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**JS Investments Limited**  
Quarterly Report for the period  
ended September 30, 2011



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#### **VISION**

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

#### **MISSION**

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

#### **BROAD POLICY OBJECTIVES**

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



## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Munawar Alam Siddiqui Mr. Rashid Mansur Mr. Suleman Lalani Mr. Nazar Mohammad Shaikh Lt.General (R) Masood Parwaiz Mr. Sadeq Sayeed Mr. Mazharul Haq Siddiqui	Chairman Chief Executive Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
<b>Audit Committee</b>	Mr. Nazar Mohammad Shaikh Mr. Munawar Alam Siddiqui Lt.General (R) Masood Parwaiz	Chairman Member Member
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Suleman Lalani	
<b>Auditors</b>	Anjum Asim Shahid Rahman Chartered Accountants	
<b>Legal Advisor</b>	Bawaney & Partners	
<b>Share Registrar</b>	Technology Trade (Private) Limited 241-C, Block-2, P.E.C.H.S., Karachi	
<b>Registered Office</b>	7th Floor, The Forum, G-20 Khayaban-e-Jami, Block-9, Clifton Karachi-75600 Tel: (92-21) 111-222-626 Fax: (92-21) 35361724 E-mail: info@jsil.com Website: www.jsil.com	

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of JS Investments Limited has pleasure in presenting to you the un-audited financial statements of the Company for the three months period ended September 30, 2011.

### Economic Outlook

Sentiments during most of 1QFY12 were marred due to concerns over weak US economic performance and the Euro debt crisis. Combined with domestic political noise; unstable law and order conditions; deteriorating Pak-US relationships; and the devastating floods that damaged most areas of Sind, FIPI retracted by a hefty USD 45.7mn as against an outflow of 21.9mn registered in the previous quarter. This led to a 3% decline in the KSE-30 during the quarter while average daily volumes dropped by 5% QoQ, their squeeze exacerbated by the shorter working hours during the month of Ramadan.

The conditions remained particularly grave during the first 2 months of the period under review. However September witnessed a flurry of investor activity as anticipations with regards to significant monetary easing by the Central Bank, that was due on 8th October 2011, took effect. This was prompted due to a sharp decline in CPI levels to 10.5% in September 2011 from 13.3% in Jun '11, aided primarily by a revision in base year by the authorities from FY01 to FY08. Hence the market experienced some respite as the index rebounded by 6.4% MoM while the daily turnover average improved by 38% MoM.

The SBP reduced the discount rate by 50bps at the start of the fiscal year in view of a strong performance by the Current Account, lower Government borrowings, declining inflation rate and expectations of its containment within the FY12 target of 12%. As a result, decline was witnessed in various tenors of the Kibor with the 3M, 6M and 12M rates dropping by 33bps, 53bps and 64bps respectively. Meanwhile PKR remained under considerable pressure mainly on account of increasing dollar demand to cover debt repayments and high import payment requirements. Consequently, the Central Bank had to intervene by taking appropriate measures to restrain the downside of PKR after massive depreciation against the USD.

However, inflation for September 2011 dropped steeply to 10.5% turning real interest rates positive and creating room for further monetary easing. As a result, with an aim to boost the economic activity within the country, the Central Bank reduced its policy rate by a significant 150bps in its October 2011 bimonthly meeting. Going forward, market interest rates are generally expected to follow the discount rate trajectory and hence this may bode negatively for yields of fixed income fund.

### Results of Operations

The Company managed a loss of Rs. 16.444 million during the quarter ended September 31, 2011 showing loss per share of Rs. 0.16. The Company earned management remuneration from funds under management of Rs. 52.829 million compared to Rs. 65.831 million during the corresponding period last year. The assets under management were Rs. 11.716 billion as on September 30, 2011 compared to Rs. 12.812 billion as on June 30, 2011 depicting a decline of 8.55%. Administration and marketing were Rs. 51.624 million during the period under review compared to Rs. 59.117 million during the corresponding period last year - a saving of 12.67%. The financial charges were Rs. 32.681 million showing a decline of 19.03% over the same period last year.

The shareholders equity increased to Rs. 773 million as on September 30, 2011 from Rs. 742 million as on June 30, 2011 - an increase of 4.18%.



**Entity and Asset Manager Rating**

Pakistan Credit Rating Agency (PACRA) has assigned the long-term and short-term rating to the Company of "A+" (Single A plus) and "A1" (A one) respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

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

**Acknowledgment**

The directors express their gratitude to the employees of the Company for their dedication and hard work, the investors of the funds managed by the Company and the shareholders of the Company for their confidence in the Management.

