
JS Investments Limited
Quarterly Report for the period
ended March 31, 2012



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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 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 Non-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. Muhammad Khawar Iqbal	
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 period ended March 31, 2012.

Economic Outlook

Pakistan continued to face problems on its economic front, with the Current Account Deficit rising to USD 3.0bn during 8MFY12, up from a meager deficit of USD 194mn during the same period last year. This was mainly driven by increased Trading Account Deficit, which was up by a significant 43% YoY on account of higher crude oil and fertilizer imports and lower textile exports. The period also witnessed the repayment of the first tranche to the IMF on account of the SBA loans, worth USD 399mn. On the other hand MoF estimated the 7MFY12 Fiscal Deficit at 3.1% of GDP, which combined with the seasonal uptick during the 2H, is likely to breach the full year target of 4.7%.

Asset Management Industry Review

Industry AUMs (assets under management) increased by a considerable PKR 82.1bn (+ 33%) at the end of 9MFY12 to PKR 332.0bn, as against an increase of only PKR 30.3bn (+ 15%) during the corresponding period last year. Almost the entire growth emanated from the Open End Funds category which surged up by a substantial PKR 81.7bn (+ 36%), followed by Pension Funds, which increased by PKR 55.1mn (+ 35%) whilst the Closed End Funds category registered a decline of PKR 111mn (-0.5%).

With volatility attached to the performance of the Equity Market, investors have resorted to safer returns provided by the Fixed Income Funds. During the 9 month period, Money Market Funds and Income Funds were the two categories within Open End Funds which recorded the largest absolute rise in AUMs of PKR 42.6bn (+ 55%) and PKR 32.0bn (+ 84%) respectively. Combined with an increase of PKR 8.2bn (+ 39%) in Islamic Income Funds, this made up for almost the complete growth of AUMs in Open End Funds during 9MFY12. On the other hand, Equity Market Funds though registered an overall drop of PKR 2.6bn (-5%) during 9MFY12, the recent surge in the domestic indices resulted in a PKR 5.2bn (+ 12%) rise in their Net Assets during 3QFY12.

Results of Operations

The Company earned a profit of Rs. 77.683 million during the period ended March 31, 2012 showing an earning per share of Rs. 0.78. The Company earned management remuneration from funds under management of Rs. 150.990 million compared to Rs. 186.832 million during the corresponding period last year. The assets under management were Rs. 12.405 billion as on March 31, 2012 compared to Rs. 12.812 billion as on June 30, 2011 depicting a decline of 3.2%. Administration and marketing expenses were Rs. 158.022 million during the period under review compared to Rs. 172.308 million during the corresponding period last year - a decline of 8.3%. The financial charges were Rs. 88.327 million showing a decline of 19.1% over the same period last year.

The shareholders equity was Rs. 957 million as on March 31, 2012 as compared to Rs. 742 million as on June 30, 2011 - an increase of 28.98%. This was primarily due to increase 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

Rashid Mansur
Chief Executive Officer

Karachi: April 26, 2012

JS Investments Limited

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2012

		(Un-audited) March 31, 2012	(Audited) June 30, 2011
	Note	-----Amount in Rupees-----	
ASSETS			
Non-current assets			
Fixed Assets			
Tangible property & equipment	5	295,658,464	310,131,410
Intangible assets		106,394,024	106,978,119
Long-term loans and advances - considered good		1,601,258	1,377,978
Investment in subsidiary		37,500,000	37,500,000
		<u>441,153,746</u>	<u>455,987,507</u>
Current assets			
Investments - available for sale	6	1,265,583,031	1,213,749,511
Loans and advances - considered good		2,246,491	1,841,228
Deposits, prepayments and other receivables		17,968,105	14,309,707
Balances due from funds under management		1,995,795	2,384,739
Taxation recoverable		86,068,017	70,394,820
Cash and bank balances	7	2,793,692	4,350,469
		<u>1,376,655,131</u>	<u>1,307,030,474</u>
Total assets		<u><u>1,817,808,877</u></u>	<u><u>1,763,017,981</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	482,225,987	349,939,144
Accumulated loss		<u>(525,041,736)</u>	<u>(607,674,222)</u>
		957,184,251	742,264,922
Surplus on revaluation of fixed assets - net of tax		132,009,955	136,959,339
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		130,063,301	257,817,193
Deferred taxation-net		40,625,853	41,248,941
		<u>170,689,154</u>	<u>299,066,134</u>
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		122,803,399	76,158,576
Short term running finance-secured		390,303,770	310,591,787
Short-term borrowings-unsecured		-	150,000,000
Accrued and other liabilities		20,739,693	27,594,354
Sales tax payable		2,651,268	-
Accrued mark-up		21,427,387	20,382,869
		<u>557,925,517</u>	<u>584,727,586</u>
Total liabilities		<u><u>728,614,671</u></u>	<u><u>883,793,720</u></u>
Total equity and liabilities		<u><u>1,817,808,877</u></u>	<u><u>1,763,017,981</u></u>
Contingencies and commitments	9		
Breakup value per share		<u>9.57</u>	<u>7.42</u>
Breakup value (including surplus on revaluation of fixed assets)		<u>10.89</u>	<u>8.79</u>

