشت کا جائزہ

کلینڈر سال 2024 کی پہلی ششماہی اہم سیاسی اور معاشی پیش رفتوں کی جانب اشارہ کرتی ہے۔ ابتدائی غیر یقینی صورتحال کے باوجود نئی حکومت میں منتقلی نے ملک کو فوری سمت فراہم کی، خاص طور پر حالیہ برسوں میں درپیش شدید چیلنجز کے پیشِ نظر۔ مزید برآں، آئی ایم ایف کے اسٹینڈ بائی ایگریمنٹ (SBA) کے تحت میکرو اکنامک فریم ورک، جس میں گزشتہ سال جون میں دستخط شدہ اور بنیادی طور پر نگران حکومت کی طرف سے نافذ کردہ 3 بلین امریکی ڈالر کی قلیل مدتی فنڈنگ سہولت شامل تھی، جو 1 بلین امریکی ڈالر کی حتمی تقسیم کے ساتھ اپریل کے آخر میں اختتام پذیر ہوئی۔

حقیقی معیشت کی طرف گامزن ہوتے ہوئے، زراعت میں 6.5 فیصد کی مضبوط نمو، بشمول تمام اہم فصلیں اور لائیو اسٹاک، نے مالی سال 2024 کے لیے عبوری GDP کی نمو کو نمایاں طور پر بڑھا کر 2.38 فیصد کر دیا، جو IMF (2 فیصد)، ایشیائی ترقیاتی بینک (1.9 فیصد) اور عالمی بینک (1.8 فیصد) کے تخمینوں سے زیادہ ہے۔ اس سے معیشت کی لچک کی نشاندہی ہوتی ہے۔ اس مدت کے دوران، زری پالیسی میں نرمی اور بیک وقت مالیاتی پالیسی میں سختی دو اہم میکرو اکنامک واقعات تھے، ان رجحانات کا اگلے مالی سال تک جاری رہنے کی توقعات ہیں۔ مجموعی معاشی نمو پر ان پالیسیوں کے اثرات اہم ہوں گے، خاص طور پر چونکہ صنعت کو ایک انتہائی چیلنجنگ کاروباری ماحول کا سامنا ہے جو لاگت میں اضافے والی افراطِ زر اور سست طلب سے موصوم ہے۔

مالی سال 2025 کے وفاقی بجٹ میں ایف بی آر (FBR) کے محصولات میں 40 فیصد اضافے کا تخمینہ لگایا گیا ہے، حکومت نے افراطِ زر کی شرح 12 فیصد اور حقیقی جی ڈی پی (GDP) کی شرحِ نمو 3.6 فیصد پیش کی ہے۔ بجٹ میں پیش کی گئی حکومتی تخمینوں کے مطابق مالی سال کے لیے 6.8 فیصد ریکارڈ کیا گیا مالی خسارہ تازہ ترین بجٹ دستاویزات میں بیان کردہ 7.4 فیصد کے نظرِ ثانی شدہ تخمینے سے بہتر ہوا ہے۔ مالی سال 2025 کے لیے اس میں مزید کمی کا تخمینہ 5.9 فیصد لگایا گیا ہے۔

بیرونی کھاتے میں کافی مضبوطی دیکھی گئی اور اسٹیٹ بینک آف پاکستان کے غیر ملکی زرِمبادلہ کے ذخائر جون 2023 کے اختتام پر اپنی کم ترین سطح سے دگنا ہو کر جون 2024 کے اختتام 9.4 ملین امریکی ڈالر تک پہنچ گئے۔ پاکستانی روپے امریکی ڈالر کے مقابلے میں 2.8 فیصد کے اضافے سے 278 پر بند ہوا۔ مالی سال 2023 کے 3,275 ملین امریکی ڈالر کے مقابلے میں مالی سال 2024 کے لیے کرنٹ اکاؤنٹ خسارہ نمایاں کمی کے ساتھ 681 ملین امریکی ڈالر رہا، جس سے ادائیگیوں کے توازن کی صورتحال پر اعتماد پیدا ہوا۔ اس کی بنیاد پر، پاکستان کا آئی ایم ایف (IMF) کے ساتھ آئندہ آنے والا نیا اور بڑا فنڈنگ پروگرام انتہائی اہمیت کا حامل ہے، کیونکہ یہ ملک کی میکرو اکنامک بنیادوں بالخصوص مالی آپریشنز کو نمایاں طور پر مضبوط کرے گا، بیرونی قرضوں کی ذمہ داریوں کے انتظام کے لیے ضروری معاونت مہیا کرے گا۔

منی مارکیٹ کا جائزہ

زیرِ بحث مدت کے دوران، پیداوار کی قوس واضح طور پر نیچے کی جانب منتقل ہوگئی، اور پیداوار تمام مدتوں میں زوال پذیر ہوئی۔ 12 ماہ کے سرمایہ کاری کے پیپر میں سب سے واضح کمی دیکھنے میں آئی، جو دسمبر 2023 کے اختتام سے 264 بیسس پوائنٹس کی کمی کے ساتھ 18.68 فیصد پر بند ہوا۔ جون میں، اسٹیٹ بینک آف پاکستان کی مانیٹری پالیسی کمیٹی (MPC) نے پالیسی کی شرح میں 150 بیسس پوائنٹس کی کمی کی تھی۔ یہ فیصلہ مئی کی کلیدی افراطِ زر کی شرح میں توقع سے زیادہ کمی کے بعد کیا گیا تھا، جو 11.8 فیصد رہی، جس کی بنیادی وجہ غذائی افراطِ زر میں کمی تھی۔

