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**JS Investments Limited**  
Quarterly Report For the Period  
ended September 30, 2015



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## **VISION**

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

## **MISSION**

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

## **BROAD POLICY OBJECTIVES**

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



## COMPANY INFORMATION

### Board of Directors

Mr. Nazar Mohammad Shaikh	Chairman
Mr. Ali Akhtar Ali	Chief Executive Officer
Mr. 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

### Chief Executive Officer

Mr. Ali Akhtar Ali

### Chief Financial Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

### Statutory Auditor

Deloitte Yousuf Adil

### Legal Advisor

Bawaney and Partners

### BOARD COMMITTEES

#### Audit Committee

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

#### HR Committee

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

#### Executive Committee

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

#### Share Registrar

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

#### Registered Office

7<sup>th</sup> Floor, The Forum, G-20  
Khayaban-e-Jami, Block-9, Clifton  
Karachi-75600  
Tel: (92-21) 111-222-626  
Fax: (92-21) 35361724  
Email: [info@jsil.com](mailto:info@jsil.com)  
Website: [www.jsil.com](http://www.jsil.com)

# JS Investments Limited

## DIRECTORS' REPORT TO THE SHAREHOLDERS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015

The Directors of your Company feel pleasure in presenting the quarterly consolidated and unconsolidated accounts of the company for the nine month period ended September 30, 2015.

### Macro Economic Highlights

The broad economic indicators were on track, infact gathered traction in the July-September as compared to the previous quarters where the political environment remained under control and started to show further easing. The government's economic efforts were aided by higher foreign inflows QoQ (release of multilateral inflows and Eurobond proceeds) and lower international oil prices YoY in 9M CY15.

During the 9M CY15 period, State Bank of Pakistan (SBP) announced the MPS (Monetary Policy Statement) five times (Jan-15, Mar-15, May-15, Jul-15 and Sep-15) wherein it reduced the Discount Rate by an aggregate of 3.50% to take the discount rate to 6.00% while in this year the SBP introduced the concept of the target rate for the first time. The target rate towards the end of Sep-15 was reduced to 6.00% from 6.50% as falling inflation along with improving foreign reserves and lower international commodity prices gave the SBP room to react.

Consumer Price Index (CPI) inflation in 9M CY15 averaged at 2.54% YoY against 8.07% in the same period last year, down by a substantial 557bps YoY. The decline was driven by lower prices of perishable goods and oil along with a higher base effect. Going forward, CPI inflation is expected to moderate downwards in the rest of CY15 primarily due to lower international commodity prices which have also slowly started impacting the balance of trade and lower cost of imported foodstuff/oil products. That along with improved supply of perishable food stuff should help in lowering CPI expectations YoY where the latest CPI reading for Sep-15 CPI came in at 1.33% YoY only.

The GoP was successful in placing USD 500 million Eurobond towards the end of Sep-15 which helped in further augmenting our foreign reserves. Pakistan's foreign reserves towards the end of Sep-15 clocked in at USD 18.3 billion.

### Equity Market Performance

In 9M CY15, the KSE-30 Index posted a decrease of 7.10% YoY against an increase of 7.50% in the same period last year where the KSE30 witnessed a major correction in 3QCY15 of around 10.60% QoQ due to rumours of NAB investigation against major local individual investors, foreign selling along with lackluster institutional participation. Foreign outflows for 9M CY15 were recorded at USD 180 million against an inflow of USD 427 million in the same period last year.

With the decline in interest rates, the banking sector witnessed significant underperformance and towards the end of the quarter the Oil sector resumed its decline due to lower international oil prices.

### Money Market Performance

During 9M CY15, the State Bank of Pakistan (SBP) reduced its discount rate to 6.00% from 9.50% (Decreased 100 bps in January 2015, 50 bps in March 2015, 100 bps in May 2015 and 50 bps in September 2015). In 3QCY15, Financial Institutions aggressively participated in PIB auctions where the government raised Rs.218 billion in the PIB auction against target amount of Rs. 150 billion for the quarter. With benign outlook on inflation and historically high foreign exchange reserve, banks participation towards longer tenure security was evident.

During the quarter, the SBP borrowed funds worth Rs. 1,267.00 billion through T-bill auctions against a target of Rs. 1,200.00 billion. In last T-bill auction, cut off yield for 3 month and 6 month averaged at 6.46% 6.45% respectively while it rejected bids in the 12 month tenor.

The average 3M, 6M and 12M KIBOR clocked in at 7.61%, 7.62% and 7.90% for 9M CY15 declining by 254bps, 254bps and 255bps YoY respectively, as against 10.15%, 10.16% and 10.45% during the same period last year.

### AMC Industry Overview

The local mutual fund industry recorded a rise of 1.44% for 9M CY15 as total assets under management (AUM)'s increased to Rs. 465.73 billion from Rs. 459.13 billion towards the end of Dec-14.

Open end funds continued to govern the lion's share of the local mutual fund industry in 9M CY15 period where their market share clocked in at 93.49% while closed end funds market share was 3.04% in the same period. A total of 8 new funds were launched during 9M CY15 of which 6 were open end funds and 2 were pension funds.



## JS Investments Limited

AUM size for the equity fund category reached Rs. 98.82 billion, a decrease of 5.1% in 9MCY15. The Shariah compliant Fund of Funds category witnessed the strongest growth at 399% in 9MCY15 reaching an AUM size of Rs. 5.53 billion from Rs. 1.11 billion towards the end of Dec-14. The money market fund category recorded a decline of 38.78% in 9MCY15 with total AUM's reaching Rs. 65.63 billion.

### Performance Review

The Company earned a net profit of Rs. 197.52 million during the nine months ended September 30, 2015 showing earnings per share of Rs.1.98. The assets under management were Rs. 9.57 billion as on September 30, 2015 compared to Rs. 10.87 billion as on December 31, 2014 depicting a decrease of 11.96%.The Company earned management remuneration from funds under management of Rs. 120.43 million compared to Rs. 161.17 million during the corresponding period last year witnessing decrease of 25.28% attributed mainly due to redemptions on post conversion of two closed end equity funds in FY 2014 and changes in tax regime. Administration and marketing expenses were increased by 0.94% to Rs. 161.95 million during the period under review compared to Rs. 160.44 million during the corresponding period of last year.

This financial performance resulted in decreasing the shareholders equity of the Company to Rs. 2404.25 million as on September 30, 2015 from Rs. 2,449.70 million as on December 31, 2014 mainly due to bearish trend in the market specifically in the last quarter.

### Consolidated Financial Statements

In the consolidated financial statements, the Company has reported a net profit of Rs. 200.29 million for the nine months ended September 30, 2015 as compared to a net profit of Rs. 447.66 million for the comparative period last year. The basic and diluted earnings per share of consolidated account are Rs.2.00 for the nine months ended September 30, 2015.

By virtue of SRO No. 633(I) / 2014 issued by the Securities and Exchange Commission of Pakistan (SECP) on 10 July, 2014, IFRS 10 "Consolidated Financial Statement" was made applicable on financial statement for the period starting on or after 01 January, 2015. The standard requires consolidating subsidiaries including mutual funds where control is established except in some circumstances. Since previously asset management companies were exempted locally from consolidation of mutual funds, this matter was taken up at various forums. Also, ultimate parent and parent of the Company approached the SECP for exempting them from consolidation of mutual funds managed by the Company, which were granted to them till such time conclusion is reached on the subject. Further, Mutual Fund Association of Pakistan (MUFAP) has taken up this matter with the SECP as well, and currently is in discussion with the SECP for finalizing plans for implementation of IFRS 10 for consolidation of mutual funds, which is yet to be concluded. Considering the above-mentioned developments, management has decided to continue with their existing policy, not to consolidate the funds, till the time the SECP provides clarification on this matter.

