
JS Investments Limited

Quarterly Report for the period
ended March 31, 2015



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VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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



COMPANY INFORMATION

Board of Directors

Mr. Nazar Mohammad Shaikh
Chairman

Mr. Ali Akhtar Ali
Chief Executive Officer

Mr. Suleman Lalani
Non-Executive Director

Mr. Asif Reza Sana
Non-Executive Director

Mr. Ahsen Ahmed
Non-Executive Director

Mr. Kamran Jafar
Non-Executive Director

Mr. Muhammad Khalil Ur Rehman
Non-Executive Director

Mr. Muhammad Raza Dyer
Non-Executive Director

Chief Financial Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Statutory Auditors

M. Yousuf Adil Saleem & Co

Legal Advisor

Bawany & Partners

Board Committees

Audit Committee

Mr. Asif Reza Sana (Chairman)
Mr. Muhammad Khalil Ur Rehman
Mr. Suleman Lalani

HR Committee

Mr. Nazar Mohammad Shaikh (Chairman)
Mr. Kamran Jafar
Mr. Ali Akhtar Ali

Executive Committee

Mr. Suleman Lalani (Chairman)
Mr. Kamran Jafar
Mr. Ali Akhtar Ali

Share Registrar

Technology Trade (Private) Limited
241,-C, Block-2, P.E.C.H.S., Karachi

Registered Office

7th Floor, The Forum, G-20
Khayban-e-Jami, Block-9, Clifton
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Website: www.jsil.com

DIRECTORS' REPORT TO THE SHAREHOLDERS

FOR THE QUARTER ENDED MARCH 31, 2015

The Directors of your Company feel pleasure in presenting the quarterly consolidated and unconsolidated accounts of the Company for the quarter ended March 31, 2015 ("period under review").

Macro Economic Highlights

The broad economic indicators slowly improved after witnessing some political stress in the earlier quarters. On the positive side, the political environment witnessed a gradual improvement while government's economic efforts were aided by higher foreign inflows QoQ (release of CSF payment in this quarter) and lower international oil prices YoY in 1QCY15.

During the 1QCY15 period, State Bank of Pakistan (SBP) announced the MPS (Monetary Policy Statement) twice (Jan-15 and Mar-15) wherein it reduced the Discount Rate by 1.00% and a further 0.50% to take the discount rate to 8.00% as falling inflation along with improving foreign reserves and lower international commodity prices gave the SBP room to react.

The Current Account deficit improved significantly in the first eight months of FY15 where the deficit narrowed to USD 1.60 billion from USD 2.45 billion in the same period last year, an improvement of 35.00% YoY. This was driven by higher proceeds from Coalition Support Fund (CSF) along with higher remittances and a narrowing of the Trade Balance.

Consumer Price Index (CPI) inflation in 1QCY15 averaged at 3.20% against 8.12% in the same period last year, down by a substantial 492 bps YoY. The decline was driven by lower prices of perishable goods and oil along with a higher base effect. Going forward, CPI inflation is expected to moderate downwards in the rest of CY15 primarily due to lower international commodity prices which have also slowly started impacting the balance of trade and lower cost of imported foodstuff/oil products. That along with improved supply of perishable food stuff should help in lowering CPI expectations YoY where the latest CPI reading for Mar-15 CPI came in at 2.50% YoY only.

Subsequent to the quarter, the Government of Pakistan was successful in divesting its entire holding in Habib Bank Limited (HBL) of around 609.00 million shares at a strike price of Rs. 168/share versus the floor price of Rs. 166/share to international and domestic investors. The offer invited significant interest both locally and globally and has once again helped in raising Pakistan's investment profile and was deemed a big success.

Equity Market Performance

In 1QCY15, the KSE-30 Index posted a decline of 7.40% QoQ on account of foreign selling even in the face of improving macros along with the broader investment climate and lower interest rates. With the decline in interest rates, the banking sector witnessed significant underperformance and towards the end of the quarter the Oil sector resumed its decline due to lower international oil prices.

Foreigners turned into sellers in 1QCY15 with foreign outflows to the tune of USD 132.00 million alone in the period and with local mutual funds investment levels already at high levels, the index witnessed a sharp selloff. Moreover, leveraged traders caught up in a declining market further accentuated the market decline as their margin limits deteriorated.

Money Market Performance

During 1QCY15, the SBP cut the discount rate 2 times in where interest rate came down to 8.00% at the end of 1QCY15 from 9.50% at the end of Dec-14. The first cut was in Jan-15 by 100 bps to 8.50% while the second took place in Mar-15 of another 50 bps to 8.00%. During 1QCY15, with benign outlook on inflation and favorable macro position, banks increased participation towards longer dated PIB's as financial institutions aggressively participated in PIB auctions and the Government of Pakistan (GoP) was successful in shifting its debt profile from shorter to longer term which was also observed over the last year.

During the quarter, the GoP raised Rs. 192.00 billion in the PIB auctions; higher than the target amount of Rs. 150.00 billion. Coming towards T-Bill auctions, the government raised Rs. 1,024.00 billion against the maturity of Rs. 1,052.00 billion while the target was Rs. 1,050.00 billion. In the last T-Bill auction, the Cut off yield for 3month, 6month and 12 month T-bill averaged at 8.15%, 7.89% and 7.76% respectively. The average 3M, 6M and 9M KIBOR declined by 146bps, 150bps and 153 bps YoY for the 1QCY15 period averaging at 8.63%, 8.64% and 8.87% respectively, as against 10.09%, 10.14% and 10.4% during 1QCY14.

AMC Industry Overview

For the 1QCY15 period, the local mutual fund industry witnessed an increase of 4.80% QoQ in Assets Under Management (AUM) to Rs. 481.40 billion from Dec-14 levels. Market share for closed ended funds in 1QCY15 was 3.50% with a total AUM of Rs. 17.00 billion. Open ended funds continued to govern the lion's share of the local mutual fund industry at 94.20% with an AUM of Rs. 453.60 billion towards the end of 1QCY15. Three (3) new funds were launched during this period. AUM size for conventional equity fund category reached Rs. 96.60 billion, down by 7.50% QoQ broadly in line with the decline in the market.

Islamic Asset Allocation Funds and Capital Protected Funds categories witnessed the strongest growth in the last three months of the period under review at 55.00% and 45.20% respectively reaching Rs. 3.80 billion and Rs. 5.50 billion respectively. One new fund was launched in each category of Equity, Islamic Equity and Islamic Fund of Funds in this period.