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

Chief Executive Officer

Chairman



JS Investments Limited

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	Note	Period ended		Quarter ended	
		March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
-----Amount in Rupees-----					
INCOME					
Remuneration from funds under management-gross		175,148,669	186,832,183	58,009,171	58,788,832
Less: Sales tax		24,158,437	-	8,001,265	-
Remuneration from funds under management-net		150,990,232	186,832,183	50,007,906	58,788,832
Commission from open end funds under management		31,734	13,116	956	5,024
Dividend		40,386,610	13,820,100	-	-
Gain on sale of investments - net		113,424,134	62,190,467	80,151,299	44,618,993
Return on bank deposits		82,929	132,343	22,492	32,176
Markup on term finance certificates		11,419,128	14,062,259	3,098,361	4,716,252
Commission income and share of profit from management of discretionary client portfolios	10	145,470	767,310	130,854	95,624
		316,480,237	277,817,778	133,411,868	108,256,901
Impairment loss on available for sale equity securities		8,152,260	-	-	-
		308,327,977	277,817,778	133,411,868	108,256,901
OPERATING EXPENSES					
Administrative and marketing		158,022,431	172,308,411	47,463,668	52,960,309
		150,305,546	105,509,367	85,948,200	55,296,592
OPERATING PROFIT					
Other operating expenses		2,579,167	3,025,958	904,167	1,925,958
Financial charges		88,327,072	109,169,318	25,025,727	33,796,587
		59,399,307	(6,685,909)	60,018,306	19,574,047
Other operating income		11,633,185	13,869,874	3,013,204	4,757,859
Profit before tax		71,032,492	7,183,965	63,031,510	24,331,906
Income tax expense					
- Current		2,943,015	4,925,137	1,769,948	1,000,000
- Prior		(8,970,541)	-	-	-
- Deferred		(623,088)	(6,414,455)	(965,117)	(317,420)
		(6,650,614)	(1,489,318)	804,831	682,580
Profit for the period		77,683,106	8,673,283	62,226,679	23,649,326
Earnings per share	11	0.78	0.09	0.62	0.24

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

Chief Executive Officer

Chairman

JS Investments Limited

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME** (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	-----Amount in Rupees-----	
Profit for the period	77,683,106	8,673,283
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	234,986,433	365,370,303
Impairment loss on available for sale equity securities	1,407,820	-
Gain realised on disposal of investments	(110,851,850)	(55,686,251)
	125,542,403	309,684,052
Taxation relating to components of other comprehensive income	-	-
Total Comprehensive income	<u>203,225,509</u>	<u>318,357,335</u>

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

Chief Executive Officer

Chairman



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	-----Amount in Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	71,032,492	7,183,965
Adjustment for non-cash and other items:		
Remuneration from funds under management	(150,990,232)	(186,832,183)
Commission from open end funds under management	(31,734)	(13,116)
Dividend	(40,386,610)	(13,820,100)
Depreciation	16,565,722	22,817,508
Amortisation of intangible assets	1,139,096	3,601,620
Financial charges	88,327,072	109,169,318
Interest / mark-up income	(82,929)	(132,343)
Gain on sale of investments - net	(113,424,134)	(62,190,467)
Impairment loss on available for sale equity securities	8,152,260	-
(Gain) / loss on disposal of fixed assets	(407,875)	(1,440,793)
	<u>(120,106,872)</u>	<u>(121,656,591)</u>
Increase / decrease in assets and liabilities		
Loans and advances	(628,544)	(755,301)
Long-term receivable from related parties	-	1,534,676
Deposits, prepayments and other receivables	42,986,425	38,512,108
Accrued and other liabilities	(4,203,394)	(9,268,841)
	<u>38,154,487</u>	<u>30,022,642</u>
	<u>(81,952,385)</u>	<u>(91,633,949)</u>
Tax refunds / (paid)-net	(9,645,671)	27,271,702
Remuneration and commission received from funds under management	<u>151,410,910</u>	<u>169,385,059</u>
Net cash inflow from operating activities	<u>59,812,854</u>	<u>105,022,812</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	185,725,197	265,867,930
Fixed capital expenditure incurred	(2,789,897)	(657,482)
Dividend received	40,386,610	13,820,100
Return on bank deposits	82,929	132,343
Proceeds from disposal of fixed assets	550,000	2,437,544
Net cash inflow from investing activities	<u>223,954,839</u>	<u>281,600,435</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(129,085,000)	(129,085,000)
Dividend paid	-	(1,300)
Short term borrowing	(150,000,000)	(150,000,000)
Financial charges paid	(85,951,453)	(98,742,284)
Net cash used in financing activities	<u>(365,036,453)</u>	<u>(377,828,584)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(81,268,760)</u>	<u>8,794,663</u>
Cash and cash equivalents at beginning of the period	<u>(306,241,318)</u>	<u>(306,281,132)</u>
Cash and cash equivalents at end of the period	<u>12</u> <u>(387,510,078)</u>	<u>(297,486,469)</u>