### Buy Back/Purchase of Company's own shares

The Board of Directors of the Company has approved, subject to the passing of the special resolution by the shareholders of the Company, the buy back of up to a maximum of 25 million issued ordinary shares of the Company of the face value of Rs. 10/- each at a maximum price of Rs. 18 per shares under Section 95A of the Companies Ordinance, 1984 read with the Companies (Buy-Back of Shares) Rules, 1999. The shares will be purchased within a period of sixty (60) days from the date of passing of special resolution by the members of the Company. The ordinary shares purchased from the members will be cancelled forthwith and the issued share capital of the Company shall accordingly be reduced by the aggregate face value of the cancelled shares.

### Asset Manager and Entity Rating

JCR-VIS Credit Rating Co. Limited has reaffirmed 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 maintained 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

**Ali Akhtar Ali**  
Chief Executive Officer

Karachi: October 22, 2015

# JS Investments Limited

## CONDENSED INTERIM UNCONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2015

	Note	(Un-audited) September 30, 2015	(Audited) December 31, 2014
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible - property and equipment	5	362,107,581	374,781,788
Intangible assets		1,182,659	1,492,160
Long-term investment in subsidiary		37,500,000	37,500,000
Long-term loans - considered good		829,305	989,595
		<b>401,619,545</b>	414,763,543
<b>Current assets</b>			
Balances due from funds under management - related parties		74,511,181	66,463,427
Loans and advances - considered good		2,015,283	2,505,706
Trade deposits, short term prepayments and other receivables		18,185,600	20,139,262
Other financial assets - investments	6	2,221,080,835	2,270,762,708
Taxation recoverable		130,562,571	127,712,759
Cash and bank balances	7	15,776,637	13,178,360
		<b>2,462,132,107</b>	2,500,762,222
<b>Total assets</b>		<b>2,863,751,652</b>	2,915,525,765
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
<b>Authorized capital</b>		<b>2,500,000,000</b>	2,500,000,000
Issued, subscribed and paid-up capital		1,000,000,000	1,000,000,000
Unappropriated profit		870,067,652	666,591,018
Unrealised gain on re-measurement of available for sale investments - net of tax	6	534,183,867	783,111,599
		<b>2,404,251,519</b>	2,449,702,617
Surplus on revaluation of fixed assets - net of tax		202,389,509	193,819,917
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Deferred tax liability - net		73,473,036	94,155,252
<b>Current liabilities</b>			
Accrued and other liabilities	8	183,637,587	177,847,979
<b>Total liabilities</b>		<b>257,110,623</b>	272,003,231
<b>Contingencies and commitments</b>			
	9		
<b>Total equity and liabilities</b>		<b>2,863,751,652</b>	2,915,525,765

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

Chief Executive Officer

Chairman



## JS Investments Limited

### CONDENSED INTERIM UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Period ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Note	-----Rupees-----		-----Rupees-----	
<b>INCOME</b>				
Remuneration from funds under management - gross	<b>160,658,909</b>	216,322,388	<b>52,742,439</b>	63,135,693
Less: Sindh Sales tax	<b>20,955,510</b>	29,363,861	<b>6,879,449</b>	8,234,662
Less: Federal excise duty	<b>19,269,434</b>	25,786,966	<b>6,325,929</b>	7,572,139
Remuneration from funds under management - net	<b>120,433,965</b>	161,171,561	<b>39,537,061</b>	47,328,892
Commission from open end funds under management	<b>3,101,254</b>	475,382	<b>2,524,750</b>	128,776
Dividend Income	<b>18,981,897</b>	-	-	-
Gain on sale of investments - net	<b>211,434,085</b>	434,392,831	<b>1,430,298</b>	217,090,534
Return on bank deposits	<b>1,161,350</b>	6,355,083	<b>239,159</b>	546,554
Mark up on Term Finance Certificates (TFC's)	<b>1,853,453</b>	1,438,137	<b>568,304</b>	751,753
Return on Government Securities	-	211,667	-	-
Commission income and share of profit from management of discretionary client portfolios	10 <b>3,859,197</b>	3,357,390	<b>1,393,537</b>	757,616
	<b>360,825,201</b>	607,402,051	<b>45,693,109</b>	266,604,125
Administrative and marketing expenses	<b>161,949,172</b>	160,444,261	<b>54,140,449</b>	53,221,648
<b>OPERATING PROFIT / (LOSS)</b>	<b>198,876,030</b>	446,957,790	<b>(8,447,340)</b>	213,382,477
Other expenses	12 <b>4,387,163</b>	9,313,235	<b>(102,564)</b>	4,444,486
Financial charges	<b>9,923</b>	474,190	<b>2,247</b>	1,973
	<b>194,478,944</b>	437,170,365	<b>(8,347,023)</b>	208,936,018
Other income	11 <b>20,492,065</b>	19,178,150	<b>5,454,294</b>	3,975,061
<b>Profit / (loss) before taxation</b>	<b>214,971,009</b>	456,348,515	<b>(2,892,729)</b>	212,911,079
<b>Income tax expense</b>				
- Current	<b>18,807,075</b>	4,163,728	<b>1,418,022</b>	(427,543)
- Deferred	<b>(1,354,053)</b>	7,174,423	<b>(2,704,006)</b>	4,508,508
	<b>17,453,022</b>	11,338,151	<b>(1,285,984)</b>	4,080,965
<b>Profit / (loss) for the period / quarter</b>	<b>197,517,986</b>	445,010,364	<b>(1,606,744)</b>	208,830,114
Earnings per share for the period - basic and diluted	13 <b>1.98</b>	4.45	<b>(0.02)</b>	2.09

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

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Chief Executive Officer

\_\_\_\_\_  
Chairman

# JS Investments Limited

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Period ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	Rupees		Rupees	
<b>Profit / (loss) for the period / quarter ended</b>	<b>197,517,986</b>	445,010,364	<b>(1,606,744)</b>	208,830,114
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
<b>Available-for-sale investments:</b>				
Unrealised (loss) / gain on remeasurement of available for sale investments to fair value - net	<b>(35,218,531)</b>	457,938,477	<b>(75,813,228)</b>	177,042,722
Reclassification adjustment relating to sale of investments	<b>(218,509,124)</b>	(439,209,319)	-	(246,366,950)
Taxation relating to components that may be reclassified subsequently to profit and loss account	<b>4,799,923</b>	-	<b>9,430,818</b>	-
<b>Total items that may be reclassified subsequently to profit or loss</b>	<b>(248,927,732)</b>	18,729,158	<b>(66,382,410)</b>	(69,324,228)
<b>Total comprehensive (loss) / Income</b>	<b>(51,409,746)</b>	<u>463,739,522</u>	<b>(67,989,154)</b>	<u>139,505,886</u>

