

JS Investments Limited

Quarterly Report for the period
ended September 30, 2013

 **JS investments**
Managing Mutual Funds Better!

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VISION

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

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

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.



Company Information

Board of Directors

Mr. Munawar Alam Siddiqui
Chairman

Mr. Rashid Mansur
Chief Executive Officer

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 & 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

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Khayaban-e-Jami, Block-9, Clifton
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Directors' Report to the Shareholders

The Directors of your Company feel pleasure in presenting the un-audited accounts of the Company for the nine months ended September 30, 2013.

Macro Economic Highlights

Pakistan's current account posted a deficit of USD 3,183 million for the period Jan-Aug 2013. Workers' remittances for the eight month period were USD 9.4 billion. Foreign Reserves held by the State Bank dropped to alarming levels of USD 9.9 billion towards the end of September down 28.39% from USD 13.8 billion at the beginning of the year. All this was mainly tied to payments made to International Monetary Fund (IMF) during the period; also the sudden rise in oil prices aided the negative impact on the country's Balance of Payment.

USD appreciated against the PKR by 8.64% during the year. This devaluation of the country's currency was due to 1) dwindling foreign exchange reserves 2) the State Bank of Pakistan (SBP) buying the USD to increase its foreign reserves and 3) payments made to the IMF during the period.

Average inflation for the period Jan-Sept 2013 came in at 7.0% hitting its lowest of 5.1% in May and peaking at 8.5% in August 2013. The policy rate saw a 50bps cut in the June 2013 monetary policy statement given the cushion provided by the declining inflation rate earlier in the period. This was later revised to 9.5% in the September's Monetary Policy Statement (MPS) as inflation rebounded and certain requirements were to be fulfilled to cater for the IMF loan.

The economy and general public are currently mired by rising inflation triggered by the new government's policies. However the explicitly violent situation in the city of Karachi has for the moment lulled, continuation of which would rekindle investment and aggregate demand.

Equity Market Performance

The equity market continues to make historic leaps as the KSE-100 index maintained its bullish run returning an impressive 29.15% in the nine-month period ended September 2013. Accordingly the KSE-30 index gained 20.46% and KMI-30 Index returned 26.44% to investors.

Foreign investor's portfolio investments posted a positive influx of USD 293.7million during Jan-Sept 2013 against an inflow of USD 55.5million in the same period of last year. This massive inflow propelled KSE-30 volumes to an average 73.6million during the period, a 24.56% year on year increase from an average 59.1million in the corresponding period of last year.

The May 2013 elections brought a new government into power which heightened investor optimism. This coupled with the governments strive to resolve the circular debt issue earlier in their tenure accelerated the markets movement. During the election month of May 2013 the KSE-30 and KMI-30 index returned 15.1% and 14.0% respectively.

The government released the first installment of PKR 326billion to the debt ridden sectors i.e. Oil & Gas and Electricity during June 2013. The remaining amount of PKR 177billion was settled with PIB allocations given to the affected companies. The funds were raised through allocations from the budget and sale of PIBs to state owned companies.

In the third-quarter ended September 2013 the market was suffocated by both internal and external factors. Disturbance in the Middle East specifically Syria pushed oil prices higher. Also law and order situation in Karachi deteriorated further with businessmen taking to the streets in protest of the worsening conditions. The fiscal year end result season was unexciting where negative surprises outweighed the positives.

The depression of indices during the 3QCY2013 follows fallout of investor enthusiasm due to the new regimes policies taking a toll on the economy. Increased taxation and higher power tariffs have decreased both consumer purchasing power and industry margins.

Going forward we see few short term triggers, however certain scripts do promise potential but require fortitude.

Money Market Performance

During the nine-month period ended September 2013 the State Bank of Pakistan borrowed funds worth PKR 3,784billion through 19 T-bill auctions. With weighted average yields for 3 month, 6 month and 12 month T-bills averaged in at 9.18%, 9.23% and 9.25% respectively. Average inflation for the period Jan-Sept 2013 came in at 7.0% hitting its lowest of 5.1% in May and peaking at 8.5% in August 2013.

The policy rate was cut by 50bps in the June 2013 MPS, however in an unexpected surprise the policy rate was increased by 50bps in the monetary policy statement issued in September. This increased weighted average yields for 3M and 6M T-bills by 46bps and 51bps respectively, no bids were realized for 12M T-bills during Aug-Sept.

Pakistan's annual inflation rate averaged 8.08% for the quarter with September figures easing to 7.39%, from 8.55% in August, mainly due to a slowdown in food prices.

The AMC Industry

JS Investment equity funds exhibited robust performance during nine-month period ended September 2013. JS Large Cap. Fund, JS Growth Fund, JS Value Fund and JS Islamic equity Fund returned an impressive 33.79%, 33.81%, 32.62% and 32.18% respectively. Also the Unit Trust of Pakistan (UTP) achieved a year to date return of 19.93% second highest in the balanced funds segment. Our JS Pension Savings Fund-Equity Sub Fund returned a remarkable 45.97% to investors, which is the highest across the entire equity universe.

Assets under Management for the AMC industry witnessed an increment of 7.69% during the nine-month period ended September 2013. Balanced, Equity and Islamic equity funds recorded AUM growth of 5.35%, 12.42% and 40.06% respectively. Money market AUMs improved by 6.41%, while income funds declined by 8.77%. Open end funds increased by 1.13%, closed end funds saw growth of 6.32%, where as pension funds accomplished an increment of 53.97%.