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

Chief Executive Officer

Chairman

JS Investments Limited

**CONDENSED INTERIM STATEMENT OF CHANGES
IN EQUITY (UNAUDITED)**
FOR THE PERIOD ENDED MARCH 31, 2012

	Share capital	Accumulated loss	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity
----- Amount in Rupees -----					
Balance as at June 30, 2010	1,000,000,000	(748,075,367)	109,873,728	66,273,592	428,071,953
Total Comprehensive income	-	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>
Balance as at June 30, 2011	1,000,000,000	(607,674,222)	-	349,939,144	742,264,922
Total Comprehensive income	-	77,683,106	-	125,542,403	203,225,509
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	-	4,949,380	-	-	4,949,380
Balance as at March 31, 2012	<u>1,000,000,000</u>	<u>(525,041,736)</u>	<u>-</u>	<u>482,225,987</u>	<u>957,184,251</u>

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

Chief Executive Officer

Chairman



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2012

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

1.2.1 Asset management company of the following funds:

Closed-End

- JS Growth Fund
- JS Value Fund Limited

Open-End

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

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

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.

JS Investments Limited

3 BASIS OF PREPARATION

- 3.1 The condensed interim 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 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.

		(Un-audited) March 31, 2012	(Audited) June 30, 2011
	Note	-----Amount in Rupees-----	
5 TANGIBLE PROPERTY AND EQUIPMENT			
Opening WDV		309,629,411	338,772,046
Addition during the period / year	5.1	2,256,396	657,482
Disposal during the period / year	5.2	(142,120)	(1,043,328)
Depreciation for the period / year		<u>(16,565,723)</u>	<u>(28,756,789)</u>
Closing WDV		295,177,964	309,629,411
Capital work-in-progress - at cost		480,500	501,999
Tangible property and equipment		<u>295,658,464</u>	<u>310,131,410</u>
5.1 The following additions were made to tangible property & equipment during the period / year:			
Branch set-up		-	272,760
Office equipment		1,371,396	384,722
Vehicles		<u>885,000</u>	<u>-</u>
		<u>2,256,396</u>	<u>657,482</u>
5.2 The following disposals (net of book value) of tangible property & equipment were made during the period / year:			
Branch set-up		-	240,493
Furniture and fixtures		-	225,744
Office equipment		-	122,216
Vehicles		<u>142,120</u>	<u>454,875</u>
		<u>142,120</u>	<u>1,043,328</u>



JS Investments Limited

6 INVESTMENTS - AVAILABLE FOR SALE

Investments in certificates / units / shares - at fair value

	(Un-audited) March 31, 2012		(Audited) June 30, 2011	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
In funds under management:				
JS Value Fund Limited	21,498,992	142,108,337	21,498,992	118,244,456
JS Growth Fund	36,086,812	267,042,409	36,086,812	212,912,191
JS Large Cap. Fund	8,317,384	419,885,793	6,581,000	460,340,950
JS Pension Savings Fund - Equity	300,000	31,398,000	300,000	28,437,000
JS Pension Savings Fund - Debt	188,940	29,727,819	200,000	29,002,000
JS Pension Savings Fund - Money Market	189,695	24,766,579	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Islamic Pension Savings Fund - Equity	250,000	43,957,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	232,690	34,028,586	250,000	34,162,500
JS Islamic Pension Savings Fund - Money Market	236,585	30,801,001	250,000	30,357,500
JS Aggressive Income Fund	571,765	56,987,864	501,736	47,519,428
JS Principal Secure Fund I	989	113,192	185,790	21,800,633
JS Cash Fund	-	-	400,000	42,120,000
Unit Trust of Pakistan	881,650	101,089,986	-	-
		1,181,907,066		1,107,071,391
Other investments				
Escort Investment Bank Limited	3,274,000	7,857,600	3,274,000	6,318,820
Term Finance Certificates				
Optimus Limited	25,000	75,818,365	25,000	100,359,300
Investments at market value		1,265,583,031		1,213,749,511
Less:				
Carrying value of investments		(791,509,304)		(863,810,367)
Impairment loss on investments		8,152,260		-
		(783,357,044)		(863,810,367)
Unrealised gain on re-measurement of investments		482,225,987		349,939,144