On behalf of the Board

**Rashid Mansur**  
Chief Executive Officer

Karachi: October 22, 2011

## JS Investments Limited

### CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2011

		(Un-audited) September 30, 2011	(Audited) June 30, 2011
	Note	-----Amount in Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible - Property and equipment	5	306,290,656	310,131,410
Intangible assets		106,613,838	106,978,119
Long-term loans and advances - considered good		1,374,643	1,377,978
Investment in subsidiary - at cost		37,500,000	37,500,000
		<u>451,779,137</u>	<u>455,987,507</u>
<b>Current assets</b>			
Investments - available for sale	6	1,240,863,214	1,213,749,511
Loans and advances - considered good		2,286,016	1,841,228
Deposits, prepayments and other receivables - unsecured - considered good		26,685,925	14,309,707
Balances due from funds under management - related parties		19,502,735	2,384,739
Taxation recoverable		69,144,889	70,394,820
Cash and bank balances		5,888,765	4,350,469
		<u>1,364,371,544</u>	<u>1,307,030,474</u>
<b>Total assets</b>		<u><b>1,816,150,681</b></u>	<u><b>1,763,017,981</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital</b>			
Unrealised gain on remeasurement of available for sale investments to fair value - net	6	395,323,001	349,939,144
Accumulated loss		(622,468,413)	(607,674,222)
		<u>772,854,588</u>	<u>742,264,922</u>
Surplus on revaluation of fixed assets - net of tax		135,309,545	136,959,339
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Securitisation of management fee receivables - debt		193,751,612	257,817,193
Deferred taxation-net		39,249,344	41,248,941
		<u>233,000,956</u>	<u>299,066,134</u>
<b>Current liabilities</b>			
Current maturity of securitisation of management fee receivables - debt		127,386,359	76,158,576
Short-term running finance - secured		351,386,296	310,591,787
Short-term borrowings - unsecured		150,000,000	150,000,000
Accrued and other liabilities		25,538,669	27,594,354
Accrued mark-up		20,674,268	20,382,869
		<u>674,985,592</u>	<u>584,727,586</u>
<b>Total liabilities</b>		<u><b>907,986,548</b></u>	<u><b>883,793,720</b></u>
<b>Total equity and liabilities</b>		<u><b>1,816,150,681</b></u>	<u><b>1,763,017,981</b></u>
Contingencies and commitments	9		
<b>Breakup value</b>		<u><b>7.73</b></u>	<u><b>7.42</b></u>
<b>Breakup value (including surplus on revaluation of fixed assets)</b>		<u><b>9.08</b></u>	<u><b>8.79</b></u>

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

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

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Chairman



JS Investments Limited

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Note	September 30, 2011	September 30, 2010
		-----Amount in Rupees-----	
<b>INCOME</b>			
Remuneration from funds under management - gross		61,281,916	65,831,298
Less: Sales tax		8,452,678	-
Remuneration from funds under management - net		52,829,238	65,831,298
Commission from open end funds under management		14,896	1,310
Gain on sale of investments - net		3,743,921	15,778,489
Return on bank deposits		21,576	68,708
Dividend		4,299,798	13,820,100
Markup on term finance certificates		4,989,991	4,551,335
Commission income and share of profit from management of discretionary client portfolios	10	7,177	-
		65,906,597	100,051,240
<b>OPERATING EXPENSES</b>			
Administrative and marketing		50,559,162	59,117,711
<b>OPERATING PROFIT</b>			
		15,347,435	40,933,529
Other operating expenses		1,065,000	575,000
Financial charges		32,681,351	40,364,340
		(18,398,916)	(5,811)
Other operating income		4,268,623	4,155,209
(Loss) / profit before tax		(14,130,293)	4,149,398
Taxation - Current		4,313,289	(295,572)
- Deferred		(1,999,597)	(1,815,626)
		2,313,692	(2,111,198)
(Loss) / profit for the quarter		(16,443,985)	6,260,596
(Loss) / earning per share for the quarter	11	(0.16)	0.06

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

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Chief Executive Officer

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Chairman

JS Investments Limited

**CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME** (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 30, 2011	September 30, 2010
	-----Amount in Rupees-----	
(Loss) / profit for the quarter	(16,443,985)	6,260,596
<b>Other comprehensive income:</b>		
Unrealised gain on remeasurement of available for sale investments to fair value - net	48,750,950	54,985,327
Gain realised on disposal of investments	(3,367,093)	(14,874,115)
	45,383,857	40,111,212
Taxation relating to components of other comprehensive income	-	-
<b>Total Comprehensive income</b>	<b>28,939,872</b>	<b>46,371,808</b>