زرِمبادلہ کے ذخائر کی مسلسل بڑھوتری اور افراطِ زر میں کمی نے آہستہ آہستہ مارکیٹ کا اعتماد پیدا کیا، جس کی عکاسی 12 ماہ کے ٹریژری بلز (T - Bills) کی حالیہ نیلامیوں میں اعلیٰ سطحوں کی شرکت سے ہوتی ہے۔ گزشتہ چھ ماہ کے مقابلے میں 2024 کی پہلی ششماہی کے دوران 12 ماہ کی مدت کے لیے نیلامی میں آفر ٹو ٹارگٹ کا تناسب تقریباً دوگنا ہوکر 5.9 گُنا ہوگیا ہے۔ ایم ٹو کی نمو حکومتی قرضوں کی وجہ سے جاری رہی، جو اوپن مارکیٹ آپریشنز (OMOs) کے ذریعے خالص بقایا لیکویڈیٹی انجیکشن کے مسلسل بڑھتے ہوئے رجحان سے ظاہر ہوتی ہے۔

ایکیویٹی مارکیٹ کا جائزہ

2024 کی پہلی ششماہی کے دوران ایکیویٹی مارکیٹ مضبوط رہی، جس نے آئی ایم ایف کی ایس بی اے فنڈنگ فیصلیٹی پر دستخط کے بعد گزشتہ سال جولائی میں شروع ہونے والے تیز ریلی کو جاری رکھا۔ KSE - 100 انڈیکس 25.6 فیصد اضافے سے 78,445 پر بند ہوا۔ اسی طرح دیگر اہم ایکیویٹی انڈیکس جیسے KSE - 30 ٹوٹل ریٹرن انڈیکس اور KMI - 30 انڈیکس میں جون 2024 کے اختتام تک بالترتیب 28.7 فیصد اور 20.7 فیصد اضافہ ہوا۔ روایتی انڈیکس (KSE - 100 اور KSE - 30) اور شریعہ کمپلائنٹ انڈیکس (KMI - 30) کے درمیان کارکردگی میں نمایاں فرق کمرشل بینکنگ حصص میں تیز اضافے کی عکاسی کرتا ہے، جس نے وسیع تر اشاریوں سے نمایاں طور پر بہتر کارکردگی کا مظاہرہ کیا اور اس مدت کے دوران مارکیٹ میں زیادہ تر اضافے کا سبب بنے۔ اس مدت کے دوران ایکیویٹی مارکیٹ میں غیر ملکی سرمایہ کار اور مقامی انشورنس کمپنیاں سب سے اہم خریدار تھیں، جو پچھلے چھ ماہ کے مقابلے میں رجحان کو جاری رکھے ہوئے ہیں۔ انہوں نے بالترتیب 86 ملین امریکی ڈالر اور 66 ملین امریکی ڈالر کے حصص خریدے۔ اس کے برعکس بینکوں / ڈی ایف آئیز اور انفرادی سرمایہ کار بڑے فروخت کنندگان تھے، جنہوں نے بالترتیب 65 ملین امریکی ڈالر اور 52 ملین امریکی ڈالر مالیت کی ایکیوٹیز فروخت کیں۔

جبکہ 2024 کی پہلی ششماہی میں عالمی ایکیویٹی مارکیٹوں کی عمومی طور پر مضبوط کارکردگی دیکھی گئی، مقامی معاشی حالات، مرکزی بینک کی پالیسیوں اور جغرافیائی سیاسی عوامل کے امتزاج کے سبب خطوں میں فوائد غیر مساوی تھے۔ کلیدی موضوعات میں مصنوعی ذہانت اور ٹیکنالوجی کے بارے میں امید، شرحِ سود میں اضافے کی توقعات، اور چین میں توقع سے سست ترقی شامل ہیں، جبکہ دیگر منتخب ممالک میں معاشی بنیادوں کو بہتر بنانا شامل ہے۔

رئیل اسٹیٹ انویسٹمنٹ ٹرسٹس (REIT) سیگمنٹ کا جائزہ

رئیل اسٹیٹ ڈویلپرز اور مالکان کے لیے رئیل اسٹیٹ انویسٹمنٹ ٹرسٹس (REIT) بنیادی طور پر دیگر فوائد کے علاوہ رئیل اسٹیٹ کی آمدنی اور بہاؤ پر ٹیکس شیلڈ فراہم کرنے کی صلاحیت کے سبب ایک پُرکشش مالیاتی آلہ کے طور پر رہے گا۔ مارچ 2024 تک سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) میں رجسٹرڈ REIT اسکیموں کی مجموعی تعداد 17 تک پہنچ چکی ہے اور دسمبر 2024 تک REIT فنڈز کا مجموعی حجم بڑھ کر 168.4 ارب روپے تک پہنچ جائے گا۔ یہ ترقی رئیل اسٹیٹ سرمایہ کاری کے لیے ایک قابلِ عمل اختیار کے طور پر REIT میں اسٹیک ہولڈرز کے مسلسل اعتماد کی نشاندہی کرتی ہے۔ رئیل اسٹیٹ سیکٹر نے غیر معمولی آمدنی کی صلاحیت کا مظاہرہ کیا ہے، کچھ اثاثہ جات طبقوں کو فروخت اور کرایہ کی قدروں میں اضافے کا سامنا کرنا پڑا ہے جو ملک کی جی ڈی پی کی ترقی، شرحِ سود اور افراطِ زر سے تجاوز کرتے ہیں۔

اگرچہ پاکستان کے بجٹ 2024 میں متعارف کرائے گئے جائیداد کی منتقلی، فروخت اور خریداری پر نئے ٹیکس عام طور پر رئیل اسٹیٹ انڈسٹری کے لیے چیلنجز پیدا کرسکتے ہیں، لیکن REITs اپنے قابلِ ذکر حاصلات کے سبب طویل مدت میں رئیل اسٹیٹ سرمایہ کاروں، مالکان اور ڈویلپرز کے لیے منافع بخش ہیں۔ سب سے پہلے، رئیل اسٹیٹ ڈویلپر زادارہ جاتی سرمایہ کاری تک رسائی حاصل کرسکتے ہیں، جو پہلے جدید سرمایہ کاری تجاویز کی وجہ سے محفوظ کرنا مشکل تھا۔ REIT مینجمنٹ کمپنیز (RMCs) ایسے پیشہ ور افراد کو ملازمت دیتی ہیں جو سرمایہ کاری کی قدر کی تجویز کو سمجھتے ہیں اور مختلف اثاثہ جات کی کلاسوں کے لیے فنڈز جمع کرنے کا ثابت شدہ ٹریک ریکارڈ رکھتے ہیں۔ دوسرا، REITs شفافیت پیش کرتے ہیں، اور تمام اسٹیک ہولڈرز کے تحفظ میں RMCs کا کردار نظام میں اعتماد پیدا کرتا ہے۔ مزید برآں، REITs ثانوی مارکیٹ کے ذریعے پیسوں کی آمدورفت فراہم کرتے ہیں، جس سے سرمایہ کاروں کو آسانی سے حصص خریدنے اور فروخت کرنے کی اجازت ملتی ہے۔