Performance Review

The Company earned an after tax profit of Rs. 80.32 million during the quarter ended March 31, 2015 showing an earnings per share of Re. 0.80. The assets under management were Rs. 10.32 billion as on March 31, 2015 compared to Rs. 10.87 billion as on December 31, 2014 depicting a decrease of 5.06% on YTD basis. The Company earned management remuneration from funds under management of Rs. 41.14 million compared to Rs. 55.66 million during the corresponding period last year witnessing a decrease of 26.09% attributed mainly due to redemptions on post conversion of two closed end equity funds in FY2014. Administration and marketing expenses were decreased by 0.14% to Rs. 51.30 million during the period under review compared to Rs. 51.37 million during the corresponding period of last year.

Consolidated Financial Statements

In the consolidated financial statements, the Company has reported a net profit of Rs. 81.39 million for the quarter ended March 31, 2015 as compared to a net profit of Rs. 61.42 million for the comparative period last year. The basic and diluted earnings per share of consolidated account are Re.0.81 for the quarter ended March 31, 2015.

The Securities and Exchange Commission of Pakistan (SECP), through circular no. 603(1)/2014 dated July 10, 2014, notified applicability of various International Financial Reporting Standards (IFRSs), including IFRS 10 - Consolidated Financial Statements. IFRS 10 became effective from accounting period beginning on or after January 1, 2015, with earlier adoption allowed. IFRS 10 provides more robust definition of control and requires entities to make the 'control' assessment including assessment of mutual funds managed by fund manager i.e. asset management company (AMC) and in case control exists, mutual funds need to be consolidated by fund manager/parent as its subsidiaries. Section 237 of the Companies Ordinance, 1984, (the Ordinance) also requires a holding company having one or more subsidiary companies to present consolidated financial statements. However, as per section 3 of the Ordinance, a subsidiary needs to be a company or body corporate. Since mutual funds do not fall in definition of company or body corporate, it appears that these should not be consolidated under local laws which prevail over IFRSs. The matter of consolidating mutual funds has also been taken up with the SECP by various forums including Mutual Fund Association of Pakistan (MUFAP), which has still not provided clarification. Further, the company has also written to the SECP to provide clarification on consolidation of mutual funds. Considering requirements of the local law and fact that the matter is still pending with the SECP for clarification, the Company has decided to continue with existing accounting policy / treatment for mutual funds till the time clarification is provided by the SECP.

Asset Manager and Entity Rating

JCR-VIS Credit Rating Company Limited has reaffirmed Management Quality Rating of "AM2-" (AM Two Minus) to JS Investments Limited. The rating denotes high management quality of the Management Company.

Pakistan Credit Rating Agency (PACRA) has maintained the long-term and the short-term entity ratings of JS Investments Limited at "A+" (Single A plus) and "A1" (A one), respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Acknowledgment

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its valuable support, assistance and guidance. The Board also thanks the employees of the Company for their dedication and hard work and the shareholders for their confidence in the Management.

On behalf of the Board
Ali Akhtar Ali
 Chief Executive Officer

Karachi: April 24, 2015

JS Investments Limited

CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2015

(Un-audited)

(Audited)

March 31,
2015

December 31,
2014

ASSETS	Note	----- Rupees -----	
Non-current assets			
Fixed assets			
Tangible - property and equipment	5	370,153,481	374,781,788
Intangible assets		1,388,993	1,492,160
Long-term investment in subsidiary		37,500,000	37,500,000
Long-term loans - considered good		862,988	989,595
		<u>409,905,462</u>	<u>414,763,543</u>
Current assets			
Balances due from funds under management - related parties		74,092,837	66,463,427
Loans and advances - considered good		1,543,203	2,505,706
Trade deposits, short term prepayments and other receivables		15,108,857	20,139,262
Other financial assets - investments	6	2,151,312,730	2,270,762,708
Taxation recoverable		131,169,548	127,712,759
Cash and bank balances	7	5,141,226	13,178,360
		<u>2,378,368,400</u>	<u>2,500,762,222</u>
Total assets		<u>2,788,273,863</u>	<u>2,915,525,765</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up capital		1,000,000,000	1,000,000,000
Unappropriated profit		748,901,280	666,591,018
Unrealised gain on re-measurement of available for sale investments - net of tax	6	593,238,054	783,111,599
		<u>2,342,139,334</u>	<u>2,449,702,617</u>
Surplus on revaluation of fixed assets - net of tax		191,833,701	193,819,917
LIABILITIES			
Non current liabilities			
Deferred tax liability - net		95,317,207	94,155,252
		<u>95,317,207</u>	<u>94,155,252</u>
Current liabilities			
Accrued and other liabilities	8	158,983,621	177,847,979
Total current liabilities		<u>158,983,621</u>	<u>177,847,979</u>
Total liabilities		<u>254,300,828</u>	<u>272,003,231</u>
Contingencies and commitments	9		
Total equity and liabilities		<u>2,788,273,863</u>	<u>2,915,525,765</u>

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

Chairman

CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter ended	
	March 31, 2015	March 31, 2014
Note	----- Rupees -----	
INCOME		
Remuneration from funds under management - gross	54,874,589	74,898,443
Less: Sindh Sales tax	7,157,555	10,330,819
Less: Federal excise duty	6,581,660	8,905,879
Remuneration from funds under management - net	<u>41,135,374</u>	<u>55,661,745</u>
Commission from open end funds under management	340,929	173,732
Gain on sale of investments - net	79,256,428	43,475,844
Return on bank deposits	411,873	4,402,063
Mark up on Term Finance Certificates (TFC's)	707,833	-
Return on Government Securities	-	211,667
Commission income and share of profit from management of discretionary client portfolios	10 <u>1,345,218</u>	<u>856,861</u>
	<u>123,197,654</u>	<u>104,781,912</u>
Administrative and marketing expenses	<u>51,304,047</u>	<u>51,367,556</u>
OPERATING PROFIT	<u>71,893,608</u>	<u>53,414,356</u>
Other expenses	12 <u>1,754,146</u>	<u>1,282,562</u>
Financial charges	<u>4,204</u>	<u>456,577</u>
	<u>70,135,258</u>	<u>51,675,217</u>
Other income	11 <u>15,817,920</u>	<u>11,170,305</u>
Profit before taxation	<u>85,953,178</u>	<u>62,845,522</u>
Income tax expense		
- Current	<u>1,296,167</u>	<u>1,610,973</u>
- Deferred	<u>4,332,965</u>	<u>20,212</u>
	<u>5,629,132</u>	<u>1,631,185</u>
Profit for the quarter	<u><u>80,324,046</u></u>	<u><u>61,214,337</u></u>
Earnings per share for the quarter - basic and diluted	13 <u>0.80</u>	<u>0.61</u>

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

Chairman

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

FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter ended	
	March 31, 2015	March 31, 2014
	-----Rupees-----	
Profit for the quarter ended	80,324,046	61,214,337
Other comprehensive income:		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Available-for-sale investments:		
Unrealised (loss) / gain on remeasurement of available for sale investments to fair value - net	(103,141,570)	102,708,358
Reclassification adjustment relating to sale of investments	(89,902,986)	(38,398,635)
Taxation relating to components that may be reclassified subsequently to profit and loss account	3,171,011	-
Total items that may be reclassified subsequently to profit or loss	(189,873,545)	64,309,723
Total comprehensive (loss) / Income for the quarter	<u>(109,549,499)</u>	<u>125,524,060</u>

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity.