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

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

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Chairman

**CONDENSED INTERIM CASH FLOW STATEMENT** (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 30, 2011	September 30, 2010
	-----Amount in Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) / profit for the quarter before taxation	(14,130,293)	4,149,398
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management	(52,829,238)	(65,831,298)
Commission from open end funds under management	(14,896)	(1,310)
Dividend	(4,299,798)	(13,820,100)
Depreciation	5,782,754	8,292,091
Amortisation of intangible assets	364,281	1,200,540
Financial charges	32,681,351	40,364,340
Interest / mark-up income	(21,576)	(68,708)
Gain on disposal of fixed assets	(100,000)	-
	<u>(32,567,415)</u>	<u>(25,715,047)</u>
<b>Increase / decrease in assets and liabilities</b>		
Loans and advances	3,335	(689,475)
Long term loans and advances	(444,789)	406,985
Long-term receivable from related parties	-	1,534,676
Deposits, prepayments and other receivables	43,151,364	3,978,380
Accrued and other liabilities	(2,055,685)	(1,444,986)
	<u>40,654,225</u>	<u>3,785,580</u>
Taxes (paid) / refund	8,086,810	(21,929,467)
Remuneration and commission received from funds under management	(3,063,358)	28,431,636
<b>Net cash inflow from operating activities</b>	<u>40,749,590</u>	<u>54,785,590</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	18,270,154	82,519,598
Fixed capital expenditure incurred	(1,942,000)	(187,722)
Return on bank deposits	21,576	68,708
Proceeds from disposal of fixed assets	100,000	-
<b>Net cash inflow from investing activities</b>	<u>16,449,730</u>	<u>82,400,584</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee	(64,542,500)	(64,542,500)
Dividend paid	-	(1,300)
Short term borrowing	-	(50,000,000)
Financial charges paid	(31,913,033)	(33,444,404)
<b>Net cash used in financing activities</b>	<u>(96,455,533)</u>	<u>(147,988,204)</u>
<b>Net decrease in cash and cash equivalents</b>	<u>(39,256,213)</u>	<u>(10,802,030)</u>
Cash and cash equivalents at beginning of the year	(306,241,318)	(306,281,132)
<b>Cash and cash equivalents at end of the quarter</b>	<u>12</u> <u>(345,497,531)</u>	<u>(317,083,162)</u>

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

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

\_\_\_\_\_  
Chairman

JS Investments Limited

**CONDENSED INTERIM STATEMENT OF CHANGES**

**IN EQUITY (UN-AUDITED)**

FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Share capital	Accumulated loss	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity
----- Amount in Rupees -----					
Balance as at June 30, 2010	1,000,000,000	(748,075,367)	109,873,728	66,273,592	428,071,953
Total Comprehensive income	-	6,260,596	-	40,111,212	46,371,808
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	1,649,794	-	-	1,649,794
<b>Balance as at September 30, 2010</b>	<u>1,000,000,000</u>	<u>(740,164,977)</u>	<u>109,873,728</u>	<u>106,384,804</u>	<u>476,093,555</u>
Balance as at June 30, 2011	1,000,000,000	(607,674,222)	-	349,939,144	742,264,922
Total Comprehensive income	-	(16,443,985)	-	45,383,857	28,939,872
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	1,649,794	-	-	1,649,794
<b>Balance as at September 30, 2011</b>	<u>1,000,000,000</u>	<u>(622,468,413)</u>	<u>-</u>	<u>395,323,001</u>	<u>772,854,588</u>

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

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

\_\_\_\_\_  
Chairman

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2011

### 1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Jahangir Siddiqui and Company Limited (which has 52.02 percent direct holding in the Company).

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

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

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

##### Closed-End

- JS Growth Fund
- JS Value Fund Limited

##### Open-End

- JS Large Cap 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 Aggressive Income Fund
- JS Principal Secure Fund I
- JS Cash Fund

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

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

### 2. STATEMENT OF COMPLIANCE

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

## JS Investments Limited

### 3 BASIS OF PREPARATION

- 3.1 The condensed interim financial information are unaudited and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.
- 3.2 The condensed interim financial statements are being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting " as applicable in Pakistan and should be read in conjunction with annual audited financial statements of the company for the year ended June 30, 2011.
- 3.3 The condensed interim financial information have been prepared under the accrual basis of accounting except for cash flow information.

### 4 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2011.

(Un-audited)                      (Audited)  
September 30,                      June 30,  
2011                                      2011  
-----Amount in Rupees-----

### 5 TANGIBLE PROPERTY AND EQUIPMENT

Operating fixed assets		
Opening WDV	309,629,411	338,772,046
Addition during the quarter / year	1,003,999	657,482
Disposal during the quarter / year	-	(1,043,328)
Depreciation for the quarter / year	(5,782,754)	(28,756,789)
Closing WDV	<u>304,850,656</u>	<u>309,629,411</u>
Capital work-in-process - at cost	<u>1,440,000</u>	<u>-</u>
	<u><u>306,290,656</u></u>	<u><u>309,629,411</u></u>

#### 5.1 Tangible property and equipment

The following additions were made to tangible fixed assets during the quarter / year:

Branch set-up	-	272,760
Office equipment	<u>1,003,999</u>	<u>384,722</u>
	<u><u>1,003,999</u></u>	<u><u>657,482</u></u>

The following disposals (net of book value) of tangible fixed assets were made during the quarter / year:

Branch set-up	-	240,493
Furniture and fixtures	-	225,744
Office equipment	-	122,216
Vehicles	<u>-</u>	<u>454,875</u>
	<u><u>-</u></u>	<u><u>1,043,328</u></u>