Performance Review

The Company earned a net profit of PKR 602.583 million during the nine months period ended September 30, 2013 showing an earning per share of PKR 6.03. The assets under management were PKR 12.001 billion as on September 30, 2013 compared to PKR 12.332 billion as on December 31, 2012 depicting a decrease of 2.7% on YTD basis. The Company earned management remuneration from funds under management of PKR 169.573 million compared to PKR 152.912 million during the corresponding period last year witnessing an increase of 10.9%. Administration and marketing expenses were increased by 5.6% to PKR 154.665 million during the period under review compared to PKR 146.491 million during the corresponding period of last year. The financial charges were PKR 45.650 million showing a reduction of 34.05% as compared to the corresponding period of last year.

This financial performance resulted in enhancing the shareholders equity of the Company to PKR 1,670 million as on September 30, 2013 from PKR 1,230 million as on December 31, 2012, which translated an increase of shareholders wealth by 36% 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 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.

Karachi: October 25, 2013

On behalf of the Board
Rashid Mansur
Chief Executive Officer

Condensed Interim

Balance Sheet

As at September 30, 2013

Rupees

Note	(Un-audited) September 30, 2013	(Audited) December 31, 2012
ASSETS		
Non-current assets		
Tangible property and equipment	5	270,950,557
Intangible assets	10	415,392
Long-term loans - considered good		1,212,691
Investment in subsidiary		37,500,000
Total non-current assets	310,078,640	425,460,557
Current assets		
Investments - available for sale	6	1,193,223,832
Loans and advances - considered good		1,505,025
Deposits, prepayments and other receivables - unsecured considered good		520,567,524
Balances due from funds under management - related parties		24,417,538
Taxation recoverable		114,331,644
Cash and bank balances	7	4,347,235
Total current assets	1,858,392,798	1,592,159,485
Total assets	2,168,471,437	2,017,620,042
EQUITY AND LIABILITIES		
Share capital		
Accumulated profit / loss		112,486,398
Unrealised gain on remeasurement of available for sale investments to fair value - net	6	557,369,162
		1,669,855,560
Surplus on revaluation of fixed assets - net of tax		122,111,199
		1,230,207,694
		127,060,578
LIABILITIES		
Non current liabilities		
Securitisation of management fee receivables - debt		-
Deferred tax liability - net		38,616,038
		66,438,526
		41,073,015
		107,511,541
Current liabilities		
Current maturity of securitisation of management fee receivables - debt		71,648,114
Short term running finance - secured		191,279,303
Accrued and other liabilities		57,606,169
Accrued mark-up		17,355,054
Total current liabilities	337,888,640	552,840,229
Total liabilities	376,504,678	660,351,770
Total equity and liabilities	2,168,471,437	2,017,620,042
Contingencies and commitments	8	

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

Condensed Interim

Profit and Loss Account (UNAUDITED)

For The Nine Months Ended September 30, 2013

Note	Nine months ended		Quarter ended		Rupees
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012	
INCOME					
Remuneration from funds under management - gross	206,273,513	177,377,713	74,536,750	57,427,894	
Less: Sales tax	28,451,519	24,465,891	10,280,931	7,921,089	
Less: Federal excise duty	8,249,460	-	6,370,626	-	
Remuneration from funds under management - net	169,572,534	152,911,822	57,885,193	49,506,805	
Commission from open end funds under management	254,970	12,955	104,175	6,900	
Dividend	253,920,959	55,564,509	135,053,751	55,564,509	
Gain on sale of investments - net	516,677,862	169,073,292	514,257,621	13,346,233	
Return on bank deposits	156,623	79,448	102,497	7,831	
Markup on term finance certificates	-	6,531,696	-	1,477,502	
Commission income and share of profit from management of discretionary client portfolios	9	935,458	364,439	309,805	181,404
		941,518,406	384,538,161	707,713,042	120,091,184
Written off management rights - Intangible assets	10	105,000,000	-	105,000,000	-
		836,518,406	384,538,161	602,713,042	120,091,184
OPERATING EXPENSES					
Administrative and marketing	154,664,874	146,490,689	51,001,675	49,828,551	
OPERATING PROFIT	681,853,532	238,047,472	551,711,367	70,262,633	
Other expenses	17,156,445	2,235,144	10,906,874	740,640	
Financial charges	45,650,322	69,220,691	11,582,238	21,046,661	
	619,046,765	166,591,637	529,222,255	48,475,332	
Other income	11,149,000	4,624,712	3,832,798	3,552,586	
Profit before tax	630,195,765	171,216,349	533,055,053	52,027,918	
Income tax expense					
- Current	30,069,560	1,106,690	17,044,629	290,451	
- Deferred	(2,456,977)	(2,707,896)	(1,417,633)	(1,366,040)	
	27,612,583	(1,601,206)	15,626,996	(1,075,589)	
Profit for the period	602,583,182	172,817,555	517,428,057	53,103,507	
Earnings per share for the period - basic and diluted	11	6.03	1.73	5.17	0.53

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim

Statement of Comprehensive Income (UNAUDITED)

For The Nine Months Ended September 30, 2013

Rupees

	Nine months ended		Quarter ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Profit for the nine months period ended	602,583,182	172,817,555	517,428,057	53,103,507
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 available for sale investments to fair value - net	362,938,096	400,496,469	(48,564,381)	74,904,907
Gain realised on disposal of investments	(430,822,789)	(162,723,907)	(425,305,983)	(11,422,025)
Total items that may be reclassified subsequently to profit or loss	(67,884,693)	237,772,562	(473,870,364)	63,482,882
Taxation relating to components of other comprehensive income	-	-	-	-
	(67,884,693)	237,772,562	(473,870,364)	63,482,882
Total comprehensive income	534,698,489	410,590,117	43,557,693	116,586,389

