
JS Investments Limited
Half Yearly Report for the period
ended December 31, 2010



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JS Investments Limited

In July, 2010, the Board of Directors of JS Investments Limited adopted the sustainable growth initiative "JSIL 2010 Onwards ~" proposed by the newly appointed CEO. The revised Vision, Mission, and Statement of Broad Policy Objectives of JS Investments form the bedrock of "JSIL 2010 Onwards ~" and have been framed after a thorough S.W.O.T. Analysis of the Company and assessment of the Macro-economic and Financial Market Trends.

VISION

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

MISSION

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

BROAD POLICY OBJECTIVES

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



COMPANY INFORMATION

Board of Directors	Mr. Munawar Alam Siddiqui Mr. Rashid Mansur Mr. Suleman Lalani Mr. Nazar Mohammad Shaikh Lt.General (R) Masood Parwaiz Mr. Sadeq Sayeed Mazharul Haq Siddiqui (Subject to approval of SECP)	Chairman Chief Executive Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
Audit Committee	Mr. Nazar Mohammad Shaikh Mr. Munawar Alam Siddiqui Lt.General (R) Masood Parwaiz	Chairman Member Member
Chief Financial Officer & Company Secretary	Mr. Suleman Lalani	
Auditors	Anjum Asim Shahid Rahman 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	

JS Investments Limited

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 half-year ended December 31, 2010.

Economic Outlook

The current fiscal year started on the worst note possible, with Pakistan witnessing the most damaging floods in its history. World Bank and the Asian Development Bank estimated the losses rendered through the catastrophe to equal USD 9.7 billion with the agricultural sector being the worst affected. Meanwhile inability of the authorities to get the implementation of RGST underway, along with high power sector subsidies and delay in foreign aid flows culminated in continued government borrowings from the SBP. In turn higher government borrowings along with increased food prices, power tariffs and petroleum prices, led to a sharp increase in the rate of inflation to 14.6% from 12.3% at the start of the year, despite the central bank raising its policy rate cumulatively by 150 bps during the interval.

However the economy sought some relief as the situation of the country's current account continued to strengthen, culminating in an overall positive current account balance of USD 26 million for the period Jul-Dec '10. This was owing to a surge in exports and a relative lower increase in imports along with consistent inflow of robust remittances and higher CSF receipts. Consequently, the PKR devalued only slightly by 1% against the USD during the 6 month period. Combined with a steep discount of close to 50% to average regional market valuations on PER basis, the local markets experienced heavy FPI inflows which drove the market index upwards.

Asset Management Industry Review

Industry assets under management (AUM) as at December 31, 2010 stood at Rs. 223.5 billion, depicting a growth of 12.2% from its June 30, 2010 levels. Open end funds were the main drivers behind the overall growth in AUMs, taking their overall contribution in total industry net asset size to 87%. Closed end fund category followed with a composition of 12% while 1% was made up by pension funds.

Money Market Funds with an increase of Rs. 19.8 billion (or +53.2%) in net asset size to Rs. 57.1 billion as at December 31, 2010 contributed the lion's share to the surge in open end fund AUMs. The reason behind this rise was increasing investor preference towards low risk low maturity instruments as SBP maintained a hawkish stance with a cumulative increase of 150 bps in the country's discount rate. Equity funds also performed impressively during the period under review with an increase of Rs. 4.4 billion (or +9.7%), equating to a net asset size of PKR 49.9 billion. This was mainly on the back of strong performance at the bourses as the 100-index rose sharply by 24% during the 6 month period. On the flip side, Income Funds registered the largest attrition in fund size in the industry with a Rs. 9.3 billion (-15.1%) drop as fund managers sought to write-off their corporate debt instrument holdings in the backdrop of volatile returns and adverse prices movements.

Results of Operations

The Company incurred a loss of Rs. 14.976 million during the half-year ended December 31, 2010 showing a loss per share of Rs. 0.15. The Company earned management remuneration from funds under management of Rs. 128.043 million compared to Rs. 192.208 million during the corresponding period last year. The assets under management were Rs. 14.181 billion as on December 31, 2010 compared to Rs. 16.508 billion as on June 30, 2010 depicting a decline of 14.1%. Administration and marketing expenses were Rs. 119.348 million during the period under review compared to Rs. 150.104 million during the corresponding period last year - a decline of 20.5%. The financial charges were Rs. 75.373 million showing a decline of 28% over the same period last year.



JS Investments Limited

The shareholders equity improved to Rs. 700 million as on December 31, 2010 from Rs. 428 million as on June 30, 2010 - an increase of 63.5%. This was primarily due to improvement in market values / net asset values of our investment portfolio.

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: February 15, 2011

JS Investments Limited

AUDITOR'S REPORT TO THE MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of **JS Investments Limited** (the company) as at **December 31, 2010**, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof (here-in-after referred to as the "interim financial information") for the half year then ended. Management of the company is responsible for the preparation and fair presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2010.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for half year ended **December 31, 2010** is not prepared, in all material respects, in accordance with approved International Financial Reporting Standards, as applicable in Pakistan for interim financial reporting.

