
JS Investments Limited

Quarterly Report for the period
ended March 31, 2011





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JS Investments Limited

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 Mr. Mazharul Haq Siddiqui	Chairman Chief Executive Executive Director Non-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 period ended March 31, 2011.

Economic Outlook

The current quarter started on a positive note with the SBP maintaining its policy rate constant at 14% in the backdrop of an improved external accounts position along with discipline showed by Government with respect to borrowings from the central bank. However the month of February witnessed political tensions in the MENA region which pushed up commodity prices raising concerns over the country's macro economic health. Furthermore, Pak US relations suffered a set back over the diplomatic immunity of a US national held in custody over the killing of two people in Lahore. This boded negatively for the potential aid and sovereign inflows expected in the upcoming months.

However the country's current account situation continues to show strength with an overall surplus of USD 99mn during Jul '10-Mar '11 as against a deficit of USD 3.1bn in the corresponding period last year. The Government also took the difficult decisions of announcing revenue generation measures including a 15% flood tax surcharge and removal of general sales tax (GST) on a number of items. Moreover with Pakistan's relations with US resurrected to an extent, probabilities of receipt of sovereign inflows and the remaining IMF tranches appear to have enhanced which augurs well for the economy. Meanwhile the much awaited leverage product has yet to show any real signs of providing impetus to proceedings as volumes have remained bland since its reintroduction in March.

Asset Management Industry Performance

Industry Assets under Management (AUM) settled at PKR 229.5bn by March 31, 2011 displaying a growth of 15% from PKR 199.2bn as of June 30, 2010. Major contribution towards this rise emanated from Open End Funds which enhanced by 17% while Pension Funds and Close End Funds followed at 9% and 6% respectively.

Amongst Open End Funds, the largest percentage growth was posted by Islamic Income Funds which increased to PKR 16.3bn, up by 124% from end June levels. Money Market Funds although were second in line but the category registered the largest absolute growth with PKR 32.5bn (or +87%), reaching PKR 69.7bn. On the other hand, the Income Funds category turned out to be the biggest loser with a considerable PKR 14.1bn (or -23%) reduction in AUM size during the period under review.

Results of Operations

The Company earned a profit of Rs. 8.673 million during the period ended March 31, 2011 showing an earning per share of Rs. 0.09. The Company earned management remuneration from funds under management of Rs. 186.832 million compared to Rs. 281.699 million during the corresponding period last year. The assets under management were Rs. 13.887 billion as on March 31, 2011 compared to Rs. 16.508 billion as on June 30, 2010 depicting a decline of 15.8%. Administration and marketing expenses were Rs. 172.308 million during the period under review compared to Rs. 213.734 million during the corresponding period last year – a saving of 19.2%. The financial charges were Rs. 109.169 million showing a decline of 26% over the same period last year.

The shareholders equity improved to Rs. 751 million as on March 31, 2011 from Rs. 428 million as on June 30, 2010 – an increase of 75.5%. This was primarily due to improvement in market values / net asset values of our investment portfolio.



JS Investments Limited

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: April 21, 2011

JS Investments Limited

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2011

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	-----Amount in Rupees-----	
ASSETS			
Non-current assets			
Tangible property & equipment	5	315,615,269	338,772,046
Intangible assets		108,119,408	111,721,027
Long-term loans and advances - considered good		952,249	1,346,339
Investment in subsidiary		37,500,000	37,500,000
		462,186,926	489,339,412
Current assets			
Investments - available for sale	6	1,219,666,856	1,113,660,268
Loans and advances - considered good		2,760,332	1,610,941
Deposits, prepayments and other receivables		26,008,931	18,715,711
Balances due from funds under management		20,078,673	2,618,432
Taxation recoverable		71,295,389	103,492,228
Cash and bank balances	7	6,801,672	5,173,592
		1,346,611,853	1,245,271,172
Total assets		1,808,798,779	1,734,610,584
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	375,957,644	66,273,592
Statutory reserve		109,873,728	109,873,728
Accumulated loss		(734,452,702)	(748,075,367)
		751,378,670	428,071,953
Surplus on revaluation of fixed assets - net of tax		138,609,132	143,558,513
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		257,471,972	384,867,607
Deferred taxation-net		43,648,941	50,063,396
		301,120,913	434,931,003
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		115,659,156	68,319,152
Short term running finance-secured		304,288,141	311,454,723
Short-term borrowings-unsecured		150,000,000	300,000,000
Accrued and other liabilities		27,983,056	37,253,198
Accrued mark-up		19,759,711	11,022,042
		617,690,064	728,049,115
Total liabilities		918,810,977	1,162,980,118
Total equity and liabilities		1,808,798,779	1,734,610,584
Contingencies and commitments	9		
Breakup value		7.51	4.28
Breakup value (including surplus on revaluation of fixed assets)		8.90	5.72