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

Chief Executive Officer

Director

Condensed Interim

Cash Flow Statement (UNAUDITED)

For The Nine Months Ended September 30, 2013

Rupees

Note	September 30, 2013	September 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	630,195,765	171,216,349
Adjustment for non-cash and other items:		
Dividend	(253,920,959)	(55,564,509)
Depreciation	15,508,523	15,838,372
Amortisation of intangible assets	209,196	1,016,090
Financial charges	45,650,322	69,220,691
Interest / mark-up income	(156,623)	(79,448)
Gain on sale of investments - net	(516,677,862)	(169,073,292)
Gain on disposal of fixed assets	(20,000)	(106,671)
Written off management rights - Intangible assets	105,000,000	-
	25,788,362	32,467,582
Increase / decrease in assets and liabilities		
Loans and advances	1,589,947	(96,440)
Deposits, prepayments and other receivables	24,648,486	31,723,370
Accrued and other liabilities	30,145,132	(1,143,172)
	56,383,565	30,483,758
	82,171,927	62,951,340
Taxes paid - net	(38,151,183)	(7,320,453)
Net cash inflow from operating activities	44,020,744	55,630,887
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	196,062,101	108,443,833
Fixed capital expenditure incurred	(4,782,965)	(2,096,638)
Dividend received	253,920,959	-
Return on bank deposits	156,623	79,448
Proceeds from disposal of fixed assets	20,000	124,267
Net cash inflow from investing activities	445,376,718	106,550,910
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(129,085,000)	(129,085,000)
Dividend paid	(98,478,566)	-
Financial charges paid	(44,196,376)	(68,222,654)
Net cash used in financing activities	(271,759,942)	(197,307,654)
Net (decrease) / increase in cash and cash equivalents	217,637,520	(35,125,857)
Cash and cash equivalents at beginning of the period	(404,569,587)	(385,828,298)
Cash and cash equivalents at end of the period	12 (186,932,068)	(420,954,155)

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Condensed Interim

Statement Of Changes In Equity (UNAUDITED)

For The Nine Months Ended September 30, 2013

Rupees

	Share capital	Unrealised gain on remeasurement of available for sale investments to fair value - net	Accumulated (loss)	Total Equity
Balance as at December 31, 2011	1,000,000,000	276,294,182	(588,918,207)	687,375,975
Total Comprehensive income for the nine months period				
Items that may be reclassified subsequently to profit or loss				
Profit for the nine months period ended 30 September 2012	-	-	172,817,555	172,817,555
Unrealised gain on remeasurement of available for sale investments to fair value - net	-	400,496,469	-	400,496,469
Gain realised on disposal of investments	-	(162,723,907)	-	(162,723,907)
	-	237,772,562	172,817,555	410,590,117
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	4,949,377	4,949,377
Transactions with owners	-	-	-	-
Balance as at September 30, 2012	1,000,000,000	514,066,744	(411,151,275)	1,102,915,469
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 nine months period				
Items that may be reclassified subsequently to profit or loss				
Profit for the nine months period ended 30 September 2013	-	-	602,583,182	602,583,182
Unrealised gain on remeasurement of available for sale investments to fair value - net	-	362,938,096	-	362,938,096
Gain realised on disposal of investments	-	(430,822,789)	-	(430,822,789)
	-	(67,884,693)	602,583,182	534,698,489
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	4,949,377	4,949,377
Transactions with owners				
Final Dividend for the eighteen months period ended December 31, 2012	-	-	(100,000,000)	(100,000,000)
Balance as at September 30, 2013	1,000,000,000	557,369,162	112,486,398	1,669,855,560

The annexed notes 1 to 15 form an integral part of this condensed interim financial information.

Chief Executive Officer

Director

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Notes To The Condensed Interim Financial Information (UNAUDITED)

For The Nine Months Ended September 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 funds:

- 1.2.1 Asset management company of the following funds:

Open-End

- JS Value Fund (Note 6.1)
- JS Growth Fund (Note 6.2)
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Islamic Government Securities Fund
- JS Cash Fund
- JS Large Cap. Fund

- 1.2.2 Pension fund manager of the following funds

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

This condensed interim 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 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 eighteen months 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 the nine months period ended September 30, 2012 presented in condensed interim profit and loss are extracted from interim financial statements for the fifteen months period ended September 30, 2012.

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 eighteen months period ended December 31, 2012.

5 TANGIBLE PROPERTY AND EQUIPMENT

		Rupees	
		(Unaudited) September 30, 2013	(Audited) December 31, 2012
Opening WDV		281,596,115	309,629,411
Addition during the period	5.1	2,588,150	4,427,067
Disposal during the period	5.2	-	(159,721)
Depreciation for the period		(15,508,523)	(32,300,642)
		268,675,742	281,596,115
Capital work-in-progress - at cost		2,274,815	80,000
		270,950,557	281,676,115

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

Office equipment	2,291,050	3,542,067
Vehicles	51,000	885,000
Furniture and fixtures	246,100	-
	2,588,150	4,427,067

