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# JS Investments Limited

Half Yearly Report for the period  
ended June 30, 2014



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### VISION

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

### MISSION

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

### BROAD POLICY OBJECTIVES

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



## COMPANY INFORMATION

### Board of Directors

Mr. Nazar Mohammad Shaikh	Chairman
Mr. Ali Akhtar Ali	Chief Executive Officer
Mr. Muhammad Khalil ur Rehman	Non-Executive Director
Mr. Suleman Lalani	Non-Executive Director
Mr. Muhammad Raza Dyer	Non-Executive Director
Mr. Kamran Jafar	Non-Executive Director
Mr. Ahsen Ahmed	Non-Executive Director
Mr. Asif Reza Sana	Non-Executive Director

### Audit Committee

Mr. Asif Reza Sana	Chairman
Mr. Muhammad Khalil ur Rehman	Member
Mr. Suleman Lalani	Member

### Chief Financial Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

### Auditors

M. Yousuf Adil Saleem & Co.  
Chartered Accountants

### Legal Advisor

Bawaney & Partners

### Share Registrar

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

### Registered Office

7th Floor, The Forum, G-20  
Khayaban-e-Jami, Block-9, Clifton  
Karachi-75600  
Tel: (92-21) 111-222-626  
Fax: (92-21) 35361724  
E-mail: info@jsil.com  
Website: www.jsil.com

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Directors of your Company feel pleasure in presenting to you the results of your Company, duly reviewed by the auditors, along with auditors' report thereon for the half yearly ended June 30, 2014.

### Macro Economic Highlights

Pakistan's nascent economic recovery, which started off towards the end of CY13, remained largely on track in the second quarter of CY14 (2QCY14) in fact it gathered traction. The balance of payments (BoP) witnessed a remarkable recovery during the quarter with State Bank of Pakistan's (SBP) foreign exchange reserves having picked up from USD 4.8 billion towards the end of March 2014 to USD 9 billion towards the end of Jun-14. Privatization proceeds of UBL, PPL; 3G/4G Auction proceeds along with USD 2 billion Euro Bond issue helped in significant reserves accumulation towards the end of 2QCY14. Overall foreign exchange reserves rose to USD 14.2 billion towards the end of first half calendar year 2014(1HCY14) from USD 11 billion towards the end of first half calendar year 2013 (1HCY13), a significant improvement.

Although the Current Account posted a deficit of USD 2.9 billion in FY14, the deficits in May-14 and June-14 were not substantial at USD 57 million and USD 89 million respectively helped by foreign portfolio flows along with rising remittances while the fiscal account reported an overall surplus. Current account deficit (CAD) stood at only USD 89 million for Jun-14 vs. USD 339 million in Jun-13, taking CAD in 2QCY14 to only USD 332 million, lowest in the past year for a quarter. For the 1HCY14, CAD was recorded at USD 1.0 billion against a deficit of USD 2.4 billion in the same period last year reflecting significant improvement due to higher remittances and other flows this year compared to the previous one.

Consumer Price Index (CPI) inflation for 1HCY14 averaged at 8.3% against 6.5% in 1HCY13, a significant increase of 180bps YoY as the Government of Pakistan (GoP) reduced electricity subsidies across the board. The pass down of higher electricity prices raised cost of production and filtered into end product pricing for consumers resulting in higher inflation. Going forward, CPI inflation is expected to moderate down in the remaining CY14 period primarily due to higher base effect.

International Monetary Fund (IMF) board has recently completed third review under the Extended Fund Facility (EFF) program and disbursed USD 556 million fourth tranche. IMF has approved waiver on non observance of March performance criterion. That said, IMF also issued a word of caution, stressing downside risk remains in the economy and continued efforts are needed to safeguard the fragile economic recovery.

### Equity Market Performance

Looking at performance for 1HCY14, the KSE 30 Index posted a return of 8.5% in 1HCY14 against a return of 17.7% in the same period last year. Returns moderated in the 1HCY14 period compared to last year due to strong performance of the equity markets for most of last year and as investors reduced some risk due to the upcoming budget towards the end of 1HCY14. On the other hand, foreigner's interest in the local equity market remained quite strong.

In 2QCY14, the KSE-30 posted a return of 6.5% on account of some very strong foreign inflows. Volatility kicked in towards the middle of the second quarter of Financial Year 2014 (2QFY14) due to uncertainty regarding Capital Gains Tax (CGT) increase however as budget was announced the uncertainty died down resulting in increasing foreign and local interest in the equity markets. Foreign inflows for 2QFY14 clocked in at USD 233 million, one of the strongest quarterly flows in recent times.

In addition, secondary market offerings for both UBL and PPL were completed in June-14, with a cumulative equivalent of USD 542 million raised through both transactions. The successful completion of these transactions bodes well for the GoP privatization program in the coming months. The UBL sell-off of 19.8% shareholding of the government of Pakistan was done at an 8% discount to the market price, with 30% over-subscription. Although there was healthy local participation, foreign funds picked up almost 80% of the shares. PPL's transaction generated more demand than expected, with over-subscription of more than 100% from the government's offering of 70 million shares. As a result, the strike price came in higher than the market close, a first in Pakistan's privatization history.

### Money Market Performance

During 2QCY14, the SBP kept its discount rate unchanged at 10%. Towards the end of 2QCY14 the GoP reprofiled its debt structure into longer dated Pakistan Investment Bonds (PIB). Financial institutions aggressively participated in PIB auctions where the government raised PKR 867 billion in the PIB auction significantly higher than the target amount of PKR 300 billion for the quarter. The need to reprofile the debt was due to the IMF agreement whereby the GoP had to reduce its Net Domestic Assets (NDA) and bring borrowing from the central bank to zero. With benign outlook on inflation, banks participation towards longer tenure security was evident. During the quarter, the SBP borrowed funds worth PKR 1,369 billion through T-bill auctions against a



target of 2,275 billion. In the last auction, the cut off yield for 3 month, 6 month T-bill and 12 month T-bill averaged at 9.95%, 9.97% and 9.99% respectively.

The average 3M, 6M and 12M KIBOR clocked in at 10.17%, 10.17% and 10.45% for 2QCY14 increasing by 66bps, 64bps and 61bps YoY respectively, as against 9.51%, 9.53% and 9.84% during the same period last year.

## The AMC Industry

For 1HCY14 period, the local mutual fund industry recorded a slight improvement of 8.2% in AUM's to PKR 419.8 billion from Dec-13 levels while AUM's towards the end of 1HCY13 were recorded at PKR 361.6 billion. On a YoY basis, AUM's of the industry improved by an aggregate of 16%. Market share for closed ended funds in 1HCY14 was 5.3% with a total AUM of PKR. 22.5 billion. Thirteen new funds were launched during 1HCY14.

The local mutual fund industry recorded a slight decline Quarter on Quarter (QoQ) for 2QCY14 as total assets under management (AUM) clocked in at PKR. 419.84 billion as on 30 June 2014, lower by 0.8% QoQ from Mar-14. Open ended funds continued to govern the lion's share of the local mutual fund industry at 92.7% with an AUMs of PKR. 389.18 billion. Market share for closed ended funds was 5.4% with a total AUMs of PKR. 22.49 billion. Three new funds were launched during 2QCY14.