(Un-audited) (Audited)
March 31, June 30,
2012 2011

Note -----Amount in Rupees-----

7 CASH AND BANK BALANCES

Cash in hand		71,137	70,082
Cheque in hand		-	8,261
Balance with banks:			
In current accounts		649,724	1,403,641
In saving accounts	7.1	2,072,831	2,868,485
		2,722,555	4,272,126
		2,793,692	4,350,469

7.1 This includes Rs 0.030 million (June 30, 2011: Rs 0.0157 million) held with JS Bank Limited - related party.

JS Investments Limited

8 SHARE CAPITAL

(Un-audited) March 31, 2012	(Audited) June 30, 2011		(Un-audited) March 31, 2012	(Audited) June 30, 2011
Number of shares		Authorised	-----Amount in Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
<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 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
<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, 2012 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2011: 52.024 million) ordinary shares of Rs. 10 each of the company.

9 CONTINGENCIES & COMMITMENTS

9.1 Contingencies

9.1.1 In respect of the appeals filed by the company against order passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue has not accepted the basis of addition and set aside both the order 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.

Further after the end of this quarter, company also received re-assessment orders in respect of set-aside issues. The tax demand reduced from Rs. 162 million to Rs. 77.382 million for the tax year 2006 which is also under contestation at appellate stage.

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 favor of the Company. Hence, no provision has been made in the condensed interim financial information.

9.1.2 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 services rendered.

The management of the company responded the notice in consultation with the tax advisor and vehemently argued that excise duty is not leviable on the services provided by the company. Thereafter, Order-in-Original No. 04/2012 dated February 22, 2012 was passed by the Inland Revenue department and upheld the charges leveled in the show cause notice along with the amount of penalty of Rs.8.7 million. The company has filed the appeal against the said order before the Commissioner (Appeal) which is pending in this appellate forum.

Management and the Tax Advisor of the Company are of the view that the demand raised by the inland Revenue department has no legal sanctity and confident that the outcome of the case would be in favor of the company therefore no provision has been made in these interim financial statements.



JS Investments Limited

9.2 Commitments in respect of:		
Capital expenditure contracted but not incurred	-	502,000
Royalty and advisory payments	10,000,000	10,000,000
Motor vehicle acquired under Ijarah from Bank Islami Pakistan Limited		
- Due in one year	2,479,880	2,472,324
- Due in two to five years	3,099,850	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 March 31, 2012 was Rs. 39.542 million (June 30, 2011: 36.656 million) and Rs. 39.512 million (June 30, 2011: 36.613 million) respectively.

11 EARNINGS PER SHARE	------(Un-audited)-----			
	Period ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	-----Amount in Rupees-----			
Profit for the period	77,683,106	8,673,283	62,226,679	23,649,326
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>0.78</u>	<u>0.09</u>	<u>0.62</u>	<u>0.24</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, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

12 CASH AND CASH EQUIVALENTS	------(Un-audited)-----	
	March 31, 2012	March 31, 2011
	---Amount in Rupees---	
Cash and bank balances	2,793,692	6,801,672
Short term running finance-secured	<u>(390,303,770)</u>	<u>(304,288,141)</u>
	<u>(387,510,078)</u>	<u>(297,486,469)</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	150,990,232	186,832,183
Commission from funds under management	31,734	13,116
Rental income	2,704,797	2,453,159
Rent expense	1,500,192	3,971,392
Ijarah Rentals	1,888,424	1,854,243
Insurance premium paid	2,299,131	3,929,490
Investments made in funds under management	127,969,788	209,610,462
Investments disposed off in funds under management - at cost	158,662,625	413,262,923
Contribution to staff provident fund	3,121,506	3,170,364
Dividend income	40,386,610	13,820,100
Markup expense on borrowing	27,667,517	33,251,782
Bonus shares / units received (in numbers)	4,536,257	261,365
Transactions with key management personnel		
Remuneration to key management personnel	39,235,423	36,044,001
Director fee	2,955,000	2,895,000

