
JS Investments Limited

Half Yearly Report for the period
ended December 31, 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

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

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, 2011.

Economic Outlook

The current fiscal year started with financial crisis hitting the US and the Eurozone which resulted in massive retraction of foreign investors. Moreover, after its robust performance during FY11, the country's Current Account started faltering with declining cotton prices and oil prices holding on to their high levels. In September, Pakistan's SBA program with the IMF expired on an unsuccessful note as Islamabad failed to draw the last two tranches of USD 3.4bn. On the other hand, Pakistan's relations with the US deteriorated further, when a NATO airstrike killed over 20 Pakistani soldiers. Poor relations with the US prompted the latter to cut back on the Kerry Lugar Bill and Coalition Support Fund and also delayed other committed sovereign flows which put significant pressure on Pakistan's BoP situation. Consequently the Current Account registered a deficit of USD 2.2bn during 1HFY12 which resulted in the country's FX Reserve level to fall to USD 17.0bn by December 2011 from USD 18.2bn in June 2011. This kept the local currency under stress against the USD, depreciating by a considerable 5% during the 6 month period.

Asset Management Industry Review

Industry AUMs (assets under management) increased by a considerable PKR 37.9bn (+15%) at the end of 1HFY12 to PKR 287.9bn. Main contribution towards this growth emanated from the Open End Funds category which surged by a substantial PKR 41.7bn (+19%), followed by Pension Funds, which increased by PKR 92mn (+6%) whilst the Closed End Funds category registered a decline of PKR 3.9bn (-17%).

In the backdrop of subdued equity market performance and uncertain economic fundamentals, investors sought Money Market Funds for investment, which was reflective in a considerable PKR 27.6bn (+36%) rise in their AUMs, the largest amongst all Open End Fund categories. This pushed the overall Money Market Funds' AUMs to PKR 104.9bn while its market share reached up to 36% from 31% at the start of the 6 month period. Understandably so, Equity Funds turned out to be the biggest losers, as their AUMs declined heavily by PKR 7.8bn (-15%), as investors shied away from equity related investments.

Results of Operations

The Company earned a profit of Rs. 15.456 million during the half-year ended December 31, 2011 showing an earning per share of Rs. 0.15. The Company earned management remuneration from funds under management of Rs. 117.139 million compared to Rs. 128.043 million during the corresponding period last year. The assets under management were Rs. 11,115 billion as on December 31, 2011 compared to Rs. 12,812 billion as on June 30, 2011 depicting a decline of 13.2%. Administration and marketing expenses were Rs. 110.559 million during the period under review compared to Rs. 119.348 million during the corresponding period last year – a decline of 7.4%. The financial charges were Rs. 63.301 million showing a decline of 16% over the same period last year.

The shareholders equity was Rs. 687 million as on December 31, 2011 as compared to Rs. 742 million as on June 30, 2011 – a decrease of 7.41%. This was primarily due to decline in market 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 re-affirmed 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

Karachi: February 15, 2012

Rashid Mansur
Chief Executive Officer

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of JS Investments Limited (the company) as at December 31, 2011, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows 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, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the half year ended December 31, 2011.

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 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, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Karachi: February 15, 2012

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2011

		(Un-audited) December 31, 2011	(Audited) June 30, 2011
	Note	----- Rupees -----	
Assets			
Non-current assets			
Fixed assets			
Tangible property and equipment	5	300,315,522	310,131,410
Intangible assets		106,786,055	106,978,119
Long-term loans - considered good		1,266,407	1,377,978
Investment in subsidiary		37,500,000	37,500,000
Total non - current Assets		445,867,984	455,987,507
Current assets			
Investments - available for sale	6	1,026,219,900	1,213,749,511
Loans and advances - considered good		2,181,926	1,841,228
Deposits, prepayments and other receivables - unsecured considered good		19,219,513	14,309,707
Balances due from funds under management - related parties		1,836,284	2,384,739
Taxation recoverable		87,160,070	70,394,820
Cash and bank balances	7	2,917,609	4,350,469
Total current assets		1,139,535,302	1,307,030,474
Total assets		1,585,403,286	1,763,017,981
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	276,294,182	349,939,144
Accumulated loss		(588,918,207)	(607,674,222)
		687,375,975	742,264,922
Surplus on revaluation of fixed assets - net of tax		133,659,752	136,959,339
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		194,257,523	257,817,193
Deferred taxation - net		41,590,970	41,248,941
		235,848,493	299,066,134
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		94,253,663	76,158,576
Short term running finance - secured		388,745,907	310,591,787
Short term borrowings - unsecured		-	150,000,000
Accrued and other liabilities		23,794,493	27,594,354
Sales tax payable		2,356,736	-
Accrued mark-up		19,368,267	20,382,869
Total current liabilities		528,519,066	584,727,586
Total liabilities		764,367,559	883,793,720
Total equity and liabilities		1,585,403,286	1,763,017,981
Contingencies and commitments	9		
Breakup value per share		6.87	7.42
Breakup value (including surplus on revaluation of fixed assets)		8.21	8.79