The Islamic Fund of Funds category witnessed the strongest growth in 1HCY14 at 180% in the six month period reaching PKR. 10.4 billion as at 30 June 2014. Three new funds were launched under this fund category in 1HCY14. AUM size for the conventional equity fund category reached PKR. 93.5 billion, up 18% YoY in 1HCY14. The money market fund category recorded a decline of 19.6% in the 6 month period at the end of 1HCY14, with total AUM's reaching PKR. 114.5 billion.

## Performance Review

The Company earned a net profit of Rs. 236.2 million during the half year ended June 30, 2014 showing an earnings per share of Rs. 2.36. The assets under management were Rs. 14,212 million as on June 30, 2014 compared to Rs. 12,853 million as on December 31, 2013 depicting an increase of 10.6% on YTD basis. The Company earned management remuneration from funds under management of Rs. 113.8 million compared to Rs. 111.7 million during the corresponding period last year witnessing an increase of 1.9%. Administration and marketing expenses were increased by 2.9% to Rs. 107.2 million during the period under review compared to Rs. 104.2 million during the corresponding period of last year. The entire amount of short term borrowing and running finance of the company was paid off, resulting in significant reduction of the finance cost in the period under review. The finance cost in the corresponding period in the previous financial year was Rs. 34 million.

This financial performance resulted in enhancing the shareholders equity of the Company to Rs. 2,123 million as on June 30, 2014 from Rs. 1,798 million as on December 31, 2013, which translated an increase of shareholders wealth by 18.08% 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 ratings 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.

### 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

Karachi: August 15, 2014

Ali Akhtar Ali  
Chief Executive Officer

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

#### Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of JS Investments Limited (the Company) as at June 30, 2014 and the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six month period then ended (here-in-after referred to as the “unconsolidated condensed interim financial information”). Management is responsible for the preparation and presentation of this unconsolidated 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 unconsolidated condensed interim financial information as of and for the six month ended June 30, 2014 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 unconsolidated condensed interim profit and loss account and the unconsolidated condensed interim statement of comprehensive income for the quarter ended June 30, 2014 have not been reviewed, as we are required to review only the cumulative figures for the six month ended June 30, 2014.

#### Chartered Accountants

Engagement Partner:  
Nadeem Yousuf Adil

Date: August 15, 2014  
Place: Karachi



**UNCONSOLIDATED CONDENSED INTERIM BALANCE SHEET**  
AS AT JUNE 30, 2014

		(Un-audited) June 30, 2014	(Audited) December 31, 2013
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible - property and equipment	5	383,468,113	266,235,017
Intangible assets	6	1,698,494	380,037
Long-term investment - Investment in subsidiary		37,500,000	37,500,000
Long-term loans - considered good		1,096,879	1,149,731
<b>Total non - current assets</b>		<b>423,763,486</b>	<b>305,264,785</b>
<b>Current assets</b>			
Balances due from funds under management - related parties		37,313,497	16,072,734
Loans and advances - considered good		1,546,654	1,731,699
Trade deposits, short term prepayments and other receivables		17,520,413	15,626,472
Other financial assets - investments, available-for-sale	7	1,923,492,381	1,583,447,392
Taxation recoverable		112,890,041	113,706,136
Cash and bank balances	8	19,422,725	38,227,840
<b>Total current assets</b>		<b>2,112,185,711</b>	<b>1,768,812,273</b>
<b>Total assets</b>		<b>2,535,949,197</b>	<b>2,074,077,058</b>
<b>EQUITY AND LIABILITIES</b>			
Issued, subscribed and paid-up capital		1,000,000,000	1,000,000,000
Unappropriated profit		246,903,439	9,731,642
Unrealised gain on remeasurement of available for sale investments to fair value - net	7	875,984,794	787,931,408
		2,122,888,233	1,797,663,050
Surplus on revaluation of fixed assets - net of tax	5	202,709,085	120,461,406
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Deferred tax liability - net		79,431,212	35,772,863
		79,431,212	35,772,863
<b>Current liabilities</b>			
Accrued and other liabilities	9	130,920,667	120,056,248
Accrued mark-up		-	123,491
		130,920,667	120,179,739
<b>Total liabilities</b>		<b>210,351,879</b>	<b>155,952,602</b>
<b>Total equity and liabilities</b>		<b>2,535,949,197</b>	<b>2,074,077,058</b>
<b>Contingencies and commitments</b>	10		

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

Chief Executive Officer

Director

# JS Investments Limited

## UNCONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

Note	Six months ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	-----Rupees-----			
<b>INCOME</b>				
Remuneration from funds under management - gross	153,186,695	131,736,763	78,288,252	68,541,462
Less: Sales tax	21,129,199	18,170,588	10,798,380	9,441,581
Less: Federal excise duty	18,214,827	1,878,834	9,308,949	1,878,834
	<u>113,842,669</u>	<u>111,687,341</u>	<u>58,180,923</u>	<u>57,131,047</u>
Remuneration from funds under management - net	113,842,669	111,687,341	58,180,923	57,131,047
Commission from open end funds under management	346,606	150,795	172,874	49,725
Dividend	-	118,867,208	-	60,724,744
Gain on sale of investments - net	217,302,297	2,420,241	173,826,453	61,134
Return on bank deposits	5,808,529	54,126	1,406,466	51,233
Markup on Term Finance Certificates (TFC's)	686,384	-	686,384	-
Return on Government Securities	211,667	-	-	-
Commission income and share of profit from management of discretionary client portfolios	11 2,599,774	625,653	1,742,913	354,130
	<u>340,797,926</u>	<u>233,805,364</u>	<u>236,016,013</u>	<u>118,372,013</u>
Administrative and marketing expenses	107,222,613	104,213,199	55,855,057	53,732,329
	<u>233,575,313</u>	<u>129,592,165</u>	<u>180,160,956</u>	<u>64,639,684</u>
<b>OPERATING PROFIT</b>				
Other expenses	13 4,868,749	5,699,571	3,586,187	756,535
Financial charges	472,217	34,068,084	15,640	17,021,469
	<u>228,234,347</u>	<u>89,824,510</u>	<u>176,559,129</u>	<u>46,861,680</u>
Other income	12 15,203,089	7,316,202	4,032,784	3,697,739
	<u>243,437,436</u>	<u>97,140,712</u>	<u>180,591,913</u>	<u>50,559,419</u>
<b>Profit before tax</b>				
<b>Income tax expense</b>				
- Current	4,591,271	13,024,931	2,980,298	12,740,685
- Deferred	2,665,915	(1,039,344)	2,645,703	(1,743,652)
	<u>7,257,186</u>	<u>11,985,587</u>	<u>5,626,001</u>	<u>10,997,033</u>
	<u>236,180,250</u>	<u>85,155,125</u>	<u>174,965,912</u>	<u>39,562,386</u>
<b>Profit for the period</b>				
Earnings per share for the period - basic and diluted	14 <u>2.36</u>	<u>0.85</u>	<u>1.75</u>	<u>0.40</u>

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

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

\_\_\_\_\_  
Director



UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Six months ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	-----Rupees-----		-----Rupees-----	
Profit for the six months period ended	236,180,250	85,155,125	174,965,912	39,562,386
Other comprehensive income:				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Available for sale investments:				
Unrealised gain on remeasurement of available-for-sale investments to fair value - net	280,895,755	411,502,477	178,187,397	341,072,785
Reclassification adjustments relating to sale of investments	(192,842,369)	(5,516,806)	(154,443,734)	(2,199,639)
Taxation relating to components that may be classified subsequently to Profit and loss account	-	-	-	-
<b>Total items that may be reclassified subsequently to profit and loss</b>	<b>88,053,386</b>	<b>405,985,671</b>	<b>23,743,663</b>	<b>338,873,146</b>
<b>Total comprehensive income for the period</b>	<b>324,233,636</b>	<b>491,140,796</b>	<b>198,709,575</b>	<b>378,435,532</b>

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 17 form an integral part of this unconsolidated condensed interim financial information.