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 PERIOD ENDED MARCH 31, 2011

	Note	Period ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
-----Amount in Rupees-----					
INCOME					
Remuneration from funds under management		186,832,183	281,698,695	58,788,832	89,490,183
Commission from open end funds under management		13,116	3,590,451	5,024	704,801
Dividend		13,820,100	40,955,848	-	18,043,406
Gain on sale of investments - net		62,190,467	49,112,122	44,618,993	(18,428,445)
Return on bank deposits		132,343	211,463	32,176	62,168
Markup on term finance certificates		14,062,259	28,739,808	4,716,252	7,531,520
Amortisation of discount		-	3,501,281	-	1,230,630
Commission income and share of profit from management of discretionary client portfolios	10	767,310	1,632,027	95,624	-
		<u>277,817,778</u>	<u>409,441,695</u>	<u>108,256,901</u>	<u>98,634,263</u>
OPERATING EXPENSES					
Administrative and marketing		172,308,411	213,734,369	52,960,309	63,629,819
		<u>105,509,367</u>	<u>195,707,326</u>	<u>55,296,592</u>	<u>35,004,444</u>
OPERATING PROFIT					
Other operating expenses		3,025,958	3,034,416	1,925,958	843,730
Financial charges		109,169,318	147,774,663	33,796,587	42,911,146
		<u>(6,685,909)</u>	<u>44,898,247</u>	<u>19,574,047</u>	<u>(8,750,432)</u>
Other operating income		13,869,874	19,629,001	4,757,859	13,475,586
		<u>7,183,965</u>	<u>64,527,248</u>	<u>24,331,906</u>	<u>4,725,154</u>
Profit before tax					
Taxation					
- Current		4,925,137	5,096,383	1,000,000	3,112,091
- Deferred		(6,414,455)	(3,665,777)	(317,420)	1,350,562
		<u>(1,489,318)</u>	<u>1,430,606</u>	<u>682,580</u>	<u>4,462,653</u>
		<u>8,673,283</u>	<u>63,096,642</u>	<u>23,649,326</u>	<u>262,501</u>
Profit for the period					
Earnings per share	11	<u>0.09</u>	<u>0.63</u>	<u>0.24</u>	<u>0.00</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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

	March 31, 2011	March 31, 2010
	-----Amount in Rupees-----	
Profit for the period	8,673,283	63,096,642
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	365,370,303	159,407,646
Gain realised on disposal of investments	(55,686,251)	(4,940,774)
	309,684,052	154,466,872
Total Comprehensive income	<u>318,357,335</u>	<u>217,563,514</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 PERIOD ENDED MARCH 31, 2011