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

Chairman

CONDENSED INTERIM UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2015

Note	March 31, 2015	March 31, 2014
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the quarter before taxation	85,953,178	62,845,522
Adjustment for non-cash and other items:		
Remuneration from funds under management	(41,135,374)	(55,661,745)
Commission from open end funds under management	(340,929)	(173,732)
Depreciation	5,694,126	5,449,244
Amortisation of intangible assets	103,167	34,074
Financial charges	4,204	456,577
Interest / mark-up income	(411,873)	(4,402,063)
Gain on sale of investments - net	(79,256,428)	(43,475,844)
Gain/(loss) on disposal of fixed assets	45,688	-
Unrealized gain on revaluation of investments classified as HFT	(6,338,150)	-
	<u>(35,682,391)</u>	<u>(34,927,967)</u>
Increase / decrease in assets and liabilities		
Loans and advances	1,089,110	255,133
Deposits, prepayments and other receivables	4,913,544	(1,471,590)
Accrued and other liabilities	(18,864,360)	10,124,031
	<u>(12,861,706)</u>	<u>8,907,574</u>
	(48,544,097)	(26,020,393)
Taxes paid	(4,752,956)	(3,285,639)
Remuneration and commission received from funds under management	33,846,893	26,678,101
Net cash used in operating activities	<u>(19,450,159)</u>	<u>(2,627,931)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	12,000,000	195,001,588
Payments for purchase of fixed assets	(1,111,506)	(1,050,837)
Return on bank deposits	528,736	4,146,211
Net cash generated from investing activities	<u>11,417,230</u>	<u>198,096,962</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	(4,204)	(428,011)
Dividend paid	-	(3,081,489)
Net cash used in financing activities	<u>(4,204)</u>	<u>(3,509,500)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(8,037,134)</u>	<u>191,959,531</u>
Cash and cash equivalents at beginning of the quarter	13,178,360	38,227,840
Cash and cash equivalents at end of the quarter	<u>5,141,226</u>	<u>230,187,371</u>

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

Chairman

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

FOR THE QUARTER ENDED MARCH 31, 2015

	Reserve			Total
	Issued, subscribed and paid up share capital	Revenue reserve		
		Accumulated unappropriated profit	Unrealised gain on remeasurement of available for sale investments	
----- Rupees -----				
Balance as at December 31, 2013	1,000,000,000	9,731,642	787,931,408	1,797,663,050
Total Comprehensive income for the quarter				
Profit for the quarter ended March 31, 2014	-	61,214,337	-	61,214,337
Other comprehensive income	-	-	64,309,723	64,309,723
	-	61,214,337	64,309,723	125,524,060
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	1,661,954	-	1,661,954
Balance as at March 31, 2014	1,000,000,000	72,607,933	852,241,131	1,924,849,064
Balance as at December 31, 2014	1,000,000,000	666,591,018	783,111,599	2,449,702,617
Total Comprehensive (loss)/ income for the quarter				
Profit for the quarter ended March 31, 2015	-	80,324,046	-	80,324,046
Other comprehensive loss	-	-	(189,873,545)	(189,873,545)
	-	80,324,046	(189,873,545)	(109,549,499)
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	1,986,216	-	1,986,216
Balance as at March 31, 2015	1,000,000,000	748,901,280	593,238,054	2,342,139,334

The annexed notes 1 to 16 form an integral part of this condensed interim unconsolidated financial information.

Chief Executive Officer

Chairman

NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

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 Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of JS Bank Limited (which has 52.24 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 has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

- 1.2 The Company is an asset management company and pension fund manager for the following at quarter end:

1.2.1 Asset management company of the following funds:

Open-End

- JS Value Fund
- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Islamic Government Securities Fund
- JS Cash Fund
- JS Large Cap. Fund

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984, 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). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

This unconsolidated condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with annual audited unconsolidated financial statements of the company for the period ended December 31, 2014, which have been prepared in accordance with accounting standards as applicable in Pakistan.

JS Investments Limited

3 BASIS OF PREPARATION

3.1 The unconsolidated condensed interim financial information is unaudited and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

3.2 The preparation of unconsolidated condensed interim financial information requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended December 31, 2014.

3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.

4 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2014. The profit and loss account and statement of comprehensive income of the Company for the comparative period has been extracted from the unconsolidated condensed interim financial information for the period ended March 31, 2014.

		(Un-audited) March 31, 2015	(Audited) December 31, 2014
	Note	-----Rupees-----	
5 TANGIBLE PROPERTY AND EQUIPMENT			
Opening WDV		374,524,680	266,235,017
Revaluation of office premises		-	124,219,499
Addition during the quarter / year	5.1	778,857	7,988,646
Disposal during the quarter / year	5.2	(45,687)	(1,437,736)
Depreciation for the quarter / year		<u>(5,694,126)</u>	<u>(22,480,746)</u>
		369,563,724	374,524,680
Capital work-in-progress - at cost		589,757	257,108
		<u>370,153,481</u>	<u>374,781,788</u>

5.1 The following additions were made to tangible property and equipment during the quarter / year:

Office equipment	701,257	4,314,653
Vehicles	-	3,406,648
Furniture and fixtures	77,600	267,345
	<u>778,857</u>	<u>7,988,646</u>

5.2 The following disposals (net book value) of tangible property and equipment were made during the quarter / year:

Office equipment	45,687	-
Vehicles	-	1,437,736
	<u>45,687</u>	<u>1,437,736</u>

5.2.1 The cost of the items disposed of during the quarter amounted to Rs. 64,500/- (2014: Rs. 2,349,836/-).

	Note	(Un audited) March 31, 2015	(Audited) December 31, 2014
-----Rupees-----			
6 OTHER FINANCIAL ASSETS - INVESTMENTS			
Investments classified as Available for Sale			
Unit of mutual funds - related parties	6.1	1,768,402,002	1,882,487,273
Term Finance Certificates	6.2	24,742,290	24,821,239
Investments classified as Fair value through Profit and Loss			
Held for Trading			
Units of mutual fund - related parties	6.3	358,168,438	363,454,196
		<u>2,151,312,730</u>	<u>2,270,762,708</u>

