JS Investments Limited

Annual Report 2013

JS investments
Managing Mutual Funds Better!

CONTENTS

VISION

To be recognized as a responsible asset manager respected for continuingly 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. Rashid Mansur
Chief Executive Officer

Mr. Suleman Lalani
Non-Executive Director

Mr. Asif Reza Sana
Non-Executive Director

Mr. Ahsen Ahmed
Non-Executive Director

Mr. Kamran Jafar
Non-Executive Director

Mr. Muhammad Khalil Ur Rehman
Non-Executive Director

Mr. Muhammad Raza Dyer
Non-Executive Director

Audit Committee

Mr. Asif Reza Sana
Chairman

Mr. Muhammad Khalil Ur Rehman
Member

Mr. Suleman Lalani
Member

Chief Financial Officer & Company Secretary

Mr. Muhammad Khawar Iqbal

Auditors

M. Yousuf Adil Saleem & Co.
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

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

Registered Office

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 19th Annual General Meeting of JS Investments Limited ("the Company" or "JSIL") will be held at Defence Hall, DHA Creek Club, Karachi on Monday, April 07, 2014 at 10:00 a.m., to transact the following businesses:-

Ordinary Business:

1. To receive and consider the audited financial statements of the Company for the year ended December 31, 2013 together with the Directors' and Auditors' reports thereon.

2. To appoint Auditors of the Company and fix their remuneration for the year ending December 31, 2014. The present auditors, Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants, retired and being eligible, offer themselves for re-appointment.

Special Business:

To consider and if thought fit, to pass the following resolution as Special Resolution (with or without modification) for approval of investment in the TFC VIII of Jahangir Siddiqui & Co. Limited.

"RESOLVED THAT consent and approval be and are hereby accorded under Section 208 of the Companies Ordinance, 1984 for investment of an amount of up to Rs.65 Million in the TFC VIII of Jahangir Siddiqui & Company Limited carrying a coupon of 6 month KIBOR plus 1.75% per annum, for a maximum tenor of 5 years ".

Karachi: March 17, 2014

By order of the Board

Muhammad Khawar Iqbal
Company Secretary

Notes:

(i) The Share transfer books of the Company will remain closed from April 1, 2014 to April 07, 2014 (both days inclusive) for determining the entitlement of the shareholders for attending the Annual General Meeting.

(ii) Physical transfers and deposit requests under Central Depository System received at the close of business on March 31, 2014 by the Registrar of the Company, M/s. Technology Trade (Pvt.) Limited, having their office at Dagia House, 241-C, Block 2, P.E.C.H.S, off Shahrah-e-Quaideen, Karachi, will be treated as being in time for entitlement to attend the meeting.

(iii) A Member of the Company entitled to attend and vote may appoint another person as his/her proxy to attend and vote instead of him/her.

(iv) Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.

(v) Beneficial owners of physical shares and the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original Computerized National Identity Cards (CNICs) or passports for identification purpose at the time of attending the meeting. The Proxy Form(s) must be submitted with the Company within the time stipulated in para (iv) above, duly signed and witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form(s), along with attested copy(ies) of the CNICs or the passport(s) of the beneficial owners and the proxy(ies). In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with the Proxy(ies) Form(s) to the Company.

(vi) Shareholders are requested to notify immediately of any change in their address.

JS investments

STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 RELATING TO SPECIAL BUSINESS

Jahangir Siddiqui & Co. Ltd. (JSCL) has been amongst a significant issuer of Term Finance Certificates (TFCs) and so far it has issued seven TFCs (both listed and unlisted) of which five have been fully redeemed in a timely manner while the outstanding TFC II and TFC VII will mature in May 2014 and October 2016 respectively.

Currently, JSCL is in the process of issuing TFC VIII, a rated, listed and secured instrument. The said TFCs shall have a issue size of Rs. 750 million (including a green shoe option of Rs. 250 million) having a tenor of 5 years, carrying semi-annual coupon of 6 months KIBOR + 1.75% p.a. payable after six months from the issue date. Furthermore, the said TFCs shall be redeemed in ten stepped-up semi-annual installments beginning from the 6th month after the issue date.

PACRA has assigned a preliminary rating of "AA+" (Double A plus) to the proposed listed and secured TFC VIII issue. Such rating denotes a very low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

Moreover, TFC VIII issue has been secured by pledge of listed securities in a designated account with the Central Depository Company of Pakistan Limited along with requisite margin of 35%.

In view of the above JS Investments Limited (JSIL) has considered the viability of investment of a maximum of Rs. 65 Million in TFC VIII of JSCL. The Company will use funds from its own sources as it has sufficient liquidity for this investment.

JSCL is an associated company of JSIL and would require Special Resolution in terms of Section 208 of the Companies Ordinance, 1984 and related Regulations. To give effect to the above, the management has proposed to consider and if thought fit, to pass the following resolution to be passed as Special Resolution (with or without modification) for approval of a maximum investment of Rs. 65 Million in TFC VIII of JSCL.

THE INFORMATION AND PARTICULARS REQUIRED UNDER REGULATION 3(A) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2012 ARE AS UNDER:-

Sr. No.	Description	The information and particulars required
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established.	a) Jahangir Siddiqui & Co. Ltd. (JSCL) b) JSCL holds 70.42% voting shares of JS Bank Limited which in turn holds 52.23% shares of the Company. Due to these shareholdings, JSCL is the holding company of JS Bank Limited, while the Company is the subsidiary of JS Bank Limited. c) Mr. Suleman Lalani who is a Director of the Company is also the Chief Executive Officer of JSCL. d) Mr. Asif Reza Sana who is a Director of the Company is also a Director of JSCL.
2	Purpose, benefits and period of investment.	**a) Purpose** To invest surplus funds in the listed, rated and secured TFC VIII of JSCL, being a debt instrument.

		b) Benefits The Company has sufficient surplus funds which are often invested in T-Bills that carry a yield of up to 10%. The said TFC of JSCL carries a return of 6 month KIBOR+1.75%. The company can benefit from this extra spread income which will ultimately enhance shareholder value. Current banking TFCs of same rating are available at premium and carry an effective yield between 0.5% to 0.80% over 6 month KIBOR. Actual secondary market yield for banking sector TFCs ranges between 10%-11%, whereas JSCL's proposed TFC current yield is around 11.89%. Moreover, JSCL's rating along with investments denote a low credit risk. The Company is, therefore, expected to earn additional income over its conventional income avenues, which will be in the interest of the shareholders of the Company, being a listed company. **c) Period of Investment** The tenor of the said TFC is five years.
3	Maximum amount of investment.	The Company proposes to invest upto a maximum of Rs.65 Million in the TFC VIII of JSCL.
4	Maximum price at which securities will be acquired.	The TFCs have a face value of Rs. 5,000 each and will be acquired at the face value through the IPO or pre -IPO i.e Rs 100 with no premium.
5	Maximum number of securities to be acquired.	At par value, the company can acquire a maximum of 13,000 units of TFCs
6	Number of securities and percentage thereof held before and after the proposed investment.	Before Investment : NIL After Investment : 13,000 units of the face value of Rs.5,000/- or 8.67% of the total issue size excluding green shoe option.
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired.	Not Applicable.
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of Regulation 6(1).	Not Applicable.

<table>
<tr><td>9</td><td>Break-up value of securities intended to be acquired on the basis of the latest audited financial statements</td><td>Not Applicable.</td></tr>
<tr><td>10</td><td>Earnings / (loss) per share of the associated company or associated undertaking for the last three years.</td><td>JSCL
<table><tr><th>Year Ended</th><th>Earnings / (Loss) per share</th></tr><tr><td>30 June, 2011</td><td>(1.67)</td></tr><tr><td>31 December 2012</td><td>3.10 (18 Months)</td></tr><tr><td>31 December 2013</td><td>0.24</td></tr></table></td></tr>
<tr><td>11</td><td>Sources of fund from which securities will be acquired.</td><td>The Company will use funds from its own sources as it has sufficient liquidity for this investment</td></tr>
<tr><td>12</td><td>Where the securities are intended to be acquired using borrowed funds,-

(I) justification for investment through borrowings; and

(II) detail of guarantees and assets pledged for obtaining such funds.</td><td>Not Applicable.</td></tr>
<tr><td>13</td><td>Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment.</td><td>Not Applicable.</td></tr>
<tr><td>14</td><td>Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.</td><td>JSCL holds 70.42% voting shares of JS Bank which in turn holds 52.23% shares of the Company. However, all three companies i.e. JSIL, JS Bank and JSCL are listed on one or more Stock Exchanges in Pakistan and they have made all necessary disclosures on interests, if any, of the directors, sponsors, majority shareholders and their relatives, in these companies. There is no undisclosed, direct or indirect interest of any directors, sponsors, majority shareholders and their relatives, in the associated company or the proposed investment under consideration except in their respective capacities mentioned above.</td></tr>
</table>

15	Any other important details necessary for the members to understand the transaction.	None
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely, (I) description of the project and its history since conceptualization; (I) starting and expected date of completion of work; (II) time by which such project shall become commercially operational; and (III) expected time by which the project shall start paying return on investment.	Not Applicable.

The Directors of the Company shall submit an undertaking to the shareholders at the AGM to be held on April 07, 2014 that they have carried out due diligence for the proposed investment and the due diligence report with signed recommendations of the Directors shall be available for inspection by the members at the AGM.

INFORMATION REQUIRED UNDER REGULATION 4 OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS), REGULATIONS, 2012, IS AS FOLLOW:-

- Mr. Suleman Lalani, common director on the board of JSCL and JSIL, holds 216,096 and 5,502 shares of the JSCL and JSIL respectively.
- Mr. Asif Reza Sana, common director on the board of JSCL and JSIL, holds 500 and 1 share(s) of JSCL and JSIL respectively.
- Mr. Nazar Mohammad Shaikh, director of the Company holds 500 shares of JSCL.
- Mr. Muhammad Raza Dyer, director of the Company, holds 219,937 shares of JSCL.
- Mr. Muhammad Khalil Ur Rehman, director of the Company, holds 23,033 shares of JSCL.
- Mr. Kamran Jafar, director of the Company, holds 1 share of JSCL.
- No other Director or sponsor of JSCL holds any shares of the Company and neither any other Director or sponsor of the Company holds any shares of JSCL.
- JSCL holds 70.42% voting shares of JS Bank Limited and JS Bank Limited in turn holds 52.23% shares of the Company.
- The interest of the Directors of the Company in the proposed investment is limited only to the extent of their being directors of the Company.
- Audited Financial Statements of JSCL shall be made available for inspection of the members at the AGM.

BOARD OF DIRECTORS

Mr. Nazar Mohammad Shaikh - Chairman

Mr. Shaikh is a former senior civil servant and has held many senior positions in the Government of Pakistan. He joined the Pakistan Audit Department in 1966 and served in various capacities. He served the Provincial Governments at various levels and also served as the Secretary of Finance Department, Secretary of Education Department, Secretary of Housing & Town Planning Department and Secretary of Communication & Works Department. He has also held the position of Additional Secretary of the Social Sector Wing, Prime Minister's Secretariat.

He was the Vice Chairman of PNSC from January 1992 till August 1993 and was later the chairman of Port Qasim Trust from October 1998 till July 2000. Mr. Sheikh has also held the position of secretary of Communications Division, Ministry of Communications & Railways from July 2000 to March 2001. Mr. Shaikh is serving as a directoron the board of Fakhr-e-Imdad Foundation.

Mr. Rashid Mansur - Chief Executive Officer

Mr. Rashid Mansur joined JS Investments Limited on April 1, 2010 as Chief Executive Officer. Prior to joining JSIL he was President and CEO of Escorts Investment Bank Limited and also served as the Chairman of the 'Investment Banks Association of Pakistan'. He is a qualified Associate of the Chartered Institute of Bankers London with specialization in 'International Banking Operations', 'Practice & Law of International Banking' and 'International Finance & Investment'.

He is a Fellow of the Institute of Bankers in Pakistan with over 30 years of Domestic and International Banking experience. He started his career with Habib Bank Limited in 1974 and served for 18 years on various management positions including 10 years in Turkey. In Pakistan, he has held various Board-level positions in both Private and Public Sector, such as President and CEO, 'Fidelity Investment Bank Limited', CEO 'Fidelity Leasing Modaraba', Director 'Security General Insurance Company Limited' and Chairman and CEO 'Board of Investment and Trade Punjab'.

During his tenure as Chairman and CEO of 'The Board of Investment and Trade', Government of Punjab and as Secretary General of Turkey 'Pakistan Business Council (Lahore Chapter)', he is credited with hosting and organizing various investment conferences abroad and rendered valuable services for the promotion of economic relations between Turkey and Pakistan.

Besides English and Urdu, he speaks French and Turkish fluently.

Mr. Suleman Lalani - Director

Mr. Suleman Lalani joined Jahangir Siddiqui & Co. Ltd. ("JSCL") on March 1, 2012 as Chief Executive Officer. Prior to joining JSCL he was Executive Director Finance & Operations and Company Secretary of JS Investments Limited where he served as CFO and Company Secretary for seven years. Mr. Lalani started his career with JSCL in 1992 where he worked for over eight years. In year 2000 he was promoted to the position of Chief Operating Officer of Jahangir Siddiqui Investment Bank Limited, a subsidiary of JSCL. In January 2002, he joined The First Micro Finance Bank Limited as its Chief Financial Officer and Company Secretary. Mr. Lalani is a Fellow member of the Institute of Chartered Accountants of Pakistan and has 20 years of experience in the financial services sector. He has also completed the Board Development Series Certificate Program conducted by the Pakistan Institute of Corporate Governance. Mr. Lalani is also serving as a director on the board of Al-Abbas Sugar Mills Limited and Jahangir Siddiqui & Co. Ltd.

Mr. Asif Reza Sana - Director

Mr. Asif R. Sana is a senior banker. He has previously worked with world-leader multinationals in the fields of Finance, General Management and Marketing. He remained posted in Switzerland, Europe, US and the Middle East in various executive positions during his 22 years multinational career. He holds an MBA and has been trained at the Institute of Management Development in Lausanne, Switzerland and INSEAD, France.

In 2000, he returned to Pakistan was as the Advisor to the Board of Directors of Union Bank. He conceived, negotiated and closed the acquisition of Emirates Bank in Pakistan and Meshraq Bank in Sri Lanka. These acquisitions resulted in a two-fold increase in the bank's earning assets and doubled its balance sheet footing to US$ 2.2 billion. He was then appointed SEVP and elected to the Board of Directors to assume the crucial role of Executive Director of the bank, having fiduciary and management roles simultaneously. He was a member of the management committee and ALCO as well a director of the Union Leasing Ltd. He was one of the key leaders in making Union Bank a premium financial services brand, ranked as the 6th largest bank, by profitability, in 2005. The majority shareholders then gave him the mandate to develop and implement an exit strategy. He conceived, negotiated and closed the sale of Union Bank to Standard Chartered at a landmark price of PKR 29 billion (US $ 485 million) - the highest multiple in the Pakistani banking industry. Mr. Asif is also serving as director of Askari Bank Limited.

Mr. Ahsen Ahmed - Director

Mr. Ahsen Ahmed is serving on the Boards of Abid Industries and Sind Industries since 2003. He had contributed significantly towards expansion of these industries and supported their research and technical development. With his efforts and commitment the companies took an international perspective to their growth with increased exports and improved their supply chains. He also served for seven years on the Board of JS Global Capital Limited as a Non Executive Board Member. Mr. Ahmed is also serving as a director on the board of Abid Industries & Sind Industries.

Mr. Ahsen holds degree in Bachelor of Arts and Economics from Denison University, Granville, Ohio

Mr. Kamran Jafar - Director

A seasoned Banker with thirteen years of a proven track record in Banking, Kamran Jafar began his career with JS Bank in February 2008 as EVP Regional Head Retail Banking - (North). Kamran joined as a member of the Retail Banking Core Business Team and was instrumental in the countrywide roll-out of the Bank's branches and product suite. Kamran took over responsibilities as Branch Banking Head along with the additional responsibility of Group Head Retail Banking in July 2010, a position to which he was subsequently confirmed in April 2011. He has since then been the driving force of the effort to ensure that the Retail Banking Group continues with its expansion and successful drive towards countrywide profitability. In December 2013, he has been given a portfolio of Corporate Banking.

Prior to joining JS Bank, Kamran has over 10 years of diversified Banking experience in a number of Banking functions such as Retail Banking, Corporate Banking, Branch Banking, Trade and SME Banking as well as sound knowledge of Banking Operations including Branch Operations, Credit Administration and Trade Financing. He has worked with a number of prominent Banks including PICIC Commercial Bank, MyBank and the AlBaraka Islamic Bank in a variety of roles. His previous assignment before joining JS Bank was with MyBank where he was EVP / Regional General Manager - Northern Region.

Kamran is a graduate of the University of Houston with a concentration in Marketing and holds two Masters in Business Administration degrees with concentrations in Marketing, Banking and Finance.

Mr. Muhammad Khalil Ur Rehman - Director

Mr. Rehman is a senior executive at JS Bank Limited with over 32 years of diversified experience in banking (operations and reengineering). He has been associated with American Express Bank since 1993 and has held various positions in credit administration and operations in different cities. Prior to this, he has worked at Mashreq Bank Limited and United Bank Limited.

Mr. Rehman is a Certified Business Process Reengineer from the United States and is also a Diplomaed Associate of the Institute of Bankers Pakistan.

Mr. Rehman received his Bachelors in Commerce from the University of Punjab and completed his Masters in Commerce from Hailey College of Commerce.

Mr. Muhammad Raza Dyer - Director

Mr. Muhammad Raza Dyer is serving as Head of Operations at JS Bank Limited and has 28 years of diversified experience in commercial banking operations. He started his professional career in 1985 from Bank of America in Visa Card Department. Thereafter, he worked for Mashreq bank PSC in Foreign Trade, Treasury Back Officer and Branch Operations. He worked for three years in Crescent Commercial Bank Ltd., as Head of Operations - South Region. Prior to joining JS Bank, he was working with Arif Habib Bank as Head of Country Operations.

FINANCIAL AND BUSINESS HIGHLIGHTS

		2013	2012*	2011	2010	2009	2008
KEY INDICATORS							
Performance							
Return on assets	%	29.24	10.72	1.37	2.42	(54.71)	16.10
Total assets turnover	Days	49	126	79	97	20	130
Receivables turnover	Days	25	25	4	3	25	35
Return on equity	%	39.51	20.56	4.09	12.72	(156.82)	31.36
Leverage							
Debt:Equity	%	-	46.90	107.05	248.71	509.12	112.30
Interest cover	times	0.07	2.31	1.19	1.25	(5.09)	3.72
Liquidity							
Current	times	14.72	2.77	2.24	1.71	1.44	2.29
Quick	times	14.67	2.76	2.23	1.70	1.42	2.29
Valuation							
Earnings per shares	Rs.	5.98	2.03	0.24	0.45	(17.21)	5.49
Breakup value per share	Rs.	17.98	12.30	7.42	4.28	2.86	19.09
Price earning ratio	times	1.83	4.01	21.31	16.41	(0.98)	17.31
Market price to break up value	times	0.61	0.66	0.69	1.74	5.92	4.98
Market value per share - year end	Rs.	10.92	8.12	5.10	7.46	16.94	95.07
Market value per share - High	Rs.	11.47	15.13	8.47	20.45	97.85	126.50
Market value per share - Low	Rs.	6.34	2.47	4.61	6.45	13.12	53.50
Market capitalization (Rs. in million)		1,092	812	510	746	1,694	9,507
Historical trends							
Management fee (Rs. in million)		223	306	245	361	440	627
Operating profit (Rs. in million)		670	332	153	212	(1,496)	773
Profit before tax (Rs. in million)		625	196	27	46	(1,774)	574
Profit after tax (Rs. in million)		598	203	24	45	(1,721)	549
Assets under management (Rs. in million)		12,854	12,332	12,812	16,508	21,247	38,974
No. of funds under management		13	13	15	16	16	16
Share capital (Rs. in million)		1000	1000	1,000	1,000	1,000	1,000
Shareholders equity (Rs. in million)		1,798	1,230	742	428	286	1,909
Total assets (Rs. in million)		2,074	2,018	1,763	1,735	2,015	4,277
Contribution to the national exchequer (Rs. in million)		39	29	6	13	30	69
Payouts							
Cash dividend	%	10	10	-	-	-	25

* The FY 2012 was of eighteen months period, due to change of accounting year.

REPORT OF THE DIRECTORS TO THE MEMBERS
FOR THE YEAR ENDED DECEMBER 31, 2013

The Directors of your Company feel pleasure in presenting the annual audited accounts of the Company along with auditors' report thereon for the year ended December 31, 2013.

Macro Economic Highlights

Pakistan's current account posted a deficit of USD 3,972 million for the period CY2013. The current account deficit was higher by USD 1,630 million on from CY2012. Workers' remittances for the period stood at USD 14.6billion. Foreign Reserves dropped to alarming levels of USD 8.3billion towards the end of December down 40.3% from USD 13.9 billion at the beginning of the calendar year. Payments made to International Monetary Fund (IMF) during the period coupled with a higher trade deficit resulted in the foreign reserve decline.