	March 31, 2011	March 31, 2010
Note	-----Amount in Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	7,183,965	64,527,248
Adjustment for non-cash and other items:		
Remuneration from funds under management	(186,832,183)	(281,698,695)
Commission from open end funds under management	(13,116)	(3,590,451)
Dividend	(13,820,100)	(40,955,848)
Depreciation	22,817,508	27,633,156
Amortisation of intangible assets	3,601,620	3,969,733
Financial charges	109,169,318	147,774,663
Interest / mark-up income	(132,343)	(211,463)
Gain on sale of investments - net	(62,190,467)	(49,112,122)
Liabilities no longer required written back	-	(8,200,000)
(Gain) / loss on disposal of fixed assets	(1,440,793)	2,920,349
	<u>(121,656,591)</u>	<u>(136,943,430)</u>
Increase / decrease in assets / liabilities		
Loans and advances	(755,301)	15,795,652
Formation cost receivable from funds under management	1,534,676	1,890,955
Deposits, prepayments and other receivables	38,512,108	(27,308,521)
Accrued and other liabilities	(9,268,841)	(4,349,510)
	<u>30,022,642</u>	<u>(13,971,424)</u>
	(91,633,949)	(150,914,854)
Tax refunds / (paid)-net	27,271,702	(11,116,412)
Remuneration and commission received from funds under management	169,385,059	311,748,715
Net cash inflow from operating activities	<u>105,022,812</u>	<u>149,717,449</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	265,867,930	276,078,632
Fixed capital expenditure incurred	(657,482)	(869,780)
Dividend received	13,820,100	22,924,372
Return on bank deposits	132,343	211,463
Proceeds from disposal of property and equipment	2,437,544	3,998,938
Net cash inflow from investing activities	<u>281,600,435</u>	<u>302,343,625</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(129,085,000)	(91,690,000)
Dividend paid	(1,300)	(10,446)
Short term borrowing	(150,000,000)	(281,938,948)
Financial charges paid	(98,742,284)	(147,058,437)
Net cash outflow on financing activities	<u>(377,828,584)</u>	<u>(520,697,831)</u>
Net increase / (decrease) in cash and cash equivalents	<u>8,794,663</u>	<u>(68,636,757)</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	<u>12 (297,486,469)</u>	<u>(382,239,804)</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 STATEMENT OF CHANGES

IN EQUITY (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2011

	Share capital	Accumulated loss	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity
	Amount in Rupees				
Balance as at June 30, 2009	1,000,000,000	(800,127,824)	109,873,728	(23,420,050)	286,325,854
Total Comprehensive income	-	63,096,642	-	154,466,872	217,563,514
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	6,135,625	-	-	6,135,625
Balance as at March 31, 2010	<u>1,000,000,000</u>	<u>(730,895,557)</u>	<u>109,873,728</u>	<u>131,046,822</u>	<u>510,024,993</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	-	8,673,283	-	309,684,052	318,357,335
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	4,949,382	-	-	4,949,382
Balance as at March 31, 2011	<u>1,000,000,000</u>	<u>(734,452,702)</u>	<u>109,873,728</u>	<u>375,957,644</u>	<u>751,378,670</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 PERIOD ENDED MARCH 31, 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

Asset management company of the following funds:

Closed-End

- JS Growth Fund
- JS Value Fund Limited

Open-End

- JS Large Cap. Fund
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS 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 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 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 the preceding annual financial statements of the company for the year ended June 30, 2010.

		(Un-audited) March 31, 2011	(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	657,482	2,080,270
Disposal during the period / year	5.2	(996,751)	(7,083,576)
Depreciation for the period / year		<u>(22,817,508)</u>	<u>(36,246,473)</u>
Closing WDV		<u>315,615,269</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		272,760	748,400
Furniture and fixtures		-	37,000
Office equipment		<u>384,722</u>	<u>1,294,870</u>
		<u>657,482</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		232,541	3,347,662
Furniture and fixtures		225,744	706,317
Office equipment		83,591	220,499
Vehicles		<u>454,875</u>	<u>2,809,098</u>
		<u>996,751</u>	<u>7,083,576</u>