Karachi February 15, 2011

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb



JS Investments Limited

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2010

		(Un-audited) December 31, 2010	(Audited) June 30, 2010
	Note	-----Amount in Rupees-----	
ASSETS			
Non-current assets			
Tangible property & equipment	5	321,699,724	338,772,046
Intangible assets		109,319,948	111,721,027
Long-term loans and advances - considered good		966,506	1,346,339
Investment in subsidiary		37,500,000	37,500,000
		469,486,178	489,339,412
Current assets			
Investments - available for sale	6	1,181,816,053	1,113,660,268
Loans and advances - considered good		2,195,347	1,610,941
Deposits, prepayments and other receivables		23,894,514	18,715,711
Balances due from funds under management		2,414,336	2,618,432
Taxation recoverable		72,972,525	103,492,228
Cash and bank balances	7	4,823,319	5,173,592
		1,288,116,094	1,245,271,172
Total assets		<u>1,757,602,272</u>	<u>1,734,610,584</u>
EQUITY AND LIABILITIES			
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	349,980,995	66,273,592
Statutory reserve		109,873,728	109,873,728
Accumulated loss		(759,751,822)	(748,075,367)
		700,102,901	428,071,953
Surplus on revaluation of fixed assets - net of tax		140,258,926	143,558,513
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		321,615,065	384,867,607
Deferred taxation-net		43,966,361	50,063,396
		365,581,426	434,931,003
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		63,943,138	68,319,152
Short-term running finance-secured		292,424,483	311,454,723
Short-term borrowings-unsecured		150,000,000	300,000,000
Accrued and other liabilities		28,807,907	37,253,198
Accrued mark-up		16,483,491	11,022,042
		551,659,019	728,049,115
Total liabilities		<u>917,240,445</u>	<u>1,162,980,118</u>
Total equity and liabilities		<u>1,757,602,272</u>	<u>1,734,610,584</u>
Contingencies and commitments	9		
Breakup value		<u>7.00</u>	<u>4.28</u>
Breakup value (including surplus on revaluation of fixed assets)		<u>8.40</u>	<u>5.72</u>

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

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Note	Half year ended		Quarter ended	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
-----Amount in Rupees-----					
INCOME					
Remuneration from funds under management		128,043,351	192,208,512	62,212,053	95,738,441
Commission from open end funds under management		8,092	2,885,650	6,782	2,239,389
Dividend		13,820,100	22,912,442	-	21,498,992
Gain on sale of investments - net		17,571,474	67,540,567	1,792,985	62,469,741
Return on bank deposits		100,167	149,295	31,459	61,221
Markup on term finance certificates		9,346,007	21,208,288	4,794,672	10,305,543
Amortisation of discount		-	2,270,651	-	1,043,714
Commission income and share of profit from management of discretionary client portfolios	10	<u>671,686</u>	<u>1,632,027</u>	<u>671,686</u>	<u>-</u>
		169,560,877	310,807,432	69,509,637	193,357,041
OPERATING EXPENSES					
Administrative and marketing		119,348,102	150,104,550	60,230,391	69,761,509
OPERATING PROFIT		<u>50,212,775</u>	<u>160,702,882</u>	<u>9,279,246</u>	<u>123,595,532</u>
Other operating expenses		1,100,000	2,190,686	525,000	1,841,662
Financial charges		<u>75,372,731</u>	<u>104,863,517</u>	<u>35,008,391</u>	<u>50,458,746</u>
		(26,259,956)	53,648,679	(26,254,145)	71,295,124
Other operating income		9,112,015	6,153,415	4,956,806	1,157,077
(Loss) / Profit before tax		<u>(17,147,941)</u>	<u>59,802,094</u>	<u>(21,297,339)</u>	<u>72,452,201</u>
Income tax expense					
- Current		3,925,137	1,984,292	4,220,709	82,657
- Deferred		(6,097,035)	(5,016,339)	(4,281,409)	(2,476,037)
		(2,171,898)	(3,032,047)	(60,700)	(2,393,380)
(Loss) / Profit for the period		<u>(14,976,043)</u>	<u>62,834,141</u>	<u>(21,236,639)</u>	<u>74,845,581</u>
(Loss) / Earnings per share	11	<u>(0.15)</u>	<u>0.63</u>	<u>(0.21)</u>	<u>0.75</u>

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

Chief Executive Officer

Director



**CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)**
FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	December 31, 2010	December 31, 2009
	-----Amount in Rupees-----	
(Loss) / Profit for the period	(14,976,043)	62,834,141
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	299,781,050	231,281,025
Gain realised on disposal of investments	(16,073,647)	(4,466,037)
	283,707,403	226,814,988
Total Comprehensive income	<u>268,731,360</u>	<u>289,649,129</u>