PKR remained under pressure throughout the calendar year 2013 declining by 8.7% against the USD. The USD-PKR parity exhibited increased volatility towards the end of CY2013. The USD touched a high of 108.32/PKR in November 2013 and then declined to 105.26/PKR by the end of December. Ballooning current account deficit and IMF payments resulted in the PKR decline. However comments by the country's finance minister to stabilize the USD below the 100/PKR mark coupled with receipt of IMF tranche helped the PKR gain some ground.

Average monthly inflation for CY2013 came in at 7.68% lower than the 9.73% average inflation witnessed in CY2012. However throughout the calendar year monthly inflation exhibited a U shape with the CPI declining in the first half and recovering back in the second half. After recording a CPI reading of 8.07% in January 2013 inflation declined to a low of 5.13% in May 2013. Increased electricity tariffs and food inflation increased the CPI to 10.9% in November 2013. Resultantly the State Bank of Pakistan reduced the discount rate by 50bps in June 2013 only to increase cumulatively by 100bps in 2HCY2013.

Equity Market Performance

The equity markets witnessed another year of equally strong return for CY2013. The KSE30 Index returned 36.65% in CY2013 after a 35.2% return in CY2012. Similarly the KSE100 Index returned 49.4% return in CY2013 following a 48.9% return in CY2012. Volumes also followed suit in CY2013 as average daily volumes increased to 74 million from 57million in CY2012, a 29.6% increase.

Foreign investor's portfolio investments posted an inflow of USD 398 million during CY2013 against an inflow of USD 125.8 million in the CY2012. Strong profitability, political transition, resolution of the circular debt and IMF program all improved investor confidence in the equity market.

A smooth political transition to a business friendly political party propelled the Karachi Stock Exchange to be amongst the top 10 best performing equity markets in 2013. The May 2013 elections euphoria was carried forward as the government took steps to improve the energy crisis. The government released the first installment of PKR 326 billion to the debt ridden sectors Oil & Gas and Electricity during June 2013. The remaining amount of PKR 177 billion 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.

Additionally the government took a non popular but necessary step of reducing the subsidies on electricity. It enabled the government to satisfy an important requirement of the IMF which approved a USD6 billion package for the country. However, receipt of the IMF funds is staggered and dependant on the country satisfying quarterly criteria. The government has been able to secure two tranches of the IMF program already.

The Pakistan's market has potential to deliver another impressive return in 2014, contingent on continuation of government reforms in the backdrop of stable political environment.

Money Market Performance

During CY2013 the State Bank of Pakistan borrowed funds worth PKR 6,134billion through 26 T-bill auctions. With weighted average yields for 3 month, 6 month and 12 month T-bills averaged in at 9.30%, 9.32% and 9.25% respectively. Average inflation

The discount rate started the calendar year at 9.5%. Lower inflation reading in the first half enabled the State Bank of Pakistan to reduce the discount rate by 50bps in June 2013 to 9.0%. However increased consumer price index (CPI) reading during the second half of CY 2013 resulted in the discount rate increasing by a cumulative 100bps in the September and November 2013 Monetary Policy Statement (MPS). Higher electricity tariffs coupled with rising food inflation was responsible for the higher CPI reading.

The AMC Industry

Assets Under Management for the AMC industry witnessed an increment of 16.0% during CY2013. Twelve new funds were launched during the period. Two new fund categories Islamic Fund of Funds and Commodity funds were added to the open end fund category. AUMs for the money market fund category, which governs the largest share of the AMC industry; increased by 16.4%. Income fund category witnessed an attrition of 16.0% in their AUMs. Open end funds increased by 15.0%, closed end funds increased by 23.5%, while pension funds accomplished an increment of 74.4%.

Performance Review

The Company earned a net profit of Rs. 598.178 million during the year ended December 31, 2013 showing an earnings per share of Rs. 5.98. The assets under management were Rs. 12.853 billion as on December 31, 2013 compared to Rs. 12.332 billion as on December 31, 2012 depicting an increase of 4.22% on year to date (YTD) basis. The Company earned management remuneration from funds under management of Rs. 222.738 million compared to Rs. 205.483 million during last year witnessing an increase of 8.0%. Administration and marketing expenses were increased by 10.8% to Rs. 225.229 million during the year compared to Rs. 203.119 million during the previous year. The financial charges were Rs. 48.023 million showing a reduction of 44% from the finance charge of the previous year amounting to Rs. 85.871 million.

This financial performance resulted in enhancing the shareholders equity of the Company to Rs. 1,798 million as on December 31, 2013 from Rs. 1,230 million as on December 31, 2012, which translated an increase of shareholders wealth by 46.18% on YTD basis.

Summary of operating results for the year

	Year ended December 31, 2013	Eighteen Months ended December 31, 2012
	....................Rupees (000)....................	
Shareholders' Equity	**1,797,663**	**1,230,208**
Financial Performance		
Income	1,002,090	642,676
Operating expenses	(225,229)	(315,353)
Operating profit	**776,861**	**327,323**
Other expenses	(152,885)	(160)
Financial charges	(48,023)	(149,173)
Other operating income	48,585	17,477
Profit before tax	**624,538**	**195,467**
Taxation-net	26,359	7,262
Profit after tax	**598,179**	**202,729**
Earning per share - basic and diluted (in rupees)	**5.98**	**2.03**

JS Investment equity funds exhibited excellent performance during CY2013. JS Large Cap. Fund, JS Growth Fund, JS Pension Savings - Equity Sub-Fund and JS Islamic Pension Savings - Equity Sub-Fund returned an impressive 64.58%, 64.15%, 82.58% and 56.01% respectively. Our JS Pension Savings Fund-Equity Sub Fund was the best performing equity fund across equity universe.

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.

Corporate Governance and Financial Reporting Framework

As required by the Code of Corporate Governance, the Directors are pleased to state as follows:

a. The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
b. Proper books of account have been maintained by the Company.
c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
d. International Accounting Standards, as applicable in Pakistan have been followed in preparation of the financial statements.
e. The system of internal control is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts upon the Company's ability to continue as a going concern.
g. There has been no material departure from the best practices of the Corporate Governance, as detailed in the listing regulations.
h. A summary of key financial data of last six years is given on page 13 of this annual report.
i. The Directors have signed and disseminated the "Code of Conduct" through out the company.
j. The value of investments of the staff provident fund of JS Investments Limited, as per the un-audited accounts as at December 31, 2013 was Rs. 24.015 million.

Meetings of the Directors

The shareholders of JS Investments Limited in an Extraordinary General meeting held on December 23, 2013 have elected seven directors for the next tenure of three years commencing from December 27, 2013, consequent upon the completion of the previous tenure of Board of Directors on December 26, 2013.

During the year nine meetings of the previous Board of Directors were held, the attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Munawar Alam Siddiqui	08
Mr. Rashid Mansur	09
Mr. Nazar Mohammad Shaikh	08
Mr. Suleman Lalani	09
Lt. General (Retired) Masood Parwaiz	04
Mr. Mazharul Haq Siddiqui	07
Mr. Ahsen Ahmed	04

Only one meeting of the newly elected Board was held during the period, the attendance of the same is as follows

Mr. Nazar Mohammad Shaikh
Mr. Suleman Lalani
Mr. Rashid Mansur
Mr. Asif Reza Sana
Mr. Kamran Jafar
Mr. Muhammad Khalil ur Rehman
Mr. Muhammad Raza Dyer

Meetings of the Audit Committee

During the year, four meetings of the Audit Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Munawar Alam Siddiqui	04
Mr. Nazar Mohammad Shaikh	04
Lt. General (Retired) Masood Parwaiz	01

Meetings of the HR & R Committee

During the year, two meetings of the HR & R Committee were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Rashid Mansur	02
Mr. Nazar Mohammad Shaikh	02
Lt. General (Retired) Masood Parwaiz	01

Board of Directors

During the year Mr. Sadeq Sayeed has resigned from the Board and in his place Mr. Ahsen Ahmed was appointed as a Director of the Company for the remainder of the term.

Parent Company

JS Bank is the holding company of JS Investments Limited and holds 52.23% of the equity.

Pattern of Shareholding

A statement showing pattern of shareholding in the Company and additional information as at December 31, 2013 is given on page 103.

The Directors, CEO, CFO and their spouses and minor children carry out following transactions in the shares of the Company during the year ended December 31, 2013.

Name	Designation	Shares Acquired
Muhammad Khawar Iqbal	CFO & Co. Secretary	1,000

Compliance of JS Growth Fund and JS Value Fund Limited with Regulation 65 of NBFC & NE Regulations 2008

Pursuant to requirements of Regulation 65 of NBFC & NE Regulations, 2008, JS Investments Limited under the guidance of the Securities and Exchange Commission of Pakistan has successfully converted the closed end funds to open end schemes. JS Value fund and JS Growth fund were converted on 28 June 2013 and 30 July 2013 respectively.

Auditors

The retiring auditors M. Yousuf Adil Saleem & Co., Chartered Accountants being eligible offer themselves for reappointment. The Board of Directors, on the recommendations of the Audit Committee, has proposed appointment of Messrs M. Yousuf Adil Saleem & Co., Chartered Accountants for the ensuing year ending December 31, 2014.

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.

Rashid Mansur
Karachi: February 21, 2014 Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of JS Investments Limited (the Company) to comply with the respective Listing Regulations of the Karachi Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance (the statement) reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report, if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, the Listing Regulations of Karachi Stock Exchange requires the Company to place before the Board for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance with the Code of Corporate Governance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, as applicable to the Company for the year ended December 31, 2013.

We draw attention to the following paragraphs of the Statement :

a) Paragraph 1 and 15 - where management has explained that based on the legal opinions obtained Mr. Asif Reza Sana is also independent director in the Company in accordance with clause i (b) of the Code and therefore has been nominated as chairman of the Audit Committee.

b) Paragraph 10 - The position of Head of Internal Audit is vacant since March 2013. The Company is in the process of appointing a suitable candidate for this position.

Chartered Accountants

Date: **February 21, 2014**
Place: **Karachi**

Engagement Partner:
Nadeem Yousuf Adil

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED DECEMBER 31, 2013

This statement is being presented to comply with the Code of Corporate Governance ("the Code") contained in Listing Regulations of Karachi Stock Exchange where JS Investments Limited (the Company) is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

JS Investments Limited has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of directors.

At present the Board includes:

Category	Names
Independent Directors	Mr. Ahsen Ahmed Mr. Asif Reza Sana
Executive Directors	Mr. Rashid Mansur - Chief Executive Officer
Non-Executive Directors	Mr. Suleman Lalani Mr. Kamran Jafar Mr. Muhammad Khalil Ur Rehman Mr. Muhammad Raza Dyer Mr. Nazar Mohammad Shaikh

Mr. Asif Reza Sana is also an independent director in Jahangir Siddiqui & Co. Ltd. which is ultimate parent of the Company. In accordance with the opinions from legal advisor Mr. Sana qualifies to be appointed as an independent director on the Board of the Company.

2. The directors of the Company have confirmed that none of them is serving as a director on more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. A casual vacancy has occurred on the Board during the year by resignation of Mr Sadeq Sayeed. The same was filled in due course with the appointment of Mr Ahsen Ahmed. He was appointed as a director by the Board on 05 April 2013, whose confirmation was received from the SECP on June 26, 2013.

5. The Company has prepared a "Code of Conduct", and has ensured that appropriate steps have taken place to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board of Company has developed a vision / mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions including the appointment and determination of the remuneration and terms and conditions of the employment of the Chief Executive Officer and other executives and non-executive directors have been taken by the board / shareholders.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Board has been provided with the revised Code along with briefings on various stages in order for them to properly manage the affairs of the Company as representatives of members of the Company. Mr. Suleman Lalani and Mr. Munawar Alam Siddiqui are certified from Pakistan Institute of Corporate Governance (PICG). Further, Mr. Mazharul Haq Siddiqui and Mr. Rashid Mansur are exempted, under the criteria given in Clause (xi) of the Code, from Director Training Program. In addition, the Management Company has requested the Securities and Exchange Commission of Pakistan to waive the requirement for compliance of the aforementioned clause for the remaining directors, as they have the requisite skills, competence, knowledge and experience to fulfill the responsibilities in the best interest of the Company and its stakeholders.

10. The Head of Internal Audit had resigned in the month of March 2013, The Company is in the process of appointing a suitable candidate for this position. There was no change of Chief Financial Officer / Company Secretary during the year. The remuneration and terms and conditions of employment of Chief Financial Officer / Company Secretary and Head of Internal Audit were approved by the Board.

11. The Directors Report for this period has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer before approval of the Board.

13. The Directors, Chief Executive Officer and Executives do not hold any interest in the shares of the Company other than those disclosed in the Directors Report.

14. The Company has complied with all the corporate and financial reporting requirements of the Code.

15. The Board has formed an Audit Committee which comprises of three members, two of them are non-executive directors and one is independent director. Chairman of the committee, Mr. Asif Reza Sana is an independent director.

16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the code. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee which comprises of three members. Two of them are non executive directors.

18. The Board of has set up an effective internal audit function and is conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The closed period prior to the announcement of interim / final results, and business decisions, which may materially affect the share price of Company was determined and intimated to directors, employees and stock exchange.

22. Material / price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other applicable material principles enshrined in the Code have been complied with except those that are not yet applicable.

Rashid Mansur
Chief Executive Officer

Karachi, February 21, 2014

AUDIT COMMITTEE AND ITS TERMS OF REFERENCES

The Board of Directors of JS Investments Limited has formed an Audit Committee comprising three none xecutive directors. The Audit Committee meets at least once every quarter as required by code ofcorporate Governance.During the year under review four meetings of the Committee were held which were attended by the members as follows

Mr. Nazar Mohammad shaikh	04
Mr. Munawar Alam Siddiqui	04
Lt. General (Retd) Masood Parwaiz	01

The Audit Committee shall, inter alia,reocommend to the Board of Directors the appointment of external auditors, their removal,audit fees, the provision by the external auditors of any service to the listed company in addition to audit of its financial statement. The Board of Directors shall give due consideration to the recommendations of the Audit Committee in all these matters and where it acts otherwise; it shall record the reasons there of.

The terms of reference of the Audit Committee shall also include the following:

(a) Determination of appropriate measures to safeguard the listed company's assets;

(b) Review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:

- major judgmental areas;
- significant adjustments resulting from the audit;
- the going concern assumption;
- any changes in accounting policies and practices;
- compliance with applicable accounting standards;
- compliance with listing regulations and other statutory and regulatory requirements; and
- significant related party transactions.

(c) Review of preliminary announcements of results prior to publication;

(d) Facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

(e) Review of management letter issued by external auditors and management's response thereto;

(f) Ensuring coordination between the internal and external auditors of the listed company;

(g) Review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the listed company;

(h) Consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;

(i) Ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

(j) Review of the listed company's statement on internal control systems prior to endorsement by the Board of Directors and internal audit reports

(k) Instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the CEO and to consider remittance of any matter to the external auditors or to any other external body;

(l) Determination of compliance with relevant statutory requirements;

(m) Monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

(n) Consideration of any other issue or matter as may be assigned by the Board of Directors

FINANCIAL STATEMENTS

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed unconsolidated balance sheet of JS Investments Limited (the Company) as at December 31, 2013, and the related unconsolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except as disclosed in note 2.5.2 to the accompanying financial statements with which we concur;

(ii) the expenditure incurred during the year was for the purpose of Company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;

(c) n our opinion and to the best of our information and according to the explanations given to us, the unconsolidated balance sheet, un consolidated profit and loss account, unconsolidated statement of comprehensive income, unconsolidated cash flow statement and unconsolidated statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at December 31, 2013 and of the profit, comprehensive ncome, its cash flows and changes in equity for the period then ended; and

(d) in our opinion, Zakat deductible at source under Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

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

Chartered Accountants

Date: **February 21, 2014**
Place: **Karachi**

Engagement Partner:
Nadeem Yousuf Adil

JS investments

UNCONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2013

	Note	December 31, 2013	December 31, 2012
		......................Rupees	....
ASSETS			
Non - current assets			
Fixed assets			
Tangible - property and equipment	4.1	**266,235,017**	281,676,115
Intangible assets	4.4	**380,037**	105,624,587
Long-term investment - investment in subsidiary	5	**37,500,000**	37,500,000
Long-term loans - considered good	6	**1,149,731**	659,855
		305,264,785	425,460,557
Current assets			
Balances due from funds under management - related parties	7	**16,072,734**	20,666,258
Loans and advances - considered good	8	**1,731,699**	3,647,808
Trade deposits, short term prepayments and other receivables	9	**15,626,472**	13,053,259
Other financial assets - investments, available-for-sale	10	**1,583,447,392**	1,445,695,428
Taxation recoverable		**113,706,136**	106,250,022
Cash and bank balances	11	**38,227,840**	2,846,710
		1,768,812,273	1,592,159,485
Total assets		**2,074,077,058**	2,017,620,042
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital	12	**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital	12	**1,000,000,000**	1,000,000,000
Unappropriated profit / (accumulated loss)		**9,731,642**	(395,046,161)
Unrealised gain on re-measurement of available for sale investments to fair value - net	10	**787,931,408**	625,253,855
		1,797,663,050	1,230,207,694
Surplus on revaluation of fixed assets - net of tax	13	**120,461,406**	127,060,578
LIABILITIES			
Non - current liabilities			
Long-term finance - securitisation of management fee receivables	14	**-**	66,438,526
Deferred tax liability - net	15	**35,772,863**	41,073,015
		35,772,863	107,511,541
Current liabilities			
Accrued and other liabilities	16	**120,056,248**	25,939,604
Accrued mark-up	17	**123,491**	16,364,766
Short term running finance - secured	18	**-**	407,416,297
Current maturity of securitisation of management fee receivables - debt	14	**-**	103,119,562
		120,179,739	552,840,229
Total liabilities		**155,952,602**	660,351,770
Contingencies and commitments	19		
Total equity and liabilities		**2,074,077,058**	2,017,620,042

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive Officer | **Chairman**

UNCONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		......................Rupees	
Income			
Remuneration from funds under management - net	20	**222,738,966**	306,465,377
Commission from open end funds under management	21	**365,198**	44,161
Dividend	22	**253,920,959**	117,450,111
Gain on sale of investments - net		**516,686,412**	211,123,889
Return on bank deposits		**3,928,275**	177,499
Mark up on Term Finance Certificates (TFC's)		**-**	14,988,921
Return on Government Securities		**2,755,083**	-
Commission income and share of profit from management of discretionary client portfolios	23	**1,695,653**	578,158
		1,002,090,546	650,828,116
Impairment loss on available for sale equity securities		**-**	8,152,260
		1,002,090,546	642,675,856
Administrative and marketing expenses	24	**225,229,324**	315,353,297
Operating profit		**776,861,222**	327,322,559
Other expenses	25	**152,885,235**	160,020
Financial charges	26	**48,023,067**	149,172,579
		575,952,920	177,989,960
Other income	27	**48,584,941**	17,477,471
Profit before taxation		**624,537,861**	195,467,431
Taxation - net	28	**26,359,231**	(7,261,869)
Profit for the year / period		**598,178,630**	202,729,300
Earnings per share for the year / period - basic and diluted	29	**5.98**	2.03

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	December 31, 2013	December 31, 2012
	......................Rupees	
Profit for the year / period	**598,178,630**	202,729,300
Other comprehensive income:		
Items that will not be reclassified to profit and loss	**-**	-
Items that may be reclassified subsequently to profit and loss		
Available-for-sale investments:		
Unrealised gain on re-measurement of available-for-sale investments to fair value - net	**593,500,340**	469,212,009
Impairment on available-for-sale investments taken to profit & loss account	**-**	8,152,260
Reclassification adjustment relating to sale of investments	**(430,822,787)**	(202,049,558)
Taxation relating to components that may be reclassified subsequently to profit and loss account	**-**	-
Total items that may be reclassified subsequently to profit and loss	**162,677,553**	275,314,711
Total comprehensive income for the year / period	**760,856,183**	478,044,011

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 38 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

UNCONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	**Year ended December 31, 2013**	Eighteen months ended December 31, 2012
		......................Rupees	**.....................**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**624,537,861**	195,467,431
Adjustment for non-cash and other items:			
Remuneration from funds under management	20	**(222,738,966)**	(306,465,377)
Commission from open end funds under management	21	**(365,198)**	(44,161)
Dividend		**(253,920,959)**	(117,450,111)
Depreciation	4.1	**21,073,282**	32,300,642
Amortisation of intangible asset	4.4	**244,550**	2,009,358
Financial charges	26	**48,023,067**	149,172,579
Interest / mark-up income		**(3,928,275)**	(177,499)
Impairment of intangible assets		**105,000,000**	-
Gain on sale of investments - net		**(516,686,412)**	(211,123,889)
Impairment loss on available for sale securities		**-**	8,152,260
Gain on disposal of fixed assets	27	**(48,171)**	(938,946)
		(198,809,221)	(249,097,713)
Increase / decrease in assets and liabilities			
Loans and advances		**1,426,233**	(1,088,457)
Deposits, prepayments and other receivables		**(43,621,709)**	28,217,434
Accrued and other liabilities		**88,350,188**	(1,654,750)
		46,154,712	25,474,227
		(152,654,509)	(223,623,486)
Taxes paid		**(39,115,497)**	(28,769,259)
Remuneration and commission received from funds under management		**227,697,688**	288,228,019
Net cash (used in) / generated from operating activities		**35,927,682**	35,835,274
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		**541,612,002**	246,340,424
Payments for purchase of fixed assets		**(5,638,133)**	(4,660,894)
Dividend received		**253,920,959**	117,450,111
Return on bank deposits		**3,928,275**	177,499
Proceeds from disposal of fixed assets		**54,120**	1,098,667
Net cash from investing activities		**793,877,223**	360,405,807
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal amount relating to the securitised management fee		**(129,085,000)**	(193,627,500)
Dividend paid		**(194,233,544)**	-
Short term borrowings		**-**	(150,000,000)
Financial charges paid		**(63,688,934)**	(150,941,850)
Net cash used in financing activities		**(387,007,478)**	(494,569,350)
Net increase / (decrease) in cash and cash equivalents		**442,797,427**	(98,328,269)
Cash and cash equivalents at beginning of the year / period		**(404,569,587)**	(306,241,318)
Cash and cash equivalents at end of the year / period	32	**38,227,840**	(404,569,587)

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

JS investments

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Issued, subscribed and paid up share capital	Revenue reserve (Accumulated loss) / unappropriated profit	Capital reserve Unrealized gain / (loss) on remeasurement of available for sale investment	Total
	......................Rupees......................			
Balance as at July 01, 2011	1,000,000,000	(607,674,222)	349,939,144	742,264,922
Total Comprehensive income				
Profit for the eighteen months period ended December 31, 2012	-	202,729,300	-	202,729,300
Other comprehensive income	-	-	275,314,711	275,314,711
Total Comprehensive income for the period	-	202,729,300	275,314,711	478,044,011
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	9,898,761	-	9,898,761
Balance as at December 31, 2012	1,000,000,000	(395,046,161)	625,253,855	1,230,207,694
Total Comprehensive income				
Profit for the year ended December 31, 2013	**-**	**598,178,630**	**-**	**598,178,630**
Other comprehensive income	**-**	**-**	**162,677,553**	**162,677,553**
Total Comprehensive income for the period	**-**	**598,178,630**	**162,677,553**	**760,856,183**
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	**-**	**6,599,173**	**-**	**6,599,173**
Transactions with owners recognised directly in equity				
-Final cash dividend for the eighteen months period ended December 31, 2012 @ Rs 1/- per share	**-**	**(100,000,000)**	**-**	**(100,000,000)**
- Interim dividend @ Rs. 1/- per share	**-**	**(100,000,000)**	**-**	**(100,000,000)**
Balance as at December 31, 2013	**1,000,000,000**	**9,731,642**	**787,931,408**	**1,797,663,050**

The annexed notes 1 to 38 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1 STATUS AND NATURE OF BUSINESS

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 now a subsidiary of JS Bank Limited (which has acquired 52.24 percent direct holding in the Company from Jahangir Siddiqui & Company Limited and other shareholders of the Company in the last year).