ٹیکس کے مشکلات کے باوجود، REITs کے فوائد، جیسے ادارہ جاتی سرمایہ کاری تک رسائی، بہتر شفافیت، اور ثانوی مارکیٹ کے ذریعے بہاؤ، رئیل اسٹیٹ ڈویلپرز، مالکان اور سرمایہ کاروں کے لیے ان کی مسلسل اپیل کو یقینی بناتے ہیں۔

کمپنی کی کارکردگی کا جائزہ

جے ایس انویسٹمنٹس لمیٹڈ نے 30 جون 2024 178 ملین روپے کا منافع کیا (2.89 روپے آمدنی فی حصص) اس کے مقابلے میں 30 جون 2023 کو اختتام پانے والی ششماہی کے دوران 46.2 ملین روپے کا منافع کیا تھا۔ (0.75 روپے کی آمدنی فی حصص)۔

انتظامیہ کے زیرِ نگرانی اثاثہ جات (AUMs) (بشمول SMAs اور REIT) نے 30 جون 2023 کے 54.8 بلین روپے کے مقابلے میں 30 جون 2024 کو 96.2 بلین روپے پر بند ہو کر خاطر خواہ اضافہ ظاہر کیا۔ ہم توقع کرتے ہیں کہ اس اضافے کے تسلسل میں بہتری آئے گی، ہمارا پورٹ فولیو فکسڈ انکم اور ایکیویٹی سرمایہ کاری دونوں پر مشتمل ہے، اور اس میں مزید استحکام آئے گا۔

ایسیٹ مینجر اور اینٹیٹی ریٹنگ

پاکستان کریڈٹ ریٹنگ ایجنسی لمیٹڈ (PACRA) نے ہماری مینجمنٹ کمپنی کی "AM 2+" ایسیٹ مینجر ریٹنگ کو "مستحکم" منظرنامے کے ساتھ برقرار رکھا ہے۔ یہ ریٹنگ اعلیٰ معیار کے انتظامی معیار کو برقرار رکھنے کے لیے ہماری لگن کی نشاندہی کرتی ہے، جو ہمارے آپریشنز کی مجموعی کارکردگی اور منظرنامے پر مثبت عکاسی کرتی ہے۔

اظہارِ تشکر

بورڈ آف ڈائریکٹرز بیش قدر معاونت، مدد اور رہنمائی پر سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور فنڈز کے ٹرسٹیز سے اظہارِ تشکر کرتے ہیں۔ بورڈ لگن اور سخت محنت پر JSIL کے ملازمین اور انتظامیہ پر اعتماد پر شیئر ہولڈرز کو بھی سراہتے ہیں۔

بجانب بورڈ

ڈائریکٹر

چیف ایگزیکٹیو آفیسر

کراچی: 20 اگست 2024

AUDITOR'S REPORT TO MEMBERS

FOR THE PERIOD ENDING JUNE 30, 2024

KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of JS Investments Limited

Report on review of condensed interim financial statements

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **JS Investments Limited** ("the Company") as at 30 June 2024 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "condensed interim financial statements"). Management is responsible for the preparation and presentation of this condensed interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

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

Conclusion

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

AUDITOR'S REPORT TO MEMBERS

FOR THE PERIOD ENDING JUNE 30, 2024

Other matters

The figures for the condensed interim statement of profit or loss and the condensed interim statement of comprehensive income for the three months period ended 30 June 2024, have not been reviewed and we do not express a conclusion on them.

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

KPMG Taseer Hadi & Co.
Chartered Accountants

Date: 28 August 2024

Karachi

UDIN: RR2024101063RNu80CQY

Financial Position
& Performance

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2024

	Note	Un-audited June 30, 2024	Audited December 31, 2023
		(Rupees)	
ASSETS			
Non-Current Assets			
Property and equipment	6	**234,471,032**	238,962,606
Intangible assets	7	**2,626,203**	3,655,853
Long-term loans and prepayments		**5,961,523**	1,899,600
Long-term investment	9	**265,000**	265,000
Deferred taxation - net	11	**111,784,193**	101,098,308
		355,107,951	345,881,367
Current Assets			
Balances due from funds under management		**137,898,189**	125,531,519
Loans and advances		**14,538,623**	5,865,567
Deposits, prepayments and other receivables		**185,899,506**	148,952,169
Other financial assets	8	**1,520,574,485**	1,361,364,331
Taxation - net		**48,711,574**	66,646,890
Cash and bank balances	10	**21,076,962**	67,978,805
		1,928,699,339	1,776,339,281
Total Assets		**2,283,807,290**	2,122,220,648
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised share capital		**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital		**617,742,560**	617,742,560
Unappropriated profit		**1,226,160,341**	1,047,678,821
		1,843,902,901	1,665,421,381
LIABILITIES			
Non-Current Liabilities			
Lease liabilities		**146,452,533**	157,085,116
		146,452,533	157,085,116
Current Liabilities			
Trade and other payables	12	**256,378,425**	267,608,528
Unclaimed dividend		**4,870,010**	4,872,885
Current maturity of lease liabilities		**32,203,421**	27,232,738
		293,451,856	299,714,151
Total Liabilities		**439,904,389**	456,799,267
Contingencies and commitments	13	**-**	-
Total Equity and Liabilities		**2,283,807,290**	2,122,220,648