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

\_\_\_\_\_  
Director

# JS Investments Limited

## UNCONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

Note	June 30, 2014	June 30, 2013
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	243,437,436	97,140,712
<b>Adjustment for non-cash and other items:</b>		
Commission from open end funds under management	(346,606)	(150,795)
Dividend	-	(118,867,208)
Depreciation	11,216,892	10,286,108
Amortisation of intangible assets	89,034	172,553
Financial charges	472,217	34,068,084
Interest / mark-up income	(5,808,529)	(54,126)
Gain on sale of investments - net	(217,302,297)	(2,420,241)
Gain on disposal of fixed assets	(5,607,265)	(20,000)
	<u>26,150,882</u>	<u>20,155,087</u>
<b>Increase / decrease in assets and liabilities</b>		
Loans and advances	<u>237,897</u>	1,414,081
Balances due from Funds under management	(20,894,157)	(4,020,163)
Deposits, prepayments and other receivables	(2,023,209)	(3,220,778)
Accrued and other liabilities	14,195,841	5,356,307
	<u>(8,483,628)</u>	<u>(470,553)</u>
Taxes paid - net	17,667,254	19,684,534
	<u>(3,775,176)</u>	<u>(12,395,747)</u>
<b>Net cash inflow from operating activities</b>	<u>13,892,078</u>	<u>7,288,787</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	<u>(34,689,306)</u>	5,634,832
Payment for purchase of items of tangible property and equipment	(5,668,225)	(1,245,199)
Payment for purchase of items of intangible asset	(1,407,491)	
Dividend received	-	93,969,817
Return on bank deposits	5,937,797	54,126
Proceeds from disposal of fixed assets	7,045,000	20,000
<b>Net cash (used in) / inflow from investing activities</b>	<u>(28,782,226)</u>	<u>98,433,576</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee	-	(64,542,500)
Dividend paid	(3,442,750)	(93,925,146)
Financial charges paid	(472,217)	(29,182,996)
<b>Net cash used in financing activities</b>	<u>(3,914,967)</u>	<u>(187,650,642)</u>
Net decrease in cash and cash equivalents	(18,805,115)	(81,928,279)
<b>Cash and cash equivalents at beginning of the period</b>	<u>38,227,840</u>	<u>(404,569,587)</u>
<b>Cash and cash equivalents at end of the period</b>	15 <u>19,422,725</u>	<u>(486,497,866)</u>

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

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

\_\_\_\_\_  
Director



**UNCONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Share capital	(Accumulated Loss) / Unappropriated profit	Unrealised gain on remeasurement of available for sale investments to fair value - net	Total
-----Rupees-----				
<b>Balance as at December 31, 2012</b>	1,000,000,000	(395,046,161)	625,253,855	1,230,207,694
<b>Total Comprehensive income for the six months period</b>				
Profit for the six months period ended 30 June 2013	-	85,155,125	-	85,155,125
Other comprehensive Income			405,985,671	405,985,671
<b>Total Comprehensive Income for the period</b>	-	85,155,125	405,985,671	491,140,796
- 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
<b>Transactions with owners recognized directly in equity</b>				
Final dividend for the eighteen months period ended December 31, 2012		(100,000,000)	-	(100,000,000)
<b>Balance as at June 30, 2013</b>	1,000,000,000	(406,591,450)	1,031,239,526	1,624,648,076
<b>Balance as at December 31, 2013</b>	1,000,000,000	9,731,642	787,931,408	1,797,663,050
<b>Total Comprehensive income for the six months period</b>				
Profit for the six months period ended 30 June 2014	-	236,180,250	-	236,180,250
Other comprehensive Income	-		88,053,386	88,053,386
<b>Total Comprehensive Income for the period</b>	-	236,180,250	88,053,386	324,233,636
Transfer from surplus on revaluation of property and equipment on account of:				
- Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	4,611,597	-	4,611,597
- Restatement of opening value of deferred tax liability on revaluation surplus due to change in tax rate	-	(3,620,050)	-	(3,620,050)
<b>Balance as at June 30, 2014</b>	1,000,000,000	246,903,439	875,984,794	2,122,888,233

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

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

\_\_\_\_\_  
Director

# JS Investments Limited

## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

### 1 STATUS AND NATURE OF BUSINESS

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

#### Open-End

- JS Growth Fund
- 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

- 1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

### 2 STATEMENT OF COMPLIANCE

This unconsolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

This unconsolidated condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with annual audited unconsolidated financial statements of the company for the period ended December 31, 2013, which have been prepared in accordance with accounting standards as applicable in Pakistan.



**3 BASIS OF PREPARATION**

- 3.1 The unconsolidated 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 preparation of unconsolidated condensed interim financial information requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements for the year ended December 31, 2013.
- 3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended December 31, 2013.

**4 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2013. The profit and loss account and statement of comprehensive income of the Company for the comparative period has been extracted from the unconsolidated condensed interim financial information for the period ended June 30, 2013.

	Note	(Un audited) June 30, 2014	(Audited) December 31, 2013
-----Rupees-----			
<b>5 TANGIBLE - PROPERTY AND EQUIPMENT</b>			
Opening WDV		266,235,017	281,596,115
Revaluation of office premises	5.3	124,219,499	
Addition during the period	5.1	5,523,225	5,718,133
Disposal during the period	5.2	(1,437,736)	(5,949)
Depreciation for the period		(11,216,892)	(21,073,282)
		<u>383,323,113</u>	<u>266,235,017</u>
Capital work-in-progress - at cost		145,000	-
		<u>383,468,113</u>	<u>266,235,017</u>

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

Furniture and fixtures		-	246,100
Office equipment		2,116,577	5,421,033
Vehicles		3,406,648	51,000
		<u>5,523,225</u>	<u>5,718,133</u>

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

Furniture and fixtures		-	5,949
Vehicles	5.2.1	1,437,736	-
		<u>1,437,736</u>	<u>5,949</u>

5.2.1 The cost of the items disposed of during the period amounted to Rs. 2,349,836.(Dec 2013: 860,020)

5.3 The Company follows the revaluation model for its office premises. The office premises of the Company was most recently revalued on May 31, 2014 by an independent valuer KG Traders (Pvt.) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 124.40 million. Out of the total revaluation surplus of Rs. 379.016 million, Rs. 302.533 million (December 2013: Rs. 185.197 million) remains undepreciated as at June 30, 2014.