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

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Note	December 31, 2010	December 31, 2009
-----Amount in Rupees-----			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit for the period before taxation		(17,147,941)	59,802,094
Adjustment for non-cash and other items:			
Remuneration from funds under management		(128,043,351)	(192,208,512)
Commission from open end funds under management		(8,092)	(2,885,650)
Dividend		(13,820,100)	(22,912,442)
Depreciation		16,781,496	18,875,588
Amortisation of intangible assets		2,401,080	2,610,340
Financial charges		75,372,731	104,863,517
Interest / mark-up income		(100,167)	(149,295)
Gain on sale of investments - net		(17,571,474)	(67,540,567)
(Gain) / loss on disposal of fixed assets		(878,585)	3,411,012
		<u>(83,014,403)</u>	<u>(96,133,915)</u>
Increase / decrease in assets / liabilities			
Long term loans and advances		(204,573)	347,194
Long-term receivable from related parties		1,534,676	(353,072)
Deposits, prepayments and other receivables		(11,089,493)	(9,361,895)
Accrued and other liabilities		(8,443,991)	(3,734,090)
		<u>(18,203,381)</u>	<u>(13,101,863)</u>
Tax refunds / (paid)-net		(101,217,784)	(109,235,778)
Remuneration and commission received from funds under management		26,594,566	(10,771,569)
Net cash inflow on operating activities		<u>128,255,540</u>	<u>220,540,378</u>
		53,632,322	100,533,031
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		233,123,092	167,436,069
Fixed capital expenditure incurred		(187,722)	(583,929)
Dividend received		13,820,100	22,924,372
Return on bank deposits		100,167	149,295
Proceeds from disposal of property and equipment		1,357,133	626,385
Net cash inflow from investing activities		<u>248,212,770</u>	<u>190,552,192</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal amount relating to the securitised management fee		(64,542,500)	(45,845,000)
Dividend paid		(1,300)	(11,746)
Short term borrowing		(150,000,000)	56,000,000
Financial charges paid		(68,621,324)	(104,526,877)
Net cash outflow on financing activities		<u>(283,165,124)</u>	<u>(94,383,623)</u>
Net increase in cash and cash equivalents		<u>18,679,968</u>	<u>196,701,600</u>
Cash and cash equivalents at beginning of the period		(306,281,132)	(313,603,047)
Cash and cash equivalents at end of the period	12	<u>(287,601,164)</u>	<u>(116,901,447)</u>

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

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT OF CHANGES****IN EQUITY (UNAUDITED)**

FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	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, 2009	1,000,000,000	(800,127,824)	109,873,728	(23,420,050)	286,325,854
Total Comprehensive income	-	62,834,141	-	226,814,988	289,649,129
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	4,090,417	-	-	4,090,417
Balance as at December 31, 2009	<u>1,000,000,000</u>	<u>(733,203,266)</u>	<u>109,873,728</u>	<u>203,394,938</u>	<u>580,065,400</u>
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	-	(14,976,043)	-	283,707,403	268,731,360
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	3,299,588	-	-	3,299,588
Balance as at December 31, 2010	<u>1,000,000,000</u>	<u>(759,751,822)</u>	<u>109,873,728</u>	<u>349,980,995</u>	<u>700,102,901</u>

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

Chief Executive Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2010

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 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:

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 (formerly UTP - Islamic Fund)
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund (formerly UTP - A30+ Fund)
- JS Capital Protected Fund IV
- JS Aggressive Income Fund
- JS Principal Secure Fund I
- JS Principal Secure Fund II
- JS Cash Fund

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.

The new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after July 1, 2010 are either not considered to be relevant or have no significant effect on the company's operations.



JS Investments Limited

3 BASIS OF PREPARATION

- 3.1 The condensed interim financial information are unaudited but have been reviewed by the external auditor of the company and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.
- 3.2 The 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. This condensed financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with annual audited financial statements of the company for the year ended June 30, 2010.
- 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 and methods of computation adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of preceding annual financial statements of the company for the year ended June 30, 2010.

		(Un-audited) December 31, 2010	(Audited) June 30, 2010
Note		-----Amount in Rupees-----	
5 TANGIBLE PROPERTY AND EQUIPMENT			
	Opening WDV	338,772,046	380,021,825
	Addition during the period / year	5.1 187,722	2,080,270
	Disposal during the period / year	5.2 (478,548)	(7,083,576)
	Depreciation for the period / year	(16,781,496)	(36,246,473)
	Closing WDV	<u>321,699,724</u>	<u>338,772,046</u>

5.1 Tangible property and equipment

The following additions were made to tangible property & equipment during the period / year:

Branch set-up	-	748,400
Furniture and fixtures	-	37,000
Office equipment	187,722	1,294,870
	<u>187,722</u>	<u>2,080,270</u>