JS Investments Limited

6 INVESTMENTS - AVAILABLE FOR SALE

Investments in certificates / units / shares - at fair value

	(Un-audited) March 31, 2011		(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	116,094,557	21,498,992	77,396,371
JS Growth Fund	36,086,812	225,542,575	36,086,812	120,529,952
JS Large Cap. Fund	6,581,000	459,880,280	65,810,000	279,692,500
JS Pension Savings Fund - Equity	300,000	27,975,000	300,000	22,104,000
JS Pension Savings Fund - Debt	200,000	28,234,000	300,000	39,054,000
JS Pension Savings Fund - Money Market	200,000	23,502,000	300,000	32,553,000
JS Fund of Funds	194,432	19,573,423	1,278,295	111,249,981
JS Capital Protected Fund IV	93,157	9,968,728	1,022,447	109,340,525
JS Islamic Pension Savings Fund - Equity	250,000	36,695,000	300,000	32,475,000
JS Islamic Pension Savings Fund - Debt	250,000	33,602,500	300,000	36,477,000
JS Islamic Pension Savings Fund - Money Market	250,000	29,647,500	300,000	33,813,000
JS Aggressive Income Fund	501,736	51,849,410	501,736	48,482,761
JS Principal Secure Fund I	185,790	21,237,688	-	-
JS Cash Fund	126,011	12,888,452	400,000	40,968,000
		1,096,691,113		984,136,090
Other investments				
Escort Investment Bank Limited	3,274,000	7,661,160	3,274,000	9,461,860
Term Finance Certificates				
Optimus Limited	25,000	115,314,583	25,000	120,062,318
Investments at market value		1,219,666,856		1,113,660,268
Less: Cost of investments		(843,709,212)		(1,047,386,676)
Unrealised gain on re-measurement of investments		375,957,644		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.

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
		-----Amount in Rupees-----	
7 CASH AND BANK BALANCES			
Cash in hand		81,313	57,801
Balance with banks:			
In current account		1,691,574	1,593,422
In savings accounts	7.1	5,028,785	3,522,369
		6,720,359	5,115,791
		6,801,672	5,173,592

7.1 This includes Rs 0.317 million (June 30, 2010: Rs 0.473 million) held with JS Bank Limited - related party.



JS Investments Limited

8 SHARE CAPITAL

(Un-audited) March 31, 2011	(Audited) June 30, 2010		(Un-audited) March 31, 2011	(Audited) June 30, 2010
Number of shares		Authorised	-----Amount in Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
<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	<u>780,500,000</u>	<u>780,500,000</u>
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

At March 31, 2011 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 2006 and 2009 against demand of 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 two (June 30, 2010: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at March 31, 2011 was Rs. 33.355 million (June 30, 2010: 36.159 million) and Rs. 35.608 million (June 30, 2010: 42.369 million) respectively

JS Investments Limited

11 EARNINGS PER SHARE

	-----Un-audited-----			
	Half year ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
	-----Amount in Rupees-----			
Profit for the period	8,673,283	63,096,642	23,649,326	262,501
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000	100,000,000	100,000,000
Earning per share	<u>0.09</u>	<u>0.63</u>	<u>0.24</u>	<u>-</u>

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

	-----Un-audited-----	
	March 31, 2011	March 31, 2010
	-----Amount in Rupees-----	
12 CASH AND CASH EQUIVALENTS		
Cash and bank balances	6,801,672	5,636,581
Short term running finance-secured	<u>(304,288,141)</u>	<u>(387,876,385)</u>
	<u>(297,486,469)</u>	<u>(382,239,804)</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	186,832,183	281,698,695
Commission from funds under management	13,116	3,590,451
Rental income	2,453,159	5,430,555
Rent expense	3,971,392	3,370,875
Investments made in funds under management	209,610,462	70,000,000
Investments disposed off in funds under management - at cost	413,262,923	84,192,106
Contribution to staff provident fund	3,170,364	3,050,372
Dividend income	13,820,100	40,955,848
Markup expense on borrowing	33,251,782	33,233,024
Bonus shares / units (in numbers)	261,365	261,423
Transactions with key management personnel		
Remuneration to key management personnel	36,044,001	46,009,417
Director fee	2,610,000	2,610,000
Chief Executive Officer - markup income on long term loan	-	1,705,594
Chief Executive Officer - long term loan plus markup recovered	-	17,106,690



JS Investments Limited

	(Un-audited) March 31, 2011	(Audited) June 30, 2010
-----Amount in Rupees-----		
13.2 Balances:		
Investments in funds under management	1,096,691,113	984,136,090
Investments in subsidiary	37,500,000	37,500,000
Balances due from funds under management	20,078,673	2,618,432
Formation cost 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	7,585,036	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 discontinued operations classified as held for sale in financial statement of March 2010 have been reclassified and merged with income and expenses of the asset management company for better presentation.