# JS Investments Limited

Note	(Un audited)	(Audited)	
	June 30, 2014	December 31, 2013	
-----Rupees-----			
6	The additions were made to intangible assets during the period:		
	Opening WDV	380,037	105,624,587
	Additions during the period	1,407,491	-
	Amortisation for the period	(89,034)	(244,550)
	Impairment during the period	-	(105,000,000)
		<u>1,698,494</u>	<u>380,037</u>

## 7 OTHER FINANCIAL ASSETS - INVESTMENTS, AVAILABLE-FOR-SALE

Units of mutual funds - related parties	7.1	1,898,492,381	1,423,806,752
Market Treasury Bill		-	159,640,640
Term Finance Certificates - related party (Ultimate parent)	7.2	25,000,000	-
		<u>1,923,492,381</u>	<u>1,583,447,392</u>

### 7.1 Units of mutual funds - related parties

Number of Units			(Un audited)		(Audited)	
June 30 2014	December 31 2013	Name of fund	June 30, 2014		December 31, 2013	
			Average cost	Fair value	Average cost	Fair value
			-----Rupees-----			
2,683,692	2,263,399	JS Value Fund	277,857,278	448,981,636	106,732,920	320,157,817
1,361,360	-	JS Growth Fund-Class 'A'	64,876,132	194,905,965	-	-
5,814,246	5,814,246	JS Growth Fund-Class 'B'	277,080,061	665,905,640	341,956,212	733,990,466
240,000	300,000	JS Pension Savings Fund Equity	14,776,800	76,672,800	18,471,000	76,383,000
177,761	177,761	JS Pension Savings Fund Debt	17,776,120	33,314,226	17,776,119	31,911,690
177,463	177,463	JS Pension Savings Fund Money Market	17,746,342	28,261,049	17,746,342	27,324,042
200,000	250,000	JS Islamic Pension Savings Fund Equity	18,170,000	83,608,000	22,712,500	82,985,000
213,852	213,852	JS Islamic Pension Savings Fund Debt	21,385,170	37,026,283	21,385,170	35,997,656
222,303	222,303	JS Islamic Pension Savings Fund Money Market	22,230,337	33,647,838	22,230,337	32,547,436
2,088,869	1,072,363	JS Fund of Funds	87,907,237	91,555,120	36,844,070	51,087,374
329,166	311,915	JS Islamic Govt. Securities Fund	32,535,139	32,781,602	30,000,000	31,422,271
1,981,689	-	JS Income Fund	170,166,972	171,832,222	-	-
			<u>1,022,507,587</u>	<u>1,898,492,381</u>	<u>635,854,670</u>	<u>1,423,806,752</u>
		Unrealized gain on remeasurement at fair value	<u>875,984,794</u>	<u>-</u>	<u>-</u>	<u>-</u>
			<u>1,898,492,381</u>	<u>1,898,492,381</u>	<u>1,423,806,752</u>	<u>1,423,806,752</u>

7.2 During the period, the Company purchased 5000 TFC having face value of Rs. 5000 each from Jahangir Siddiqui & Co.Ltd (ultimate parent) amounting to Rs. 25 million (Dec 2013: Nil). The TFC has a tenure of five years and carries a markup of 6 month KIBOR + 1.75 %.

Note	(Un audited)	(Audited)	
	June 30, 2014	December 31, 2013	
-----Rupees-----			
8	CASH AND BANK BALANCES		
	Cash in hand	72,639	59,786
	Cash at bank in:		
	Current accounts	591,493	1,093,128
	Savings accounts	18,758,593	37,074,926
		<u>19,350,086</u>	<u>38,168,054</u>
		<u>19,422,725</u>	<u>38,227,840</u>

8.1 It includes Rs. 11.740 million (December 31, 2013: Rs. 34.485 million) held with JS Bank Limited (parent company) and Rs. 0.025 Million (December 31, 2013: Rs. 0.466 million) held with Bank Islami Pakistan Limited (related party).



9 This amount includes Rs 38.38 million (December 31, 2013 Rs. 19.78 million) against Federal Excise Duty ( FED) payable. As per the requirement of the Finance Act, 2013, the FED at the rate of 16% on the management fees received / receivable has been applied effective from 13 June 2013. The Management is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which doesn't appear to be the spirit of the law. A stay order against the collection have been granted by the Honourable High Court of Sindh on a petition filed by the Mutual Funds Association of Pakistan (MUFAP). As a matter of abundant caution, the Company has made provision for FED as receivable from the funds and payable to the regulatory authority until any decision on the subject matter is arrived by the Court.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and 66 million respectively, the Commissioner Inland Revenue Appeal previously had not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

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

The CIR (Appeals) also rectified the order passed by his predecessor for the Tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs. 29 Million. The CIR, Zone-IV has filed appeal in Appellate Tribunal Inland Revenue in respect of deletion of addition regarding the portion of capital gain included in dividend.

The Company has also filed an appeal before Honorable Commissioner Appeals, Sindh Revenue Board against the Order of DCIR against the levy of Sindh Sales Tax amounting to Rs. 1.342 million on certain disallowances of input taxes for the tax periods from July 2011 to June 2012.

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) June 30, 2014	(Audited) December 31, 2013
10.2 Commitments in respect of:		
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>-</u>	<u>1,208,800</u>

11 COMMISSION INCOME AND SHARE OF PROFIT FROM MANAGEMENT OF DISCRETIONARY CLIENT PORT FOLIOS

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing eight (June 30, 2013: five) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2014 was Rs. 209.93 million (June 30, 2013: 117.521 million) and Rs. 205.60 million (June 30, 2013: 119.523 million) respectively.

12 Other Income

This Includes rental income earned during the period amounting to Rs.7.95 million (June 30, 2013: 7.21 million) and gain on sale of fixed asset amounting to Rs. 5.61 million (June 30, 2013: 0.02 million).

13 Other Expenses

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

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders.

## JS Investments Limited

The company along with its group companies has decided to file the petition with the supreme court against the changes. On prudent basis, the Company has recognized current year provision of Rs.4.89 million and aggregate provision amounting to Rs. 21.82 million for the years from 2012 to June 2014.

14 EARNINGS PER SHARE	(Un audited)		(Un audited)	
	Six months ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Profit for the period	Rupees: <u>236,180,250</u>	<u>85,155,125</u>	<u>174,965,912</u>	<u>39,562,386</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>2.36</u>	<u>0.85</u>	<u>1.75</u>	<u>0.40</u>

- 14.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised

15 CASH AND CASH EQUIVALENTS	-----Un-audited-----	
	June 30, 2014	June 30, 2013
	-----Rupees-----	
Cash and bank balances	19,422,725	8,371,147
Short term running finance - secured	-	(494,869,013)
	<u>19,422,725</u>	<u>(486,497,866)</u>

### 16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationship with its associates, parent, ultimate 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.