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

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

1.1.1 Asset management company of the following funds:

Open end:

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

1.1.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 Change in accounting year

The Company changed its financial year from June 30 to December 31 to align its year-end with its parent company JS Bank Limited. In this respect, the Company was granted approval by the SECP through letter no. SCD/AMCW/JSIL/181/2012 dated June 13, 2012 to change its financial year from July-June to January-December in accordance with the provisions of the section 238 of the Companies Ordinance, 1984.

As a result of above change in previous period, complete set of financial statements of the Company has been prepared for twelve months starting from January 01, 2013 to December 31, 2013 while the corresponding figures relate to the eighteen months period from July 01, 2011 to December 31, 2012, and; therefore, are not comparable.

1.4 These financial statements are the separate financial statements of JS Investments Limited. In addition to these financial statements, consolidated financial statements of JS Investments Limited and its subsidiary company, JS ABAMCO Commodities Limited, have also been prepared.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under 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 the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain office premises and investments which are stated at fair value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is also the functional and presentation currency of the Company and rounded off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

i) Amortisation of intangible assets (note 3.1 and 4.4);
ii) Provision for taxation (note 3.13 and 28);
iii) Classification and valuation of investments (notes 3.2 and 10);
iv) Determination and measurement of useful life and residual value of property and equipment (note 3.1 and 4.1);
v) Valuation of premises (note 3.1 and 4.1); and
vi) Recognition and measurement of deferred tax assets and liabilities (note 3.13 and 15).

2.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2013.

2.5.1 The following standards, amendments and interpretations are effective for the year ended December 31, 2013. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013

Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period b eginning on or after January 01, 2013
Amendments to IAS 19 - Employee Benefits (Revised 2011)	Effective from accounting period beginning on or after January 01, 2013

2.5.2 The amendments to IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive Income is effective from accounting period beginning on or after January 01, 2013 and has impact on the Company's financial statements for the year as discussed in the pursing paragraph. This changes is considered as change in accounting policy of the Company.

"The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

As a result of amendments in IAS 1, the Company modified the presentation of the item of OCI in its statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis."

2.6 New accounting standards and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	Effective from accounting period beginning on or after January 01, 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	Effective from accounting period beginning on or after January 01, 2014
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Fixed assets

Tangible property and equipment

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less impairment, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each balance sheet date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Intangible assets

"Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rates specified in note 4.4 to these financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed off, it is charged till the date of disposal. The useful life and amortization method are reviewed and adjusted, if appropriate, at each balance sheet date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each balance sheet date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount."

3.2 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

The Company classifies its investments in the following categories:

Financial assets ”at fair value through profit or loss - held for trading”

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held for trading'. Subsequent to initial recognition, these investments are marked to market and are carried on the balance sheet at fair value, except for investments in unquoted debt securities which are carried at cost. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity where the Company has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices or which are not classified as 'at fair value through through profit' are classified as 'available for sale'. Subsequent to initial measurement, available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to other comprehensive income are transferred to the profit and loss account.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued. Fair value of units of open end mutual funds and government securities are determined on the basis of relevant redemption prices for the open-end mutual funds and quotations obtained from the PKRV sheets for government securities respectively. Unquoted securities are valued at cost.

Investment in subsidiary

A company or a body corporate shall deemed to be a subsidiary of another company or body corporate if that other company or body corporate directly or indirectly controls, beneficially owns or holds more than 50% of its voting securities or otherwise has power to elect and appoint more than 50% of its directors.

Investments in subsidiaries are stated at cost. Provision is made for any impairment in the value of investments.

3.3 Trade and other receivable

Trade and other receivables are recognized at agreement amount less provision for impairment, if any. Provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade and receivable are written off when considered irrecoverable.

3.4 Operating Lease / Ijarah

Operating Lease / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir are classified as operating leases / Ijarah. Payments made during the period are charged to profit and loss account on a straight-line basis over the period of the lease / Ijarah.

3.5 Borrowings / debt

Borrowings (including securitisation of management fee recievable) are recognised initially at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings / debt under the effective interest method. Mark-up / profit on borrowings / debt is calculated using the effective interest method.

3.6 Borrowing Costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

3.7 Trade and other payables

Short term liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at agreement amount.

3.8 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognised on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds.

- Realised gains / losses on sale of investments is recognised in the profit and loss account at the time of sale.

- Dividend income is recorded when the right to receive the dividend is established.

- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognised on time proportionate basis using effective rate of interest.

- Commission income from open end funds is recognised at the time of sale of units.

- Commission income and share of profit from management of discretionary client portfolios as services are rendered.

3.9 Defined Contribution Scheme

The Company operates an approved contributory provident fund for all of its permanent employees. The Company and employees make equal monthly contributions to the fund at the rate of 8 to 10 percent of the basic salary.

3.10 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit and loss account.

3.11 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.12 Impairment

Financial assets

The company assesses at each balance sheet date whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (an incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated. In case of quoted equity securities, impairment is assessed based on significant or prolonged decline in market prices of securities.

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

Non-financial assets

The carrying amount of the Company's' non-financial assets other than deferred tax asset is reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell. Impairment losses are recognized in profit and loss account immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Company under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the profit and loss account.

3.14 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks, running finance facilities availed by the Company, which are payable on demand and form an integral part of the Company's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement

3.15 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instruments. Any gain or loss on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account.

3.16 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognised amount and the Company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

3.17 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of shares outstanding during the period.

3.18 Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in financial statements in the periods in which these are approved.

	Note	December 31, 2013	December 31, 2012
		......................Rupees	....
4 FIXED ASSETS			
Tangible - property and equipment			
Operating fixed assets	4.1	**266,235,017**	281,596,115
Capital work-in-progress - at cost		**-**	80,000
		266,235,017	281,676,115
Intangible assets	4.4	**380,037**	105,624,587
		266,615,054	387,300,702

4.1 Operating fixed assets

	............December 31, 2013					....
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	....		......Rupees	......		....
At January 1, 2013						
Cost / revalued amount	331,254,000	3,430,894	23,199,000	91,355,240	4,930,095	**454,169,229**
Accumulated depreciation	(59,349,674)	(3,031,192)	(19,261,355)	(87,982,826)	(2,948,067)	**(172,573,114)**
Net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	**281,596,115**
Year ended December 31, 2013:						
Opening net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	**281,596,115**
Additions	-	-	246,100	5,421,033	51,000	**5,718,133**
Disposals:						
Cost / revalued amount	-	-	(102,000)	(758,020)	-	**(860,020)**
Depreciation	-	-	96,051	758,020	-	**854,071**
	-	-	(5,949)	-	-	**(5,949)**
Depreciation charge for the year	(16,562,700)	(204,232)	(2,302,356)	(1,625,515)	(378,479)	**(21,073,282)**
Closing net book value	255,341,626	195,470	1,875,440	7,167,932	1,654,549	**266,235,017**
At December 31, 2013:						
Cost / revalued amount	331,254,000	3,430,894	23,343,100	96,018,253	4,981,095	**459,027,342**
Accumulated depreciation	(75,912,374)	(3,235,424)	(21,467,660)	(88,850,321)	(3,326,546)	**(192,792,325)**
Net book value	**255,341,626**	**195,470**	**1,875,440**	**7,167,932**	**1,654,549**	**266,235,017**
Depreciation rate % per annum	5%	20%	10%	25%	20%	

	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	......................December 31, 2012......................					
	......................Rupees......................					
At July 1, 2011						
Cost / revalued amount	331,254,000	3,480,894	23,320,000	90,698,090	4,613,595	453,366,579
Accumulated depreciation	(34,505,624)	(2,542,578)	(15,930,946)	(88,242,762)	(2,515,258)	(143,737,168)
Net book value	296,748,376	938,316	7,389,054	2,455,328	2,098,337	309,629,411
Period ended December 31, 2012:						
Opening net book value	296,748,376	938,316	7,389,054	2,455,328	2,098,337	309,629,411
Additions	-	-	-	3,542,067	885,000	4,427,067
Disposals :						
Cost / revalued amount	-	(50,000)	(121,000)	(2,884,917)	(568,500)	(3,624,417)
Depreciation	-	50,000	103,399	2,884,917	426,380	3,464,696
	-	-	(17,601)	-	(142,120)	(159,721)
Depreciation charge for the period	(24,844,050)	(538,614)	(3,433,808)	(2,624,981)	(859,189)	(32,300,642)
Closing net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	281,596,115
At December 31, 2012:						
Cost / revalued amount	331,254,000	3,430,894	23,199,000	91,355,240	4,930,095	454,169,229
Accumulated depreciation	(59,349,674)	(3,031,192)	(19,261,355)	(87,982,826)	(2,948,067)	(172,573,114)
Net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	281,596,115
Depreciation rate % per annum	5%	20%	10%	25%	20%	

4.2 The Company follows the revaluation model for its office premises. The office premises of the Company were last revalued on May 31, 2009 by an independent valuer Iqbal A. Nanjee & Co (Private) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 170.740 million (April 18, 2005: Rs. 83.876 million). Out of the total revaluation surplus of Rs. 254.616 million, Rs. 185.197 million (December 2012: Rs. 195.349 million) remains undepreciated as at December 31, 2013.

4.3 Had there been no revaluation, the net book value of the office premises would have been as follows.

	December 31, 2013	December 31, 2012
	......................Rupees......................	
Office Premises	**70,145,427**	76,555,552

4.3.1 Disposal of property and equipment

The following is a statement of property and equipment disposed off during the year:

Assets	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain / (loss)	Particulars of buyers
	....	....	Rupees	....	....	
Office equipment						
Items with written down value below Rs. 50,000 each	758,020	758,020	-	47,400	47,400	Various
Furniture and fixtures						
Items with written down value below Rs. 50,000 each	102,000	96,051	5,949	6,720	771	Various
December 31, 2013	**860,020**	**854,071**	**5,949**	**54,120**	**48,171**	
December 31, 2012	3,624,417	3,464,696	159,721	1,098,667	938,946	

4.4 Intangible assets

	December 31, 2013		
	Software	Management Rights of ICP Mutual Funds (note 4.5)	Total
	....	Rupees	....
At January 1, 2013			
Cost	**31,286,424**	**175,000,000**	**206,286,424**
Accumulated amortisation / impairment	**(30,661,837)**	**(70,000,000)**	**(100,661,837)**
Net book value	**624,587**	**105,000,000**	**105,624,587**
Year ended December 31, 2013:			
Opening net book value	**624,587**	**105,000,000**	**105,624,587**
Amortisation charge for the year	**(244,550)**	**-**	**(244,550)**
Impairment during the year	**-**	**(105,000,000)**	**(105,000,000)**
Closing net book value	**380,037**	**-**	**380,037**
At December 31, 2013:			
Cost	**31,286,424**	**175,000,000**	**206,286,424**
Accumulated amortisation	**(30,906,387)**	**(70,000,000)**	**(100,906,387)**
Impairment during the year		**(105,000,000)**	**(105,000,000)**
Net book value	**380,037**	**-**	**380,037**
Amortisation rate % per annum	20% - 50%	Indefinite life	

	December 31, 2012		
	Software	Management Rights of ICP Mutual Funds	Total
	......Rupees......		
At July 1, 2011			
Cost	30,630,598	175,000,000	205,630,598
Accumulated amortisation / impairment	(28,652,479)	(70,000,000)	(98,652,479)
Net book value	1,978,119	105,000,000	106,978,119
Period ended December 31, 2012			
Opening net book value	1,978,119	105,000,000	106,978,119
Additions during the period	655,826	-	655,826
Amortisation charge for the period	(2,009,358)	-	(2,009,358)
Closing net book value	624,587	105,000,000	105,624,587
At December 31, 2012:			
Cost	31,286,424	175,000,000	206,286,424
Accumulated amortisation / impairment	(30,661,837)	(70,000,000)	(100,661,837)
Net book value	624,587	105,000,000	105,624,587
Amortisation rate % per annum	20% - 50%	Indefinite life	

4.5 Intangible asset in respect of Management Rights of ICP Mutual Funds represents amount paid for the acquisition of the management rights of 12 ICP Mutual Funds under a Management Rights Transfer Agreement between the Company, Privatisation Commission, Government of Pakistan and Investment Corporation of Pakistan in October 2002. These funds were consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and then merged to form JS Growth Fund (the Fund) in 2006.

The amortization of management rights was discontinued with effect from July 01, 2006 based on opinion from Company's legal advisors in respect of the Company's rights and obligations under the aforementioned Management Rights Transfer Agreement and on analysis of the relevant factors prevailing at the time.

During the current year, in pursuance of Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations 2008, JS Growth Fund has been converted from a closed end scheme to an open end fund with effect from July 20, 2013. Due to change in legal status of the Fund, the management rights could not be directly or indirectly associated with the economic benefits derived from the Fund. Therefore, the outstanding balance of the rights (Rs. 105 million) has been impaired and charged to profit and loss account.

		Note	**December 31, 2013**	December 31, 2012
			......Rupees......	
5	**LONG-TERM INVESTMENT - INVESTMENT IN SUBSIDIARY**			
	3,750,000 (2012: 3,750,000) unquoted ordinary shares of Rs 10 each held in JS ABAMCO Commodities Limited (Net assets value as at December 31, 2012 Rs 45.39 million, 2012: Rs 44.39 million)		**37,500,000**	37,500,000
6	**LONG-TERM LOANS - CONSIDERED GOOD**			
	Loans to related parties - other employees	6.1	**1,773,049**	2,317,197
	Less: current maturity	8	**(623,318)**	(1,657,342)
			1,149,731	**659,855**

6.1 This represents loans given to employees for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and three years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and general purpose cash loans carry mark-up at rates ranging from 5.42% per annum to 9.38% per annum (2012: 7.01% per annum to 13.73% per annum). The company has not discounted these loans at market interest rates as effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees at the end of any month during the year was Rs. 2.162 million (2012:Rs.0.03 million).

		Note	**December 31, 2013**	December 31, 2012
			......Rupees......	
7	**BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES**			
7.1	**Balances due from funds under management**			
	Open End Funds			
	JS Value Fund	20.1 & 14.2	**2,839,160**	3,036,674
	JS Growth Fund	20.1 & 14.2	**6,092,755**	6,873,186
	JS KSE 30 Index Fund	20.1	**48,625**	71,433
	JS Large Cap Fund	20.1 & 14.2	**1,503,624**	2,679,100
	Unit Trust of Pakistan	20.1 & 14.2	**2,077,687**	2,759,136
	JS Income Fund	20.1 & 14.2	**795,401**	1,420,782
	JS Islamic Fund	20.1 & 14.2	**489,433**	643,582
	JS Aggressive Asset Allocation Fund	20.1	**187,256**	245,107
	JS Fund of Funds	20.1	**43,421**	45,737
	JS Pension Savings Fund	20.1	**367,466**	349,948
	JS Islamic Pension Savings Fund	20.1	**182,690**	208,885
	JS Aggressive Income Fund	20.1	**-**	80,890
	JS Islamic Government Securities Fund	20.1	**220,688**	-
	JS Cash Fund	20.1	**1,224,528**	2,251,798
			16,072,734	20,666,258
			16,072,734	20,666,258

7.2 Balances due from funds under management primarily represent accrual of management fee and is received within next month from the date of accrual.

		Note	**December 31, 2013**	December 31, 2012
			......Rupees......	
8	**LOANS AND ADVANCES - CONSIDERED GOOD**			
	Current portion of long-term loan to employees	6	**623,318**	1,657,342
	Unsecured advances to			
	- executives		**581,332**	4,481
	- employees	8.1	**527,049**	1,398,790
	- suppliers		**-**	587,195
			1,108,381	1,990,466
			1,731,699	3,647,808

8.1 The advances to employees are provided to meet business expenses and are settled as and when incurred. In addition, advances are also provided to executives and employees against their salaries which are recovered through deduction from employees monthly payroll.

	Note	**December 31, 2013**	December 31, 2012
		........Rupees........	
9 TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES			
Deposits		**1,937,500**	1,937,500
Prepayments		**5,875,029**	5,649,886
Others	9.1	**7,813,943**	5,465,873
		15,626,472	13,053,259

9.1 This includes Rs 3.971 million (December 2012: Rs 0.755 million) due from related parties on account of expenses incurred on their behalf.

10 OTHER FINANCIAL ASSETS - INVESTMENTS, AVAILABLE-FOR-SALE

	Note	**December 31, 2013**	December 31, 2012
		........Rupees........	
Shares / certificates / units of mutual funds - related parties	10.1 & 10.4	**1,423,806,752**	1,445,695,428
Market Treasury Bill	10.2	**159,640,640**	-
		1,583,447,392	1,445,695,428

10.1 Units of mutual funds - related parties

Number of units / certificates / shares December 31, 2013	December 31, 2012	**Name of Fund**	**December 31, 2013** Average cost	**December 31, 2013** Fair value	December 31, 2012 Fair value
			........Rupees........		
2,263,399	21,498,992	JS Value Fund (note 10.6)	**106,732,920**	**320,157,817**	193,490,928
-	6,581,000	JS Large Cap Fund	**-**	**-**	393,017,320
5,814,246	48,316,964	JS Growth Fund (note 10.7)	**341,956,212**	**733,990,466**	421,807,096
300,000	300,000	JS Pension Savings Fund - Equity	**18,471,000**	**76,383,000**	41,808,000
177,761	188,940	JS Pension Savings Fund - Debt	**17,776,119**	**31,911,690**	33,268,555
177,463	189,695	JS Pension Savings Fund - Money Market	**17,746,342**	**27,324,042**	26,940,484
1,072,363	603,269	JS Fund of Funds	**36,844,070**	**51,087,374**	55,024,131
250,000	250,000	JS Islamic Pension Savings Fund - Equity	**22,712,500**	**82,985,000**	53,192,500
213,852	232,690	JS Islamic Pension Savings Fund - Debt	**21,385,170**	**35,997,656**	36,469,504
222,303	236,585	JS Islamic Pension Savings Fund - Money Market	**22,230,337**	**32,547,436**	32,617,974
-	860,585	JS Aggressive Income Fund	**-**	**-**	90,189,329
-	3,259,827	JS KSE 30 Index Fund	**-**	**-**	67,869,607
311,915	-	JS Islamic Government Securities Fund	**30,000,000**	**31,422,271**	-
			635,854,670	**1,423,806,752**	1,445,695,428
		Unrealized gain on remeasurement at fair value	**787,952,082**	**-**	-
			1,423,806,752	**1,423,806,752**	1,445,695,428

	Note	December 31, 2013 Average cost	December 31, 2013 Fair value	December 31, 2012 Fair value
		....................Rupees....................		
10.2 Market Treasury Bill				
Market Treasury Bill1	10.3	**159,661,314**	**159,640,640**	-
Un realized loss on remeasurement at fair value on T-Bills		**(20,674)**		
		159,640,640	**159,640,640**	-

10.3 This treasury bill has a tenor of 6 months with an effective yield of 9.75% and a maturity date of January 09, 2014.