6.1 Units of mutual funds - related parties	Number of units		Name of Fund	(Un-audited)		(Audited)
	March 31, 2015	December 31, 2014		March 31, 2015	December 31, 2014	December 31, 2014
				Average cost	Fair value	Fair value
-----Rupees-----						
	2,603,692	2,603,692	JS Value Fund	277,057,270	452,497,272	489,800,508
	4,705,607	4,705,607	JS Growth Fund	503,136,813	680,336,627	746,121,010
	240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	87,247,200	98,282,400
	177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	36,393,049	35,636,240
	177,463	177,463	JS Pension Savings Fund - Money Market	17,746,342	29,746,418	29,251,295
	2,088,869	2,088,869	JS Fund of Funds	87,907,237	101,205,694	104,297,220
	200,000	200,000	JS Islamic Pension Savings Fund - Equity	18,170,000	97,284,000	102,062,000
	213,852	213,852	JS Islamic Pension Savings Fund - Debt	21,385,170	37,980,061	37,190,948
	222,303	222,303	JS Islamic Pension Savings Fund - Money Market	22,230,337	34,917,190	34,174,696
	1,866,852	1,866,852	JS Income Fund	160,305,961	175,988,111	171,713,020
	334,163	334,163	JS Islamic Government Securities Fund	33,040,189	34,806,380	34,057,856
				<u>1,174,332,247</u>	<u>1,768,402,002</u>	<u>1,882,487,273</u>
			Unrealized gain on remeasurement at fair value	594,069,755	-	-
				<u>1,768,402,002</u>	<u>1,768,402,002</u>	<u>1,882,487,273</u>

6.2 Term Finance Certificates - related party	Number of certificates		
	5,000	5,000	Term Finance Certificates
			24,062,500
			24,742,290
			24,821,239
			<u>24,062,500</u>
			<u>24,742,290</u>
			<u>24,821,239</u>

6.3 Units of mutual funds - related parties (Held for trading)	Number of units		
	3,201,258	3,403,767	JS Cash Fund
	95,721	-	JS Large Cap. Fund
			341,830,288
			10,000,000
			9,231,358
			<u>351,830,288</u>
			<u>358,168,438</u>
			<u>363,454,196</u>

7 CASH AND BANK BALANCES	Note	(Un-audited) March 31, 2015	(Audited) December 31, 2014
-----Rupees-----			
Cash in hand		64,097	83,366
Cash at bank in:			
Current accounts		382,507	487,507
Savings accounts	7.1	4,694,622	12,607,487
		5,077,129	13,094,994
		<u>5,141,226</u>	<u>13,178,360</u>

7.1 It includes Rs. 2.9 million (December 31, 2014: Rs. 10.8 million) held with JS Bank Limited (parent company) and Rs. 0.024 Million (December 31, 2014: Rs. 0.024 million) held with Bank Islami Pakistan Limited (related party).

8 ACCRUED AND OTHER LIABILITIES

This amount includes Rs 60.35 million (December 31, 2014 Rs. 53.55 million) against Federal Excise Duty (FED) on the management fees received/receivable from funds under management and discretionary client portfolios. The amount is being held for payment to Federal Board of Revenue on basis of stay order of the Honorable High Court of Sindh dated September 4, 2013. The stay order was 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.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax years 2006 and 2009 against demand of Rs.162 Million and 66 Million respectively, the Commissioner Inland Revenue Appeal previously had not accepted the basis of addition 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.

The company has filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowances. Appeal effect of the CIR (Appeals) order in both the years received as a result the demand were reduced at Rs77.33 and Rs 59.93 Million respectively however, the direction of apportionment of expenditure according to actual incurrence of expenditure to the various sources of income was not followed. The company again filed appeals before the CIR (Appeals) against the above orders.

The CIR (Appeals) also rectified the order passed by his predecessor for the 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 CIR, Zone-IV has filed appeal in Appellate Tribunal Inland Revenue in respect of deletion of addition regarding the portion of capital gain included in dividend.

The company has filed an appeal before Honourable Appellate Tribunal, SRB against the Order of Honourable Commissioner (Appeals), SRB in respect of levy of Sindh Sales tax amounting to Rs. 1.288 Million on certain disallowance of input taxes and Rs. 0.054 Million on levy of sales tax on certain heads of income, for the tax periods from July, 2011 to December, 2012. However, the appeal is pending as Honourable Tribunal, SRB is not formed.

Management and tax advisors are confident that good grounds exist to contest these disallowances and other points at appellate forums and these additions cannot be maintainable and eventually outcome will come in favor of the Company. Hence no provisions have been made in the condensed interim financial information.

9.2 Commitments in respect of:

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	-----Rupees-----	
Capital expenditure contracted but not incurred	589,757	-
Royalty and advisory payments	<u>10,000,000</u>	<u>10,000,000</u>

10 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing twelve (December 31, 2014: twelve) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at March 31, 2015 was Rs. 331.17 million (December 31, 2014: Rs. 448.78 million) and Rs. 328.77 million (December 31, 2014: Rs. 474.13 million) respectively.

11 OTHER INCOME

This includes rental income earned during the quarter amounting to Rs. 4.36 million (March 31, 2014: 3.98 million).

12 OTHER EXPENSES

Other Expenses represents Provision for Workers Welfare Fund. Prior to certain amendments made through the Finance Acts of 2006 & 2008, Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The Company has decided to file the petition with the Supreme Court against the changes. On prudent basis, the Company has recognized aggregate provision amounting to Rs. 28.06 million as at March 31, 2015 (December 31, 2014: Rs. 26.31 million) respectively.

13 EARNINGS PER SHARE

		Quarter ended	
		March 31, 2015	March 31, 2014
Profit for the quarter	Rupees:	<u>80,324,046</u>	<u>61,214,337</u>
Weighted average number of ordinary shares outstanding during the quarter	Number:	<u>100,000,000</u>	<u>100,000,000</u>
Earnings per share	Rupees:	<u>0.80</u>	<u>0.61</u>

13.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2015 and March 31, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

14 CASH AND CASH EQUIVALENTS

		-----Un-audited-----	
		March 31, 2015	March 31, 2014
		-----Rupees-----	
Cash and bank balances		<u>5,141,226</u>	<u>230,187,371</u>
		<u>5,141,226</u>	<u>230,187,371</u>

15 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

		-----Un-audited-----	
		March 31, 2015	March 31, 2014
		-----Rupees-----	
15.1 Transaction with related parties			
15.1.1 Transactions with associates - funds under management			
Remuneration - net of taxes		41,135,374	55,661,745
Commission income		340,929	173,732
Investments made		200,543,225	53,216,337
Investments disposed off		212,543,225	88,555,695
Expenses incurred by the company on behalf of funds		133,000	-
Reimbursements of expenses by the funds		133,000	534,420
Bonus / additional shares / units (in numbers)		-	5,130