JS Investments Limited

	(Un-audited) March 31, 2012	(Audited) June 30, 2011
-----Amount in Rupees-----		
13.2 Balances:		
Investments in funds under management	1,181,907,066	1,107,071,391
Investments in subsidiary-at cost	37,500,000	37,500,000
Balances due from funds under management	1,995,795	2,384,739
Short term borrowing-secured	189,709,475	151,435,314
Short term borrowing-unsecured	-	150,000,000
Interest payable on short term borrowing	6,429,733	4,517,216
Ijarah rentals payable	5,579,730	8,653,134

14 GENERAL

This condensed interim financial information was authorised for issue on April 26, 2012, by the Board of Directors of the Company.

Chief Executive Officer

Chairman



CONDENSED INTERIM CONSOLIDATED
FINANCIAL INFORMATION

JS Investments Limited

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2012

	Note	(Un-audited) March 31, 2012	(Audited) June 30, 2011
-----Amount in Rupees-----			
ASSETS			
Non-current assets			
Fixed Assets			
Tangible property & equipment	5	298,158,464	312,631,410
Intangible assets		107,394,024	107,978,119
Long-term loans and advances - considered good		1,601,258	1,377,978
		407,153,746	421,987,507
Current assets			
Investments	6	1,303,443,387	1,248,637,751
Loans and advances - considered good		2,246,491	1,841,228
Deposits, prepayments and other receivables		18,020,245	14,346,707
Balances due from funds under management		1,995,795	2,384,739
Taxation recoverable		86,068,501	70,415,460
Cash and bank balances	7	2,848,930	4,390,794
		1,414,623,349	1,342,016,679
Total assets		1,821,777,095	1,764,004,186
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	482,225,987	349,939,144
Accumulated loss		(521,208,878)	(606,916,365)
		961,017,109	743,022,779
Surplus on revaluation of fixed assets - net of tax		132,009,955	136,959,339
LIABILITIES			
Non current liabilities			
Securitisation of management fee receivables - debt		130,063,301	257,817,193
Deferred taxation-net		40,625,853	41,248,941
		170,689,154	299,066,134
Current liabilities			
Current maturity of securitisation of management fee receivables - debt		122,803,399	76,158,576
Short term running finance-secured		390,303,770	310,591,787
Short-term borrowings-unsecured		-	150,000,000
Accrued and other liabilities		20,875,053	27,822,702
Sales tax payable		2,651,268	-
Accrued mark-up		21,427,387	20,382,869
		558,060,877	584,955,934
Total liabilities		728,750,031	884,022,068
Total equity and liabilities		1,821,777,095	1,764,004,186
Contingencies and commitments	9		
Breakup value per share		9.61	7.43
Breakup value (including surplus on revaluation of fixed assets)		10.93	8.80

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

Chief Executive Officer

Chairman



CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2012

	Period ended		Quarter ended	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
-----Amount in Rupees-----				
INCOME				
Remuneration from funds under management-gross	175,148,669	186,832,183	58,009,171	58,788,832
Less: Sales tax	24,158,437	-	8,001,265	-
Remuneration from funds under management-net	150,990,232	186,832,183	50,007,906	58,788,832
Commission from open end funds under management	31,734	13,116	956	5,024
Dividend	40,386,610	13,820,100	-	-
Gain on sale of investments - net	113,472,837	62,192,788	80,187,098	44,621,314
Return on bank deposits	87,784	137,242	25,141	33,681
Markup on term finance certificates	11,419,128	14,062,259	3,098,361	4,716,252
Commission income and share of profit from management of discretionary client portfolios 10	145,470	767,310	130,854	95,624
Unrealized gain on remeasurement of investment at fair value through profit and loss	3,623,414	3,537,245	1,089,245	1,020,607
	320,157,209	281,362,243	134,539,561	109,281,334
Impairment loss on available for sale equity securities	8,152,260	-	-	-
	312,004,949	281,362,243	134,539,561	109,281,334
OPERATING EXPENSES				
Administrative and marketing	158,624,402	172,387,661	47,726,038	52,975,559
	153,380,547	108,974,582	86,813,523	56,305,775
OPERATING PROFIT				
Other operating expenses	2,579,167	3,025,958	904,167	1,925,958
Financial charges	88,327,072	109,169,318	25,025,727	33,796,587
	62,474,308	(3,220,694)	60,883,629	20,583,230
Other operating income	11,633,185	13,869,874	3,013,204	4,757,859
Profit before tax	74,107,493	10,649,180	63,896,833	25,341,089
Income tax expense				
- Current	2,943,015	4,925,137	1,769,948	1,000,000
- Prior	(8,970,541)	-	-	-
- Deferred	(623,088)	(6,414,455)	(965,117)	(317,420)
	(6,650,614)	(1,489,318)	804,831	682,580
Profit for the period	80,758,107	12,138,498	63,092,002	24,658,509
Earnings per share	11 0.81	0.12	0.63	0.25