15 GENERAL

These condensed interim financial statements were authorised for issue on April 21, 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 MARCH 31, 2011

		(Un-audited) March 31, 2011	(Audited) June 30, 2010
	Note	-----Amount in Rupees-----	
ASSETS			
Non-current assets			
Tangible property & equipment	5	318,115,269	341,272,046
Intangible assets		109,119,408	112,721,027
Long-term loans and advances - considered good		952,249	1,346,339
		<u>428,186,926</u>	<u>455,339,412</u>
Current assets			
Investments	6	1,256,820,701	1,147,299,547
Loans and advances - considered good		2,760,332	1,610,941
Deposits, prepayments and other receivables		26,008,931	18,732,711
Balances due from funds under management		20,078,673	2,618,432
Taxation recoverable		71,315,871	103,512,221
Cash and bank balances	7	6,838,101	5,256,412
		<u>1,383,822,609</u>	<u>1,279,030,264</u>
Total assets		<u><u>1,812,009,535</u></u>	<u><u>1,734,369,676</u></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	375,957,644	66,273,592
Statutory reserve		109,873,728	109,873,728
Accumulated loss		<u>(731,325,503)</u>	<u>(748,413,383)</u>
		754,505,869	427,733,937
Surplus on revaluation of fixed assets - net of tax		138,609,132	143,558,513
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		257,471,972	384,867,607
Deferred tax - net		<u>43,648,941</u>	<u>50,063,396</u>
		301,120,913	434,931,003
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		115,659,156	68,319,152
Short term running finance-secured		304,288,141	311,454,723
Short term borrowings-unsecured		150,000,000	300,000,000
Accrued and other liabilities		28,066,612	37,350,306
Accrued mark-up		<u>19,759,711</u>	<u>11,022,042</u>
		617,773,620	728,146,223
Total liabilities		<u>918,894,533</u>	<u>1,163,077,226</u>
Total equity and liabilities		<u><u>1,812,009,535</u></u>	<u><u>1,734,369,676</u></u>
Contingencies and commitments	9		
Breakup value		<u>7.55</u>	<u>4.28</u>
Breakup value (including surplus on revaluation of fixed assets)		<u>8.93</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 PERIOD ENDED MARCH 31, 2011

	Note	Period ended		Quarter ended	
		March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
-----Amount in Rupees-----					
INCOME					
Remuneration from funds under management		186,832,183	281,698,695	58,788,832	89,490,183
Commission from open end funds under management		13,116	3,590,451	5,024	704,801
Dividend		13,820,100	40,955,848	-	18,043,406
Gain on sale of investments - net		62,192,788	49,128,851	44,621,314	(18,419,848)
Return on bank deposits		137,242	218,743	33,681	64,879
Markup on term finance certificates		14,062,259	28,739,808	4,716,252	7,531,520
Amortisation of discount		-	3,501,281	-	1,230,630
Commission income and share of profit from management of discretionary client portfolios	10	767,310	1,632,027	95,624	-
Unrealised gain on revaluation of investments		3,537,245	1,675,281	1,020,607	(396,084)
		<u>281,362,243</u>	<u>411,140,985</u>	<u>109,281,334</u>	<u>98,249,487</u>
OPERATING EXPENSES					
Administrative and marketing		172,387,661	213,875,357	52,975,559	63,668,488
		<u>108,974,582</u>	<u>197,265,628</u>	<u>56,305,775</u>	<u>34,580,999</u>
OPERATING PROFIT		3,025,958	3,135,388	1,925,958	944,702
Other operating expenses		109,169,318	147,774,663	33,796,587	42,911,146
		<u>(3,220,694)</u>	<u>46,355,577</u>	<u>20,583,230</u>	<u>(9,274,849)</u>
Other operating income		13,869,874	19,629,001	4,757,859	13,475,586
		<u>10,649,180</u>	<u>65,984,578</u>	<u>25,341,089</u>	<u>4,200,737</u>
Profit before tax					
Taxation					
- Current		4,925,137	5,096,383	1,000,000	3,112,091
- Deferred		(6,414,455)	(3,665,777)	(317,420)	1,350,562
		<u>(1,489,318)</u>	<u>1,430,606</u>	<u>682,580</u>	<u>4,462,653</u>
Profit for the period		<u>12,138,498</u>	<u>64,553,972</u>	<u>24,658,509</u>	<u>(261,916)</u>
Earnings per share	11	<u>0.12</u>	<u>0.65</u>	<u>0.25</u>	<u>(0.00)</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 PERIOD ENDED MARCH 31, 2011