16.1 Transaction with related parties	-----Un-audited-----	
	June 30, 2014	June 30, 2013
	-----Rupees-----	
16.1.1 Transactions with funds under management		
Remuneration income - net	113,842,669	111,687,341
Commission income	346,606	150,795
Other expenses incurred on behalf of the fund	432,457	2,348,638
Reimbursement of other expenses incurred on behalf of the fund	803,291	2,065,062
Dividend income	-	118,867,208
Reimbursement of preliminary expenses incurred on behalf of the fund	-	3,681,705
Investments made in funds under management	537,275,055	70,000,000
Investments disposed of	367,923,513	184,229,303
Bonus / additional units (in numbers)	2,237,357	68

	-----Un-audited-----	
	June 30, 2014	June 30, 2013
-----Rupees-----		
<b>16.1.2 Transactions with other related parties</b>		
<b>Jahangir Siddiqui &amp; Co. Ltd (JSCL) (ultimate parent) - parent of JSBL</b>		
Investment made in Term Finance Certificate	25,000,000	-
Markup income on Term Finance Certificates	686,384	-
Expenses incurred on behalf of JSCL	1,404	54,255
Reimbursement of expenses incurred on behalf of JSCL	1,405	15,000
<b>JS Global Capital Limited (JSGCL) - subsidiary of JSBL - Associate</b>		
Rent expense	298,941	556,170
Rental income	62,896	60,988
Expenses incurred by the company on behalf of JSGCL	50,736	139,968
Reimbursement of expenses incurred on behalf of JSGCL	-	2,462
<b>Mahvash and Jahangir Siddiqui Foundation (MJSF) - Associate</b>		
Rental income	497,280	497,280
Donation expense	4,858,896	-
Expenses incurred by the company on behalf of MJSF	220,318	161,568
Reimbursement of expenses incurred on behalf of MJSF	245,672	231,324
<b>Bank Islami Pakistan Limited - Associate</b>		
Ijarah rental expense	303,940	1,175,588
Acquisition of Ijarah leased vehicle	1,437,736	-
<b>EFU General Insurance Limited - Associate</b>		
Insurance premium paid	2,208,094	2,394,481
<b>EFU Life Assurance Limited - Associate</b>		
Insurance premium paid	763,685	122,360
<b>Fakhr-e-Imdad Foundation (FIF) - Associate</b>		
Expenses incurred by the company on behalf of FIF	98,508	84,780
Reimbursement of expenses incurred on behalf of FIF	63,952	97,048
<b>Abamco Ltd Staff Provident Fund - Retirement Benefit Plan</b>		
Contributions during the period	1,764,899	1,983,334
<b>16.1.3 Transactions with parent company</b>		
<b>JS Bank Limited (JSBL) - holding company</b>		
Mark up expense on short term borrowings / running finance	-	11,251,203
Rent expense	996,378	563,094
Expenses incurred by the company on behalf of JSBL	263,360	176,077
Reimbursement of expenses incurred on behalf of JSBL	24,413	223,604
Rental income	677,552	615,954
Profit on PLS Account	5,787,586	54,126

# JS Investments Limited

		-----Un-audited-----	
		June 30, 2014	June 30, 2013
		-----Rupees-----	
<b>16.1.4</b>	<b>Transactions with subsidiary company</b>		
	<b>JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL</b>		
	Expenses incurred by the company on behalf of JSACL	75,025	214,790
	Reimbursement of expenses incurred by the company on behalf of JSACL	159,000	124,222
<b>16.1.5</b>	<b>Transactions with key management personnel</b>		
	Remuneration of key management personnel	19,162,815	24,500,969
	Sale of vehicle	7,000,000	-
	Director fee	525,000	2,025,000
		(Un audited) June 30, 2014	(Audited) December 31, 2013
		-----Rupees-----	
<b>16.2</b>	<b>Balances outstanding at the period end</b>		
<b>16.2.1</b>	<b>Balances outstanding with associates</b>		
	Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	37,462,174	16,072,734
<b>16.2.2</b>	<b>Balances outstanding with other related parties</b>		
	Payable to JS Global Capital Limited - net	2,933,465	2,644,305
	Payable to Bank Islami Pakistan Limited	-	302,200
	Receivable from Jahangir Siddiqui & Co.Ltd	16,904	16,905
	Receivable from JS ABAMCO Commodities Limited - net	3,702	159,000
	Receivable from MJSF	201,947	725,364
	Donation Payable to Mahvash and Jahangir Siddiqui Foundation	5,024,617	12,545,988
	Receivable from FIF	89,593	55,456
<b>16.2.3</b>	<b>Balances outstanding with parent company</b>		
	Receivable from JS Bank Limited - net	1,850,033	366,057
<b>16.3</b>	Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.		
<b>16.4</b>	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.		
<b>16.5</b>	Transactions with key management personnel are as per their terms of employment.		
<b>17</b>	<b>GENERAL</b>		
	This unconsolidated condensed interim financial information was authorised for issue on August 15, 2014 by the Board of Directors of the Company.		

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

\_\_\_\_\_  
Director





# CODENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION



# JS Investments Limited

## CONSOLIDATED CONDENSED INTERIM BALANCE SHEET AS AT JUNE 30, 2014

		(Un-audited) June 30, 2014	(Audited) December 31, 2013
	Note	-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible - property and equipment	5	385,968,113	268,735,017
Intangible assets	6	2,698,494	1,380,037
Long-term loans - considered good		1,096,879	1,149,731
<b>Total non - current assets</b>		<b>389,763,486</b>	<b>271,264,785</b>
<b>Current assets</b>			
Balances due from funds under management - related parties		37,313,497	16,072,734
Loans and advances - considered good		1,546,654	1,731,699
Trade deposits, short term prepayments and other receivables		17,616,736	15,484,972
Other financial assets - investments, available-for-sale	7	1,968,103,996	1,626,341,660
Taxation recoverable		112,892,530	113,708,292
Cash and bank balances	8	19,510,511	38,430,090
<b>Total current assets</b>		<b>2,156,983,923</b>	<b>1,811,769,447</b>
<b>Total assets</b>		<b>2,546,747,410</b>	<b>2,083,034,232</b>
<b>EQUITY AND LIABILITIES</b>			
Issued, subscribed and paid-up capital		1,000,000,000	1,000,000,000
Unappropriated profit		257,405,990	18,510,915
Unrealised gain on remeasurement of available for sale investments to fair value - net	7	875,984,794	787,931,408
		<b>2,133,390,784</b>	<b>1,806,442,323</b>
Surplus on revaluation of fixed assets - net of tax	5	202,709,085	120,461,406
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Deferred tax liability - net		79,431,212	35,772,863
		<b>79,431,212</b>	<b>35,772,863</b>
<b>Current liabilities</b>			
Accrued and other liabilities	9	131,216,329	120,234,149
Accrued mark-up		-	123,491
		<b>131,216,329</b>	<b>120,357,640</b>
<b>Total liabilities</b>		<b>210,647,541</b>	<b>156,130,503</b>
<b>Total equity and liabilities</b>		<b>2,546,747,410</b>	<b>2,083,034,232</b>
<b>Contingencies and commitments</b>	10		