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

Chief Executive Officer

Chairman

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Note	Half year ended		Quarter ended	
		December 31, 2011	2010	December 31, 2011	2010
----- Rupees -----					
INCOME					
Remuneration from funds under management - gross		117,139,499	128,043,351	55,857,583	62,212,053
Less: Sales tax		16,157,173	-	7,704,495	-
Remuneration from funds under management - net		100,982,326	128,043,351	48,153,088	62,212,053
Commission from open end funds under management		30,778	8,092	15,882	6,782
Dividend		40,386,610	13,820,100	36,086,812	-
Gain on sale of investments - net		33,272,835	17,571,474	29,528,914	1,792,985
Return on bank deposits		60,437	100,167	38,861	31,459
Markup on term finance certificates		8,320,767	9,346,007	3,330,776	4,794,672
Commission income and share of profit from management of discretionary client portfolios	10	14,616	671,686	7,439	671,686
		183,068,369	169,560,877	117,161,772	69,509,637
Impairment loss on available for sale equity securities	6	8,152,260	-	8,152,260	-
		174,916,109	169,560,877	109,009,512	69,509,637
OPERATING EXPENSES					
Administrative and marketing		110,558,763	119,348,102	59,999,601	60,230,391
OPERATING PROFIT					
		64,357,346	50,212,775	49,009,911	9,279,246
Other operating expenses		1,675,000	1,100,000	610,000	525,000
Financial charges		63,301,345	75,372,731	30,619,994	35,008,391
		(618,999)	(26,259,956)	17,779,917	(26,254,145)
Other operating income		8,619,981	9,112,015	4,351,358	4,956,806
Profit / (Loss) before tax		8,000,982	(17,147,941)	22,131,275	(21,297,339)
Income tax expense					
- Current		1,173,067	3,925,137	(3,140,222)	4,220,709
- Prior		(8,970,541)	-	(8,970,541)	-
- Deferred		342,029	(6,097,035)	2,341,626	(4,281,409)
		(7,455,445)	(2,171,898)	(9,769,137)	(60,700)
Profit / (Loss) for the period		15,456,427	(14,976,043)	31,900,412	(21,236,639)
Earnings / (Loss) per share for the period - basic and diluted	11	0.15	(0.15)	0.32	(0.21)

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

Chief Executive Officer

Chairman

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	December 31, 2011	December 31, 2010
	----- Rupees -----	
Profit / (Loss) for the period	15,456,427	(14,976,043)
Other comprehensive income:		
Unrealised (loss) / gain on remeasurement of available for sale investments to fair value - net	(48,969,189)	299,781,050
Impairment loss on available for sale equity securities	1,407,820	-
Gain realised on disposal of investments	(32,828,033)	(16,073,647)
	(80,389,402)	283,707,403
Taxation relating to components of other comprehensive income	-	-
	(80,389,402)	283,707,403
Total comprehensive (loss) / income	(64,932,975)	268,731,360