10.4 This represents investment made in collective investment schemes managed by the Company. The matter relating to the classification of these funds (i.e. as associates or subsidiary) has been referred by the various fund managers to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Mutual Funds Association of Pakistan (MUFAP). Till such time the clarification is received from ICAP / MUFAP, the investments of the Company in the collective investment schemes have been classified as available for sale in these financial statements.

10.5 Units pledged against short term running finance

The details of the units of funds pledged by the Company against its running finance are as follows:

Name of fund/companies	December 31, 2013	December 31, 2012
	Number of certificates / shares / units	
JS Value Fund	**2,145,000**	21,450,000
JS Large Cap Fund	**-**	5,200,000
JS Growth Fund	**3,400,000**	34,000,000

10.6 "In compliance with the Regulation 65 of NBFC & Notified Entities 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)

10.7 "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)

	Note	December 31, 2013	December 31, 2012
		..........Rupees..........	
11 CASH AND BANK BALANCES			
Cash in hand		**59,786**	70,427
Cash at bank in:			
Current accounts		**1,093,128**	920,417
Saving accounts	11.1	**37,074,926**	1,855,866
		38,168,054	2,776,283
		38,227,840	2,846,710

11.1 These carry mark-up at rates ranging from 5 percent to 9.75 percent (2012: 5 percent to 11.9 percent) per annum. It includes Rs 34.485 million (2012: Rs 0.031 million) held with JS Bank Limited (parent company) and Rs 0.466 million (2012: Rs 0.633 million) held with Bank Islami Pakistan Limited (related party).

12 SHARE CAPITAL

December 31, 2013	December 31, 2012		December 31, 2013	December 31, 2012
Number of shares		**Authorised capital**	**Number of shares**	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
100,000,000	100,000,000		**1,000,000,000**	1,000,000,000

12.1 As at year end, JS Bank Limited, parent company, holds 52,236,978 shares in the company.

12.2 There is only one class of ordinary shares issued.

13 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	December 31, 2013	December 31, 2012
	..........Rupees..........	
Surplus on revaluation of fixed assets as at January 1 / July 1	**195,348,775**	210,577,637
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to accumulated profit during the year / period - net of deferred tax	**(6,599,173)**	(9,898,761)
Related deferred tax liability	**(3,553,401)**	(5,330,102)
	(10,152,574)	(15,228,863)
	185,196,201	195,348,775
Less: related deferred tax liability on:		
- revaluation	**(68,288,196)**	(73,618,298)
- incremental depreciation charged during the period / year transferred to profit and loss account	**3,553,401**	5,330,102
	(64,734,795)	(68,288,196)
	120,461,406	127,060,578

14 LONG TERM FINANCE - SECURITISATION OF MANAGEMENT FEE RECEIVABLES

	Repayment period From	To	Price	Note	December 31, 2013	December 31, 2012
					..........Rupees..........	
Financial Receivables Securitisation Company Limited (FRSCL) (Class "A" TFC and Class "B" TFC)	Jan-07	Jan-14	6 months KIBOR plus 2% with floor of 8% and cap of 16% (repayable in fourteen semi annual installments including markup)		**700,000,000**	700,000,000
Financial Receivables Securitisation Company Limited (Class "C" TFC)	Jan-07	Jan-14	Subordinate to Class "A" TFC and Class "B" TFC (repayable on maturity)		**2,500,000**	2,500,000
					702,500,000	702,500,000
Less: principal redemption made to date					**(635,457,500)**	(506,372,500)
Less: unamortised transaction cost					**(28,566)**	(603,974)
					67,013,934	195,523,526
Less: current maturity				14.1	**(67,013,934)**	(129,085,000)
				14.2	**-**	66,438,526

	December 31, 2013	December 31, 2012
	..........Rupees..........	
14.1 Current maturity of securitisation of management fee receivables		
Current maturity of securitisation of management fee receivables	**67,013,934**	129,085,000
Less : Receivable from FRSCL	**(67,013,934)**	(25,965,438)
	-	103,119,562

14.2 The company (JS Investments limited) had entered into an agreement to sell certain portion of its management fee receivables from few funds (listed below) under its management, with Financial Receivables Securitisation Company Limited (FRSCL), a special purpose vehicle, incorporated for this purpose (for the tenure of facility) in accordance with the companies (Assets Backed Securitisation) Rules 1999. In addition, the company has also entered into a service agreement with FRSCL to provide services in respect of the receivables sold under the above agreement. The services to be provided by the company include the administration of these receivables. Further, the company is also required to monitor these receivables in the same manner and apply the the same policies and practices to the origination and for the creation of these receivables as the company applies in the case of other receivables which it retains on its own account. Under the arrangement, the entire cash flows arising to the company from management fee receivables relating to these funds is deposited with the trustee. Subsequently, the trustee deduct these from the amount payable under the related agreement entered into by FRSCL in respect of issuance of term finance certificate with the TFC holders and returns the balance amount to the company. The amount retained by the trustee is passed on to FRSCL for meeting its obligations towards the relavent TFC holders and its other operating and administrative expenses. This securitisation transaction has been classified as a debt by the management. The initial amount obtained against securitisation funds amount in aggregate to rupees 702.5 million.

The securitised open-end funds are as under:

Open end funds:

- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Value Fund
- JS Large Cap Fund
- JS Growth Fund

14.3 Put option

In respect of Class "B" TFC, the FRSCL have put options in respect of meeting its obligations towards TFC Class "B" which, if exercised, would require FRSCL (which is the buyer) to redeem the relevant TFC, firstly from any funds available with the buyer. In the event requisite funds are not available with the buyer, FRSCL may require the Company (which is the originator) to purchase the relevant TFC in respect of which the put option has been exercised. Accordingly, in respect of Class "B" TFC, FRSCL has a partial or full put option on the company, exercisable on every semi-annual repayment date.

14.4 Class "C" TFC

Class 'C' TFC is subordinate to Class 'A' & Class 'B' TFCs for both principal and interest payments. The profit to Class "C" TFC holders will be paid out of the residual amount available from the deduction made by the Trustee at the cap rate of 16 percent in respect of the last installment due under the relevant TFC agreements, less the sum total of (a) last installment due under the Class "A" TFC and Class "B" TFC agreements, after which both Class "A" TFC and Class "B" TFC are fully redeemed; and (b) all remaining expenses of FRSCL.

14.5 The Term Finance Certificates issued by FRSCL are due to mature on January 17, 2014 and upon discharge of all its obligations, the Trust managing these TFCs will terminate. The operations of FRSCL will then only continue to the extent necessary for regulatory compliance. During the year, the company has received an intimation from trustees vide letter dated December 30, 2013. whereby the company has been informed that sufficient funds are available with the FRSCL to discharge its obligations i.e. the last redemption to be paid on January 17, 2014. Accordingly, the company has reversed excess liability amounting to Rs. 30.043 million.

	December 31, 2013	December 31, 2012
	..............................Rupees..............................	
15 DEFERRED TAX LIABILITY - NET		
Taxable temporary differences on:		
Accelerated tax depreciation	**11,936,807**	12,290,073
Surplus on revaluation of fixed assets	**64,734,795**	68,288,196
	76,671,602	80,578,269
Deductible temporary differences on		
Short-term provisions	**(402,371)**	(398,078)
Provision for Workers' Welfare Fund (WWF)	**(16,760,101)**	-
Deferred tax asset on carried forward tax losses	**(23,736,267)**	(39,107,176)
	35,772,863	41,073,015

15.1 The Company has an aggregate amount of Rs. 70.332 million (2012: Rs. 111.734 million) in respect of unabsorbed tax losses as at December 31, 2012 on which a deferred tax asset has been recognised.

		Note	December 31, 2013	December 31, 2012
			...Rupees...	
16	**ACCRUED AND OTHER LIABILITIES**			
	Salary payable		**4,542,109**	414,649
	Creditors and accrued expenses		**19,932,332**	17,137,510
	Fee and commission payable		**1,525,142**	1,206,219
	Dividend payable		**7,086,862**	1,320,406
	Provision for compensated absences		**1,139,550**	1,121,441
	Sales tax payable		**5,280,896**	2,769,678
	Provision for Workers' Welfare Fund	25	**16,574,782**	-
	Federal Excise Duty payable	16.1	**19,781,984**	-
	Provision for Workers' Welfare Fund on behalf of funds under management	16.2	**31,310,453**	-
	Others liabilites		**12,882,138**	1,969,701
			120,056,248	25,939,604

16.1 This represents the amount payable against Federal Excise Duty (FED) on the management fees received/receivable from the funds under management. 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.

16.2 This represents liability recognized to indemnify the unit holders of JS Income Fund and JS Cash Fund, against the charge of Worker's Welfare Fund for the period up to June 30, 2013.

		Note	December 31, 2013	December 31, 2012
			...Rupees...	
17	**ACCRUED MARK-UP**			
	Mark-up accrued on:			
	- Short term running finance - secured		**123,491**	12,144,974
	- Securitisation of management fee receivables		**-**	4,219,792
			123,491	16,364,766
18	**SHORT TERM RUNNING FINANCE - SECURED**	18.1	**-**	407,416,297

18.1 This represents running finance facilities with a total limit of Rs. 700 million (December 2012: 500 million) obtained from various commercial banks. The facilities carry mark-up of 2.00% and 1.75% over 3 months KIBOR (December 2012: 2% and 1.75% over 3 months KIBOR). Mark-up is payable on quarterly basis. The facilities are secured by way of equitable mortgage of office premises and pledge of shares / certificates of funds under management. One of the facility of Rs. 450 million (December 2012: 250 million) is obtained from JS Bank Limited (a related party).

19 CONTINGENCIES & COMMITMENTS

19.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax year 2006 and 2009 against demand of Rs 162 million and 66 million respectively, the Commisioner of Inland Revenue has not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various source of income for devono proceedings with the directions to apportion 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 Rs. 77.33 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 appel 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 financial information.

		Note	**December 31, 2013**	December 31, 2012
19.2	**Commitments in respect of:**		......Rupees......	
	Capital expenditure contracted but not incurred		**-**	80,000
	Royalty and advisory payment		**10,000,000**	10,000,000
	Motor Vehicle acquired under Ijarah from Bank Islami Limited - related party			
	- Due in One year	19.2.1	**1,208,800**	2,479,881
	- Due in two to five years		**-**	1,239,940

19.2.1 This amount represents commitments in respect of a motor vehicle acquired under Ijarah (lease) agreement from BankIslami Pakistan Limited for use of Chief Executive Officer. The Ijarah is due to expire on May 18, 2014.

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
20	**REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET**	......Rupees......	
	Open end Funds		
	JS Value Fund	**45,195,639**	45,454,030
	JS Growth Fund	**98,585,257**	106,093,961
	Unit Trust of Pakistan	**35,404,997**	53,151,034
	JS Income Fund	**15,967,379**	20,516,702
	JS Islamic Fund	**8,922,896**	9,079,372
	JS Aggressive Asset Allocation Fund	**3,523,979**	4,643,357
	JS Fund of Funds	**802,252**	5,517,434
	JS KSE 30 Index Fund	**823,924**	1,607,297
	JS Pension Savings Fund	**5,488,048**	5,191,913
	JS Islamic Pension Savings Fund	**3,114,172**	3,334,088
	JS Aggressive Income Fund	**478,560**	2,112,164
	JS Principal Secure Fund I	**-**	21,766,634
	JS Principal Secure Fund II	**-**	1,368,062
	JS Cash Fund	**24,182,738**	30,623,712
	JS Islamic Government securities Fund	**2,566,572**	-
	JS Large Cap Fund	**36,003,301**	45,040,077
		281,059,716	355,499,837
		281,059,716	355,499,837
	Less: Sales Tax	**38,719,314**	49,034,460
	Less: Federal Excise Duty	**19,601,436**	-
		222,738,966	306,465,377

20.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the management company / investment advisor of the Fund is entitled to an accrued remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund that has been verified by the trustee and is paid in arrears on monthly basis and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended December 31, 2013 the Company has charged management fee at the rates ranging from 0.75 to 2 percent (2012: 1 to 2 percent).

20.2 Total net asset value of the funds under management as at December 31, 2013 amounts to Rs. 12,854 million (December 31, 2012: Rs 12,332 million).

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		....Rupees....	
21 COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT			
Unit Trust of Pakistan		**175,420**	3,276
JS Islamic Fund		**57,201**	21,625
JS Fund of Funds		**37,932**	4,113
JS Value Fund		**5,095**	-
JS Growth Fund		**12,411**	-
JS Islamic Government Securities Fund		**4,135**	-
JS KSE 30 Index Fund		**-**	881
JS Pension Savings Fund		**-**	675
JS Islamic Pension Savings Fund		**-**	3,851
JS Cash Fund		**69,279**	8,232
JS Large Cap Fund		**3,725**	1,508
	21.1	**365,198**	44,161

21.1 This represents gross commission income earned by the Company on account of sale of units made on behalf of the funds under management.

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	....Rupees....	
22 DIVIDEND		
JS Value Fund	**58,848,379**	25,798,790
JS Growth Fund	**188,963,008**	91,651,321
JS Aggressive Income Fund	**6,109,572**	-
	253,920,959	117,450,111

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing five discretionary portfolis (December 31 2012: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2013 was Rs. 103.55 million (December 31, 2012: Rs.78.777 million) and Rs.107.95 million (December 31, 2012: Rs.79.616 million) respectively.

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		...Rupees...	
24 ADMINISTRATIVE AND MARKETING EXPENSES			
Salaries and benefits		**86,066,329**	130,308,332
Staff retirement benefits	24.1	**4,495,952**	6,761,180
Royalty and advisory fee	24.5	**10,000,000**	15,000,000
Bonus		**4,073,376**	-
Amortisation of intangible assets	4.4	**244,550**	2,009,358
Advertisement		**7,467,314**	10,339,048
Depreciation	4.1	**21,073,282**	32,300,642
Printing and stationery		**4,786,173**	5,372,625
Rent, rates, taxes and maintenance		**11,468,128**	19,403,460
Travelling, conveyance and vehicle maintenance		**8,845,902**	11,745,203
Transfer agent remuneration		**6,893,801**	10,831,437
Postage and telephone		**5,018,715**	6,899,389
Legal and professional		**5,278,465**	6,667,661
Fees and subscription		**4,395,396**	4,889,596
IT services		**4,895,202**	9,375,215
Utilities		**6,174,830**	12,267,929
Office security		**2,995,063**	5,848,064
Entertainment		**964,676**	564,292
Insurance		**4,533,974**	5,344,175
Newspaper		**188,675**	221,532
Directors' fee		**4,073,226**	5,635,000
Office supplies		**822,829**	1,139,068
Shariah Advisory Fee	24.6	**1,720,000**	2,061,200
Ijarah rentals		**2,234,313**	3,769,342
Auditors Remuneration	24.7	**1,087,000**	1,933,727
Fee and commission		**2,731,133**	4,367,626
Donation	24.8	**12,545,988**	-
Miscellaneous expenses		**155,032**	298,196
		225,229,324	315,353,297

24.1 Staff retirement benefits include contributions to defined contribution plan of Rs 4.11 million (2012: Rs 6.25 million).

24.2 Number of employees at the end of the year	**80**	81
24.3 Average number of employees during the year / period	**81**	81

24.4 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The audited information related to provident fund as at June 30, 2013 (which is accounting year of the fund) is as follows:

	June 30, 2013	June 30, 2012
Number of employees	**72**	78
Size of provident fund (Rupees)	**27,771,031**	28,672,219
Percentage of investments	**96%**	98%
Fair value of investment (Rupees)	**26,737,321**	28,141,233

Break-up of investments:	June 30, 2013	June 30, 2012
Balance in National Saving Scheme		
Amount of investment (Rupees)	**1,300,000**	2,600,000
Percentage of size of investment	**5%**	9%
Balance in Listed Securities		
Amount of investment (Rupees)	**13,739,215**	18,473,511
Percentage of size of investment	**51%**	66%
Balance in Government Securities		
Amount of investment (Rupees)	**10,519,178**	3,455,983
Percentage of size of investment	**39%**	12%
Balance in scheduled banks		
Amount of investment (Rupees)	**1,178,928**	3,611,739
Percentage of size of investment	**4%**	13%

24.5 Royalty and advisory fee represents amounts payable to Mr. Jahangir Siddiqui on account of use of name and advisory services, respectively.

24.6 This amount represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund and JS Islamic Government Securities Fund.

24.7 Auditors' remuneration

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	....Rupees....	
Annual audit fee	**800,000**	1,625,000
Fee for review of the statement of compliance on Code of Corporate Governance	**50,000**	50,000
Out of pocket expenses	**29,000**	58,727
Fee for review of half yearly financial statements	**208,000**	200,000
	1,087,000	1,933,727

24.8 Donation is for Mahvash & Jahangir Siddiqui Foundation where in Mrs. Mahvash Jahangir Siddiqui is chairperson who is spouse of Mr. Jahangir Siddiqui, Chairman of the Board of the JS Bank Limited (parent company).

25 OTHER EXPENSES

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		....Rupees....	
Provision for Workers' Welfare Fund (WWF)	25.1	**16,574,782**	160,020
Provision for Workers Welfare Fund on behalf of funds under management	16.2	**31,310,453**	-
Impairment of intangible asset	4.4	**105,000,000**	-
		152,885,235	160,020

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

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The company along with its group companies has decided to file the petition with the supreme court against the changes. On prudent basis, the Company has recognized aggregate provision amounting to Rs. 16.95 million for the years from 2012 to 2013.

		Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
			..........Rupees..........	
26	**FINANCIAL CHARGES**			
	Mark-up on short term borrowings		**34,070,341**	84,625,618
	Mark-up and other charges of securitisation of management fee receivables		**13,855,285**	64,344,833
	Bank charges		**97,441**	202,128
			48,023,067	149,172,579
27	**OTHER INCOME**			
	Income from financial assets			
	Mark-up earned on loans to executives and employees		**114,383**	237,778
	Income from off-setting of securitisation of management fee recievable	14.5	**30,043,582**	-
	Others		**3,519,096**	304,241
	Income from non-financial assets			
	Rental income		**14,859,709**	15,996,506
	Gain on disposal of property and equipment		**48,171**	938,946
			48,584,941	17,477,471
28	**TAXATION - Net**			
	Current		**31,659,383**	1,884,598
	Prior years		**-**	(8,970,541)
	Deferred		**(5,300,152)**	(175,926)
			26,359,231	(7,261,869)

28.1 The income tax assessments of the company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax ordinance 2001. The details of tax years 2006 and 2009 have been described in note 19.1 above.

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
28.2	Relationship between accounting profit and tax expense is as follows:	..........Rupees..........	
	Accounting profit / (loss) before taxation	**624,537,861**	195,627,451
	Tax at applicable rate of 34% (2012:35%)	**212,342,873**	68,469,608
	Tax impact of income under FTR and differential in tax rates	**(59,962,797)**	(73,904,401)
	Tax impact of exempt capital gains	**(135,328,880)**	-
	Tax impact of minimum tax	**(2,241,659)**	(2,736,915)
	Tax impact of unrecognized temporary differences	**(40,341,593)**	-
	Tax impact of permanent differences	**4,265,636**	-
	Tax impact of prior year temporary differences	**44,235,889**	-
	Tax impact of depreciation/amortisation	**-**	2,603,791
	Tax impact of expenses related to FTR income	**127,153**	4,756,281
	Others	**3,262,609**	(6,450,233)
		26,359,231	(7,261,869)

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	..........Rupees..........	

29 EARNINGS PER SHARE - Basic and diluted

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
Profit for the year / period after taxation	**598,178,630**	202,729,300
	Number of Shares	
Weighted average number of ordinary shares outstanding during the year / period	**100,000,000**	100,000,000
Earnings per share (Rupees)	**5.98**	2.03

29.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2013 and December 31, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Directors		Executives	
	Year ended December 31, 2013	Eighteen months ended December 31, 2012	Year ended December 31, 2013	Eighteen months ended December 31, 2012	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	..........Rupees..........					
Managerial remuneration	**12,000,000**	18,000,000	**-**	2,626,560	**21,200,325**	29,688,411
Consultancy fee	**-**	-	**3,433,226**	5,220,000	**-**	-
House rent allowance	**3,600,000**	5,400,000	**-**	787,968	**6,360,121**	8,906,526
Utilities allowance	**500,400**	750,600	**-**	262,656	**2,120,048**	2,968,853
Car Allowance	**570,240**	855,360	**-**	435,416	**6,902,116**	10,930,907
Retirement benefits	**1,200,000**	1,800,000	**-**	210,126	**1,677,934**	2,626,113
Medical Allowance	**1,200,000**	1,800,000	**-**	262,656	**2,120,048**	2,968,853
Other benefits	**-**	-	**122,945**	97,159	**572,377**	318,237
	19,070,640	28,605,960	**3,556,171**	9,902,541	**40,952,969**	58,407,900
Number of persons	**1**	1	**1**	1	**15**	20

30.1 The Chief Executive Officer and the Chairman of the Company are provided with free use of company owned and maintained vehicles during the year.

30.2 The Company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

30.3 In addition, meeting fee of Rs 15,000 (2012: Rs 15,000) per meeting was paid to three non-executive directors for meetings attended during the year. Effective from December 31, 2013, the meeting fee paid at Rs. 50,000 per meeting.