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

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

\_\_\_\_\_  
Director

# JS Investments Limited

## CONSOLIDATED CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Six months ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Note -	Rupees			
<b>INCOME</b>				
Remuneration from funds under management - gross	153,186,695	131,736,763	78,288,252	68,541,462
Less: Sales tax	21,129,199	18,170,588	10,798,380	9,441,581
Less: Federal excise duty	18,214,827	1,878,834	9,308,949	1,878,834
Remuneration from funds under management - net	113,842,669	111,687,341	58,180,924	57,131,047
Commission from open end funds under management	346,606	150,795	172,874	49,725
Dividend	-	118,867,208	-	60,724,744
Gain on sale of investments - net	217,303,032	2,428,490	173,826,453	68,361
Return on bank deposits	5,811,862	57,872	1,407,614	53,667
Markup on Term Finance Certificates (TFC's)	686,384	-	686,384	-
Return on Government Securities	211,667	-	-	-
Commission income and share of profit from management of discretionary client portfolios	11	2,599,774	625,653	1,742,913
Un-realized gain on remeasurement of investment classified as held for trading	1,916,611	1,228,807	1,604,826	806,224
	342,718,606	235,046,166	237,621,989	119,187,898
Administrative and marketing expenses	107,425,338	104,667,762	56,196,947	54,064,294
<b>OPERATING PROFIT</b>	235,293,268	130,378,404	181,425,042	65,123,604
Other expenses	13	4,868,749	5,699,571	3,273,122
Financial charges	472,217	34,068,084	15,640	17,021,469
	229,952,302	90,610,749	178,136,280	47,345,600
Other income	12	15,208,412	7,460,923	4,032,784
Profit before tax	245,160,714	98,071,672	182,169,064	51,043,339
<b>Income tax expense</b>				
- Current	4,591,271	13,024,931	2,980,298	12,740,685
- Deferred	2,665,915	(1,039,344)	2,645,703	(1,743,652)
	7,257,186	11,985,587	5,626,001	10,997,033
<b>Profit for the period</b>	237,903,528	86,086,085	176,543,063	40,046,306
Earnings per share for the period - basic and diluted	14	2.38	0.86	1.77
				0.40

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

Chief Executive Officer

Director



CONSOLIDATED CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Six months ended		Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
	-----Rupees-----		-----Rupees-----	
<b>Profit for the six months period ended</b>	<b>237,903,528</b>	<b>86,086,085</b>	<b>176,543,063</b>	<b>39,562,386</b>
Other comprehensive income:				
Items that will not be reclassified to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Available for sale investments:				
Unrealised gain on remeasurement of available-for-sale investments to fair value - net	280,895,755	411,502,477	178,187,397	341,072,785
Reclassification adjustments relating to sale of investments	(192,842,369)	(5,516,806)	(154,443,734)	(2,199,639)
Taxation relating to components that may be classified subsequently to Profit and loss account	-	-	-	-
<b>Total items that may be reclassified subsequently to profit and loss</b>	<b>88,053,386</b>	<b>405,985,671</b>	<b>23,743,663</b>	<b>338,873,146</b>
<b>Total comprehensive income for the period</b>	<b>325,956,914</b>	<b>492,071,756</b>	<b>200,286,726</b>	<b>378,435,532</b>

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 17 form an integral part of this consolidated condensed interim financial information.

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

\_\_\_\_\_  
Director

# JS Investments Limited

## CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

	Share capital	(Accumulated Loss) / Unappropriated profit	Unrealised gain on remeasurement of available for sale investments to fair value - net	Total
-----Rupees-----				
<b>Balance as at December 31, 2012</b>	1,000,000,000	(388,160,655)	625,253,855	1,237,093,200
<b>Total Comprehensive income for the six months period</b>				
Profit for the six months period ended 30 June 2013	-	86,086,085	405,985,671	492,071,756
Other comprehensive Income	-	-	-	-
<b>Total Comprehensive Income for the period</b>	-	86,086,085	405,985,671	492,071,756
- 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
<b>Transactions with owners recognized directly in equity</b>				
Final dividend for the eighteen months period ended December 31, 2012		(100,000,000)	-	(100,000,000)
<b>Balance as at June 30, 2013</b>	1,000,000,000	(398,774,984)	1,031,239,526	1,632,464,542
<b>Balance as at December 31, 2013</b>	1,000,000,000	18,510,915	787,931,408	1,806,442,323
<b>Total Comprehensive income for the six months period</b>				
Profit for the six months period ended 30 June 2014	-	237,903,528	-	237,903,528
Other comprehensive Income	-	-	88,053,386	88,053,386
<b>Total Comprehensive Income for the period</b>	-	237,903,528	88,053,386	325,956,914
Transfer from surplus on revaluation of property and equipment on account of:			-	
- Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	4,611,597	-	4,611,597
- Restatement of opening value of deferred tax liability on revaluation surplus due to change in tax rate	-	(3,620,050)	-	(3,620,050)
<b>Balance as at June 30, 2014</b>	<u>1,000,000,000</u>	<u>257,405,990</u>	<u>875,984,794</u>	<u>2,133,390,784</u>

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

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

\_\_\_\_\_  
Director



**CONSOLIDATED CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
FOR THE SIX MONTHS ENDED JUNE 30, 2014

Note	June 30, 2014	June 30, 2013
	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the period before taxation	245,160,714	98,071,672
<b>Adjustment for non-cash and other items:</b>		
Commission from open end funds under management	(346,606)	(150,795)
Dividend	-	(118,867,208)
Depreciation	11,216,892	10,286,108
Amortisation of intangible assets	89,034	172,553
Financial charges	472,217	34,068,084
Interest / mark-up income	(5,811,862)	(57,872)
Gain on sale of investments - net	(217,303,032)	(2,428,490)
Gain on disposal of fixed assets	(5,607,265)	(20,000)
Unrealized gain on revaluation of investments	(1,916,611)	(1,228,807)
	<u>25,953,480</u>	<u>19,845,245</u>
<b>Increase / decrease in assets and liabilities</b>		
Loans and advances	237,897	1,414,081
Balances due from Funds under management	(20,894,157)	(4,020,163)
Deposits, prepayments and other receivables	(2,261,032)	(3,389,539)
Accrued and other liabilities	14,313,602	5,444,670
	<u>(8,603,690)</u>	<u>(550,951)</u>
Taxes paid - net	17,349,790	19,294,294
	<u>(3,775,509)</u>	<u>(12,396,122)</u>
<b>Net cash inflow from operating activities</b>	<b>13,574,281</b>	<b>6,898,172</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	(34,489,307)	6,234,832
Payment for purchase of items of tangible property and equipment	(5,668,225)	(1,245,199)
Payment for purchase of items of intangible asset	(1,407,491)	-
Dividend received	-	93,969,817
Return on bank deposits	5,941,130	57,872
Proceeds from disposal of fixed assets	7,045,000	20,000
<b>Net cash (used in) / inflow from investing activities</b>	<b>(28,578,892)</b>	<b>99,037,322</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee	-	(64,542,500)
Dividend paid	(3,442,750)	(93,925,146)
Financial charges paid	(472,217)	(29,182,996)
<b>Net cash used in financing activities</b>	<b>(3,914,967)</b>	<b>(187,650,642)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(18,919,579)</b>	<b>(81,715,148)</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>38,430,090</b>	<b>(404,518,795)</b>
<b>Cash and cash equivalents at end of the period</b>	<b>15 19,510,511</b>	<b>(486,233,943)</b>

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

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

\_\_\_\_\_  
Director

# JS Investments Limited

## NOTES TO THE CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2014

### 1 THE GROUP AND ITS OPERATIONS

The group consists of:

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

#### 1.1 Holding company

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

The holding company has obtained the license of an "Investment 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.