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

Branch set-up	7,540	3,347,662
Furniture and fixtures	-	706,317
Office equipment	16,133	220,499
Vehicles	454,875	2,809,098
	<u>478,548</u>	<u>7,083,576</u>

JS Investments Limited

6 INVESTMENTS - AVAILABLE FOR SALE

Investments in certificates / units / shares - at fair value

	(Un-audited) December 31, 2010		(Audited) June 30, 2010	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
In funds under management:				
JS Value Fund Limited	21,498,992	102,550,192	21,498,992	77,396,371
JS Growth Fund	36,086,812	200,281,807	36,086,812	120,529,952
JS Large Cap Fund (note 6.1)	6,581,000	428,752,150	65,810,000	279,692,500
JS Pension Savings Fund - Equity	300,000	27,018,000	300,000	22,104,000
JS Pension Savings Fund - Debt	200,000	27,456,000	300,000	39,054,000
JS Pension Savings Fund - Money Market	200,000	22,852,000	300,000	32,553,000
JS Fund of Funds	194,432	18,793,753	1,278,295	111,249,981
JS Capital Protected Fund IV	93,157	9,758,194	1,022,447	109,340,525
JS Islamic Pension Savings Fund - Equity	300,000	40,434,000	300,000	32,475,000
JS Islamic Pension Savings Fund - Debt	300,000	38,730,000	300,000	36,477,000
JS Islamic Pension Savings Fund - Money Market	300,000	35,133,000	300,000	33,813,000
JS Aggressive Income Fund	501,736	52,260,834	501,736	48,482,761
JS Principal Secure Fund I	294,468	32,789,025	-	-
JS Cash Fund	127,909	13,021,113	400,000	40,968,000
		1,049,830,068		984,136,090
Other investments				
Escort Investment Bank Limited	3,274,000	9,134,460	3,274,000	9,461,860
Term Finance Certificates				
Optimus Limited	25,000	122,851,525	25,000	120,062,318
Investments at market value		1,181,816,053		1,113,660,268
Less: Cost of investments		(831,835,058)		(1,047,386,676)
Unrealised gain on re-measurement of investments		349,980,995		66,273,592

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)	(Audited)
		December 31, 2010	June 30, 2010
7 CASH AND BANK BALANCES			
Cash in hand		114,245	57,801
Balance with banks:			
In current account		1,686,759	1,593,422
In savings accounts	7.1	3,022,315	3,522,369
		4,709,074	5,115,791
		4,823,319	5,173,592

7.1 This includes Rs 0.306 million (June 30, 2010: Rs 0.473 million) held with JS Bank Limited - related party.



JS Investments Limited

8 SHARE CAPITAL

(Un-audited) December 31, 2010	(Audited) June 30, 2010	Authorised	(Un-audited) December 31, 2010	(Audited) June 30, 2010
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
		Convertible preference shares of Rs. 10 each	500,000,000	500,000,000
<u>50,000,000</u>	<u>50,000,000</u>		<u>2,500,000,000</u>	<u>2,500,000,000</u>
<u>250,000,000</u>	<u>250,000,000</u>	Issued, subscribed and paid-up		
		Ordinary shares of Rs. 10 each issued as fully paid in cash	212,500,000	212,500,000
21,250,000	21,250,000			
		Fully paid ordinary shares of Rs. 10 each issued on amalgamation with Crosby Financial Services Limited	7,000,000	7,000,000
700,000	700,000			
		Ordinary shares of Rs. 10 each issued as fully paid bonus shares	780,500,000	780,500,000
78,050,000	78,050,000			
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

8.1 At December 31, 2010 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2010: 52.024 million) ordinary shares of Rs. 10 each of the company.

9 CONTINGENCIES & COMMITMENTS

9.1 Contingencies

The Company has filed appeals against orders passed for the tax years 2002, 2006 and 2009 against demand of Rs. 4.6 million, Rs. 162 million and Rs. 66 million respectively mainly on account of disallowances on arbitrary basis, taxability of a portion of capital gain in dividend received from mutual funds and allocation of expenses between various source of income taxed at normal and low rate exempt income.

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 condensed interim financial information.

9.2 Commitments in respect of:

Royalty and advisory payments	<u>10,000,000</u>	<u>10,000,000</u>
Motor Vehicle acquired under Ijarah from Bank Islami Pakistan Limited		
- Due in one year	<u>2,472,324</u>	<u>2,472,324</u>
- Due in two to five years	<u>6,180,810</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 three (June 30, 2010: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2010 was Rs. 41.539 million (June 30, 2010: 36.159 million) and Rs. 42.804 million (June 30, 2010: 42.369 million) respectively

JS Investments Limited

11 (LOSS) / EARNINGS PER SHARE

	-----Un-audited-----			
	Half year ended		Quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	-----Amount in Rupees-----			
(Loss) / Profit for the period	(14,976,043)	62,834,141	(21,236,639)	74,845,581
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000	100,000,000	100,000,000
(Loss) / Earning per share	<u>(0.15)</u>	<u>0.63</u>	<u>(0.21)</u>	<u>0.75</u>

11.1 Diluted earning per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2010 which would have any effect on the earnings per share if the option to convert is exercised.