- 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
	-	159,721

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

6 INVESTMENTS - available for sale

Investments in certificates / units / shares
- at fair value

Note	(Un-audited) September 30, 2013		(Audited) December 31, 2012	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
In funds under management:				
Open ended Fund				
JS Value Fund	6.1	2,263,399	263,821,811	21,498,992
JS Growth Fund	6.2	5,814,246	598,285,955	48,316,964
JS Large Cap Fund		-	-	6,581,000
JS Pension Savings Fund - Equity		300,000	61,029,000	300,000
JS Pension Savings Fund - Debt		177,761	31,394,405	188,940
JS Pension Savings Fund - Money Market		177,463	26,844,891	189,695
JS Fund of Funds		1,072,363	45,285,890	603,269
JS Islamic Pension Savings Fund - Equity		250,000	68,580,000	250,000
JS Islamic Pension Savings Fund - Debt		213,852	35,276,976	232,690
JS Islamic Pension Savings Fund - Money Market		222,303	32,025,023	236,585
JS Aggressive Income Fund		-	-	860,585
JS Islamic Government Securities Fund		305,790	30,679,882	-
JS KSE 30 Index Fund		-	-	3,259,827
Investments at market value			1,193,223,832	1,445,695,428
Less: Carrying value of investments			(635,854,669)	(820,441,573)
Unrealised gain on re-measurement of investments			557,369,162	625,253,855

- 6.1 In compliance with the Regulation 65 of NBFC & NE Regulations, 2008, the Investment Company 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. Accordingly the certificates having par value of Rs.10 each of JS Growth Fund were converted in units of par value of Rs. 100 each(i.e in the ratio of 10:1)

7 CASH AND BANK BALANCES

Note	Rupees	
	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Cash in hand	102,812	70,427
Cash at bank in:		
Current accounts	738,890	920,417
Savings accounts	7.1	3,505,533
	4,244,423	2,776,283
	4,347,235	2,846,710

- 7.1 This includes Rs. 2.105 million (December 31, 2012: Rs. 0.664 million) held with related parties.

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 66 Million respectively, the Commissioner Inland Revenue Appeal previously had not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

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

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

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.

8.2 Commitments in respect of:

	Rupees	
	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Capital expenditure contracted but not incurred	107,639	80,000
Royalty and advisory payment	10,000,000	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	2,417,600	2,479,881
- Due in two to three years	-	1,239,940

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 four (December 31, 2012: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2013 was Rs. 87.407 million (December 31, 2012: Rs. 78.777 million) and Rs. 85.211 million (December 31, 2012: Rs. 79.616 million) respectively.

10 WRITTEN OFF MANAGEMENT RIGHTS - INTANGIBLE ASSETS

The management rights of ICP Mutual Funds were acquired under a Management Rights Transfer Agreement between the Company, Privatization Commission, Government of Pakistan and Investment Corporation of Pakistan against a consideration of PKR 175 million in 2002. Earlier the useful life of the Management Rights were considered to be definite and cost incurred for acquisition was being amortized on a straight line basis over a period of ten years with effect from the year ended June 30, 2003. Up till June 30, 2006 the carrying value of these management rights after amortization of Rs. 70 million was reduced to Rs. 105 million. Subsequently, with effect from July 1, 2006, in compliance of the requirements of the accounting standards and in the light of legal opinion the management had decided to revise the life and treat it as infinite and stopped the amortization accordingly and since then remaining amount of PKR 105 million is appearing in the books of accounts as intangible asset.

Subsequently, in pursuance of Regulation 65 of the Non-Banking Finance Companies and Notified Entities, Regulations, 2008 ("NBFC Regulations"), the JS Growth Fund has been converted from closed end scheme into an open end scheme with effect from July 20, 2013. As the nature of the fund has now lawfully been changed and the management rights cannot be directly or indirectly associated with the economic benefit derived from the fund, hence after the conversion of the JS Growth Fund into an open end scheme, the intangible asset of PKR 105 million has been written off by the Company.

11 EARNINGS PER SHARE

		Nine months ended		Quarter ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Profit for the period	Rupees:	602,583,182	172,817,555	517,428,057	53,103,507
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:	6.03	1.73	5.17	0.53

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

12 CASH AND CASH EQUIVALENTS

	Rupees	
	(Unaudited) September 30, 2013	(Unaudited) September 30, 2012
Cash and bank balances	4,347,235	2,197,796
Short term running finance - secured	(191,279,303)	(423,151,951)
	(186,932,068)	(420,954,155)

13 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.

13.1 Transaction with related parties

13.1.1 Transactions with associates - funds under management

	Rupees	
	(Unaudited) September 30, 2013	(Unaudited) September 30, 2012
Remuneration income - net	169,572,534	152,911,822
Commission income	254,970	6,055
Other expenses incurred on behalf of the fund	5,563,892	665,495
Reimbursement of other expenses incurred on behalf of the fund	5,201,515	107,528
Dividend income	253,920,959	55,564,509
Preliminary expenses incurred on behalf of the fund	3,681,705	-
Reimbursement of preliminary expenses incurred on behalf of the fund	3,403,505	-
Investment made in funds under management	70,000,000	827,707,085
Investments disposed off	790,930,414	1,014,275,506
Sale Proceeds received against revocation of fund	92,738,610	-
Bonus / additional units (in numbers)	2,112,059	87,801

13.1.2 Transactions with other related parties

	Rupees	
	(Unaudited) September 30, 2013	(Unaudited) September 30, 2012
Jahangir Siddiqui & Company Limited (JSCL) - parent of JSBL		
Expenses incurred on behalf of JSCL	64,755	54,138
Reimbursement of expenses incurred on behalf of JSCL	62,850	151,537
JS Global Capital Limited (JSGCL) - subsidiary of JSBL		
Rent expense	834,255	1,099,407
Rental income	92,435	751,327
Expenses incurred by the company on behalf of JSGCL	141,968	443,551
Reimbursement of expenses incurred on behalf of JSGCL	2,462	588,625
Mahvash and Jahangir Siddiqui Foundation (MJSF)		
Rental income	745,920	248,640
Expenses incurred by the company on behalf of MJSF	230,288	91,353
Reimbursement of expenses incurred on behalf of MJSF	247,633	62,016
Bank Islami Pakistan Limited		
Ijarah rental expense	1,769,283	1,842,599
EFU General Insurance Limited		
Insurance premium paid	2,394,481	1,360,403
EFU Life Insurance Limited		
Insurance premium paid	468,197	502,396
Fakhr-e-Imdad Foundation (FIF)		
Expenses incurred by the company on behalf of FIF	106,974	38,226
Reimbursement of expenses incurred on behalf of FIF	123,076	24,000
Staff Provident Fund		
Contributions during the period	2,979,224	2,917,181