JS Investments Limited

	-----Un-audited-----	
	March 31, 2015	March 31, 2014
	Note	-----Rupees-----
15.1.2 Transactions with Ultimate Parent - Jahangir Siddiqui & Co. Ltd.		
Expenses incurred on behalf of company		15,000
Reimbursements of expenses by the company		64,096
Markup Income on term finance certificate		707,833
		-
		1,405
		-
15.1.3 Transactions with parent company - JS Bank Limited (JSBL)		
Rent income		354,908
Rent expense		658,395
Management fee sharing on distribution of mutual funds		-
Expenses incurred on behalf of company		175,865
Reimbursements of expenses by the company		84,558
Return on bank deposits		411,106
		322,644
		304,071
		45,216
		107,332
		24,413
		4,068,292
15.1.4 Transactions with other related parties		
Rent income		3,727,056
Rent expense		-
Ijarah rental expense		-
Acquisition of ijarah leased vehicle		-
Insurance premium paid		3,041,357
Provident fund contributions made		1,061,296
Management fee sharing on distribution of mutual funds		-
Expenses incurred on behalf of companies		1,674,177
Reimbursements of expenses by the companies		2,189,325
Other Payments made	15.1.4.1	16,666,650
		3,413,398
		298,941
		303,940
		1,437,736
		2,251,104
		1,014,642
		5,098
		1,242,852
		1,617,110
		-
15.1.4.1 This amount is received by the Company on behalf of Jahangir Siddiqui Securities Services Limited (JSSSL) and the Company paid the same to JSSSL.		
15.1.5 Transactions made with Subsidiary Company		
Expenses incurred on behalf of company		30,000
Reimbursements of expenses by the company		30,000
		30,000
		159,000
15.1.6 Transactions made with companies - Common Directorship		
Rent income		273,504
Donation paid		13,255,315
Expenses incurred on behalf of company		211,640
Reimbursements of expenses by the company		76,503
		248,640
		-
		107,911
		86,711
15.1.7 Transactions with key management personnel		
Remuneration		16,267,573
Sale of Vehicle		-
Directors Fee		225,000
Disbursements/Adjustments of personal loans and advances		280,000
Repayments of loans and advances		847,143
Markup / interest income earned		-
		11,535,959
		7,000,000
		250,000
		-
		160,840
		5,656

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	-----Rupees-----	
15.2 Balance outstanding with related parties		
15.2.1 Balances outstanding from Ultimate Parent company:		
Jahangir Siddiqui & Co. Ltd - Ultimate Parent company		
Receivable against expenses incurred on behalf of companies	15,000	64,096
15.2.2 Balances outstanding from Parent company:		
JS Bank Limited - Parent company		
Receivable against expenses incurred on behalf of companies	624,637	533,329
Rent payable	2,253,492	1,595,097
Rent receivable	-	354,907
Other payables	1,273,505	1,273,505
Profit receivable on bank deposits	33,431	32,644
15.2.3 Balances outstanding from other related parties		
Receivable against expenses incurred on behalf of companies	2,189,743	2,704,891
Payable against PF Contribution	705,901	-
Payable against expenses incurred by the company	20,000	325,006
Rent receivable	225,376	193,927
Rent payable	2,983,402	2,983,402
15.2.4 Balances outstanding from related parties under common directorship		
Receivable against expenses incurred on behalf of companies	314,995	179,858
Rent receivable	273,504	547,008
15.2.5 Balances outstanding from Key Management personnel		
Balance as at	708,842	1,275,985
15.3	Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.	
15.4	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.	
15.5	There are no transactions with key management personnel other than under their terms of employment.	
16 GENERAL	This condensed interim unconsolidated financial information was authorised for issue on April 24, 2015 by the Board of Directors of the company	

Chief Executive Officer

Chairman

CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2015

		(Un-audited) March 31, 2015	(Audited) December 31, 2014
		----- Rupees -----	
ASSETS	Note		
Non-current assets			
Fixed assets			
Tangible - property and equipment	5	372,653,481	377,281,788
Intangible assets		2,388,993	2,492,160
Long-term loans - considered good		862,988	989,595
		<u>375,905,462</u>	<u>380,763,543</u>
Current assets			
Balances due from funds under management - related parties		74,092,837	66,463,427
Loans and advances - considered good		1,543,203	2,505,706
Trade deposits, short term prepayments and other receivables		15,155,114	20,156,775
Other financial assets - investments	6	2,199,600,282	2,317,877,262
Taxation recoverable		131,172,396	127,715,554
Cash and bank balances	7	5,188,633	13,313,819
		<u>2,426,752,465</u>	<u>2,548,032,543</u>
Total assets		<u><u>2,802,657,927</u></u>	<u><u>2,928,796,086</u></u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital		<u>2,500,000,000</u>	<u>2,500,000,000</u>
Issued, subscribed and paid-up capital		1,000,000,000	1,000,000,000
Unappropriated profit		762,972,376	679,596,309
Unrealised gain on re-measurement of available for sale investments - net of tax	6	593,238,054	783,111,599
		<u>2,356,210,430</u>	<u>2,462,707,908</u>
Surplus on revaluation of fixed assets - net of tax		191,833,701	193,819,917
LIABILITIES			
Non current liabilities			
Deferred tax liability - net		95,366,399	94,188,458
		<u>95,366,399</u>	<u>94,188,458</u>
Current liabilities			
Accrued and other liabilities	8	159,247,397	178,079,803
Total current liabilities		<u>159,247,397</u>	<u>178,079,803</u>
Total liabilities		<u>254,613,796</u>	<u>272,268,261</u>
Contingencies and commitments	9		
Total equity and liabilities		<u><u>2,802,657,927</u></u>	<u><u>2,928,796,086</u></u>

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer

Chairman

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter ended	
	March 31, 2015	March 31, 2014
Note	-----Rupees-----	
INCOME		
Remuneration from funds under management - gross	54,874,589	74,898,443
Less: Sindh Sales tax	7,157,555	10,330,819
Less: Federal excise duty	6,581,660	8,905,879
Remuneration from funds under management - net	41,135,374	55,661,745
Commission from open end funds under management	340,929	173,732
Gain on sale of investments - net	79,256,428	43,476,579
Return on bank deposits	412,875	4,404,248
Mark up on Term Finance Certificates (TFC's)	707,833	-
Return on Government Securities	-	211,667
Commission income and share of profit from management of discretionary client portfolios	10 1,345,218	856,861
	123,198,657	104,784,832
Administrative and marketing expenses	51,396,255	51,170,270
OPERATING PROFIT	71,802,401	53,614,562
Other expenses	12 1,754,146	1,595,627
Financial charges	4,204	456,577
	70,044,051	51,562,358
Other income	11 16,990,918	11,487,413
Profit before taxation	87,034,969	63,049,771
Income tax expense		
- Current	1,312,153	1,610,973
- Deferred	4,332,965	20,212
	5,645,118	1,631,185
Profit for the quarter	81,389,851	61,418,586
Earnings per share for the quarter - basic and diluted	13 0.81	0.61