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

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

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Chief Executive Officer

\_\_\_\_\_  
Chairman



**CONDENSED INTERIM UNCONSOLIDATED STATEMENT  
OF CASH FLOW (UN-AUDITED)**

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Note	Period ended	
		September 30, 2015	September 30, 2014
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period before taxation		<b>214,971,009</b>	456,348,515
<b>Adjustment for non-cash and other items:</b>			
Remuneration from funds under management		<b>(120,433,965)</b>	(161,171,561)
Commission from open end funds under management		<b>(3,101,254)</b>	(475,382)
Depreciation		<b>17,338,899</b>	16,825,164
Amortisation of intangible assets		<b>309,501</b>	192,201
Financial charges		<b>9,923</b>	474,190
Interest / mark-up income		<b>(1,161,350)</b>	(6,355,083)
Gain on sale of investments - net		<b>(211,434,085)</b>	(434,392,831)
Gain/(loss) on disposal of fixed assets		<b>31,528</b>	(5,607,265)
Unrealized gain on revaluation of investments classified as HFT		<b>(1,065,882)</b>	-
		<b>(104,535,677)</b>	(134,162,052)
<b>Increase / decrease in assets and liabilities</b>			
Loans and advances		<b>650,713</b>	(581,050)
Deposits, prepayments and other receivables		<b>1,815,642</b>	(190,754)
Accrued and other liabilities		<b>8,815,960</b>	33,613,563
		<b>8,282,315</b>	32,841,759
		<b>(96,253,362)</b>	(101,320,293)
Taxes paid		<b>(21,656,887)</b>	(8,328,174)
Remuneration and commission received from funds under management		<b>115,487,465</b>	118,733,509
<b>Net cash generated from operating activities</b>		<b>(2,422,784)</b>	9,085,042
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments - net		<b>8,454,185</b>	(24,689,301)
Payments for purchase of fixed assets		<b>(4,725,154)</b>	(8,113,492)
Return on bank deposits		<b>1,299,372</b>	6,447,937
Proceeds from disposal of fixed assets		<b>28,934</b>	7,045,000
<b>Net cash (used) / generated in investing activities</b>		<b>5,057,337</b>	(19,309,856)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financial charges paid		<b>(9,923)</b>	(474,190)
Dividend paid		<b>(26,352)</b>	(3,477,266)
<b>Net cash used in financing activities</b>		<b>(36,275)</b>	(3,951,456)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,598,278</b>	(14,176,271)
Cash and cash equivalents at beginning of the period		<b>13,178,360</b>	38,227,840
<b>Cash and cash equivalents at end of the period</b>	14	<b>15,776,637</b>	24,051,569

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

# JS Investments Limited

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Reserve			Total
	Issued, subscribed and paid up share capital	Accumulated unappropriated profit	Unrealised gain on remeasurement of available for sale investments	
	----- Rupees -----			
<b>Balance as at December 31, 2013</b>	<b>1,000,000,000</b>	<b>9,731,642</b>	<b>787,931,408</b>	<b>1,797,663,050</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period ended September 30, 2014	-	445,010,364	-	445,010,364
Other comprehensive income	-	-	18,729,158	18,729,158
	-	445,010,364	18,729,158	463,739,522
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	6,602,217	-	6,602,217
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 September 30, 2014</b>	<b>1,000,000,000</b>	<b>457,724,173</b>	<b>806,660,566</b>	<b>2,264,384,739</b>
<b>Balance as at December 31, 2014</b>	<b>1,000,000,000</b>	<b>666,591,018</b>	<b>783,111,599</b>	<b>2,449,702,617</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period ended September 30, 2015	-	197,517,986	-	197,517,986
Other comprehensive income	-	-	(248,927,732)	(248,927,732)
	-	197,517,986	(248,927,732)	(51,409,746)
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	5,958,648	-	5,958,648
<b>Balance as at September 30, 2015</b>	<b>1,000,000,000</b>	<b>870,067,652</b>	<b>534,183,867</b>	<b>2,404,251,519</b>

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

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

\_\_\_\_\_  
Chairman



## NOTES TO THE CONDENSED INTERIM UNCONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

### 1 STATUS AND NATURE OF BUSINESS

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

The Company has obtained the license of an "Investment 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 at period end:

**1.2.1 Asset management company of the following funds:**

**Open-End**

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

**1.2.2 Pension fund manager of the following funds:**

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

- 1.2.3** Subsequent to the period end JS Aggressive Asset Allocation Fund & JS KSE 30 Index Fund were merged into JS Large Cap. Fund.

### 2 STATEMENT OF COMPLIANCE

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

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

# JS Investments Limited

## 3 BASIS OF PREPARATION

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

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

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

## 4 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this unconsolidated condensed interim financial information are same as those applied in the preparation of the financial statements of the Company for the year ended December 31, 2014. The profit and loss account and statement of comprehensive income of the Company for the comparative period has been extracted from the unconsolidated condensed interim financial information for the period ended September 30, 2014.

	Note	(Un-audited) September 30, 2015	(Audited) December 31, 2014
-----Rupees-----			
<b>5 TANGIBLE PROPERTY AND EQUIPMENT</b>			
Opening WDV		<b>374,524,680</b>	266,235,017
Revaluation of office premises		-	124,219,499
Addition during the period / year	5.1	<b>4,596,366</b>	7,988,646
Disposal during the period / year	5.2	<b>(60,462)</b>	(1,437,736)
Depreciation for the period / year		<b>(17,338,899)</b>	(22,480,746)
		<b>361,721,685</b>	374,524,680
Capital work-in-progress - at cost		<b>385,896</b>	257,108
		<b>362,107,581</b>	374,781,788

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

Office equipment		<b>4,057,566</b>	4,314,653
Vehicles		-	3,406,648
Furniture and fixtures		<b>538,800</b>	267,345
		<b>4,596,366</b>	7,988,646

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

Office equipment		<b>45,687</b>	-
Vehicles		<b>14,775</b>	1,437,736
	5.2.1	<b>60,462</b>	1,437,736

**5.2.1** The cost of the items disposed of during the period amounted to Rs. 358,500/- (Dec 31,2014: Rs. 2,349,836/-).

**5.3** The Company follows the revaluation model for its office premises. The office premises of the Company was most recent 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. 124.20 million. Out of the total revaluation surplus of Rs. 378.835 million, Rs.202.390 million net of tax (December 2014: Rs. 193.819 million) remains un depreciated as at September 30, 2015.