	(Un-audited)	(Un-audited)
	December 31, 2010	December 31, 2009
	-----Amount in Rupees-----	
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,823,319	4,655,731
Short term running finance-secured	<u>(292,424,483)</u>	<u>(121,557,178)</u>
	<u>(287,601,164)</u>	<u>(116,901,447)</u>

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Remuneration from funds under management	128,043,351	192,208,512
Commission from funds under management	8,092	2,885,650
Rental income	1,603,985	8,182,042
Rent expense	3,229,728	2,121,000
Investments made in funds under management	99,027,300	-
Investments disposed off in funds under management - at cost	314,553,915	44,819,783
Contribution to staff provident fund	2,140,639	2,090,465
Dividend income	13,820,100	22,912,442
Markup expense on borrowing	21,967,787	21,086,547
Bonus shares / units (in numbers)	258,354	237,983
Transactions with key management personnel		
Remuneration to key management personnel	24,021,140	31,365,590
Director fee	1,740,000	1,740,000
Chief Executive Officer - markup income on long term loan	-	1,267,263



JS Investments Limited

	(Un-audited) December 31, 2010	(Audited) June 30, 2010
	-----Amount in Rupees-----	
13.2 Balances		
Investments in funds under management and other related parties	1,049,830,068	984,136,090
Investments in subsidiary	37,500,000	37,500,000
Balances due from funds under management	2,414,336	2,618,432
Long-term receivable from funds under management	1,394,266	2,928,942
Short term borrowing-unsecured	150,000,000	300,000,000
Interest payable on short term borrowing	4,517,216	822,395

14 CORRESPONDING FIGURES

Corresponding figures relating to condensed interim profit & loss account of investment finance services business which were shown separately as a discounted operations classified as held for sale in financial statement of December 2009 have been reclassified and merged with income and expenses of the asset management company for better presentation.

15 GENERAL

These condensed interim financial information was authorised for issue on February 15, 2011 by the Board of Directors of the Company.

Chief Executive Officer

Director



CONDENSED INTERIM CONSOLIDATED
FINANCIAL STATEMENTS

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET AS AT DECEMBER 31, 2010

	(Un-audited) December 31, 2010	(Audited) June 30, 2010
ASSETS	-----Amount in Rupees-----	
Non-current assets		
Tangible property & equipment	324,199,724	341,272,046
Intangible assets	110,319,948	112,721,027
Long-term loans and advances - considered good	966,506	1,346,339
	<u>435,486,178</u>	<u>455,339,412</u>
Current assets		
Investments - available for sale	1,217,971,970	1,147,299,547
Loans and advances - considered good	2,195,347	1,610,941
Deposits, prepayments and other receivables	23,899,014	18,732,711
Balances due from funds under management	2,414,336	2,618,432
Taxation recoverable	72,992,857	103,512,221
Cash and bank balances	4,897,693	5,256,412
	<u>1,324,371,217</u>	<u>1,279,030,264</u>
Total assets	<u>1,759,857,395</u>	<u>1,734,369,676</u>
EQUITY AND LIABILITIES		
Share capital	1,000,000,000	1,000,000,000
Unrealised gain on remeasurement of available for sale investments to fair value - net	349,980,995	66,273,592
Statutory reserve	109,873,728	109,873,728
Accumulated loss	(757,633,806)	(748,413,383)
	<u>702,220,917</u>	<u>427,733,937</u>
Surplus on revaluation of fixed assets - net of tax	140,258,926	143,558,513
LIABILITIES		
Non current liabilities		
Securitisation of management fee receivables - debt	321,615,065	384,867,607
Deferred tax - net	43,966,361	50,063,396
	<u>365,581,426</u>	<u>434,931,003</u>
Current liabilities		
Current maturity of securitisation of management fee receivables - debt	63,943,138	68,319,152
Short term running finance-secured	292,424,483	311,454,723
Short term borrowings-unsecured	150,000,000	300,000,000
Accrued and other liabilities	28,945,013	37,350,306
Accrued mark-up	16,483,491	11,022,042
	<u>551,796,125</u>	<u>728,146,223</u>
Total liabilities	<u>917,377,551</u>	<u>1,163,077,226</u>
Total equity and liabilities	<u>1,759,857,395</u>	<u>1,734,369,676</u>
Contingencies and commitments	9	
Breakup value	<u>7.02</u>	<u>4.28</u>
Breakup value (including surplus on revaluation of fixed assets)	<u>8.42</u>	<u>5.71</u>