## JS Investments Limited

### 6 INVESTMENTS - AVAILABLE FOR SALE

Investments in certificates / units / shares - at fair value

	(Un-audited) September 30, 2011		(Audited) June 30, 2011	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
<b>Investments - related parties</b>				
JS Value Fund Limited	21,498,992	101,045,262	21,498,992	118,244,456
JS Large Cap. Fund-Class B	6,581,000	280,877,080	6,581,000	460,340,950
JS Large Cap. Fund-Class A	4,392,353	228,621,982	-	-
JS Growth Fund	36,086,812	219,046,949	36,086,812	212,912,191
JS Pension Savings Fund - Equity	300,000	28,197,000	300,000	28,437,000
JS Pension Savings Fund - Debt	200,000	29,892,000	200,000	29,002,000
JS Pension Savings Fund - Money Market	200,000	24,844,000	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Principal Secure Fund I	195,943	22,357,070	185,790	21,800,633
JS Islamic Pension Savings Fund - Equity	250,000	40,477,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	250,000	35,635,000	250,000	34,162,500
JS Islamic Pension Savings Fund - Money Market	250,000	31,252,500	250,000	30,357,500
JS Aggressive Income Fund	571,765	49,760,748	501,736	47,519,428
JS Cash Fund	409,862	41,588,623	400,000	42,120,000
		1,133,595,714		1,107,071,391
<b>Other investments</b>				
Escort Investment Bank Limited	3,274,000	4,911,000	3,274,000	6,310,820
<b>Term Finance Certificates</b>				
Optimus Limited-PPTFC	25,000	102,356,500	25,000	100,359,300
Investments at market value		1,240,863,214		1,213,741,511
Less: Cost of investments		(845,540,213)		(863,810,367)
Unrealised gain on re-measurement of investments		395,323,001		349,931,144

6.1 The Certificates having par value of Rs. 10/- each of JS Large Cap. Fund were converted into units of par value of Rs. 100/- each (i.e. in the ratio of 10:1) upon conversion of the Fund into an open-end scheme.

	(Un-audited) September 30, 2011		(Audited) June 30, 2011	
	-----Amount in Rupees-----			
<b>7 CASH AND BANK BALANCES</b>				
Cash in hand		96,318		70,082
Cheque in hand		-		8,261
Balance with banks:				
In current account		1,350,080		1,403,641
In savings accounts	7	4,442,367		2,868,485
		5,792,447		4,272,126
		5,888,765		4,350,469

7.1 This includes Rs 0.0373 million (June 30, 2011: Rs 0.0157 million) held with JS Bank Limited (a related party).

## JS Investments Limited

### 8 SHARE CAPITAL

(Un-audited) September 30, 2011	(Audited) June 30, 2011		(Un-audited) September 30, 2011	(Audited) June 30, 2011
Number of shares		Authorised	-----Amount in Rupees-----	
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
<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000,000</u>	<u>2,500,000,000</u>
<b>Issued, subscribed and paid-up</b>				
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 Crosby Financial Services Limited	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
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

At Sept. 30, 2011 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2011: 52.024 million) ordinary shares of Rs. 10 each of the Company.

### 9 CONTINGENCIES & COMMITMENTS

#### 9.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue Appeal has not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for denovo proceedings with the directions to apportionment of 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 disallowance and taxability of portion of capital gain on dividend received from mutual funds.

Management and tax advisors are confident that good ground exist to contest these disallowance at appellate forums, these additions can not be maintainable and eventually outcome will come in favour of the Company. Hence, no provision has been made in the financial statements.

#### 9.2 Commitments in respect of:

Royalty and advisory payments	<u>10,000,000</u>	<u>10,000,000</u>
Asset acquired under Ijarah from Bank Islami		
- Due in one year	<u>2,472,324</u>	<u>2,472,324</u>
- Due in two to five years	<u>4,944,648</u>	<u>7,416,972</u>

## JS Investments Limited

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing two (June 30, 2011: two) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at September 30, 2011 was Rs. 37.808 million (June 30, 2011: 36.656 million) and Rs. 37.824 million (June 30, 2011: 36.613 million) respectively.

11 (LOSS) / EARNING PER SHARE	(Un-audited) September 30, 2011	(Un-audited) September 30, 2010
	-----Amount in Rupees-----	
(Loss) / profit for the quarter after taxation	(16,443,985)	6,260,596
Weighted average number of ordinary shares outstanding during the quarter	100,000,000	100,000,000
(Loss) / earning per share	<u>(0.16)</u>	<u>0.06</u>
<b>12 CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	5,888,765	5,674,103
Short-term running finance - secured	<u>(351,386,296)</u>	<u>(322,757,265)</u>
	<u>(345,497,531)</u>	<u>(317,083,162)</u>