	March 31, 2011	March 31, 2010
	-----Amount in Rupees-----	
Profit for the period	12,138,498	64,553,972
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	365,370,303	159,407,646
Gain realised on disposal of investments	(55,686,251)	(4,940,774)
	309,684,052	154,466,872
Total Comprehensive income	<u>321,822,550</u>	<u>219,020,844</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 CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2011

Note	March 31, 2011	March 31, 2010
	-----Amount in Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the period before taxation	10,649,180	65,984,578
Adjustment for non-cash and other items:		
Remuneration from funds under management	(186,832,183)	(281,698,695)
Commission from open end funds under management	(13,116)	(3,590,451)
Dividend	(13,820,100)	(40,955,848)
Depreciation	22,817,508	27,633,156
Amortisation of intangible assets	3,601,620	3,969,733
Financial charges	109,169,318	147,774,663
Interest / mark-up income	(137,242)	(211,463)
Liabilities no longer required written back	-	(8,200,000)
(Gain) on sale of investments - net	(62,192,788)	(49,128,851)
(Gain) / loss on disposal of fixed assets	(1,440,793)	2,920,349
Unrealized gain on remeasurement of investment at fair value through profit / loss	(3,537,245)	(1,675,281)
	<u>(121,735,841)</u>	<u>(137,178,110)</u>
Increase / decrease in assets / liabilities		
Loans and advances	(755,301)	15,795,652
Formation cost receivable from funds under management	1,534,676	1,890,955
Deposits, prepayments and other receivables	38,529,108	(27,311,771)
Accrued and other liabilities	(9,282,391)	(4,322,811)
	<u>30,026,092</u>	<u>(13,947,975)</u>
Tax refunds / (paid)-net	(91,709,749)	(151,126,085)
Remuneration and commission received from funds under management	27,271,212	(11,117,140)
Net cash inflow from operating activities	<u>169,385,059</u>	<u>311,748,715</u>
	104,946,522	149,505,490
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	265,892,930	276,378,632
Fixed capital expenditure incurred	(657,482)	(869,780)
Dividend received	13,820,100	22,924,372
Return on bank deposits	137,242	211,463
Proceeds from disposal of property and equipment	2,437,544	3,998,938
Net cash inflow from investing activities	<u>281,630,334</u>	<u>302,643,625</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(129,085,000)	(91,690,000)
Dividend paid	(1,300)	(10,446)
Short term borrowing	(150,000,000)	(281,938,948)
Financial charges paid	(98,742,284)	(147,058,437)
Net cash outflow on financing activities	<u>(377,828,584)</u>	<u>(520,697,831)</u>
Net increase / (decrease) in cash and cash equivalents	<u>8,748,272</u>	<u>(68,548,716)</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>(297,450,040)</u>	<u>(382,064,547)</u>
12		

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 PERIOD ENDED MARCH 31, 2011

