JS Investments Limited
Annual Report 2011

JS investments
Managing Mutual Funds Better!

Greetings from the CEO

Simple Principles for Long-term Success!

This Year's Report has a special significance; it marks the successful conclusion of the First Year of our Five-Year Business Plan: **"JSIL 2010 Onwards."**

Our Repositioning Initiative is founded on simple yet lasting principles. We shall continue to assert our belief that *"Institutions are built on Values; their Viability on Know-how!"*

In today's dynamic Investment Management Sector, sustainable success is most likely to be achieved by those institutions that take the broadest view of their responsibilities. Our recipe for success is a combination of integrity, performance, client focus, innovative products and qualitative service; supported by a committed team operating within an accountable framework of social, ethical and corporate responsibility. This formula shall remain the basis of our Business Plan.

The primary function of Investment Management Companies is the management of their investment portfolios. Everything else is incidental to this function. Accordingly we have revamped and reinforced our *Investment Decision Making Process* with much enhanced Research and Risk Management Capacity. As a consequence there has been a significant improvement in the performance of Funds under our management. Our focus on prudence has also resulted in an ongoing improvement in the financial viability of our Company, marked by a very significant increase of 73.4 % in Shareholders' Equity.

Going forward, I am fully convinced that this year's success shall prove to be a precursor to a future that brings sustainable growth and value addition for all our stakeholders, year after year.

Sincerely,

Rashid Mansur
Chief Executive Officer

VISION

To be recognized as a responsible asset manager respected for continuingly 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

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COMPANY INFORMATION

Board of Directors

Mr. Munawar Alam Siddiqui
Chairman

Mr. Rashid Mansur
Chief Executive

Mr. Suleman Lalani
Executive Director

Mr. Nazar Mohammad Shaikh
Non-Executive Director

Lt.General (R) Masood Parwaiz
Non-Executive Director

Mr. Sadeq Sayeed
Non-Executive Director

Mr. Mazharul Haq Siddiqui
Non-Executive Director

Audit Committee

Mr. Nazar Mohammad Shaikh
Chairman

Mr. Munawar Alam Siddiqui
Member

Lt.General (R) Masood Parwaiz
Member

Chief Financial Officer & Company Secretary
Mr. Suleman Lalani

Auditors

Anjum Asim Shahid Rahman
Chartered Accountants

Legal Advisor

Bawaney & Partners

Share Registrar

Technology Trade (Private) Limited
241-C, Block-2, P.E.C.H.S., Karachi

Registered Office

7th Floor, The Forum, G-20
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600
Tel: (92-21) 111-222-626
Fax: (92-21) 35361724
E-mail:info@jsil.com
Website: www.jsil.com

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of JS Investments Limited will be held at 10:30 a.m. on Friday, October 21, 2011 at Carlton Hotel, DC-5, Opp. Zulfikar Street No.1, D.H.A Phase VIII, Karachi, to transact the following business:

1. To receive, consider and adopt the audited financial statements of the Company together with the report of the Directors and Auditors for the year ended June 30, 2011.

2. To appoint Auditors of the Company and fix their remuneration for the year ending June 30, 2012. The present auditors, Messrs Anjum Asim Shahid Rahman, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

By Order of the Board

Suleman Lalani
Company Secretary

Karachi: September 20, 2011

Notes:

1. The share transfer book of the Company will remain closed from October 14, 2011 to October 21, 2011 (both days inclusive). Transfer received at the Share Registrar of the Company, M/s Technology Trade (Pvt.) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S, Off. Sharah-e-Quaideen, Karachi at the close of business on or before October 13, 2011 will be considered in time to attend and vote at the meeting.

2. All the members are entitled to attend and vote at the meeting. A member entitled to attend and vote at the meeting is entitled to appoint another member as proxy to attend, speak and vote for him/ her.

3. An instrument of proxy and power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power of attorney, to be valid, be deposited with the share registrar of the Company not later than 48 hours before the scheduled time of the meeting.

4. Attested copies of CNIC or passport of the beneficial owner of the shares of the Company in the Central Depositary System (CDS) of the Central Depositary Company of Pakistan Limited (CDC) and the proxy, entitled to attend and vote at this meeting, shall be furnished with the proxy form to the Company.

5. The beneficial owner of the share of the Company in the CDS of the CDC or his/her proxy entitled to attend and vote at this meeting, shall produce his/her original CNIC or passport to prove his/her identity.

6. In case of corporate entity, the board of directors' resolution/power of attorney with specimen signature of the nominee shall be submitted with the proxy form to the Company, and the same shall be produced in original at the time of the meeting to authenticate the identity.

7. Shareholders are requested to notify immediately changes, if any, in their registered address, to the Share Registrar of the Company.

BOARD OF DIRECTORS

Air Cdre Munawar Alam Siddiqui, SI (M), TI (M) (Retd.) - Chairman

Mr. Siddiqui retired as an Air Commodore from the Pakistan Air Force in 2003. His last post was as the Assistant Chief of Air Staff (Administration) at Pakistan Air Force Headquarters. For his meritorious services to the PAF, he was awarded Tamgha-e-Imtiaz (Military) and Sitara-e-Imtiaz (Military).

He was commissioned in the GD(P) Branch of the Pakistan Air Force in 1974. He has served as a VVIP and Presidential pilot during his tenure of service and has held various key Command and Staff appointments in the PAF. He served as Director of Air Transport at Air Headquarters from 1996 to 1998 and commanded an operational air force base with over 8,500 personnel from 2000 to 2002.

Mr. Siddiqui holds an M. Sc. in Defence and Strategic Studies from Quaid-e-Azam University, an M. Sc. in Strategic Studies from Karachi University, a B. Sc. (Honours) in War Studies from Karachi University and B. Sc. Avionics from Peshawar University. He is also an alumna of the National Defence College.

He serves on the boards of JS Value Fund Limited, Mehvash and Jahangir Siddiqui Foundation, JS Air and Hum Network Limited.

Mr. Rashid Mansur - Chief Executive Officer

Mr. Rashid Mansur joined JS Investments Limited on April 01, 2010 as Chief Executive Officer. Prior to joining JSIL he was President and CEO of Escorts Investment Bank Limited and also served as the Chairman of the 'Investment Banks Association of Pakistan'. He is a qualified Associate of the Chartered Institute of Bankers London with specialization in 'International Banking Operations', 'Practice & Law of International Banking' and 'International Finance & Investment'.

He is a Fellow of the Institute of Bankers in Pakistan with over 26 years of Domestic and International Banking experience. He started his career with Habib Bank Limited in 1974 and served for 18 years on various management positions including 10 years in Turkey. In Pakistan, he has held various Board-level positions in both Private and Public Sector, such as President and CEO, 'Fidelity Investment Bank Limited', CEO 'Fidelity Leasing Modaraba', Director 'Security General Insurance Company Limited' and Chairman and CEO 'Board of Investment and Trade Punjab'.

During his tenure as Chairman and CEO of 'The Board of Investment and Trade', Government of Punjab and as Secretary General of Turkey 'Pakistan Business Council (Lahore Chapter)', he is credited with hosting and organizing various investment conferences abroad and rendered valuable services for the promotion of economic relations between Turkey and Pakistan.

Besides English and Urdu, he speaks French and Turkish fluently.

Mr. Suleman Lalani – Executive Director

Mr. Lalani joined JSIL as CFO and Company Secretary in January 2005. He is a fellow member of the Institute of Chartered Accountants of Pakistan and has 18 years of experience in the financial services sector. Prior to joining JSIL, Mr. Lalani has also served as CFO and Company Secretary of a regulated microfinance institution for three years. Earlier he worked as Chief Operating Officer for Jahangir Siddiqui Investment Bank Limited and as Vice President - Finance & Legal with JSCL.

Mr. Lalani has also passed the Board Development Certificate Program conducted by Pakistan Institute of Corporate Governance.

Mr. Mazharul Haq Siddiqui – Director

Mr. Siddiqui is one of Pakistan's senior most civil servants and an eminent educationist. He has held many senior positions with the Government of Pakistan. He joined Income Tax Department in 1957 and served in various capacities including the Commissioner of Income Tax. He served the Provincial Governments as Secretary Education, Finance and Service and General Administration Departments. He has served the Federal Government as Secretary Establishment, Economic Affairs, Education, Management Services, Economic Affairs Statistics and Youth Affairs Divisions. He also served as Vice Chancellor of Sindh University during 1984-88 and 2001-2008. He also held the positions of Chairman, National Insurance Corporation and Member, Federal Public Services Commission.

Mr. Sadeq Sayeed - Director

Mr. Sadeq Sayeed is Chairman of Metage Capital Limited, a London based Investment management company.

Prior to this Mr Sayeed, was CEO of Nomura Europe in 2008 having joining the company in 2000 as a Special Advisor and has been responsible for a number of key strategic projects globally. Mr. Sayeed has over 30 year experience in investment banking including arbitrage trading, structured finance, fund management and financial advice. He previously served as Managing Director of Credit Suisse First Boston where he spent 15 years and served as a member of the Operating Committee. Prior to his global investment banking career he was Consultant to the World Bank in Washington DC.

Mr. Sayeed holds S.M. with majors in Finance from MIT, Sloan School of Management and S.B also from MIT with majors in Economics and Electrical Engineering. He is a visiting Associate Scholar at Pembroke College, Cambridge and he is also Adjunct Professor at Imperial College Business School in London.

Mr. Nazar Mohammad Sheikh - Director

Mr. Sheikh is a former senior civil servant and has held many senior positions in the Government of Pakistan. He joined the Pakistan Audit Department in 1966 and served in various capacities. He served the Provincial Governments at various levels and also served as the Secretary of Finance Department, Secretary of Education Department, Secretary of Housing & Town Planning Department and Secretary of Communication & Works Department. He has also held the position of Additional Secretary of the Social Sector Wing, Prime Minister's Secretariat.

He was the Vice Chairman of PNSC from January 1992 till August 1993 and was later the chairman of Port Qasim Trust from October 1998 till July 2000. Mr. Sheikh has also held the position of secretary of Communications Division, Ministry of Communications & Railways from July 2000 to March 2001.

Lt. General (Retd) Masood Parwaiz - Director

Mr. Masood Parwaiz joined the Pakistan Army in 1968 and retired as a Lieutenant General in 2001. He held the most coveted staff, instructional and command assignments in the Army. He was awarded the Hilal-e-Imtiaz in the military and was appointed the Managing Director of the Army Welfare Trust (AWT) in September 2001 which he continued till December 2005.

As the Managing Director of AWT, he successfully managed the affairs and served as Vice Chairman and Director on AWT Board of Directors, Chairman Executive Committee and Director on ACBL Board of Directors, Chairman BOD of Askari Leasing Company, Askari General Insurance Company, Askari Investment Management Company and all fully owned AWT Projects.

His major achievements include the Financial and Corporate restructuring of AWT, erection of Second line at Nizampir Cement Project.

Mr. Masood Parwaiz holds an M.Sc degree in Strategic Studies from the Quaid-e-Azam University, Islamabad and a B.Sc (Hons) degree in War Studies from the University of Balochistan, Quetta.

AUDIT COMMITTEE AND ITS TERMS OF REFERENCE

The Board of directors of JS Investments Limited has formed an Audit Committee comprising three non-executive directors. The Audit Committee meets at least once every quarter as required by the Code of corporate Governance. During the year under review four meetings of the Committee were held which were attended by the members as follows:

1.	Nazar Mohammad Shaikh	04
2.	Munawar Alam Siddiqui	04
3.	Lt. Gen (Retd) Masood Parwaiz	03

The terms of reference of the Audit Committee includes the following:

a) determination of appropriate measures to safeguard the company's assets and the assets of the funds under management;

b) review of preliminary announcements of results prior to publication;

c) review of quarterly, half-yearly and annual financial statements of the listed company, prior to their approval by the Board of Directors, focusing on:
   * major judgmental areas;
   * significant adjustments resulting from the audit;
   * the going -concern assumption;
   * any changes in accounting policies and practices;
   * compliance with applicable accounting standards; and
   * compliance with listing regulations and other statutory and regulatory requirements.

d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight (in the absence of management, where necessary);

e) review of management letter issued by external auditors and management's response thereto;

f) ensuring coordination between the internal and external auditors of the company;

g) review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the company;

h) consideration of major findings of internal investigations and management's response thereto;

i) ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective;

j) review of the company's statement on internal control systems prior to endorsement by the Board of Directors;

k) instituting special projects, value for money studies or other investigations on any matter specified by the Board of Directors, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body;

l) determination of compliance with relevant statutory requirements;

m) monitoring compliance with the best practices of corporate governance and identification of significant violations thereof; and

n) consideration of any other issue or matter as may be assigned by the Board of Directors.

FINANCIAL AND BUSINESS HIGHLIGHTS

		2011	2010	2009	2008	2007	2006
KEY INDICATORS							
Performance							
Return on assets	%	1.37	2.42	(54.71)	16.10	21.24	27.57
Total assets turnover	Days	79	97	20	130	146	183
Receivables turnover	Days	4	3	25	35	198	167
Return on equity	%	3.22	10.62	(601.12)	28.78	32.64	44.90
Leverage							
Debt:Equity	%	107.05	248.71	509.12	112.30	48.75	79.97
Interest cover	times	1.19	1.25	(5.09)	3.72	6.43	8.60
Liquidity							
Current	times	2.24	1.71	1.44	2.29	15.34	2.01
Quick	times	2.23	1.70	1.42	2.29	15.22	2.00
Valuation							
Earnings per shares	Rs.	0.24	0.45	(17.21)	5.49	5.21	5.32
Breakup value per share	Rs.	7.42	4.28	2.86	19.09	15.95	23.68
Price earning ratio	times	31.18	16.41	(0.98)	17.31	14.20	
Market price to break up value	times	1.01	1.74	5.92	4.98	4.63	
Market value per share - year end	Rs.	5.10	7.46	16.94	95.07	73.90	**N/A**
Market value per share - High *	Rs.	8.47	20.45	97.85	126.50	74.90	
Market value per share - Low	Rs.	4.61	6.45	13.12	53.50	61.40	
Market capitalization (Rs. in Million)		510	746	1,694	9,507	7,390	
Historical trends							
Management fee (Rs. in Million)		245	361	440	627	462	461
Operating profit (Rs. in Million)		153	212	(1,496)	773	629	679
Profit before tax (Rs. in million)		27	46	(1,774)	574	537	602
Profit after tax (Rs. in million)		24	45	(1,721)	549	521	532
Assets under management (Rs. in million)		12,812	16,508	21,247	38,974	29,651	22,617
No. of funds under management **		15	16	16	16	12	9
Share capital (Rs. in million)		1,000	1,000	1,000	1,000	1,000	500
Shareholders equity (Rs. in million)		742	428	286	1,909	1,595	1,184
Total assets (Rs. in million)		1,763	1,735	2,015	4,277	2,547	2,353
Contribution to the national exchequer (Rs. in million)		6	13	30	69	67	41
Payouts							
Cash	%	-	-		25	-	-
Bonus	%	-	-	-	-	100	-

* Ordinary shares of the Company were listed w.e.f. April 24, 2007.