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

13.1 The details of significant transactions with related parties during the quarter are as follows:

Remuneration from funds under management	52,829,238	65,831,298
Commission from funds under management	14,896	1,310
Rental income	901,599	765,296
Rent expense	500,064	1,614,864
Investments disposed off in funds under management - at cost	18,270,159	138,892,598
Contribution to staff provident fund	977,643	1,073,609
Dividend income	4,299,798	13,820,100
Markup expense on borrowing	11,729,970	11,093,831
Bonus shares / units (Number of shares / units)	4,536,211	255,884
<b>Transactions with key management personnel</b>		
Remuneration to key management personnel	11,284,967	11,619,228
Director fee	870,000	870,000

## JS Investments Limited

	(Un-audited) September 30, 2011	(Audited) June 30, 2011
-----Amount in Rupees-----		
<b>13.2 Balances:</b>		
Investments in funds under management and other related parties	1,133,595,714	1,107,071,391
Investments in subsidiary	37,500,000	37,500,000
Balances due from funds under management	19,502,735	2,384,739
Short term borrowing-unsecured	150,000,000	150,000,000
Interest payable on short term borrowing	7,498,161	7,813,430

### 14 GENERAL

These condensed interim financial statements were authorised for issue on October 22, 2011 by the Board of Directors of the Company.

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

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Chairman



CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS





## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2011

		(Un-audited) September 30, 2011	(Audited) June 30, 2011
	Note	-----Amount in Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible - property and equipment	5	308,790,656	312,631,410
Intangible assets		107,613,838	107,978,119
Long-term loans and advances - considered good		1,374,643	1,377,978
		<u>417,779,137</u>	<u>421,987,507</u>
<b>Current assets</b>			
Investments - available for sale	6	1,277,118,854	1,248,637,751
Loans and advances - considered good		2,286,016	1,841,228
Deposits, prepayments and other receivables - unsecured - considered good		26,708,425	14,346,707
Balances due from funds under management - related parties		19,502,735	2,384,739
Taxation recoverable		69,165,625	70,415,460
Cash and bank balances	7	5,946,435	4,390,794
		<u>1,400,728,090</u>	<u>1,342,016,679</u>
<b>Total assets</b>		<u><u>1,818,507,227</u></u>	<u><u>1,764,004,186</u></u>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	1,000,000,000	1,000,000,000
Unrealised gain on remeasurement of available for sale investments to fair value - net	6	395,323,001	349,939,144
Accumulated loss		(620,339,240)	(606,916,365)
		<u>774,983,761</u>	<u>743,022,779</u>
Surplus on revaluation of fixed assets - net of tax		135,309,545	136,959,339
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Securitisation of management fee receivables - debt		193,751,612	257,817,193
Deferred taxation - net		39,249,344	41,248,941
		<u>233,000,956</u>	<u>299,066,134</u>
<b>Current liabilities</b>			
Current maturity of securitisation of management fee receivables - debt		127,386,359	76,158,576
Short-term running finance - secured		351,386,296	310,591,787
Short-term borrowings - unsecured		150,000,000	150,000,000
Accrued and other liabilities		25,766,042	27,822,702
Accrued mark-up		20,674,268	20,382,869
		<u>675,212,965</u>	<u>584,955,934</u>
<b>Total liabilities</b>		<u>908,213,921</u>	<u>884,022,068</u>
<b>Total equity and liabilities</b>		<u><u>1,818,507,227</u></u>	<u><u>1,764,004,186</u></u>
<b>Contingencies and commitments</b>			
	9		
Breakup value		<u>7.75</u>	<u>7.43</u>
Breakup value (including surplus on revaluation of fixed assets)		<u>9.10</u>	<u>8.80</u>

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

Chief Executive Officer

Chairman

JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS  
ACCOUNT (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 30, 2011	September 30, 2010
Note	-----Amount in Rupees-----	
<b>INCOME</b>		
Remuneration from funds under management - gross	61,281,916	65,831,298
Less: Sales tax	<u>8,452,678</u>	-
Remuneration from funds under management - net	52,829,238	65,831,298
Commission from open end funds under management	14,896	1,310
Gain on sale of investments - net	3,744,362	15,778,489
Return on bank deposits	22,542	70,425
Dividend	4,299,798	13,820,100
Markup on term finance certificates	4,989,991	4,551,335
Commission income and share of profit from management of discretionary client portfolios	10      7,177	-
Unrealised gain on revaluation of investments	<u>1,416,959</u>	<u>306,613</u>
	67,324,963	100,359,570
<b>OPERATING EXPENSES</b>		
Administrative and marketing	50,606,212	59,148,461
<b>OPERATING PROFIT</b>		
	<u>16,718,751</u>	<u>41,211,109</u>
Other operating expenses	1,065,000	575,000
Financial charges	<u>32,681,351</u>	<u>40,364,340</u>
	(17,027,600)	271,769
Other operating income	4,268,623	4,155,209
<b>(Loss) / profit before tax</b>	<u>(12,758,977)</u>	<u>4,426,978</u>
Taxation		
- Current	4,313,289	(295,572)
- Deferred	<u>(1,999,597)</u>	<u>(1,815,626)</u>
	2,313,692	(2,111,198)
<b>(Loss) / profit for the quarter</b>	<u>(15,072,669)</u>	<u>6,538,176</u>
<b>(Loss) / earning per share for the quarter</b>	11 <u>(0.15)</u>	<u>0.07</u>