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

Chief Executive Officer

Director



JS Investments Limited

CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	Note	Half year ended		Quarter ended	
		December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
-----Amount in Rupees-----					
INCOME					
Remuneration from funds under management		128,043,351	192,208,512	62,212,053	95,738,441
Commission from open end funds under management		8,092	2,885,650	6,782	2,239,389
Dividend		13,820,100	22,912,442	-	21,498,992
Gain on sale of investments - net		17,571,474	67,548,699	1,792,985	62,477,873
Return on bank deposits		103,561	153,864	33,136	63,514
Markup on term finance certificates		9,346,007	21,208,288	4,794,672	10,305,543
Amortisation of discount		-	2,270,651	-	1,043,714
Commission income and share of profit from management of discretionary client portfolios	10	671,686	1,632,027	671,686	-
Unrealised gain on revaluation of investments		2,516,638	2,071,365	2,210,025	1,079,701
		<u>172,080,909</u>	<u>312,891,498</u>	<u>71,721,339</u>	<u>194,447,167</u>
OPERATING EXPENSES					
Administrative and marketing		119,412,102	150,206,869	60,263,641	69,852,288
OPERATING PROFIT		<u>52,668,807</u>	<u>162,684,629</u>	<u>11,457,698</u>	<u>124,594,879</u>
Other operating expenses		1,100,000	2,190,686	525,000	1,841,662
Financial charges		75,372,731	104,863,517	35,008,391	50,458,746
		<u>(23,803,924)</u>	<u>55,630,426</u>	<u>(24,075,693)</u>	<u>72,294,471</u>
Other operating income		9,112,015	6,153,415	4,956,806	1,157,077
(Loss) / Profit before tax		<u>(14,691,909)</u>	<u>61,783,841</u>	<u>(19,118,887)</u>	<u>73,451,548</u>
Income tax expense					
- Current		3,925,137	1,984,292	4,220,709	82,657
- Deferred		(6,097,035)	(5,016,339)	(4,281,409)	(2,476,037)
		<u>(2,171,898)</u>	<u>(3,032,047)</u>	<u>(60,700)</u>	<u>(2,393,380)</u>
(Loss) / Profit for the period		<u>(12,520,011)</u>	<u>64,815,888</u>	<u>(19,058,187)</u>	<u>75,844,928</u>
(Loss) / Earnings per share	11	<u>(0.13)</u>	<u>0.65</u>	<u>(0.19)</u>	<u>0.76</u>

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

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	December 31, 2010	December 31, 2009
	-----Amount in Rupees-----	
(Loss) / Profit for the period	(12,520,011)	64,815,888
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	299,781,050	231,281,025
Gain realised on disposal of investments	(16,073,647)	(4,466,037)
	283,707,403	226,814,988
Total Comprehensive income	<u>271,187,392</u>	<u>291,630,876</u>

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

Chief Executive Officer

Director



CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	December 31, 2010	December 31, 2009
Note	-----Amount in Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / Profit for the period before taxation	(14,691,909)	61,783,841
Adjustment for non-cash and other items:		
Remuneration from funds under management	(128,043,351)	(192,208,512)
Commission from open end funds under management	(8,092)	(2,885,650)
Dividend	(13,820,100)	(22,912,442)
Depreciation	16,781,496	18,875,588
Amortisation of intangible assets	2,401,080	2,610,340
Financial charges	75,372,731	104,863,517
Interest / mark-up income	(103,561)	(149,295)
(Gain) on sale of investments - net	(17,571,474)	(67,548,699)
(Gain) / loss on disposal of fixed assets	(878,585)	3,411,012
Unrealized gain on remeasurement of investment at fair value through profit / loss	(2,516,638)	(2,071,365)
	<u>(83,078,403)</u>	<u>(96,231,665)</u>
Increase / decrease in assets / liabilities		
Long term loans and advances	(204,573)	347,194
Long-term receivable from related parties	1,534,676	(353,072)
Deposits, prepayments and other receivables	(11,076,993)	(9,350,895)
Accrued and other liabilities	(8,403,991)	(3,739,090)
	<u>(18,150,881)</u>	<u>(13,095,863)</u>
Tax refunds / (paid)-net	(101,229,284)	(109,327,528)
Remuneration and commission received from funds under management	26,594,226	(10,772,026)
Net cash inflow on operating activities	<u>53,620,482</u>	<u>100,440,824</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	233,123,092	167,586,070
Fixed capital expenditure incurred	(187,722)	(583,929)
Dividend received	13,820,100	22,924,372
Return on bank deposits	103,561	149,295
Proceeds from disposal of property and equipment	1,357,133	626,385
Net cash inflow from investing activities	<u>248,216,164</u>	<u>190,702,193</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(64,542,500)	(45,845,000)
Dividend paid	(1,300)	(11,746)
Short term borrowing	(150,000,000)	56,000,000
Financial charges paid	(68,621,324)	(104,526,877)
Net cash outflow on financing activities	<u>(283,165,124)</u>	<u>(94,383,623)</u>
Net increase in cash and cash equivalents	<u>18,671,522</u>	<u>196,759,394</u>
Cash and cash equivalents at beginning of the period	(306,198,312)	(313,515,831)
Cash and cash equivalents at end of the period	<u>12</u> <u>(287,526,790)</u>	<u>(116,756,437)</u>