** Twelve ICP Mutual Funds were merged into two funds namely ABAMCO Capital Fund and ABAMCO Stock Market Fund in 2004. ABAMCO Growth Fund, ABAMCO Capital Fund and ABAMCO Stock Market Fund were subsequently merged to form JS Growth Fund in 2006.

REPORT OF THE DIRECTORS TO THE MEMBERS

The Directors of the Company feel pleasure in presenting the annual audited accounts along with auditors' report thereon for the year ended June 30, 2011.

Repositioning for Sustainable Value Creation and Growth

The last few years have been an extraordinary period for the asset management industry. The Financial crisis in 2008 resulted in an overly conservative risk orientation of investor that led to a skewed products offering horizon. During the same period the Company initiated certain strategic changes including the appointment of a new Chief Executive Officer in April 2010.

The afore-mentioned change was followed by the implementation of a Change Management Initiative, whereby the **Vision**, **Mission**, and **Statement of Broad Policy Objectives** were re-defined. The aim was to reposition the Company towards sustainable value creation and growth, while appreciating the changing ground realities of the investment management industry. Consistent value creation for clients coupled with maintenance of high standards of ethical behavior and fiduciary responsibility formed bed rock of this initiative.

The Company worked to improve its operational efficiency and quality of products and services offered to its clients during FY11. This is expected to start the coming year with a stronger financial position, thereby allowing the Company to focus on increasing core-revenue while at the same time delivering consistent returns to its investors.

Macroeconomic Highlights

The year started with devastating floods hitting Pakistan that damaged its crops and exacerbated shortage of food supply. Consequently, inflation shot up to a record peak of 15.7% in September 2010 (July 2010: 12.3%). On the other hand, the current account of the country benefited substantially from robust remittance inflows and squeezing trade deficit, as international cotton prices touched record highs leading to boosting exports. This culminated in an overall surplus of USD 542mn during FY11 (FY10: Deficit of USD 3.9bn).

Towards end of FY11, Pak-US relations deteriorated that led to political and economic uncertainty. Meanwhile, IMF's concerns over the country's fiscal deficit and inability to appropriately address the energy crisis resulted in suspension of foreign inflows from Pakistan's largest contributors, US and IMF. Consequently, Foreign Investors Portfolio Investment inflows declined during 2HFY11 to end at USD 30mn, culminating in a full year inflow of USD 279mn, down by 49% YoY.

Equity Market Performance

The equity market remained strong during FY11 with KSE-30 index depicting a 21% YoY appreciation, however, returns were skewed largely towards 1HFY11 with the following half providing near zero growth. Despite attractive domestic equity valuations, market turnover witnessed a sharp contraction of 38% YoY to average 53mn shares during the year, as a result of the implementation of Capital Gains Tax (CGT) from July 1, 2010 onwards.

Money Market Performance

FY11 started with the SBP Policy discount rate at 12.5%. Amid rising fiscal imbalances and soaring inflation, the SBP opted for a pro-active approach by increasing the discount rate by 150bps during 1HFY11. However, during 2HFY11, the SBP kept discount rate unchanged till the year end at 14%, on the expectations of easing in inflationary cycle and improving fiscal discipline.

During FY11, the SBP conducted a total of 26 T-bill auctions and accepted amount of Rs3.6tr during the year against total participation of Rs5.6tr. The cut-off yields of PIBs of all tenors remained on the higher side owing to rise in the discount rate and closed at 14.0% (3Y), 14.05% (5Y), and 14.09% (10Y).

Performance of the Asset Management Industry

The assets under management (AUM) of the local mutual fund industry stood at Rs. 249.94bn as on June 30, 2011 with AUMs of open-end funds at around Rs. 223bn and closed-end fund having AUMs of around Rs. 25bn. The income funds category witnessed a significant decline of 15.7 %, ending up at Rs. 38.6 billion in June 2011. This happened as a consequence of investors' concerns about non-performing portfolios and increased volatility in returns. The surge in equity markets was primarily responsible for 33% increase in the size of equity funds category during FY11. During FY11 growth was witnessed in the money market funds and Islamic income funds categories, which rose to Rs77.3bn and Rs20.8bn, respectively. This was mainly due to the investors' continued preference for low-risk short-term investment instruments, amid the high interest rate environment.

Performance Review

The Change Management Initiative deployed a progressive and pro-active approach built on Prudential Risk Management, which resulted in an ongoing improvement in the financial position of the Company. Consequently the shareholders' equity increased by 73.4% to Rs 742.265mn from Rs 428.072mn as at June 30, 2010, depicting an increase in the break-up value per share from 4.28 to 7.42 during FY11. The Company earned profit after tax of Rs. 23.928mn during the year ended June 30, 2011.

During the year under review, the Company earned management fee income of Rs. 244.683 mn from funds under management compared to Rs. 361.248 mn during the previous financial year, which was primarily due to the reduction in AUMs. Dividend income during the year increased to Rs. 52.037mn as compared to Rs. 41.491mn earned in the last year.

As a result of judicious expenditure control, administrative expenses for the year declined by 20.3% and were recorded at Rs. 227.473mn against last year's figure of Rs. 285.352mn. Financial charges were also brought down by 23.6% compared to last year. This was achieved by reducing the borrowings by 29.5% over the last year. Earning per share for the year was Rs. 0.24.

The Company's investments also performed well due to prudent investment strategies and resulted in significant unrealized gain on re-measurement of investment to the tune of Rs. 283.665mn. This is in addition to the capital gains of Rs. 64.152mn realized during the year.

Key financial highlights for the year ended June 30, 2011 are provided below:

	FY11	FY10
Equity	**742,264**	**428,072**
Income	380,890	497,542
Operating expenses	(227,473)	(285,352)
Operating profit	**153,417**	**212,189**
Other operating expenses	(2,320)	(2,151)
Financial charges	(143,496)	(187,888)
Other operating income	19,038	23,988
Profit before tax	**26,639**	**46,138**
Taxation - net	(2,711)	(685)
Profit after tax	**23,928**	**45,453**
Earnings per share for the year - basic and diluted	**0.24**	**0.45**

Future Outlook

The business model of the Company has been aligned to seize opportunities for sustainable growth with creation of the greatest value for shareholders. The Company intends to expand its service footprint, consolidate its product suite and improve brand visibility. Underpinning these efforts is a culture centered on the conviction that investor confidence rests on three factors viz. Corporate Governance, transparent and timely Financial Information and a System of checks and balances. We believe that Capital Formation is encouraged by maintaining trust in each of these.

The philosophy and framework laid down in the Change Management Initiative shall act as a catalyst to further improve efficiencies and strengthen the Company's ability to deliver positive operating leverage and create new earning drivers. The Company will continue to focus intently on continuous strengthening of internal controls and maintaining the highest ethical standards.

Asset Manager and Entity Rating

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

Pakistan Credit Rating Agency (PACRA) has assigned the long-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.

Corporate Governance and Financial Reporting Framework

As required by the Code of Corporate Governance the Directors are pleased to state as follows:

a. The financial statements, prepared by the management of the Company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
b. Proper books of account have been maintained by the Company.
c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and financial estimates are based on reasonable and prudent judgment.
d. International Accounting Standards, as applicable in Pakistan have been followed in preparation of the financial statements.
e. The system of internal control is sound in design and has been effectively implemented and monitored.
f. There are no significant doubts upon the Company's ability to continue as a going concern.
g. There has been no material departure from the best practices of the Corporate Governance, as detailed in the listing regulations.
h. A summary of key financial data of last six years is given on page 10 of this annual report.
i. The Directors have signed the "Statement of Ethics and Business Practices."
j. The value of investments of the staff provident fund of JS Investments Limited, as per the audited accounts for the year ended June 30, 2011 was Rs. 23.442 million.

Meetings of the Directors

During the year six meetings of the Board of Directors were held. The attendance of each director for these meetings is as follows:

Name	Meetings attended
Mr. Munawar Alam Siddiqui	06
Mr. Rashid Mansur	06
Mr. Nazar Mohammad Shaikh	06
Mr. Suleman Lalani	06
Lt. General (Retired) Masood Parvaiz	05
Mr. Fayaz Anwar	04
Mr. Sadeq Sayeed	01
Mr. Mazharul Haq Siddiqui	01

Board of Directors

The election of directors was held at the extraordinary general meeting on December 27, 2010 and all the existing directors were reelected for a period of three years.

Mr. Fayaz Anwar resigned from the Board with effect from February 15, 2011 and in his place Mr. Mazharul Haq Siddiqui was appointed as a Directors of the Company after obtaining prior written approval from SECP.

The remuneration of the Executive Director was revised during the year. Abstract of the remuneration is presented on page xx of this annual report.

Parent Company

Jahangir Siddiqui & Company Limited is the holding company of JS Investments Limited and holds 52.02% of the equity.

Pattern of Shareholding

A statement showing patter of shareholding in the Company and additional information as at June 30, 2011 is given on page 98.

The Directors, CEO, CFO and their spouses and minor children did not carry out any transaction in the shares of the Company during the year:

Auditors

The retiring auditors, Messrs. Anjum Asim Shahid Rahman, Chartered Accountants, being eligible, offer themselves for reappointment. The Board of Directors, on the recommendations of the Audit Committee, has proposed appointment of Messrs. Anjum Asim Shahid Rahman, Chartered Accountants for the year ending June 30, 2012.

Acknowledgment

The Directors expresses their gratitude to the Securities and Exchange Commission of Pakistan and Mutual Funds Association of Pakistan for the valuable support and guidance. The Directors also thank each and every member of the JSIL Team for their dedication and hard work, and the shareholders of the company for their trust and confidence in the Management.

Karachi: September 09, 2011

Rashid Mansur
Chief Executive Officer

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of JS Investments Limited (the Company) to comply with the Listing Regulation No. 35 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited where the company is listed.

The responsibility for compliance with the Code of Corporate Goverance is that of the Board of Directors (the Board) of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Further, Sub- Regulation (xiii a) of Listing Regulation 35 notified by Karachi Stock Exchange vide circular KSE/N-269 dated January 19, 2009 requires the company to place before the Board for their consideration and approval related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board and placement of such transactions before the audit committee.

We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, as applicable to the company for the year ended June 30, 2011.

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

Karachi: September 9, 2011

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30, 2011

This Statement is being presented in compliance with the Code of Corporate Governance ('the Code') contained in the listing regulations of Karachi Stock Exchange where the Company is listed. The purpose of the Code is to establish a framework of good governance, whereby a listed entity is managed in compliance with the best practices of corporate governance.

JS Investments Limited has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors (the Board). Presently, the Board includes five non-executive directors.

2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including the Company.

3. All the resident directors of the Company have confirmed that they are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFC or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year Fayaz Anwar tendered his resignation from the Board and Mr. Mazharul Haq Siddiqui was appointed to fill the casual vacancy after obtaining prior approval from SECP.

5. The Company has prepared a "Statement of Ethics and Business Practices", which has been signed by all the directors and employees of the Company.

6. The Company has developed a vision / mission statement, overall corporate strategy and significant policies of the Company which have been approved by the Board. A complete record of particulars of significant policies has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the Chief Executive Officer and other executive directors, have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman, and in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter during the year. Written notices of the meetings of the Board, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The company has established adequate procedures and systems for related party transactions vis-à-vis the pricing method for related party transactions. All the related party transactions are placed before the Audit Committee and Board of Directors for their review and approval.

10. The Board is well aware of the requirements of the Code of Corporate Governance. Mr. Munawar Alam Siddiqui, Chairman and Mr. Suleman Lalani, Executive Director have passed the Board Development Series Certificate program conducted by the Pakistan Institute of Corporate Governance.

11. During the year, there was no change of Chief Financial Officer / Company Secretary. The vacancy of head of internal audit was filled during the year. The remuneration and terms and condition of employment of Chief Financial Officer / Company Secretary and head of internal audit were approved by the Board.

12. The Directors' Report has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

13. The financial statements of the Company have been prepared in accordance with the approved accounting standards as applicable in Pakistan and were duly endorsed by the Chief Executive Officer and Chief Financial Officer before approval of the Board.

14. The directors, Chief Executive Officer and executives do not hold any interest in the units of the Fund other than those disclosed in the Directors' Report.

15. The Company has complied with all other corporate and financial reporting requirements of the Code.

16. The Board has formed an Audit Committee. It comprises of three non-executive directors.

17. The meetings of the Audit Committee of Company are held every quarter prior to approval of interim and annual results of the Company as required by the Code. The Board has approved terms of reference of the Audit Committee.

18. The Board has set-up an effective internal audit function headed by the Head of Internal Audit & Compliance.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on Code of Ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services to the Company except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. We confirm that all other material principles contained in the Code have been complied with.

Karachi: September 9, 2011

Rashid Mansur
Chief Executive Officer

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **JS Investments Limited** (the company) as at June 30, 2011 and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

(ii) the expenditure incurred during the year was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2011 and of the profit, total comprehensive income, its cash flows and changes in equity for the year then ended; and

(d) in our opinion no zakat was deductible at source under the zakat and ushr Ordinance, 1980 (XVIII of 1980).