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

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Chief Executive Officer

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Chairman



JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	September 30, 2011	September 30, 2010
	-----Amount in Rupees-----	
(Loss) / profit for the quarter	(15,072,669)	6,538,176
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	48,750,950	54,985,32
Gain realised on disposal of investments	(3,367,093)	(14,874,115)
	45,383,857	40,111,212
Taxation relating to components of other comprehensive income	-	-
Total Comprehensive income	<u>30,311,188</u>	<u>46,649,388</u>

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

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

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Chairman

## JS Investments Limited

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Note	September 30, 2011	September 30, 2010
-----Amount in Rupees-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss) / profit for the quarter before taxation		(12,758,977)	4,426,978
<b>Adjustment for non-cash and other items:</b>			
Remuneration from funds under management		(52,829,238)	(65,831,298)
Commission from open end funds under management		(14,896)	(1,310)
Dividend		(4,299,798)	(13,820,100)
Depreciation		5,782,754	8,292,091
Amortisation of intangible assets		364,281	1,200,540
Financial charges		32,681,351	40,364,340
Interest / mark-up income		(21,576)	(70,425)
Loss on disposal of fixed assets		(100,000)	-
Unrealized gain on remeasurement of investment at fair value through profit / (loss)		(1,416,959)	(306,613)
		<u>(32,613,058)</u>	<u>(25,745,797)</u>
<b>Increase / decrease in assets and liabilities</b>			
Loans and advances		3,335	(689,475)
Long term loans and advances		(444,789)	406,985
Long-term receivable from related parties		-	1,534,676
Deposits, prepayments and other receivables		43,165,864	3,989,130
Accrued and other liabilities		(2,056,660)	(1,424,986)
		<u>40,667,750</u>	<u>3,816,330</u>
		8,054,692	(21,929,467)
Taxes (paid) / refund		(3,063,454)	28,431,464
Remuneration and commission received from funds under management		35,726,138	48,283,421
<b>Net cash inflow from operating activities</b>		<u>40,717,376</u>	<u>54,785,418</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments - net		18,319,713	82,519,598
Fixed capital expenditure incurred		(1,942,000)	(187,722)
Return on bank deposits		21,576	70,425
Proceeds from disposal of fixed assets		100,000	-
<b>Net cash inflow from investing activities</b>		<u>16,499,289</u>	<u>82,402,301</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of principal amount relating to the securitised management fee		(64,542,500)	(64,542,500)
Dividend paid		-	(1,300)
Short term borrowing		-	(50,000,000)
Financial charges paid		(31,913,033)	(33,444,404)
<b>Net cash used in financing activities</b>		<u>(96,455,533)</u>	<u>(147,988,204)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(39,238,868)</u>	<u>(10,800,485)</u>
Cash and cash equivalents at beginning of the year		(306,200,993)	(306,198,312)
<b>Cash and cash equivalents at end of the quarter</b>	12	<u>(345,439,861)</u>	<u>(316,998,797)</u>

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

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

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Chairman

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF  
CHANGES IN EQUITY (UNAUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

	Share capital	Accumulated loss	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity
	----- Amount in Rupees -----				
Balance as at June 30, 2010	1,000,000,000	(748,413,383)	109,873,728	66,273,592	427,733,937
Total Comprehensive income	-	6,538,176	-	40,111,212	46,649,388
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	1,649,794	-	-	1,649,794
Balance as at September 30, 2010	<u>1,000,000,000</u>	<u>(740,225,413)</u>	<u>109,873,728</u>	<u>106,384,804</u>	<u>476,033,119</u>
Balance as at June 30, 2011	1,000,000,000	(606,916,365)	-	349,939,144	743,022,779
Total Comprehensive income	-	(15,072,669)	-	45,383,857	30,311,188
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	1,649,794	-	-	1,649,794
Balance as at September 30, 2011	<u>1,000,000,000</u>	<u>(620,339,240)</u>	<u>-</u>	<u>395,323,001</u>	<u>774,983,761</u>

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

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

\_\_\_\_\_  
Chairman

**SELECTED NOTES TO THE CONDENSED INTERIM  
CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)**  
FOR THE QUARTER ENDED SEPTEMBER 30, 2011

**1 THE GROUP AND ITS OPERATIONS**

The group consists of:

Holding company	
- JS Investments Limited	"Percentage holding of JS Investments Limited"
Subsidiary company	
- JS ABAMCO Commodities limited	*99.99%

\* The remaining shares of the subsidiary company are held by the directors of the subsidiary company.