The holding company is an asset management company and pension fund manager for the following:

##### 1.1.1 Asset management company of the following funds:

###### Open-End

- JS Growth Fund
- 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

##### 1.1.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

### 2 STATEMENT OF COMPLIANCE

This consolidated condensed interim financial information has been prepared in accordance with the requirements of International Accounting Standard 34 - Interim Financial Reporting (IAS 34), provisions of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

This consolidated 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 consolidated financial statements of the company for the period ended December 31, 2013, which have been prepared in accordance with accounting standards as applicable in Pakistan.

### 3 BASIS OF PREPARATION

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



3.2 The preparation of consolidated condensed interim financial information requires the Company to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the Company in applying accounting policies and the key sources of estimating uncertainty are the same as those that applied to financial statements as at and for the year ended December 31, 2013.

3.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2013.

4 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this consolidated condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2013. The profit and loss account and statement of comprehensive income of the Company for the comparative period has been extracted from the consolidated condensed interim financial information for the period ended June 30, 2013.

	Note	(Un audited) June 30, 2014	(Audited) December 31, 2013
-----Rupees-----			
<b>5 TANGIBLE - PROPERTY AND EQUIPMENT</b>			
Opening WDV		266,235,017	281,596,115
Revaluation of office premises	5.3	124,219,499	
Addition during the period	5.1	5,523,225	5,718,133
Disposal during the period	5.2	(1,437,736)	(5,949)
Depreciation for the period		(11,216,892)	(21,073,282)
		<u>383,323,113</u>	<u>266,235,017</u>
Capital work-in-progress - at cost		2,645,000	2,500,000
		<u><b>385,968,113</b></u>	<u><b>268,735,017</b></u>

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

Furniture and fixtures		-	246,100
Office equipment		2,116,577	5,421,033
Vehicles		3,406,648	51,000
		<u>5,523,225</u>	<u>5,718,133</u>

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

Furniture and fixtures		-	5,949
Vehicles	5.2.1	1,437,736	-
		<u>1,437,736</u>	<u>5,949</u>

5.2.1 The cost of the items disposed of during the period amounted to Rs. 2,349,836.(Dec 2013: 860,020)

5.3 The holding company follows the revaluation model for its office premises. The office premises of the holding company was most recently revalued on May 31, 2014 by an independent valuer KG Traders (Pvt.) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 124.40 million. Out of the total revaluation surplus of Rs. 379.016 million, Rs. 302.533 million (December 2013: Rs. 185.197 million) remains undepreciated as at June 30, 2014.

# JS Investments Limited

		(Un audited) June 30, 2014	(Audited) December 31, 2013
-----Rupees-----			
6	The additions were made to intangible assets during the period:		
	Opening WDV	1,380,037	106,624,587
	Additions during the period	1,407,491	-
	Amortisation for the period	(89,034)	(244,550)
	Impairment during the period	-	(105,000,000)
		<u>2,698,494</u>	<u>1,380,037</u>
7	<b>OTHER FINANCIAL ASSETS - INVESTMENTS, AVAILABLE-FOR-SALE</b>		
	Units of mutual funds - related parties	7.1	1,898,492,381
	Market Treasury Bill	7.2	-
	Term Finance Certificates - related party (ultimate parent)		25,000,000
	Held for trading		1,923,492,381
	Units of mutual fund - related party	7.3	44,611,615
			<u>1,968,103,996</u>
			<u>1,626,341,660</u>

## 7.1 Units of mutual funds - related parties

			(Un audited)		(Audited)	
Number of Units			June 30, 2014		December 31, 2013	
June 30 2014	December 31 2013	Name of fund	Average cost	Fair value	Average cost	Fair value
-----Rupees-----						
2,683,692	2,263,399	JS Value Fund	277,857,278	448,981,636	106,732,920	320,157,817
1,361,360	-	JS Growth Fund-Class 'A'	64,876,132	194,905,965	-	-
5,814,246	5,814,246	JS Growth Fund-Class 'B'	277,080,061	665,905,640	341,956,212	733,990,466
240,000	300,000	JS Pension Savings Fund Equity	14,776,800	76,672,800	18,471,000	76,383,000
177,761	177,761	JS Pension Savings Fund Debt	17,776,120	33,314,226	17,776,119	31,911,690
177,463	177,463	JS Pension Savings Fund Money Market	17,746,342	28,261,049	17,746,342	27,324,042
200,000	250,000	JS Islamic Pension Savings Fund Equity	18,170,000	83,608,000	22,712,500	82,985,000
213,852	213,852	JS Islamic Pension Savings Fund Debt	21,385,170	37,026,283	21,385,170	35,997,656
222,303	222,303	JS Islamic Pension Savings Fund Money Market	22,230,337	33,647,838	22,230,337	32,547,436
2,088,869	1,072,363	JS Fund of Funds	87,907,237	91,555,120	36,844,070	51,087,374
329,166	311,915	JS Islamic Govt. Securities Fund	32,535,139	32,781,602	30,000,000	31,422,271
2,496,181	489,437	JS Income Fund	170,166,972	171,832,222	-	-
			<u>1,022,507,587</u>	<u>1,898,492,381</u>	<u>635,854,670</u>	<u>1,423,806,752</u>
		Unrealized gain on remeasurement at fair value	<u>875,984,794</u>	<u>-</u>	<u>787,952,082</u>	<u>-</u>
			<u>1,898,492,381</u>	<u>1,898,492,381</u>	<u>1,423,806,752</u>	<u>1,423,806,752</u>

7.2 During the period, the holding company purchased 5000 TFC having face value of Rs. 5000 each from Jahangir Siddiqui & Co.Ltd (ultimate parent) amounting to Rs. 25 million (Dec 2013: Nil). The TFC has a tenure of five years and carries a markup of 6 month KIBOR + 1.75 %.

7.3 This represents investment in 514,492 units (December 31, 2013: 489,437 units) of JS Income Fund having carrying cost of Rs. 42.695 million.

		(Un audited) June 30, 2014	(Audited) December 31, 2013
-----Rupees-----			
8	<b>CASH AND BANK BALANCES</b>		
	Cash in hand	72,639	59,786
	Cash at bank in:		
	Current accounts	591,493	1,093,128
	Savings accounts	18,846,379	37,277,176
		<u>19,437,872</u>	<u>38,370,304</u>
		<u>19,510,511</u>	<u>38,430,090</u>

8.1 It includes Rs. 11.828 million (December 31, 2013: Rs. 34.687 million) held with JS Bank Limited (parent company) and Rs. 0.025 million (December 31, 2013: Rs. 0.466 million) held with Bank Islami Pakistan Limited (related party).



9 This amount includes Rs 38.38 million (December 31, 2013 Rs. 19.78 million) against Federal Excise Duty ( FED) payable. As per the requirement of the Finance Act, 2013, the FED at the rate of 16% on the management fees received / receivable has been applied effective from 13 June 2013. The Management is of the view that since the remuneration is already subject to the provincial sales tax, further levy of FED may result in double taxation, which doesn't appear to be the spirit of the law. A stay order against the collection have been granted by the Honourable High Court of Sindh on a petition filed by the Mutual Funds Association of Pakistan (MUFAP). As a matter of abundant caution, the holding Company has made provision for FED as receivable from the funds and payable to the regulatory authority until any decision on the subject matter is arrived by the Court.