Karachi: September 9, 2011

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

JS investments

BALANCE SHEET
AS AT JUNE 30, 2011

ASSETS	Note	2011 Rupees	2010 Rupees
Non-current assets			
Fixed assets			
Tangible - property and equipment	4.1 & 4.5	**310,131,410**	338,772,046
Intangible assets	4.6	**106,978,119**	111,721,027
Long-term loans - considered good	5	**1,377,978**	1,346,339
Investment in subsidiary company - at cost	6	**37,500,000**	37,500,000
Total non - current Assets		**455,987,507**	489,339,412
Current assets			
Investments - available for sale	7	**1,213,749,511**	1,113,660,268
Loans and advances - considered good	8	**1,841,228**	1,610,941
Deposits, prepayments and other receivables - unsecured-considered good	9	**14,309,707**	18,715,711
Balances due from funds under management - related parties	10	**2,384,739**	2,618,432
Taxation recoverable		**70,394,820**	103,492,228
Cash and bank balances	11	**4,350,469**	5,173,592
Total current assets		**1,307,030,474**	1,245,271,172
Total assets		**1,763,017,981**	1,734,610,584
EQUITY AND LIABILITIES			
Share capital	12	**1,000,000,000**	1,000,000,000
Unrealised gain on remeasurement of available for sale investments to fair value - net	7	**349,939,144**	66,273,592
Statutory reserve	13	**-**	109,873,728
Accumulated loss		**(607,674,222)**	(748,075,367)
Total Equity		**742,264,922**	428,071,953
Surplus on revaluation of fixed assets - net of tax	14	**136,959,339**	143,558,513
LIABILITIES			
Non-current liabilities			
Securitisation of management fee receivables - debt	15	**257,817,193**	384,867,607
Deferred tax liability - net	16	**41,248,941**	50,063,396
Total non-current liabilities		**299,066,134**	434,931,003
Current liabilities			
Current maturity of securitisation of management fee receivables - debt	15	**76,158,576**	68,319,152
Short term running finance - secured	17	**310,591,787**	311,454,723
Short term borrowings-unsecured	18	**150,000,000**	300,000,000
Accrued and other liabilities	19	**27,594,354**	37,253,198
Accrued mark-up	20	**20,382,869**	11,022,042
Total current liabilities		**584,727,586**	728,049,115
Total liabilities		**883,793,720**	1,162,980,118
Total equity and liabilities		**1,763,017,981**	1,734,610,584
Contingencies & commitments	21		
Breakup value per share		**7.42**	4.28
Breakup value (including surplus on revaluation of fixed assets)		**8.79**	5.72

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
Income			
Remuneration from funds under management	22	**244,683,431**	361,247,913
Commission from open end funds under management	23	**34,525**	3,633,965
Dividend		**52,037,417**	41,490,869
Gain on sale of investments - net		**64,151,599**	54,387,519
Return on bank deposits		**178,146**	287,806
Mark up on term finance certificates		**18,959,327**	33,251,308
Commission income and share of profit from management of discretionary client portfolios	24	**845,407**	1,936,014
Amortisation of discount		**-**	1,306,644
		380,889,852	497,542,038
Operating expenses			
Administrative and marketing	25	**227,473,059**	285,352,177
Operating profit		**153,416,793**	212,189,861
Other operating expenses	26	**2,319,744**	2,151,224
Financial charges	27	**143,495,795**	187,888,271
		7,601,254	22,150,366
Other operating income	28	**19,038,283**	23,988,062
Profit before taxation		**26,639,537**	46,138,428
Taxation - net	29	**2,711,295**	685,146
Profit for the year		**23,928,242**	45,453,282
Earnings per share for the year - basic and diluted	30	**0.24**	0.45

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

JS investments

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2011

	2011 Rupees	2010 Rupees
Profit after tax	**23,928,242**	45,453,282
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	**341,147,565**	151,511,877
Gain realised on disposal of investments	**(57,482,013)**	(61,818,235)
	283,665,552	89,693,642
Taxation relating to components of other comprehensive income	**-**	-
	283,665,552	89,693,642
Total comprehensive income	**307,593,794**	135,146,924

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Chairman

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**26,639,537**	46,138,428
Adjustment for non-cash and other items:			
Remuneration from funds under management	22	**(244,683,431)**	(361,247,913)
Commission from open end funds under management		**(34,525)**	(3,633,965)
Dividend		**(52,037,417)**	(41,490,869)
Depreciation	4.1	**28,756,789**	36,246,473
Amortisation of intangible assets		**4,742,908**	5,305,168
Financial charges		**143,495,795**	187,888,271
Interest / mark-up income		**(178,146)**	(287,806)
Liabilities no longer required written back		**-**	(8,200,000)
(Gain) / Loss on disposal of fixed assets	28	**(2,323,453)**	2,932,834
		(95,621,943)	(136,349,379)
Increase / decrease in assets and liabilities			
Loans and advances		**(261,926)**	15,991,192
Long-term receivable from related parties		**-**	2,880,126
Deposits, prepayments and other receivables		**12,245,428**	(12,403,217)
Accrued and other liabilities		**(9,657,544)**	(8,319,431)
		2,325,958	(1,851,330)
		(93,295,985)	(138,200,709)
Taxes refund / (paid)		**21,571,658**	(13,136,527)
Remuneration and commission received from funds under management		**244,951,649**	391,951,038
Net cash inflow from operating activities		**173,227,322**	240,613,802
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		**183,576,310**	268,806,352
Fixed capital expenditure incurred		**(1,159,481)**	(1,380,270)
Dividend received		**52,037,417**	41,505,654
Return on bank deposits		**178,146**	287,806
Proceeds from disposal of fixed assets		**3,366,781**	4,150,742
Net cash inflow from investing activities		**237,999,173**	313,370,284
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)**	(11,076)
Short term borrowings		**(150,000,000)**	(264,000,000)
Financial charges paid		**(132,100,382)**	(190,961,094)
Net cash used in financing activities		**(411,186,682)**	(546,662,170)
Net increase in cash and cash equivalents		**39,813**	7,321,916
Cash and cash equivalents at beginning of the year		**(306,281,131)**	(313,603,047)
Cash and cash equivalents at end of the year	33	**(306,241,318)**	(306,281,131)

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

JS investments

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2011

	Share capital	Accumulated (loss)	Statutory reserve	Unrealised (loss)/gain on re-measurement of investments classified as available for sale	Total equity
	----------	----------	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	-	45,453,282	-	89,693,642	135,146,924
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	6,599,175	-	-	6,599,175
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	**-**	**23,928,242**	**-**	**283,665,552**	**307,593,794**
Transfer of statutory fund to accumulated loss on discontinuance of IFS operation - note - 13	**-**	**109,873,728**	**(109,873,728)**	**-**	**-**
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	**-**	**6,599,175**	**-**	**-**	**6,599,175**
Balance as at June 30, 2011	**1,000,000,000**	**(607,674,222)**	**-**	**349,939,144**	**742,264,922**

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Chairman

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

1 LEGAL STATUS AND NATURE OF BUSINESS

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

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

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

1.2.1 Asset management company of the following funds:

Closed end:

- JS Growth Fund
- JS Value Fund Limited

Open end:

- 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 Principal Secure Fund II
- JS Cash Fund
- JS Large Cap Fund

1.2.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.3 These financial statements are the separate financial statements of JS Investments Limited. In addition to these financial statements, consolidated financial statements of JS Investments Limited and its subsidiary company, JS ABAMCO Commodities Limited, have also been prepared.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These 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 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 the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP prevail.

2.2 Adoption of new and amended standards and interpretations

The company has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year.

IFRS 2 - Share Based Payment - Amendments regarding group Cash-settled Share-based Payment Arrangements (Amendments)

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

The adoption of the above standards, amendments / improvements and interpretations did not have any effects on the Financial Statements.

2.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standard, interpretation and amendment	Effective date (accounting period beginning on or after)
IAS 1 - Presentation of financial statements (Amendments)	July 01, 2012
IFRS 7 - Financial Instruments: Disclosures (Amendments)	February 01, 2010
IAS 12 - Income Taxes (Amendment)	January 01, 2012
IAS 19 - Employee Benefits (Amendment)	January 01, 2013
IAS 24 - Related Party Disclosures (Revised)	January 01, 2011
IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment)	January 01, 2011

The company expects the adoption of the above revisions, interpretations and amendments of the standards will not effect the company's financial statements in the period of initial application.

In addition to the above, amendments to the various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2011. The company expects that such improvements to the standards will not have any material impact on the company's financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual period beginning on or after
IFRS 9 - Financial Instruments	January 01, 2013
IFRS 10 - Consolidated Financial Statements	January 01, 2013
IFRS 11 - Joint Arrangements	January 01, 2013
IFRS 12 - Disclosure of Interests in other entities	January 01, 2013
IFRS 13 - Fair Value Measurement	January 01, 2013

2.4 Critical accounting estimates and judgements

The preparation of financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the Company's financial statements are as follows:

i) Amortisation of intangible assets (notes 3.1.2 and 4.6);

ii) Provision for taxation (notes 3.5, 29 and 29.1);

iii) Classification and valuation of investments (notes 3.4 and 7);

iv) Determination and measurement of useful life and residual value of property and equipment (notes 3.1.1 and 4.1):

v) Valuation of property and equipment (notes 3.1.1 and 4.1); and

vi) Recognition and measurement of deferred tax assets and liabilities (notes 3.5 and 16).

2.5 Accounting convention

These financial statements have been prepared under the historical cost convention, except that certain items of property and equipment are stated at revalued amounts and investments classified as available for sale have been marked to market and carried at fair value.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

3.1 Fixed assets

3.1.1 Property and equipment

Owned

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each balance sheet date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

3.1.2 Intangible assets

Intangible assets are measured initially at cost. After initial measurement, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The depreciable amount of an intangible asset with a finite useful life is amortised using the straight line method from the month in which such intangible asset is available for use, whereby, the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the Company. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortised. The useful life and amortisation method is reviewed and adjusted, if appropriate, at each balance sheet date.

3.2 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Trade and receivable are written off when considered irrecoverable.

3.3 Investment in subsidiary company

Investment in subsidiary company is stated at cost less accumulated impairment losses, if any. In arriving at the impairment in respect of any diminution in the value of these investments, consideration is given only if there is a permanent impairment in the value of these investments.

3.4 Financial instruments

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets. There were no financial assets at fair value through profit or loss at the balance sheet date.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits, balances due from funds under management, other receivable and cash and bank balances in the balance sheet

(c) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

(d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit and loss account. Dividends on available-for-sale equity instruments are recognised in the profit and loss account when the Company's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the Company measures the investments at cost less impairment in value, if any.

The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from other comprehensive income and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Financial liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account. Financial liabilities include securitisation of management fee receivable (debt), short-term running finance, short term borrowings, accrued and other liabilities and accrued and other liabilities and accrued marke-up.

3.5 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates; if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is recognised using the liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In addition, the Company recognises deferred tax asset / liability on deficit / surplus on revaluation of tangible fixed assets, which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the balance sheet date.

3.6 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, balances with banks and short-term finances with original maturities of three months or less.

3.7 Operating Lease / Ijarah

Operating Lease / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir are classified as operating leases / Ijarah. Payments made during the period are charged to Profit and loss account on a straight-line basis over the period of the lease / Ijarah.

3.8 Borrowings / debt

Borrowings / debt are recognised initially at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Profit & Loss account over the period of the borrowings / debt under the effective interest method. Mark-up / profit on borrowings / debt is calculated using the effective interest method. Borrowings / debt include securitisation of management fee receivable.

3.9 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to profit and loss account in the period in which they are incurred.

3.10 Trade and other payables

Short-term liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at amortised cost.

3.11 Defined Contribution Scheme

The Company operates an approved contributory provident fund for all of its permanent employees. The Company and employees make equal monthly contributions to the fund at the rate of 8 to 10 percent of the basic salary.

3.12 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit and loss account.

3.13 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.14 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the financial statements in the year in which such dividends are declared or transfers between reserves are made.

3.15 Impairment

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.

3.16 Revenue recognition

- Remuneration for investment advisory and asset management services are recognised on an accrual basis.
- Realised capital gains / losses on sale of investments is recognised in the profit and loss account at the time of sale
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognised on an accrual basis.
- Commission income from open end funds is recognised at the time of sale of units.
- Commission income and share of profit from management of discretionary client portfolios is recognised on accrual basis.

3.17 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

3.18 Foreign currency transactions

Transactions denominated in foreign currencies are accounted for in rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the foreign exchange rates approximating those prevailing at the balance sheet date. Exchange differences are taken to the profit and loss account.

3.19 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognised amount and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

4 FIXED ASSETS

	Note	**2011 Rupees**	2010 Rupees
Tangible - property and equipment			
Operating fixed assets	4.1	**309,629,411**	338,772,046
Capital work-in-progress - at cost	4.5	**501,999**	-
		310,131,410	338,772,046
Intangible assets	4.6	**106,978,119**	111,721,027
		417,109,529	450,493,073

4.1 The following is the statement of operating fixed assets:

	OWNED					TOTAL
	Year ended June 30, 2011					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	
	Rupees					
At July 1, 2010						
Cost / revaluation	331,254,000	9,611,653	23,989,650	95,513,235	7,602,095	**467,970,633**
Accumulated depreciation	(17,942,924)	(7,643,517)	(14,060,280)	(85,100,883)	(4,450,983)	**(129,198,587)**
Net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	**338,772,046**
Year ended June 30, 2011:						
Opening net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	**338,772,046**
Additions	-	272,760	-	384,722	-	**657,482**
Disposals :						
Cost / revaluation	-	(6,403,519)	(669,650)	(5,199,867)	(2,988,500)	**(15,261,536)**
Depreciation	-	6,163,026	443,906	5,077,651	2,533,625	**14,218,208**
	-	(240,493)	(225,744)	(122,216)	(454,875)	**(1,043,328)**
Depreciation charge for the year	(16,562,700)	(1,062,087)	(2,314,572)	(8,219,530)	(597,900)	**(28,756,789)**
Closing net book value	296,748,376	938,316	7,389,054	2,455,328	2,098,337	**309,629,411**
At June 30, 2011:						
Cost / revaluation	331,254,000	3,480,894	23,320,000	90,698,090	4,613,595	**453,366,579**
Accumulated depreciation	(34,505,624)	(2,542,578)	(15,930,946)	(88,242,762)	(2,515,258)	**(143,737,168)**
Net book value	**296,748,376**	**938,316**	**7,389,054**	**2,455,328**	**2,098,337**	**309,629,411**
Depreciation rate % per annum	5	20	10	25	20	

	OWNED					TOTAL
	Year ended June 30, 2010					
	Office premises	Branch set-up	Furniture and fixtures	Office equipment	Vehicles	Total
	Rupees					
At July 1, 2009						
Cost / revaluation	331,254,000	16,275,200	25,357,219	98,196,253	12,321,647	483,404,319
Accumulated depreciation	(1,380,224)	(9,485,338)	(12,004,801)	(75,034,340)	(5,477,791)	(103,382,494)
Net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
Year ended June 30, 2010:						
Opening net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
Additions	-	748,400	37,000	1,294,870	-	2,080,270
Disposals :						
Cost / revaluation	-	(7,411,947)	(1,404,569)	(3,977,888)	(4,719,552)	(17,513,956)
Depreciation	-	4,064,285	698,252	3,757,389	1,910,454	10,430,380
	-	(3,347,662)	(706,317)	(220,499)	(2,809,098)	(7,083,576)
Depreciation charge for the year	(16,562,700)	(2,222,464)	(2,753,731)	(13,823,932)	(883,646)	(36,246,473)
Closing net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	338,772,046
At June 30, 2010:						
Cost / revaluation	331,254,000	9,611,653	23,989,650	95,513,235	7,602,095	467,970,633
Accumulated depreciation	(17,942,924)	(7,643,517)	(14,060,280)	(85,100,883)	(4,450,983)	(129,198,587)
Net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	338,772,046
Depreciation rate % per annum	5	20	10	25	20	

4.2 The Company follows the revaluation model for its office premises. The office premises of the Company were last revalued on May 31, 2009 by an independent valuer Iqbal A. Nanjee & Co (Private) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 170.740 million (April 18, 2005: Rs. 83.876 million). Out of the total revaluation surplus of Rs. 254.616 million, Rs. 210.577 million (June 30, 2010: Rs. 220.730 million) remains undepreciated as at June 30, 2011.