13.1.3 Transactions with holding company

JS Bank Limited (JSBL) - holding company		
Mark up expense on short term borrowings / running finance	14,778,512	18,545,797
Rent expense	844,641	788,508
Rental income	938,595	643,800
Expenses incurred by the company on behalf of JSBL	287,536	192,717
Reimbursement of expenses incurred on behalf of JSBL	327,941	48,732

13.1.4 Transactions with subsidiary company

JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL		
Expenses incurred by the company on behalf of JSACL	333,790	90,082
Reimbursement of expenses incurred by the company on behalf of JSACL	333,972	209,101

13.1.5 Transactions with key management personnel

Remuneration of key management personnel	36,275,014	39,778,852
Director fee	3,075,000	3,210,000

	(Unaudited) September 30, 2013	(Audited) December 31, 2012
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13.2 Balances outstanding at period end
13.2.1 Balances outstanding with associates

Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	1,157,960	511,009
Receivable from funds against sale of units	505,202,664	-

13.2.2 Balances outstanding with other related parties

Payable to JS Global Capital Limited - net	2,164,276	1,277,160
Payable to Bank Islami Pakistan Limited	87,802	325,025
Receivable from Jahangir Siddiqui & Company Limited	16,905	15,000
Receivable from JS ABAMCO Commodities Limited	33,000	33,182
Receivable from Mahvash and Jahangir Siddiqui Foundation	122,417	139,762
Receivable from Fakhir-e-Imdad Foundation	56,881	72,983

13.2.3 Balances outstanding with holding company

Outstanding short term running finance and related markup	24,734,998	161,148,710
Other payables - net	5,450	645,644

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

13.4 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.

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

14 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of Re. 1/- (September 30, 2012: Nil) for the nine months ended September 30, 2013, amounting to Rs. 100 million (September 30, 2012: Nil) in their meeting held on October 25, 2013.


15 GENERAL

15.1 This condensed interim financial information was authorised for issue on October 25, 2013 by the Board of Directors of the Company.

15.2 The figures have been rounded off to nearest Rupee.

Chief Executive Officer

Director



CONDENSED INTERIM
CONSOLIDATED
FINANCIAL
INFORMATION

Condensed Interim Consolidated
Balance Sheet

As at September 30, 2013

	NOTE	(Un-audited) September 30, 2013	(Audited) December 31, 2012
Rupees			
ASSETS			
Non-current assets			
Tangible property and equipment	5	273,450,557	284,176,115
Intangible assets	10	1,415,392	106,624,587
Long-term loans - considered good		1,212,691	659,855
Total non - current assets		276,078,640	391,460,557
Current assets			
Investments	6	1,235,256,867	1,486,686,618
Loans and advances - considered good		1,505,025	3,647,808
Deposits, prepayments and other receivables - unsecured considered good		520,591,273	13,069,219
Balances due from funds under management - related parties		24,417,538	20,666,258
Taxation recoverable		114,333,377	106,251,068
Cash and bank balances	7	4,603,691	2,897,502
Total current assets		1,900,707,771	1,633,218,473
Total assets		2,176,786,411	2,024,679,030
EQUITY AND LIABILITIES			
Share capital		1,000,000,000	1,000,000,000
Accumulated profit / (loss)		120,514,820	(388,160,655)
Unrealised gain on remeasurement of available for sale investments to fair value - net	6	557,369,162	625,253,855
		1,677,883,982	1,237,093,200
Surplus on revaluation of fixed assets - net of tax		122,111,199	127,060,578
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		-	66,438,526
Deferred tax liability - net		38,616,038	41,073,015
		38,616,038	107,511,541
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		71,648,114	103,119,562
Short term running finance - secured		191,279,303	407,416,297
Accrued and other liabilities		57,892,721	26,113,086
Accrued mark-up		17,355,054	16,364,766
Total current liabilities		338,175,192	553,013,711
Total liabilities		376,791,230	660,525,252
Total equity and liabilities		2,176,786,411	2,024,679,030
Contingencies and commitments	8		

The annexed notes 1 to 15 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 Nine Months Ended September 30, 2013