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

Chief Financial Officer | Chief Executive Officer | Director

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

FOR THE PERIOD ENDED JUNE 30, 2024

	Note	Half year ended		Quarter ended	
		June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
		(Rupees)		(Rupees)	
Income					
Remuneration from funds under management - gross		**248,345,687**	92,857,134	**127,300,376**	50,422,748
Less: Sindh sales tax		**(28,570,743)**	(10,682,679)	**(14,645,176)**	(5,166,209)
		219,774,944	82,174,455	**112,655,200**	45,256,539
Commission from open end funds under management		**1,340,279**	999,946	**879,319**	432,355
Dividend income		**14,573,642**	2,678,498	**14,372,366**	834,518
Net unrealised gain on remeasurement of investments classified as at fair value through profit or loss		**102,520,864**	54,112,982	**47,414,033**	33,125,643
Net gain on sale of investments classified as at fair value through profit or loss		**64,381,101**	60,188,580	**52,678,024**	47,940,948
Return on bank deposits		**2,765,482**	1,839,339	**2,007,527**	1,307,173
Remuneration from management of discretionary and non discretionary client portfolio		**142,988**	345,996	**57,053**	136,219
Return on debt security		**14,242,260**	11,729,561	**7,096,267**	6,497,074
		419,741,560	214,069,357	**237,159,789**	135,530,469
Administrative expenses		**(187,931,392)**	(155,930,139)	**(101,640,672)**	(77,072,134)
Selling and distribution expenses		**(17,499,998)**	(1,071,148)	**(3,316,626)**	(804,311)
Operating Profit		**214,310,170**	57,068,070	**132,202,491**	57,654,024
Other expenses		**-**	(1,029,187)	**-**	(1,029,187)
Financial charges		**(14,013,247)**	(11,941,866)	**(7,005,689)**	(6,111,414)
		200,296,923	44,097,017	**125,196,802**	50,513,423
Other income		**128,208**	5,391,132	**83,148**	2,920,641
Profit before Income and Minimum Taxes		**200,425,131**	49,488,149	**125,279,950**	53,434,064
Taxation - Minimum Taxes		**(10,101,124)**	(2,927,082)	**(5,203,520)**	(1,568,652)
Profit before Income Tax		**190,324,007**	46,561,067	**120,076,430**	51,865,412
Taxation - net	14	**(11,842,487)**	(401,775)	**(13,596,169)**	(156,565)
Profit after tax		**178,481,520**	46,159,292	**106,480,261**	51,708,847
Earnings per share for the period - basic and diluted	15	**2.89**	0.75	**1.72**	0.84

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

Chief Financial Officer | Chief Executive Officer | Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2024

	Half year ended		Quarter ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	(Rupees)		(Rupees)	
Profit after tax	**178,481,520**	46,159,292	**106,480,261**	51,708,847
Other comprehensive income	-	-	-	-
	-	-	-	-
Total comprehensive income	**178,481,520**	46,159,292	**106,480,261**	51,708,847

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

Chief Financial Officer | Chief Executive Officer | Director

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

FOR THE PERIOD ENDED JUNE 30, 2024

	Issued, subscribed and paid-up capital	Unappropriated profit	Total
	(Rupees)		
Balance as at December 31, 2022 (Audited)	**617,742,560**	**737,654,383**	**1,355,396,943**
Total comprehensive income for the period ended June 30, 2023	-	46,159,292	46,159,292
	-	46,159,292	46,159,292
Balance as at June 30, 2023 (Un-Audited)	**617,742,560**	**783,813,675**	**1,401,556,235**
Balance as at December 31, 2023 (Audited)	**617,742,560**	**1,047,678,821**	**1,665,421,381**
Total comprehensive income for the period ended June 30, 2024	-	178,481,520	178,481,520
	-	178,481,520	178,481,520
Balance as at June 30, 2024 (Un-Audited)	**617,742,560**	**1,226,160,341**	**1,843,902,901**

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

Chief Financial Officer | Chief Executive Officer | Director

STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED JUNE 30, 2024

	Note	June 30, 2024	June 30, 2023
		(Rupees)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before income tax		**190,324,007**	46,561,067
Adjustment for non-cash and other items:			
Remuneration from funds under management - net		**(219,774,944)**	(82,174,455)
Remuneration from management of discretionary and non discretionary client portfolio		**(142,988)**	(345,996)
Commission from open end funds under management		**(1,340,279)**	(999,946)
Dividend income		**(14,573,642)**	(2,678,498)
Return on debt securities		**(14,242,260)**	(11,729,561)
Depreciation expense	6	**27,458,259**	27,988,315
Amortization expense	7	**1,029,650**	2,025,020
Financial charges		**14,013,247**	11,941,866
Return on bank deposits		**(2,765,482)**	(1,839,339)
Minimum tax		**10,101,124**	2,927,082
Net gain on sale of investments classified as 'at fair value through profit or loss'		**(64,381,101)**	(60,188,580)
Net unrealised gain on remeasurement of investments classified as 'at fair value through profit or loss'	8.1	**(102,520,864)**	(54,112,982)
Operating cash flows before working capital changes		**(176,815,273)**	(122,626,007)
Working capital changes			
(Increase) / decrease in current assets :			
Loans and advances		**(12,734,979)**	(1,469,140)
Deposits, prepayments and other receivables		**(37,004,140)**	(35,279,664)
Increase / (decrease) in current liabilities:			
Trade and other payables		**(14,682,366)**	(7,646,919)
Deposits, prepayments and other receivables		**(64,421,485)**	(44,395,723)
		(241,236,758)	(167,021,730)
Taxes paid - net		**(14,694,180)**	(5,912,239)
Remuneration and commission received from funds under management and SMAs		**208,948,344**	96,191,042
Net cash used in operating activities		**(46,982,594)**	(76,742,927)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment made		**(3,627,410,524)**	(3,993,794,490)
Proceeds from sale of investments		**3,635,102,335**	4,077,714,032
Payments for purchase of property and equipment		**(8,579,919)**	(1,119,427)
Dividends received		**14,573,642**	2,678,498
Return on bank deposits received		**2,765,482**	1,918,393
Return on debt securities		**14,242,260**	11,537,055
Net cash generated from investing activities		**30,693,276**	98,934,062
CASH FLOWS FROM FINANCING ACTIVITIES			
Unclaimed dividend paid		**(2,875)**	-
Lease rentals paid		**(30,372,077)**	(4,853,367)
Financial charges paid		**(237,574)**	(11,941,866)
Net cash used in financing activities		**(30,612,526)**	(16,795,233)
Net (decrease) / increase in cash and cash equivalents		**(46,901,843)**	5,395,902
Cash and cash equivalents at beginning of the period		**67,978,805**	12,288,813
Cash and cash equivalents at end of the period		**21,076,962**	17,684,715