	Share capital	Accumulated loss	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity
	----- Amount in Rupees -----				
Balance as at June 30, 2009	1,000,000,000	(797,082,904)	109,873,728	(23,420,050)	289,370,774
Total Comprehensive income	-	64,553,972	-	154,466,872	219,020,844
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	6,135,625	-	-	6,135,625
Balance as at March 31, 2010	<u>1,000,000,000</u>	<u>(726,393,307)</u>	<u>109,873,728</u>	<u>131,046,822</u>	<u>514,527,243</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	-	(12,138,498)	-	309,684,052	321,822,550
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	4,949,382	-	-	4,949,382
Balance as at March 31, 2011	<u>1,000,000,000</u>	<u>(731,325,503)</u>	<u>109,873,728</u>	<u>375,957,644</u>	<u>754,505,869</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 PERIOD ENDED MARCH 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:

Asset management company of the following funds:

Closed-End

-JS Growth Fund
-JS Value Fund Limited

Open-End

-JS Large Cap Fund
-Unit Trust of Pakistan
-JS Income Fund
-JS Islamic Fund
-JS Aggressive Asset Allocation Fund
-JS Fund of Funds
-JS KSE-30 Index Fund
-JS 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.

		(Un-audited) March 31, 2011	(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	657,482	2,080,270
Disposal during the period / year	5.2	(996,751)	(7,083,576)
Depreciation for the period / year		<u>(22,817,508)</u>	<u>(36,246,473)</u>
Closing WDV		315,615,269	338,772,046
Capital work in progress		<u>2,500,000</u>	<u>2,500,000</u>
		<u><u>318,115,269</u></u>	<u><u>341,272,046</u></u>
5.1 Tangible property and equipment			
The following additions were made to tangible property & equipment during the period / year:			
Branch set-up		272,760	748,400
Furniture and fixtures		-	37,000
Office equipment		<u>384,722</u>	<u>1,294,870</u>
		<u><u>657,482</u></u>	<u><u>2,080,270</u></u>
5.2 The following disposals (net of book value) of tangible property & equipment were made during the period / year:			
Branch set-up		232,541	3,347,662
Furniture and fixtures		225,744	706,317
Office equipment		83,591	220,499
Vehicles		<u>454,875</u>	<u>2,809,098</u>
		<u><u>996,751</u></u>	<u><u>7,083,576</u></u>



JS Investments Limited

	Note	(Un-audited) March 31, 2011	(Audited) June 30, 2010
-----Amount in Rupees-----			
6 INVESTMENTS			
Available for sale	6.1	1,219,666,856	1,113,660,268
At fair value through profit or loss account	6.2	<u>37,153,845</u>	<u>33,639,279</u>
		<u>1,256,820,701</u>	<u>1,147,299,547</u>

6.1 INVESTMENTS - available for sale

Investments in certificates / units / shares - at fair value	(Un-audited) March 31, 2011		(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	116,094,557	21,498,992	77,396,371
JS Growth Fund	36,086,812	225,542,575	36,086,812	120,529,952
JS Large Cap Fund (note 6.3)	6,581,000	459,880,280	65,810,000	279,692,500
JS Pension Savings Fund - Equity	300,000	27,975,000	300,000	22,104,000
JS Pension Savings Fund - Debt	200,000	28,234,000	300,000	39,054,000
JS Pension Savings Fund - Money Market	200,000	23,502,000	300,000	32,553,000
JS Fund of Funds	194,432	19,573,423	1,278,295	111,249,981
JS Capital Protected Fund IV	93,157	9,968,728	1,022,447	109,340,525
JS Islamic Pension Savings Fund - Equity	250,000	36,695,000	300,000	32,475,000
JS Islamic Pension Savings Fund - Debt	250,000	33,602,500	300,000	36,477,000
JS Islamic Pension Savings Fund - Money Market	250,000	29,647,500	300,000	33,813,000
JS Aggressive Income Fund	501,736	51,849,410	501,736	48,482,761
JS Principal Secure Fund I	185,790	21,237,688	-	-
JS Cash Fund	126,011	12,888,452	400,000	40,968,000
		1,096,691,113		984,136,090
Other investments				
Escort Investment Bank Limited	3,274,000	7,661,160	3,274,000	9,461,860
Term Finance Certificates				
Optimus Limited	25,000	115,314,583	25,000	120,062,318
Investments at market value		<u>1,219,666,856</u>		<u>1,113,660,268</u>
Less: Cost of investments		<u>(843,709,212)</u>		<u>(1,047,386,676)</u>
Unrealised gain on re-measurement of investments		<u>375,957,644</u>		<u>66,273,592</u>