4.3 Had there been no revaluation, the net book value of the office premises would have been as follows.

	2011	2010
	Rupees	Rupees
Office Premises	**85,031,003**	91,441,128

4.4 Particulars of fixed assets having written down value exceeding Rs. 50,000 disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Particulars of buyers
	---------- Rupees ----------					
Equipment	130,000	70,417	59,583	66,000	Insurance claim	EFU General Insurance Limited
Mitsubishi Lancer	1,029,000	771,750	257,250	707,000	Negotiation	Pak Islamabad Motors
Honda City	790,500	592,875	197,625	625,000	Negotiation	Muhammad Qadeer
Various furniture and office equipment of branch	2,164,632	1,883,252	281,380	386,081	Negotiation	Agro Pakistan Limited
Various furniture and office equipment of branch	5,224,154	5,084,031	140,123	30,000	Negotiation	Imran Ali Shah
Year ended June 30, 2011	**9,338,286**	**8,402,325**	**935,961**	**1,814,081**		
Year ended June 30, 2010	6,383,552	2,716,864	3,666,688	3,027,348		

	2011 Rupees	2010 Rupees
4.5 Capital work-in-progress - at cost		
Advances to suppliers against acquisition of Computer Equipments	501,999	-

4.6 Intangible assets

	Software	Management Rights of ICP Mutual Funds	Total
	---------- 2011 ----------		
	---------- Rupees ----------		
At July 1, 2010			
Cost	30,630,598	175,000,000	**205,630,598**
Accumulated amortisation	(23,909,571)	(70,000,000)	**(93,909,571)**
Net book value	6,721,027	105,000,000	**111,721,027**
Year ended June 30, 2011:			
Opening net book value	6,721,027	105,000,000	**111,721,027**
Amortisation charge for the year	(4,742,908)	-	**(4,742,908)**
Closing net book value	1,978,119	105,000,000	**106,978,119**
At June 30, 2011:			
Cost	30,630,598	175,000,000	**205,630,598**
Accumulated amortisation	(28,652,479)	(70,000,000)	**(98,652,479)**
Net book value	**1,978,119**	**105,000,000**	**106,978,119**
Amortisation rate % per annum	20 - 50		

	Software	Management Rights of ICP Mutual Funds	Total
	---------- 2010 ----------		
	---------- Rupees ----------		
At July 1, 2009			
Cost	30,630,598	175,000,000	205,630,598
Accumulated amortisation	(18,604,403)	(70,000,000)	(88,604,403)
Net book value	12,026,195	105,000,000	117,026,195
Year ended June 30, 2010:			
Opening net book value	12,026,195	105,000,000	117,026,195
Amortisation charge for the year	(5,305,168)	-	(5,305,168)
Closing net book value	6,721,027	105,000,000	111,721,027
At June 30, 2010:			
Cost	30,630,598	175,000,000	205,630,598
Accumulated amortisation	(23,909,571)	(70,000,000)	(93,909,571)
Net book value	6,721,027	105,000,000	111,721,027
Amortisation rate % per annum	20 - 50		

4.7 Intangible asset in respect of Management Rights of ICP Mutual Funds represents the amount paid for the acquisition of the management rights of 12 ICP Mutual Funds under a Management Rights Transfer Agreement between the Company, Privatisation Commission, Government of Pakistan and Investment Corporation of Pakistan in October 2002. These funds were consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and then merged to form JS Growth fund in 2006.

The Company carried out a review of the useful life of the above management rights of ICP mutual funds. In addition, the company revisited and revised its future plans with respect to these funds which have now been merged to form the JS Growth fund. Consequently, keeping in view the revised future plans, and opinion from its legal advisor in respect of the Company's rights and obligations under the above mentioned Management Rights Transfer Agreement and an analysis of the relevant factors the management considers that this intangible asset has an indefinite useful life. The amortisation of the management rights acquired by the Company had been discontinued with effect from July 1, 2006. Previously, the useful life was considered to be definite and cost incurred for acquisition of management rights was being amortised on a straight line basis over a period of ten years with effect from the year ended June 30, 2003.

		Note	**2011 Rupees**	2010 Rupees
5	**LONG-TERM LOANS - CONSIDERED GOOD**			
	Due from others - secured			
	Executives	5.1 & 5.2	**32,617**	581,888
	Other employees	5.2	**2,172,096**	1,757,937
			2,204,713	2,339,825
	Less: receivable within one year	8	**(826,735)**	(993,486)
			1,377,978	1,346,339

5.1 Reconciliation of carrying amount of long-term loans to executives is as follows:

	2011 Rupees	2010 Rupees
Opening balance	**581,888**	812,929
Disbursements / transfer from other employee	**108,195**	400,000
Repayments	**(657,466)**	(631,041)
Closing balance	**32,617**	581,888

5.2 This represents loans given to employees and executives for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and three years respectively. These loans are granted in accordance with their terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and general purpose cash loans carry mark-up at rates ranging from 7.20 percent to 13.61 percent per annum (2010: 6.98 percent to 12.57 percent per annum).

5.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.663 million (2010: Rs. 0.895 million).

		2011 Rupees	2010 Rupees
6	**INVESTMENT IN SUBSIDIARY COMPANY - at cost**		
	3,750,000 (2010: 3,750,000) unquoted ordinary shares of Rs 10 each held in JS ABAMCO Commodities Limited (Net assets value as at June 30, 2011 Rs 38.26 million 2010: 37.16 million)	**37,500,000**	37,500,000
		37,500,000	37,500,000

7 INVESTMENTS - AVAILABLE FOR SALE

	Note	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
		2011		2010	
Investments - related parties	7.3				
JS Value Fund Limited		**21,498,992**	**118,244,456**	21,498,992	77,396,371
JS Large Cap Fund	7.2.1	**6,581,000**	**460,340,950**	65,810,000	279,692,500
JS Growth Fund		**36,086,812**	**212,912,191**	36,086,812	120,529,952
JS Pension Savings Fund - Equity		**300,000**	**28,437,000**	300,000	22,104,000
JS Pension Savings Fund - Debt		**200,000**	**29,002,000**	300,000	39,054,000
JS Pension Savings Fund - Money Market		**200,000**	**24,168,000**	300,000	32,553,000
JS Fund of Funds		**194,432**	**19,929,233**	1,278,295	111,249,981
JS Principal Secure Fund I	7.1	**185,790**	**21,800,633**	-	-
JS Capital Protected Fund IV		**-**	**-**	1,022,447	109,340,525
JS Islamic Pension Savings Fund - Equity		**250,000**	**38,077,500**	300,000	32,475,000
JS Islamic Pension Savings Fund - Debt		**250,000**	**34,162,500**	300,000	36,477,000
JS Islamic Pension Savings Fund - Money Market		**250,000**	**30,357,500**	300,000	33,813,000
JS Aggressive Income Fund		**501,736**	**47,519,428**	501,736	48,482,761
JS Cash Fund		**400,000**	**42,120,000**	400,000	40,968,000
Investments at market value			**1,107,071,391**		984,136,090
Other investments					
Escort Investment Bank Limited	7.4	**3,274,000**	**6,318,820**	3,274,000	9,461,860
Term Finance Certificate					
Optimus Limited	7.5	**25,000**	**100,359,300**	25,000	120,062,318
Investments at market value			**1,213,749,511**		1,113,660,268
Less : Carrying value of investments			**(863,810,367)**		(1,047,386,676)
Unrealised Gain on re-measurement of investments			**349,939,144**		66,273,592

7.1 Maturity of funds

The duration of funds being managed by the Company is specified in their respective offering documents are as follows. After which, these funds shall stand dissolved automatically.

Name of fund	IPO Date	Duration from the date of IPO
JS Principal Secure Fund I	April 24, 2009	Three years and six weeks
JS Principal Secure Fund II	December 14, 2009	Eighteen months and six weeks

7.2 Certificates / shares / units pledged against short term borrowing

The details of the certificates/shares/units of funds pledged by the Company against its borrowings are as follows:

Name of fund/companies		As at June 30, 2011 Number of certificates / shares / units	As at June 30, 2010 Number of certificates / shares / units
JS Value Fund Limited		**21,450,000**	21,450,000
JS Large Cap Fund	7.2.1	**3,200,000**	22,000,000
JS Growth Fund		**34,000,000**	34,000,000
JS Capital Protected Fund IV		**-**	1,022,447

JS investments

Name of fund/companies		As at June 30, 2011 Number of certificates / shares / units	As at June 30, 2010 Number of certificates / shares / units
JS Value Fund Limited		**21,450,000**	21,450,000
JS Large Cap Fund	7.2.1	**3,200,000**	22,000,000
JS Growth Fund		**34,000,000**	34,000,000
JS Capital Protected Fund IV		**-**	1,022,447

7.2.1 The certificates having par value of Rs. 10 each of JS Large Cap Fund were converted into unit of par value of Rs. 100 each (i.e. in the ratio of 10:1) upon conversion from Close-end Fund into an Open-end scheme.

7.3 This represents investment made in collective investment schemes managed by the Company. The matter relating to the classification of these funds (i.e. as associates or subsidiary) has been referred by the various fund managers to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Mutual Funds Association of Pakistan (MUFAP). Till such time as clarification is received from ICAP / MUFAP, the investments of the Company in the collective investment schemes have been classified as available for sale in these financial statements.

7.4 The SECP vide their letter dated July 11, 2011 has extended the time period for Asset Management Companies to achieve compliance with regulation 37(7)(k) of Non Banking Finance Companies and Notified Companies Regulations, 2008 for not maintaining their own equity portfolio by June 30, 2012.

7.5 The markup rate on these TFC's is 15.86% (2010: 14.46%) per annum. Principal amount of Rs. 41.60 million each will be redeemed in October 2011 and April 2012 respectively.

8 LOANS AND ADVANCES - CONSIDERED GOOD

	Note	2011 Rupees	2010 Rupees
Current portion of long-term loan to executives and employees	5	**826,735**	993,486
Unsecured advances to			
- executives	8.1	**64,686**	129,997
- employees	8.1	**949,807**	381,068
- suppliers		**-**	106,390
		1,841,228	1,610,941

8.1 The advances to executives and other employees are provided to meet business expenses and are settled as and when incurred. In addition, advances are also provided to executives and employees against their salaries which are recovered through deduction from employees monthly payroll.

		Note	2011 Rupees	2010 Rupees
9	**DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES-UNSECURED-CONSIDERED GOOD**			
	Current maturity of long-term receivables from related parties		**-**	2,928,942
	Deposits		**2,094,206**	1,900,602
	Prepayments		**4,318,064**	6,256,625
	Mark-up receivable on term finance certificates		**4,425,444**	4,056,624
	Others	9.1	**3,471,993**	3,572,918
			14,309,707	18,715,711

9.1 This includes Rs 0.383 million (June 30, 2010: Rs 0.416 million) due from related parties on account of expenses incurred on their behalf.

		Note	2011 Rupees	2010 Rupees
10	**BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES**			
10.1	**Remuneration due from funds under management**			
	Closed end funds			
	JS Value Fund Limited	15.1 & 22.1	**221,107**	102,159
	JS Large Cap Fund	15.1 & 22.1	**-**	479,900
	JS Growth Fund	15.1 & 22.1	**713,865**	643,878
			934,972	1,225,937
	Open end funds			
	JS KSE-30 Index Fund	22.1	**9,983**	8,627
	JS Large Cap Fund	15.1 & 22.1	**325,878**	-
	Unit Trust of Pakistan	15.1 & 22.1	**382,040**	395,752
	JS Income Fund	15.1 & 22.1	**93,478**	123,881
	JS Islamic Fund	15.1 & 22.1	**52,437**	63,368
	JS Aggressive Asset Allocation Fund	22.1	**26,996**	25,262
	JS Fund of Funds	22.1	**46,460**	36,998
	JS Capital Protected Fund IV	22.1	**-**	93,056
	JS Pension Savings Fund	22.1	**30,028**	20,180
	JS Islamic Pension Savings Fund	22.1	**17,086**	14,869
	JS Principal Secure Fund I	22.1	**190,412**	369,496
	JS Principal Secure Fund II	22.1	**101,039**	72,193
	JS Aggressive Income Fund	22.1	**9,256**	9,549
	JS Cash Fund	22.1	**145,458**	139,432
			1,430,551	1,372,663
10.2	**Commission**			
	Open end funds			
	JS KSE-30 Index Fund	23.1	**1,183**	885
	Unit Trust of Pakistan	23.1	**328**	3,060
	JS Large Cap Fund	23.1	**1,165**	-
	JS Income Fund	23.1	**-**	14,001
	JS Islamic Fund	23.1	**12,291**	-
	JS Pension Savings Fund	23.1	**2,520**	998
	JS Cash Fund	23.1	**1,729**	888
			19,216	19,832
			2,384,739	2,618,432

	Note	2011 Rupees	2010 Rupees
11 CASH AND BANK BALANCES			
Cash in hand		**70,082**	57,801
Cheque in hand		**8,261**	-
Cash at bank in:			
Current accounts		**1,403,641**	1,593,422
Saving accounts	11.1	**2,868,485**	3,522,369
		4,272,126	5,115,791
		4,350,469	5,173,592

11.1 These carry mark-up at rates ranging from 5 percent to 11.9 percent (2010: 4 percent to 11 percent) per annum. It includes Rs 0.0157 million (2010: Rs 0.473 million) held with JS Bank Limited (a related party).

12 SHARE CAPITAL

2011 Number of shares	2010 Number of shares		2011 Rupees	2010 Rupees
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
100,000,000	100,000,000		**1,000,000,000**	1,000,000,000

12.1 52,023,622 (2010: 52,023,622) ordinary shares of the Company are held by Jahangir Siddiqui & Company Limited, the holding Company.

	Note	2011 Rupees	2010 Rupees
13 STATUTORY RESERVE			
Statutory reserve		**109,873,728**	109,873,728
Less: tranferred to accumulated loss	13.1	**(109,873,728)**	-
		-	109,873,728

13.1 Statutory reserve represents amount set aside as per the requirements of clause 16 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan. Consequent to discontinuance of IFS operations, the company has transfered the statutory reserve balance to accumulated loss account.

14 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

This represents surplus arising on revaluation of office premises net of deferred tax thereon.