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer

Chairman

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)**
FOR THE QUARTER ENDED MARCH 31, 2015

	Quarter ended	
	March 31, 2015	March 31, 2014
	-----Rupees-----	
Profit for the quarter ended	81,389,851	61,418,586
Other comprehensive income:		
Items that will not be reclassified to profit or loss	-	-
Items that may be reclassified subsequently to profit or loss		
Available-for-sale investments:		
Unrealised (loss) / gain on remeasurement of available for sale investments to fair value - net	(103,141,570)	102,708,358
Reclassification adjustment relating to sale of investments	(89,902,986)	(38,398,635)
Taxation relating to components that may be reclassified subsequently to profit and loss account	3,171,011	-
Total items that may be reclassified subsequently to profit or loss	(189,873,545)	64,309,723
Total comprehensive (loss) / Income for the quarter	<u>(108,483,694)</u>	<u>125,728,309</u>

Surplus arising on revaluation of property and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, in a separate account below equity.

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer

Chairman

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED MARCH 31, 2015

Note	March 31, 2015	March 31, 2014
	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the quarter before taxation	87,034,969	63,049,771
Adjustment for non-cash and other items:		
Remuneration from funds under management	(41,135,374)	(55,661,745)
Commission from open end funds under management	(340,929)	(173,732)
Depreciation	5,694,126	5,449,244
Amortisation of intangible assets	103,167	34,074
Financial charges	4,204	456,577
Interest / mark-up income	(411,873)	(4,404,248)
Gain on sale of investments - net	(79,256,428)	(43,476,579)
Gain/(loss) on disposal of fixed assets	45,688	-
Unrealized gain on revaluation of investments classified as HFT	(7,511,148)	(311,785)
	<u>(35,773,597)</u>	<u>(35,038,423)</u>
Increase / decrease in assets and liabilities		
Loans and advances	1,089,110	255,133
Deposits, prepayments and other receivables	4,884,801	(1,500,340)
Accrued and other liabilities	(18,832,407)	10,052,708
	<u>(12,858,497)</u>	<u>8,807,501</u>
	<u>(48,632,094)</u>	<u>(26,230,922)</u>
Taxes paid	(4,753,010)	(3,285,639)
Remuneration and commission received from funds under management	33,846,893	26,678,101
Net cash used in operating activities	<u>(19,538,211)</u>	<u>(2,838,460)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	12,000,000	195,001,588
Payments for purchase of fixed assets	(1,111,506)	(1,050,837)
Return on bank deposits	528,736	4,148,396
Net cash generated from investing activities	<u>11,417,230</u>	<u>198,099,147</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Financial charges paid	(4,204)	(428,011)
Dividend paid	-	(3,081,489)
Net cash used in financing activities	<u>(4,204)</u>	<u>(3,509,500)</u>
Net increase / (decrease) in cash and cash equivalents	<u>(8,125,186)</u>	<u>191,751,187</u>
Cash and cash equivalents at beginning of the quarter	13,313,819	38,112,343
Cash and cash equivalents at end of the quarter	<u>14</u> <u>5,188,633</u>	<u>229,863,530</u>

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer

Chairman

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

	Reserve			Total
	Issued, subscribed and paid up share capital	Revenue reserve		
		Accumulated unappropriated profit	Unrealised gain on remeasurement of available for sale investments	
	----- Rupees -----			
Balance as at December 31, 2013	1,000,000,000	18,510,915	787,931,408	1,806,442,323
Total Comprehensive income for the quarter				
Profit for the quarter ended March 31, 2014	-	61,418,586	-	61,418,586
Other comprehensive income	-	-	64,309,723	64,309,723
	-	61,418,586	64,309,723	125,728,309
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	1,661,954	-	1,661,954
Balance as at March 31, 2014	<u>1,000,000,000</u>	<u>81,591,455</u>	<u>852,241,131</u>	<u>1,933,832,586</u>
Balance as at December 31, 2014	1,000,000,000	679,596,309	783,111,599	2,462,707,908
Total Comprehensive (loss) / income for the quarter				
Profit for the quarter ended March 31, 2015	-	81,389,851	-	81,389,851
Total comprehensive loss	-	-	(189,873,545)	(189,873,545)
	-	81,389,851	(189,873,545)	(108,483,694)
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	1,986,216	-	1,986,216
Balance as at March 31, 2015	<u>1,000,000,000</u>	<u>762,972,376</u>	<u>593,238,054</u>	<u>2,356,210,430</u>

The annexed notes 1 to 16 form an integral part of this condensed interim consolidated financial information.

Chief Executive Officer

Chairman

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED) FOR THE QUARTER ENDED MARCH 31, 2015

1 THE GROUP AND ITS OPERATIONS

The group consists of:

- JS Investments Limited (JSIL) - holding company
- JS ABAMCO Commodities Limited (JSACL) - wholly owned subsidiary company

1.1 Holding Company

JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the holding company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the holding company is situated at 7th floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The holding company is a subsidiary of JS Bank Limited (which has 52.24 percent direct holding in the Company) which is a subsidiary of JSCL (Jahangir Siddiqui & Co.Ltd), ultimate parent.

The Holding Company has obtained the license of an "Investment Advisor" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

1.2 The Holding Company is an asset management company and pension fund manager for the following at quarter end:

1.2.1 Asset management company of the following funds:

Open-End

- JS Value Fund
- JS Growth Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Islamic Government Securities Fund
- JS Cash Fund
- JS Large Cap. Fund

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984, 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). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The Securities and Exchange Commission of Pakistan (SECP), through circular no. 603(1)/2014 dated July 10, 2014, notified applicability of various International Financial Reporting Standards (IFRSs), including IFRS 10 - Consolidated Financial Statements. IFRS 10 became effective from accounting period beginning on or after January 1, 2015, with earlier adoption allowed. IFRS 10 provides more robust definition of control and requires entities to make the 'control assessment including assessment of mutual funds managed by fund manager i.e. asset management company (AMC) and in case control exists, mutual funds need to be consolidated by fund manager/parent as its subsidiaries. Section 237 of the Companies Ordinance, 1984, (the Ordinance) also requires a holding company having one or more subsidiary companies to present consolidated financial statements. However, as per section 3 of the Ordinance, a subsidiary needs to be a company or body corporate. Since mutual funds do not fall in definition of company or body corporate, it appears that these should not be consolidated under local laws which prevail over IFRSs. The matter of consolidating mutual funds has also been taken up with the SECP by various forums including Mutual Fund Association of Pakistan (MUFAP), which has still not provided clarification. Further, the company has also written to the SECP to provide clarification from consolidation of mutual funds. Considering requirements of the local law and fact that the matter is still pending with the SECP for clarification, the Company has decided to continue with existing accounting policy / treatment for mutual funds till the time clarification is provided by the SECP.