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6 OTHER FINANCIAL ASSETS - INVESTMENTS	Note	(Un audited)	(Audited)
		September 30, 2015	December 31, 2014
-----Rupees-----			
<b>Investments classified as Available for Sale</b>			
Unit of mutual funds - related parties	6.1	1,627,142,925	1,882,487,273
Term Finance Certificates - related party	6.2	23,724,331	24,821,239
<b>Investments classified as Fair value through Profit and Loss</b>			
<b>Held for Trading</b>			
Units of mutual fund - related parties	6.3	570,213,580	363,454,196
		<u>2,221,080,835</u>	<u>2,270,762,708</u>

6.1 Units of mutual funds - related parties	Sep 30, 2015	Dec 31, 2014	Name of Fund	(Un-audited)	(Audited)
				September 30, 2015	December 31, 2014
Number of units		-----Rupees-----			
		Average cost	Fair value	Fair value	
2,732,054	2,683,692	JS Value Fund	355,992,873	475,732,478	489,800,588
4,727,934	4,705,607	JS Growth Fund	517,647,323	712,215,943	746,121,010
240,000	240,000	JS Pension Savings Fund - Equity	14,776,800	90,876,000	98,282,400
177,761	177,761	JS Pension Savings Fund - Debt	17,776,120	37,528,943	35,536,240
177,463	177,463	JS Pension Savings Fund - Money Market	17,746,342	30,518,384	29,251,295
2,160,949	2,088,869	JS Fund of Funds	107,950,852	102,472,179	104,297,220
200,000	200,000	JS Islamic Pension Savings Fund - Equity	18,170,000	103,108,000	102,062,000
213,852	213,852	JS Islamic Pension Savings Fund - Debt	21,385,170	38,942,394	37,190,948
222,303	222,303	JS Islamic Pension Savings Fund - Money Market	22,230,337	35,748,604	34,174,696
-	1,866,852	JS Income Fund	-	-	171,713,020
-	334,163	JS Islamic Government Securities Fund	-	-	34,057,856
			1,093,675,815	1,627,142,925	1,882,487,273
Unrealized gain on remeasurement at fair value			533,467,109	-	-
			<u>1,627,142,925</u>	<u>1,627,142,925</u>	<u>1,882,487,273</u>

6.2 Term Finance Certificates - related party (ultimate parent)	Sep 30, 2015	Dec 31, 2014	Note	(Un-audited)	(Audited)
				September 30, 2015	December 31, 2014
Number of certificates		-----Rupees-----			
5,000	5,000	Term Finance Certificates	23,125,000	23,724,331	24,821,239
			<u>23,125,000</u>	<u>23,724,331</u>	<u>24,821,239</u>

6.3 Units of mutual funds - related parties (Held for trading)	Sep 30, 2015	Dec 31, 2014	Name of Fund	(Un-audited)	(Audited)
				September 30, 2015	December 31, 2014
Number of units		-----Rupees-----			
		Average cost	Fair value	Fair value	
2,114,313	3,403,767	JS Cash Fund	216,209,657	219,825,132	363,454,196
2,209,945	-	JS Income Fund	208,000,000	211,933,702	-
574,390	-	JS Large Cap. Fund	62,137,000	57,973,161	-
885,289	-	JS Islamic Fund	82,801,041	80,481,585	-
			569,147,698	570,213,580	363,454,196

6.4 Represents 5,000 TFC having face value of Rs.5,000 each from Jahangir Siddiqui & Co. Ltd (ultimate parent) amounting to Rs. 25 million. The TFCs has a tenure of five years and carries mark up of 6 month KIBOR +1.75%.

7 CASH AND BANK BALANCES	Note	(Un-audited)	(Audited)
		September 30, 2015	December 31, 2014
-----Rupees-----			
Cash in hand		61,553	83,366
Cash at bank in:			
Current accounts	7.1	169,048	487,507
Savings accounts		15,546,036	12,607,487
		15,715,084	13,094,994
		<u>15,776,637</u>	<u>13,178,360</u>

7.1 It includes Rs. 13.72 million (December 31, 2014; Rs. 10.80 million) held with JS Bank Limited (parent company).

# JS Investments Limited

## 8 ACCRUED & OTHER LIABILITIES

This amount includes Rs 73.44 million (December 31, 2014 Rs. 53.55 million) against Federal Excise Duty (FED) on the management fees received/receivable from funds under management and discretionary client portfolios. The amount is being held for payment to Federal Board of Revenue on basis of stay order of the Honorable High Court of Sindh dated September 4, 2013. The stay order was a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

## 9 CONTINGENCIES AND COMMITMENTS

### 9.1 Contingencies

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

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

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

The company has filed an appeal before Honourable Appellate Tribunal, SRB against the Order of Honourable Commissioner (Appeals), SRB in respect of levy of Sindh Sales tax amounting to Rs. 1.288 Million on certain disallowance of input taxes and Rs. 0.054 Million on levy of sales tax on certain heads of income, for the tax periods from July, 2011 to December, 2012. However, the appeal is pending before Honourable Tribunal, SRB.

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

### 9.2 Commitments in respect of:

Capital expenditure contracted but not incurred  
Royalty and advisory payments

<b>(Un-audited) September 30, 2015</b>	<b>(Audited) December 31, 2014</b>
<u><b>385,896</b></u>	<u>-</u>
<u><b>2,500,000</b></u>	<u>10,000,000</u>

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing fourteen (December 31, 2014: twelve) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at September 30, 2015 was Rs. 410.78 million (December 31, 2014: Rs. 448.78 million) and Rs. 390.88 million (December 31, 2014: Rs. 474.13 million) respectively.

### 11 Other Income

This includes rental income earned during the period amounting to Rs. 14.23 million (Sept 30, 2014: 11.91 million).

### 12 Other Expenses

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



## JS Investments Limited

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The Company has decided to file the petition with the Supreme Court against the changes. On prudent basis, the Company has recognized aggregate provision amounting to Rs. 30.69 million as at September 30, 2015 (December 31, 2014: Rs. 26.31 million) respectively.

### 13 EARNINGS PER SHARE

		Period ended		Quarter ended	
		September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Profit for the period / quarter	<b>Rupees:</b>	<u>197,517,986</u>	<u>445,010,364</u>	<u>(1,606,744)</u>	<u>208,830,114</u>
Weighted average number of ordinary shares outstanding during the period	<b>Number:</b>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>	<u>100,000,000</u>
Earnings per share	<b>Rupees:</b>	<u>1.98</u>	<u>4.45</u>	<u>(0.02)</u>	<u>2.09</u>

13.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2015 and September 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

### 14 CASH AND CASH EQUIVALENTS

	-----Un-audited-----	
	September 30, 2015	September 30, 2014
	-----Rupees-----	
Cash and bank balances	<u>15,776,637</u>	<u>24,051,569</u>

### 15 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

#### 15.1 Transaction with related parties

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

	-----Un-audited-----	
	September 30, 2015	September 30, 2014
	-----Rupees-----	
Remuneration - net of taxes	<b>120,433,965</b>	161,171,561
Commission income	<b>3,101,254</b>	475,382
Investments made	<b>1,230,261,093</b>	871,935,355
Investments disposed off	<b>1,237,777,778</b>	712,583,813
Expenses incurred by the company on behalf of funds	<b>3,952,657</b>	1,265,908
Reimbursements of expenses by the funds	<b>3,952,657</b>	2,103,527
Dividend Income	<b>18,981,897</b>	-
Bonus / additional shares / units (in numbers)	-	2,237,357