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

Chief Executive Officer

Chairman

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

Note	December 31, 2011	December 31, 2010
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	8,000,982	(17,147,941)
Adjustment for non-cash and other items:		
Remuneration from funds under management	(100,982,326)	(128,043,351)
Commission from open end funds under management	(30,778)	(8,092)
Dividend	(40,386,610)	(13,820,100)
Depreciation	11,275,493	16,781,496
Amortisation of intangible assets	747,064	2,401,080
Financial charges	63,301,345	75,372,731
Interest / mark-up income	(60,437)	(100,167)
Gain on sale of investments - net	(33,272,835)	(17,571,474)
Impairment loss on available for sale equity securities	8,152,260	-
Gain on disposal of fixed assets	(407,875)	(878,585)
	(83,663,717)	(83,014,403)
Increase / decrease in assets and liabilities		
Loans and advances	(229,127)	(204,573)
Long-term receivable from related parties	-	1,534,676
Deposits, prepayments and other receivables	13,185,281	(11,089,493)
Accrued and other liabilities	(899,224)	(8,443,991)
	12,056,930	(18,203,381)
	(71,606,787)	(101,217,784)
Taxes (paid) / refund - net	(9,511,669)	26,594,566
Remuneration and commission received from funds under management	101,561,558	128,255,540
Net cash inflow from operating activities	20,443,102	53,632,322
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	139,005,224	233,123,092
Fixed capital expenditure incurred	(2,156,736)	(187,722)
Dividend received	40,386,610	13,820,100
Return on bank deposits	60,437	100,167
Proceeds from disposal of fixed assets	550,000	1,357,133
Net cash inflow from investing activities	177,845,535	248,212,770
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(64,542,500)	(64,542,500)
Dividend paid	-	(1,300)
Short term borrowing	(150,000,000)	(150,000,000)
Financial charges paid	(63,333,117)	(68,621,324)
Net cash used in financing activities	(277,875,617)	(283,165,124)
Net (decrease) / increase in cash and cash equivalents	(79,586,980)	18,679,968
Cash and cash equivalents at beginning of the half year	(306,241,318)	(306,281,132)
Cash and cash equivalents at end of the half year 12	(385,828,298)	(287,601,164)

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

Chief Executive Officer

Chairman

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Share capital	Unrealised gain on remeasurement of available for sale investments to fair value - net	Statutory reserve	Accumulated (loss)	Total Equity
	----- Rupees -----				
Balance as at June 30, 2010	1,000,000,000	66,273,592	109,873,728	(748,075,367)	428,071,953
Total Comprehensive income	-	283,707,403	-	(14,976,043)	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>349,980,995</u>	<u>109,873,728</u>	<u>(759,751,822)</u>	<u>700,102,901</u>
Balance as at June 30, 2011	1,000,000,000	349,939,144	-	(607,674,222)	742,264,922
Total Comprehensive income	-	(80,389,402)	-	15,456,427	(64,932,975)
Impairment loss on investments taken to profit and loss account	-	6,744,440	-	-	6,744,440
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, 2011	<u>1,000,000,000</u>	<u>276,294,182</u>	<u>-</u>	<u>(588,918,207)</u>	<u>687,375,975</u>

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

Chief Executive Officer

Chairman

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

1. STATUS AND NATURE OF BUSINESS

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

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

- 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
- JS Large Cap Fund

- 1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2. STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with 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, 2011 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 financial information is unaudited but has 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 to the Karachi Stock Exchange.
- 3.2** The condensed interim financial information is being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with annual audited financial statements of the company for the 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 and methods of computation adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2011.

	Note	(Un-audited) December 31, 2011	(Audited) June 30, 2011
		----- Rupees -----	
5. TANGIBLE PROPERTY AND EQUIPMENT			
Opening WDV		309,629,411	338,772,046
Addition during the period / year	5.1	2,078,861	657,482
Disposal during the period / year	5.2	(142,125)	(1,043,328)
Depreciation for the period / year		(11,275,493)	(28,756,789)
		300,290,654	309,629,411
Capital work-in-progress - at cost		24,868	501,999
		300,315,522	310,131,410

Tangible Property and equipment

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

Branch set-up	-	272,760
Office equipment	1,193,861	384,722
Vehicles	885,000	-
	2,078,861	657,482

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

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	----- Rupees -----	
Branch set-up	-	240,493
Furniture and fixtures	-	225,744
Office equipment	-	122,216
Vehicles	142,125	454,875
	142,125	1,043,328

(Un-audited) December 31, 2011		(Audited) June 30, 2011	
Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees

6. INVESTMENTS - available for sale

Investments in certificates / units / shares - at fair value

In funds under management:

JS Value Fund Limited	21,498,992	92,445,666	21,498,992	118,244,456
JS Large Cap Fund	10,763,768	447,901,770	6,581,000	460,340,950
JS Growth Fund	36,086,812	169,608,016	36,086,812	212,912,191
JS Pension Savings Fund - Equity	300,000	25,713,000	300,000	28,437,000
JS Pension Savings Fund - Debt	200,000	30,718,000	200,000	29,002,000
JS Pension Savings Fund - Money Market	200,000	25,494,000	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Principal Secure Fund I	989	110,277	185,790	21,800,633
JS Islamic Pension Savings Fund - Equity	250,000	36,202,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	250,000	36,752,500	250,000	34,162,500
JS Islamic Pension Savings Fund - Money Market	250,000	32,097,500	250,000	30,357,500
JS Aggressive Income Fund	571,765	53,625,883	501,736	47,519,428
JS Cash Fund	-	-	400,000	42,120,000
		950,669,112		1,107,071,391