6.2 At fair value through profit or loss account

	Number of units	Rupees	Number of units	Rupees
JS Income Fund - fund under management (related party)				
Investment at market value	409,183	37,153,845	383,266	33,639,279
less: Carrying value of investment		<u>(33,616,600)</u>		<u>(36,720,332)</u>
Unrealised gain / (loss) on re-measurement of investments		<u>3,537,245</u>		<u>(3,081,053)</u>

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

	(Un-audited) March 31, 2011	(Audited) June 30, 2010
-----Amount in Rupees-----		
7 CASH AND BANK BALANCES		
Cash in hand	81,313	57,801
Balance with banks:		
In current account	1,711,574	1,593,422
In savings accounts	5,045,214	3,605,189
	7.1 <u>6,756,788</u>	<u>5,198,611</u>
	<u>6,838,101</u>	<u>5,256,412</u>

7.1 This includes Rs 0.317 million (June 30, 2010: Rs 0.473 million) held with JS Bank Limited - related party.

JS Investments Limited

8 SHARE CAPITAL

(Un-audited) March 31, 2011	(Audited) June 30, 2010	Authorised	(Un-audited) March 31, 2011	(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>

At March 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 2006 and 2009 against demand of 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 consolidated 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 two (June 30, 2010: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at March 31, 2011 was Rs. 33.355 million (June 30, 2010: 36.159 million) and Rs. 35.608 million (June 30, 2010: 42.369 million) respectively.



JS Investments Limited

11 EARNINGS PER SHARE

(Un-audited).....			
	Half year ended		Quarter ended	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Amount in Rupees.....			
Profit for the period	12,138,498	64,553,972	24,658,509	(261,916)
Weighted average number of ordinary shares outstanding during the period	100,000,000	100,000,000	100,000,000	100,000,000
Earning per share	<u>0.12</u>	<u>0.65</u>	<u>0.25</u>	<u>-</u>

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

-----Un-audited-----
 March 31, March 31,
 2011 2010
 -----Amount in Rupees-----

12 CASH AND CASH EQUIVALENTS

Cash and bank balances	6,838,101	5,811,838
Short term running finance-secured	(304,288,141)	(387,876,385)
	<u>(297,450,040)</u>	<u>(382,064,547)</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	186,832,183	281,698,695
Commission from funds under management	13,116	3,590,451
Rental income	2,453,159	5,430,555
Rent expense	3,971,392	3,370,875
Investments made in funds under management	209,610,462	70,000,000
Investments disposed off in funds under management - at cost	413,262,923	84,192,106
Contribution to staff provident fund	3,170,364	3,050,372
Dividend income	13,820,100	40,955,848
Markup expense on borrowing	33,251,782	33,233,024
Bonus shares / units (in numbers)	261,365	261,423
Transactions with key management personnel		
Remuneration to key management personnel	36,044,001	46,009,417
Director fee	2,610,000	2,610,000
Chief Executive Officer - markup income on long term loan	-	1,705,594
Chief Executive Officer - long term loan plus markup recovered	-	17,106,690

JS Investments Limited

	(Un-audited) March 31, 2011	(Audited) June 30, 2010
	-----Amount in Rupees-----	
13.2 Balances:		
Investments in funds under management	1,133,844,958	1,017,775,369
Balances due from funds under management	20,078,673	2,618,432
Formation cost 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	7,585,036	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 discontinued operations classified as held for sale in consolidated financial statement of March 2010 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 April 21, 2011 by the Board of Directors of the Company.

Chief Executive Officer

Director

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