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

Chief Financial Officer | Chief Executive Officer | Director

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the repealed Companies Ordinance, 1984 (now Companies Act, 2017). The shares of the Company are quoted on the Pakistan Stock Exchange Limited since April 24, 2007. The registered office of the Company is located at The Centre, 19th Floor, Plot No. 28, SB-5, Abdullah Haroon Road, Saddar, Karachi. The Company is a subsidiary of JS Bank Limited (which has 84.56 percent direct holding in the Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co. Ltd.), the Ultimate Parent.

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

Pakistan Credit Rating Agency Limited (PACRA) has maintained Management Company's asset manager rating of 'AM2+' with a 'stable outlook' to JS Investments Limited.

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

Location	Address	Purpose
Karachi	The Centre, 19th Floor, Plot No. 28, SB-5 Abdullah Haroon Road Saddar, Karachi	Head Office
Karachi	Ground Floor, Plot # 97-C, Main Khayaban-e-Shaheen, DHA Phase VIII, Karachi	Branch Office
Lahore	Ground Floor, No 25, Block 13, Plot No.1-4, Usman Block, New Garden, Town, Lahore	Branch Office
Islamabad	Office # 414, 4th Floor, PSX Building, Jinnah Avenue, Islamabad	Branch Office

1.2 The Company is an asset management company, pension fund and private equity and venture capital manager for the following funds for the period ended June 30, 2024.

Open-end mutual funds

- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Fund of Funds
- JS Islamic Income Fund
- JS Cash Fund
- JS Large Cap Fund
- JS Money Market Fund
- JS Fixed Term Munafa Fund
- JS Islamic Daily Dividend Fund
- JS Momentum Factor Exchange Traded Fund
- JS Microfinance Sector Fund
- JS Islamic Premium Fund
- JS Govrnment Securities Fund

Closed-end mutual funds

- JS Rental REIT Fund

Private Equity and Venture Capital Fund

- JS Motion Picture Fund

Pension funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund
- JS KPK Pension Fund
- JS KPK Islamic Pension Fund

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards applicable in Pakistan comprise of:

- International Accounting Standard 34 - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017 (the Act);

- Provisions of and directives issued under the Act;

- Provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations); and

- Directives issued by the Securities and Exchange Commission of Pakistan (SECP).

Where the provisions and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the International Financial Reporting Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIAof the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

The Securities and Exchange Commission of Pakistan (SECP) vide SRO 56 (1) / 2016 dated January 28, 2016, has notified that the requirements of IFRS 10 (Consolidated Financial Statements) and Section 237 of the repealed Companies Ordinance, 1984 (Section 228 of Companies Act 2017), are not applicable in case of investments made by companies in mutual funds established under Trust structure. Accordingly, the Company has not consolidated the financial position and result of operations of mutual funds managed by it in their condensed interim financial statements.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the annual audited financial statements of the Company as at December 31, 2023.

2.2 The comparative condensed interim statement of financial position presented in these condensed interim financial statements have been extracted from the audited annual financial statements of the Company for the year ended December 31, 2023, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows for the period ended are extracted from the un-audited condensed interim financial statements for the period ended June 30, 2023.

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

2.4 Basis of measurement

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

2.5 Functional and presentation currency

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

3 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are same as those applied in the preparation of the annual audited financial statements of the Company for the year ended December 31, 2023, except for as described in note 3.1.

3.1 Change in Accounting policy

The Institute of Chartered Accountants of Pakistan (ICAP), vide its circular no. 07/2024 dated May 15, 2024, provided the guidance on IAS 12 application guidance on accounting for minimum taxes and final taxes. The Company has accounted for the change in its accounting policy as per the requirement of IAS 8 'Accounting Polices, Change in Accounting Estimates and Errors'. The Company has applied the accounting policy of IAS 12 as per the guidance. Resultantly, there is a reclassification of Minimum taxes previously classified as current tax under 'Taxation - net' in the condensed interim statement of profit or loss appearing below 'Profit before taxation', to 'Taxation - Minimum taxes' (categorized as levy as per IFRIC 21/IAS 37).

3.2 Impacts on the Company's condensed interim statement of profit or loss and condensed interim statement of cash flows:

	June 30, 2023		
Condensed Interim Statement of Profit or Loss (Un-Audited)	**As previously reported**	**Re-classification**	**As Restated**
	(Rupees)		
Six Months			
Taxation - Minimum taxes	-	(2,927,082)	(2,927,082)
Taxation - net	(3,328,857)	2,927,082	(401,775)
	(3,328,857)	-	(3,328,857)
Three Months			
Taxation - Minimum taxes	-	(1,568,652)	(1,568,652)
Taxation - net	(1,725,217)	1,568,652	(156,565)
	(1,725,217)	-	(1,725,217)
Condensed Interim Statement of Cash Flows (Un-Audited)			
Cashflow from operating activities			
Profit before taxation	49,488,149	(2,927,082)	46,561,067
Taxation - Minimum taxes	-	2,927,082	2,927,082
Cashflow from operating activities	49,488,149	-	49,488,149

3.3 There is no impact of restatements mentioned in note 3.2 on the Company's total investing or financing cash flows for the period ended June 30, 2023.

3.4 There is no impact of restatements mentioned in note 3.2 on the Company's condensed interim statement of financial position, earnings per share, condensed statement of comprehensive income and condensed interim statement of changes in equity for the period ended June 30, 2023.