30.4 The number of executives does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

31 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:

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
		..........Rupees..........	
31.1	**Transaction with related parties**		
31.1.1	**Transactions with associates - funds under management**		
	Remuneration income	**222,738,966**	306,465,377
	Commission income	**365,198**	44,161
	Other expenses incurred on behalf of the fund	**10,628,572**	897,431
	Reimbursement of other expenses incurred on behalf of the fund	**10,573,127**	470,164
	Dividend income	**253,920,959**	117,450,111
	Reimbursement of preliminary expenses incurred on behalf of the fund	**-**	-
	Investment made in funds under management	**70,000,000**	1,068,574,335
	Investments disposed off	**883,669,024**	1,214,777,670
	Bonus / additional shares / units (in numbers)	**1,812,462**	4,624,011
31.1.2	**Transactions with other related parties**		
	Jahangir Siddiqui & Company Limited (JSCL) - Ultimate parent		
	Expenses incurred on behalf of JSCL	**64,755**	99,138
	Reimbursement of expenses incurred on behalf of JSCL	**62,850**	196,537
	JS Global Capital Limited (JSGCL) - Associate		
	Rent expense	**1,195,764**	1,636,116
	Rental income	**68,136**	2,645,060
	Other expenses	**-**	-
	Expenses incurred by the company on behalf of JSGCL	**141,968**	927,470
	Reimbursement of expenses incurred on behalf of JSGCL	**2,462**	714,059
	Mahvash and Jahangir Siddiqui Foundation (MJSF) - Common directorship		
	Rental income	**497,280**	522,280
	Expenses incurred by the company on behalf of MJSF	**335,955**	201,778
	Reimbursement of expenses incurred on behalf of MJSF	**247,633**	62,016
	Bank Islami Pakistan Limited - Associate		
	Ijarah rental expense	**2,234,313**	3,769,342
	EFU General Insurance Limited - Associate		
	Insurance premium paid	**2,400,345**	4,393,744
	EFU Life Insurance Limited - Associate		
	Insurance premium paid	**567,212**	820,751
	Fakhr-e-Imdad Foundation (FIF) - Common directorship		
	Expenses incurred by the company on behalf of FIF	**143,293**	96,983
	Reimbursement of expenses incurred on behalf of FIF	**160,820**	24,000
	Staff Provident Fund		
	Contributions during the year / period	**4,105,552**	6,250,786

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
31.1.3	**Transactions with parent company**		
		..........Rupees..........	
	JS Bank Limited (JSBL) - Parent company		
	Dividend paid	**104,473,956**	-
	Mark up expense on short term borrowings running finance	**14,796,957**	58,751,926
	Rent expense	**1,148,712**	1,545,863
	Expenses incurred by the company on behalf of JSBL	**677,489**	365,153
	Reimbursement of expenses incurred on behalf of JSBL	**327,941**	48,732
	Rental income	**909,263**	558,031
	Investment sold	**-**	64,289,500
	Short term borrowing paid	**-**	150,000,000
31.1.4	**Transactions with subsidiary company**		
	JS ABAMCO Commodities Limited (JSACL) - Subsidiary of JSIL		
	Expenses incurred by the company on behalf of JSACL	**492,790**	443,863
	Reimbursement of expenses incurred by the company on behalf of JSACL	**366,972**	410,681

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
		..........Rupees..........	
31.1.5	**Transactions with key management personnel**		
	Remuneration of key management personnel	**46,402,867**	77,534,949
	Directors fee	**4,073,226**	5,653,000
31.2	**Balances outstanding at the year end**		
31.2.1	**Balances outstanding with associates**		
	Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	**16,072,734**	511,009
31.2.2	**Balances outstanding with other related parties**		
	Payable to JS Global Capital Limited - net- Associate	**2,644,305**	1,277,160
	Payable to Bank Islami Pakistan Limited - Associate	**302,200**	930,295
	Receivable from Jahangir Siddiqui & Company Limited - Ultimate parent	**16,905**	15,000
	Receivable from JS ABAMCO Commodities Limited - Subsidiary of JSIL	**159,000**	33,182
	Receivable from MJSF - Common directorship	**725,364**	637,042
	Receivable from FIF - Common directorship	**55,456**	72,983
31.2.3	**Balances outstanding with parent company**		
	Payable to JS Bank Limited - net	**-**	2,813,967
	Receivable from JS Bank Limited - net	**366,057**	-

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

31.4 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.

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

31.6 Details of the remuneration relating to Chief Executive Officer and Directors are disclosed in note 30 to the financial statements.

	Note	December 31, 2013	December 31, 2012
		...Rupees...	

32 CASH AND CASH EQUIVALENTS

	Note	December 31, 2013	December 31, 2012
- Cash and bank balances	11	38,227,840	2,846,710
- Short term running finance - secured	18	-	(407,416,297)
		38,227,840	(404,569,587)

33 FINANCIAL INSTRUMENTS BY CATEGORY

	December 31, 2013		
	Loans and receivables	Available for sale	Total
	...Rupees...		
Assets			
Non-current assets			
Long-term loans - considered good	1,149,731	-	1,149,731
	1,149,731	-	1,149,731
Current assets			
Balances due from funds under management - related parties	16,072,734	-	16,072,734
Loans and advances - considered good	1,731,699	-	1,731,699
Trade deposits and other receivables - unsecured	9,751,443	-	9,751,443
Other financial assets - investments, available-for sale	-	1,583,447,392	1,583,447,392
Cash and bank balances	38,227,840	-	38,227,840
	65,783,716	1,583,447,392	1,621,675,232
	66,933,447	1,583,447,392	1,622,824,963

	December 31, 2013		
	Fair value through profit or loss	At Amortized Cost	Total
	...Rupees...		
Liabilities			
Non-current liabilities			
Long-term finance - securitisation of management fee receivables	-	-	-
	-	-	-
Current Liabilities			
Current maturity of securitisation of management fee receivables - debt	-	-	-
Short term running finance - secured	-	-	-
Accrued and other liabilities	-	35,618,595	35,618,595
Accrued mark-up	-	123,491	123,491
	-	35,742,086	35,742,086
	-	35,742,086	35,742,086

	December 31, 2012		
	Loans and receivables	Available for sale	Total
	......................Rupees......................		
Assets			
Non-current assets			
Long-term loans - considered good	659,855	-	659,855
	659,855	-	659,855
Current assets			
Balances due from funds under management	20,666,258	-	20,666,258
Loans and advances - considered good	3,647,808	-	3,647,808
Trade deposits and other receivables - unsecured	7,403,373	-	7,403,373
Other financial assets - investments, available-for sale	-	1,445,695,428	1,445,695,428
Cash and bank balances	2,846,710	-	2,846,710
	34,564,149	1,445,695,428	1,448,542,138
	35,224,004	1,445,695,428	1,449,201,993

	December 31, 2012		
	Fair value through profit or loss	At Amortized Cost	Total
	......................Rupees......................		
Liabilities			
Non-current liabilities			
Long-term finance - securitisation of management fee receivables	-	66,438,526	66,438,526
	-	66,438,526	66,438,526
Current Liabilities			
Current maturity of securitisation of management fee receivables - debt	-	103,119,562	103,119,562
Short term running finance - secured	-	407,416,297	407,416,297
Accrued and other liabilities	-	24,818,163	24,818,163
Accrued mark-up	-	16,364,766	16,364,766
	-	551,718,788	551,718,788
	-	618,157,314	618,157,314

34 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

34.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

34.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

34.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has no significant interest-bearing assets except investment in Market Treasury Bill and deposit accounts.

34.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Company's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Company manages the equity price risk through diversification of its investment portfolio.

Fair value sensitivity analysis for fixed rate instruments

The Company accounts for fixed rate financial assets as available for sale thereby recognising the effect of variation in market rates in other comprehensive income.

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) the other comprehensive income for the year as follows. This analysis assumes that all other variables remain constant.

	Impact on other comprehensive income	
	100 bp increase	100 bp Decrease
	..............................Rupees..............................	
As at December 31, 2013		
Market Treasury Bill	**(3,535)**	**3,448**
As at December 31, 2012		
Market Treasury Bill	-	-

The Company is exposed to other price risk on investments in open ended mutual funds. The Company manages the risk through portfolio diversification The Company regularly monitors the performances on an ongoing basis.

The 10% increase / (decrease) in market value of these instruments with all other variable held constant will have following impact on other comprehensive income:

	Impact on other comprehensive income	
	100 bp increase	100 bp Decrease
	..............................Rupees..............................	
As at December 31, 2013		
Units of mutual funds	**142,380,675**	**(142,380,675)**
As at December 31, 2012		
Units of mutual funds	144,569,543	(144,569,543)

34.2 Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from deposits with banks and financial institutions, and credit exposures arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. Management believes that the Company is not exposed to any significant credit risk from investments in or receivables from the funds which are managed by the Company itself. The risk of default is considered minimal due to inherent systematic measures taken therein.

Exposure to credit risk

The maximum exposure to credit risk at reporting date is:

	December 31, 2013	December 31, 2012
	..........Rupees..........	
Long-term loans - considered good	**1,149,731**	659,855
Balances due from funds under management	**16,072,734**	20,666,258
Loans and advances - considered good	**1,731,699**	3,647,808
Trade deposits and other receivables - unsecured	**9,751,443**	7,403,373
Other financial assets - investments, available-for sale	**1,583,447,392**	1,445,695,428
Bank balances	**38,168,054**	2,776,283
	1,650,321,053	1,480,849,005

34.2.1 Investments - available for sale

The Company's investment includes investment in government securities (market treasury bills) and units of open end mutual funds. These mutual funds have been rated star and stability ratings from PACRA.

34.2.2 Bank balances

The analysis below summarizes the credit quality of the Company's bank balance:

	December 31, 2013	December 31, 2012
	..........Rupees..........	
AA +	**141,600**	134,128
AA -	**1,764,907**	1,618,426
AA	**20,569**	42,116
A	**466,368**	632,949
AAA	**215,579**	223,609
A+	**34,485,053**	30,961
A2	**30,325**	30,235
	37,124,401	2,712,424

34.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities:

	As at December 31, 2013					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	...Rupees...					
Accrued and other liabilities	45,968,583	45,968,583	45,968,583	-	-	-
Accrued mark-up	123,491	123,491	123,491	-	-	-
	46,092,074	46,092,074	46,092,074	-	-	-

	As at December 31, 2012					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	...Rupees...					
Securitisation of management fee receivables - debt	169,558,088	169,558,088	-	103,119,562	66,438,526	-
Short term running finance - secured	407,416,297	407,416,297	-	-	-	-
Accrued and other liabilities	24,818,163	24,818,163	24,818,163	-	-	-
Accrued mark-up	16,364,766	16,364,766	12,144,974	4,219,792	-	-
	618,157,314	618,157,314	36,963,137	107,339,354	66,438,526	-

34.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's operations either internally within the Company or externally at the Company's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Company's activities.

The Company's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibility;

- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards;

- risk mitigation, including insurance where this is effective.

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices or dealer price quotations.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Level 4
Available for sale				
Units of mutual funds - related parties	1,423,806,752	-	-	1,423,806,752
Market Treasury Bill	-	159,640,640	-	159,640,640
	1,423,806,752	159,640,640	-	1,583,447,392

36 CAPITAL RISK MANAGEMENT

The primary objective of the company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

37 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed cash dividend of NIL (December 31, 2012: 10%) amounting to Rs. NIL (December 31, 2012: Rs. 100 millon) and bonus of NIL (December 31, 2012: NIL) in their meeting held on February 21, 2014. This appropriation will be approved in the forthcoming Annual General Meeting.

38 GENERAL

38.1 These financial statements were authorised for issue on February 21, 2014 by the Board of Directors of the company.

38.2 Corresponding figures have been reclassified wherever necessary for the purpose of better presentation.

38.3 The figures have been rounded off to nearest rupee.

Chief Executive Officer **Chairman**

CONSOLIDATED FINANCIAL STATEMENTS

AUDITOR'S REPORT TO THE MEMBERS

We have audited the annexed consolidated balance sheet of **JS Investments Limited (the Holding Company)** and its subsidiary company JS ABAMCO Commodities Limited as at December 31, 2013 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed separate opinions on the financial statements of the Holding Company and its subsidiary company. These consolidated financial statements are the responsibility of the Holding Company's management. Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of JS Investments Limited and its subsidiary company as at December 31, 2013 and the results of their operations for the year then ended.

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

Chartered Accountants

Date: February 21, 2014
Place: Karachi

Engagement Partner:
Nadeem Yousuf Adil

CONSOLIDATED BALANCE SHEET
AS AT DECEMBER 31, 2013

	Note	December 31, 2013	December 31, 2012
		..............................Rupees.............................	
ASSETS			
Non - current assets			
Fixed assets			
Tangible - property and equipment	5.1 & 5.6	**268,735,017**	284,176,115
Intangible assets	5.4	**1,380,037**	106,624,587
Long-term loans - considered good	6	**1,149,731**	659,855
		271,264,785	391,460,557
Current assets			
Balances due from funds under management - related parties	7	**16,072,734**	20,666,258
Loans and advances - considered good	8	**1,731,699**	3,647,808
Trade deposits, short term prepayments and other receivables	9	**15,484,972**	13,036,041
Other financial assets - investments	10	**1,626,341,660**	1,486,686,618
Taxation recoverable		**113,708,292**	106,251,068
Cash and bank balances	11	**38,430,090**	2,897,502
		1,811,769,447	1,633,185,295
Total assets		**2,083,034,232**	2,024,645,852
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital			
Authorized capital	12	**2,500,000,000**	2,500,000,000
Issued, subscribed and paid-up capital	12	**1,000,000,000**	1,000,000,000
Unappropriated profit / (accumulated loss)		**18,510,915**	(388,160,655)
Unrealised gain on re-measurement of available for sale investments to fair value - net	10	**787,931,408**	625,253,855
		1,806,442,323	1,237,093,200
Surplus on revaluation of fixed assets - net of tax	13	**120,461,406**	127,060,578
LIABILITIES			
Non - current liabilities			
Long-term finance - securitisation of management fee receivables	14	**-**	66,438,526
Deferred tax liability - net	15	**35,772,863**	41,073,015
		35,772,863	107,511,541
Current liabilities			
Accrued and other liabilities	16	**120,234,149**	26,079,908
Accrued mark-up	17	**123,491**	16,364,766
Short term running finance - secured	18	**-**	407,416,297
Current maturity of securitisation of management fee receivables - debt	14	**-**	103,119,562
		120,357,640	552,980,533
Total liabilities		**156,130,503**	660,492,074
Contingencies and commitments	19		
Total equity and liabilities		**2,083,034,232**	2,024,645,852

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive Officer | **Chairman**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		..............Rupees..............	
Income			
Remuneration from funds under management - net	20	**222,738,966**	306,465,377
Commission from open end funds under management	21	**365,198**	44,161
Dividend	22	**253,920,959**	117,450,111
Gain on sale of investments - net		**516,694,661**	211,239,724
Return on bank deposits		**3,939,375**	187,960
Mark up on Term Finance Certificates (TFCs)		**-**	14,988,921
Return on Government Securities		**2,755,083**	-
Commission income and share of profit from management of discretionary client portfolios	23	**1,695,653**	578,158
Unrealized Gain on re-measurement of investment at fair value through profit and loss		**2,494,829**	7,237,114
		1,004,604,724	658,191,526
Impairment loss on available for sale equity securities		**-**	8,152,260
		1,004,604,724	650,039,266
Administrative and marketing expenses	24	**225,832,849**	316,585,396
Operating profit		**778,771,875**	333,453,870
Other expenses	25	**153,045,649**	160,020
Financial charges	26	**48,024,261**	149,176,241
		577,701,965	184,117,609
Other income	27	**48,729,662**	17,477,471
Profit before taxation		**626,431,627**	201,595,080
Taxation - net	28	**26,359,231**	(7,261,869)
Profit for the year / period		**600,072,396**	208,856,949
Earnings per share for the year / period - basic and diluted	29	**6.00**	2.09

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chairman**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2013

	Year Ended December 31, 2013	Eighteen months ended December 31, 2012
	..................Rupees..................	
Profit for the year / period	600,072,396	208,856,949
Other comprehensive income:		
Items that will not be reclassified to profit and loss	-	-
Items that may be reclassified subsequently to profit and loss		
Available-for-sale investments:		
Unrealised gain on re-measurement of available-for-sale investments to fair value - net	593,500,340	469,212,009
Impairment on available-for-sale investments taken to profit & loss account	-	8,152,260
Reclassification adjustment relating to sale of investments	(430,822,787)	(202,049,558)
Taxation relating to components that may be reclassified subsequently to profit and loss account	-	-
Total items that may be reclassified subsequently to profit and loss	162,677,553	275,314,711
Total comprehensive income for the year / period	762,749,949	484,171,660

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 38 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chairman**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		..........Rupees..........	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		626,431,627	201,595,080
Adjustment for non-cash and other items			
Remuneration from funds under management	20	(222,738,966)	(306,465,377)
Commission from open end funds under management	21	(365,198)	(44,161)
Dividend		(253,920,959)	(117,450,111)
Depreciation	5.1	21,073,282	32,300,642
Amortisation of intangible assets	5.4	244,550	2,009,358
Financial charges	26	48,024,261	149,172,579
Interest / mark-up income		(3,939,375)	(187,960)
Impairment of intangible assets		105,000,000	
Gain on sale of investments - net		(516,694,661)	(211,239,724)
Impairment loss on available for sale securities		-	8,152,260
Gain on disposal of fixed assets	27	(48,171)	(938,946)
Unrealized gain on revaluation of investments		2,494,829)	(7,237,114)
		(199,428,439)	(250,333,474)
Increase / decrease in assets and liabilities			
Loans and advances		1,426,233	(1,088,457)
Deposits, prepayments and other receivables		(43,497,427)	28,271,656
Accrued and other liabilities		88,387,787	(1,742,794)
		46,316,593	25,440,405
		(150,617,017)	(224,893,069)
Taxes paid		(39,116,607)	(28,749,665)
Remuneration and commission received from funds under management		227,697,688	288,228,019
Net cash (used in) / generated from operating activities		37,964,064	34,585,285
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		542,212,001	247,590,420
Payments for purchase of fixed assets		(5,638,133)	(4,660,894)
Dividend received		253,920,959	117,450,111
Return on bank deposits		3,939,375	187,960
Proceeds from disposal of fixed assets		54,120	1,098,667
Net cash from investing activities		794,488,322	361,666,264
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal amount relating to the securitised management fee		(129,085,000)	(193,627,500)
Dividend paid		(194,233,544)	-
Short term borrowings		-	(150,000,000)
Financial charges paid		(63,690,128)	(150,941,851)
Net cash used in financing activities		(387,008,672)	(494,569,351)
Net increase / (decrease) in cash and cash equivalents		442,948,885	(98,317,802)
Cash and cash equivalents at beginning of the year / period		(404,518,795)	(306,200,993)
Cash and cash equivalents at end of the year / period	32	38,430,090	(404,518,795)

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chairman**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2013

	Issued, subscribed and paid up share capital	Revenue reserve (Accumulated loss) / unappropriated profit	Capital reserve Unrealized gain on remeasurement of available for sale investment	Total
	..........Rupees..........			
Balance as at July 01, 2011	1,000,000,000	(606,916,365)	349,939,144	743,022,779
Total Comprehensive income				
Profit for the eighteen months period ended December 31, 2012	-	208,856,949	-	208,856,949
Other comprehensive income	-	-	275,314,711	275,314,711
Total Comprehensive income for the period	-	208,856,949	275,314,711	484,171,660
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	9,898,761	-	9,898,761
Balance as at December 31, 2012	1,000,000,000	(388,160,655)	625,253,855	1,237,093,200
Total Comprehensive income				
Profit for the year ended December 31, 2013	-	600,072,396	-	600,072,396
Other comprehensive income	-	-	162,677,553	162,677,553
Total Comprehensive income for the period	-	600,072,396	162,677,553	762,749,949
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	6,599,173	-	6,599,173
Transactions with owners recognised directly in equity				
-Final cash dividend for the eighteen months period ended Dec 31, 2012 @ Rs 1/- per share	-	(100,000,000)	-	(100,000,000)
- Interim dividend @ Rs. 1/- per share	-	(100,000,000)	-	(100,000,000)
Balance as at December 31, 2013	**1,000,000,000**	**18,510,915**	**787,931,408**	**1,806,442,323**

The annexed notes 1 to 38 form an integral part of these consolidated financial statements.

Chief Executive Officer **Chairman**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

1 THE GROUP AND ITS OPERATIONS

The group consists of:

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

1.1 Holding company

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

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 Holding Company also acts as Pension Fund Manager under the Voluntary Pension System Rules, 2005.

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

1.1.1 Asset management company of the following funds:

Open end:

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

1.1.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2 Subsidiary company

JS ABAMCO Commodities Limited (JSACL) was incorporated in Pakistan as a public limited company on 25 September 2007 under the Companies Ordinance, 1984 and is a wholly owned subsidiary of JS Investments Limited (the holding company). The principal object of the Company is to carry out business in commodity market and related brokerage, advisory and consultancy services. The registered office of the JSACL is situated at 7th Floor, The Forum, Block-9 Clifton, Karachi.

The JSACL has not commenced its core operations of commodity, brokerage and related advisory services upto the balance sheet date.

