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**JS Investments Limited**  
Half Yearly Report for the period  
ended June 30, 2013





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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. Munawar Alam Siddiqui   | Chairman               |
|  | Mr. Rashid Mansur   | Chief Executive        |
|  | Mr. Mazharul Haq Siddiqui   | Non-Executive Director |
|  | Mr. Nazar Mohammad Shaikh   | Non-Executive Director |
|  | Lt.General (R) Masood Parwaiz   | Non-Executive Director |
|  | Mr. Suleman Lalani  | Non-Executive Director |
|  | Mr. Ahsen Ahmed   | Non-Executive Director |
| Audit Committee                                | Mr. Nazar Mohammad Shaikh   | Chairman               |
|  | Mr. Munawar Alam Siddiqui   | Member                 |
|  | Lt.General (R) Masood Parwaiz   | Member                 |
| Chief Financial Officer &<br>Company Secretary | Mr. Muhammad Khawar Iqbal   |                        |
| Auditors                                       | M. Yousuf Adil Saleem & Co.<br>Chartered Accountants  |                        |
| Legal Advisor                                  | Bawaney & Partners  |                        |
| Share Registrar                                | Technology Trade (Private) Limited<br>241-C, Block-2, P.E.C.H.S., Karachi   |                        |
| Registered Office                              | 7th Floor, The Forum, G-20<br>Khayaban-e-Jami, Block-9, Clifton<br>Karachi-75600<br>Tel: (92-21) 111-222-626<br>Fax: (92-21) 35361724<br>E-mail: info@jsil.com<br>Website: www.jsil.com |                        |

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company feel pleasure in presenting the un-audited accounts, reviewed by our external auditors of the company along with auditors' report thereon for the half yearly ended June 30, 2013.

### Macro Economic Highlights

A busy year for Pakistan's economy, with several developments in place, both on the international and domestic front. The current account posted a deficit of USD 2,299mn an improvement from fiscal year 2012 deficit of USD 4,658mn. Total foreign reserves declined by 28% during the year, from USD 15,288.6mn in fiscal year 2012 to USD 11,007mn by the end of fiscal year 2013. Worker's remittances for fiscal year 2013 grew by 5.6% YoY to reach USD 13,920mn, creating a new high for the country.

The year saw a new government in power, with new promises for development. Efforts are currently being made to offset the circular debt crisis. Lack of power generation is considered one of Pakistan's most stem problems. The new government has assured the completion of power plants and the exploration of new avenues for energy supply.

With the reduction in State Bank's lending rate to 9.0% from 12.0% in June 2013, foreseeable improvement in power generation and the new governments' determination to provide better infrastructure we anticipate years of economic growth, industrialization and trade expansion ahead.

### Equity Market Performance

An exuberant year for the equity markets with the KSE-30 index returning 35.95% to investors and average volumes coming in at 59.63mn. The KMI-30 index returned a phenomenal 54.41% and accordingly the KSE-100 index returned 52.20% for the fiscal year 2013. Major developments were observed during the year with several companies posting above expectation results.

The May'13 elections brought a new government into power which heightened investor optimism. This coupled with the governments strive to resolve the circular debt earlier in their tenure accelerated the markets movement. During the election month of May-13 the KSE-30 and KMI-30 index returned 15.1% and 14.0% respectively.

The government released the first installment of PKR 326bn to the debt ridden sectors i.e. Oil & Gas and Electricity during June'13. The remaining amount of PKR 177bn was settled through the issuance of PIB's to state owned entities.

Foreign investor's portfolio investments posted a positive influx of USD 568.8mn during the fiscal year 2013 against an outflow of USD 189.2mn in the same period last year. This massive inflow propelled KSE-30 volumes to an average 59.7mn during the year, a 21.6% YoY increase from an average of 49.1mn in fiscal year 2012.

Fiscal year 2013 was highly the volatile due to political instability and distress in international relations. Yet several things were working in favor of the equity market. Declining discount rate discouraged investors from money and debt markets. The new government's resolve to relieve nation of the circular debt crisis along with providing for the shortfall in power generation drove momentum.

Resolution in circular debt drove scrip's of related industries which included the Oil & Gas and the electricity sector. Strong end product pricing and lower coal prices rejuvenated the construction & material sector, which helped even the bankrupt companies find their feet again.

Going forward we remain optimistic with prospects of economic development, improvement in power generation and infrastructure to pave way for growth in industries. Improving ties with India and China will enhance regional trade. Also future trade with European countries is expected to grow with the implementation of GSP Plus.

### Money Market Performance

During fiscal year 2013 State Bank of Pakistan reduced the discount rate multiple times from 12.0% in Jun '12 down to 9.0% in Jun '13. Hence money market returns declined sharply. Weighted average yields for 3M, 6M and 12M T-bills were abridged by 298.7bps, 302.6bps and 299.6bps respectively. Considerable improvement in SBP conducted surveys of consumer confidence, muted private sector lending and lower inflation expectations allowed the SBP to lower the discount rate. However SBP believes that the new taxation measures coupled with electricity tariff rationalization pose a upside risk to fiscal year 14 inflation expectation of 8.0%.

Average inflation rate for fiscal year 2013 was recorded at 7.40% YoY, hitting its lowest of 5.13% in May '13. Price inflation remained under target due to slow growth in prices of perishable food items. Stability in oil prices has kept all rounds cool in price surges.

PKR depreciated by 1.0% MoM during Jun'13 thus taking full year fiscal year 2013 depreciation to 5.3%. The new financing agreement with the International Monetary Fund will prevent currency depreciation and improve the state of the BOP.



#### The AMC Industry

JSIL funds exhibited exemplary performance during fiscal year 2013. JS Large Cap. Fund, JS Value Fund and JS Islamic equity Fund returned an impressive 54.55%, 64.65% and 45.49% respectively. Also the Unit Trust of Pakistan (UTP) achieved a year to date return of 42.01% highest in the balanced funds segment. Our JS Pension Savings Fund-Equity Sub Fund returned a remarkable 78.21% to investors, which is the second highest across the entire equity universe.

Assets under Management for the AMC industry witnessed a decline of 5.1% during fiscal year 2013. Balanced, Equity and Islamic equity funds recorded AUM growth of 11.4%, 18.8% and 77.8% respectively. While money market and income funds AUMs declined by 17.0% and 20.9% respectively. Open end funds contracted by 8.0%, closed end funds saw growth of 36.1%, where as pension funds accomplished an increment of 74.6%.

#### Performance Review

The Company earned a net profit of PKR 85.155 million during the half year ended June 30, 2013 showing an earning per share of Rs. 0.85. The assets under management were PKR 13.200 billion as on June 30, 2013 compared to PKR 12.332 billion as on December 31, 2012 depicting an increase of 7.0% on YTD basis. The Company earned management remuneration from funds under management of PKR 111.687 million compared to PKR 103.405 million during the corresponding period last year witnessing an increase of 8.0%. Administration and marketing expenses were increased by 7.2% to PKR 103.663 million during the period under review compared to PKR 96.662 million during the corresponding period of last year. The financial charges were PKR 34.068 million showing a reduction of 29.28% as compared to the corresponding period of last year.

This financial performance resulted in enhancing the shareholders equity of the Company to PKR 1,625 million as on June 30, 2013 from PKR 1,230 million as on December 31, 2012, which translated an increase of shareholders wealth by 32% on YTD basis.

#### Asset Manager and Entity Rating

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

Pakistan Credit Rating Agency (PACRA) has assigned the long-term and short term rating to the Company of "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.

#### Material Information - Change in status of closed end mutual funds

Close end funds under management of JS Investments Limited, JS Value Fund Limited (Investment Company) and JS Growth Fund (Closed end fund) were converted into open end Schemes effective from June 28, 2013 and July 20, 2013 respectively. As JS Investments strives to maintain compliance with all regulatory obligations to secure the interest of its investors and uphold the best practice, this change in the structure of the funds was made in pursuance of regulation 65 of the NBFC and NE Regulations, 2008.

#### 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

Rashid Mansur  
Chief Executive Officer

Karachi: August 16, 2013

## REVIEW REPORT ON CONDENSED INTERIM FINANCIAL INFORMATION TO THE MEMBERS

### Introduction

We have reviewed the accompanying condensed interim balance sheet of JS Investments Limited (the Company) as at June 30, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information 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 interim financial information 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 information as of and for the half year ended June 30, 2013 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

### Other matters

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended June 30, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the half year ended June 30, 2013.