	2011 Rupees	2010 Rupees
Surplus on revaluation of fixed assets as at July 1	**220,730,212**	230,882,787
Transferred to accumulated profit:		
Surplus relating to incremental depreciation transferred to accumulated profit during the year - net of deferred tax	**(6,599,175)**	(6,599,174)
Related deferred tax liability	**(3,553,400)**	(3,553,401)
	(10,152,575)	(10,152,575)
	210,577,637	220,730,212
Less: related deferred tax liability on:		
- revaluation	**77,171,699**	80,725,100
- incremental depreciation charged during the year transferred to profit and loss account	**(3,553,401)**	(3,553,401)
	73,618,298	77,171,699
	136,959,339	143,558,513

15 SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	Repayment period From	Repayment period To	Price	2011 Rupees	2010 Rupees
Financial Receivables Securitisation Company Limited (FRSCL) (Class "A" TFC and Class "B" TFC)	Jan-07	Jan-14	6 months KIBOR plus 2% with floor of 8% and cap of 16% (repayable in fourteen semi annual installments including markup)	**700,000,000**	700,000,000
Financial Receivables Securitisation Company Limited (Class "C" TFC)	Jan-07	Jan-14	Subordinate to Class "A" TFC and Class "B" TFC (repayable on maturity)	**2,500,000**	2,500,000
				702,500,000	702,500,000
Less: principal redemption made to date				**(312,745,000)**	(183,660,000)
Less: unamortised transaction cost				**(2,852,807)**	(4,887,393)
				386,902,193	513,952,607
Less: current maturity				**(129,085,000)**	(129,085,000)
Total				**257,817,193**	384,867,607

CURRENT MATURITY OF SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	2011 Rupees	2010 Rupees
Current maturity of principal	**129,085,000**	129,085,000
Less : Receivable from FRSCL	**(52,926,424)**	(60,765,848)
	76,158,576	68,319,152

15.1 The company has entered into an agreement to sell certain portion of its management fee receivables from few funds (listed below) under its management, with Financial Receivables Securitisation Company Limited (FRSCL), a special purpose vehicle, incorporated for this purpose (for the tenure of facility) in accordance with the companies (Assets Backed Securitisation) Rules 1999. In addition, the company has also entered into a service agreement with FRSCL to provide services in respect of the receivables sold under the above agreement. The services to be provided by the company include the administration of these receivables. Further, the company is also required to monitor these receivables in the same manner and apply the the same policies and practices to the origination and for the creation of these receivables as the company applies in the case of other receivables which it retains on its own account. Under the arrangement, the entire cash flows arising to the company from management fee receivables relating to these funds is deposited with the trustee. Subsequently, the trustee deduct there from the amount payable under the related agreement entered into by FRSCL in respect of issuance of term finance certificate with the TFC holders and returns the balance amount to the company. The amount retained by the trustee is passed on to FRSCL for meeting its obligations towards the relavent TFC holders and its other operating and administrative expenses. This securitisation transaction has been classified as a debt by the management. The initial amount obtained against securitisation funds amount in aggregate to rupees 702.5 million.

Open end funds:

- Unit Trust of Pakistan
- JS Islamic Fund
- JS Income Fund
- JS Large Cap Fund

Closed end funds:

- JS Growth Fund
- JS Value Fund Limited

15.2 Put option

In respect of Class "B" TFC, the FRSCL have put options in respect of meeting its obligations towards TFC Class "B" which, if exercised, would require FRSCL (which is the buyer) to redeem the relevant TFC, firstly from any funds available with the buyer. In the event requisite funds are not available with the buyer, FRSCL may require the Company (which is the originator) to purchase the relevant TFC in respect of which the put option has been exercised. Accordingly, in respect of Class "B" TFC, FRSCL has a partial or full put option on the company, exercisable on every semi-annual repayment date.

15.3 Class "C" TFC

Class 'C' TFC is subordinate to Class 'A' & Class 'B' TFCs for both principal and interest payments. The profit to Class "C" TFC holders will be paid out of the residual amount available from the deduction made by the Trustee at the cap rate of 16 percent in respect of the last instalment due under the relevant TFC agreements, less the sum total of (a) last instalment due under the Class "A" TFC and Class "B" TFC agreements, after which both Class "A" TFC and Class "B" TFC are fully redeemed; and (b) all remaining expenses of FRSCL.

	2011 Rupees	2010 Rupees
16 DEFERRED TAX LIABILITY - NET		
Taxable temporary differences on:		
Accelerated tax depreciation	**11,588,569**	16,747,942
Surplus on revaluation of fixed assets	**73,618,298**	77,171,699
	85,206,867	93,919,641
Deductible temporary differences on:		
Short-term provisions	**(470,785)**	(369,104)
Deferred tax asset on carried forward tax losses	**(43,487,141)**	(43,487,141)
	41,248,941	50,063,396

16.1 The Company has an aggregate amount of Rs. 124.248 million in respect of unabsorbed tax losses as at June 30, 2011 on which a deferred tax debit balance has been recognised.

	Note	2011 Rupees	2010 Rupees
	17.1	**310,591,787**	311,454,723

17 SHORT TERM RUNNING FINANCE - SECURED

17.1 This represents running finance facilities with a total limit of Rs. 450 million (June 30, 2010: 500 million) obtained from commercial banks. The facilities carries mark-up of 2% over 3 months KIBOR (June 30, 2010: 2% over 3 months KIBOR) rate which shall be reviewed on quarterly basis. Mark-up is payable on quarterly basis. The facilities is secured by way of Equitable mortgage of office premises and pledge of shares / certificates of funds under management. One of the facility of Rs. 200 million (2010: 250 million) is obtained from JS Bank Limited (a related party).

18 SHORT TERM BORROWINGS - UNSECURED	Note	2011 Rupees	2010 Rupees
	18.1	**150,000,000**	300,000,000

From commercial bank and financial institution

18.1 This represents borrowing from commercial bank and financial institution. This is repayable by July 6, 2011. Mark-up rate on this borrowing is 14.83% per annum (June 30, 2010: 13.35% per annum to 13.84% per annum). This includes Rs. 150 million (June 30, 2010: Rs. 200 million) borrowed from JS Bank Limited (a related party).

19 ACCRUED AND OTHER LIABILITIES	2011 Rupees	2010 Rupees
Accrued expenses	**17,096,521**	11,093,365
Unclaimed dividend	**1,320,406**	1,321,706
Provision for staff compensated absences	**1,239,178**	849,714
Fee and commission payable	**3,665,781**	12,830,859
Advance rent	**751,332**	1,476,974
Others	**3,521,136**	9,680,580
	27,594,354	37,253,198

20 ACCRUED MARK-UP

	2011 Rupees	2010 Rupees
Mark-up accrued on:		
- Short term running finance	**15,833,197**	8,634,848
- Short term borrowings	**1,523,630**	337,233
- Securitisation of management fee receivables	**3,026,042**	2,049,961
	20,382,869	11,022,042

21 CONTINGENCIES & COMMITMENTS

21.1 Contingencies

In respect of the appeals filed by the company against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue Appeal has not accepted the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for denovo proceedings with the directions to apportionment of expenditure according to actual incurrence of expenditure to the various sources of income.

The company has filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowance and taxability of portion of capital gain on dividend received from mutual funds.

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

21.2 Commitments in respect of:

	2011 Rupees	2010 Rupees
Capital expenditure contracted but not incurred	**502,000**	-
Royalty and advisory payment	**10,000,000**	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	**2,472,324**	2,472,324
- Due in two to five years	**4,944,648**	7,416,972

	Note	2011 Rupees	2010 Rupees
22 REMUNERATION FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES			
Closed end funds			
JS Value Fund Limited	22.1	**23,312,206**	24,801,034
JS Large Cap Fund	22.1	**-**	47,560,856
JS Growth Fund	22.1	**61,817,160**	66,425,197
		85,129,366	138,787,087
Open end funds			
Unit Trust of Pakistan	22.1	**41,444,686**	61,838,150
JS Income Fund	22.1	**11,396,018**	58,983,811
JS Islamic Fund	22.1	**5,522,839**	9,000,434
JS Aggressive Asset Allocation Fund	22.1	**2,764,771**	5,685,171
JS Fund of Funds	22.1	**4,383,201**	4,696,426
JS KSE-30 Index Fund	22.1	**1,065,068**	1,522,115
JS Capital Protected Fund	22.1	**-**	6,337,414
JS Capital Protected Fund II	22.1	**-**	3,019,529
JS Capital Protected Fund IV	22.1	**9,996,439**	11,671,127
JS Pension Savings Fund	22.1	**2,449,023**	2,421,188
JS Islamic Pension Savings Fund	22.1	**1,641,191**	1,540,853
JS Aggressive Income Fund	22.1	**1,170,895**	2,409,352
JS Principal Secure Fund I	22.1	**18,449,516**	45,350,865
JS Principal Secure Fund II	22.1	**8,934,495**	4,809,351
JS Cash Fund	22.1	**13,538,265**	3,175,040
JS Large Cap Fund	22.1	**36,797,658**	-
		159,554,065	222,460,826
		244,683,431	361,247,913

22.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the management company / investment advisor of the Fund is entitled to a remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended June 30, 2011 the Company has charged management fee at the rates ranging from 1 to 2 percent (2010: 1 to 3 percent).

23 COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT - RELATED PARTIES	2011 Rupees	2010 Rupees
Unit Trust of Pakistan	**3,610**	263,446
JS Income Fund	**1,406**	589,431
JS Islamic Fund	**16,151**	7,535
JS Fund of Funds	**-**	45,072
JS KSE 30 Index Fund	**1,844**	91,867
JS Aggressive Income Fund	**1,407**	800
JS Pension Savings Fund	**7,213**	514,622
JS Islamic Pension Savings Fund	**-**	2,100
JS Principal Secure Fund II	**-**	2,117,167
JS Cash Fund	**1,729**	1,925
JS Large Cap Fund	**1,165**	-
	34,525	3,633,965

23.1 This represents gross commission income earned by the Company on account of sale of units made on behalf of the funds under management.

24 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, the company is managing two (June 30, 2010: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2011 was Rs. 36.656 million (June 30, 2010: Rs. 36.159 million) and Rs. 36.613 million (June 30, 2010: Rs. 42.369 million)

25 ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2011 Rupees	2010 Rupees
Salaries and benefits		**85,526,053**	103,587,815
Staff retirement benefits	25.1	**4,545,521**	4,339,179
Amortisation of intangible asset	4.6	**4,742,908**	5,305,168
Advertisement		**4,571,488**	2,619,978
Depreciation	4.1	**28,756,789**	36,246,473
Printing and stationery		**3,878,489**	3,163,494
Rent, rates, taxes and maintenance		**15,192,988**	19,044,123
Travelling, conveyance and vehicle maintenance		**8,296,493**	9,460,582
Transfer agent remuneration		**8,128,598**	8,142,267
Postage and telephone		**4,266,643**	4,358,240
Legal and professional		**4,923,156**	11,250,383
Fees and subscription		**2,696,053**	8,684,651
IT services		**9,357,889**	11,859,609
Utilities		**7,733,825**	6,853,319
Office security		**4,016,027**	6,813,948
Entertainment		**382,418**	242,176
Insurance		**5,490,176**	5,856,662
Newspaper		**83,488**	63,290
Directors' fee		**3,840,000**	3,795,000
Royalty and advisory fee	25.2	**10,000,000**	10,000,000
Office supplies		**879,494**	660,838
Shariah Advisory Fee		**1,440,000**	1,440,000
Ijarah rentals		**2,472,324**	295,604
Miscellaneous expenses		**780,795**	1,652,991
		222,001,615	265,735,790
Fee and commission		**5,471,444**	19,616,387
		227,473,059	285,352,177

25.1 Staff retirement benefits include contributions to defined contribution plan of Rs 4.131 million (2010: Rs 4.085 million).

25.2 Royalty and advisory fee represents amounts payable to Mr. Jahangir Siddiqui on account of use of name and advisory services, respectively.

		2011 Rupees	2010 Rupees
26	**OTHER OPERATING EXPENSES**		
	Auditors' remuneration		
	Annual audit fee	**800,000**	800,000
	Fee for review of the statement of compliance on code of corporate governance	**50,000**	50,000
	Out of pocket expenses	**17,244**	115,254
	Fee for review of half yearly financial statements	**200,000**	200,000
	Fee for tax and related advisory services	**1,252,500**	985,970
		2,319,744	2,151,224
27	**FINANCIAL CHARGES**		
	Mark-up on short-term borrowings	**74,495,905**	104,962,179
	Bank charges	**139,289**	121,953
	Mark-up and other charges of securitisation of management fee receivables	**68,860,601**	82,804,139
		143,495,795	187,888,271
28	**OTHER OPERATING INCOME**		
	Income from non-financial assets		
	Rental income	**16,518,425**	16,798,308
	Gain / (Loss) on disposal of fixed assets	**2,323,453**	(2,932,834)
	Income from financial assets		
	Liabilities no longer required written back	**-**	8,200,000
	Mark-up earned on loans to executives and employees	**196,405**	1,922,588
		19,038,283	23,988,062
29	**TAXATION - Net**		
	Current - for the year	**11,525,750**	4,253,092
	Current - for the prior years	**-**	(3,370,349)
	Deferred - for the year	**(8,814,455)**	(197,597)
		2,711,295	685,146

29.1 The income tax assessments of the company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax ordinance 2001. The details of tax years 2006 and 2009 have been described in note 21.1 above.

	2011	2010
	Rupees	Rupees
29.2 Relationship between accounting profit and tax expense is as follows:		
Accounting profit / (loss) before taxation	**26,639,537**	46,138,428
Tax @ 35% (2010: 35%)	**9,323,838**	16,148,450
Tax impact of income under FTR and differential in tax rates	**(39,079,533)**	(5,158,068)
Tax impact of exempt capital gains	**-**	(19,035,632)
Tax impact of minimum tax	**3,169,347**	2,244,556
Tax impact of depreciation/amortisation	**(6,125,000)**	1,235,786
Tax impact of expenses related to FTR income	**1,882,111**	3,980,591
Others	**33,540,532**	1,269,463
Net tax charged	**2,711,295**	685,146

30 EARNINGS PER SHARE - Basic and diluted

	2011	2010
Profit for the year after taxation	**23,928,242**	45,453,282
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year	**100,000,000**	100,000,000
Earnings per share (Rupees)	**0.24**	0.45

30.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2011 and 2010 which would have any effect on the earnings per share if the option to convert is exercised.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Company are as follows:

	Chief Executive Officer		Directors		Executives	
	2011 Rupees	2010 Rupees	**2011 Rupees**	2010 Rupees	**2011 Rupees**	2010 Rupees
Managerial remuneration	**12,000,000**	8,620,645	**3,283,200**	6,244,443	**19,353,361**	25,903,347
Consultancy fee	**-**	-	**3,480,000**	3,480,000	**-**	-
House rent allowance	**3,600,000**	2,024,129	**984,960**	1,873,333	**5,806,008**	7,741,165
Utilities allowance	**500,400**	687,165	**328,320**	624,443	**1,935,336**	2,590,362
Car Allowance	**570,240**	559,806	**653,124**	1,531,423	**5,964,735**	8,446,613
Retirement benefits	**1,200,000**	862,065	**262,656**	67,557	**1,501,251**	1,917,581
Medical Allowance	**1,200,000**	862,065	**328,320**	624,443	**1,935,336**	2,590,362
Other reimbursable expenses	**-**	-	**14,527**	9,799	**1,211,625**	243,898
	19,070,640	13,615,875	**9,335,107**	14,455,441	**37,707,652**	49,433,328
Number of persons	**1**	1	**2**	3	**22**	26

31.1 The Chief Executive Officer and the Chairman of the Company are provided with free use of company owned and maintained vehicles.

31.2 The Company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

31.3 In addition, meeting fee of Rs 15,000 (2010: Rs 15,000) per meeting was paid to three non-executive directors for meetings attended during the year.