1.3 Change in accounting year

The Group changed its financial year from June 30 to December 31 to align its year-end with its parent company JS Bank Limited. As a result of this change in previous period, complete set of financial statements of the Group has been prepared for twelve months starting from January 01, 2013 to December 31, 2013 while the corresponding figures relate to the eighteen months period from July 01, 2011 to December 31, 2012, and therefore, are not comparable.

2 BASIS OF PRESENTATION AND CONSOLIDATION

2.1 The consolidated financial statements include the financial statements of JS Investments Limited and its subsidiary company together - "the Group".

-Subsidiary company is fully consolidated from the date on which more than 50% of voting rights are transferred to the Group or power to control an entity is established and excluded from consolidation from the date of disposal or when the control is lost.

-The financial statements of the subsidiary is prepared for the same reporting year as the holding company for the purpose of consolidation, using consistent accounting policies.

-The assets, liabilities, income and expenses of subsidiary company have been consolidated on a line by line basis.

-Non-Controlling Interest, if any, in equity of the subsidiary company is measured at proportionate share of net assets of the acquiree as of the acquisition date

-Material intra-group balances and transactions have been eliminated.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under 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 the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirments of Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

3.2 Basis of measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain office premises and investments which are stated at fair value.

3.3 Functional and presentation currency

These consolidated financial statements are presented in Pak Rupees, which is also the functional and presentation currency of the Company and rounded off to the nearest rupee.

3.4 Use of estimates and judgments

The preparation of consolidated financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and judgments that have a significant effect on the financial statements are in respect of the following:

i) Amortisation of intangible assets (note 4.1.2 and 5.4)

ii) Provision for taxation (note 4.13 and 28);

iii) Classification and valuation of investments (notes 4.2 and 10);

iv) Determination and measurement of useful life and residual value of property and equipment (note 4.1.1 and 5.1)

v) Valuation of premises (note 4.1.1 and 5.2.1)

vi) Recognition and measurement of deferred tax assets and liabilities (note 4.13 and 15).

3.5 New accounting standards / amendments and IFRS interpretations that are effective for the year ended December 31, 2013.

3.5.1 The following standards, amendments and interpretations are effective for the year ended December 31, 2013. These standards, interpretations and the amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's consolidated financial statements other than certain additional disclosures.

Amendments to IAS 1 - Presentation of Financial Statements – Clarification of Requirements for Comparative information	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 16 - Property, Plant and Equipment – Classification of servicing equipment	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 32 Financial Instruments: Presentation - Tax effects of distributions to holders of an equity instrument, and transaction costs of an equity transaction	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 34 - Interim Financial Reporting - Interim reporting of segment information for total assets and total liabilities	Effective from accounting period beginning on or after January 01, 2013
Amendments to IFRS 7 Financial Instruments: Disclosures - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2013
IFRIC 20 - Stripping Costs in the Production Phase of a Surface Mine	Effective from accounting period beginning on or after January 01, 2013
Amendments to IAS 19 - Employees Benefits (Revised 2011)	Effective from accounting period beginning on or after January 01, 2013

3.5.2 The amendments to IAS 1 - Presentation of Financial Statements – Presentation of items of Other Comprehensive Income is effective from accounting period beginning on or after January 01, 2013 and has impact on the Group's consolidated financial statements for the year as discussed in the pursing paragraph. This changes is considered as change in accounting policy of the Group.

"The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (for example, gains on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans). Income tax on items of other comprehensive income is required to be allocated on the same basis i.e. the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments require retrospective application.

As a result of amendments in IAS 1, the Company modified the presentation of the item of OCI in its statements of Profit and Loss and Other Comprehensive Income, to present items that would be reclassified to profit and loss in the future separately from those that would never be. Comparative information has been re-presented on the same basis."

3.6 New accounting standards and IFRS interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, interpretations and the amendments are either not relevant to the Group's operations or are not expected to have significant impact on the Group's consolidated financial statements other than certain additional disclosures.

Amendments to IAS 32 Financial Instruments: Presentation - Offsetting financial assets and financial liabilities	Effective from accounting period beginning on or after January 01, 2014
IAS 36 Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets	Effective from accounting period beginning on or after January 01, 2014
IAS 39 Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	Effective from accounting period beginning on or after January 01, 2014
IFRIC 21 - Levies	Effective from accounting period beginning on or after January 01, 2014

Other than the aforesaid standards, interpretations and amendments, the International Accounting Standards Board (IASB) has also issued the following standards which have not been adopted locally by the Securities and Exchange Commission of Pakistan:

- IFRS 1 – First Time Adoption of International Financial Reporting Standards
- IFRS 9 – Financial Instruments
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement
- IAS 27 (Revised 2011) – Separate Financial Statements due to non-adoption of IFRS 10 and IFRS 11
- IAS 28 (Revised 2011) – Investments in Associates and Joint Ventures due to non- adoption of IFRS 10 and IFRS 11

4 SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

4.1.1 Tangible property and equipment

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost less impairment, if any. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each balance sheet date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

4.1.2 Intangible assets

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Such intangible assets are amortized using the straight-line method taking into account residual value, if any, at the rates specified in note 5.4 to these financial statements. Amortization is charged from the date the asset is available for use while in the case of assets disposed of, it is charged till the date of disposal. The useful life and amortization method are reviewed and adjusted, if appropriate, at each balance sheet date.

Intangible assets having an indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which asset is expected to generate net cash inflows for the Group. An intangible asset with an indefinite useful life is not amortized. However, the carrying amount is reviewed at each balance sheet date or whenever there is an indication that the asset may be impaired, to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds the estimated recoverable amount, it is written down to its estimated recoverable amount.

4.2 Investments

All investments are initially recognized at fair value, being the cost of the consideration given including transaction cost associated with the investment, except in case of held for trading investments, in which case the transaction costs are charged off to the profit and loss account.

The Group classifies its investments in the following categories:

Financial assets 'at fair value through profit or loss - held for trading'

Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in prices are classified as 'financial assets at fair value through profit or loss - held for trading'. Subsequent to initial recognition, these investments are marked to market and are carried on the balance sheet at fair value, except for investments in unquoted debt securities which are carried at cost. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account.

Held-to-maturity investments

Investments with a fixed maturity where the Group has the intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are carried at amortized cost using the effective interest rate method, less any accumulated impairment losses.

Available-for-sale

Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in market prices or which are not classified as 'at fair value through through profit' are classified as 'available for sale'. Subsequent to initial measurement, available for sale' investments are re-measured to fair value. Net gains and losses arising on changes in fair values of these investments are taken to other comprehensive income. When securities are disposed off or impaired, the related fair value adjustments previously taken to other comprehensive income are transferred to the profit and loss account.

Fair value for listed securities are the quoted prices on stock exchange on the date it is valued. Fair value of units of open end mutual funds and government securities are determined on the basis of relevant redemption prices for the open-end mutual funds and quotations obtained from the PKRV sheets for government securities respectively. Unquoted securities are valued at cost.

4.3 Trade and other receivables

Trade and other receivables are recognized at agreement amount less provision for impairment, if any. Provision for impairment is established where there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Trade and receivable are written off when considered irrecoverable.

4.4 Operating Lease / Ijarah

Operating Lease / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir are classified as operating leases / Ijarah. Payments made during the period are charged to consolidated profit and loss account on a straight-line basis over the period of the lease / Ijarah.

4.5 Borrowings / debt

Borrowings (including securitisation of management fee recievable) are recognised initially at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the profit and loss account over the period of the borrowings / debt under the effective interest method. Mark-up / profit on borrowings / debt is calculated using the effective interest method.

4.6 Borrowing Costs

Borrowing costs incurred on long term finances directly attributable for the construction / acquisition of qualifying assets are capitalized up to the date the respective assets are available for intended use. All other mark-up, interest and other related charges are taken to the profit and loss account currently.

4.7 Trade and other payables

Short term liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at agreement amount.

4.8 Revenue recognition

- Remuneration for management services and asset investment advisory services are recognised on an accrual basis by applying pre-defined remuneration percentage on daily net asset value of the respective funds.
- Realised gains / losses on sale of investments is recognised in the profit and loss account at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on
- commercial papers are recognised on time proportionate basis using effective rate of interest.
- Commission income from open end funds is recognised at the time of sale of units.
- Commission income and share of profit from management of discretionary client portfolio are recognized as services are rendered.

4.9 Defined Contribution Scheme

The Group operates an approved contributory provident fund for all of its permanent employees. The Group and employees make equal monthly contributions to the fund at the rate of 8 to 10 percent of the basic salary.

4.10 Employees' compensated absences

The Group accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit and loss account.

4.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.12 Impairment

Financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after initial recognition of asset (an incurred loss event) and that loss event (or events) has impact on the estimated future cash flows of the financial asset or the group of financial asset that can be reliably estimated. In case of quoted equity securities, impairment is also assessed based on significant or prolonged decline in market prices of securities.

If, in a subsequent period, the fair value of an impaired available for sale debt security increases and the increase can be objectively related to an event occurring after the impairment loss recognised in profit or loss, the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

Non-financial assets

The carrying amount of the Group's' non-financial assets other than deferred tax asset is reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the asset or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount which is determined as higher of value-in-use and fair value less cost to sell. Impairment losses are recognized in profit and loss account immediately. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

4.13 Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit and loss account, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised in equity or other comprehensive income respectively.

Current

Provision for current taxation is based on taxability of certain income streams of the Group under presumptive / final tax regime at the applicable tax rates and remaining income streams chargeable at current rate of taxation under the normal tax regime after taking into account tax credits and tax rebates available, if any.

Deferred

Deferred tax is recognised using the balance sheet liability method on all major temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when. they reverse, based on the laws that have been enacted or substantively enacted by the reporting date

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax is charged or credited to the profit and loss account.

4.14 Cash and cash equivalents

Cash and cash equivalents for cash flow purposes include cash in hand, current and deposit accounts held with banks, running finance facilities availed by the Group, which are payable on demand and form an integral part of the Group's cash management are included as part of cash and cash equivalents for the purpose of cash flow statement.

4.15 Financial instruments

All financial assets and liabilities are recognised at the time when the Group becomes a party to the contractual provisions of the instruments. Financial assets are de-recognized at the time when the Company loses control of the contractual rights that comprise the financial assets. All financial liabilities are derecognised at the time when they are extinguished that, when the obligation specified in the contract is discharged, cancelld or expired. Any gains or losses on the recognition and derecognition of the financial assets and liabilities is taken to profit and loss account.

4.16 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognised amount and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

4.17 Earnings per share

Earnings per share is calculated by dividing the profit after tax for the period by the weighted average number of shares outstanding during the period.

4.18 Dividend and other appropriation to reserves

Dividend and appropriation to reserves are recognized in financial statements in the periods in which these are approved.

	Note	**December 31, 2013**	December 31, 2012
		..............................**Rupees**..............................	
5 FIXED ASSETS			
Tangible - property and equipment			
Operating fixed assets	5.1	**266,235,017**	281,596,115
Capital work-in-progress - at cost	5.6	**2,500,000**	2,580,000
		268,735,017	284,176,115
Intangible assets	5.4	**1,380,037**	106,624,587
		270,115,054	390,800,702

5.1 Operating fixed assets

	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	December 31, 2013					
	Rupees					
At January 1, 2013						
Cost / revalued amount	331,254,000	3,430,894	23,199,000	91,355,240	4,930,095	454,169,229
Accumulated depreciation	(59,349,674)	(3,031,192)	(19,261,355)	(87,982,826)	(2,948,067)	(172,573,114)
Net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	281,596,115
Year ended December 31, 2013:						
Opening net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	281,596,115
Additions	-	-	246,100	5,421,033	51,000	5,718,133
Disposals:						
Cost / revalued amount	-	-	(102,000)	(758,020)	-	(860,020)
Depreciation	-	-	96,051	758,020	-	854,071
	-	-	(5,949)	-	-	(5,949)
Depreciation charge for the year	(16,562,700)	(204,232)	(2,302,356)	(1,625,515)	(378,479)	(21,073,282)
Closing net book value	255,341,626	195,470	1,875,440	7,167,932	1,654,549	266,235,017
At December 31, 2013:						
Cost / revalued amount	331,254,000	3,430,894	23,343,100	96,018,253	4,981,095	459,027,342
Accumulated depreciation	(75,912,374)	(3,235,424)	(21,467,660)	(88,850,321)	(3,326,546)	(192,792,325)
Net book value	255,341,626	195,470	1,875,440	7,167,932	1,654,549	266,235,017
Depreciation rate % per annum	5%	20%	10%	25%	20%	

	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	December 31, 2012					
	Rupees					
At July 1, 2011						
Cost / revalued amount	331,254,000	3,480,894	23,320,000	90,698,090	4,613,595	453,366,579
Accumulated depreciation	(34,505,624)	(2,542,578)	(15,930,946)	(88,242,762)	(2,515,258)	(143,737,168)
Net book value	296,748,376	938,316	7,389,054	2,455,328	2,098,337	309,629,411
Period ended December 31, 2012:						
Opening net book value	296,748,376	938,316	7,389,054	2,455,328	2,098,337	309,629,411
Additions	-	-	-	3,542,067	885,000	4,427,067
Disposals :						
Cost / revalued amount	-	(50,000)	(121,000)	(2,884,917)	(568,500)	(3,624,417)
Depreciation	-	50,000	103,399	2,884,917	426,380	3,464,696
	-	-	(17,601)	-	(142,120)	(159,721)
Depreciation charge for the period	(24,844,050)	(538,614)	(3,433,808)	(2,624,981)	(859,189)	(32,300,642)
Closing net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	281,596,115
At December 31, 2012:						
Cost / revalued amount	331,254,000	3,430,894	23,199,000	91,355,240	4,930,095	454,169,229
Accumulated depreciation	(59,349,674)	(3,031,192)	(19,261,355)	(87,982,826)	(2,948,067)	(172,573,114)
Net book value	271,904,326	399,702	3,937,645	3,372,414	1,982,028	281,596,115
Depreciation rate % per annum	5%	20%	10%	25%	20%	

5.2 The group follows the revaluation model for its office premises. The office premises of the group were last revalued on May 31, 2009 by an independent valuer Iqbal A. Nanjee & Co (Private) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 170.740 million (April 18, 2005: Rs. 83.876 million). Out of the total revaluation surplus of Rs. 254.616 million, Rs. 185.197 million (December 2012: Rs. 195.349 million) remains undepreciated as at December 31, 2013.

5.2.1 Had there been no revaluation, the net book value of the office premises would have been as follows.

	December 31, 2013	December 31, 2012
	..........Rupees..........	
Office Premises	**70,145,427**	76,555,552

5.3 Disposal of property and equipment

The following is a statement of property and equipment disposed off during the year:

	Cost	**Accumulated depreciation**	**Written down value**	**Sale proceeds**	**Gain / (loss)**	**Particulars of buyers**
	..........Rupees..........					
Office equipment						
Items with written down value below Rs. 50,000 each	758,020	758,020	-	47,400	47,400	Various
Furniture and fixtures						
Items with written down value below Rs. 50,000 each	102,000	96,051	5,949	6,720	771	Various
December 31, 2013	**860,020**	**854,071**	**5,949**	**54,120**	**48,171**	
December 31, 2012	3,624,417	3,464,696	159,721	1,098,667	938,946	

5.4 **Intangible assets**

	December 31, 2013			
	Membership of National Commodity Exchange	Software	Management Rights of ICP Mutual Funds (note 4.5)	Total
	....	Rupees	....	
At January 1, 2013				
Cost	1,000,000	31,286,424	175,000,000	207,286,424
Accumulated amortisation / impairment	-	(30,661,837)	(70,000,000)	(100,661,837)
Net book value	1,000,000	624,587	105,000,000	106,624,587
Year ended December 31, 2013:				
Opening net book value	1,000,000	624,587	105,000,000	106,624,587
Amortisation charge for the year	-	(244,550)	-	(244,550)
Impairment during the year	-	-	(105,000,000)	(105,000,000)
Closing net book value	1,000,000	380,037	-	1,380,037
At December 31, 2013:				
Cost	1,000,000	31,286,424	175,000,000	207,286,424
Accumulated amortisation	-	(30,906,387)	(70,000,000)	(100,906,387)
Impairment during the year			(105,000,000)	(105,000,000)
Net book value	1,000,000	380,037	-	1,380,037
Amortisation rate % per annum	Indefinite life	20% - 50%	Indefinite life	

	December 31, 2012			
	Membership of National Commodity Exchange	Software	Management Rights of ICP Mutual Funds (note 4.5)	Total
	....	Rupees	....	
At July 1, 2011				
Cost	1,000,000	30,630,598	175,000,000	206,630,598
Accumulated amortisation / impairment	-	(28,652,479)	(70,000,000)	(98,652,479)
Net book value	1,000,000	1,978,119	105,000,000	107,978,119
Period ended December 31, 2012				
Opening net book value	1,000,000	1,978,119	105,000,000	107,978,119
Additions during the period		655,826	-	655,826
Amortisation charge for the period		(2,009,358)	-	(2,009,358)
Closing net book value	1,000,000	624,587	105,000,000	106,624,587
At December 31, 2012:				
Cost	1,000,000	31,286,424	175,000,000	207,286,424
Accumulated amortisation / impairment	-	(30,661,837)	(70,000,000)	(100,661,837)
Net book value	1,000,000	624,587	105,000,000	106,624,587
Amortisation rate % per annum	Indefinite life	20% - 50%	Indefinite life	

5.5 Intangible asset in respect of Management Rights of ICP Mutual Funds represents amount paid for the acquisition of the management rights of 12 ICP Mutual Funds under a Management Rights Transfer Agreement between the Holding Company, Privatisation Commission, Government of Pakistan and Investment Corporation of Pakistan in October 2002. These funds were consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and then merged to form JS Growth Fund (the Fund) in 2006.

The amortization of management rights was discontinued with effect from July 01, 2006 based on opinion from Company's legal advisors in respect of the Holding Company's rights and obligations under the aforementioned Management Rights Transfer Agreement and on analysis of the relevant factors prevailing at the time.

During the current year, in pursuance of Regulation 65 of the Non-Banking Finance Companies and Notified Entities Regulations 2008, JS Growth Fund has been converted from a closed end scheme to an open end fund with effect from July 20, 2013. Due to change in legal status of the Fund, the management rights could not be directly or indirectly associated with the economic benefits derived from the Fund. Therefore, the outstanding balance of the rights (Rs. 105 million) has been impaired and charged to profit and loss account.

		Note	**December 31, 2013**	December 31, 2012
			............................**Rupees**............................	
5.6	**Capital work-in-progress - at cost**			
	Advance to supplier against			
	acquisition of office premises		**2,500,000**	2,500,000
	acquisition of office equipment		**-**	80,000
			2,500,000	2,580,000
6	**LONG-TERM LOANS - CONSIDERED GOOD**			
	Loans to related parties - other employees	6.1	**1,773,049**	2,317,197
	Less: current maturity	8	**(623,318)**	(1,657,342)
			1,149,731	659,855

6.1 This represents loans given to employees of the Holding Company for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and three years respectively. These loans are granted in accordance with the terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Holding Company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and general purpose cash loans carry mark-up at rates ranging from 5.42% per annum to 9.38% per annum (2012: 7.01% per annum to 13.73% per annum). These loans are not discounted at market interest rates as effect of such discounting is not material to these financial statements.

The maximum aggregate amount due from employees at the end of any month during the year was Rs. 2.162 million (2012:Rs.0.03 million).

		Note	**December 31, 2013**	December 31, 2012
			............................**Rupees**............................	
7	**BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES**			
7.1	**Balances due from funds under management**			
	Open End Funds			
	JS Value Fund	20.1 & 14.2	**2,839,160**	3,036,674
	JS Growth Fund	20.1 & 14.2	**6,092,755**	6,873,186
	JS KSE 30 Index Fund	20.1	**48,625**	71,433
	JS Large Cap Fund	20.1 & 14.2	**1,503,624**	2,679,100
	Unit Trust of Pakistan	20.1 & 14.2	**2,077,687**	2,759,136
	JS Income Fund	20.1 & 14.2	**795,401**	1,420,782

	Note	December 31, 2013	December 31, 2012
		............................Rupees............................	
JS Islamic Fund	20.1 & 14.2	**489,433**	643,582
JS Aggressive Asset Allocation Fund	20.1	**187,256**	245,107
JS Fund of Funds	20.1	**43,421**	45,737
JS Pension Savings Fund	20.1	**367,466**	349,948
JS Islamic Pension Savings Fund	20.1	**182,690**	208,885
JS Aggressive Income Fund	20.1	**-**	80,890
JS Islamic Government Securities Fund	20.1	**220,688**	-
JS Cash Fund	20.1	**1,224,528**	2,251,798
		16,072,734	20,666,258
		16,072,734	20,666,258

7.2 Balances due from funds under management primarily represent accrual of management fee and is received within next month from the date of accrual.

		Note	December 31, 2013	December 31, 2012
			............................Rupees............................	
8	**LOANS AND ADVANCES - CONSIDERED GOOD**			
	Current portion of long-term loan to employees	6	**623,318**	1,657,342
	Unsecured advances to			
	- executives		**581,332**	4,481
	- employees	8.1	**527,049**	1,398,790
	- suppliers		**-**	587,195
			1,108,381	1,990,466
			1,731,699	3,647,808

8.1 The advances to employees are provided to meet business expenses and are settled as and when incurred. In addition, advances are also provided to executives and employees against their salaries which are recovered through deduction from employees monthly payroll.