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

Chief Executive Officer

Chairman

JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME (UNAUDITED)**
FOR THE PERIOD ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
	-----Amount in Rupees-----	
Profit for the period	80,758,107	12,138,498
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	234,986,433	365,370,303
Impairment loss on available for sale equity securities	1,407,820	-
Gain realised on disposal of investments	(110,851,850)	(55,686,251)
	125,542,403	309,684,052
Taxation relating to components of other comprehensive income	-	-
Total Comprehensive income	<u>206,300,510</u>	<u>321,822,550</u>

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

Chief Executive Officer

Chairman



CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2012

	March 31, 2012	March 31, 2011
Note	-----Amount in Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	74,107,493	10,649,180
Adjustment for non-cash and other items:		
Remuneration from funds under management	(150,990,232)	(186,832,183)
Commission from open end funds under management	(31,734)	(13,116)
Dividend	(40,386,610)	(13,820,100)
Depreciation	16,565,722	22,817,508
Amortisation of intangible assets	1,139,096	3,601,620
Financial charges	88,327,072	109,169,318
Interest / mark-up income	(87,784)	(137,242)
Gain on sale of investments - net	(113,472,837)	(62,192,788)
(Gain) / loss on disposal of fixed assets	(407,875)	(1,440,793)
Impairment loss on available for sale equity securities	8,152,260	-
Unrealized gain on remeasurement of investment at fair value through profit / loss	(3,623,414)	(3,537,245)
	<u>(120,708,843)</u>	<u>(121,735,841)</u>
Increase / decrease in assets and liabilities		
Loans and advances	(628,544)	(755,301)
Long-term receivable from related parties	-	1,534,676
Deposits, prepayments and other receivables	42,971,286	38,529,108
Accrued and other liabilities	(4,296,382)	(9,282,391)
	<u>38,046,360</u>	<u>30,026,092</u>
	<u>(82,662,483)</u>	<u>(91,709,749)</u>
Tax refunds / (paid)-net	(9,625,515)	27,271,212
Remuneration and commission received from funds under management	151,410,910	169,385,059
Net cash inflow from operating activities	<u>59,122,912</u>	<u>104,946,522</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investments - net	186,425,197	265,892,930
Fixed capital expenditure incurred	(2,789,897)	(657,482)
Dividend received	40,386,610	13,820,100
Return on bank deposits	87,784	137,242
Proceeds from disposal of fixed assets	550,000	2,437,544
Net cash inflow from investing activities	<u>224,659,694</u>	<u>281,630,334</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal amount relating to the securitised management fee	(129,085,000)	(129,085,000)
Dividend paid	-	(1,300)
Short term borrowing	(150,000,000)	(150,000,000)
Financial charges paid	(85,951,453)	(98,742,284)
Net cash used in financing activities	<u>(365,036,453)</u>	<u>(377,828,584)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(81,253,847)</u>	<u>8,748,272</u>
Cash and cash equivalents at beginning of the period	(306,200,993)	(306,198,312)
Cash and cash equivalents at end of the period	<u>12</u> <u>(387,454,840)</u>	<u>(297,450,040)</u>

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

Chief Executive Officer

Chairman

JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY (UNAUDITED)**
FOR THE PERIOD ENDED MARCH 31, 2012

	Share capital	Accumulated loss	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity
----- Amount in Rupees -----					
Balance as at June 30, 2010	1,000,000,000	(748,413,383)	109,873,728	66,273,592	427,733,937
Total Comprehensive income	-	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>
Balance as at June 30, 2011	1,000,000,000	(606,916,365)	-	349,939,144	743,022,779
Total Comprehensive income	-	80,758,107	-	125,542,403	206,300,510
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	-	4,949,380	-	-	4,949,380
Balance as at March 31, 2012	<u>1,000,000,000</u>	<u>(521,208,878)</u>	<u>-</u>	<u>482,225,987</u>	<u>961,017,109</u>

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

Chief Executive Officer

Chairman



**NOTES TO THE CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)**
FOR THE PERIOD ENDED MARCH 31, 2012

1 THE GROUP AND ITS OPERATIONS

The group consists of:

Holding company
- JS Investments Limited

Subsidiary company
- JS ABAMCO Commodities limited

"Percentage holding of
JS Investments 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 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:

- 1.2.1 Asset management company of the following funds:

Closed-End

- JS Growth Fund
- JS Value Fund Limited

Open-End

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

- 1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

2 STATEMENT OF COMPLIANCE

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.