32 TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES

32.1 Transaction with related parties

32.1.1 Transactions with associates - funds under management

	2011 Rupees	2010 Rupees
Remuneration income	**244,683,431**	361,247,913
Commission income	**34,525**	3,633,965
Other expenses incurred on behalf of the fund	**307,414**	967,143
Reimbursement of other expenses incurred on behalf of the fund	**226,546**	1,124,236
Dividend income	**52,037,417**	40,077,419
Preliminary expenses incurred on behalf of the fund	**-**	2,869,683
Reimbursement of preliminary expenses incurred on behalf of the fund	**2,928,942**	5,744,809
Invesment made in funds under management	**50,544,896**	70,000,000
Investments disposed off - at cost	**285,359,857**	126,006,947
Other expenses incurred	**-**	551,850
Bonus / additional shares / units (in numbers)	**271,203**	72,963

32.1.2 Transactions with other related parties

	2011 Rupees	2010 Rupees
JS Global Capital Limited (JSGCL) - associate of JSCL		
Rent expense	**4,013,608**	5,027,765
Rental income	**3,354,758**	1,051,864
Other expenses	**1,073,942**	1,003,861
Expenses incurred by the company on behalf of JSGCL	**1,871,438**	784,660
Reimbursement of expenses incurred on behalf of JSGCL	**1,985,304**	603,256
JS Bank Limited (JSBL) - subsidiary of JSCL		
Mark up expense on short term borrowings	**45,084,924**	52,237,536
Rent expense	**482,760**	-
Expenses incurred by the company on behalf of JSBL	**7,092**	35,461
Reimbursement of expenses incurred on behalf of JSBL	**7,092**	35,461
Pakistan International Container Terminal Limited		
Dividend income	**-**	1,413,450
Agritech Limited (formerly Pak American Fertilizer Limited)		
Markup income	**-**	5,338,079
Markup income received	**-**	7,761,405
Principal redemption	**-**	20,000
Peregrine Aviation (Private) Limited [(formerly JS Air (Private)] Limited		
Other expenses incurred on behalf of the fund	**7,092**	35,461
Reimbursement of other expenses incurred on behalf of the fund	**7,092**	35,461
Staff Provident Fund		
Contributions during the year	**4,131,461**	4,085,435

	2011 Rupees	2010 Rupees
32.1.3 Transactions with holding company		
Jahangir Siddiqui & Company Limited (JSCL) - holding company		
Rent received	-	3,606,390
Rental income	-	5,130,022
Expenses incurred on behalf of JSCL	**65,000**	1,474,747
Reimbursement of expenses incurred on behalf of JSCL	**65,000**	1,820,934
32.1.4 Transactions with subsidiary company		
JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL		
Expenses incurred by the company on behalf of JSACL	**7,000**	11,000
Reimbursement of expenses incurred by the company on behalf of JSACL	**7,000**	16,000
32.1.5 Transactions with key management personnel		
Chief Executive Officer		
Mark-up income earned on long-term loan	-	1,705,594
Repayment of long term loan	-	15,000,000
Remuneration of key management personnel	**47,170,870**	59,091,678
32.2 Balances outstanding at the year end		
32.2.1 Balances outstanding with associates		
Receivable from various funds and outstanding balance of expenses incurred on behalf of different funds under management	**80,868**	329,811
32.2.2 Balances outstanding with other related parties		
Markup Payable to JS Bank Limited	**7,813,430**	826,395
Payable to JS Global Capital Limited	**3,380,357**	4,817,765
Receivable from JS Global Capital Limited	**106,371**	1,272,101
32.2.3 Balances outstanding with holding company		
Receivable from Jahangir Siddiqui & Company Limited	**112,399**	196,151

32.3 Other balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

32.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

32.5 There are no transactions with key management personnel other than under their terms of employment.

32.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 31 to the financial statements.

33 CASH AND CASH EQUIVALENTS

	Note	2011 Rupees	2010 Rupees
- Cash and bank balances	11	**4,350,469**	5,173,592
- Short term running finance - secured	17	**(310,591,787)**	(311,454,723)
		(306,241,318)	(306,281,131)

34 FINANCIAL INSTRUMENTS BY CATEGORY

	2011		
	Loans and receivables	**Available for sale**	**Total**
Assets	---------- Rupees ----------		
Non-current assets			
Long-term loans - considered good	1,377,978	-	**1,377,978**
	1,377,978	-	**1,377,978**
Current assets			
Investments - available for sale	-	1,213,749,511	**1,213,749,511**
Loans and advances - considered good	1,841,228	-	**1,841,228**
Deposits and other receivables - unsecured	9,991,643	-	**9,991,643**
Balances due from funds under management - related parties	2,384,739	-	**2,384,739**
Cash and bank balances	4,350,469	-	**4,350,469**
	18,568,079	1,213,749,511	**1,232,317,590**
	19,946,057	**1,213,749,511**	**1,233,695,568**

	2011		
	Liabilities at fair value through profit or loss	**Financial Liabilities At Amortized Cost**	**Total**
Liabilities	---------- Rupees ----------		
Non-current liabilities			
Securitisation of management fee receivables - debt	-	257,817,193	**257,817,193**
	-	257,817,193	**257,817,193**
Current Liabilities			
Securitisation of management fee receivables - debt	-	76,158,576	**76,158,576**
Short term running finance - secured	-	310,591,787	**310,591,787**
Short term borrowings - unsecured	-	150,000,000	**150,000,000**
Accrued and other liabilities	-	26,355,176	**26,355,176**
Accrued mark-up	-	20,382,869	**20,382,869**
	-	583,488,408	**583,488,408**
	-	**841,305,601**	**841,305,601**

	2010		
	Loans and receivables	Available for sale	Total
Assets	------------------------- Rupees	-------------------------	
Non-current assets			
Long-term loans - considered good	1,346,339	-	1,346,339
	1,346,339	-	1,346,339
Current assets			
Investments - available for sale	-	1,113,660,268	1,113,660,268
Loans and advances - considered good	1,610,941	-	1,610,941
Deposits and other receivables - unsecured	12,459,086	-	12,459,086
Balances due from funds under management	2,618,432	-	2,618,432
Cash and bank balances	5,173,592	-	5,173,592
	21,862,051	1,113,660,268	1,135,522,319
	23,208,390	1,113,660,268	1,136,868,658

	2010		
	Liabilities at fair value through profit or loss	Financial Liabilities At Amortized Cost	Total
Liabilities	------------------------- Rupees	-------------------------	
Non-current liabilities			
Securitisation of management fee receivables - debt	-	68,319,152	68,319,152
	-	68,319,152	68,319,152
Current Liabilities			
Securitisation of management fee receivables - debt	-	384,867,607	384,867,607
Short term running finance - secured	-	311,454,723	311,454,723
Short term borrowings - unsecured	-	300,000,000	300,000,000
Accrued and other liabilities	-	34,128,700	34,128,700
Accrued mark-up	-	11,022,042	11,022,042
	-	1,041,473,072	1,041,473,072
	-	1,109,792,224	1,109,792,224

35 FINANCIAL RISK MANAGEMENT

The Company's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

35.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Company manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

35.1.1 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

35.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Company has no significant interest-bearing assets, the Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Company's interest rate risk arises from securitization of management fee receivables and short term borrowings Borrowings isssued at variable rates expose the Company to cash flow interest rate risk and borrowing issued at fixed rate gives exposure to fair value interest rate risk.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

	As at June 30, 2011			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	---------------------Rupees---------------------			
Non-current assets				
Long-term loans - considered good	-	1,377,978	-	**1,377,978**
	-	1,377,978	-	**1,377,978**
Current assets				
Investments - available for sale	100,359,300	-	1,113,390,211	**1,213,749,511**
Loans and advances - considered good	826,735	-	1,014,493	**1,841,228**
Deposits and other receivables	-	-	9,991,643	**9,991,643**
Balances due from funds under management - related parties	-	-	2,384,739	**2,384,739**
Cash and bank balances	2,868,485	-	1,481,984	**4,350,469**
	104,054,520	-	1,128,263,070	**1,232,317,590**
Sub Total	104,054,520	1,377,978	1,128,263,070	**1,233,695,568**

	As at June 30, 2011			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	76,158,576	257,817,193	-	**333,975,769**
Short term running finance - secured	310,591,787	-	-	**310,591,787**
Short term borrowings-unsecured	150,000,000	-	-	**150,000,000**
Accrued and other liabilities	-	-	26,355,176	**26,355,176**
Accrued mark-up	-	-	20,382,869	**20,382,869**
Sub Total	536,750,363	257,817,193	46,738,045	**841,305,601**
On-balance sheet gap	**(432,695,843)**	**(256,439,215)**	**1,081,525,025**	**392,389,967**
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(432,695,843)	(256,439,215)	1,081,525,025	392,389,967
Cumulative interest rate sensitivity gap	(432,695,843)	(256,439,215)		

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	---------------------Rupees---------------------			
Non-current assets				
Long-term loans - considered good	-	1,346,339	-	1,346,339
	-	1,346,339	-	1,346,339
Current assets				
Investments - available for sale	120,062,318	-	993,597,950	1,113,660,268
Loans and advances - considered good	993,486	-	617,455	1,610,941
Deposits and other receivables	-	-	12,459,086	12,459,086
Balances due from funds under management - related parties	-	-	2,618,432	2,618,432
Cash and bank balances	3,522,369	-	1,651,223	5,173,592
	124,578,173	-	1,010,944,146	1,135,522,319
Sub Total	124,578,173	1,346,339.00	1,010,944,146	1,136,868,658

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	68,319,152	384,867,607	-	453,186,759
Short-term running finance - secured	311,454,723	-	-	311,454,723
Short term borrowings - unsecured	300,000,000	-	-	300,000,000
Accrued and other liabilities	-	-	34,128,700	34,128,700
Accrued mark-up	-	-	11,022,042	11,022,042
Sub Total	679,773,875	384,867,607	45,150,742	1,109,792,224
On-balance sheet gap	(555,195,702)	(383,521,268)	965,793,404	27,076,434
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(555,195,702)	(383,521,268)	965,793,404	27,076,434
Cumulative interest rate sensitivity gap	(555,195,702)	(383,521,268)		

Cash flow sensitivity analysis for variable rate instruments

The increase/decrease in interest rates of 1% would have decreased / increased profits and equity for the year 2011 and 2010 by the amount of Rs. 4.99 million (2010: Rs. 7.70 million) and Rs. 8.22 million (2010: Rs. 6.52 million). This analysis assumes that all other variables held constant.

The interest rate profile of interest / mark-up bearing assets are given in notes 5, 7 and 11 of these financial statements.

The interest rate profile of interest / mark-up bearing liabilities are given in notes 15, 17 and 18 of these financial statements.

35.1.3 Price Risk

The Company is exposed to listed and quoted securities price risk because of investments held by the Company and classified on the balance sheet as available for sale. To manage its price risk arising from investments the Company mainly invests in mutual funds and maintains diversified portflolio.

35.2 Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from deposits with banks and financial institutions, and credit exposures arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. Management believes that the Company is not exposed to any significant credit risk from investments in or receivables from the funds which are managed by the Company itself. The risk of default is considered minimal due to inherent systematic measures taken therein.

All the financial assets of the company except Rs 0.070 million (2010: Rs 0.058 million) are exposed to credit risk. The company controls credit risk by monitoring credit exposure, limiting transactions with specific counter parties, obtaining collaterals and continually assessing the credit worthiness of counter parties.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2011 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	2011 Rupees	**2010 Rupees**
Long-term loans - cosidered good	1,377,978	1,346,339
Loans and advances - considered good	1,841,228	1,610,941
Investments - available for sale	1,213,749,511	1,113,660,268
Deposits and other receivables - unsecured	9,991,643	12,459,086
Balances due from funds under management - related parties	2,384,739	2,618,432
Bank balances	4,280,387	5,115,791
	1,233,625,486	1,136,810,857

Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating	**Highest**	**Lowest**
Short Term	A1+	A1
Long Term	AAA	A

35.3 Liquidity risk

Liquidity risk is the risk that the Company may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Company is not materially exposed to liquidity risk as significant amount of obligations / commitments are supported by assigning future management fee of the specific funds of the Company to a Special Purpose Vehicle for discharging the liability of the Company. Other liabilities are short term in nature and are supported by other operating revenues generated by the Company and are further in support against investments of the Company which are readily convertible into cash.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2011			
	Total	Upto three months	More than three months and upto one year	More than one year
	-------------------------	Rupees	--------------------------	
Securitisation of management fee receivables - debt	333,975,769	-	76,158,576	257,817,193
Short term running finance - secured	310,591,787	-	310,591,787	-
Short term borrowings - unsecured	150,000,000	150,000,000	-	-
Accrued and other liabilities	26,299,210	26,299,210	-	-
Accrued mark-up	20,382,869	17,356,827	-	3,026,042
	841,249,635	193,656,037	386,750,363	260,843,235

	As at June 30, 2010			
	Total	Upto three months	More than three months and upto one year	More than one year
	-------------------------	Rupees	--------------------------	
Securitisation of management fee receivables - debt	453,186,759	-	68,319,152	384,867,607
Short term running finance - secured	311,454,723	-	311,454,723	-
Short term borrowings - unsecured	300,000,000	300,000,000	-	-
Accrued and other liabilities	34,128,700	34,128,700	-	-
Accrued mark-up	11,022,042	8,972,081	-	2,049,961
	1,109,792,224	343,100,781	379,773,875	386,917,568

36 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced. Due to these factors analysis under the following groups from levels 1 to 3 has not been produced:

Level 1 : Quoted market prices
Level 2 : Valuation techniques (market observable)
Level 3 : Valuation techniques (non-market observable)

37 CAPITAL RISK MANAGEMENT

The primary objective of the company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

38 CORRESPONDING FIGURES

Corresponding figures relating to 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 June 30, 2010 have been reclassified and merged with income and expenses of the Asset Management Company for better presentation.

39 GENERAL

These financial statements were authorised for issue on September 9, 2011 by the Board of Directors of the Company.

Chief Executive Officer	**Chairman**

CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed consolidated financial statements comprising consolidated balance sheet of **JS Investments Limited** (the Holding company) and its subsidiary company, JS ABAMCO Commodities Limited as at June 30, 2011 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed a separate opinion on the financial statements of the JS Investment Limited. The financial statements of the subsidiary company were audited by other firm of auditors whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such other auditors. These consolidated financial statements are the responsibility of the Holding company's management. Our responsibility is to express an opinion on the accompanying consolidated financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the consolidated financial statements present fairly the financial position of JS Investments Limited and its subsidiary company as at June 30, 2011 and the results of their operations for the year then ended.