# JS Investments Limited

	-----Un-audited-----	
	September 30, 2015	September 30, 2014
	-----Rupees-----	
<b>15.1.2 Transactions with Ultimate Parent - Jahangir Siddiqui &amp; Co. Ltd.</b>		
Expenses incurred on behalf of company	<b>45,412</b>	1,404
Reimbursements of expenses by the company	<b>94,300</b>	6,405
Investment made in TFCs	-	25,000,000
Markup Income on term finance certificate	<b>1,853,453</b>	1,438,137
Principal redemption of TFCs	<b>937,500</b>	-
<b>15.1.3 Transactions with parent company - JS Bank Limited (JSBL)</b>		
Rent income	<b>1,844,698</b>	1,032,460
Rent expense	<b>1,975,185</b>	1,688,685
Expenses incurred on behalf of company	<b>486,777</b>	408,936
Reimbursements of expenses by the company	<b>456,507</b>	711,390
Return on bank deposits	<b>1,114,204</b>	6,312,699
Management fee paid on sharing on distribution of mutual funds	<b>273,956</b>	202,565
<b>15.1.4 Transactions with other related parties</b>		
Rent income	<b>12,383,515</b>	10,879,010
Rent expense	-	298,941
Ijarah rental expense	-	303,940
Acquisition of ijarah leased vehicle	-	1,437,736
Insurance premium paid	<b>3,129,413</b>	2,985,119
Provident fund contributions made	<b>3,063,168</b>	2,528,040
Expenses incurred on behalf of companies	<b>5,420,917</b>	4,728,000
Reimbursements of expenses by the companies	<b>5,311,784</b>	4,484,717
Purchased of vehicle	-	1,900,000
Donation Paid	<b>13,255,315</b>	12,545,988
Management fee paid on sharing on distribution of mutual funds	<b>1,738</b>	9,215
Other payments made	<b>15.1.4.1 49,999,950</b>	205,555,550
<b>15.1.4.1</b> This amount is received by the Company on behalf of Jahangir Siddiqui Securities Services Limited (JSSSL) and the Company paid the same to JSSSL.		
<b>15.1.5 Transactions made with Subsidiary Company</b>		
Expenses incurred on behalf of company	<b>151,325</b>	191,025
Reimbursements of expenses by the company	<b>140,300</b>	350,025
<b>15.1.6 Transactions made with companies - Common Directorship</b>		
Expenses incurred on behalf of company	<b>142,664</b>	144,360
Reimbursements of expenses by the company	-	63,952
<b>15.1.7 Transactions with key management personnel</b>		
Remuneration	<b>36,027,721</b>	27,274,673
Sale of Vehicle	-	7,000,000
Directors Fee	<b>800,000</b>	750,000
Disbursements of personal loans and advances	<b>685,000</b>	662,913
Repayments of loans and advances	<b>1,353,984</b>	776,489
Markup / interest income earned	-	11,620



# JS Investments Limited

	(Un-audited) September 30, 2015	(Audited) December 31, 2014
	-----Rupees-----	
<b>15.2 Balance outstanding with related parties</b>		
<b>15.2.1 Balances outstanding from Ultimate Parent company: Jahangir Siddiqui &amp; Co. Limited - Ultimate Parent company</b>		
Receivable against expenses incurred on behalf of companies	15,208	64,096
Markup Income Receivable on TFCs	1,089,927	669,069
<b>15.2.2 Balances outstanding from Parent company: JS Bank Limited - Parent company</b>		
Receivable against expenses incurred on behalf of companies	563,600	533,329
Rent payable	2,366,167	1,595,097
Rent receivable	1,531,685	354,907
Other payables	1,760,976	1,273,505
Profit on bank deposits	12,272	32,644
<b>15.2.3 Balances outstanding from other related parties</b>		
Receivable against expenses incurred on behalf of companies	2,873,593	2,764,460
Payables against expenses incurred by the company	328,636	325,006
Rent receivable	4,191,696	740,935
Rent payable	2,289,734	2,983,402
<b>15.2.4 Balances outstanding from related parties under common directorship</b>		
Receivable against expenses incurred on behalf of companies	262,953	120,289
<b>15.2.5 Balances outstanding from Subsidiary :</b>		
Receivable against expenses incurred on behalf of company	11,025	
<b>15.2.6 Balances outstanding from Key Management personnel</b>		
Balance as at	607,001	1,275,985

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

**15.4** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team including the Chief Executive Officer and Directors to be key management personnel.

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

## **16 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE**

The Board of Directors of the Company in its meeting held on October 22, 2015 has approved, subject to the passing of the special resolution by the shareholders of the Company, the buy back of up to a maximum of 25 million issued ordinary shares of the Company of the face value of Rs. 10/- each at a maximum price of Rs.18 per share under Section 95A of the Companies Ordinance, 1984 read with the Companies (Buy-Back of Shares) Rules, 1999. The ordinary shares purchased from the members will be cancelled forthwith and the issued share capital of the company shall accordingly be reduced by the aggregate face value of the cancelled shares.

## **17 GENERAL**

In compliance of NBFC Rules 2003 read with SRO 1002(I)/2015 dated October 15, 2015 of Securities and Exchange Commission of Pakistan, the Management would like to report that the Company (JSIL) has sufficient insurance coverage from an insurance Company rated AA+ by a rating agency registered with the Commission, against financial losses that may be caused as a result of employees' gross negligence.

This condensed interim financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Company.

Chief Executive Officer

Chairman

CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS



## JS Investments Limited

### CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2015

		(Un-audited) September 30, 2015	(Audited) December 31, 2014
		-----Rupees-----	
<b>ASSETS</b>			
	Note		
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible - property and equipment	5	364,607,581	377,281,788
Intangible assets		2,182,659	2,492,160
Long-term loans - considered good		829,305	989,595
		<b>367,619,545</b>	380,763,543
<b>Current assets</b>			
Balances due from funds under management - related parties		74,511,181	66,463,427
Loans and advances - considered good		2,015,283	2,505,706
Trade deposits, short term prepayments and other receivables		18,224,369	20,156,775
Other financial assets - investments	6	2,271,007,524	2,317,877,262
Taxation recoverable		130,575,124	127,715,554
Cash and bank balances	7	15,916,060	13,313,819
		<b>2,512,249,541</b>	2,548,032,543
<b>Total assets</b>		<b>2,879,869,086</b>	2,928,796,086
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
<b>Share capital</b>			
<b>Authorized capital</b>		<b>2,500,000,000</b>	2,500,000,000
Issued, subscribed and paid-up capital		1,000,000,000	1,000,000,000
Unappropriated profit		885,850,724	679,596,309
Unrealised gain on re-measurement of available for sale investments - net of tax	6	534,183,867	783,111,599
		<b>2,420,034,591</b>	2,462,707,908
Surplus on revaluation of fixed assets - net of tax		202,389,509	193,819,917
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Deferred tax liability - net		73,473,036	94,188,458
<b>Current liabilities</b>			
Accrued and other liabilities	8	183,971,950	178,079,803
<b>Total liabilities</b>		<b>257,444,986</b>	272,268,261
<b>Contingencies and commitments</b>	9		
<b>Total equity and liabilities</b>		<b>2,879,869,086</b>	2,928,796,086