The figures in the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year ended June 30, 2012 have not been reviewed by us as accounting year of the Company has changed from June 30 to December 31, and the comparative period was not subject to the review.

The financial statements of the Company for the eighteen month period ended December 31, 2012 were audited by another firm of chartered accountants who through their report dated February 22, 2013 expressed an unqualified opinion thereon.

### Chartered Accountants

Engagement Partner:  
Nadeem Yousuf Adil

Place: Karachi  
Date: August 16, 2013



## JS Investments Limited

### CONDENSED INTERIM BALANCE SHEET

AS AT JUNE 30, 2013

|  | Note | (Un-audited)<br>June 30,<br>2013 | (Audited)<br>December 31,<br>2012 |
|--|------|----------------------------------|-----------------------------------|
| -----Rupees-----   |      |                                  |                                   |
| <b>ASSETS</b>  |      |                                  |                                   |
| Non-current assets   |      |                                  |                                   |
| Fixed assets   |      |                                  |                                   |
| Tangible property and equipment  | 5    | 272,635,206                      | 281,676,115                       |
| Intangible assets  |      | 105,452,034                      | 105,624,587                       |
| Long-term loans - considered good  |      | 1,271,766                        | 659,855                           |
| Investment in subsidiary   |      | 37,500,000                       | 37,500,000                        |
| Total non - current assets   |      | 416,859,006                      | 425,460,557                       |
| Current assets   |      |                                  |                                   |
| Investments - available for sale   | 6    | 1,848,466,508                    | 1,445,695,428                     |
| Loans and advances - considered good   |      | 1,621,816                        | 3,647,808                         |
| Deposits, prepayments and other receivables - unsecured considered good                |      | 41,888,551                       | 13,053,259                        |
| Balances due from funds under management - related parties                             |      | 24,837,216                       | 20,666,258                        |
| Taxation recoverable   |      | 105,620,838                      | 106,250,022                       |
| Cash and bank balances   | 7    | 8,371,147                        | 2,846,710                         |
| Total current assets   |      | 2,030,806,076                    | 1,592,159,485                     |
| Total assets   |      | 2,447,665,082                    | 2,017,620,042                     |
| <b>EQUITY AND LIABILITIES</b>  |      |                                  |                                   |
| Share capital  |      | 1,000,000,000                    | 1,000,000,000                     |
| Accumulated loss   |      | (406,591,450)                    | (395,046,161)                     |
| Unrealised gain on remeasurement of available for sale investments to fair value - net | 6    | 1,031,239,526                    | 625,253,855                       |
|  |      | 1,624,648,076                    | 1,230,207,694                     |
| Surplus on revaluation of fixed assets - net of tax                                    |      | 123,760,992                      | 127,060,578                       |
| <b>LIABILITIES</b>   |      |                                  |                                   |
| Non current liabilities  |      |                                  |                                   |
| Securitisation of management fee receivables - debt                                    |      | -                                | 66,438,526                        |
| Deferred tax liability - net   |      | 40,033,671                       | 41,073,015                        |
|  |      | 40,033,671                       | 107,511,541                       |
| Current liabilities  |      |                                  |                                   |
| Current maturity of securitisation of management fee receivables - debt                |      | 106,075,723                      | 103,119,562                       |
| Short term running finance - secured   |      | 494,869,013                      | 407,416,297                       |
| Accrued and other liabilities  |      | 37,370,765                       | 25,939,604                        |
| Accrued mark-up  |      | 20,906,842                       | 16,364,766                        |
| Total current liabilities  |      | 659,222,343                      | 552,840,229                       |
| Total liabilities  |      | 699,256,014                      | 660,351,770                       |
| Total equity and liabilities   |      | 2,447,665,082                    | 2,017,620,042                     |
| Contingencies and commitments  | 8    |                                  |                                   |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## JS Investments Limited

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2013

| Note   | Six months ended |                  | Quarter ended    |                  |
|--|------------------|------------------|------------------|------------------|
|  | June 30,<br>2013 | June 30,<br>2012 | June 30,<br>2013 | June 30,<br>2012 |
| -----Rupees-----   |                  |                  |                  |                  |
| <b>INCOME</b>  |                  |                  |                  |                  |
|  |                  | (Un-reviewed)    | (Un-reviewed)    | (Un-reviewed)    |
| Remuneration from funds under management - gross   | 131,736,763      | 119,949,819      | 68,451,462       | 61,940,649       |
| Less: Sales tax  | 18,170,588       | 16,544,802       | 9,441,581        | 8,543,538        |
| Less: Federal excise duty  | 1,878,834        | -                | 1,878,834        | -                |
| Remuneration from funds under management - net   | 111,687,341      | 103,405,017      | 57,131,047       | 53,397,111       |
| Commission from open end funds under management  | 150,795          | 6,055            | 49,725           | 5,099            |
| Dividend   | 118,867,208      | -                | 60,724,744       | -                |
| Gain on sale of investments - net  | 2,420,241        | 155,727,059      | 61,134           | 75,575,760       |
| Return on bank deposits  | 54,126           | 71,617           | 51,233           | 49,125           |
| Markup on term finance certificates  | -                | 5,054,194        | -                | 1,955,833        |
| Commission income and share of profit from management of discretionary client portfolios | 9 625,653        | 183,035          | 354,130          | 52,181           |
|  | 233,805,364      | 264,446,977      | 118,372,013      | 131,035,109      |
| <b>OPERATING EXPENSES</b>  |                  |                  |                  |                  |
| Administrative and marketing   | 103,663,199      | 96,662,139       | 53,382,329       | 51,692,305       |
| OPERATING PROFIT   | 130,142,165      | 167,784,838      | 64,989,684       | 79,342,804       |
| Other expenses   | 6,249,571        | 1,494,504        | 1,106,535        | 2,531,415        |
| Financial charges  | 34,068,084       | 48,174,030       | 17,021,469       | 23,148,302       |
|  | 89,824,510       | 118,116,304      | 46,861,680       | 53,663,087       |
| Other income   | 7,316,202        | 1,072,126        | 3,697,739        | -                |
| Profit before tax  | 97,140,712       | 119,188,430      | 50,559,419       | 53,663,087       |
| Income tax expense   |                  |                  |                  |                  |
| - Current  | 13,024,931       | 816,239          | 12,740,685       | (954,213)        |
| - Deferred   | (1,039,344)      | (1,341,854)      | (1,743,652)      | (376,737)        |
|  | 11,985,587       | (525,615)        | 10,997,033       | (1,330,950)      |
| Profit for the period  | 85,155,125       | 119,714,045      | 39,562,386       | 54,994,037       |
| Earnings per share for the period - basic and diluted                                    | 10 0.85          | 1.20             | 0.40             | 0.55             |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2013

|   | Six months ended |                  | Quarter ended    |                  |
|---|------------------|------------------|------------------|------------------|
|   | June 30,<br>2013 | June 30,<br>2012 | June 30,<br>2013 | June 30,<br>2012 |
|   | -----Rupees----- |                  |                  |                  |
|   |                  | (Un-reviewed)    | (Un-reviewed)    | (Un-reviewed)    |
| Profit for the period ended   | 85,155,125       | 119,714,045      | 39,562,386       | 54,994,037       |
| Other comprehensive income:   |                  |                  |                  |                  |
| Items that will not be reclassified to profit or loss                                     | -                | -                | -                | -                |
| Items that may be reclassified subsequently to profit or loss                             |                  |                  |                  |                  |
| Unrealised gain on remeasurement of<br>available for sale investments to fair value - net | 411,502,477      | 325,591,562      | 341,072,785      | 41,635,940       |
| Gain realised on disposal of investments  | (5,516,806)      | (151,301,883)    | (2,199,639)      | (73,278,066)     |
| Total items that may be reclassified subsequently<br>to profit or loss                    | 405,985,671      | 174,289,679      | 338,873,146      | (31,642,126)     |
| Taxation relating to components of other comprehensive income                             | -                | -                | -                | -                |
|   | 405,985,671      | 174,289,679      | 338,873,146      | (31,642,126)     |
| Total comprehensive income  | 491,140,796      | 294,003,724      | 378,435,532      | 23,351,911       |

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 14 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## JS Investments Limited

### CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2013

|  | Note | June 30,<br>2013     | June 30,<br>2012     |
|--|------|----------------------|----------------------|
|  |      | -----Rupees-----     |                      |
|  |      |                      | (Un-reviewed)        |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |      |                      |                      |
| Profit for the period before taxation                                    |      | 97,140,712           | 119,188,430          |
| Adjustment for non-cash and other items:                                 |      |                      |                      |
| Commission from open end funds under management                          |      | (150,795)            | (6,055)              |
| Dividend   |      | (118,867,208)        | -                    |
| Depreciation   |      | 10,286,108           | 10,626,842           |
| Amortisation of intangible assets  |      | 172,553              | 765,721              |
| Financial charges  |      | 34,068,084           | 48,174,030           |
| Interest / mark-up income  |      | (54,126)             | (71,617)             |
| Gain on sale of investments - net  |      | (2,420,241)          | (155,727,059)        |
| Gain on disposal of fixed assets   |      | (20,000)             | (106,676)            |
|  |      | <u>20,155,087</u>    | <u>22,843,616</u>    |
| Increase / decrease in assets and liabilities                            |      |                      |                      |
| Loans and advances   |      | 1,414,081            | (541,030)            |
| Deposits, prepayments and other receivables                              |      | (3,220,778)          | 22,022,396           |
| Balances due from Funds under management - related parties               |      | (4,020,163)          | (18,863,066)         |
| Accrued and other liabilities  |      | 5,356,307            | (2,976,726)          |
|  |      | <u>(470,553)</u>     | <u>(358,426)</u>     |
| Taxes paid - net   |      | 19,684,534           | 22,485,190           |
|  |      | <u>(12,395,747)</u>  | <u>(3,368,891)</u>   |
| Net cash inflow from operating activities                                |      | 7,288,787            | 19,116,299           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |      |                      |                      |
| Investments - net  |      | 5,634,832            | 96,474,293           |
| Fixed capital expenditure incurred                                       |      | (1,245,199)          | (1,475,297)          |
| Dividend received  |      | 93,969,817           | -                    |
| Return on bank deposits  |      | 54,126               | 71,617               |
| Proceeds from disposal of fixed assets                                   |      | 20,000               | 124,272              |
| Net cash inflow from investing activities                                |      | <u>98,433,576</u>    | <u>95,194,885</u>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                              |      |                      |                      |
| Repayment of principal amount relating to the securitised management fee |      | (64,542,500)         | (64,542,500)         |
| Dividend paid  |      | (93,925,146)         | -                    |
| Financial charges paid   |      | (29,182,996)         | (46,242,525)         |
| Net cash used in financing activities                                    |      | <u>(187,650,642)</u> | <u>(110,785,025)</u> |
| Net (decrease) / increase in cash and cash equivalents                   |      | (81,928,279)         | 3,526,159            |
| Cash and cash equivalents at beginning of the period                     |      | (404,569,587)        | (385,828,298)        |
| Cash and cash equivalents at end of the period                           | 11   | <u>(486,497,866)</u> | <u>(382,302,139)</u> |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



JS Investments Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2013

|   | Share capital        | Unrealised gain on remeasurement of available for sale investments to fair value - net | Accumulated loss     | Total Equity         |
|---|----------------------|--|----------------------|----------------------|
| -----Rupees-----  |                      |  |                      |                      |
| Balance as at December 31, 2011   | 1,000,000,000        | 276,294,182  | (588,918,207)        | 687,375,975          |
| Total Comprehensive income for the six months period  |                      |  |                      |                      |
| Items that may be reclassified subsequently to profit or loss   |                      |  |                      |                      |
| Profit for the six months period ended 30 June 2012   | -                    | -  | 119,714,045          | 119,714,045          |
| Unrealised gain on remeasurement of available for sale investments to fair value - net  | -                    | 325,591,562  | -                    | 325,591,562          |
| Gain realised on disposal of investments  | -                    | (151,301,883)  | -                    | (151,301,883)        |
| Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax | -                    | 174,289,679  | 119,714,045          | 294,003,724          |
| Transactions with owners  | -                    | -  | -                    | -                    |
| Balance as at June 30, 2012 (Un-reviewed)   | <u>1,000,000,000</u> | <u>450,583,861</u>   | <u>(465,904,575)</u> | <u>984,679,286</u>   |
| Balance as at December 31, 2012   | 1,000,000,000        | 625,253,855  | (395,046,161)        | 1,230,207,694        |
| Total Comprehensive income for the six months period  |                      |  |                      |                      |
| Items that may be reclassified subsequently to profit or loss   |                      |  |                      |                      |
| Profit for the six months period ended 30 June 2013   | -                    | -  | 85,155,125           | 85,155,125           |
| Unrealised gain on remeasurement of available for sale investments to fair value - net  | -                    | 411,502,477  | -                    | 411,502,477          |
| Gain realised on disposal of investments  | -                    | (5,516,806)  | -                    | (5,516,806)          |
| Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax | -                    | 405,985,671  | 85,155,125           | 491,140,796          |
| Transactions with owners  |                      |  |                      |                      |
| Final Dividend for the eighteen months period ended December 31, 2012   | -                    | -  | (100,000,000)        | (100,000,000)        |
| Balance as at June 30, 2013   | <u>1,000,000,000</u> | <u>1,031,239,526</u>   | <u>(406,591,450)</u> | <u>1,624,648,076</u> |

The annexed notes 1 to 14 form an integral part of this condensed interim financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

## JS Investments Limited

### NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2013

#### 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 & Company Limited), ultimate parent.

The Company has obtained the license of an "Investment Adviser" 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:

1.2.1 Asset management company of the following funds:

Closed-End

- JS Growth Fund \*

Open-End

- JS Value 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

\* In compliance with Regulation 65 of NBFC & NE Regulations, 2008, the Fund has been converted into an Open end scheme effective from July 20, 2013.

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 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.



3 BASIS OF PREPARATION

- 3.1 The condensed interim financial information is unaudited but has been reviewed by the external auditors of the company 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 condensed interim financial information is being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan. This 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 financial statements of the company for the period ended December 31, 2012, which have been prepared in accordance with IFRSs.
- 3.3 The condensed interim financial information have been prepared under the accrual basis of accounting except for cash flow information.
- 3.4 The comparative figures for June 30, 2012 presented in condensed interim profit and loss are extracted from reviewed financials statements for the twelve months period ended June 30, 2012 and these were not subject to review of the external auditors.

4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the company for the period ended December 31, 2012.

|                                    | (Un-audited)<br>June 30,<br>2013 | (Audited)<br>December 31,<br>2012 |
|------------------------------------|----------------------------------|-----------------------------------|
| Note                               | -----Rupees-----                 |                                   |
| 5 TANGIBLE PROPERTY AND EQUIPMENT  |                                  |                                   |
| Opening WDV                        | 281,596,115                      | 309,629,411                       |
| Addition during the period         | 5.1 623,300                      | 4,427,067                         |
| Disposal during the period         | 5.2 -                            | (159,721)                         |
| Depreciation for the period        | <u>(10,286,108)</u>              | <u>(32,300,642)</u>               |
|                                    | 271,933,307                      | 281,596,115                       |
| Capital work-in-progress - at cost | <u>701,899</u>                   | <u>80,000</u>                     |
|                                    | <u>272,635,206</u>               | <u>281,676,115</u>                |

Tangible Property and equipment

- 5.1 The following additions were made to tangible property and equipment during the period:

|                        |                |                  |
|------------------------|----------------|------------------|
| Office equipment       | 377,200        | 3,542,067        |
| Vehicles               | -              | 885,000          |
| Furniture and fixtures | <u>246,100</u> | <u>-</u>         |
|                        | <u>623,300</u> | <u>4,427,067</u> |

- 5.2 The following disposals (net book value) of tangible property and equipment were made during the period:

|                        |          |                |
|------------------------|----------|----------------|
| Office equipment       | -        | -              |
| Vehicles               | -        | 142,120        |
| Furniture and fixtures | <u>-</u> | <u>17,601</u>  |
|                        | <u>-</u> | <u>159,721</u> |

- 5.2.1 The cost of the items disposed of during the period amounted to Rs. 295,000.