10 CONTINGENCIES AND COMMITMENTS

10.1 Contingencies

In respect of the appeals filed by the holding company against orders passed for tax years 2006 and 2009 against demand of Rs.162 million and 66 million respectively, the Commissioner Inland Revenue Appeal previously had not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

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

The CIR (Appeals) also rectified the order passed by his predecessor for the Tax Year 2006, whereby the addition regarding the portion of capital gain included in dividend received from mutual funds was held deleted. Resulted appeal effect order reflects refund of Rs. 29 Million. The CIR, Zone-IV has filed appeal in Appellate Tribunal Inland Revenue in respect of deletion of addition regarding the portion of capital gain included in dividend.

The holding company has also filed an appeal before Honorable Commissioner Appeals, Sindh Revenue Board against the Order of DCIR against the levy of Sindh Sales Tax amounting to Rs. 1.342 million on certain disallowances of input taxes for the tax periods from July 2011 to June 2012.

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 holding company. Hence no provisions have been made in the condensed interim consolidated financial information.

10.2	Commitments in respect of:	(Un audited) June 30, 2014	(Audited) December 31, 2013
	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>-</u>	<u>1,208,800</u>

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

This represents commission income and share of profit earned by the holding company from management of discretionary portfolios. Currently, the holding company is managing eight (June 30, 2013: five) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2014 was Rs. 209.93 million (June 30, 2013: 117.521 million) and Rs. 205.60 million (June 30, 2013: 119.523 million) respectively.

# JS Investments Limited

## 12 Other Income

This Includes rental income earned during the period amounting to Rs.7.95 million (June 30, 2013: 7.21 million) and gain on sale of fixed asset amounting to Rs. 5.61 million (June 30, 2013: 0.02 million).

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

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The holding company along with its group companies has decided to file the petition with the supreme court against the changes. On prudent basis, the holding company has recognized current year provision of Rs.4.89 million and aggregate provision amounting to Rs. 21.82 million for the years from 2012 to June 2014.

## 14 EARNINGS PER SHARE

	(Un audited) Six months ended		(Un audited) Quarter ended	
	June 30, 2014	June 30, 2013	June 30, 2014	June 30, 2013
Profit for the period	Rupees: <u>237,903,528</u>	<u>86,086,085</u>	<u>176,543,063</u>	<u>40,046,306</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>2.38</u>	<u>0.86</u>	<u>1.77</u>	<u>0.40</u>

- 14.1 Diluted earnings per share has not been presented as the group does not have any convertible instruments in issue as at June 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

## 15 CASH AND CASH EQUIVALENTS

	-----Un-audited-----	
	June 30, 2014	June 30, 2013
Cash and bank balances	19,510,511	8,371,147
Short term running finance - secured	-	(494,869,013)
	<u>19,510,511</u>	<u>(486,497,866)</u>

## 16 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The group has related party relationship with its associates, parent, ultimate 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.

### 16.1 Transaction with related parties

#### 16.1.1 Transactions with funds under management

	-----Un-audited-----	
	June 30, 2014	June 30, 2013
Remuneration income - net	113,842,669	111,687,341
Commission income	346,606	150,795
Other expenses incurred on behalf of the fund	432,457	2,348,638
Reimbursement of other expenses incurred on behalf of the fund	803,291	2,065,062
Dividend income	-	118,867,208
Reimbursement of preliminary expenses incurred on behalf of the fund	-	3,681,705
Investments made in funds under management	537,275,055	70,000,000
Investments disposed of	368,123,513	184,829,303
Bonus / additional units (in numbers)	2,264,686	17,788



	-----Un-audited-----	
	June 30, 2014	June 30, 2013
	-----Rupees-----	
<b>16.1.2 Transactions with other related parties</b>		
Jahangir Siddiqui & Co. Ltd (JSCL) (ultimate parent) - parent of JSBL		
Investment made in Term Finance Certificate	25,000,000	-
Markup income on Term Finance Certificates	686,384	-
Expenses incurred on behalf of JSCL	1,404	54,255
Reimbursement of expenses incurred on behalf of JSCL	1,405	15,000
<b>JS Global Capital Limited (JSGCL) - subsidiary of JSBL - Associate</b>		
Rent expense	298,941	556,170
Rental income	62,896	60,988
Expenses incurred by the company on behalf of JSGCL	50,736	139,968
Reimbursement of expenses incurred on behalf of JSGCL	-	2,462
<b>Mahvash and Jahangir Siddiqui Foundation (MJSF) - Associate</b>		
Rental income	497,280	497,280
Donation expense	4,858,896	-
Expenses incurred by the company on behalf of MJSF	220,318	161,568
Reimbursement of expenses incurred on behalf of MJSF	245,672	231,324
<b>Bank Islami Pakistan Limited - Associate</b>		
Ijarah rental expense	303,940	1,175,588
Acquisition of Ijarah leased vehicle	1,437,736	-
<b>EFU General Insurance Limited - Associate</b>		
Insurance premium paid	2,208,094	2,394,481
<b>EFU Life Assurance Limited - Associate</b>		
Insurance premium paid	763,685	122,360
<b>Fakhr-e-Imdad Foundation (FIF) - Associate</b>		
Expenses incurred by the company on behalf of FIF	98,508	84,780
Reimbursement of expenses incurred on behalf of FIF	63,952	97,048
<b>Abamco Ltd Staff Provident Fund - Retirement Benefit Plan</b>		
Contributions during the period	1,764,899	1,983,334
<b>16.1.3 Transactions with parent company</b>		
<b>JS Bank Limited (JSBL) - holding company</b>		
Mark up expense on short term borrowings / running finance	-	11,251,203
Rent expense	996,378	563,094
Expenses incurred by the company on behalf of JSBL	263,360	176,077
Reimbursement of expenses incurred on behalf of JSBL	24,413	223,604
Rental income	677,552	615,954
Profit on PLS Account	5,787,586	54,126

# JS Investments Limited

	-----Un-audited-----	
	June 30, 2014	June 30, 2013
	-----Rupees-----	
<b>16.1.4 Transactions with key management personnel</b>		
Remuneration of key management personnel	19,162,815	24,500,969
Sale of vehicle	7,000,000	-
Director fee	525,000	2,025,000
	(Un audited)	(Audited)
	June 30, 2014	December 31, 2013
	-----Rupees-----	
<b>16.2 Balances outstanding at the period end</b>		
<b>16.2.1 Balances outstanding with associates</b>		
Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	37,462,174	16,072,734
<b>16.2.2 Balances outstanding with other related parties</b>		
Payable to JS Global Capital Limited - net	2,933,465	2,644,305
Payable to Bank Islami Pakistan Limited	-	302,200
Receivable from Jahangir Siddiqui & Co.Ltd	16,904	16,905
Receivable from MUSF	201,947	725,364
Donation Payable to Mahvash and Jahangir Siddiqui Foundation	5,024,617	12,545,988
Receivable from FIF	89,593	55,456
<b>16.2.3 Balances outstanding with parent company</b>		
Receivable from JS Bank Limited - net	1,850,033	366,057
<b>16.3</b>	Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.	
<b>16.4</b>	Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.	
<b>16.5</b>	Transactions with key management personnel are as per their terms of employment.	
<b>17 GENERAL</b>		
	This consolidated condensed interim financial information was authorised for issue on August 15, 2014 by the Board of Directors of the Company.	

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

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Director

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