This condensed interim consolidated financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with annual audited consolidated financial statements of the company for the period ended December 31, 2014, which have been prepared in accordance with accounting standards as applicable in Pakistan.

3 BASIS OF PREPARATION

3.1 The condensed interim consolidated financial information is unaudited and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

3.2 The preparation of condensed interim consolidated financial information requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended December 31, 2014.

3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.

4 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this condensed interim consolidated financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2014. The profit and loss account and statement of comprehensive income of the Company for the comparative period has been extracted from the condensed interim consolidated financial information for the quarter ended March 31, 2014.

	Note	(Un-audited)	(Audited)
		March 31, 2015	December 31, 2014
		-----Rupees-----	
5 TANGIBLE PROPERTY AND EQUIPMENT			
Opening WDV		374,524,680	266,235,017
Revaluation of office premises		-	124,219,499
Addition during the quarter / year	5.1	778,857	7,988,646
Disposal during the quarter / year	5.2	(45,687)	(1,437,736)
Depreciation for the quarter / year		(5,694,126)	(22,480,746)
		<u>369,563,724</u>	<u>374,524,680</u>
Capital work-in-progress - at cost		<u>3,089,757</u>	<u>2,757,108</u>
		<u><u>372,653,481</u></u>	<u><u>377,281,788</u></u>

5.1 The following additions were made to tangible property and equipment during the quarter / year:

Office equipment	701,257	4,314,653
Vehicles	-	3,406,648
Furniture and fixtures	77,600	267,345
	<u>778,857</u>	<u>7,988,646</u>

5.2 The following disposals (net book value) of tangible property and equipment were made during the quarter / year:

Office equipment	45,687	-
Vehicles	-	1,437,736
	<u>45,687</u>	<u>1,437,736</u>

5.2.1 The cost of the items disposed of during the quarter amounted to Rs. 64,500/- (2014: Rs. 2,349,836/-).

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6 OTHER FINANCIAL ASSETS - INVESTMENTS

Note	(Un-audited)	(Audited)	
	March 31, 2015	December 31, 2014	
-----Rupees-----			
Investments classified as Available for Sale			
Unit of mutual funds - related parties	6.1	1,768,402,002	1,882,487,273
Term Finance Certificates	6.2	24,742,290	24,821,239
Investments classified as Fair value through Profit and Loss			
Held for Trading			
Units of mutual fund - related parties	6.3	406,455,990	410,568,750
		<u>2,199,600,282</u>	<u>2,317,877,262</u>

6.1 Units of mutual funds - related parties

Number of units			(Un-audited)	(Audited)	
March 31, 2015	December 31, 2014	Name of Fund	March 31, 2015	December 31, 2014	
			Average cost	Fair value	
			-----Rupees-----		
2,683,692	2,683,692	JS Value Fund	277,857,278	452,497,272	489,800,588
4,705,607	4,705,607	JS Growth Fund	503,136,813	680,336,627	746,121,010
240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	87,247,200	98,282,400
177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	36,393,049	35,536,240
177,463	177,463	JS Pension Savings Fund - Money Market	17,746,342	29,746,418	29,251,295
2,088,869	2,088,869	JS Fund of Funds	87,907,237	101,205,694	104,297,220
200,000	200,000	JS Islamic Pension Savings Fund - Equity	18,170,000	97,284,000	102,062,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt	21,385,170	37,980,061	37,190,948
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	22,230,337	34,917,190	34,174,696
1,866,852	1,866,852	JS Income Fund	160,305,961	175,988,111	171,713,020
334,163	334,163	JS Islamic Government Securities Fund	33,040,189	34,806,380	34,057,856
			<u>1,174,332,247</u>	<u>1,768,402,002</u>	<u>1,882,487,273</u>
Unrealized gain on remeasurement at fair value			594,069,755	-	-
			<u>1,768,402,002</u>	<u>1,768,402,002</u>	<u>1,882,487,273</u>

6.2 Term Finance Certificates - related party

Number of certificates					
5,000	5,000	Term Finance Certificates			
			24,062,500	24,742,290	24,821,239
			<u>24,062,500</u>	<u>24,742,290</u>	<u>24,821,239</u>

6.3 Units of mutual funds - related parties (Held for trading)

Number of units					
3,201,258	3,403,767	JS Cash Fund	341,830,288	348,937,080	363,454,196
512,226	512,226	JS Income Fund	47,114,554	48,287,552	47,114,554
95,721	-	JS Large Cap. Fund	10,000,000	9,231,358	-
			<u>398,944,842</u>	<u>406,455,990</u>	<u>410,568,750</u>

7 CASH AND BANK BALANCES

Note	(Un-audited)	(Audited)
	March 31, 2015	December 31, 2014
-----Rupees-----		
Cash in hand	64,097	83,366
Cash at bank in:		
Current accounts	382,507	487,507
Savings accounts	4,742,029	12,742,946
	7.1	
	5,124,536	13,230,453
	<u>5,188,633</u>	<u>13,313,819</u>

7.1 It includes Rs. 2.9 million (December 31, 2014: Rs. 10.8 million) held with JS Bank Limited (parent company) and Rs. 0.024 Million (December 31, 2014: Rs. 0.024 million) held with Bank Islami Pakistan Limited (related party).

8 ACCRUED AND OTHER LIABILITIES

This amount includes Rs 60.35 million (December 31, 2014 Rs. 53.55 million) against Federal Excise Duty (FED) on the management fees received/receivable from funds under management and discretionary client portfolios. The amount is being held for payment to Federal Board of Revenue on basis of stay order of the Honorable High Court of Sindh dated September 4, 2013. The stay order was 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.

9 CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax years 2006 and 2009 against demand of Rs.162 Million and 66 Million respectively, the Commissioner Inland Revenue Appeal previously had not accepted the basis of addition 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.

The company has filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowances. Appeal effect of the CIR (Appeals) order in both the years received as a result the demand were reduced at Rs77.33 and Rs 59.93 Million respectively however, the direction of apportionment of expenditure according to actual incurrence of expenditure to the various sources of income was not followed. The company again filed appeals before the CIR (Appeals) against the above orders.

The CIR (Appeals) also rectified the order passed by his predecessor for the 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 CIR, Zone-IV has filed appeal in Appellate Tribunal Inland Revenue in respect of deletion of addition regarding the portion of capital gain included in dividend.