## JS Investments Limited

### 6 INVESTMENTS - available for sale

Investments in certificates / units / shares  
- at fair value

|  | Note | (Un-audited)<br>June 30, 2013                 |                      | (Audited)<br>December 31, 2012                |                    |
|--|------|---|----------------------|---|--------------------|
|  |      | Number of<br>certificates /<br>units / shares | Rupees               | Number of<br>certificates /<br>units / shares | Rupees             |
| In funds under management:                       |      |   |                      |   |                    |
| Closed ended Fund                                |      |   |                      |   |                    |
| JS Growth Fund                                   | 6.2  | 58,142,464                                    | 705,268,088          | 48,316,964                                    | 421,807,096        |
| Open ended Fund                                  |      |   |                      |   |                    |
| JS Value Fund                                    | 6.1  | 2,263,399                                     | 265,034,993          | 21,498,992                                    | 193,490,928        |
| JS Large Cap Fund                                |      | 6,581,000                                     | 514,700,010          | 6,581,000                                     | 393,017,320        |
| JS Pension Savings Fund - Equity                 |      | 300,000                                       | 59,346,000           | 300,000                                       | 41,808,000         |
| JS Pension Savings Fund - Debt                   |      | 177,761                                       | 31,913,467           | 188,940                                       | 33,268,555         |
| JS Pension Savings Fund - Money Market           |      | 177,463                                       | 26,426,077           | 189,965                                       | 26,940,484         |
| JS Fund of Funds                                 |      | 404,125                                       | 40,667,092           | 603,269                                       | 55,024,131         |
| JS Islamic Pension Savings Fund - Equity         |      | 250,000                                       | 70,140,000           | 250,000                                       | 53,192,500         |
| JS Islamic Pension Savings Fund - Debt           |      | 213,852                                       | 34,669,637           | 232,690                                       | 36,469,504         |
| JS Islamic Pension Savings Fund - Money Market   |      | 222,303                                       | 31,538,179           | 236,585                                       | 32,617,974         |
| JS Aggressive Income Fund                        |      | -   | -                    | 860,585                                       | 90,189,329         |
| JS KSE 30 Index Fund                             |      | -   | -                    | 3,259,827                                     | 67,869,607         |
| JS Aggressive Asset Allocation Fund              |      | 2,828,854                                     | 38,642,150           | -   | -                  |
| JS Islamic Government Securities Fund            |      | 300,068                                       | 30,120,815           | -   | -                  |
| Investments at market value                      |      |   | 1,848,466,508        |   | 1,445,695,428      |
| Less:  |      |   |                      |   |                    |
| Carrying value of investments                    |      |   | (817,226,982)        |   | (820,441,573)      |
| Unrealised gain on re-measurement of investments |      |   | <u>1,031,239,526</u> |   | <u>625,253,855</u> |

6.1 In compliance with the Regulation 65 of NBFC & NE Regulations, 2008, the Fund has been converted into an Open end scheme with effective from June 28, 2013. Accordingly the shares having par value of Rs.10 each of JS Value fund Limited were converted in units of par value of Rs. 100 each( i.e in the ratio of 10:1)

6.2 In compliance with the Regulation 65 of NBFC & NE Regulations, 2008, the Fund has been converted into an Open end scheme with effective from July 20, 2013.

|                          | Note | (Un-audited)     | (Audited)            |
|--------------------------|------|------------------|----------------------|
|                          |      | June 30,<br>2013 | December 31,<br>2012 |
|                          |      | -----Rupees----- |                      |
| 7 CASH AND BANK BALANCES |      |                  |                      |
| Cash in hand             |      | 75,128           | 70,427               |
| Cash at bank in:         |      |                  |                      |
| Current accounts         |      | 329,390          | 920,417              |
| Savings accounts         | 7.1  | <u>7,966,629</u> | <u>1,855,866</u>     |
|                          |      | <u>8,296,019</u> | <u>2,776,283</u>     |
|                          |      | <u>8,371,147</u> | <u>2,846,710</u>     |

7.1 This includes Rs. 6.159 million (December 31, 2012: Rs. 0.664 million) held with related party.



8 CONTINGENCIES AND COMMITMENTS

8.1 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 Rs. 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 had filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowances, resulting which, the CIR (Appeals) 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.

Appeal effect of the CIR (Appeals) order in tax year 2009 received. As a result the demand was reduced at Rs 59.93 million 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 order.

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.

|                  |              |
|------------------|--------------|
| (Un-audited)     | (Audited)    |
| June 30,         | December 31, |
| 2013             | 2012         |
| -----Rupees----- |              |

8.2 Commitments in respect of:

|  |                   |                   |
|--|-------------------|-------------------|
| Capital expenditure contracted but not incurred              | <u>701,899</u>    | <u>80,000</u>     |
| Royalty and advisory payment                                 | <u>10,000,000</u> | <u>10,000,000</u> |
| Motor Vehicle acquired under Ijarah from Bank Islami Limited |                   |                   |
| - Due in One year  | <u>2,417,600</u>  | <u>2,479,881</u>  |
| - Due in two to three years                                  | <u>-</u>          | <u>1,239,940</u>  |

9 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 five (June 30, 2012: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2013 was Rs. 117.521 million (June 30, 2012: 54.389 million) and Rs. 119.523 million (June 30, 2012: 51.683 million) respectively.

10 EARNINGS PER SHARE

|  | Six months ended           |                    | Quarter ended      |                    |
|--|----------------------------|--------------------|--------------------|--------------------|
|  | June 30,<br>2013           | June 30,<br>2012   | June 30,<br>2013   | June 30,<br>2012   |
|  |                            | (Un-reviewed)      | (Un-reviewed)      | (Un-reviewed)      |
| Profit for the period  | Rupees: <u>85,155,125</u>  | <u>119,714,045</u> | <u>39,562,386</u>  | <u>54,994,037</u>  |
| Weighted average number of ordinary shares outstanding during the period | Number: <u>100,000,000</u> | <u>100,000,000</u> | <u>100,000,000</u> | <u>100,000,000</u> |
| Earnings per share   | Rupees: <u>0.85</u>        | <u>1.20</u>        | <u>0.40</u>        | <u>0.55</u>        |

10.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2013 which would have any effect on the earnings per share if the option to convert is exercised.

|                      |          |
|----------------------|----------|
| -----Un-audited----- |          |
| June 30,             | June 30, |
| 2013                 | 2012     |
| -----Rupees-----     |          |

11 CASH AND CASH EQUIVALENTS

|                                      |                      |                      |
|--------------------------------------|----------------------|----------------------|
| Cash and bank balances               | 8,371,147            | 2,176,315            |
| Short term running finance - secured | <u>(494,869,013)</u> | <u>(384,478,454)</u> |
|                                      | <u>(486,497,866)</u> | <u>(382,302,139)</u> |

## JS Investments Limited

### 12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationship with its associates, parent, subsidiary, companies having common directors, companies in which parent holds more than 20% shares, employee benefit plan, funds under management and its key management personnel (including their associates).

Contribution to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms.

|        |  | -----Un-audited----- |                  |
|--------|--|----------------------|------------------|
|        |  | June 30,<br>2013     | June 30,<br>2012 |
|        |  | -----Rupees-----     |                  |
| 12.1   | Transaction with related parties                               |                      |                  |
| 12.1.1 | Transactions with associates - funds under management          |                      |                  |
|        | Remuneration income  | 111,687,341          | 103,405,017      |
|        | Commission income  | 150,795              | 6,055            |
|        | Other expenses incurred on behalf of the fund                  | 2,348,638            | 112,888          |
|        | Reimbursement of other expenses incurred on behalf of the fund | 2,065,062            | 118,300          |
|        | Dividend income  | 118,867,208          | -                |
|        | Preliminary expenses incurred on behalf of the fund            | 3,681,705            | -                |
|        | Investment made in funds under management                      | 70,000,000           | 470,707,085      |
|        | Investments disposed off                                       | 184,229,203          | 517,880,411      |
|        | Bonus / additional units (in numbers)                          | 68                   | 149              |
|        |  | -----Un-audited----- |                  |
|        |  | June 30,<br>2013     | June 30,<br>2012 |
|        |  | -----Rupees-----     |                  |
| 12.1.2 | Transactions with other related parties                        |                      |                  |
|        | Jahangir Siddiqui & Company Limited (JSCL) - parent of JSBL    |                      |                  |
|        | Expenses incurred on behalf of JSCL                            | 54,255               | 39,138           |
|        | Reimbursement of expenses incurred on behalf of JSCL           | 15,000               | 141,537          |
|        | JS Global Capital Limited (JSGCL) - subsidiary of JSBL         |                      |                  |
|        | Rent expense   | 556,170              | 517,368          |
|        | Rental income  | 60,988               | 901,599          |
|        | Expenses incurred by the company on behalf of JSGCL            | 139,968              | 343,826          |
|        | Reimbursement of expenses incurred on behalf of JSGCL          | 2,462                | 588,625          |
|        | Mahvash and Jahangir Siddiqui Foundation (MJSF)                |                      |                  |
|        | Rental income  | 497,280              | -                |
|        | Expenses incurred by the company on behalf of MJSF             | 161,568              | 35,016           |
|        | Reimbursement of expenses incurred on behalf of MJSF           | 231,324              | 35,016           |
|        | Bank Islami Pakistan Limited                                   |                      |                  |
|        | Ijarah rental expense  | 1,175,588            | 1,222,329        |
|        | EFU General Insurance Limited                                  |                      |                  |
|        | Insurance premium paid   | 2,394,481            | 197,373          |
|        | EFU Life Assurance Limited                                     |                      |                  |
|        | Insurance premium paid   | 122,360              | 103,385          |
|        | Fakhr-e-Imdad Foundation (FIF)                                 |                      |                  |
|        | Expenses incurred by the company on behalf of FIF              | 84,780               | 22,000           |
|        | Reimbursement of expenses incurred on behalf of FIF            | 97,048               | 20,000           |
|        | Staff Provident Fund   |                      |                  |
|        | Contributions during the period                                | 1,983,334            | 2,003,133        |
| 12.1.3 | Transactions with holding company                              |                      |                  |
|        | JS Bank Limited (JSBL) - holding company                       |                      |                  |
|        | Mark up expense on short term borrowings / running finance     | 11,251,203           | 30,362,623       |
|        | Rent expense   | 563,094              | 241,380          |
|        | Expenses incurred by the company on behalf of JSBL             | 176,077              | 130,547          |
|        | Reimbursement of expenses incurred on behalf of JSBL           | 223,604              | 16,667           |
|        | Rental income  | 615,954              | 321,900          |