4 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES, ASSUMPTIONS AND FINANCIAL RISK MANAGEMENT

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

In preparing these condensed interim financial statements, the significant judgments made by the management in applying the Company's accounting policies and areas where assumptions and estimates are significant are same as those applied to the annual audited financial statements for the year ended December 31, 2023. The Company's financial risk management objectives and policies are consistent with those disclosed in the annual audited financial statements for the year ended December 31, 2023.

5 STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

5.1 Standard, interpretations and amendments to publish accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's accounting periods beginning on or after January 01, 2024. However these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

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

The following standards, amendments and interpretations as notified under the Companies Act, 2017 will be effective for accounting periods beginning on or after July 01, 2024:

Standard, Interpretation or Amendment	Effective date (annual periods beginning on or after)
Classification of Liabilities as Current or Non-current - Amendments to IAS I	January 1, 2024
Non-current Liabilities with Covenants - Amendments to IAS 1	January 1, 2024
Lease liability in a sale and leaseback - Amendments to IFRS 16	January 1, 2024
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28	Not yet finalized
Supplier Finance Arrangements (amendments to IAS 7 and IFRS 7)	January 1, 2024
Lack of Exchangeability (amendments to IAS 21)	January 1, 2025
Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 Financial Instruments and IFRS 7	January 1, 2026

The above standards, interpretations and amendments are not likely to have a significant impact on these condensed interim financial statements.

6 PROPERTY AND EQUIPMENT	Note	(Un-Audited) June 30, 2024	(Audited) December 31, 2023
		(Rupees)	
Operating Fixed Assets	6.1	**103,885,699**	111,890,675
Right of use of assets	6.2	**125,422,290**	127,071,931
Capital work-in-progress - advance against capex	6.3	**5,163,043**	-
		234,471,032	238,962,606
6.1 Operating Fixed Assets			
Opening written down value		**111,890,675**	113,205,609
Additions during the period / year	6.1.1	**3,416,876**	21,196,619
Disposals during the period / year	6.1.2	**-**	(24,106)
Depreciation for the period / year		**(11,421,852)**	(22,487,447)
		103,885,699	111,890,675
6.1.1 The following additions were made to operating fixed assets during the period / year:			
Leasehold improvement		**1,003,000**	11,074,970
Furniture and fixtures		**75,000**	1,630,742
Office equipment		**2,338,876**	8,490,907
		3,416,876	21,196,619
6.1.2 The following disposals were made to operating fixed assets during the period / year:			
Office equipment		**-**	(24,106)
		-	(24,106)

6.1.3 The cost of fully depreciated assets as at June 30, 2024 is Rs. 84.08 million (December 31, 2023: Rs. 83.42 million)

	Note	(Un-Audited) June 30, 2024	(Audited) December 31, 2023
		(Rupees)	
6.2 Right of use of assets			
Opening written down value		**127,071,931**	162,061,005
Additions during the period / year		**14,386,767**	20,380,531
Disposals during the period / year		**-**	(29,586,570)
Depreciation for the period / year		**(16,036,407)**	(25,783,035)
		125,422,290	127,071,931
6.3 Capital work-in-progress - advance against capex			
Opening balance		**-**	387,400
Additions during the period / year		**5,163,043**	21,196,619
Transfers during the period / year		**-**	(21,196,619)
Write-off during the period / year		**-**	(387,400)
Closing balance		**5,163,043**	-
7 INTANGIBLE ASSETS			
Opening written down value		**3,655,853**	6,469,897
Additions during the period / year		**-**	420,000
Amortization for the period / year		**(1,029,650)**	(3,234,044)
		2,626,203	3,655,853

7.1 The cost of fully amortized assets as at June 30, 2024 is Rs. 53.98 million (December 31, 2023: Rs. 53.22 million).

		(Un-Audited) June 30, 2024	(Audited) December 31, 2023
8 OTHER FINANCIAL ASSETS		(Rupees)	
At fair value through profit or loss			
Investment in units of mutual funds under management - related parties	*8.1*	**1,393,886,985**	1,234,676,831
Investment in Debt Security - Term Finance Certificate	*8.2*	**126,687,500**	126,687,500
		1,520,574,485	1,361,364,331

8.1 Investment in units of mutual funds under management - related parties

Number of Units			(Un-Audited) June 30, 2024		(Audited) December 31, 2023
June 30, 2024	December 31, 2023		Average Cost	Fair value	Fair value
			(Rupees)		
1,000,000	1,000,000	**JS Motion Picture Fund**	**74,830,000**	**75,810,000**	74,830,000
5,000	5,000	**JS KPK Islamic Pension Fund - Equity Sub Fund**	**500,000**	**500,000**	500,000
5,000	5,000	**JS KPK Islamic Pension Fund - Equity Index Sub Fund**	**500,000**	**500,000**	500,000
5,000	5,000	**JS KPK Pension Fund - Equity Sub Fund**	**500,000**	**500,000**	500,000
5,000	5,000	**JS KPK Pension Fund - Equity Index Sub Fund**	**500,000**	**500,000**	500,000
-	1,633,564	**JS Islamic Income Fund**	**-**	**-**	190,832,965
-	150,631	**JS MicroFinance Sector Fund**	**-**	**-**	15,302,642
-	710,649	**JS Government Securities Fund**	**-**	**-**	78,285,143
-	2,626,050	**JS Money Market Fund**	**-**	**-**	275,577,731
231,806	1,307,196	**JS Cash Fund**	**24,263,089**	**24,351,175**	135,177,112
305,626	305,626	**JS KPK Islamic Pension Fund - MM Sub Fund**	**30,819,329**	**33,741,114**	30,819,329
305,626	305,626	**JS KPK Pension Fund - MM Sub Fund**	**30,819,329**	**33,958,108**	30,819,329
5,000	5,000	**JS KPK Islamic Pension Fund - Debt Sub Fund**	**500,000**	**500,000**	500,000
5,000	5,000	**JS KPK Pension Fund - Debt Sub Fund**	**500,000**	**500,000**	500,000
-	22,727	**JS Islamic Pension Savings Fund Debt**	**-**	**-**	7,493,668
-	1,976	**JS Islamic Pension Savings Fund MM**	**-**	**-**	603,437
-	890	**JS Pension Savings Fund Debt**	**-**	**-**	386,422
-	11,674	**JS Pension Savings Fund MM**	**-**	**-**	4,179,867
7,824,503	4,550,325	**JS Fund of Funds**	**716,869,186**	**810,853,292**	387,369,186
4,023,165	-	**JS Income Fund**	**410,765,188**	**412,173,295**	-
			1,291,366,120	**1,393,886,985**	1,234,676,831
		Unrealized gain on remeasurement at fair value - net	**102,520,865**	**-**	-
			1,393,886,985	**1,393,886,985**	1,234,676,831