Rupees

Note	Nine months ended		Quarter ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
INCOME				
Remuneration from funds under management - gross	206,273,513	177,377,713	74,536,750	57,427,894
Less: Sales tax	28,451,519	24,465,891	10,280,931	7,921,089
Less: Federal excise duty	8,249,460	-	6,370,626	-
Remuneration from funds under management - net	169,572,534	152,911,822	57,885,193	49,506,805
Commission from open end funds under management	254,970	12,955	104,175	6,900
Dividend	253,920,959	55,564,509	135,053,751	55,564,509
Gain on sale of investments - net	516,686,111	169,152,627	514,257,621	13,346,006
Return on bank deposits	163,493	86,257	102,497	10,149
Markup on term finance certificates	-	6,531,696	-	1,477,502
Commission income and share of profit from management of discretionary client portfolios	9 935,458	364,439	309,805	181,404
Un-realized gain on remeasurement of investment classified as held for trading	1,633,596	3,994,753	404,789	2,086,716
	943,167,121	388,619,058	708,120,955	122,197,991
Written off management rights - Intangible assets	10 105,000,000	-	105,000,000	-
	838,167,121	388,619,058	603,120,955	122,197,991
OPERATING EXPENSES				
Administrative and marketing	155,315,294	147,110,443	51,197,632	49,900,829
OPERATING PROFIT	682,851,727	241,508,615	551,923,323	72,297,162
Other expenses	17,156,445	2,347,644	10,906,874	853,140
Financial charges	45,650,322	69,220,691	11,582,238	21,046,661
	620,044,960	169,940,280	529,434,211	50,397,361
Other operating income	11,293,721	4,624,712	3,832,798	3,552,586
Profit before tax	631,338,681	174,564,992	533,267,009	53,949,947
Income tax expense				
- Current	30,069,560	1,106,690	17,044,629	290,451
- Deferred	(2,456,977)	(2,707,896)	(1,417,633)	(1,366,040)
	27,612,583	(1,601,206)	15,626,996	(1,075,589)
Profit for the period	603,726,098	176,166,196	517,640,013	55,025,536
Earnings per share for the period - basic and diluted	11 6.04	1.76	5.18	0.55

The annexed notes 1 to 15 form an integral part of this condensed interim Consolidated financial information.

Condensed Interim Consolidated

Statement of Comprehensive Income (UNAUDITED)

For The Nine Months Ended September 30, 2013

Rupees

	Nine months ended		Quarter ended	
	September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Profit for the nine months period ended	603,726,098	176,166,196	517,640,013	55,025,536
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 available for sale investments to fair value - net	362,938,096	400,496,469	(48,564,381)	74,904,907
Gain realised on disposal of investments	(430,822,789)	(162,723,907)	(425,305,983)	(11,422,025)
Total items that may be reclassified subsequently to profit or loss	(67,884,693)	237,772,562	(473,870,364)	63,482,883
Taxation relating to components of other comprehensive income	-	-	-	-
	(67,884,693)	237,772,562	(473,870,364)	63,482,883
Total comprehensive income	535,841,405	413,938,758	43,769,649	118,508,419

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

Chief Executive Officer

Director

Condensed Interim Consolidated

Cash Flow Statement (UNAUDITED)

For The Nine Months Ended September 30, 2013

		Rupees	
	Note	September 30, 2013	September 30, 2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the period before taxation		631,338,681	174,564,992
Adjustment for non-cash and other items:			
Dividend		(253,920,959)	(55,564,509)
Depreciation		15,508,523	15,838,372
Amortisation of intangible assets		209,196	1,016,090
Financial charges		45,650,322	69,220,691
Interest / mark-up income		(156,623)	(88,463)
Gain on sale of investments - net		(516,686,111)	(169,152,627)
Gain on disposal of fixed assets		(20,000)	(106,671)
Unrealised gain on revaluation of investments		(1,633,596)	(3,994,753)
Written off management rights - Intangible assets		105,000,000	-
		25,289,433	31,733,122
Increase / decrease in assets and liabilities			
Loans and advances		1,589,947	(96,440)
Deposits, prepayments and other receivables		24,640,696	31,698,009
Accrued and other liabilities		30,258,202	(1,274,738)
		56,488,845	30,326,831
		81,778,278	62,059,953
Taxes paid - net		(38,151,870)	(7,321,134)
Net cash inflow from operating activities		43,626,408	54,738,819
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		196,662,101	109,293,833
Fixed capital expenditure incurred		(4,782,965)	(2,096,638)
Dividend received		253,920,959	-
Return on bank deposits		156,623	88,463
Proceeds from disposal of fixed assets		20,000	124,267
Net cash inflow from investing activities		445,976,718	107,409,925
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal amount relating to the securitised management fee		(129,085,000)	(129,085,000)
Dividend paid		(98,478,566)	-
Financial charges paid		(44,196,376)	(68,222,654)
Net cash used in financing activities		(271,759,942)	(197,307,654)
Net (decrease) / increase in cash and cash equivalents		217,843,183	(35,158,910)
Cash and cash equivalents at beginning of the period		(404,518,795)	(385,739,850)
Cash and cash equivalents at end of the period	12	(186,675,612)	(420,898,760)

The annexed notes 1 to 15 form an integral part of this condensed interim Consolidated financial information.

Chief Executive Officer

Director

Condensed Interim Consolidated

Statement Of Changes In Equity (UNAUDITED)

For The Nine Months Ended September 30, 2013

Rupees

	Share capital	Unrealised gain on remeasurement of available for sale investments to fair value - net	Accumulated (loss)	Total Equity
Balance as at December 31, 2011	1,000,000,000	276,294,182	(585,950,672)	690,343,510
Total Comprehensive income for the nine months period				
Items that may be reclassified subsequently to profit or loss				
Profit for the nine months period ended 30 September 2012	-	-	176,166,196	176,166,196
Unrealised gain on remeasurement of available for sale investments to fair value - net	-	400,496,469	-	400,496,469
Gain realised on disposal of investments	-	(162,723,907)	-	(162,723,907)
	-	237,772,562	176,166,196	413,938,758
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	4,949,377	4,949,377
Transactions with owners	-	-	-	-
Balance as at September 30, 2012	1,000,000,000	514,066,744	(404,835,099)	1,109,231,645
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 nine months period				
Items that may be reclassified subsequently to profit or loss				
Profit for the nine months period ended 30 September 2013	-	-	603,726,098	603,726,098
Unrealised gain on remeasurement of available for sale investments to fair value - net	-	362,938,096	-	362,938,096
Gain realised on disposal of investments	-	(430,822,789)	-	(430,822,789)
	-	(67,884,693)	603,726,098	535,841,405
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	-	4,949,377	4,949,377
Transactions with owners				
Final Dividend for the eighteen months period ended December 31, 2012	-	-	(100,000,000)	(100,000,000)
Balance as at September 30, 2013	1,000,000,000	557,369,162	120,514,820	1,677,883,982

The annexed notes 1 to 15 form an integral part of this condensed interim Consolidated financial information.