## JS Investments Limited

|   | (Un-Audited)<br>June 30,<br>2013 | (Audited)<br>December 31,<br>2012 |
|---|----------------------------------|-----------------------------------|
|   | -----Rupees-----                 |                                   |
| 12.1.4 Transactions with subsidiary company   |                                  |                                   |
| JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL  |                                  |                                   |
| Expenses incurred by the company on behalf of JSACL   | 214,790                          | 90,082                            |
| Reimbursement of expenses incurred by the company on behalf of JSACL  | 124,222                          | 209,101                           |
| 12.1.5 Transactions with key management personnel   |                                  |                                   |
| Remuneration of key management personnel  | 24,500,969                       | 26,835,430                        |
| Director fee  | 2,025,000                        | 2,160,000                         |
| 12.2 Balances outstanding at the period end   |                                  |                                   |
| 12.2.1 Balances outstanding with associates   |                                  |                                   |
| Receivable from various funds and outstanding balance of<br>expenses incurred on behalf of different funds under management | 2,276,331                        | 511,009                           |
| 12.2.2 Balances outstanding with other related parties  |                                  |                                   |
| Payable to JS Global Capital Limited - net  | 1,881,027                        | 1,277,160                         |
| Receivable from Jahangir Siddiqui & Company Limited   | 54,255                           | 15,000                            |
| Receivable from JS ABAMCO Commodities Limited   | 123,750                          | 33,182                            |
| Receivable from MJSF  | 70,006                           | 139,762                           |
| Receivable from FIF   | 60,715                           | 72,983                            |
| 12.2.3 Balances outstanding with holding company  |                                  |                                   |
| Payable to JS Bank Limited - net  | 6,847,382                        | 2,813,967                         |

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

12.4 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.

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

### 13 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of directors of the company have approved cash dividend of \_\_NIL\_\_ (June 30, 2012: Nil) for the six months ended June 30, 2013, amounting to Rs. \_\_NIL\_\_ (June 30, 2012: Nil) respectively in their meeting held on August 16, 2013.

### 14 GENERAL

This condensed interim financial information was authorised for issue on August 16, 2013 by the Board of Directors of the Company.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director





CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION

## JS Investments Limited

### CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2013

|  | Note | (Un-audited)<br>June 30,<br>2013 | (Audited)<br>December 31,<br>2012 |
|--|------|----------------------------------|-----------------------------------|
| -----Rupees-----   |      |                                  |                                   |
| <b>ASSETS</b>  |      |                                  |                                   |
| Non-current assets   |      |                                  |                                   |
| Fixed assets   |      |                                  |                                   |
| Tangible property and equipment  | 5    | 275,135,206                      | 284,176,115                       |
| Intangible assets  |      | 106,452,034                      | 106,624,587                       |
| Long-term loans - considered good  |      | 1,271,766                        | 659,855                           |
| <b>Total non - current assets</b>  |      | <b>382,859,006</b>               | <b>391,460,557</b>                |
| Current assets   |      |                                  |                                   |
| Investments  | 6    | 1,890,094,754                    | 1,486,686,618                     |
| Loans and advances - considered good   |      | 1,621,816                        | 3,647,808                         |
| Deposits, prepayments and other receivables - unsecured considered good                |      | 42,073,272                       | 13,069,219                        |
| Balances due from funds under management - related parties                             |      | 24,837,216                       | 20,666,258                        |
| Taxation recoverable   |      | 105,622,259                      | 106,251,068                       |
| Cash and bank balances   | 7    | 8,635,070                        | 2,897,502                         |
| <b>Total current assets</b>  |      | <b>2,072,884,387</b>             | <b>1,633,218,473</b>              |
| <b>Total assets</b>  |      | <b>2,455,743,393</b>             | <b>2,024,679,030</b>              |
| <b>EQUITY AND LIABILITIES</b>  |      |                                  |                                   |
| Share capital  |      | 1,000,000,000                    | 1,000,000,000                     |
| Accumulated loss   |      | (398,774,984)                    | (388,160,655)                     |
| Unrealised gain on remeasurement of available for sale investments to fair value - net | 6    | 1,031,239,526                    | 625,253,855                       |
|  |      | 1,632,464,542                    | 1,237,093,200                     |
| Surplus on revaluation of fixed assets - net of tax                                    |      | 123,760,992                      | 127,060,578                       |
| <b>LIABILITIES</b>   |      |                                  |                                   |
| Non current liabilities  |      |                                  |                                   |
| Securitisation of management fee receivables - debt                                    |      | -                                | 66,438,526                        |
| Deferred tax liability - net   |      | 40,033,671                       | 41,073,015                        |
|  |      | 40,033,671                       | 107,511,541                       |
| Current liabilities  |      |                                  |                                   |
| Current maturity of securitisation of management fee receivables - debt                |      | 106,075,723                      | 103,119,562                       |
| Short term running finance - secured   |      | 494,869,013                      | 407,416,297                       |
| Accrued and other liabilities  |      | 37,632,610                       | 26,113,086                        |
| Accrued mark-up  |      | 20,906,842                       | 16,364,766                        |
| <b>Total current liabilities</b>   |      | <b>659,484,188</b>               | <b>553,013,711</b>                |
| <b>Total liabilities</b>   |      | <b>699,517,859</b>               | <b>660,525,252</b>                |
| <b>Total equity and liabilities</b>  |      | <b>2,455,743,393</b>             | <b>2,024,679,030</b>              |
| Contingencies and commitments  | 8    |                                  |                                   |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS  
ACCOUNT (UNAUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2013