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

Chief Executive Officer

Chairman

# JS Investments Limited

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

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

Note	Period ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	-----Rupees-----		-----Rupees-----	
<b>INCOME</b>				
Remuneration from funds under management - gross	160,658,909	216,322,388	52,742,439	63,135,693
Less: Sindh Sales tax	20,955,510	29,363,861	6,879,449	8,234,662
Less: Federal excise duty	19,269,434	25,786,966	6,325,929	7,572,139
Remuneration from funds under management - net	120,433,965	161,171,561	39,537,061	47,328,892
Commission from open end funds under management	3,101,254	475,382	2,524,750	128,776
Dividend Income	18,981,897	-	-	-
Gain on sale of investments - net	213,583,668	434,405,499	1,430,298	217,102,467
Return on bank deposits	1,188,813	6,359,910	240,682	548,048
Mark up on Term Finance Certificates (TFC's)	1,853,453	1,438,137	568,304	751,753
Return on Government Securities	-	211,667	-	-
Commission income and share of profit from management of discretionary client portfolios	10 3,859,197	3,357,390	1,393,537	757,616
	363,002,247	607,419,546	45,694,632	266,617,552
Administrative and marketing expenses	162,264,780	160,740,010	54,220,309	53,314,672
<b>OPERATING PROFIT / (LOSS)</b>	200,737,467	446,679,536	(8,525,677)	213,302,880
Other expenses	12 4,387,163	9,313,235	(59,036)	4,444,486
Financial charges	9,923	474,190	2,247	1,973
	196,340,381	436,892,111	(8,468,888)	208,856,421
Other income	11 21,451,960	22,103,012	6,377,656	4,977,988
<b>Profit / (loss) before taxation</b>	217,792,342	458,995,123	(2,091,232)	213,834,409
<b>Income tax expense</b>				
- Current	18,850,627	4,163,728	1,461,574	(427,543)
- Deferred	(1,354,053)	7,174,423	(2,696,949)	4,508,508
	17,496,574	11,338,151	(1,235,375)	4,080,965
<b>Profit / (loss) for the period / quarter</b>	200,295,767	447,656,972	(855,857)	209,753,444
Earnings per share for the period - basic and diluted	13 2.00	4.48	(0.01)	2.10

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

Chief Executive Officer

Chairman



## JS Investments Limited

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Period ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
	-----Rupees-----		-----Rupees-----	
<b>Profit / (loss) for the period /quarter ended</b>	<b>200,295,767</b>	447,656,972	<b>(855,857)</b>	209,753,444
<b>Other comprehensive income:</b>				
<b>Items that will not be reclassified to profit or loss</b>	-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>				
<b>Available-for-sale investments:</b>				
Unrealised (loss) / gain on remeasurement of available for sale investments to fair value - net	<b>(35,218,531)</b>	457,938,477	<b>(75,813,228)</b>	177,042,722
Reclassification adjustment relating to sale of investments	<b>(218,509,124)</b>	(439,209,319)	-	(246,366,950)
Taxation relating to components that may be reclassified subsequently to profit and loss account	<b>4,799,923</b>	-	<b>9,430,818</b>	-
<b>Total items that may be reclassified subsequently to profit or loss (248,927,732)</b>		18,729,158	<b>(66,382,410)</b>	(69,324,228)
<b>Total comprehensive (loss) / Income</b>	<b><u>(48,631,965)</u></b>	<u>466,386,130</u>	<b><u>(67,238,267)</u></b>	<u>140,429,216</u>

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

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

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Chief Executive Officer

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Chairman

# JS Investments Limited

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOW (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Note	Period ended	
		September 30, 2015	September 30, 2014
		-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit for the period before taxation		<b>217,792,342</b>	458,995,123
<b>Adjustment for non-cash and other items:</b>			
Remuneration from funds under management		<b>(120,433,965)</b>	(161,171,561)
Commission from open end funds under management		<b>(3,101,254)</b>	(475,382)
Depreciation		<b>17,338,899</b>	16,825,164
Amortisation of intangible assets		<b>309,501</b>	192,201
Financial charges		<b>9,923</b>	474,190
Interest / mark-up income		<b>(1,188,813)</b>	(6,359,910)
Gain on sale of investments - net		<b>(213,583,668)</b>	(434,405,499)
Gain/(loss) on disposal of fixed assets		<b>31,528</b>	(5,607,265)
Unrealized gain on revaluation of investments classified as HFT		<b>(1,992,571)</b>	(2,886,539)
		<b>(104,818,078)</b>	(134,419,478)
<b>Increase / decrease in assets and liabilities</b>			
Loans and advances		<b>650,713</b>	(581,050)
Deposits, prepayments and other receivables		<b>1,794,386</b>	(213,276)
Accrued and other liabilities		<b>5,885,291</b>	33,456,343
		<b>8,330,391</b>	32,662,017
		<b>(96,487,688)</b>	(101,757,461)
Taxes paid		<b>(21,710,198)</b>	(8,328,656)
Remuneration and commission received from funds under management		<b>115,487,465</b>	118,733,510
<b>Net cash generated from operating activities</b>		<b>(2,710,420)</b>	8,647,393
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments - net		<b>8,718,322</b>	(24,289,300)
Payments for purchase of fixed assets		<b>(4,725,153)</b>	(8,113,492)
Return on bank deposits		<b>1,326,835</b>	6,452,764
Proceeds from disposal of fixed assets		<b>28,934</b>	7,045,000
<b>Net cash (used) / generated in investing activities</b>		<b>5,348,938</b>	(18,905,028)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Financial charges paid		<b>(9,923)</b>	(474,190)
Dividend paid		<b>(26,352)</b>	(3,477,266)
<b>Net cash used in financing activities</b>		<b>(36,275)</b>	(3,951,456)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>2,602,242</b>	(14,209,092)
Cash and cash equivalents at beginning of the period		<b>13,313,819</b>	38,430,090
<b>Cash and cash equivalents at end of the period</b>	14	<b>15,916,060</b>	24,220,998

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

Chief Executive Officer

Chairman



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

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Reserve			Total
	Issued, subscribed and paid up share capital	Accumulated unappropriated profit	Unrealised gain on remeasurement of available for sale investments	
----- Rupees -----				
<b>Balance as at December 31, 2013</b>	<b>1,000,000,000</b>	<b>18,510,915</b>	<b>787,931,408</b>	<b>1,806,442,323</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period ended September 30, 2014	-	447,656,971	-	447,656,971
Other comprehensive income	-	-	18,729,158	18,729,158
	-	447,656,971	18,729,158	466,386,129
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	6,602,217	-	6,602,217
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 September 30, 2014</b>	<b>1,000,000,000</b>	<b>469,150,053</b>	<b>806,660,566</b>	<b>2,275,810,619</b>
<b>Balance as at December 31, 2014</b>	<b>1,000,000,000</b>	<b>679,596,309</b>	<b>783,111,599</b>	<b>2,462,707,908</b>
<b>Total Comprehensive income for the period</b>				
Profit for the period ended September 30, 2015	-	200,295,767	-	200,295,767
Other comprehensive income	-	-	(248,927,732)	(248,927,732)
	-	200,295,767	(248,927,732)	(48,631,965)
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	5,958,648	-	5,958,648
<b>Balance as at September 30, 2015</b>	<b>1,000,000,000</b>	<b>885,850,724</b>	<b>534,183,867</b>	<b>2,420,034,591</b>

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

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Chief Executive Officer

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Chairman

# JS Investments Limited

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

### 1 THE GROUP AND ITS OPERATIONS

The group consists of:

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

#### 1.1 Holding Company

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

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

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

##### Open-End

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

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

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2.3 Subsequent to the period end JS Aggressive Asset Allocation Fund & JS KSE 30 Index Fund were merged into JS Large Cap. 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, 2014, 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, 2014.
- 3.3** The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended December 31, 2014.

### 4 ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of this 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, 2014. 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 September 30, 2014.