- 1.1 JS Investments Limited (the Company) is a public listed company incorporated in Pakistan on February 22, 1995 under the Companies Ordinance, 1984. The shares of the Company are quoted on the Karachi Stock Exchange since April 24, 2007. The registered office of the Company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The Company is a subsidiary of Jahangir Siddiqui and Company Limited (which has 52.02 percent direct holding in the Company).

JS ABAMCO Commodities Limited (JSACL) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984. The registered office of the company is situated at 7th floor, 'The Forum', Khayaban-e-Jami, Clifton, Karachi. The company would be engaged in commodity market brokerage, advisory and consultancy services. The company has not commenced its commercial operations as at the balance sheet date. JS Investments Limited holds 99.99% share capital of JSACL.

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

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

- 1.2.1 Asset management company of the following funds:

**Closed-End**

- JS Growth Fund
- JS Value Fund Limited

**Open-End**

- JS Large Cap 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 Aggressive Income Fund
- JS Principal Secure Fund I
- JS Cash Fund

- 1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund



**2 STATEMENT OF COMPLIANCE**

These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the 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 directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

**3 BASIS OF PREPARATION**

- 3.1 The condensed interim consolidated financial information are unaudited and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.
- 3.2 The condensed interim consolidated financial statements are being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting " as applicable in Pakistan and should be read in conjunction with annual audited financial statements of the company for the year ended June 30, 2011.
- 3.3 The condensed interim consolidated financial information have been prepared under the accrual basis of accounting except for cash flow information.

**4 ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these consolidated financial statements are the same as those applied in the preparation of the annual consolidated financial statements of the company for the year ended June 30, 2011.

	(Un-audited) September 30, 2011	(Audited) June 30, 2011
<b>5 TANGIBLE PROPERTY AND EQUIPMENT</b>	-----Amount in Rupees-----	
Opening WDV	309,629,411	338,772,046
Addition during the quarter / year	1,003,999	657,482
Disposal during the quarter / year	-	(1,043,328)
Depreciation for the quarter / year	(5,782,754)	(28,756,789)
Closing WDV	<u>304,850,656</u>	<u>309,629,411</u>
Capital work in progress	<u>3,940,000</u>	<u>2,500,000</u>
	<u><b>308,790,656</b></u>	<u><b>312,129,411</b></u>
<b>5.1 Tangible property and equipment</b>		
The following additions were made to tangible fixed assets during the quarter / year:		
Branch set-up	-	272,760
Office equipment	1,003,999	384,722
	<u>1,003,999</u>	<u>657,482</u>
The following disposals (net of book value) of tangible fixed assets were made during the quarter / year:		
Branch set-up	-	240,493
Furniture and fixtures	-	225,744
Office equipment	-	122,216
Vehicles	-	454,875
	<u>-</u>	<u>1,043,328</u>

## JS Investments Limited

		(Un-audited) September 30, 2011	(Audited) June 30, 2011
-----Amount in Rupees-----			
<b>6 INVESTMENTS</b>			
Available for sale	6.1	1,240,863,214	1,213,741,511
At fair value through profit or loss account	6.2	<u>36,255,640</u>	<u>34,888,240</u>
		<u><u>1,277,118,854</u></u>	<u><u>1,248,629,751</u></u>

### 6.1 INVESTMENTS - available for sale

Investments in certificates / units / shares - at fair value	(Un-audited) September 30, 2011		(Audited) June 30, 2011	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
<b>Investments - related parties</b>				
JS Value Fund Limited	21,498,992	101,045,262	21,498,992	118,244,456
JS Large Cap Fund-Class B (note 6.3)	6,581,000	280,877,080	6,581,000	460,340,950
JS Large Cap Fund-Class A	4,392,353	228,621,982	-	-
JS Growth Fund	36,086,812	219,046,949	36,086,812	212,912,191
JS Pension Savings Fund - Equity	300,000	28,197,000	300,000	28,437,000
JS Pension Savings Fund - Debt	200,000	29,892,000	200,000	29,002,000
JS Pension Savings Fund - Money Market	200,000	24,844,000	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Principal Secure Fund I	195,943	22,357,070	185,790	21,800,633
JS Islamic Pension Savings Fund - Equity	250,000	40,477,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	250,000	35,635,000	250,000	34,162,500
JS Islamic Pension Savings Fund - Money Market	250,000	31,252,500	250,000	30,357,500
JS Aggressive Income Fund	571,765	49,760,748	501,736	47,519,428
JS Cash Fund	409,862	41,588,623	400,000	42,120,000
		1,133,595,714		1,107,071,391
<b>Other investments</b>				
Escort Investment Bank Limited	3,274,000	4,911,000	3,274,000	6,310,820
<b>Term Finance Certificates</b>				
Optimus Limited-PPTFC	25,000	102,356,500	25,000	100,359,300
Investments at market value		<u>1,240,863,214</u>		<u>1,213,741,511</u>
Less: Cost of investments		(845,540,213)		(863,810,367)
Unrealised gain on re-measurement of investments		<u>395,323,001</u>		<u>349,931,144</u>

### 6.2 At fair value through profit or loss account

	Number of units	Rupees	Number of units	Rupees
<b>JS Income Fund - fund under management</b>				
Investment at market value	419,868	36,255,640	408,623	34,888,240
less: Carrying value of investment		<u>(34,888,240)</u>		<u>(33,750,575)</u>
Unrealised gain on re-measurement of investments		<u>1,367,400</u>		<u>1,137,665</u>

6.3 The Certificates having par value of Rs. 10/- each of JS Large Cap. Fund were converted into units of par value of Rs. 100/- each (i.e. in the ratio of 10:1) upon conversion of the Fund into an open-end scheme.