| NOTE   | Six months ended |                  | Quarter ended    |                  |
|--|------------------|------------------|------------------|------------------|
|  | June 30,<br>2013 | June 30,<br>2012 | June 30,<br>2013 | June 30,<br>2012 |
| -----Rupees-----   |                  |                  |                  |                  |
| <b>INCOME</b>  |                  |                  |                  |                  |
| Remuneration from funds under management - gross   | 131,736,763      | 119,949,819      | 68,451,462       | 61,940,649       |
| Less: Sales tax  | 18,170,588       | 16,544,802       | 9,441,581        | 8,543,538        |
| Less: Federal excise duty  | 1,878,834        | -                | 1,878,834        | -                |
| Remuneration from funds under management - net   | 111,687,341      | 103,405,017      | 57,131,047       | 53,397,111       |
| Commission from open end funds under management  | 150,795          | 6,055            | 49,725           | 5,099            |
| Dividend   | 118,867,208      | -                | 60,724,744       | -                |
| Gain on sale of investments - net  | 2,428,490        | 155,788,621      | 68,361           | 75,601,523       |
| Return on bank deposits  | 57,872           | 76,108           | 53,667           | 50,967           |
| Markup on term finance certificates  | -                | 5,054,194        | -                | 1,955,833        |
| Commission income and share of profit from management of discretionary client portfolios | 9                | 625,653          | 183,035          | 354,130          |
| Un-realized gain on remeasurement of investment classified as held for trading           |                  | 1,228,807        | 1,908,037        | 806,224          |
|  |                  | 235,046,166      | 266,421,067      | 119,187,898      |
|  |                  |                  |                  | 131,881,506      |
| <b>OPERATING EXPENSES</b>  |                  |                  |                  |                  |
| Administrative and marketing   | 104,117,762      | 97,209,614       | 53,714,294       | 49,484,081       |
| OPERATING PROFIT   | 130,928,404      | 169,211,453      | 65,473,604       | 82,397,425       |
| Other expenses   | 6,249,571        | 1,494,504        | 1,106,535        | 2,531,415        |
| Financial charges  | 34,068,084       | 48,174,030       | 17,021,469       | 23,148,302       |
|  | 90,610,749       | 119,542,919      | 47,345,600       | 56,717,708       |
| Other income   | 7,460,923        | 1,072,126        | 3,697,739        | -                |
| Profit before tax  | 98,071,672       | 120,615,045      | 51,043,339       | 56,717,708       |
| Income tax expense   |                  |                  |                  |                  |
| - Current  | 13,024,931       | 816,239          | 12,740,685       | (954,213)        |
| - Deferred   | (1,039,344)      | (1,341,854)      | (1,743,652)      | (376,737)        |
|  | 11,985,587       | (525,615)        | 10,997,033       | (1,330,950)      |
| Profit for the period  | 86,086,085       | 121,140,660      | 40,046,306       | 58,048,658       |
| Earnings per share for the period - basic and diluted                                    | 10               | 0.86             | 1.21             | 0.40             |
|  |                  |                  |                  | 0.58             |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UNAUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2013

|   | Six months ended   |                    | Quarter ended      |                     |
|---|--------------------|--------------------|--------------------|---------------------|
|   | June 30,<br>2013   | June 30,<br>2012   | June 30,<br>2013   | June 30,<br>2012    |
| -----Rupees-----  |                    |                    |                    |                     |
| Profit for the period ended   | 86,086,085         | 121,140,660        | 40,046,306         | 58,048,658          |
| Other comprehensive income:   |                    |                    |                    |                     |
| Items that will not be reclassified to profit or loss                                     | -                  | -                  | -                  | -                   |
| Items that may be reclassified subsequently to profit or loss                             |                    |                    |                    |                     |
| Unrealised gain on remeasurement of<br>available for sale investments to fair value - net | 411,502,477        | 325,591,562        | 341,072,785        | 41,635,940          |
| Gain realised on disposal of investments  | (5,516,806)        | (151,301,883)      | (2,199,639)        | (73,278,066)        |
| Total items that may be reclassified subsequently to profit or loss                       | 405,985,671        | 174,289,679        | 338,873,146        | (31,642,126)        |
| Taxation relating to components of other comprehensive income                             | -                  | -                  | -                  | -                   |
|   | <u>405,985,671</u> | <u>174,289,679</u> | <u>338,873,146</u> | <u>(31,642,126)</u> |
| Total comprehensive income  | <u>492,071,756</u> | <u>295,430,339</u> | <u>378,919,452</u> | <u>26,406,532</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 14 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## JS Investments Limited

### CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2013

|  | June 30,<br>2013           | June 30,<br>2012     |
|--|----------------------------|----------------------|
| Note   | -----Rupees-----           |                      |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                              |                            |                      |
| Profit for the period before taxation                                    | 98,071,672                 | 120,615,045          |
| Adjustment for non-cash and other items:                                 |                            |                      |
| Commission from open end funds under management                          | (150,795)                  | (6,055)              |
| Dividend   | (118,867,208)              | -                    |
| Depreciation   | 10,286,108                 | 10,626,842           |
| Amortisation of intangible assets  | 172,553                    | 765,721              |
| Financial charges  | 34,068,084                 | 48,174,030           |
| Interest / mark-up income  | (57,872)                   | (71,617)             |
| Gain on sale of investments - net  | (2,428,490)                | (155,788,621)        |
| Gain on disposal of fixed assets   | (20,000)                   | (106,676)            |
| Unrealised gain on revaluation of investments                            | (1,228,807)                | (1,908,037)          |
|  | <u>19,845,245</u>          | <u>22,300,632</u>    |
| Increase / decrease in assets and liabilities                            |                            |                      |
| Loans and advances   | 1,414,081                  | (541,030)            |
| Deposits, prepayments and other receivables                              | (3,389,539)                | 21,986,976           |
| Balances due from Funds under management - related parties               | (4,020,163)                | (18,863,066)         |
| Accrued and other liabilities  | 5,444,670                  | (3,149,872)          |
|  | <u>(550,951)</u>           | <u>(566,992)</u>     |
|  | 19,294,294                 | 21,733,640           |
| Taxes paid - net   | (12,396,122)               | (3,369,340)          |
| Net cash inflow from operating activities                                | 6,898,172                  | 18,364,300           |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                              |                            |                      |
| Investments - net  | 6,234,832                  | 97,174,293           |
| Fixed capital expenditure incurred                                       | (1,245,199)                | (1,475,297)          |
| Dividend received  | 93,969,817                 | -                    |
| Return on bank deposits  | 57,872                     | 71,617               |
| Proceeds from disposal of fixed assets                                   | 20,000                     | 124,272              |
| Net cash inflow from investing activities                                | 99,037,322                 | 95,894,885           |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                              |                            |                      |
| Repayment of principal amount relating to the securitised management fee | (64,542,500)               | (64,542,500)         |
| Dividend paid  | (93,925,146)               | -                    |
| Financial charges paid   | (29,182,996)               | (46,242,525)         |
| Net cash used in financing activities                                    | (187,650,642)              | (110,785,025)        |
| Net (decrease) / increase in cash and cash equivalents                   | (81,715,148)               | 3,474,160            |
| Cash and cash equivalents at beginning of the period                     | (404,518,795)              | (385,739,850)        |
| Cash and cash equivalents at end of the period                           | 11<br><u>(486,233,943)</u> | <u>(382,265,690)</u> |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY (UNAUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2013

|   | Share capital    | Unrealised gain on remeasurement of available for sale investments to fair value - net | Accumulated loss | Total Equity  |
|---|------------------|--|------------------|---------------|
|   | -----Rupees----- |  |                  |               |
| Balance as at December 31, 2011   | 1,000,000,000    | 276,294,182  | (585,950,672)    | 690,343,510   |
| Total Comprehensive income for the six months period  |                  |  |                  |               |
| Items that may be reclassified subsequently to profit or loss   |                  |  |                  |               |
| Profit for the six months period ended 30 June 2012   | -                | -  | 121,140,660      | 121,140,660   |
| Unrealised gain on remeasurement of available for sale investments to fair value - net  | -                | 325,591,562  | -                | 325,591,562   |
| Gain realised on disposal of investments  | -                | (151,301,883)  | -                | (151,301,883) |
|   | -                | 174,289,679  | 121,140,660      | 295,430,339   |
| Transactions with owners  | -                | -  | -                | -             |
| Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax | -                | -  | 3,299,587        | 3,299,587     |
| Balance as at June 30, 2012   | 1,000,000,000    | 450,583,861  | (461,510,425)    | 989,073,436   |
| Balance as at December 31, 2012   | 1,000,000,000    | 625,253,855  | (388,160,655)    | 1,237,093,200 |
| Total Comprehensive income for the six months period  |                  |  |                  |               |
| Items that may be reclassified subsequently to profit or loss   |                  |  |                  |               |
| Profit for the six months period ended 30 June 2013   | -                | -  | 86,086,085       | 86,086,085    |
| Unrealised gain on remeasurement of available for sale investments to fair value - net  | -                | 411,502,477  | -                | 411,502,477   |
| Gain realised on disposal of investments  | -                | (5,516,806)  | -                | (5,516,806)   |
|   | -                | 405,985,671  | 86,086,085       | 492,071,756   |
| Transactions with owners  |                  |  |                  |               |
| Final Dividend for the eighteen months period ended December 31, 2012   | -                | -  | (100,000,000)    | (100,000,000) |
| Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax | -                | -  | 3,299,586        | 3,299,586     |
| Balance as at June 30, 2013   | 1,000,000,000    | 1,031,239,526  | (398,774,984)    | 1,632,464,542 |

The annexed notes 1 to 14 form an integral part of this condensed interim consolidated financial information.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2013

### 1 THE GROUP AND ITS OPERATIONS

The group consists of:

Holding Company  
- JS Investments Limited

Subsidiary Company  
- JS ABAMCO Commodities Limited

"Percentage holding of  
JS Investments Limited and its nominees"  
100%

- 1.1 JS Investments Limited (the Holding 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 & Company Limited), ultimate parent.