### 5 TANGIBLE PROPERTY AND EQUIPMENT

	Note	(Un-audited) September 30, 2015	(Audited) December 31, 2014
-----Rupees-----			
Opening WDV		<b>374,524,680</b>	266,235,017
Revaluation of office premises		-	124,219,499
Addition during the period / year	5.1	<b>4,596,366</b>	7,988,646
Disposal during the period / year	5.2	<b>(60,462)</b>	(1,437,736)
Depreciation for the period / year		<b>(17,338,899)</b>	(22,480,746)
		<b>361,721,685</b>	374,524,680
Capital work-in-progress - at cost		<b>2,885,896</b>	2,757,108
		<b>364,607,581</b>	377,281,788

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

Office equipment		<b>4,057,566</b>	4,314,653
Vehicles		-	3,406,648
Furniture and fixtures		<b>538,800</b>	267,345
		<b>4,596,366</b>	7,988,646

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

Office equipment		<b>45,687</b>	-
Vehicles		<b>14,775</b>	1,437,736
	5.2.1	<b>60,462</b>	1,437,736

- 5.2.1** The cost of the items disposed of during the period amounted to Rs. 358,500/- (Dec 31,2014: Rs. 2,349,836/-).

- 5.3** The Company follows the revaluation model for its office premises. The office premises of the Company was most recent 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. 124.20 million. Out of the total revaluation surplus of Rs. 378.835 million, Rs.202.390 million net of tax (December 2014: Rs. 193.819 million) remains undepreciated as at September 30, 2015.

# JS Investments Limited

6 OTHER FINANCIAL ASSETS - INVESTMENTS		Note	(Un audited)	(Audited)
			September 30, 2015	December 31, 2014
-----Rupees-----				
<b>Investments classified as Available for Sale</b>				
Unit of mutual funds - related parties	6.1		<b>1,627,142,925</b>	1,882,487,273
Term Finance Certificates - related party	6.2		<b>23,724,331</b>	24,821,239
<b>Investments classified as Fair value through Profit and Loss Held for Trading</b>				
Units of mutual fund - related parties	6.3		<b>620,140,269</b>	410,568,750
			<b>2,271,007,524</b>	2,317,877,262
<b>6.1 Units of mutual funds - related parties</b>			(Un-audited)	(Audited)
<b>Sep 30, 2015</b>			<b>September 30, 2015</b>	<b>December 31, 2014</b>
Number of units	Name of Fund		Average cost	Fair value
-----Rupees-----				
<b>2,732,054</b>	2,683,692	JS Value Fund	<b>355,992,873</b>	489,800,588
<b>4,727,934</b>	4,705,607	JS Growth Fund	<b>517,647,323</b>	746,121,010
<b>240,000</b>	240,000	JS Pension Savings Fund - Equity	<b>14,776,800</b>	98,282,400
<b>177,761</b>	177,761	JS Pension Savings Fund - Debt	<b>17,776,120</b>	35,536,240
<b>177,463</b>	177,463	JS Pension Savings Fund - Money Market	<b>17,746,342</b>	29,251,295
<b>2,160,949</b>	2,088,869	JS Fund of Funds	<b>107,950,852</b>	104,297,220
<b>200,000</b>	200,000	JS Islamic Pension Savings Fund - Equity	<b>18,170,000</b>	102,062,000
<b>213,852</b>	213,852	JS Islamic Pension Savings Fund - Debt	<b>21,385,170</b>	37,190,948
<b>222,303</b>	222,303	JS Islamic Pension Savings Fund - Money Market	<b>22,230,337</b>	34,173,696
-	1,866,852	JS Income Fund	-	171,713,020
-	334,163	JS Islamic Government Securities Fund	-	34,057,856
			<b>1,093,675,815</b>	1,882,487,273
			<b>1,627,142,925</b>	1,882,487,273
Unrealized gain on remeasurement at fair value			<b>533,467,109</b>	-
			<b>1,627,142,925</b>	1,882,487,273
<b>6.2 Term Finance Certificates - related party</b>				
<b>September 30, 2015</b>				<b>December 31, 2014</b>
Number of certificates				
<b>5,000</b>	5,000	Term Finance Certificates		
			<b>23,125,000</b>	24,821,239
			<b>23,125,000</b>	24,821,239
<b>6.3 Units of mutual funds - related parties (Held for trading)</b>			(Un-audited)	(Audited)
<b>Sep 30, 2015</b>			<b>September 30, 2015</b>	<b>December 31, 2014</b>
Number of units	Name of fund		Average cost	Fair value
-----Rupees-----				
<b>2,114,313</b>	3,403,767	JS Cash Fund	<b>216,209,657</b>	363,454,196
<b>2,730,557</b>	512,226	JS Income Fund	<b>257,000,000</b>	47,114,554
<b>574,390</b>	-	JS Large Cap. Fund	<b>62,137,000</b>	-
<b>885,289</b>		JS Islamic Fund	<b>82,801,041</b>	80,481,585
			<b>618,147,698</b>	410,568,750
			<b>620,140,269</b>	410,568,750
<b>6.4</b>		Represents 5,000 TFC having face value of Rs. 5,000 each from Jahangir Siddiqui & Co. Ltd (ultimate parent) amounting to Rs. 25 million The TFCs has a tenure of five years and carries mark up of 6 month KIBOR +1.75%.		
<b>7 CASH AND BANK BALANCES</b>			(Un-audited)	(Audited)
			<b>September 30, 2015</b>	<b>December 31, 2014</b>
-----Rupees-----				
Cash in hand			<b>61,553</b>	83,366
Cash at bank in:				
Current accounts			<b>169,048</b>	487,506
Savings accounts		7.1	<b>15,685,459</b>	12,742,947
			<b>15,854,507</b>	13,230,453
			<b>15,916,060</b>	13,313,819

It includes Rs. 13.72 million (December 31, 2014: Rs. 10.80 million) held with JS Bank Limited (parent company).



**8 ACCRUED AND OTHER LIABILITIES**

This amount includes Rs 73.44 million (December 31, 2014 Rs. 53.55 million) against Federal Excise Duty (FED) on the management fees received/receivable from funds under management and discretionary client portfolios. The amount is being held for payment to Federal Board of Revenue on basis of stay order of the Honorable High Court of Sindh dated September 4, 2013. The stay order was a result of petition filed by asset management companies on the forum of MUFAP against the amendment in Finance Act, 2013 which levied FED on the fees received by asset management companies from funds under management.

**9 CONTINGENCIES AND COMMITMENTS**

**9.1 Contingencies**

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

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

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

The company has filed an appeal before Honourable Appellate Tribunal, SRB against the Order of Honourable Commissioner (Appeals), SRB in respect of levy of Sindh Sales tax amounting to Rs. 1.288 Million on certain disallowance of input taxes and Rs. 0.054 Million on levy of sales tax on certain heads of income, for the tax periods from July, 2011 to December, 2012. However, the appeal is pending before Honourable Tribunal, SRB.

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

**9.2 Commitments in respect of:**

Capital expenditure contracted but not incurred  
Royalty and advisory payments

(Un-audited) September 30, 2015	(Audited) December 31, 2014
-----Rupees-----	
<u>385,896</u>	-
<u>2,500,000</u>	<u>10,000,000</u>

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing fourteen (December 31, 2014: twelve) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at September 30, 2015 was Rs. 410.78 million (December 31, 2014: Rs. 448.78 million) and Rs. 390.88 million (December 31, 2014: Rs. 474.13 million) respectively.

**11 Other Income**

This includes rental income earned during the period amounting to Rs. 14.23 million (Sept 30, 2014: 11.91 million) .