		Note	December 31, 2013	December 31, 2012
			............................Rupees............................	
9	**TRADE DEPOSITS, SHORT TERM PREPAYMENTS AND OTHER RECEIVABLES**			
	Deposits		**1,937,500**	1,937,500
	Prepayments		**5,892,529**	5,665,846
	Others	9.1	**7,654,943**	5,432,695
			15,484,972	13,036,041

9.1 This includes Rs 3.971 million (December 2012: Rs 0.755 million) due from related parties on account of expenses incurred on their behalf.

10 OTHER FINANCIAL ASSETS - INVESTMENTS

	Note	December 31, 2013	December 31, 2012
		............................Rupees............................	
Available-for-sale			
Shares / certificates / units of mutual funds - related parties	10.1 & 10.4	**1,423,806,752**	1,445,695,428
Market Treasury Bill	10.2	**159,640,640**	-
		1,583,447,392	1,445,695,428
Held for trading			
Units of mutual fund - related party	10.5	**42,894,268**	40,991,190
		1,626,341,660	1,486,686,618

10.1 Units of mutual funds - related parties

Number of units / certificates / shares December 31, 2013	December 31, 2012	Name of Fund	December 31, 2013 Average cost	Fair value	December 31, 2012 Fair value
			............................Rupees............................		
2,263,399	21,498,992	JS Value Fund (note 10.7)	**106,732,920**	**320,157,817**	193,490,928
-	6,581,000	JS Large Cap Fund	**-**	**-**	393,017,320
5,814,246	48,316,964	JS Growth Fund (note 10.8)	**341,956,212**	**733,990,466**	421,807,096
300,000	300,000	JS Pension Savings Fund - Equity	**18,471,000**	**76,383,000**	41,808,000
177,761	188,940	JS Pension Savings Fund - Debt	**17,776,119**	**31,911,690**	33,268,555
177,463	189,695	JS Pension Savings Fund - Money Market	**17,746,342**	**27,324,042**	26,940,484
1,072,363	603,269	JS Fund of Funds	**36,844,070**	**51,087,374**	55,024,131
250,000	250,000	JS Islamic Pension Savings Fund - Equity	**22,712,500**	**82,985,000**	53,192,500
213,852	232,690	JS Islamic Pension Savings Fund - Debt	**21,385,170**	**35,997,656**	36,469,504
222,303	236,585	JS Islamic Pension Savings Fund - Money Market	**22,230,337**	**32,547,436**	32,617,974
-	860,585	JS Aggressive Income Fund	**-**	**-**	90,189,329
-	3,259,827	JS KSE 30 Index Fund	**-**	**-**	67,869,607
311,915	-	JS Islamic Government Securities Fund	**30,000,000**	**31,422,271**	-
			635,854,670	**1,423,806,752**	1,445,695,428
		Unrealized gain on re-measurement at fair value	**787,952,082**	**-**	-
			1,423,806,752	**1,423,806,752**	1,445,695,428

10.2 Market Treasury Bill

	Note	December 31, 2013 Average cost	Fair value	December 31, 2012 Fair value
		............................Rupees............................		
Market Treasury Bill	10.3	**159,661,314**	159,640,640	-
Un realized loss on re-measurement at fair value on T-Bills		**(20,674)**		
		159,640,640	**159,640,640**	-

10.3 This treasury bill has a tenor of 6 months with an effective yield of 9.75% and a maturity date of January 09, 2014.

10.4 This represents investment made in collective investment schemes managed by the Holding Company. The matter relating to the classification of these funds (i.e. as associates or subsidiary) has been referred by the various fund managers to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Mutual Funds Association of Pakistan (MUFAP). Till such time the clarification is received from ICAP / MUFAP, the investments of the Holding Company in the collective investment schemes have been classified as available for sale in these financial statements.

10.5 This represents investment in 489,437 (2012: 452,192) units of JS Income Fund having average cost of Rs.40.399 million.

10.6 Units pledged against short term running finance

The details of the units of funds pledged by the Holding Company against its running finance are as follows:

	December 31, 2013	December 31, 2012
	Number of certificates / shares / units	
Name of fund		
JS Value Fund	**2,145,000**	21,450,000
JS Large Cap Fund	**-**	5,200,000
JS Growth Fund	**3,400,000**	34,000,000

10.7 In compliance with the Regulation 65 of NBFC & Notified Entities 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)

10.8 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)

	Note	**December 31, 2013**	December 31, 2012
		............................Rupees............................	
11 CASH AND BANK BALANCES			
Cash in hand		**59,786**	70,427
Cash at bank in:			
Current accounts		**1,093,128**	920,417
Saving accounts	11.1	**37,277,176**	1,906,658
		38,370,304	2,827,075
		38,430,090	2,897,502

11.1 These carry mark-up at rates ranging from 5 percent to 9.75 percent (2012: 5 percent to 11.9 percent) per annum. It includes Rs 34.485 million (2012: Rs 0.031 million) held with JS Bank Limited (parent company) and Rs 0.466 million (2012: Rs 0.633 million) held with Bank Islami Pakistan Limited (related party).

12 SHARE CAPITAL

December 31, 2013	December 31, 2012		December 31, 2013	December 31, 2012
Number of shares		**Authorised capital**	**Number of shares**	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
100,000,000	100,000,000		**1,000,000,000**	1,000,000,000

12.1 As at year end, JS Bank Limited, parent company, holds 52,236,978 shares in the Holding Company.

12.2 There is only one class of ordinary shares issued.

13 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

	December 31, 2013	December 31, 2012
	Number of certificates / shares / units	
Surplus on revaluation of fixed assets as at January 1 / July 1	**195,348,775**	210,577,637
Transferred to unappropriated profit:		
Surplus relating to incremental depreciation transferred to accumulated profit during the year / period - net of deferred tax	**(6,599,173)**	(9,898,761)
Related deferred tax liability	**(3,553,401)**	(5,330,102)
	(10,152,574)	(15,228,863)
	185,196,201	195,348,775
Less: related deferred tax liability on:		
- revaluation	**(68,288,196)**	(73,618,298)
- incremental depreciation charged during the period / year transferred to profit and loss account	**3,553,401**	5,330,102
	(64,734,795)	(68,288,196)
	120,461,406	127,060,578

14 LONG TERM FINANCE - SECURITISATION OF MANAGEMENT FEE RECEIVABLES

	Repayment period From	Repayment period To	Price	Note	December 31, 2013	December 31, 2012
					........................Rupees........................	
Financial Receivables Securitisation Company Limited (FRSCL) (Class "A" TFC and Class "B" TFC)	Jan-07	Jan-14	6 months KIBOR plus 2% with floor of 8% and cap of 16% (repayable in fourteen semi annual installments including markup)		**700,000,000**	700,000,000
Financial Receivables Securitisation Company Limited (Class "C" TFC)	Jan-07	Jan-14	Subordinate to Class "A" TFC and Class "B" TFC (repayable on maturity)		**2,500,000**	2,500,000
					702,500,000	702,500,000
Less: principal redemption made to date					**(635,457,500)**	(506,372,500)
Less: unamortised transaction cost					**(28,566)**	(603,974)
					67,013,934	195,523,526
Less: current maturity				14.1	**(67,013,934)**	(129,085,000)
				14.2	**-**	66,438,526

14.1 Current maturity of securitisation of management fee receivables

	December 31, 2013	December 31, 2012
	........................Rupees........................	
Current maturity of securitisation of management fee receivables	**(67,013,934)**	129,085,000
Less : Receivable from FRSCL	**(67,013,934)**	(25,965,438)
	-	103,119,562

14.2 The company (JS Investments Limited) had entered into an agreement to sell certain portion of its management fee receivables from few funds (listed below) under its management, with Financial Receivables Securitisation Company Limited (FRSCL), a special purpose vehicle, incorporated for this purpose (for the tenure of facility) in accordance with the companies (Assets Backed Securitisation) Rules 1999. In addition, the company has also entered into a service agreement with FRSCL to provide services in respect of the receivables sold under the above agreement. The services to be provided by the company include the administration of these receivables. Further, the company is also required to monitor these receivables in the same manner and apply the the same policies and practices to the origination and for the creation of these receivables as the company applies in the case of other receivables which it retains on its own account. Under the arrangement, the entire cash flows arising to the company from management fee receivables relating to these funds is deposited with the trustee. Subsequently, the trustee deduct these from the amount payable under the related agreement entered into by FRSCL in respect of issuance of term finance certificate with the TFC holders and returns the balance amount to the company. The amount retained by the trustee is passed on to FRSCL for meeting its obligations towards the relavent TFC holders and its other operating and administrative expenses. This securitisation transaction has been classified as a debt by the management. The initial amount obtained against securitisation funds amount in aggregate to rupees 702.5 million.

The securitised open-end funds are as under:

Open end funds:

- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Value Fund
- JS Large Cap Fund
- JS Growth Fund

14.3 Put option

In respect of Class "B" TFC, the FRSCL have put options in respect of meeting its obligations towards TFC Class "B" which, if exercised, would require FRSCL (which is the buyer) to redeem the relevant TFC, firstly from any funds available with the buyer. In the event requisite funds are not available with the buyer, FRSCL may require the Company (which is the originator) to purchase the relevant TFC in respect of which the put option has been exercised. Accordingly, in respect of Class "B" TFC, FRSCL has a partial or full put option on the company, exercisable on every semi-annual repayment date.

14.4 Class "C" TFC

Class 'C' TFC is subordinate to Class 'A' & Class 'B' TFCs for both principal and interest payments. The profit to Class "C" TFC holders will be paid out of the residual amount available from the deduction made by the Trustee at the cap rate of 16 percent in respect of the last installment due under the relevant TFC agreements, less the sum total of (a) last installment due under the Class "A" TFC and Class "B" TFC agreements, after which both Class "A" TFC and Class "B" TFC are fully redeemed; and (b) all remaining expenses of FRSCL.

14.5 The Term Finance Certificates issued by FRSCL are due to mature on January 17, 2014 and upon discharge of all its obligations, the Trust managing these TFCs will terminate. The operations of FRSCL will then only continue to the extent necessary for regulatory compliance. During the year, the company has received an intimation from trustees vide letter dated December 30, 2013. Whereby the company has been informed that sufficient funds are available with the FRSCL to discharge its obligations i.e. the last redemption to be paid on January 17, 2014. Accordingly, the Company has reversed excess liability amounting to Rs. 30.043 million.

	December 31, 2013	December 31, 2012
	.........................Rupees.........................	
15 DEFERRED TAX LIABILITY - NET		
Taxable temporary differences on:		
Accelerated tax depreciation	**11,936,807**	12,290,073
Surplus on revaluation of fixed assets	**64,734,795**	68,288,196
	76,671,602	80,578,269
Deductible temporary differences on		
Short-term provisions	**(402,371)**	(398,078)
Provision for Workers' Welfare Fund (WWF)	**(16,760,101)**	-
Deferred tax asset on carried forward tax losses	**(23,736,267)**	(39,107,176)
	35,772,863	41,073,015

15.1 The Group has an aggregate amount of Rs. 70.332 million (2012: Rs. 111.734 million) in respect of unabsorbed tax losses as at December 31, 2013 on which a deferred tax asset has been recognised.

		Note	December 31, 2013	December 31, 2012
			........................Rupees........................	
16	**ACCRUED AND OTHER LIABILITIES**			
	Salary payable		**4,542,109**	414,649
	Creditors and accrued expenses		**19,932,332**	17,137,510
	Fee and commission payable		**1,619,942**	1,346,219
	Dividend payable		**7,086,862**	1,320,406
	Provision for compensated absences		**1,139,550**	1,121,441
	Sales tax payable		**5,280,896**	2,769,678
	Provision for Workers' Welfare Fund	25	**16,657,885**	-
	Federal Excise Duty payable	16.1	**19,781,984**	-
	Provision for Workers' Welfare Fund on behalf of funds under management	16.2	**31,310,453**	-
	Other liabilites		**12,882,136**	1,969,701
			120,234,149	25,079,908

16.1 This represents the amount payable against Federal Excise Duty (FED) on the management fees received/receivable from the funds under management. 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.

16.2 This represents liability recognized to indemnify the unit holders of JS Income Fund and JS Cash Fund, against the charge of Worker's Welfare Fund for the period up to June 30, 2013.

		Note	December 31, 2013	December 31, 2012
			........................Rupees........................	
17	**ACCRUED MARK-UP**			
	Mark-up accrued on:			
	- Short term running finance - secured		**123,491**	12,144,974
	- Securitisation of management fee receivables		**-**	4,219,792
			123,491	**16,364,766**
18	**SHORT TERM RUNNING FINANCE - SECURED**	18.1	**-**	407,416,297

18.1 This represents running finance facilities with a total limit of Rs. 700 million (December 2012: 500 million) obtained from various commercial banks. The facilities carry mark-up of 2.00% and 1.75% over 3 months KIBOR (December 2012: 2% and 1.75% over 3 months KIBOR). Mark-up is payable on quarterly basis. The facilities are secured by way of equitable mortgage of office premises and pledge of shares / certificates of funds under management. One of the facility of Rs. 450 million (December 2012: 250 million) is obtained from JS Bank Limited (a related party).

19 CONTINGENCIES & COMMITMENTS

19.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax year 2006 and 2009 against demand of Rs 162 million and 66 million respectively, the Commisioner of Inland Revenue has not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various source of income for devono proceedings with the directions to apportion 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 Rs. 77.33 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 appel 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 financial information.

		Note	**December 31, 2013**	December 31, 2012
			........................**Rupees**........................	
19.2	**Commitments in respect of:**			
	Capital expenditure contracted but not incurred		**-**	80,000
	Royalty and advisory payment		**10,000,000**	10,000,000
	Motor Vehicle acquired under Ijarah from Bank Islami Limited - related party			
	- Due in One year	19.2.1	**1,208,800**	2,479,881
	- Due in two to five years		**-**	1,239,940

19.2.1 This amount represents commitments in respect of a motor vehicle acquired under Ijarah (lease) agreement from BankIslami Pakistan Limited for use of Chief Executive Officer. The Ijarah is due to expire on May 18, 2014.

20 REMUNERATION FROM FUNDS UNDER MANAGEMENT - NET

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	........................**Rupees**........................	
Open end Funds		
JS Value Fund	**45,195,639**	45,454,030
JS Growth Fund	**98,585,257**	106,093,961
Unit Trust of Pakistan	**35,404,997**	53,151,034
JS Income Fund	**15,967,379**	20,516,702
JS Islamic Fund	**8,922,896**	9,079,372
JS Aggressive Asset Allocation Fund	**3,523,979**	4,643,357
JS Fund of Funds	**802,252**	5,517,434
JS KSE 30 Index Fund	**823,924**	1,607,297
JS Pension Savings Fund	**5,488,048**	5,191,913
JS Islamic Pension Savings Fund	**3,114,172**	3,334,088
JS Aggressive Income Fund	**478,560**	2,112,164
JS Principal Secure Fund I	**-**	21,766,634
JS Principal Secure Fund II	**-**	1,368,062
JS Cash Fund	**24,182,738**	30,623,712
JS Islamic Government securities Fund	**2,566,572**	-
JS Large Cap Fund	**36,003,301**	45,040,077
	281,059,716	355,499,837
	281,059,716	355,499,837
Less: Sales Tax	**38,719,314**	49,034,460
Less: Federal Excise Duty	**19,601,436**	-
	222,738,966	306,465,377

20.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the management company / investment advisor of the Fund is entitled to an accrued remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund that has been verified by the trustee and is paid in arrears on monthly basis and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended December 31, 2013 the Company has charged management fee at the rates ranging from 0.75 to 2 percent (2012: 1 to 2 percent).

20.2 Total net asset value of the funds under management as at December 31, 2013 amounts to Rs. 12,854 million (December 31, 2012: Rs 12,332 million).

		Note	**Year ended December 31, 2013**	Eighteen months ended December 31, 2012
			........................Rupees........................	
21	**COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT**			
	Unit Trust of Pakistan		**175,420**	3,276
	JS Islamic Fund		**57,201**	21,625
	JS Fund of Funds		**37,932**	4,113
	JS Value Fund		**5,095**	-
	JS Growth Fund		**12,411**	-
	JS Islamic Government Securities Fund		**4,135**	-
	JS KSE 30 Index Fund		**-**	881
	JS Pension Savings Fund		**-**	675
	JS Islamic Pension Savings Fund		-	3,851
	JS Cash Fund		**69,279**	8,232
	JS Large Cap Fund		**3,725**	1,508
		21.1	**365,198**	44,161

21.1 This represents gross commission income earned by the Company on account of sale of units made on behalf of the funds under management.

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
		........................Rupees........................	
22	**DIVIDEND**		
	JS Value Fund	**58,848,379**	25,798,790
	JS Growth Fund	**188,963,008**	91,651,321
	JS Aggressive Income Fund	**6,109,572**	-
		253,920,959	117,450,111

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, the company is managing five discretionary portfolis (December 31 2012: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2013 was Rs. 103.55 million (December 31, 2012: Rs.78.777 million) and Rs.107.95 million (December 31, 2012: Rs.79.616 million) respectively.

	Note	Year ended December 31, 2013	Eighteen months ended December 31 2012
		........................Rupees........................	
24 ADMINISTRATIVE AND OTHER EXPENSES			
Salaries and benefits		**86,066,329**	130,735,798
Staff retirement benefits	24.1	**4,495,952**	6,761,180
Royalty and advisory fee	24.5	**10,000,000**	15,000,000
Bonus		**4,073,376**	-
Amortisation of intangible assets	5.4	**244,550**	2,009,358
Advertisement		**7,467,314**	10,339,048
Depreciation	5.1	**21,073,282**	32,300,642
Membership fees - Pakistan Mercantile Exchange Limited		**65,000**	90,000
Printing and stationery		**4,816,173**	5,417,625
Rent, rates, taxes and maintenance		**11,488,128**	19,435,180
Travelling, conveyance and vehicle maintenance		**8,845,902**	11,745,203
Transfer agent remuneration		**6,893,801**	10,831,437
Postage and telephone		**5,018,715**	6,899,389
Legal and professional		**5,296,465**	6,773,918
Fees and subscription		**4,395,396**	4,889,596
IT services		**4,895,202**	9,375,215
Utilities		**6,264,830**	12,402,929
Office security		**3,281,838**	6,079,838
Entertainment		**964,676**	564,292
Insurance		**4,533,974**	5,344,175
Newspaper		**188,675**	221,532
Directors' fee		**4,073,226**	5,635,000
Office supplies		**822,829**	1,139,068
Shariah Advisory Fee	24.6	**1,720,000**	2,061,200
Ijarah rentals		**2,234,313**	3,769,342
Auditors Remuneration	24.7	**1,177,000**	2,071,809
Fee and commission		**2,734,883**	4,394,426
Donation	24.8	**12,545,988**	-
Miscellaneous expenses		**155,032**	298,196
		225,832,849	316,585,396

24.1 Staff retirement benefits include contributions to defined contribution plan of Rs 4.11 million (2012: Rs 6.25 million).

	2013	2012
24.2 Number of employees at the end of the year	**80**	81
24.3 Average number of employees during the year	**81**	81

24.4 The Company's staff retirement benefits includes provident fund - a defined contribution plan. The Company has established a separate provident fund. The audited information related to provident fund as at June 30, 2013 (which is accounting year of the fund) is as follows:

	June 30, 2013	June 30, 2012
Number of employees	**72**	78
Size of provident fund (Rupees)	**27,771,031**	28,672,219
Percentage of investments	**96%**	98%
Fair value of investment (Rupees)	**26,737,321**	28,141,233
Break-up of investments:		
Balance in National Saving Scheme		
Amount of investment (Rupees)	**1,300,000**	2,600,000
Percentage of size of investment	**5%**	9%

	June 30, 2013	June 30, 2012
Balance in Listed Securities		
Amount of investment (Rupees)	**13,739,215**	18,473,511
Percentage of size of investment	**51%**	66%
Balance in Government Securities		
Amount of investment (Rupees)	**10,519,178**	3,455,983
Percentage of size of investment	**39%**	12%
Balance in scheduled banks		
Amount of investment (Rupees)	**1,178,928**	3,611,739
Percentage of size of investment	**4%**	13%

24.5 Royalty and advisory fee represents amounts payable to Mr. Jahangir Siddiqui on account of use of name and advisory services, respectively.

24.6 This amount represents shariah advisory payment being made for consultation for JS Islamic Pension Savings Fund, JS Islamic Fund and JS Islamic Government Securities Fund.

24.7 Auditors' remuneration

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	........................Rupees........................	
Annual audit fee	**890,000**	1,763,082
Fee for review of the statement of compliance on Code of Corporate Governance	**50,000**	50,000
Out of pocket expenses	**29,000**	58,727
Fee for review of half yearly financial statements	**208,000**	200,000
	1,177,000	2,071,809

24.8 Donation is for Mahwash & Jahangir Siddiqui Foundation wherein Mrs. Mahawash Jahangir Siddiqui is chairperson who is spouse of Mr. Jahangir Siddiqui, Chairman of the Board of the JS Bank Limited (the parent company).