JS ABAMCO Commodities Limited (JSACL, the Subsidiary) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984. The registered office of the company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The company would be engaged in commodity market brokerage, advisory and consultancy services. The company has not commenced its commercial operations as at the balance sheet date. JS Investments Limited holds 100% share capital of JSACL.

The Holding Company has obtained the license of an "Investment Adviser" 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:

- 1.2.1 Asset management company of the following funds:

Closed-End

- JS Growth Fund\*

Open-End

- JS Value 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

\* In compliance with Regulation 65 of NBFC & NE Regulations, 2008, the Fund has been converted into an Open end scheme effective from July 20, 2013.

- 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 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.

## JS Investments Limited

### 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 to the Karachi Stock Exchange.
- 3.2 The condensed interim consolidated financial information is being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting " as applicable in Pakistan. This condensed interim consolidated financial information does not include all the information required for annual consolidated financial statements and therefore, should be read in conjunction with annual audited consolidated financial statements of the company for the period ended December 31, 2012, which have been prepared in accordance with IFRSs.
- 3.3 The condensed interim consolidated financial information have been prepared under the accrual basis of accounting except for cash flow information.
- 3.4 The comparative figures for June 30, 2012 presented in condensed interim consolidated profit and loss are extracted from consolidated financial statements for the twelve months period ended June 30, 2012.

### 4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the preceding annual consolidated financial statements of the company for the period ended December 31, 2012.

|  | (Un-audited)<br>June 30,<br>2013 | (Audited)<br>December 31,<br>2012 |
|--|----------------------------------|-----------------------------------|
|  | NOTE -----Rupees-----            |                                   |
| <b>5 TANGIBLE PROPERTY AND EQUIPMENT</b>   |                                  |                                   |
| Opening WDV  | 281,596,115                      | 309,629,411                       |
| Addition during the period   | 5.1 623,300                      | 4,427,067                         |
| Disposal during the period   | 5.2 -                            | (159,721)                         |
| Depreciation for the period  | (10,286,108)                     | (32,300,642)                      |
|  | <u>271,933,307</u>               | <u>281,596,115</u>                |
| Capital work-in-progress - at cost   | 3,201,899                        | 2,580,000                         |
|  | <u>275,135,206</u>               | <u>284,176,115</u>                |
| <br>Tangible Property and equipment  |                                  |                                   |
| 5.1 The following additions were made to tangible property and equipment during the period:                  |                                  |                                   |
| Office equipment   | 377,200                          | 3,542,067                         |
| Vehicles   | -                                | 885,000                           |
| Furniture and fixtures   | 246,100                          | -                                 |
|  | <u>623,300</u>                   | <u>4,427,067</u>                  |
| 5.2 The following disposals (net book value) of tangible property and equipment were made during the period: |                                  |                                   |
| Office equipment   | -                                | -                                 |
| Vehicles   | -                                | 142,120                           |
| Furniture and fixtures   | -                                | 17,601                            |
|  | <u>-</u>                         | <u>159,721</u>                    |
| 5.2.1 The cost of the items disposed of during the period amounted to Rs. 295,000.                           |                                  |                                   |
| <b>6 INVESTMENTS</b>   |                                  |                                   |
| Available for sale   | 6.1 1,848,466,508                | 1,445,695,428                     |
| Held for trading   | 6.2 41,628,246                   | 40,991,190                        |
|  | <u>1,890,094,754</u>             | <u>1,486,686,618</u>              |



6.1 Investments in certificates / units / shares  
- at fair value

| NOTE   | (Un-audited)<br>June 30, 2013                 |            | (Audited)<br>December 31, 2012                |            |                    |
|--|---|------------|---|------------|--------------------|
|  | Number of<br>certificates /<br>units / shares | Rupees     | Number of<br>certificates /<br>units / shares | Rupees     |                    |
|  | In funds under management:                    |            |   |            |                    |
| Closed ended Fund                                |   |            |   |            |                    |
| JS Growth Fund                                   | 6.1.2   | 58,142,464 | 705,268,088                                   | 48,316,964 | 421,807,096        |
| Open ended Fund                                  |   |            |   |            |                    |
| JS Value Fund                                    | 6.1.1   | 2,263,399  | 265,034,993                                   | 21,498,992 | 193,490,928        |
| JS Large Cap Fund                                |   | 6,581,000  | 514,700,010                                   | 6,581,000  | 393,017,320        |
| JS Pension Savings Fund - Equity                 |   | 300,000    | 59,346,000                                    | 300,000    | 41,808,000         |
| JS Pension Savings Fund - Debt                   |   | 177,761    | 31,913,467                                    | 188,940    | 33,268,555         |
| JS Pension Savings Fund - Money Market           |   | 177,463    | 26,426,077                                    | 189,965    | 26,940,484         |
| JS Fund of Funds                                 |   | 404,125    | 40,667,092                                    | 603,269    | 55,024,131         |
| JS Islamic Pension Savings Fund - Equity         |   | 250,000    | 70,140,000                                    | 250,000    | 53,192,500         |
| JS Islamic Pension Savings Fund - Debt           |   | 213,852    | 34,669,637                                    | 232,690    | 36,469,504         |
| JS Islamic Pension Savings Fund - Money Market   |   | 222,303    | 31,538,179                                    | 236,585    | 32,617,974         |
| JS Aggressive Income Fund                        |   | -          | -   | 860,585    | 90,189,329         |
| JS KSE 30 Index Fund                             |   | -          | -   | 3,259,827  | 67,869,607         |
| JS Aggressive Asset Allocation Fund              |   | 2,828,854  | 38,642,150                                    | -          | -                  |
| JS Islamic Government Securities Fund            |   | 300,068    | 30,120,815                                    | -          | -                  |
| Investments at market value                      |   |            | 1,848,466,508                                 |            | 1,445,695,428      |
| Less:  |   |            |   |            |                    |
| Carrying value of investments                    |   |            | (817,226,982)                                 |            | (820,441,573)      |
| Unrealised gain on re-measurement of investments |   |            | <u>1,031,239,526</u>                          |            | <u>625,253,855</u> |

6.1.1 In compliance with Regulation 65 of NBFC & NE Regulations, 2008, the Fund has been converted into an Open end schemewith effective from June 28, 2013. Accordingly the shares having par value of Rs.10 each of JS Value fund Limited were converted in units of par value of Rs. 100 each (i.e in the ratio of 10:1).

6.1.2 In compliance with Regulation 65 of NBFC & NE Regulations, 2008, the Fund has been converted into an Open end scheme with effective from July 20, 2013.

6.2 Investments - Held for trading

|   | (Un-audited)<br>June 30, 2013                 |                  | (Audited)<br>December 31, 2012                |                  |
|---|---|------------------|---|------------------|
|   | Number of<br>certificates /<br>units / shares | Rupees           | Number of<br>certificates /<br>units / shares | Rupees           |
|   | In funds under management:                    |                  |   |                  |
| JS Income Fund  | 463,257                                       | 41,628,246       | 452,192                                       | 40,991,190       |
| Less:   |   |                  |   |                  |
| Carrying value of investments   |   | (40,399,439)     |   | (33,754,076)     |
| Unrealised gain on re-measurement of investments classified as held for trading |   | <u>1,228,807</u> |   | <u>7,237,114</u> |

## JS Investments Limited

|                  | NOTE                   | (Un-audited)<br>June 30,<br>2013 | (Audited)<br>December 31,<br>2012 |
|------------------|------------------------|----------------------------------|-----------------------------------|
| -----Rupees----- |                        |                                  |                                   |
| 7                | CASH AND BANK BALANCES |                                  |                                   |
|                  | Cash in hand           | 75,128                           | 70,427                            |
|                  | Cash at bank in:       |                                  |                                   |
|                  | Current accounts       | <u>349,390</u>                   | <u>940,417</u>                    |
|                  | Savings accounts       | <u>8,210,552</u>                 | <u>1,886,658</u>                  |
|                  | 7.1                    | <u>8,559,942</u>                 | <u>2,827,075</u>                  |
|                  |                        | <u>8,635,070</u>                 | <u>2,897,502</u>                  |

7.1 This includes Rs. 6.159 million (December 31, 2012: Rs. 0.664 million) held with related party.

## 8 CONTINGENCIES AND COMMITMENTS

### 8.1 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 Rs. 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 had filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowances, resulting which, the CIR (Appeals) 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.