**12 Other Expenses**

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

# JS Investments Limited

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The Company has decided to file the petition with the Supreme Court against the changes. On prudent basis, the Company has recognized aggregate provision amounting to Rs. 30.69 million as at September 30, 2015 (December 31, 2014: Rs. 26.31 million) respectively.

## 13 EARNINGS PER SHARE

	Period ended		Quarter ended	
	September 30, 2015	September 30, 2014	September 30, 2015	September 30, 2014
Profit for the period / quarter	<b>Rupees: 200,295,767</b>	447,656,972	<b>(855,857)</b>	209,753,444
Weighted average number of ordinary shares outstanding during the period / quarter	<b>Number: 100,000,000</b>	100,000,000	<b>100,000,000</b>	100,000,000
Earnings per share	<b>Rupees: 2.00</b>	4.48	<b>(0.01)</b>	2.10

### 13.1

Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at September 30, 2015 and September 30, 2014 which would have any effect on the earnings per share if the option to convert is exercised.

## 14 CASH AND CASH EQUIVALENTS

	-----Un-audited-----	
	September 30, 2015	September 30, 2014
	-----Rupees-----	
Cash and bank balances	<b>15,916,060</b>	24,220,998

## 15 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

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

### 15.1 Transaction with related parties

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

	-----Un-audited-----	
	September 30, 2015	September 30, 2014
	-----Rupees-----	
Remuneration - net of taxes	<b>120,433,965</b>	161,171,561
Commission income	<b>3,101,254</b>	475,382
Investments made	<b>1,279,261,093</b>	871,935,355
Investments disposed off	<b>1,284,795,009</b>	712,979,053
Expenses incurred by the company on behalf of funds	<b>3,952,657</b>	1,265,908
Reimbursements of expenses by the funds	<b>3,952,657</b>	2,103,527
Dividend Income	<b>18,981,897</b>	-
Bonus / additional shares / units (in numbers)	-	2,264,686



## JS Investments Limited

	-----Un-audited-----	
	September 30, 2015	September 30, 2014
	-----Rupees-----	
<b>15.1.2 Transactions with Ultimate Parent - Jahangir Siddiqui &amp; Co. Ltd.</b>		
Expenses incurred on behalf of company	<b>45,412</b>	1,404
Reimbursements of expenses by the company	<b>94,300</b>	6,405
Investment made in TFCs	-	25,000,000
Markup Income on term finance certificate	<b>1,853,453</b>	1,438,137
Principal redemption of TFCs	<b>937,500</b>	-
<b>15.1.3 Transactions with parent company - JS Bank Limited (JSBL)</b>		
Rent income	<b>1,844,698</b>	1,032,460
Rent expense	<b>1,975,185</b>	1,688,685
Expenses incurred on behalf of company	<b>486,777</b>	408,936
Reimbursements of expenses by the company	<b>456,507</b>	711,390
Return on bank deposits	<b>1,114,204</b>	6,312,699
Management fee paid on sharing on distribution of mutual funds	<b>273,956</b>	202,565
<b>15.1.4 Transactions with other related parties</b>		
Rent income	<b>12,383,515</b>	10,879,010
Rent expense	-	298,941
Ijarah rental expense	-	303,940
Acquisition of ijarah leased vehicle	-	1,437,736
Insurance premium paid	<b>3,129,413</b>	2,985,119
Provident fund contributions made	<b>3,063,168</b>	2,528,040
Expenses incurred on behalf of companies	<b>5,420,917</b>	4,728,000
Reimbursements of expenses by the companies	<b>5,311,784</b>	4,484,717
Purchase of vehicle	-	1,900,000
Donation Paid	<b>13,255,315</b>	12,545,988
Management fee paid on sharing on distribution of mutual funds	<b>1,738</b>	9,215
Other payments made	<b>15.1.4.1 49,999,950</b>	205,555,550
<b>15.1.4.1</b> This amount is received by the Company on behalf of Jahangir Siddiqui Securities Services Limited (JSSSL) and the Company paid the same to JSSSL.		
<b>15.1.5 Transactions made with companies - Common Directorship</b>		
Expenses incurred on behalf of company	<b>142,664</b>	144,360
Reimbursements of expenses by the company	-	63,952
<b>15.1.6 Transactions with key management personnel</b>		
Remuneration	<b>36,027,721</b>	27,274,673
Sale of Vehicle	-	7,000,000
Directors Fee	<b>800,000</b>	750,000
Disbursements of personal loans and advances	<b>685,000</b>	662,913
Repayments of loans and advances	<b>1,353,984</b>	776,489
Markup / interest income earned	-	11,620

# JS Investments Limited

	(Un-audited) September 30, 2015	(Audited) December 31, 2014
<b>15.2 Balance outstanding with related parties</b>		
<b>15.2.1 Balances outstanding from Ultimate Parent company: Jahangir Siddiqui &amp; Co. Limited - Ultimate Parent company</b>	-----Rupees-----	
Receivable against expenses incurred on behalf of companies	<b>15,208</b>	64,096
Markup Income receivable on TFCs	<b>1,089,927</b>	669,069
<b>15.2.2 Balances outstanding from Parent company: JS Bank Limited - Parent company</b>		
Receivable against expenses incurred on behalf of companies	<b>563,600</b>	533,329
Rent payable	<b>2,366,167</b>	1,595,097
Rent receivable	<b>1,531,685</b>	354,907
Other payables	<b>1,760,976</b>	1,273,505
Profit on bank deposits	<b>12,272</b>	32,644
<b>15.2.3 Balances outstanding from other related parties</b>		
Receivable against expenses incurred on behalf of companies	<b>2,873,593</b>	2,764,460
Payables against expenses incurred by the company	<b>328,636</b>	325,006
Rent receivable	<b>4,191,696</b>	740,935
Rent payable	<b>2,289,734</b>	2,983,402
<b>15.2.4 Balances outstanding from related parties under common directorship</b>		
Receivable against expenses incurred on behalf of companies	<b>262,953</b>	120,289
<b>15.2.5 Balances outstanding from Key Management personnel</b>		
Balance as at	<b>607,001</b>	1,275,985

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

**15.4** Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team including the Chief Executive Officer and Directors to be key management personnel.

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

## **16 NON-ADJUSTING EVENTS AFTER BALANCE SHEET DATE**

The Board of Directors of the Company in its meeting held on October 22, 2015 has approved, subject to the passing of the special resolution by the shareholders of the Company, the buy back of up to a maximum of 25 million issued ordinary shares of the Company of the face value of Rs. 10/- each at a maximum price of Rs.18 per share under Section 95A of the Companies Ordinance, 1984 read with the Companies (Buy-Back of Shares) Rules, 1999. The ordinary shares purchased from the members will be cancelled forthwith and the issued share capital of the company shall accordingly be reduced by the aggregate face value of the cancelled shares.

## **17 GENERAL**

In compliance of NBFC Rules 2003 read with SRO 1002(II)/2015 dated October 15, 2015 of Securities and Exchange Commission of Pakistan, the Management would like to report that the Company (JSIL) has sufficient insurance coverage from an insurance Company rated AA+ by a rating agency registered with the Commission, against financial losses that may be caused as a result of employees' gross negligence.

This condensed interim consolidated financial information was authorised for issue on October 22, 2015 by the Board of Directors of the Company.

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

\_\_\_\_\_  
Chairman

**BOOK POST**

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