Karachi: September 09, 2011

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb

CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2011

ASSETS	Note	2011 Rupees	2010 Rupees
Non-current assets			
Fixed assets			
Tangible - property and equipment	5.1 & 5.5	312,631,410	341,272,046
Intangible assets	5.6	107,978,119	112,721,027
Long-term loans - considered good	6	1,377,978	1,346,339
Total non - current Assets		421,987,507	455,339,412
Current assets			
Investments	7	1,248,637,751	1,147,299,547
Loans and advances - considered good	8	1,841,228	1,610,941
Deposits, prepayments and other receivables - unsecured-considered good	9	14,346,707	18,732,711
Balances due from funds under management - related parties	10	2,384,739	2,618,432
Taxation recoverable		70,415,460	103,512,221
Cash and bank balances	11	4,390,794	5,256,412
Total current assets		1,342,016,679	1,279,030,264
Total assets		1,764,004,186	1,734,369,676
EQUITY AND LIABILITIES			
Share capital	12	1,000,000,000	1,000,000,000
Unrealised gain on remeasurement of available for sale investments to fair value - net	7	349,939,144	66,273,592
Statutory reserve	13	-	109,873,728
Accumulated loss		(606,916,365)	(748,413,383)
Total Equity		743,022,779	427,733,937
Surplus on revaluation of fixed assets - net of tax	14	136,959,339	143,558,513
LIABILITIES			
Non-current liabilities			
Securitisation of management fee receivables - debt	15	257,817,193	384,867,607
Deferred tax liability - net	16	41,248,941	50,063,396
Total non-current liabilities		299,066,134	434,931,003
Current liabilities			
Current maturity of securitisation of management fee receivables - debt	15	76,158,576	68,319,152
Short term running finance - secured	17	310,591,787	311,454,723
Short term borrowings-unsecured	18	150,000,000	300,000,000
Accrued and other liabilities	19	27,822,702	37,350,306
Accrued mark-up	20	20,382,869	11,022,042
Total current liabilities		584,955,934	728,146,223
Total liabilities		884,022,068	1,163,077,226
Total equity and liabilities		1,764,004,186	1,734,369,676
Contingencies & commitments	21		
Breakup value per share		7.43	4.28
Breakup value (including surplus on revaluation of fixed assets)		8.80	5.71

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
Income			
Remuneration from funds under management	22	**244,683,431**	361,247,913
Commission from open end funds under management	23	**34,525**	3,633,965
Dividend		**52,037,417**	41,490,869
Gain on sale of investments - net		**64,157,894**	54,404,248
Return on bank deposits		**184,424**	298,711
Mark up on term finance certificates		**18,959,327**	33,251,308
Commission income and share of profit from management of discretionary client portfolios	24	**845,407**	1,936,014
Unrealized gain / (loss) on remeasurement of investment at fair value through profit and loss	7.2	**1,317,665**	(3,081,053)
Amortisation of discount		**-**	1,306,644
		382,220,090	494,488,619
Operating expenses			
Administrative and marketing	25	**227,707,424**	285,681,694
Operating profit		**154,512,666**	208,806,925
Other operating expenses	26	**2,319,744**	2,151,224
Financial charges	27	**143,495,795**	187,888,271
		8,697,127	18,767,430
Other operating income	28	**19,038,283**	23,988,062
Profit before taxation		**27,735,410**	42,755,492
Taxation - net	29	**2,711,295**	685,146
Profit for the year		**25,024,115**	42,070,346
Earnings per share for the year - basic and diluted	30	**0.25**	0.42

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2011

	2011 Rupees	2010 Rupees
Profit after tax	**25,024,115**	42,070,346
Other comprehensive income:		
Unrealised gain on remeasurement of available for sale investments to fair value - net	**341,147,565**	151,511,877
Gain realised on disposal of investments	**(57,482,013)**	(61,818,235)
	283,665,552	89,693,642
Taxation relating to components of other comprehensive income	**-**	-
	283,665,552	89,693,642
Total comprehensive income	**308,689,667**	131,763,988

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer **Chairman**

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	Note	2011 Rupees	2010 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		**27,735,410**	42,755,492
Adjustment for non-cash and other items:			
Remuneration from funds under management	22	**(244,683,431)**	(361,247,913)
Commission from open end funds under management		**(34,525)**	(3,633,965)
Dividend		**(52,037,417)**	(41,490,869)
Depreciation	5.1	**28,756,789**	36,246,473
Amortisation of intangible assets		**4,742,908**	5,305,168
Financial charges		**143,495,795**	187,888,271
Interest / mark-up income		**(178,146)**	(287,806)
Liabilities no longer required written back		**-**	(8,200,000)
Unrealized (gain) / loss on revaluation of investments		**(1,317,665)**	3,081,053
(Gain) / Loss on disposal of fixed assets	28	**(2,323,453)**	2,932,834
		(95,843,735)	(136,651,262)
Increase / decrease in assets and liabilities			
Loans and advances		**(261,925)**	15,991,192
Long-term receivable from related parties		**-**	2,880,126
Deposits, prepayments and other receivables		**12,225,428**	(12,404,717)
Accrued and other liabilities		**(9,526,303)**	(8,302,623)
		2,437,200	(1,836,022)
		(93,406,535)	(138,487,284)
Taxes refund / (paid)		**21,571,009**	(13,137,619)
Remuneration and commission received from funds under management		**244,951,649**	391,951,038
Net cash inflow from operating activities		**173,116,123**	240,326,135
CASH FLOWS FROM INVESTING ACTIVITIES			
Investments - net		**183,645,014**	269,089,623
Fixed capital expenditure incurred		**(1,159,481)**	(1,380,270)
Dividend received		**52,037,417**	41,505,654
Return on bank deposits		**178,146**	287,806
Proceeds from disposal of fixed assets		**3,366,781**	4,150,742
Redemption of securities			
Net cash inflow from investing activities		**238,067,877**	313,653,555
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)**	(11,076)
Short term borrowings		**(150,000,000)**	(264,000,000)
Financial charges paid		**(132,100,382)**	(190,961,094)
Net cash used in financing activities		**(411,186,682)**	(546,662,170)
Net increase/(decrease) in cash and cash equivalents		**(2,682)**	7,317,520
Cash and cash equivalents at beginning of the year		**(306,198,311)**	(313,515,831)
Cash and cash equivalents at end of the year	33	**(306,200,993)**	(306,198,311)

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Chairman

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2011

	Share capital	Accumulated (loss)	Statutory reserve	Unrealised (loss)/gain on re-measurement of investments classified as available for sale	Total equity
	----------	----------	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	-	42,070,346	-	89,693,642	131,763,988
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	-	6,599,175	-	-	6,599,175
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	**-**	**25,024,115**	**-**	**283,665,552**	**308,689,667**
Transfer of statutory fund to accumulated loss on discontinuance of IFS operation - note - 13	**-**	**109,873,728**	**(109,873,728)**	**-**	**-**
Surplus on revaluation of fixed assets realized during the year on account of incremental depreciation charged thereon - net of tax	**-**	**6,599,175**	**-**	**-**	**6,599,175**
Balance as at June 30, 2011	**1,000,000,000**	**(606,916,365)**	**-**	**349,939,144**	**743,022,779**

The annexed notes 1 to 39 form an integral part of these financial statements.

Chief Executive Officer

Chairman

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011

1 THE GROUP AND ITS OPERATION

The group consists of:

Holding Comapany	
JS Investments Limited	
	"Percentage holding JS Investments Limited and its nominees"
Subsidairy Company	
JS ABAMCO Commodities Limited	100%

1.1 Holding Comapany

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

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

1.1.1 The Holding Company is an asset management company and pension fund manager for the following:

1.1.2 Asset management company of the following funds:

Closed end:

- JS Growth Fund
- JS Value Fund Limited

Open end:

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

1.1.3 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

1.2 Subsidiary Company

JS ABAMCO Commodities Limited (the company) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984 and is a wholly owned subsidiary of JS Investments Limited (the holding company). The principal object of the company is to carry out business in Commodity market and related brokerage, advisory and consultancy services. The registered office of the Company is situated at 7th Floor, The Forum, Block-9 Clifton, Karachi.

2 BASIS OF PRESENTATION AND CONSOLIDATION

2.1 These consolidated financial statements include the financial statements of JS Investments Limited and JS ABAMCO Commodities Limited.

2.2 Subsidiaries are all entities over which the group has the power to govern the financial and operating policies accompaning a shareholding of more than one half of the voting rights. The existance and effect of potential voting rights that are currently exercisable are considered when assessing whether the group controls another entity. Subsidiaries are fully consolidated from the date on which control is transfered to the group. They are de-consolidated from the date when control ceases. The assets and liabilities of subsidiary company has been consolidated on a line by line basis based on the audited financial statements for the year ended June 30, 2011 and the carrying value of investment held by the holding company is eliminated against the subsidiary shareholders equity in these consolidated financial statements. Material intra-group balances and transactions have been eliminated.

2.3 Non Controlling Interest is that part of the net results of operations and of net assets of subsidiary companies attributable to interest which are not owned by the Group.

3 BASIS OF PREPARATION

3.1 Statement of compliance

These 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 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 the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

3.2 Adoption of new and amended standards and interpretations

The group has adopted the following new and amended IFRS and IFRIC interpretations which became effective during the year.

IFRS 2 - Share Based Payment - Amendments regarding group Cash-settled Share-based Payment Arrangements (Amendments).
IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment).
IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

Issued in 2009
IFRS 5 - Non Current Assets Held for Sale and Discontinued Operations
IFRS 8 - Operating Segments
IAS 1 - Presentation of Financial Statements.
IAS 7 - Statement of Cash flows Presentation of Financial Statements.
IAS 17 - Leases
IAS 36 - Impairment of Assets
IAS 39 - Financial Instruments: Recognition and Measurement.

Issued in April 2010

IFRS 3 - Business Combinations
IAS 27 - Consolidated and Separate Financial Statements.

The adoption of the above standards, amendments / improvements and interpretations did not have any effects on the Consolidated Financial Statements.

3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard, interpretation or amendment:

Standard, interpretation and amendment	Effective date (accounting period beginning on or after)
IAS 1 - Presentation of financial statements (Amendments)	July 01, 2012
IFRS 7 - Financial Instruments: Disclosures (Amendments)	February 01, 2010
IAS 12 - Income Taxes (Amendment)	January 01, 2012
IAS 19 - Employee Benefits (Amendment)	January 01, 2013
IAS 24 - Related Party Disclosures (Revised)	January 01, 2011
IFRIC 14 - Prepayments of a Minimum Funding Requirement (Amendment).	January 01, 2011

The group expects the adoption of the above revisions, interpretations and amendments of the standards will not effect the group's consolidated financial statements in the period of initial application.

In addition to the above, amendments to the various accounting standards have also been issued by the IASB. Such improvements are generally effective for accounting periods beginning on or after January 01, 2011. The group expects that such improvements to the standards will not have any material impact on thegroup's consolidated financial statements in the period of initial application.

Further, the following new standards have been issued by IASB which are yet to be notified by SECP for the purpose of applicability in Pakistan.

Standard	IASB Effective date (annual period beginning on or after)
IFRS 9 - Financial Instruments	January 01, 2013
IFRS 10 - Consolidated Financial Statements	January 01, 2013
IFRS 11 - Joint Arrangements	January 01, 2013
IFRS 12 - Disclosure of Interests in other entities	January 01, 2013
IFRS 13 - Fair Value Measurement	January 01, 2013

3.4 Critical accounting estimates and judgements

The preparation of consolidated financial statements in conformity with approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The areas where various assumptions and estimates are significant to the group's financial statements are as follows:

i) Depreciation on tangible assets and amortisation of intangible assets (notes 4.1.1, 4.1.2, 5.1 and 5.6);

ii) Provision for taxation (notes 4.4, 29 and 29.1);

iii) Classification and valuation of investments (notes 4.3 and 7);

iv) Determination and measurement of useful life and residual value of property and equipment (notes 4.1.1 and 5.1);

v) Valuation of property and equipment (notes 4.1.1 and 5.1); and

vi) Recognition and measurement of deferred tax assets and liabilities (notes 4.4 and 16).

3.5 Accounting convention

The group consolidated financial statements have been prepared under the historical cost convention, except that certain items of property and equipment are stated at revalued amounts and investments are classified as available for sale and investments at fair value through profit or loss have been marked to market and carried at fair value.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these group consolidated financial statements are set out below. These policies and methods of computation have been consistently applied to all the periods presented, unless otherwise stated.

4.1 Fixed assets

4.1.1 Property and equipment

Owned

Property and equipment are stated at cost or revalued amounts less accumulated depreciation and accumulated impairment losses, if any, except for capital work-in-progress which is stated at cost. All expenditures connected with specific assets incurred during installation and construction period are carried under capital work in progress.

Subsequent costs are included in the asset's carrying amounts or recognized as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other subsequent costs including repair and maintenance are charged to the profit and loss account as and when incurred.

Depreciation is charged to income applying the straight-line method, whereby the cost or revalued amount of an asset is written off over its estimated useful life. The residual values and useful lives are reviewed, and adjusted, if required, at each balance sheet date.

Depreciation on fixed assets is charged from the month in which the asset is available for use. No depreciation is charged for the month in which the asset is disposed off.

Any surplus arising on revaluation of fixed assets is credited to the surplus on revaluation of fixed asset account. Revaluation is carried out with sufficient regularity to ensure that the carrying amount of assets does not differ materially from their fair value. To the extent of the incremental depreciation charged on the revalued assets, the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

Gains or losses on disposal of assets are included in the profit and loss account currently, except that the related surplus on revaluation of fixed assets (net of deferred tax) is transferred directly to equity.

4.1.2 Intangible assets

Intangible assets are measured initially at cost. After initial measurement, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The depreciable amount of an intangible asset with a finite useful life is amortised using the straight line method from the month in which such intangible asset is available for use, whereby, the cost of the intangible asset is amortised over its estimated useful life over which economic benefits are expected to flow to the group. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the group. An intangible asset with an indefinite useful life is not amortised. The useful life and amortisation method is reviewed and adjusted, if appropriate, at each balance sheet date.

4.2 Trade and other receivables

Trade and other receivables are stated initially at fair value and subsequently measured at amortised cost using the effective interest rate method less provision for impairment, if any. A provision for impairment is established where there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Trade and receivable are written off when considered irrecoverable.

4.3 Financial instruments

Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) At fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise loans, advances, deposits, balances due from funds under management, other receivable and cash and bank balances in the consolidated balance sheet.

(c) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

(d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of investments are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the profit and loss account. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest rate method.

Changes in the fair value of securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in other comprehensive income are included in the profit and loss account as gains and losses from investment securities. Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated profit and loss account. Dividends on available-for-sale equity instruments are recognised in the consolidated profit and loss account when the group's right to receive payments is established.

The fair values of quoted investments are based on current prices. If the market for a financial asset is not active (and for unlisted securities), the group measures the investments at cost less impairment in value, if any.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss is removed from other comprehensive income and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

Financial liabilities

All financial liabilities are recognised at the time when the group becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account. Financial liabilities include securitisation of management fee receivable (debt), short-term running finance, short term borrowings, accrued and other liabilities and accrued mark-up.

4.4 Taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates; if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Deferred

Deferred tax is recognised using the liability method on all major temporary differences arising between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In addition, the Company recognises deferred tax asset / liability on deficit / surplus on revaluation of tangible fixed assets, which is adjusted against the related deficit / surplus in accordance with the requirements of International Accounting Standard (IAS) 12 'Income Taxes'. The unrecognised deferred tax assets of the subsidiary company as at June 30, 2011 amounting to Rs. 507,137 (2010: Rs. 507,137) has not been recognised in these consolidated financial statements.

Deferred tax assets and liabilities are measured using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted at the consolidated balance sheet date.

4.5 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. Cash and cash equivalents include cash in hand, balances with banks and short-term finances with original maturities of three months or less.