Chief Executive Officer

Director

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Notes To The Condensed Interim Consolidated Financial Information

(UNAUDITED)

For The Nine Months Ended September 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).

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:

Open-End
- JS Value Fund (Note 6.1)
- JS Growth Fund (Note 6.2)
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Islamic Government Securities Fund
- JS Cash Fund
- JS Large Cap Fund

- 1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information has been prepared in accordance 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 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 the nine months period ended September 30, 2012 presented in condensed interim consolidated profit and loss are extracted from interim consolidated financial statements for the fifteen months period ended September 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.

5 TANGIBLE PROPERTY AND EQUIPMENT

Rupees

	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Opening WDV	281,596,115	309,629,411
Addition during the period	5.1 2,588,150	4,427,067
Disposal during the period	5.2 -	(159,721)
Depreciation for the period	(15,508,523)	(32,300,642)
	268,675,742	281,596,115
Capital work-in-progress - at cost	4,774,815	2,580,000
	273,450,557	284,176,115

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

Office equipment	2,291,050	3,542,067
Vehicles	51,000	885,000
Furniture and fixtures	246,100	-
	2,588,150	4,427,067

- 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
	-	159,721

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

6 INVESTMENTS - available for sale

Rupees

	Note	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Available for sale	6.1	1,193,223,832	1,445,695,428
Held for trading	6.2	42,033,035	40,991,190
		<u>1,235,256,867</u>	<u>1,486,686,618</u>

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

Note	(Un-audited) September 30, 2013		(Audited) December 31, 2012	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
In funds under management:				
Open ended Fund				
JS Value Fund	6.1.1	2,263,399	263,821,811	21,498,992
JS Growth Fund	6.1.2	5,814,246	598,285,955	48,316,964
JS Large Cap Fund		-	-	6,581,000
JS Pension Savings Fund - Equity		300,000	61,029,000	300,000
JS Pension Savings Fund - Debt		177,761	31,394,405	188,940
JS Pension Savings Fund - Money Market		177,463	26,844,891	189,695
JS Fund of Funds		1,072,363	45,285,890	603,269
JS Islamic Pension Savings Fund - Equity		250,000	68,580,000	250,000
JS Islamic Pension Savings Fund - Debt		213,852	35,276,976	232,690
JS Islamic Pension Savings Fund - Money Market		222,303	32,025,023	236,585
JS Aggressive Income Fund		-	-	860,585
JS Islamic Government Securities Fund		305,790	30,679,882	-
JS KSE 30 Index Fund		-	-	-
Investments at market value			1,193,223,832	1,445,695,428
Less: Carrying value of investments			(635,854,669)	(820,441,573)
Unrealised gain on re-measurement of investments			557,369,162	625,253,855

6.1.1 In compliance with the Regulation 65 of NBFC & NE Regulations, 2008, the Investment Company 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)

6.1.2 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. Accordingly the certificates having par value of Rs.10 each of JS Growth Fund were converted in units of par value of Rs. 100 each(i.e in the ratio of 10:1)

6.2 Investments - Held for trading

	(Un-audited) September 30, 2013		(Audited) December 31, 2012	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
In funds under management:				
JS Income Fund	481,975	42,033,035	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		1,633,596		7,237,114

7 CASH AND BANK BALANCES

Rupees

	Note	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Cash in hand		102,812	70,427
Cash at bank in:			
Current accounts		758,890	940,417
Savings accounts	7.1	3,741,989	1,886,658
		4,500,879	2,827,075
		4,603,691	2,897,502

7.1 This includes Rs. 2.105 million (December 31, 2012: Rs. 0.664 million) held with related parties.

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 66 Million respectively, the Commissioner Inland Revenue Appeal previously had not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for fresh proceedings with the directions to apportion the common expenditure according to actual incurrence of expenditure to the various sources of income.

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

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

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.

8.2 Commitments in respect of

Rupees

	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Capital expenditure contracted but not incurred	2,274,815	80,000
Royalty and advisory payment	10,000,000	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	2,417,600	2,479,881
- Due in two to three years	-	1,239,940

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 four (December 31, 2012: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2013 was Rs. 87.407 million (December 31, 2012: Rs. 78.777 million) and Rs. 85.211 million (December 31, 2012: Rs. 79.616 million) respectively.

10 WRITTEN OFF MANAGEMENT RIGHTS - INTANGIBLE ASSETS

The management rights of ICP Mutual Funds were acquired under a Management Rights Transfer Agreement between the holding Company, Privatization Commission, Government of Pakistan and Investment Corporation of Pakistan against a consideration of PKR 175 million in 2002. Earlier the useful life of the Management Rights were considered to be definite and cost incurred for acquisition was being amortized on a straight line basis over a period of ten years with effect from the year ended June 30, 2003. Up till June 30, 2006 the carrying value of these management rights after amortization of Rs. 70 million was reduced to Rs. 105 million. Subsequently, with effect from July 1, 2006, in compliance of the requirements of the accounting standards and in the light of legal opinion the management had decided to revise the life and treat it as infinite and stopped the amortization accordingly and since then remaining amount of PKR 105 million is appearing in the books of accounts as intangible asset.