Other investments

Escorts Investment Bank Limited	3,274,000	4,911,000	3,274,000	6,318,820
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Term Finance Certificate

Optimus Limited	25,000	70,639,788	25,000	100,359,300
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Investments at market value		1,026,219,900		1,213,749,511
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Less:

Carrying value of investments	(758,077,978)	(863,810,367)
Impairment loss on investments	8,152,260	-

	(749,925,718)	(863,810,367)
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Unrealised gain on re-measurement of investments		276,294,182		349,939,144
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		(Un-audited) December 31, 2011	(Audited) June 30, 2011
		----- Rupees -----	
7.	CASH AND BANK BALANCES		
	Cash in hand	84,049	70,082
	Cheque in hand	-	8,261
	Cash at bank in:		
	Current accounts	750,208	1,403,641
	Savings accounts	2,083,352	2,868,485
		2,833,560	4,272,126
		2,917,609	4,350,469

7.1 This includes Rs. 0.0550 million (June 30, 2011: Rs. 0.0157 million) held with JS Bank Limited (a related party).

8. SHARE CAPITAL

(Un-audited) December 31, 2011	(Audited) June 30, 2011		(Un-audited) December 31, 2011	(Audited) June 30, 2011
Number of shares			-----Rupees-----	
Authorised capital				
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	500,000,000	500,000,000
250,000,000	250,000,000		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up				
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	212,500,000	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	780,500,000	780,500,000
100,000,000	100,000,000		1,000,000,000	1,000,000,000

8.1 As at December 31, 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 AND COMMITMENTS

9.1 Contingencies

9.1.1 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 condensed interim financial information.

9.1.2 Subsequent to the balance sheet date the company has received show cause notice under section 14 of the Federal Excise Act (FED), 2005 for the periods from 2007-2008 to 2010-2011 for excise duty not paid amounting to Rs. 175.22 million on the management fee and commission on management of discretionary client portfolio.

Management and the Tax Advisor of the Company are of the view that these services are not falling in chapter 98 of the Custom Act, 1969 and therefore, are not subject to excise duty. Hence, no provision has been made in these interim financial statements.

9.2 Commitments in respect of:

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	----- Rupees -----	
Capital expenditure contracted but not incurred	-	502,000
Royalty and advisory payment	10,000,000	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	2,479,312	2,472,324
- Due in two to three years	3,718,968	4,944,648

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 December 31, 2011 was Rs. 39.154 million (June 30, 2011: 41.539 million) and Rs. 39.265 million (June 30, 2011: 42.804 million) respectively.

----- (Un-audited) -----			
Half year ended		Quarter ended	
December 31,		December 31,	
2011	2010	2011	2010
----- Rupees -----			

11. EARNINGS / (LOSS) PER SHARE

Profit / (Loss) for the period	Rupees:	15,456,427	(14,976,043)	31,900,412	(21,236,639)
Weighted average number of ordinary shares outstanding during the period	Number:	100,000,000	100,000,000	100,000,000	100,000,000
Earnings / (Loss) per share	Rupees:	<u>0.15</u>	<u>(0.15)</u>	<u>0.32</u>	<u>(0.21)</u>

11.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2011 which would have any effect on the earnings per share if the option to convert is exercised.

----- (Un-audited) -----	
December 31,	December 31,
2011	2010
----- Rupees -----	

12. CASH AND CASH EQUIVALENTS

Cash and bank balances	2,917,609	4,823,319
Short term running finance - secured	<u>(388,745,907)</u>	<u>(292,424,483)</u>
	<u>(385,828,298)</u>	<u>(287,601,164)</u>