25 OTHER EXPENSES

	Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
		........................Rupees........................	
Provision for Workers' Welfare Fund (WWF)	25.1	**16,735,196**	160,020
Provision for Workers Welfare Fund on behalf of funds under management	16.2	**31,310,453**	-
Impairment of intangible asset	5.4	**105,000,000**	-
		153,045,649	160,020

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

Aggrieved by the amendments made through the Finance Act, certain stakeholders filed petition against the changes in the Lahore High Court which struck down the aforementioned amendments to the WWF Ordinance in 2011. However, some stakeholders also filed the petition in the Sindh High Court which, in 2013, decided the petition against stakeholders. The Holding Company along with its group companies has decided to file the petition with the supreme court against the changes. On prudent basis, the Group has recognized aggregate provision amounting to Rs. 16.735 million for the years from 2012 to 2013.

		Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
			........................Rupees........................	
26	**FINANCIAL CHARGES**			
	Mark-up on short term borrowings		**34,070,341**	84,625,618
	Mark-up and other charges of securitisation of management fee receivables		**13,855,285**	64,344,833
	Bank charges		**98,635**	205,790
			48,024,261	149,176,241
27	**OTHER INCOME**			
	Income from financial assets			
	Mark-up earned on loans to executives and employees		**114,383**	237,778
	Income from off-setting of securitisation of management fee recievable	14.5	**30,043,582**	-
	Others		**3,519,096**	304,241
			-	
	Income from non-financial assets		**-**	
	Rental income		**14,859,709**	15,996,506
	Gain on disposal of property and equipment		**48,171**	938,946
	Other Income JS-ACL		**144,721**	-
			48,729,662	17,477,471
28	**TAXATION - Net**			
	Current		**31,659,383**	1,884,598
	Prior years		**-**	(8,970,541)
	Deferred		**(5,300,152)**	(175,926)
			26,359,231	(7,261,869)

28.1 The income tax assessments of the company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax ordinance 2001. The details of tax years 2006 and 2009 have been described in note 19.1 above.

28.2 Relationship between accounting profit and tax expense is as follows:

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	........................Rupees........................	
Accounting profit / (loss) before taxation	**626,431,627**	201,595,080
Tax @ 34% (2012: 35%)	**212,986,753**	70,614,284
Tax impact of income under FTR and differential in tax rates	**(59,962,797)**	(73,904,401)
Tax impact of exempt capital gains	**(135,328,880)**	
Tax impact of minimum tax	**(2,241,659)**	(2,736,915)
Tax impact of unrecognized temporary differences	**(40,341,593)**	-
Tax impact of permanent differences	**4,265,636**	-
Tax impact of prior year temporary differences	**44,235,889**	-
Tax impact of depreciation/amortisation	**-**	2,603,791
Tax impact of expenses related to FTR income	**127,153**	4,756,281
Others	**2,618,729**	(8,594,909)
Net tax charged	**26,359,231**	(7,261,869)

29 EARNINGS PER SHARE - Basic and diluted

	December 31, 2013	December 31, 2012
	........................Rupees........................	
Profit for the year / period after taxation	**600,072,396**	208,856,949
	Number of Shares	
Weighted average number of ordinary shares outstanding during the year / period	**100,000,000**	100,000,000
	6.00	2.09

Earnings per share (Rupees)

29.1 Diluted earnings per share has not been presented as the Group does not have any convertible instruments in issue as at December 31, 2013 and December 31, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, Directors and Executives of the Holding Company are as follows:

	Chief Executive Officer		Directors		Executive	
	Year ended December 31, 2013	Eighteen months ended December 31, 2012	Year ended December 31, 2013	Eighteen months ended December 31, 2012	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	..........................Rupees..........................					
Managerial remuneration	**12,000,000**	18,000,000	**-**	2,626,560	**21,200,325**	29,688,411
Consultancy fee	**-**	-	**3,433,226**	5,220,000	**-**	-
House rent allowance	**3,600,000**	5,400,000	**-**	787,968	**6,360,121**	8,906,526
Utilities allowance	**500,400**	750,600	**-**	262,656	**2,120,048**	2,968,853
Car Allowance	**570,240**	855,360	**-**	435,416	**6,902,116**	10,930,907
Retirement benefits	**1,200,000**	1,800,000	**-**	210,126	**1,677,934**	2,626,113
Medical Allowance	**1,200,000**	1,800,000	**-**	262,656	**2,120,048**	2,968,853
Other benefits	**-**	-	**122,945**	-	**373,955**	318,237
	19,070,640	28,605,960	**3,556,171**	9,805,382	**40,952,969**	61,240,023
Number of persons	**1**	1	**1**	1	**15**	20

30.1 The Chief Executive Officer and the Chairman of the Holding Company are provided with free use of company owned and maintained vehicles during the year.

30.2 The Company may provide performance bonus to Chief Executive Officer and Executives. The individual entitlements are being reported on paid basis.

30.3 In addition, meeting fee of Rs 15,000 (2012: Rs 15,000) per meeting was paid to three non-executive directors for meetings attended during the year. Effective from December 31, 2013, the meeting fee paid at Rs. 50,000 per meeting.

30.4 The number of executives does not include those who resigned during the year but remuneration paid to them is included in the above amounts.

31 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:

31.1 Transaction with related parties

31.1.1 Transactions with associates - funds under management

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	........................Rupees........................	
Remuneration income	**222,738,966**	306,465,377
Commission income	**365,198**	44,161
Other expenses incurred on behalf of the fund	**10,628,572**	897,431
Reimbursement of other expenses incurred on behalf of the fund	**10,573,127**	470,164
Dividend income	**253,920,959**	117,450,111
Investment made in funds under management	**70,000,000**	1,068,574,335
Investments disposed off	**884,269,024**	1,214,777,670
Redemption of units by JSACL in Fund	**600,000**	1,250,000
Bonus / additional shares / units (in numbers)	**1,856,363**	4,681,899

31.1.2 Transactions with other related parties

	Year ended December 31, 2013	Eighteen months ended December 31, 2012
	........................Rupees........................	
Jahangir Siddiqui & Company Limited (JSCL) - Ultimate parent		
Expenses incurred on behalf of JSCL	**64,755**	99,138
Reimbursement of expenses incurred on behalf of JSCL	**62,850**	196,537
JS Global Capital Limited (JSGCL) - Associate		
Rent expense	**1,195,764**	1,636,116
Rental income	**68,136**	2,645,060
Other expenses	**-**	-
Expenses incurred by the company on behalf of JSGCL	**141,968**	927,470
Reimbursement of expenses incurred on behalf of JSGCL	**2,462**	714,059
Mahvash and Jahangir Siddiqui Foundation (MJSF) - Common directorship		
Rental income	**497,280**	522,280
Expenses incurred by the company on behalf of MJSF	**335,955**	201,778
Reimbursement of expenses incurred on behalf of MJSF	**247,633**	62,016
Bank Islami Pakistan Limited - Associate		
Ijarah rental expense	**2,234,313**	3,769,342
EFU General Insurance Limited - Associate		
Insurance premium paid	**2,400,345**	4,393,744
EFU Life Insurance Limited - Associate		
Insurance premium paid	**567,212**	820,751
Fakhr-e-Imdad Foundation (FIF) - Common directorship		
Expenses incurred by the company on behalf of FIF	**143,293**	96,983
Reimbursement of expenses incurred on behalf of FIF	**160,820**	24,000
Staff Provident Fund		
Contributions during the year / period	**4,105,552**	6,250,786

		Year ended December 31, 2013	Eighteen months ended December 31, 2012
31.1.3	**Transactions with parent company**	........................Rupees........................	
	JS Bank Limited (JSBL) - Parent company		
	Dividend paid	**104,473,956**	-
	Mark up expense on short term running finance	**14,796,957**	58,751,926
	Rent expense	**1,148,712**	1,545,863
	Expenses incurred by the company on behalf of JSBL	**677,489**	365,153
	Reimbursement of expenses incurred on behalf of JSBL	**327,941**	48,732
	Rental income	**909,263**	558,031
	Investment sold	**-**	64,289,500
	Short term borrowing paid	**-**	150,000,000
31.1.5	**Transactions with key management personnel**		
	Remuneration of key management personnel	**46,402,867**	77,534,949
	Directors fee	**4,073,226**	5,653,000
31.2	**Balances outstanding at the year end**		
31.2.1	**Balances outstanding with associates**		
	Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	**16,072,734**	511,009
31.2.2	**Balances outstanding with other related parties**		
	Payable to JS Global Capital Limited - net- Associate	**2,644,305**	1,277,160
	Payable to Bank Islami Pakistan Limited - Associate	**302,200**	930,295
	Receivable from Jahangir Siddiqui & Company Limited - Ultimate parent	**16,905**	15,000
	Receivable from MJSF - Common directorship	**725,364**	637,042
	Receivable from FIF - Common directorship	**55,456**	72,983
31.2.3	**Balances outstanding with parent company**		
	Payable to JS Bank Limited - net	**-**	2,813,967
	Receivable from JS Bank Limited - net	**366,057**	-

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

31.4 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.

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

31.6 Details of the remuneration relating to Chief Executive officer and Directors are disclosed in note 30 to the financial statements.

		Note	Year ended December 31, 2013	Eighteen months ended December 31, 2012
			........................Rupees........................	
32	**CASH AND CASH EQUIVALENTS**			
	- Cash and bank balances	11	**38,430,090**	2,897,502
	- Short term running finance - secured	18	**-**	(407,416,297)
			38,430,090	(404,518,795)

33 FINANCIAL INSTRUMENTS BY CATEGORY

	December 31, 2013			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
	....Rupees...			
Assets				
Non-current assets				
Long-term loans - considered good	1,149,731	-	-	1,149,731
	1,149,731	-	-	1,149,731
Current assets				
Balances due from funds under management - related parties	16,072,734	-	-	16,072,734
Loans and advances - considered good	1,731,699	-	-	1,731,699
Trade deposits and other receivables - unsecured	9,592,443	-	-	9,592,443
Other financial assets - investments	-	42,894,268	1,583,447,392	1,626,341,660
Cash and bank balances	38,430,090	-	-	38,430,090
	65,826,966	42,894,268	1,583,447,392	1,692,168,626
	66,976,697	42,894,268	1,583,447,392	1,693,318,357

	December 31, 2013		
	Fair value through profit or loss	At Amortized Cost	Total
	....................................Rupees....................................		
Liabilities			
Non-current liabilities			
Long-term finance - securitisation of management fee receivables	-	-	-
	-	-	-
Current Liabilities			
Current maturity of securitisation of management fee receivables - debt	-	-	-
Short term running finance - secured	-	-	-
Accrued and other liabilities	-	35,618,595	35,618,595
Accrued mark-up	-	123,491	123,491
	-	35,742,086	35,742,086
	-	35,742,086	35,742,086

	December 31, 2012			
	Loans and receivables	At fair value through profit or loss	Available for sale	Total
Assets	....	....	Rupees	....
Non-current assets				
Long-term loans - considered good	659,855	-	-	659,855
	659,855	-	-	659,855
Current assets				
Balances due from funds under management	20,666,258	-	-	20,666,258
Loans and advances - considered good	3,647,808	-	-	3,647,808
Trade deposits and other receivables - unsecured	7,370,195	-	-	7,370,195
Other financial assets - investments	-	40,991,190	1,445,695,428	1,486,686,618
Cash and bank balances	2,897,502	-	-	2,897,502
	34,581,763	40,991,190	1,445,695,428	1,521,268,381
	35,241,618	40,991,190	1,445,695,428	1,521,928,236

	December 31, 2012		
	Fair value through profit or loss	At Amortized Cost	Total
Liabilities	....	Rupees	....
Non-current liabilities			
Long-term finance - securitisation of management fee receivables	-	66,438,526	66,438,526
	-	66,438,526	66,438,526
Current Liabilities			
Current maturity of securitisation of management fee receivables - debt	-	103,119,562	103,119,562
Short term running finance - secured	-	407,416,297	407,416,297
Accrued and other liabilities	-	22,188,789	22,188,789
Accrued mark-up	-	16,364,766	16,364,766
	-	549,089,414	549,089,414
	-	615,527,940	615,527,940

34 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and operational risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

34.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Group manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

34.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

34.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has no significant interest-bearing assets except investment in Market Treasury Bill and deposit accounts.

34.1.3 Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instrument traded in the market.

The Group's listed securities are susceptible to market price risk arising from uncertainties about the future value of investment securities. The Group manages the equity price risk through diversification of its investment portfolio.

Fair value sensitivity analysis for fixed rate instruments

The Group accounts for fixed rate financial assets as available for sale thereby recognising the effect of variation in market rates in other comprehensive income.

A change of 100 basis points in interest rates at the reporting date would have increased / (decreased) the other comprehensive income for the year as follows. This analysis assumes that all other variables remain constant.

	Impact on other comprehensive income	
	100 bp increase	100 bp Decrease
	................................Rupees................................	
As at December 31, 2013		
Market Treasury Bill	**(3,535)**	**3,448**
As at December 31, 2012		
Market Treasury Bill	-	-

The Group is exposed to other price risk on investments in open ended mutual funds. The Gruop manages the risk through portfolio diversification. The Group regularly monitors the performances on an on-going basis.

The 10% increase / (decrease) in market value of these instruments with all other variable held constant will have following impact on other comprehensive income:

	Impact on other comprehensive income	
	100 bp increase	100 bp Decrease
	................................Rupees................................	
As at December 31, 2013		
Units of mutual funds	**142,380,675**	**(142,380,675)**
As at December 31, 2012		
Units of mutual funds	144,569,543	(144,569,543)

The Group is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from deposits with banks and financial institutions, and credit exposures arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. Management believes that the Group is not exposed to any significant credit risk from investments in or receivables from the funds which are managed by the Group itself. The risk of default is considered minimal due to inherent systematic measures taken therein.

Exposure to credit risk

The maximum exposure to credit risk at reporting date is:

	December 31, 2013	December 31, 2012
	...............Rupees...............	
Long-term loans - considered good	**1,149,731**	659,855
Balances due from funds under management	**16,072,734**	20,666,258
Loans and advances - considered good	**1,731,699**	3,647,808
Trade deposits and other receivables - unsecured	**9,592,443**	7,403,373
Other financial assets - investments, available-for sale	**1,583,447,392**	1,486,686,618
Bank balances	**38,370,304**	2,776,283
	1,650,364,303	1,521,840,195

34.2.1 Investments - available for sale

The Group's investment includes investment in government securities (market treasury bills) and units of open end mutual funds. These mutual funds have been rated star and stability ratings from PACRA

34.2.2 Bank balances

The analysis below summarizes the credit quality of the Group's bank balance:

	December 31, 2013	December 31, 2012
	...............Rupees...............	
AA +	**141,600**	134,128
AA -	**1,764,907**	1,618,426
AA	**182,188**	42,116
A	**466,368**	632,949
AAA	**235,579**	223,609
A+	**34,485,053**	30,961
A2	**30,325**	30,235
	37,306,020	2,712,424

34.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that the Group could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Group's treasury aims at maintaining flexibility in funding by keeping committed credit lines available. The following are the contractual maturities of financial liabilities:

	As at December 31, 2013					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	........................Rupees........................					
Accrued and other liabilities	**46,063,381**	**46,063,381**	**46,063,381**	**-**	**-**	**-**
Accrued mark-up	**123,491**	**123,491**	**123,491**	**-**	**-**	**-**
	46,186,872	**46,186,872**	**46,186,872**	**-**	**-**	**-**

	As at December 31, 2012					
	Carrying amount	Contractual cash flows	Six months or less	Six to twelve months	One to two years	Two to five years
	........................Rupees........................					
Securitisation of management fee receivables - debt	169,558,088	169,558,088	-	103,119,562	66,438,526	-
Short term running finance - secured	407,416,297	407,416,297	-	-	-	-
Accrued and other liabilities	24,818,163	24,818,163	24,818,163	-	-	-
Accrued mark-up	16,364,766	16,364,766	12,144,974	4,219,792	-	-
	618,157,314	618,157,314	36,963,137	107,339,354	66,438,526	-

34.4 Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Group's operations either internally within the Group or externally at the Group's service providers, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of investment management behaviour. Operational risks arise from all of the Group's activities.

The Group's objective is to manage operational risk so as to balance limiting of financial losses and damage to its reputation with achieving its investment objective of generating returns for investors.

The primary responsibility for the development and implementation of controls over operational risk rests with the board of directors. This responsibility encompasses the controls in the following areas:

- requirements for appropriate segregation of duties between various functions, roles and responsibility;

- requirements for the reconciliation and monitoring of transactions;

- compliance with regulatory and other legal requirements;

- documentation of controls and procedures;

- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified;

- ethical and business standards;

- risk mitigation, including insurance where this is effective.

35 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

"Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Fair value of the financial assets that are traded in active markets are based on quoted market prices or dealer price quotations.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

	Level 1	Level 2	Level 3	Level 4
Available for sale				
Units of mutual funds - related parties	1,466,701,020	-	-	1,466,701,020
Market Treasury Bill	-	159,640,640	-	159,640,640
	1,466,701,020	159,640,640	-	1,626,341,660

36 CAPITAL RISK MANAGEMENT

The primary objective of the Group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The Group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

37 NON-ADJUSTING EVENT AFTER THE BALANCE SHEET DATE

The Board of Directors have proposed cash dividend of Rs.1/- (December 31, 2013 : 10%) amounting to Rs. 100 millon (December 31, 2012: Rs. 100 millon) in their meeting held on Friday 25th October, 2013. This appropriation February 21, 2014. This appropriation will be approved in the forthcoming Annual General Meeting.

38 GENERAL

38.1 These consolidated financial statements were authorised for issue on February 21, 2014 by the Board of Directors of the Group.

38.2 Corresponding figures have been reclassified wherever necessary for the purpose of better presentation.

38.3 The figures have been rounded off to nearest rupee.

Chief Executive Officer **Chairman**

PATTERN OF SHAREHOLDING
AS ON DECEMBER 31, 2013

No. of Shareholders	Shareholding Form	To	Total Shares Held
654	1	100	14,358
912	101	500	405,101
573	501	1000	550,338
923	1001	5000	2,722,751
333	5001	10000	2,825,566
486	10001	100000	17,055,503
68	100001	1000000	18,254,405
1	1500001	1505000	1,500,500
1	1835001	1840000	1,835,500
1	2595001	2600000	2,600,000
1	52235001	52240000	52,235,978
3,953			**100,000,000**

Categories of Shareholders	No. of Shareholders	Shares Held	Percentage
Individuals	3887	41,004,493	41.00
Insurance Companies	4	135,177	0.14
Financial Institutions	5	52,293,402	52.29
Modaraba & Mutual Funds	2	565,000	0.57
Others	55	6,001,928	6.00

Disclosure of Patern of Shareholding	Shares Held
1) Associate Companies, Undertaking and Related Parties :-	
- JS Bank Limited	52,236,978
- EFU Life Assurance Ltd	72,962
- JS Global Capital Limited - MF	358,500
2) NIT & ICP : -	
3) Directors, CEO, their spouse and minor children:	5,510
4) Public sector entities and corporations :	
- State Life Insurance Corp. Of Pakistan	5,215
- National Bank Of Pakistan	31,424
5) Banks, DFIs, NBFCs, Insurance Companies, Modarabs andMutual Funds :	
- Escorts Investment Bank Limited	25,000
- Askari General Insurance Co. Ltd.	17,000
- Silver Star Insurance Company Limited	40,000
- CDC - Trustee Kasb Asset Allocation Fund	530,000
- CDC - Trustee Crosby Dragon Fund	35,000

FORM OF PROXY
ANNUAL GENERAL MEETING

The Company Secretary,
JS Investments Limited
7th Floor, The Forum, G-20,
Khayaban-e-Jami, Clifton,
Karachi- 75600.

I/We____________________________________of_____________________________________ being member**(s)** of JS Investments Limited, holding ____________________ ordinary shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS) __________________________hereby appoint Mr. / Mrs. / Miss _______________________________ of____________________(Folio no. CDC A/c No.) ____________________ or failing him/her Mr. / Mrs. / Miss _______________________________ of ____________________ (Folio no. CDC A/c No.) _________________________ being member of the company, as my / our proxy to attend, act and vote for me / us and my / our behalf at the Annual General Meeting of the Company to be held on April 07, 2014 and / or any adjournment thereof.

As witness my / our hand / seal this ___________________________ day of 2014.

Signed by ____

In the presence of

Witnesses:

1. Name ________________________________
Signature ____________________________
Address ______________________________
____
CNIC / Passport No.__________________

2. Name ________________________________
Signature ____________________________
Address ______________________________
____
CNIC / Passport No.__________________

Signature on Rs. 5/-
Revenue Stamp

Signature on Rs. 5/-
Revenue Stamp

The Signature should agree with the specimen registered with the Company

The Signature should agree with the specimen registered with the Company

Important:

1. A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
2. This proxy form, duly completed and signed, must be received at the office of Company situated at 7th Floor, The Forum, G-20, Khayaban-e-Jami, Clifton, Karachi not later than 48 hours before the scheduled time of the meeting.
3. No person shall act as proxy unless he / she himself / herself is a member with the Company, except that a Corporation may appoint a person who is not a member.
4. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
5. Beneficial Owner of physical shares and the shares registered in the name of Central Depository Company of Pakistan limited (CDC) and/or their proxy are required to produce their original CNIC or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / power of attorney with specimen signature shall be submitted along with proxy form.

AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Investments Limited
7th Floor, The Forum, G-20,
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600.

JS investments

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