Subsequently, in pursuance of Regulation 65 of the Non-Banking Finance Companies and Notified Entities, Regulations, 2008 ("NBFC Regulations"), the JS Growth Fund has been converted from closed end scheme into an open end scheme with effect from July 20, 2013. As the nature of the fund has now lawfully been changed and the management rights cannot be directly or indirectly associated with the economic benefit derived from the fund, hence after the conversion of the JS Growth Fund into an open end scheme, the intangible asset of PKR 105 million has been written off by the holding Company.

11 EARNINGS PER SHARE

		Nine months ended		Quarter ended	
		September 30, 2013	September 30, 2012	September 30, 2013	September 30, 2012
Profit for the period	Rupees:	603,726,098	176,166,196	517,640,013	55,025,536
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:	6.04	1.76	5.18	0.55

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

12 CASH AND CASH EQUIVALENTS

	Rupees	
	(Unaudited) September 30, 2013	(Audited) December 31, 2012
Cash and bank balances	4,603,691	2,253,191
Short term running finance - secured	(191,279,303)	(423,151,951)
	(186,675,612)	(420,898,760)

13 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.

13.1 Transaction with related parties

13.1.1 Transactions with associates - funds under management

Rupees

	(Unaudited) September 30, 2013	(Unaudited) September 30, 2012
Remuneration income - net	169,572,534	152,911,822
Commission income	254,970	6,055
Other expenses incurred on behalf of the fund	5,563,892	665,495
Reimbursement of other expenses incurred on behalf of the fund	5,201,515	107,528
Dividend income	253,920,959	55,564,509
Preliminary expenses incurred on behalf of the fund	3,681,705	-
Reimbursement of preliminary expenses incurred on behalf of the fund	3,403,505	-
Investment made in funds under management	70,000,000	827,707,085
Investments disposed off	790,930,414	1,014,275,506
Sale Proceeds received against revocation of fund	92,738,610	-
Bonus / additional units (in numbers)	2,148,497	87,801

13.1.2 Transactions with other related parties

Jahangir Siddiqui & Company Limited (JSCL) - parent of JSBL		
Expenses incurred on behalf of JSCL	64,755	54,138
Reimbursement of expenses incurred on behalf of JSCL	62,850	151,537
JS Global Capital Limited (JSGCL) - subsidiary of JSBL		
Rent expense	834,255	1,099,407
Rental income	92,435	751,327
Expenses incurred by the company on behalf of JSGCL	141,968	443,551
Reimbursement of expenses incurred on behalf of JSGCL	2,462	588,625
Mahvash and Jahangir Siddiqui Foundation (MJSF)		
Rental income	745,920	248,640
Expenses incurred by the company on behalf of MJSF	230,288	91,353
Reimbursement of expenses incurred on behalf of MJSF	247,633	62,016
Bank Islami Pakistan Limited		
Ijarah rental expense	1,769,283	1,842,599
EFU General Insurance Limited		
Insurance premium paid	2,394,481	1,360,403
EFU Life Insurance Limited		
Insurance premium paid	468,197	502,396
Fakhr-e-Imdad Foundation (FIF)		
Expenses incurred by the company on behalf of FIF	106,974	38,226
Reimbursement of expenses incurred on behalf of FIF	123,076	24,000
Staff Provident Fund		
Contributions during the period	2,979,224	2,917,181

	Rupees	
	(Unaudited) September 30, 2013	(Unaudited) September 30, 2012
13.1.3 Transactions with holding company		
JS Bank Limited (JSBL) - holding company		
Mark up expense on short term borrowings / running finance	14,778,512	18,545,797
Rent expense	844,641	788,508
Rental income	938,595	643,800
Expenses incurred by the company on behalf of JSBL	287,536	192,717
Reimbursement of expenses incurred on behalf of JSBL	327,941	48,732

13.1.4 Transactions with key management personnel

Remuneration of key management personnel	36,275,014	39,778,852
Director fee	3,075,000	3,210,000

13.2 Balances outstanding at the period end

13.2.1 Balances outstanding with associates

	Rupees	
	(Unaudited) September 30, 2013	(Unaudited) December 31, 2012
Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	854,760	511,009
Receivable from funds against sale of units	505,202,664	-

13.2.2 Balances outstanding with other related parties

Payable to JS Global Capital Limited - net	2,164,276	1,277,160
Payable to Bank Islami Pakistan Limited	87,802	325,025
Receivable from Jahangir Siddiqui & Company Limited	16,905	15,000
Receivable from Mahvash and Jahangir Siddiqui Foundation	122,417	139,762
Receivable from Fakhr-e-Imdad Foundation	56,881	72,983

13.2.3 Balances outstanding with holding company

Outstanding short term running finance and related markup	24,734,998	161,148,710
Other payables - net	5,450	645,644

- 13.3 Other balances outstanding with related parties as at the period end have been disclosed in the relevant balance sheet notes.
- 13.4 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.
- 13.5 There are no transactions with key management personnel other than under their terms of employment.

14 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors of the Company have approved cash dividend of Re. 1/- (September 30, 2012: Nil) for the nine months ended September 30, 2013, amounting to Rs. 100 million (September 30, 2012: Nil) in their meeting held on October 25, 2013.

15 GENERAL

- 15.1 This condensed interim consolidated financial information was authorised for issue on October 25, 2013 by the Board of Directors of the Holding Company.
- 15.2 The figures have been rounded off to nearest Rupee.

JS Investments Limited

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