		(Un-audited) September 30, 2011	(Audited) June 30, 2011
-----Amount in Rupees-----			
<b>7 CASH AND BANK BALANCES</b>			
Cash in hand		96,318	70,082
Cheque in hand		-	8,261
Balance with banks:			
In current account		<u>1,350,080</u>	<u>1,403,641</u>
In savings accounts	7.1	<u>4,500,037</u>	<u>2,908,810</u>
		<u>5,850,117</u>	<u>4,312,451</u>
		<u>5,946,435</u>	<u>4,390,794</u>

7.1 This includes Rs 0.0373 million (June 30, 2011: Rs 0.0157 million) held with JS Bank Limited (a related party).



## JS Investments Limited

### 8 SHARE CAPITAL

(Un-audited) September 30, 2011	(Audited) June 30, 2011	Authorised	(Un-audited) September 30, 2011	(Audited) June 30, 2011
Number of shares			-----Amount in Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
<u>50,000,000</u>	<u>50,000,000</u>	Convertible preference shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000,000</u>	<u>2,500,000,000</u>
<b>Issued, subscribed and paid-up</b>				
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 Crosby Financial Services Limited	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
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

At September 30, 2011 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2011: 52.024 million) ordinary shares of Rs. 10 each of the company.

### 9 CONTINGENCIES & COMMITMENTS

#### 9.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue Appeal has not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for denovo proceedings with the directions to apportionment of 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 disallowance and taxability of portion of capital gain on dividend received from mutual funds.

Management and tax advisors are confident that good ground exist to contest these disallowance at appellate forums, these additions can not be maintainable and eventually outcome will come in favour of the Company. Hence, no provision has been made in the financial statements.

#### 9.2 Commitments in respect of:

Royalty and advisory payments	<u>10,000,000</u>	<u>10,000,000</u>
Asset acquired under Ijarah from Bank Islami		
- Due in one year	<u>2,472,324</u>	<u>2,472,324</u>
- Due in two to five years	<u>4,944,648</u>	<u>7,416,972</u>

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing two (June 30, 2011: two) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at September 30, 2011 was Rs. 37.808 million (June 30, 2011: 36.656 million) and Rs. 37.824 million (June 30, 2011: 36.613 million) respectively.

## JS Investments Limited

### 11 (LOSS) / EARNING PER SHARE

	(Un-audited) September 30, 2011	(Un-audited) September 30, 2010
	-----Amount in Rupees-----	
(Loss) / profit for the quarter after taxation	(15,072,669)	6,538,176
Weighted average number of ordinary shares outstanding during the quarter	100,000,000	100,000,000
(Loss) / earning per share	<u>(0.15)</u>	<u>0.07</u>

### 12 CASH AND CASH EQUIVALENTS

Cash and bank balances		
Short-term running finance - secured	5,946,435	5,758,468
	<u>(351,386,296)</u>	<u>(322,757,265)</u>
	<u>(345,439,861)</u>	<u>(316,998,797)</u>

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

#### 13.1 The details of significant transactions with related parties during the quarter are as follows:

Remuneration from funds under management	52,829,238	65,831,298
Commission from funds under management	14,896	1,310
Rental income	901,599	765,296
Rent expense	500,064	1,614,864
Investments disposed off in funds under management - at cost	18,319,718	138,892,598
Contribution to staff provident fund	977,643	1,073,609
Dividend income	4,299,798	13,820,100
Markup expense on borrowing	11,729,970	11,093,831
Bonus shares / units (Number of shares / units)	4,548,037	255,884
Transactions with key management personnel		
Remuneration to key management personnel	11,284,967	11,619,228
Director fee	870,000	870,000

	(Un-audited) September 30, 2011	(Audited) June 30, 2011
	-----Amount in Rupees-----	
13.2 Balances:		
Investments in funds under management and other related parties	1,169,851,354	1,141,959,631
Balances due from funds under management	19,502,735	20,167,620
Short term borrowing-unsecured	150,000,000	150,000,000
Interest payable on short term borrowing	7,498,161	7,813,430

### 14 GENERAL

These condensed interim consolidated financial statements were authorised for issue on October 22, 2011 by the Board of Directors of the Company.

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

\_\_\_\_\_  
Chairman

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