8.2 Investment in Debt Security - Term Finance Certificate

This represents investment in AA+ rated, unsecured, subordinated, perpetual and non-cumulative term finance certificate of Bank AL Habib Limited, having face value of Rs.125 million and carries profit at the rate of 6 Months KIBOR + 1.50% per annum since 2018.

	(Un-Audited) June 30, 2024	(Audited) December 31, 2023
	(Rupees)	
9 LONG-TERM INVESTMENT		
At fair value through profit or loss		
Shares of Mutual Funds Association of Pakistan	**265,000**	265,000

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

		Note	(Un-Audited) June 30, 2024	(Audited) December 31, 2023
			(Rupees)	
10	**CASH AND BANK BALANCES**			
	Cash in hand		**81,378**	134,361
	Cash at bank in:			
	Current accounts		**549,733**	549,733
	Savings accounts	*10.1*	**20,445,851**	67,294,711
			20,995,584	67,844,444
			21,076,962	67,978,805

10.1 These carry mark-up at the rates of 20.82% (December 31, 2023: 14.50% to 20.82%). It includes Rs. 18.004 million (December 31, 2023: Rs. 65.220 million) held with JS Bank Limited (Parent Company).

11	**DEFERRED TAXATION - NET**	(Un-Audited) June 30, 2024	(Audited) December 31, 2023
		(Rupees)	
	Deductible Temporary Differences on:		
	Right-of-use asset and lease liability - net	**15,970,099**	16,601,318
	Intangible assets	**45,219**	712,716
	Brought forward business losses	**55,398,722**	51,113,803
	Unabsorbed tax depreciation and amortization	**64,528,165**	55,225,098
		135,942,205	123,652,935
	Taxable Temporary Differences on:		
	Property and equipment	**(5,015,482)**	(5,353,903)
	Investments	**(19,142,530)**	(17,200,724)
		(24,158,012)	(22,554,627)
		111,784,193	101,098,308

11.1 During the period, deferred tax asset of Rs 111.78 million (2023: 101.1 million) has been booked on the projection of future taxable profits to the extent it is recoverable. Resultantly, deferred tax of Rs 63.76 million (2023: 63.76 million) on deductible temporary differences pertaining to business losses for the financial years 2018 to 2020 has not been recorded in these condensed interim financial statements.

12 TRADE AND OTHER PAYABLES

12.1 This includes Rs. 92.245 million (December 31, 2023: Rs. 92.245 million) payable against Federal Excise Duty (FED) on management fees received / receivable from the Funds under management. There is no change in the status of the appeal filed by the Federal Government in the Honorable Supreme Court of Pakistan in respect of levy of Federal Excise Duty as reported in note 17.1 to the annual audited financial statements of the Company for the year ended December 31, 2023.

12.2 This includes Rs. 20.371 million (December 31, 2023 : Rs. 16.36 million) payable against Sindh Workers' Welfare Fund. The status of Sindh Workers' Welfare Fund (SWWF) is same as disclosed in note 17.2 to the annual audited financial statements for the year ended December 31, 2023.

13 CONTINGENCIES AND COMMITMENTS

13.1 Contingencies

13.1.1 There is no change in the status of contingencies as disclosed in note 18.1 to the annual audited financial statements of the Company for the year ended December 31, 2023.

13.2 Commitments

13.2.1 The Company does not have any commitments that are required to be disclosed in these condensed interim financial statements.

14 TAXATION - NET

	(Un-Audited)	
	June 30, 2024	**Restated** June 30, 2023
	(Rupees)	
Current	**(22,528,372)**	(401,775)
Deferred	**10,685,885**	-
	(11,842,487)	(401,775)

15 EARNINGS PER SHARE

	(Un-Audited)			
	Half year ended		Quarter ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
	(Rupees)			
Profit for the period	**178,481,520**	46,159,292	106,480,261	51,708,847
	Number of shares			
Weighted average number of ordinary shares outstanding during the period	**61,774,256**	61,774,256	**61,774,256**	61,774,256
	(Rupees)		(Rupees)	
Earnings per share	**2.89**	0.75	**1.72**	0.84

15.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2024 (December 31, 2023 : Nil) which would have any effect on the earnings per share if the option to convert is exercised.

16 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

		(Un-Audited)	
		June 30, 2024	June 30, 2023
16.1	**Transactions during the period**	(Rupees)	
16.1.1	**Funds under management**		
	Remuneration - net of sindh sales tax	**219,774,944**	82,174,455
	Commission received	**1,340,279**	999,946
	Expenses incurred on behalf of the funds	**210,879,484**	113,378,360
	Expenses reimbursed from the funds	**175,075,048**	80,167,844
	Dividends received	**14,573,642**	2,678,498
	Investments made	**(3,627,410,524)**	(3,993,794,490)
	Investments disposed off / matured	**3,635,102,335**	4,077,714,032
	JS Rental REIT Fund - Rent expense paid	**24,723,350**	11,484,787
16.1.2	**Jahangir Siddiqui & Co. Ltd.**		
	Basis of relationship - Ultimate parent		
	Reimbursement of annual subscription fee paid by JSCL to World Economic Forum on behalf of the Company	**7,051,500**	-
	Rent paid	**300,000**	225,000
16.1.3	**JS Bank Limited**		
	Basis of relationship - Parent company		
	Rent Paid	**3,138,428**	-
	Return on bank deposits	**2,363,241**	1,676,939
	Management fee sharing on distribution of mutual fund	**3,936,854**	-
	Bank charges	**233,330**	154,662
	ASSOCIATED COMPANIES, FUNDS AND OTHER RELATED PARTIES		
16.1.4	**EFU General Insurance**		
	Basis of relationship - Common directorship of ultimate parent company		
	Insurance premium paid	**2,356,110**	1,481,219
16.1.5	**EFU Life Assurance**		
	Basis of relationship - Common directorship of ultimate parent company		
	Insurance premium paid	**2,048,368**	1,636,039
16.1.6	**JS Investments Staff Provident Fund**		
	Basis of relationship - Employee benefit plan		
	Provident Fund contributions made	**7,055,618**	5,552,716
16.1.7	**JS Global Capital Limited**		
	Basis of relationship - Subsidiary of the Parent Company		
	Expenses paid on behalf of the Company	**579,522**	375,787
	Reimbursment of expenses from the Company	**665,644**	492,571
	Rent Paid	**13,039,446**	-
16.1.8	**JS Lands (Private) Limited**		
	Basis of relationship - Common Substantial Shareholder		
	Miscellaneous expenses paid	**14,295,953**	13,199,363
	Refund of rent to JS Investments Limited	**-**	14,378,133