JS Investments Limited

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 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 The 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. 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 consolidated 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 consolidated financial information are the same as those applied in the preparation of the preceding annual consolidated financial statements of the company for the year ended June 30, 2011.

		(Un-audited) March 31, 2012	(Audited) June 30, 2011
	Note	-----Amount in Rupees-----	
5 TANGIBLE PROPERTY AND EQUIPMENT			
Opening WDV		309,629,411	338,772,046
Addition during the period / year	5.1	2,256,396	657,482
Disposal during the period / year	5.2	(142,120)	(1,043,328)
Depreciation for the period / year		<u>(16,565,723)</u>	<u>(28,756,789)</u>
Closing WDV		295,177,964	309,629,411
Capital work-in-progress - at cost		2,980,500	3,001,999
Tangible property and equipment		<u>298,158,464</u>	<u>312,631,410</u>
5.1 The following additions were made to tangible property & equipment during the period / year:			
Branch set-up		-	272,760
Office equipment		1,371,396	384,722
Vehicles		885,000	-
		<u>2,256,396</u>	<u>657,482</u>
5.2 The following disposals (net of book value) of tangible property & equipment were made during the period / year:			
Branch set-up		-	240,493
Furniture and fixtures		-	225,744
Office equipment		-	122,216
Vehicles		142,120	454,875
		<u>142,120</u>	<u>1,043,328</u>



JS Investments Limited

	Note	March 31, 2012	June 30, 2011
Amount in Rupees-----			
6 INVESTMENTS			
Available for sale	6.1	1,265,583,031	1,213,749,511
At fair value through profit or loss account	6.2	<u>37,860,356</u>	<u>34,888,240</u>
		<u>1,303,443,387</u>	<u>1,248,637,751</u>

	(Un-audited) March 31, 2012	(Audited) June 30, 2011
	Number of certificates / units / shares	Number of certificates / units / shares
	Rupees	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	142,108,337	21,498,992	118,244,456
JS Growth Fund	36,086,812	267,042,409	36,086,812	212,912,191
JS Large Cap. Fund	8,317,384	419,885,793	6,581,000	460,340,950
JS Pension Savings Fund - Equity	300,000	31,398,000	300,000	28,437,000
JS Pension Savings Fund - Debt	188,940	29,727,819	200,000	29,002,000
JS Pension Savings Fund - Money Market	189,695	24,766,579	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Islamic Pension Savings Fund - Equity	250,000	43,957,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	232,690	34,028,586	250,000	34,162,500
JS Islamic Pension Savings Fund - Money Market	236,585	30,801,001	250,000	30,357,500
JS Aggressive Income Fund	571,765	56,987,864	501,736	47,519,428
JS Principal Secure Fund I	989	113,192	185,790	21,800,633
JS Cash Fund	-	-	400,000	42,120,000
Unit Trust of Pakistan	881,650	101,089,986	-	-
		1,181,907,066		1,107,071,391

Other investments

Escort Investment Bank Limited	3,274,000	7,857,600	3,274,000	6,318,820
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Term Finance Certificates

Optimus Limited	25,000	75,818,365	25,000	100,359,300
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Investments at market value		<u>1,265,583,031</u>		<u>1,213,749,511</u>
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Less:

Carrying value of investments		<u>(791,509,304)</u>		<u>(863,810,367)</u>
Impairment loss on investments		<u>8,152,260</u>		<u>-</u>
		<u>(783,357,044)</u>		<u>(863,810,367)</u>

Unrealised gain on re-measurement of investments		<u>482,225,987</u>		<u>349,939,144</u>
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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	439,419	37,860,356	408,623	34,888,240
Less: Carrying value of investment		<u>(34,236,943)</u>		<u>(33,570,575)</u>
Unrealized gain on re-measurement of investments		<u>3,623,413</u>		<u>1,317,665</u>

	Note	(Un-audited) March 31, 2012	(Audited) June 30, 2011
Amount in Rupees-----			

7 CASH AND BANK BALANCES

Cash in hand		71,137	70,082
Cheque in hand		-	8,261
Balance with banks:			
In current accounts		669,724	1,403,641
In saving accounts	7.1	<u>2,108,069</u>	<u>2,908,810</u>
		<u>2,777,793</u>	<u>4,312,451</u>
		<u>2,848,930</u>	<u>4,390,794</u>