13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	----- (Un-audited) ----- December 31, 2011	December 31, 2010
	----- Rupees -----	
Remuneration from funds under management	100,982,326	128,043,351
Commission from funds under management	30,778	8,092
Rental income	1,803,198	1,603,985
Rent expense	1,000,128	3,229,728
Investments made in funds under management	27,867,250	99,027,300
Investments disposed off - at cost	91,991,410	314,553,915
Contribution to staff provident fund	2,108,343	2,140,639
Dividend income	40,386,610	13,820,100
Markup expense on borrowing	21,237,784	21,967,787
Short term borrowing - repaid	150,000,000	150,000,000
Bonus shares / units (in numbers)	4,536,211	258,354
Transactions with key management personnel		
Remuneration to key management personnel	25,034,781	24,021,140
Director fee	1,740,000	1,740,000
	(Un-audited)	(Audited)
	December 31,	June 30,
	2011	2011
	----- Rupees -----	

13.2 Balances

Investments in funds under management and other related parties	950,669,112	1,107,071,391
Investments in subsidiary	37,500,000	37,500,000
Balances due from funds under management	1,836,284	2,384,739
Short term borrowing - unsecured	-	150,000,000
Interest payable on short term borrowing	5,628,685	4,517,216

14. GENERAL

This condensed interim financial information was authorised for issue on February 15, 2012 by the Board of Directors of the Company.

Chief Executive Officer

Chairman



**CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION**

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2011

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
Note	----- Rupees -----	
Assets		
Non-current assets		
Fixed assets		
Tangible property and equipment	5	302,815,522
Intangible assets		107,786,055
Long-term loans - considered good		1,266,407
Total non - current Assets		411,867,984
Current assets		
Investments	6	1,063,405,213
Loans and advances - considered good		2,181,926
Deposits, prepayments and other receivables - unsecured considered good		19,236,513
Balances due from funds under management - related parties		1,836,284
Taxation recoverable		87,160,290
Cash and bank balances	7	3,006,057
Total current assets		1,176,826,283
Total assets		1,588,694,267
EQUITY AND LIABILITIES		
Share capital	8	1,000,000,000
Unrealised gain on remeasurement o available for sale investments to fair value - net	6	276,294,182
Accumulated loss		(585,950,672)
		690,343,510
Surplus on revaluation of fixed assets - net of tax		133,659,752
LIABILITIES		
Non current liabilities		
Securitisation of management fee receivables - debt		194,257,523
Deferred tax liability - net		41,590,970
		235,848,493
Current liabilities		
Current maturity of securitisation of management fee receivables - debt		94,253,663
Short term running finance - secured		388,745,907
Short term borrowings - unsecured		-
Accrued and other liabilities		24,117,939
Sales tax payable		2,356,736
Accrued mark-up		19,368,267
Total current liabilities		528,842,512
Total liabilities		764,691,005
Total equity and liabilities		1,588,694,267
Contingencies and commitments		
Breakup value per share		6.90
Breakup value (including surplus on revaluation of fixed assets)		8.80

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

Chief Executive Officer

Chairman

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Half year ended		Quarter ended	
	December 31, 2011	2010	December 31, 2011	2010
Note	----- Rupees -----			
INCOME				
Remuneration from funds under management - gross	117,139,499	128,043,351	55,857,583	62,212,053
Less: Sales tax	16,157,173	-	7,704,495	-
Remuneration from funds under management - net	100,982,326	128,043,351	48,153,088	62,212,053
Commission from open end funds under management	30,778	8,092	15,882	6,782
Dividend	40,386,610	13,820,100	36,086,812	-
Gain on sale of investments - net	33,285,739	17,571,474	29,541,377	1,792,985
Return on bank deposits	62,643	103,561	40,101	33,136
Markup on term finance certificates	8,320,767	9,346,007	3,330,776	4,794,672
Commission income and share of profit from management of discretionary client portfolios	14,616	671,686	7,439	671,686
Unrealised gain on remeasurement of investment to fair value at fair value through profit and loss	2,534,169	2,516,638	1,117,210	2,210,025
	185,617,648	172,080,909	118,292,685	71,721,339
Impairment loss on available for sale equity securities	6 8,152,260	-	8,152,260	-
	177,465,388	172,080,909	110,140,425	71,721,339
OPERATING EXPENSES				
Administrative and marketing	110,898,364	119,412,102	60,292,152	60,263,641
OPERATING PROFIT				
	66,567,024	52,668,807	49,848,273	11,457,698
Other operating expenses	1,675,000	1,100,000	610,000	525,000
Financial charges	63,301,345	75,372,731	30,619,994	35,008,391
	1,590,679	(23,803,924)	18,618,279	(24,075,693)
Other operating income	8,619,981	9,112,015	4,351,358	4,956,806
Profit / (Loss) before tax	10,210,660	(14,691,909)	22,969,637	(19,118,887)
Income tax expense				
- Current	1,173,067	3,925,137	(3,140,222)	4,220,709
- Prior	(8,970,541)	-	(8,970,541)	-
- Deferred	342,029	(6,097,035)	2,341,626	(4,281,409)
	(7,455,445)	(2,171,898)	(9,769,137)	(60,700)
Profit / (Loss) for the period	17,666,105	(12,520,011)	32,738,774	(19,058,187)
Earnings / (Loss) per share for the period - basic and diluted	11 0.18	(0.13)	0.33	(0.19)