		(Un-Audited)	
		June 30, 2024	June 30, 2023
		(Rupees)	
16.1.9	**Common Directorship - Future Trust**		
	Basis of relationship - common directorship of the Company		
	Donation Paid	**1,000,000**	-
16.1.10	**Transactions with substantial shareholder of the Ultimate Parent Company**		
	Use of name and advisory for the period	**7,500,000**	7,500,000
16.1.11	**Transactions made with Directors and key personnel**		
	Remuneration	**92,913,856**	75,979,751
	Directors fee	**439,998**	439,998
	Disbursement of personal loans and advances	**5,436,700**	1,361,033
	Repayments of loans and advances	**268,747**	910,710

		(Un-Audited)	(Audited)
		June 30, 2024	December 31, 2023
		(Rupees)	
16.2	**Balance outstanding with related parties**		
16.2.1	**Funds under management**		
	Basis of relationship - Funds managed by the company		
	Receivable from the funds under management	**264,004,170**	213,497,341
	Payable to funds under management	**854,039**	13,915,880
16.2.2	**JS Bank Limited**		
	Basis of relationship - Parent Company		
	Bank Balance	**18,004,488**	65,220,361
	Other Receivable	**1,465,064**	1,465,064
	Rent receivable	**2,409,149**	2,409,149
16.2.3	**Jahangir Siddiqui & Sons Limited**		
	Basis of relationship - Common ownership of the substantial shareholder		
	Rent receivable	**2,486,352**	2,486,352
16.2.4	**Jahangir Siddiqui Securities Services Ltd**		
	Basis of relationship - Common ownership of the substantial shareholder		
	Rent receivable	**94,429**	94,429
16.2.5	**Associated company - Mahvash & Jahangir Siddiqui Foundation**		
	Basis of relationship - Common directorship of the group		
	Rent receivable	**379,929**	379,929
16.2.6	**Associated company - JS Global Capital Limited**		
	Basis of relationship - Subsidiary of the Parent Company		
	Other Receivable	**1,907,164**	1,378,468
	Rent receivable	**181,957**	181,957
16.2.7	**JS Lands (Private) Limited**		
	Basis of relationship - Common Substantial Shareholder		
	Other Payable	**2,875,713**	2,271,851
	Rent payable	**31,415**	9,815

		(Un-Audited)	
		June 30, 2024	June 30, 2023
		(Rupees)	
16.2.8	**Outstanding from key management personnel**		
	Receivable against loans and advances	**5,310,453**	542,501
	Directors' fee payable	**769,995**	604,997

16.2.9 **Key management personnel and directors hold 5,000 shares in the Company**

16.3 Other balances outstanding with related parties as at reporting date have been disclosed in the relevant notes.

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

17 FAIR VALUE OF FINANCIAL AND OTHER ASSETS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

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

The estimated fair value of all financial assets and liabilities IS considered not to be significantly different from carrying values as The items are either short-term in nature or are periodically repriced.

Fair value hierarchy

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets of liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or identically (i.e derived from prices); and

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

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

	June 30, 2024 (Un-Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets at fair value through profit or loss				
Units of mutual funds - Related Parties	-	**1,393,886,985**	-	**1,393,886,985**
Term finance certificate	-	**126,687,500**	-	**126,687,500**
Shares of Mutual Funds Association of Pakistan	-	-	**265,000**	**265,000**
	-	**1,520,574,485**	**265,000**	**1,520,839,485**

	December 31, 2023 (Audited)			
	Level 1	Level 2	Level 3	Total
	(Rupees)			
Financial assets at fair value through profit or loss				
Units of mutual funds - Related Parties	-	1,234,676,831	-	1,234,676,831
Term finance certificate	-	126,687,500	-	126,687,500
Shares of Mutual Funds Association of Pakistan	-	-	265,000	265,000
	-	1,361,364,331	265,000	1,361,629,331

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

17.2 Valuation techniques used in determination of fair values within level 3:

Fair value of investment in shares of MUFAP is measured on the basis of closing net asset value.

18 GENERAL

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

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

18.3 These condensed interim financial information were authorised for issue on August 20, 2024 by the Board of Directors of the Company.

Chief Financial Officer | Chief Executive Officer | Director

JS investments

Better Investments for a Better Future!

JS INVESTMENTS OFFICES

- **Head Office - Karachi**
  19th Floor, The Centre, Plot No. 28, SB-5,
  Abdullah Haroon Road, Saddar, Karachi.

- **Wealth Centre**
  Ground Floor, Plot No. 97-C, Main
  Khayaban-e-Shaheen, DHA Phase 8,
  Karachi

- **Regional Office - Lahore**
  Ground Floor, No. 25, Block 13, Plot No.1-4,
  Usman Block, New Garden Town, Lahore

- **Regional Office - Islamabad**
  Office No. 414, 4th Floor, PSX Building,
  Jinnah Avenue, Islamabad

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