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

Chief Executive Officer

Director

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

	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, 2009	1,000,000,000	(797,082,904)	109,873,728	(23,420,050)	289,370,774
Total Comprehensive income	-	64,815,888	-	226,814,988	291,630,876
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	4,090,417	-	-	4,090,417
Balance as at December 31, 2009	<u>1,000,000,000</u>	<u>(728,176,599)</u>	<u>109,873,728</u>	<u>203,394,938</u>	<u>585,092,067</u>
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	-	(12,520,011)	-	283,707,403	271,187,392
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	3,299,588	-	-	3,299,588
Balance as at December 31, 2010	<u>1,000,000,000</u>	<u>(757,633,806)</u>	<u>109,873,728</u>	<u>349,980,995</u>	<u>702,220,917</u>

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

Chief Executive Officer

Director



SELECTED NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2010

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:

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 (formerly UTP - Islamic Fund)
-JS Aggressive Asset Allocation Fund
-JS Fund of Funds
-JS KSE-30 Index Fund (formerly UTP - A30+ Fund)
-JS Capital Protected Fund IV
-JS Aggressive Income Fund
-JS Principal Secure Fund I
-JS Principal Secure Fund II
-JS Cash Fund

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

JS Investments Limited

(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.

The new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after July 1, 2010 are either not considered to be relevant or have no significant effect on the company's operations.

3 BASIS OF PREPARATION

- 3.1 The condensed interim consolidated financial information are un-audited 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, 2010.
- 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, 2010.

5 TANGIBLE PROPERTY AND EQUIPMENT	Note	(Un-audited)	(Audited)
		December 31, 2010	June 30, 2010
-----Amount in Rupees-----			
Opening WDV		338,772,046	380,021,825
Addition during the period / year	5.1	187,722	2,080,270
Disposal during the period / year	5.2	(478,548)	(7,083,576)
Depreciation for the period / year		(16,781,496)	(36,246,473)
Closing WDV		321,699,724	338,772,046
Capital work in progress		<u>2,500,000</u>	<u>2,500,000</u>
		<u>324,199,724</u>	<u>341,272,046</u>

5.1 Tangible property and equipment

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

Branch set-up	-	748,400
Furniture and fixtures	-	37,000
Office equipment	187,722	1,294,870
	<u>187,722</u>	<u>2,080,270</u>

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

Branch set-up	7,540	3,347,662
Furniture and fixtures	-	706,317
Office equipment	16,133	220,499
Vehicles	454,875	2,809,098
	<u>478,548</u>	<u>7,083,576</u>



JS Investments Limited

6 INVESTMENTS

Available for sale	6.1	1,181,816,053	1,113,660,268
At fair value through profit or loss account	6.2	<u>36,155,917</u>	<u>33,639,279</u>
		<u>1,217,971,970</u>	<u>1,147,299,547</u>

6.1 INVESTMENTS - available for sale

Investments in certificates / units / shares - at fair value	(Un-audited) December 31, 2010		(Audited) June 30, 2010	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
In funds under management:				
JS Value Fund Limited	21,498,992	102,550,192	21,498,992	77,396,371
JS Growth Fund	36,086,812	200,281,807	36,086,812	120,529,952
JS Large Cap Fund	6,581,000	428,752,150	65,810,000	279,692,500
JS Pension Savings Fund - Equity	300,000	27,018,000	300,000	22,104,000
JS Pension Savings Fund - Debt	200,000	27,456,000	300,000	39,054,000
JS Pension Savings Fund - Money Market	200,000	22,852,000	300,000	32,553,000
JS Fund of Funds	194,432	18,793,753	1,278,295	111,249,981
JS Capital Protected Fund IV	93,157	9,758,194	1,022,447	109,340,525
JS Islamic Pension Savings Fund - Equity	300,000	40,434,000	300,000	32,475,000
JS Islamic Pension Savings Fund - Debt	300,000	38,730,000	300,000	36,477,000
JS Islamic Pension Savings Fund - Money Market	300,000	35,133,000	300,000	33,813,000
JS Aggressive Income Fund	501,736	52,260,834	501,736	48,482,761
JS Principal Secure Fund I	294,468	32,789,025	-	-
JS Cash Fund	127,909	13,021,113	400,000	40,968,000
		1,049,830,068		984,136,090
Other investments				
Escort Investment Bank Limited	3,274,000	9,134,460	3,274,000	9,461,860
Term Finance Certificates				
Optimus Limited	25,000	122,851,525	25,000	120,062,318
Investments at market value		1,181,816,053		1,113,660,268
Less: Cost of investments		(831,835,058)		(1,047,386,676)
Unrealised gain on re-measurement of investments		<u>349,980,995</u>		<u>66,273,592</u>

6.2 At fair value through profit or loss account

	Number of units		Rupees	
JS Income Fund - fund under management (related party)	400,620	36,155,917	383,266	33,639,279
Investment at market value		(33,639,279)		(36,720,332)
less: Carrying value of investment		<u>2,516,638</u>		<u>(3,081,053)</u>
Unrealised gain / (loss) on re-measurement of investments				

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.