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

Chief Executive Officer

Chairman

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME** (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	December 31, 2011	December 31, 2010
	----- Rupees -----	
Profit /(Loss) for the period	17,666,105	(12,520,011)
Other comprehensive income:		
Unrealised (loss) / gain on remeasurement of available for sale investments to fair value - net	(48,969,189)	299,781,050
Impairment loss on available for sale equity securities	1,407,820	-
Gain realised on disposal of investments	(32,828,033)	(16,073,647)
	(80,389,402)	283,707,403
Taxation relating to components of other comprehensive income	-	-
	(80,389,402)	283,707,403
Total comprehensive (loss) / income	(62,723,297)	271,187,392

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

Chief Executive Officer

Chairman

CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

Note	December 31, 2011	December 31, 2010
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) for the period before taxation	10,210,660	(14,691,909)
Adjustment for non-cash and other items:		
Remuneration from funds under management	(100,982,326)	(128,043,351)
Commission from open end funds under management	(30,778)	(8,092)
Dividend	(40,386,610)	(13,820,100)
Depreciation	11,275,493	16,781,496
Amortisation of intangible assets	747,064	2,401,080
Financial charges	63,301,345	75,372,731
Interest / mark-up income	(60,437)	(103,561)
Gain on sale of investments - net	(33,285,739)	(17,571,474)
Impairment loss on available for sale equity securities	8,152,260	-
Unrealised gain on remeasurement of investment to fair value at fair value through profit and loss	(2,534,169)	(2,516,638)
Gain on disposal of fixed assets	(407,875)	(878,585)
	(84,001,112)	(83,078,403)
Increase / decrease in assets and liabilities		
Loans and advances	(229,127)	(204,573)
Long-term receivable from related parties	-	1,534,676
Deposits, prepayments and other receivables	13,205,281	(11,076,993)
Accrued and other liabilities	(804,126)	(8,403,991)
	12,172,028	(18,150,881)
	(71,829,084)	(101,229,284)
Taxes (paid) / refund - net	(9,491,249)	26,594,226
Remuneration and commission received from funds under management	101,561,558	128,255,540
Net cash inflow from operating activities	20,241,225	53,620,482
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	139,255,224	233,123,092
Fixed capital expenditure incurred	(2,156,736)	(187,722)
Dividend received	40,386,610	13,820,100
Return on bank deposits	60,437	103,561
Proceeds from disposal of fixed assets	550,000	1,357,133
Net cash inflow from investing activities	178,095,535	248,216,164
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(64,542,500)	(64,542,500)
Dividend paid	-	(1,300)
Short term borrowing	(150,000,000)	(150,000,000)
Financial charges paid	(63,333,117)	(68,621,324)
Net cash used in financing activities	(277,875,617)	(283,165,124)
Net (decrease) / increase in cash and cash equivalents	(79,538,857)	18,671,522
Cash and cash equivalents at beginning of the period	(306,200,993)	(306,198,312)
Cash and cash equivalents at end of the period	(385,739,850)	(287,526,790)

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

Chief Executive Officer

Chairman

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

FOR THE HALF YEAR ENDED DECEMBER 31, 2011

	Share capital	Unrealised gain on remeasurement of available for sale investments to fair value - net	Statutory reserve	Accumulated (loss)	Total Equity
	----- Rupees -----				
Balance as at June 30, 2010	1,000,000,000	66,273,592	109,873,728	(748,075,367)	428,071,953
Total Comprehensive income	-	283,707,403	-	(12,520,011)	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>349,980,995</u>	<u>109,873,728</u>	<u>(757,295,790)</u>	<u>702,558,933</u>
Balance as at June 30, 2011	1,000,000,000	349,939,144	-	(606,916,365)	743,022,779
Total Comprehensive income	-	(80,389,402)	-	17,666,105	(62,723,297)
Impairment loss on investments taken to profit and loss account	-	6,744,440	-	-	6,744,440
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, 2011	<u><u>1,000,000,000</u></u>	<u><u>276,294,182</u></u>	<u><u>-</u></u>	<u><u>(585,950,672)</u></u>	<u><u>690,343,510</u></u>