7.1 This includes Rs 0.030 million (June 30, 2011: Rs 0.0157 million) held with JS Bank Limited - related party.

JS Investments Limited

8 SHARE CAPITAL

(Un-audited) March 31, 2012	(Audited) June 30, 2011	Authorised	(Un-audited) March 31, 2012	(Audited) June 30, 2011
Number of shares			-----Amount in Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	500,000,000	500,000,000
<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000,000</u>	<u>2,500,000,000</u>
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
<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, 2012 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2011: 52.024 million) ordinary shares of Rs. 10 each of the company.

9 CONTINGENCIES & COMMITMENTS

9.1 Contingencies

9.1.1 In respect of the appeals filed by the company against order passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue has not accepted the basis of addition and set aside both the order 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.

Further after the end of this quarter, company also received re-assessment orders in respect of set-aside issues. The tax demand reduced from Rs. 162 million to Rs. 77.382 million for the tax year 2006 which is also under contestation at appellate stage.

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 favor of the Company. Hence, no provision has been made in these interim consolidated financial statements.

9.1.2 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 services rendered.

The management of the company responded the notice in consultation with the tax advisor and vehemently argued that excise duty is not leviable on the services provided by the company. Thereafter, Order-in-Original No. 04/2012 dated February 22, 2012 was passed by the Inland Revenue department and upheld the charges leveled in the show cause notice along with the amount of penalty of Rs.8.7 million. The company has filed the appeal against the said order before the Commissioner (Appeal) which is pending in this appellate forum.

Management and the Tax Advisor of the Company are of the view that the demand raised by the inland Revenue department has no legal sanctity and confident that the outcome of the case would be in favor of the company therefore no provision has been made in these interim consolidated financial statements.

9.2 Commitments in respect of:

Capital expenditure contracted but not incurred	-	502,000
Royalty and advisory payments	10,000,000	10,000,000
Motor vehicle acquired under Ijarah from Bank Islami Pakistan Limited		
- Due in one year	2,479,880	2,472,324
- Due in two to five years	3,099,850	4,944,648



JS Investments Limited

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing two (June 30, 2011: two) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at March 31, 2012 was Rs. 39.542 million (June 30, 2011: 36.656 million) and Rs. 39.512 million (June 30, 2011: 36.613 million) respectively.

11 EARNINGS PER SHARE

	------(Un-audited)-----			
	Period ended March 31, 2012	March 31, 2011	Quarter ended March 31, 2012	March 31, 2011
	-----Amount in Rupees-----			
Profit for the period	80,758,107	12,138,498	63,092,002	24,658,509
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>0.81</u>	<u>0.12</u>	<u>0.63</u>	<u>0.25</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, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

12 CASH AND CASH EQUIVALENTS

	------(Un-audited)-----	
	March 31, 2012	March 31, 2011
	---Amount in Rupees---	
Cash and bank balances	2,848,930	6,838,101
Short term running finance-secured	390,303,770	(304,288,141)
	<u>387,454,840</u>	<u>(297,450,040)</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	150,990,232	186,832,183
Commission from funds under management	31,734	13,116
Rental income	2,704,797	2,453,159
Rent expense	1,500,192	3,971,392
Ijarah Rentals	1,888,424	1,854,243
Insurance premium paid	2,299,131	3,929,490
Investments made in funds under management	127,969,788	209,610,462
Investments disposed off in funds under management - at cost	159,313,922	413,285,602
Contribution to staff provident fund	3,121,506	3,170,364
Dividend income	40,386,610	13,820,100
Markup expense on borrowing	27,667,517	33,251,782
Bonus shares / units received (in numbers)	4,575,060	287,552
Transactions with key management personnel		
Remuneration to key management personnel	39,235,423	36,044,001
Director fee	2,955,000	2,895,000

	(Un-audited) March 31, 2012	(Audited) June 30, 2011
	-----Amount in Rupees-----	

13.2 Balances:		
Investments in funds under management	1,219,767,422	1,141,959,631
Balances due from funds under management	1,995,795	2,384,739
Short term borrowing-secured	189,709,475	151,435,314
Short term borrowing-unsecured	-	150,000,000
Interest payable on short term borrowing	6,429,733	4,517,216
Ijarah rentals payable	5,579,730	8,653,134

14 GENERAL

This condensed interim consolidated financial information was authorised for issue on April 26, 2012, by the Board of Directors of the Company.

Chief Executive Officer

Chairman

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