7 CASH AND BANK BALANCES	Note	(Un-audited)	(Audited)
		December 31, 2010	June 30, 2010
-----Amount in Rupees-----			
Cash in hand		114,245	57,801
Balance with banks:			
In current account		1,706,759	1,593,422
In savings accounts	7.1	<u>3,076,689</u>	<u>3,605,189</u>
		4,783,448	5,198,611
		<u>4,897,693</u>	<u>5,256,412</u>

7.1 This includes Rs 0.306 million (June 30, 2010: Rs 0.473 million) held with JS Bank Limited - related party.

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8 SHARE CAPITAL

(Un-audited) December 31, 2010	(Audited) June 30, 2010	Authorised	(Un-audited) December 31, 2010	(Audited) June 30, 2010
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>
Issued, subscribed and paid-up				
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>

8.1 At December 31, 2010 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2010: 52.024 million) ordinary shares of Rs. 10 each of the company.

9 CONTINGENCIES & COMMITMENTS

9.1 Contingencies

The Company has filed appeals against orders passed for the tax years 2002, 2006 and 2009 against demand of Rs. 4.6 million, Rs. 1.62 million and Rs. 66 million respectively mainly on account of disallowances on arbitrary basis, taxability of a portion of capital gain in dividend received from mutual funds and allocation of expenses between various source of income taxed at normal and low rate exempt income.

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 condensed interim financial information.

9.2 Commitments in respect of:

Royalty and advisory payments	<u>10,000,000</u>	<u>10,000,000</u>
Motor Vehicle acquired under Ijarah from Bank Islami Pakistan Limited		
-Due in one year	<u>2,472,324</u>	<u>2,472,324</u>
-Due in two to five years	<u>6,180,810</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 three (June 30, 2010: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at December 31, 2010 was Rs. 41.539 million (June 30, 2010: 36.159 million) and Rs. 42.804 million (June 30, 2010: 42.369 million) respectively.



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11 (LOSS) / EARNINGS PER SHARE

(Un-audited).....			
	Half year ended		Quarter ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
Amount in Rupees.....			
(Loss) / Profit for the period	(12,520,011)	64,815,888	(19,058,187)	75,844,928
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000	100,000,000	100,000,000
(Loss) / Earning per share	<u>(0.13)</u>	<u>0.65</u>	<u>(0.19)</u>	<u>0.76</u>

11.1 Diluted earning per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2010 which would have any effect on the earnings per share if the option to convert is exercised.

	(Un-audited) December 31, 2010	(Un-audited) December 31, 2009
	-----Amount in Rupees-----	
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	4,897,693	4,800,741
Short term running finance-secured	<u>(292,424,483)</u>	<u>(121,557,178)</u>
	<u>(287,526,790)</u>	<u>(116,756,437)</u>

13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Remuneration from funds under management	128,043,351	192,208,512
Commission from funds under management	8,092	2,885,650
Rental income	1,603,985	8,182,042
Rent expense	3,229,728	2,121,000
Investments made in funds under management	99,027,300	-
Investments disposed off in funds under management - at cost	314,553,915	44,819,783
Contribution to staff provident fund	2,140,639	2,090,465
Dividend income	13,820,100	22,912,442
Markup expense on borrowing	21,967,787	21,086,547
Bonus shares / units (in numbers)	258,354	237,983
Transactions with key management personnel		
Remuneration to key management personnel	24,021,140	31,365,590
Director fee	1,740,000	1,740,000
Chief Executive Officer - markup income on long term loan	-	1,267,263

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	(Un-audited) December 31, 2010	(Audited) June 30, 2010
13.2 Balances:	-----Amount in Rupees-----	
Investments in funds under management and other related parties	1,085,985,985	1,017,775,369
Balances due from funds under management	2,414,336	2,618,432
Long-term receivable from funds under management	1,394,266	2,928,942
Short term borrowing-unsecured	150,000,000	300,000,000
Interest payable on short term borrowing	4,517,216	822,395

14 CORRESPONDING FIGURES

Corresponding figures relating to income statement of investment finance services business which were shown separately as a disposal group in financial statement of December 2009 have been reclassified and merged with income and expenses of the asset management company for better presentation.

15 GENERAL

These condensed interim consolidated financial statements were authorised for issue on February 15, 2011 by the Board of Directors of the Company.

Chief Executive Officer

Director

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