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

Chief Executive Officer

Chairman

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

FOR THE HALF YEAR ENDED DECEMBER 31, 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

- 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
- JS Large Cap Fund

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2. STATEMENT OF COMPLIANCE

This condensed interim consolidated financial information has been prepared in accordance 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, 2011 are either not considered to be relevant or have no significant effect on the company's operations.

3. BASIS OF PREPARATION

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

3.2 This condensed interim consolidated financial information is being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting " as applicable in Pakistan and should be read in conjunction with annual audited financial statements of the company for the year ended June 30, 2011.

3.3 This condensed interim consolidated financial information has been prepared under the accrual basis of accounting except for cash flow information.

4. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim consolidated financial information 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.

	Note	(Un-audited) December 31, 2011 ----- Rupees -----	(Audited) June 30, 2011
5. TANGIBLE PROPERTY AND EQUIPMENT			
Opening WDV		309,629,411	338,772,046
Addition during the period / year	5.1	2,078,861	657,482
Disposal during the period / year	5.2	(142,125)	(1,043,328)
Depreciation for the period / year		(11,275,493)	(28,756,789)
		300,290,654	309,629,411
Closing WDV		300,290,654	309,629,411
Capital work-in-progress - at cost		2,524,868	3,001,999
		302,815,522	312,631,410
Tangible Property and equipment			
5.1	The following additions were made to tangible property and equipment during the period / year:		
	Branch set-up	-	272,760
	Office equipment	1,193,861	384,722
	Vehicles	885,000	-
		2,078,861	657,482
5.2	The following disposals (net book value) of tangible property and equipment were made during the period / year:		
	Branch set-up	-	240,493
	Furniture and fixtures	-	225,744
	Office equipment	-	122,216
	Vehicles	142,125	454,875
		142,125	1,043,328
6. INVESTMENTS			
	Available for sale	6.1	1,026,219,900
	At fair value through profit or loss account	6.2	37,185,313
			1,213,749,511
			34,888,240
			1,063,405,213
			1,248,637,751

(Un-audited) December 31, 2011		(Audited) June 30, 2011	
Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees

6.1 INVESTMENTS - available for sale

Investments in certificates / units / shares - at fair value

In funds under management:

JS Value Fund Limited	21,498,992	92,445,666	21,498,992	118,244,456
JS Large Cap Fund	10,763,768	447,901,770	6,581,000	460,340,950
JS Growth Fund	36,086,812	169,608,016	36,086,812	212,912,191
JS Pension Savings Fund - Equity	300,000	25,713,000	300,000	28,437,000
JS Pension Savings Fund - Debt	200,000	30,718,000	200,000	29,002,000
JS Pension Savings Fund				
- Money Market	200,000	25,494,000	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Principal Secure Fund I	989	110,277	185,790	21,800,633
JS Islamic Pension Savings Fund				
- Equity	250,000	36,202,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	250,000	36,752,500	250,000	34,162,500
JS Islamic Pension Savings Fund				
- Money Market	250,000	32,097,500	250,000	30,357,500
JS Aggressive Income Fund	571,765	53,625,883	501,736	47,519,428
JS Cash Fund	-	-	400,000	42,120,000

950,669,112 1,107,071,391

Other investments

Escorts Investment Bank Limited	3,274,000	4,911,000	3,274,000	6,318,820
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Term Finance Certificate

Optimus Limited	25,000	70,639,788	25,000	100,359,300
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Investments at market value		1,026,219,900		1,213,749,511
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Less:

Carrying value of investments	(758,077,978)		(863,810,367)	
Impairment loss on investments	8,152,260		-	

(749,925,718) (863,810,367)

Unrealised gain on re-measurement of investments		276,294,182		349,939,144
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6.2 INVESTMENTS - at fair value through profit or loss account

JS Income Fund - fund under management (related party)

Investment at market value	432,186	37,185,313	408,623	34,888,240
Less: Carrying value of investment		(34,651,144)		(33,570,575)
Unrealised gain on re-measurement of investments		2,534,169		1,317,665