The company has filed an appeal before Honourable Appellate Tribunal, SRB against the Order of Honourable Commissioner (Appeals), SRB in respect of levy of Sindh Sales tax amounting to Rs. 1.288 Million on certain disallowance of input taxes and Rs. 0.054 Million on levy of sales tax on certain heads of income, for the tax periods from July, 2011 to December, 2012. However, the appeal is pending as Honourable Tribunal, SRB is not formed.

Management and tax advisors are confident that good grounds exist to contest these disallowances and other points at appellate forums and these additions cannot be maintainable and eventually outcome will come in favor of the Company. Hence no provisions have been made in the condensed interim financial information.

9.2 Commitments in respect of:

	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	-----Rupees-----	
Capital expenditure contracted but not incurred	589,757	-
Royalty and advisory payments	<u>10,000,000</u>	<u>10,000,000</u>

10 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORTFOLIOS

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing twelve (December 31, 2014: twelve) discretionary client portfolios. The total cost and total market value of the unsold client portfolios as at March 31, 2015 was Rs. 331.17 million (December 31, 2014: Rs. 448.78 million) and Rs. 328.77 million (December 31, 2014: Rs. 474.13 million) respectively.

11 OTHER INCOME

This includes rental income earned during the quarter amounting to Rs. 4.36 million (March 31, 2014: 3.98 million).

12 OTHER EXPENSES

Other Expenses represents Provision for Workers Welfare Fund. Prior to certain amendments made through the Finance Acts of 2006 & 2008, Worker Welfare Fund (WWF) was levied at 2% of the total income assessable under the Income Tax Ordinance, 2001 excluding incomes falling under the Final Tax Regime (FTR). Through Finance Act, 2008, an amendment was made in Section 4(5) of the WWF Ordinance, 1971 (the Ordinance) whereby WWF liability is applicable at 2% of the higher of the profit before taxation as per the accounts or declared income as per the return.

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Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The Group has decided to file the petition with the Supreme Court against the changes. On prudent basis, the Group has recognized aggregate provision amounting to Rs. 28.252 million as at March 31, 2015 (December 31, 2014: Rs. 26.475 million) respectively.

13 EARNINGS PER SHARE

	Quarter ended	
	March 31, 2015	March 31, 2014
Profit for the quarter	Rupees: 81,389,851	61,418,586
Weighted average number of ordinary shares outstanding during the quarter	Number: 100,000,000	100,000,000
Earnings per share	Rupees: 0.81	0.61

13.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at March 31, 2015 and March 31, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

14 CASH AND CASH EQUIVALENTS

	-----Un-audited-----	
	March 31, 2015	March 31, 2014
	-----Rupees-----	
Cash and bank balances	5,188,633	229,863,530
	5,188,633	229,863,530

15 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

	-----Un-audited-----	
	March 31, 2015	March 31, 2014
	-----Rupees-----	
15.1 Transaction with related parties		
15.1.1 Transactions with associates - funds under management		
Remuneration - net of taxes	41,135,374	55,661,745
Commission income	340,929	173,732
Investments made	200,543,225	53,216,337
Investments disposed off	212,543,225	88,555,695
Expenses incurred by the company on behalf of funds	133,000	-
Reimbursements of expenses by the funds	133,000	534,420
Bonus / additional shares / units (in numbers)	-	5,130

		-----Un-audited-----	
		March 31, 2015	March 31, 2014
		-----Rupees-----	
15.1.2	Transactions with Ultimate Parent - Jahangir Siddiqui & Co.Ltd	Note	
	Expenses incurred on behalf of company	15,000	-
	Reimbursements of expenses by the company	64,096	1,405
	Markup Income on term finance certificate	707,833	-
15.1.3	Transactions with parent company - JS Bank Limited (JSBL)		
	Rent income	354,908	322,644
	Rent expense	658,395	304,071
	Management fee sharing on distribution of mutual funds	-	45,216
	Expenses incurred on behalf of company	175,865	107,332
	Reimbursements of expenses by the company	84,558	24,413
	Return on bank deposits	411.106	4,068,292
15.1.4	Transactions with other related parties		
	Rent income	3,727,056	3,413,398
	Rent expense	-	298,941
	Ijarah rental expense	-	303,940
	Acquisition of ijarah leased vehicle	-	1,437,736
	Insurance premium paid	3,041,357	2,251,104
	Provident fund contributions made	1,061,296	1,014,642
	Management fee sharing on distribution of mutual funds	-	5,098
	Expenses incurred on behalf of companies	1,674,177	1,242,852
	Reimbursements of expenses by the companies	2,189,325	1,617,110
	Other Payments made	15.1.4.1 16,666,650	-
15.1.4.1	This amount is received by the Company on behalf of Jahangir Siddiqui Securities Services Limited (JSSSL) and the Company paid the same to JSSSL.		
15.1.5	Transactions made with companies - Common Directorship		
	Rent income	273,504	248,640
	Donation paid	13,255,315	-
	Expenses incurred on behalf of company	211,640	107,911
	Reimbursements of expenses by the company	76,503	86,711
15.1.6	Transactions with key management personnel		
	Remuneration	16,267,573	11,535,959
	Sale of Vehicle	-	7,000,000
	Directors Fee	225,000	250,000
	Disbursements/Adjustments of personal loans and advances	280,000	-
	Repayments of loans and advances	847,143	160,840
	Markup / interest income earned	-	5,656

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	(Un-audited) March 31, 2015	(Audited) December 31, 2014
	-----Rupees-----	
15.2 Balance outstanding with related parties		
15.2.1 Balances outstanding from Ultimate Parent company:		
Jahangir Siddiqui & Co.Ltd - Ultimate Parent company		
Receivable against expenses incurred on behalf of companies	15,000	64,096
15.2.2 Balances outstanding from Parent company:		
JS Bank Limited - Parent company		
Receivable against expenses incurred on behalf of companies	624,637	533,329
Rent payable	2,253,492	1,595,097
Rent receivable	-	354,907
Other payables	1,273,505	1,273,505
Profit receivable on bank deposits	33,431	32,644
15.2.3 Balances outstanding from other related parties		
Receivable against expenses incurred on behalf of companies	2,189,743	2,704,891
Payable against PF Contribution	705,901	-
Payable against expenses incurred by the company	20,000	325,006
Rent receivable	225,376	193,927
Rent payable	2,983,402	2,983,402
15.2.4 Balances outstanding from related parties under common directorship		
Receivable against expenses incurred on behalf of companies	314,995	179,858
Rent receivable	273,504	547,008
15.2.5 Balances outstanding from Key Management personnel		
Balance as at	708,842	1,275,985
15.3	Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.	
15.4	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.	
15.5	There are no transactions with key management personnel other than under their terms of employment.	
16 GENERAL	This condensed interim consolidated financial information was authorised for issue on April 24, 2015 by the Board of Directors of the Company.	

Chief Executive Officer

Chairman

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