Appeal effect of the CIR (Appeals) order in tax year 2009 received. As a result the demand was reduced at Rs 59.93 million 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 order.

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 consolidated financial information.

|                  | (Un-audited)<br>June 30,<br>2013                             | (Audited)<br>December 31,<br>2012   |
|------------------|--|-------------------------------------|
| -----Rupees----- |  |                                     |
| 8.2              | Commitments in respect of:                                   |                                     |
|                  | Capital expenditure contracted but not incurred              | <u>701,899</u> <u>80,000</u>        |
|                  | Royalty and advisory payment                                 | <u>10,000,000</u> <u>10,000,000</u> |
|                  | Motor Vehicle acquired under Ijarah from Bank Islami Limited |                                     |
|                  | - Due in One year  | <u>2,417,600</u> <u>2,479,881</u>   |
|                  | - Due in two to three years                                  | <u>-</u> <u>1,239,940</u>           |

## 9 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 five (June 30, 2012: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2013 was Rs. 117.521 million (June 30, 2012: 54.389 million) and Rs. 119.523 million (June 30, 2012: 51.683 million) respectively.



## JS Investments Limited

### 10 EARNINGS PER SHARE

|  |         | Six months ended |                  | Quarter ended    |                  |
|--|---------|------------------|------------------|------------------|------------------|
|  |         | June 30,<br>2013 | June 30,<br>2012 | June 30,<br>2013 | June 30,<br>2012 |
|  |         | -----Rupees----- |                  |                  |                  |
| Profit for the period  | Rupees: | 86,086,085       | 121,140,660      | 40,046,306       | 58,048,658       |
| Weighted average number of ordinary shares outstanding during the period | Number: | 100,000,000      | 100,000,000      | 100,000,000      | 100,000,000      |
| Earnings per share   | Rupees: | <u>0.86</u>      | <u>1.21</u>      | <u>0.40</u>      | <u>0.58</u>      |

10.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2013 which would have any effect on the earnings per share if the option to convert is exercised.

-----Un-audited-----

|  | June 30,<br>2013 | June 30,<br>2012 |
|--|------------------|------------------|
|  |                  |                  |

-----Rupees-----

### 11 CASH AND CASH EQUIVALENTS

|                                      |  |                      |                      |
|--------------------------------------|--|----------------------|----------------------|
| Cash and bank balances               |  | 8,635,070            | 2,212,764            |
| Short term running finance - secured |  | (494,869,013)        | (384,478,454)        |
|                                      |  | <u>(486,233,943)</u> | <u>(382,265,690)</u> |

### 12 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationship with its associates, parent, subsidiary, companies having common directors, companies in which parent holds more than 20% shares, employee benefit plan, funds under management and its key management personnel (including their associates).

Contribution to the accounts in respect of staff retirement benefits are made in accordance with terms of the contribution plan. Remuneration of the key management personnel are in accordance with the terms of their employment. Other transactions are carried out as per agreed terms.

-----Un-audited-----

#### 12.1 Transaction with related parties

|  | June 30,<br>2013 | June 30,<br>2012 |
|--|------------------|------------------|
|  |                  |                  |

-----Rupees-----

##### 12.1.1 Transactions with associates - funds under management

|  |             |             |
|--|-------------|-------------|
| Remuneration income  | 111,687,341 | 103,405,017 |
| Commission income  | 150,795     | 6,055       |
| Other expenses incurred on behalf of the fund                  | 2,348,638   | 112,888     |
| Reimbursement of other expenses incurred on behalf of the fund | 2,065,062   | 118,300     |
| Dividend income  | 118,867,208 | -           |
| Preliminary expenses incurred on behalf of the fund            | 3,681,705   | -           |
| Investments made in funds under management                     | 70,000,000  | 470,707,085 |
| Investments disposed off                                       | 184,829,203 | 517,880,411 |
| Bonus / additional units (in numbers)                          | 17,788      | 19,235      |

##### 12.1.2 Transactions with other related parties

|   |         |         |
|---|---------|---------|
| Jahangir Siddiqui & Company Limited (JSCL) - parent of JSBL |         |         |
| Expenses incurred on behalf of JSCL                         | 54,255  | 39,138  |
| Reimbursement of expenses incurred on behalf of JSCL        | 15,000  | 141,537 |
| JS Global Capital Limited (JSGCL) - subsidiary of JSBL      |         |         |
| Rent expense  | 556,170 | 517,368 |
| Rental income   | 60,988  | 901,599 |
| Expenses incurred by the company on behalf of JSGCL         | 139,968 | 343,826 |
| Reimbursement of expenses incurred on behalf of JSGCL       | 2,462   | 588,625 |
| Mahvash and Jahangir Siddiqui Foundation (MJSF)             |         |         |
| Rental income   | 497,280 | -       |
| Expenses incurred by the company on behalf of MJSF          | 161,568 | 35,016  |
| Reimbursement of expenses incurred on behalf of MJSF        | 231,324 | 35,016  |

## JS Investments Limited

|  | -----Un-audited-----           |                                 |
|--|--------------------------------|---------------------------------|
|  | June 30,<br>2013               | June 30,<br>2012                |
|  | -----Rupees-----               |                                 |
| Bank Islami Pakistan Limited<br>Jarah rental expense   | 1,175,588                      | 1,222,329                       |
| EFU General Insurance Limited<br>Insurance premium paid  | 2,394,481                      | 197,373                         |
| EFU Life Assurance Limited<br>Insurance premium paid   | 122,360                        | 103,385                         |
| Fakhr-e-Imdad Foundation (FIF)<br>Expenses incurred by the company on behalf of FIF  | 84,780                         | 22,000                          |
| Reimbursement of expenses incurred on behalf of FIF  | 97,048                         | 20,000                          |
| Staff Provident Fund<br>Contributions during the period  | 1,983,334                      | 2,003,133                       |
| 12.1.3 Transactions with holding company   |                                |                                 |
| JS Bank Limited (JSBL) - holding company   |                                |                                 |
| Mark up expense on short term borrowings / running finance   | 11,251,203                     | 30,362,623                      |
| Rent expense   | 563,094                        | 241,380                         |
| Expenses incurred by the company on behalf of JSBL   | 176,077                        | 130,547                         |
| Reimbursement of expenses incurred on behalf of JSBL   | 223,604                        | 16,667                          |
| Rental income  | 615,954                        | 321,900                         |
| 12.1.4 Transactions with key management personnel  |                                |                                 |
| Remuneration of key management personnel   | 24,500,969                     | 26,835,430                      |
| Director fee   | 2,025,000                      | 2,160,000                       |
| 12.2 Balances outstanding at the period end  | Un-audited<br>June 30,<br>2013 | Audited<br>December 31,<br>2012 |
| 12.2.1 Balances outstanding with associates  | -----Rupees-----               |                                 |
| Receivable from various funds and outstanding balance of<br>expenses incurred on behalf of different funds under management  | 2,276,331                      | 511,009                         |
| 12.2.2 Balances outstanding with other related parties   |                                |                                 |
| Payable to JS Global Capital Limited - net   | 1,881,027                      | 1,277,160                       |
| Receivable from Jahangir Siddiqui & Company Limited  | 54,255                         | 15,000                          |
| Receivable from MJSF   | 70,006                         | 139,762                         |
| Receivable from FIF  | 60,715                         | 72,983                          |
| 12.2.3 Balances outstanding with holding company   |                                |                                 |
| Payable to JS Bank Limited - net   | 6,847,382                      | 2,813,967                       |
| 12.3 Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.   |                                |                                 |
| 12.4 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. |                                |                                 |
| 12.5 There are no transactions with key management personnel other than under their terms of employment.   |                                |                                 |
| 13 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE  |                                |                                 |
| The Board of directors of the company have approved cash dividend of <u> NIL </u> (June 30, 2012: Nil) for the six months ended June 30, 2013, amounting to Rs. <u> NIL </u> (June 30, 2012: Nil) respectively in their meeting held on <u> August 16, 2013. </u>  |                                |                                 |
| 14 GENERAL   |                                |                                 |
| This condensed interim consolidated financial information was authorised for issue on August 16, 2013 by the Board of Directors of the Company.  |                                |                                 |

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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