		(Un-audited) December 31, 2011	(Audited) June 30, 2011
		----- Rupees -----	
7.	CASH AND BANK BALANCES		
	Cash in hand	84,049	70,082
	Cheque in hand	-	8,261
	Cash at bank in:		
	Current accounts	770,208	1,403,641
	Savings accounts	2,151,800	2,908,810
7.1		2,922,008	4,312,451
		3,006,057	4,390,794

7.1 This includes Rs. 0.0550 million (June 30, 2011: Rs. 0.0157 million) held with JS Bank Limited (a related party).

8. SHARE CAPITAL

(Un-audited) December 31, 2011	(Audited) June 30, 2011		(Un-audited) December 31, 2011	(Audited) June 30, 2011
Number of shares			-----Rupees-----	
Authorised capital				
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	500,000,000	500,000,000
250,000,000	250,000,000		2,500,000,000	2,500,000,000
Issued, subscribed and paid-up				
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	212,500,000	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	780,500,000	780,500,000
100,000,000	100,000,000		1,000,000,000	1,000,000,000

8.1 As at December 31, 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 AND COMMITMENTS

9.1 Contingencies

9.1.1 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 condensed interim financial information.

9.1.2 Subsequent to the balance sheet date the company has received show cause notice under section 14 of the Federal Excise Act (FED), 2005 for the periods from 2007-2008 to 2010-2011 for excise duty not paid amounting to Rs. 175.22 million on the management fee and commission on management of discretionary client portfolio.

Management and the Tax Advisor of the Company are of the view that these services are not falling in chapter 98 of the Custom Act, 1969 and therefore, are not subject to excise duty. Hence, no provision has been made in these interim financial statements.

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	----- Rupees -----	
9.2 Commitments in respect of:		
Capital expenditure contracted but not incurred	-	502,000
Royalty and advisory payment	10,000,000	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	2,479,312	2,472,324
- Due in two to three years	3,718,968	4,944,648

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 December 31, 2011 was Rs. 39.154 million (June 30, 2011: 41.539 million) and Rs. 39.265 million (June 30, 2011: 42.804 million) respectively.

		----- (Un-audited) -----			
		Half year ended December 31,		Quarter ended December 31,	
		2011	2010	2011	2010
11. EARNINGS / (LOSS) PER SHARE					
Profit / (Loss) for the period	Rupees:	17,666,105	(12,520,011)	32,738,774	(19,058,187)
Weighted average number of ordinary shares outstanding during the period	Number:	100,000,000	100,000,000	100,000,000	100,000,000
Earnings / (Loss) per share	Rupees:	0.18	(0.13)	0.33	(0.19)

- 11.1** Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at December 31, 2011 which would have any effect on the earnings per share if the option to convert is exercised.

		----- (Un-audited) -----	
		December 31, 2011	December 31, 2010
		----- Rupees -----	
12. CASH AND CASH EQUIVALENTS			
Cash and bank balances		3,006,057	4,897,693
Short term running finance - secured		(388,745,907)	(292,424,483)
		(385,739,850)	(287,526,790)

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	100,982,326	128,043,351
Commission from funds under management	30,778	8,092
Rental income	1,803,198	1,603,985
Rent expense	1,000,128	3,229,728
Investments made in funds under management	27,867,250	99,027,300
Investments disposed off - at cost	91,991,410	314,553,915
Contribution to staff provident fund	2,108,343	2,140,639
Dividend income	40,386,610	13,820,100
Markup expense on borrowing	21,237,784	21,967,787
Short term borrowing - repaid	150,000,000	150,000,000
Bonus shares / units (in numbers)	4,562,615	258,354
Transactions with key management personnel		
Remuneration to key management personnel	25,034,781	24,021,140
Director fee	1,740,000	1,740,000

	(Un-audited) December 31, 2011	(Audited) June 30, 2011
	----- Rupees -----	
13.2 Balances		
Investments in funds under management and other related parties	987,854,425	1,141,959,631
Balances due from funds under management	1,836,284	2,384,739
Short term borrowing - unsecured	-	150,000,000
Interest payable on short term borrowing	5,628,685	4,517,216

14. GENERAL

This condensed interim consolidated financial information was authorised for issue on February 15, 2012 by the Board of Directors of the Company.

Chief Executive Officer

Chairman