4.6 Operating Lease / Ijarah

Operating Lease / Ijarah in which a significant portion of the risks and rewards of ownership are retained by the lessor / Muj'ir are classified as operating leases / Ijarah. Payments made during the period are charged to Profit and loss account on a straight-line basis over the period of the lease/ Ijarah.

4.7 Borrowings / debt

Borrowings / debt are recognised initially at fair value, net of transaction costs incurred. These are subsequently measured at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit & loss account over the period of the borrowings / debt under the effective interest method. Mark-up / profit on borrowings / debt is calculated using the effective interest method. Borrowings / debt include securitisation of management fee receivable.

4.8 Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are charged to consolidated profit and loss account in the period in which they are incurred.

4.9 Trade and other payables

Short-term liabilities for trade and other amounts payable are recognised initially at fair value and subsequently carried at amortised cost.

4.10 Defined Contribution Scheme

The Holding Company operates an approved contributory provident fund for all of its permanent employees. The Holding Company and employees make equal monthly contributions to the fund at the rate of 8 to 10 percent of the basic salary.

4.11 Employees' compensated absences

The Holding Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned on the basis of the accumulated leaves and the last drawn salary and are charged to profit.

4.12 Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the outflow can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4.13 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves, except appropriations which are required by the law, made subsequent to the balance sheet date are considered as non-adjusting events and are recognised in the consolidated financial statements in the year in which such dividends are declared or transfers between reserves are made.

4.14 Impairment

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such indication exists, and where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.

4.15 Revenue recognition

- Remuneration for investment advisory and asset management services are recognised on an accrual basis.
- Gain or loss on sale / redemption of investments is taken into income in the period in which they arise.
- Realised capital gains / losses on sale of investments is recognised in the profit and loss account at the time of sale.
- Dividend income is recorded when the right to receive the dividend is established.
- Return on bank deposits, mark-up on term finance certificate, mark-up on letter of placements and mark-up on commercial papers are recognised on an accrual basis.

- Commission income from open end funds is recognised at the time of sale of units.
- Commission income and share of profit from management of discretionary client portfolios is recognised on accrual basis.

4.16 Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the group operates. The consolidated financial statements are presented in Pakistani Rupees, which is the group's functional and presentation currency.

4.17 Foreign currency transactions

Transactions denominated in foreign currencies are accounted for in rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into rupees at the foreign exchange rates approximating those prevailing at the balance sheet date. Exchange differences are taken to the consolidated profit and loss account.

4.18 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when there is a legally enforceable right to set off the recognised amount and the group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

		2011	2010
5 FIXED ASSETS	te	**Rupees**	Rupees
Tangible - property and equipment			
Operating fixed assets	5.1	**309,629,411**	338,772,046
Capital work-in-progress - at cost	5.5	**3,001,999**	2,500,000
		312,631,410	341,272,046
Intangible assets	5.6	**107,978,119**	112,721,027
		420,609,529	453,993,073

5.1 The following is the statement of operating fixed assets:

	OWNED					TOTAL
	Year ended June 30, 2011					
	Office premises	**Branch set-up**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	
	Rupees					
At July 1, 2010						
Cost / revaluation	331,254,000	9,611,653	23,989,650	95,513,235	7,602,095	**467,970,633**
Accumulated depreciation	(17,942,924)	(7,643,517)	(14,060,280)	(85,100,883)	(4,450,983)	**(129,198,587)**
Net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	**338,772,046**
Year ended June 30, 2011:						
Opening net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	**338,772,046**
Additions	-	272,760	-	384,722	-	**657,482**
Disposals :						
Cost / revaluation	-	(6,403,519)	(669,650)	(5,199,867)	(2,988,500)	**(15,261,536)**
Depreciation	-	6,163,026	443,906	5,077,651	2,533,625	**14,218,208**
	-	(240,493)	(225,744)	(122,216)	(454,875)	**(1,043,328)**
Depreciation charge for the year	(16,562,700)	(1,062,087)	(2,314,572)	(8,219,530)	(597,900)	**(28,756,789)**
Closing net book value	296,748,376	938,316	7,389,054	2,455,328	2,098,337	**309,629,411**
At June 30, 2011:						
Cost / revaluation	331,254,000	3,480,894	23,320,000	90,698,090	4,613,595	**453,366,579**
Accumulated depreciation	(34,505,624)	(2,542,578)	(15,930,946)	(88,242,762)	(2,515,258)	**(143,737,168)**
Net book value	**296,748,376**	**938,316**	**7,389,054**	**2,455,328**	**2,098,337**	**309,629,411**
Depreciation rate % per annum	5	20	10	25	20	

	OWNED					TOTAL
	Year ended June 30, 2010					
	Office premises	**Branch set-up**	**Furniture and fixtures**	**Office equipment**	**Vehicles**	**Total**
	Rupees					
At July 1, 2009						
Cost / revaluation	331,254,000	16,275,200	25,357,219	98,196,253	12,321,647	483,404,319
Accumulated depreciation	(1,380,224)	(9,485,338)	(12,004,801)	(75,034,340)	(5,477,791)	(103,382,494)
Net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
Year ended June 30, 2010:						
Opening net book value	329,873,776	6,789,862	13,352,418	23,161,913	6,843,856	380,021,825
Additions	-	748,400	37,000	1,294,870	-	2,080,270
Disposals :						
Cost / revaluation	-	(7,411,947)	(1,404,569)	(3,977,888)	(4,719,552)	(17,513,956)
Depreciation	-	4,064,285	698,252	3,757,389	1,910,454	10,430,380
	-	(3,347,662)	(706,317)	(220,499)	(2,809,098)	(7,083,576)
Depreciation charge for the year	(16,562,700)	(2,222,464)	(2,753,731)	(13,823,932)	(883,646)	(36,246,473)
Closing net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	338,772,046
At June 30, 2010:						
Cost / revaluation	331,254,000	9,611,653	23,989,650	95,513,235	7,602,095	467,970,633
Accumulated depreciation	(17,942,924)	(7,643,517)	(14,060,280)	(85,100,883)	(4,450,983)	(129,198,587)
Net book value	313,311,076	1,968,136	9,929,370	10,412,352	3,151,112	338,772,046
Depreciation rate % per annum	5	20	10	25	20	

5.2 The Holding Company follows the revaluation model for its office premises. The office premises of the Holding Company were last revalued on May 31, 2009 by an independent valuer Iqbal A. Nanjee & Co (Private) Limited on the basis of professional assessments of the market values. The revaluation resulted in a further surplus of Rs. 170.740 million (April 18, 2005: Rs. 83.876 million). Out of the total revaluation surplus of Rs. 254.616 million, Rs. 210.577 million (June 30, 2010: Rs. 220.730 million) remains undepreciated as at June 30, 2011.

5.3 Had there been no revaluation, the net book value of the office premises would have been as follows.

	2011 Rupees	2010 Rupees
Office Premises	**85,031,003**	91,441,128

5.4 Particulars of fixed assets having written down value exceeding Rs. 50,000 disposed of during the year are as follows:

Description	Cost	Accumulated depreciation	Written down value	Sale proceeds	Mode of disposal	Particulars of buyers
	---- Rupees ----					
Equipment	130,000	70,417	59,583	66,000	Insurance claim	EFU General Insurance Limited
Mitsubishi Lancer	1,029,000	771,750	257,250	707,000	Negotiation	Pak Islamabad Motors
Honda City	790,500	592,875	197,625	625,000	Negotiation	Muhammad Qadeer
Various furniture and office equipment of branch	2,164,632	1,883,252	281,380	386,081	Negotiation	Agro Pakistan Limited
Various furniture and office equipment of branch	5,224,154	5,084,031	140,123	30,000	Negotiation	Imran Ali Shah
Year ended June 30, 2011	**9,338,286**	**8,402,325**	**935,961**	**1,814,081**		
Year ended June 30, 2010	6,383,552	2,716,864	3,666,688	3,027,348		

5.5 Capital work-in-progress - at cost

	2011 Rupees	2010 Rupees
Advances to suppliers against acquisition of Computer Equipments and office premises	3,001,999	2,500,000

5.6 Intangible assets

	2011			
	Membership of National Commodity Exchange	**Software**	**Management Rights of ICP Mutual Funds**	**Total**
	---- Rupees ----			
At July 1, 2010				
Cost	1,000,000	30,630,598	175,000,000	**206,630,598**
Accumulated amortisation	-	(23,909,571)	(70,000,000)	**(93,909,571)**
Net book value	1,000,000	6,721,027	105,000,000	**112,721,027**
Year ended June 30, 2011:				
Opening net book value	1,000,000	6,721,027	105,000,000	**112,721,027**
Amortisation charge for the year	-	(4,742,908)	-	**(4,742,908)**
Closing net book value	1,000,000	1,978,119	105,000,000	**107,978,119**
At June 30, 2011:				
Cost	1,000,000	30,630,598	175,000,000	**206,630,598**
Accumulated amortisation	-	(28,652,479)	(70,000,000)	**(98,652,479)**
Net book value	**1,000,000**	**1,978,119**	**105,000,000**	**107,978,119**
Amortisation rate % per annum	20 - 50			

	2010			
	Membership of National Commodity Exchange	**Software**	**Management Rights of ICP Mutual Funds**	**Total**
	---- Rupees ----			
At July 1, 2009				
Cost	1,000,000	30,630,598	175,000,000	206,630,598
Accumulated amortisation	-	(18,604,403)	(70,000,000)	(88,604,403)
Net book value	1,000,000	12,026,195	105,000,000	118,026,195
Year ended June 30, 2010:				
Opening net book value	1,000,000	12,026,195	105,000,000	118,026,195
Amortisation charge for the year	-	(5,305,168)	-	(5,305,168)
Closing net book value	1,000,000	6,721,027	105,000,000	112,721,027
At June 30, 2010:				
Cost	1,000,000	30,630,598	175,000,000	206,630,598
Accumulated amortisation	-	(23,909,571)	(70,000,000)	(93,909,571)
Net book value	1,000,000	6,721,027	105,000,000	112,721,027
Amortisation rate % per annum	20 - 50			

5.7 Intangible asset in respect of Management Rights of ICP Mutual Funds represents the amount paid for the acquisition of the management rights of 12 ICP Mutual Funds under a Management Rights Transfer Agreement between the Holding Company, Privatisation Commission, Government of Pakistan and Investment Corporation of Pakistan in October 2002. These funds were consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund and then merged to form JS Growth fund in 2006.

The Holding Company carried out a review of the useful life of the above management rights of ICP mutual funds. In addition, the Holding company revisited and revised its future plans with respect to these funds which have now been merged to form the JS Growth fund. Consequently, keeping in view the revised future plans, and opinion from its legal advisor in respect of the Holding Company's rights and obligations under the above mentioned Management Rights Transfer Agreement and an analysis of the relevant factors the management considers that this intangible asset has an indefinite useful life. The amortisation of the management rights acquired by the Holding Company had been discontinued with effect from July 1, 2006. Previously, the useful life was considered to be definite and cost incurred for acquisition of management rights was being amortised on a straight line basis over a period of ten years with effect from the year ended June 30, 2003.

	Note	**2011 Rupees**	2010 Rupees
6 LONG-TERM LOANS - CONSIDERED GOOD			
Due from others - secured			
Executives	6.1 & 6.2	**32,617**	581,888
Other employees	6.2	**2,172,096**	1,757,937
		2,204,713	2,339,825
Less: receivable within one year	8	**(826,735)**	(993,486)
		1,377,978	1,346,339

6.1 Reconciliation of carrying amount of long-term loans to executives is as follows:

	2011 Rupees	2010 Rupees
Opening balance	**581,888**	812,929
Disbursements / transfer from other employee	**108,195**	400,000
Repayments	**(657,466)**	(631,041)
Closing balance	**32,617**	581,888

6.2 This represents loans given to employees and executives for purchase of motor vehicles, house loans and general purpose cash loans. These loans are recovered through deduction from salaries over varying periods upto a maximum period of five years, fifteen years and three years respectively. These loans are granted in accordance with their terms of employment. The motor vehicle loans are secured by way of title to the motor vehicles being held in the name of the Holding company and house loans are secured by way of equitable mortgage. Motor vehicle loans, house loans and general purpose cash loans carry mark-up at rates ranging from 7.20 percent to 13.61 percent per annum (2010: 6.98 percent to 12.57 percent per annum)

6.3 The maximum aggregate amount due from executives at the end of any month during the year was Rs. 0.663 million (2010: Rs. 0.895 million).

7 INVESTMENTS	Note	2011 Rupees	2010 Rupees
Available for sale	7.1	**1,213,749,511**	1,113,660,268
At fair value through profit and loss	7.2	**34,888,240**	33,639,279
		1,248,637,751	1,147,299,547

7.1 INVESTMENTS - AVAILABLE FOR SALE

	Note	2011 Number of certificates / units / shares	2011 Rupees	2010 Number of certificates / units / shares	2010 Rupees
Investments - related parties	7.5				
JS Value Fund Limited		**21,498,992**	**118,244,456**	21,498,992	77,396,371
JS Large Cap Fund	7.4.1	**6,581,000**	**460,340,950**	65,810,000	279,692,500
JS Growth Fund		**36,086,812**	**212,912,191**	36,086,812	120,529,952
JS Pension Savings Fund - Equity		**300,000**	**28,437,000**	300,000	22,104,000
JS Pension Savings Fund - Debt		**200,000**	**29,002,000**	300,000	39,054,000
JS Pension Savings Fund - Money Market		**200,000**	**24,168,000**	300,000	32,553,000
JS Fund of Funds		**194,432**	**19,929,233**	1,278,295	111,249,981
JS Principal Secure Fund I	7.3	**185,790**	**21,800,633**	-	-
JS Capital Protected Fund IV		**-**	**-**	1,022,447	109,340,525
JS Islamic Pension Savings Fund - Equity		**250,000**	**38,077,500**	300,000	32,475,000
JS Islamic Pension Savings Fund - Debt		**250,000**	**34,162,500**	300,000	36,477,000
JS Islamic Pension Savings Fund - Money Market		**250,000**	**30,357,500**	300,000	33,813,000
JS Aggressive Income Fund		**501,736**	**47,519,428**	501,736	48,482,761
JS Cash Fund		**400,000**	**42,120,000**	400,000	40,968,000
Investments at market value			**1,107,071,391**		984,136,090
Other investments					
Escort Investment Bank Limited	7.6	**3,274,000**	**6,318,820**	3,274,000	9,461,860
Term Finance Certificate					
Optimus Limited	7.7	**25,000**	**100,359,300**	25,000	120,062,318
Investments at market value			**1,213,749,511**		1,113,660,268
Less : Carrying value of investments			**(863,810,367)**		(1,047,386,676)
Unrealised Gain on remeasurement of investments			**349,939,144**		66,273,592

7.2 AT FAIR VALUE THROUGH PROFIT AND LOSS ACCOUNT

	2011 Rupees	2010 Rupees
JS Income Fund		
Investment at fair value	**34,888,240**	33,639,279
Less: Carrying value of investments	**(33,570,575)**	(36,720,332)
Unrealized (loss) / gain on remeasurement of investments	**1,317,665**	(3,081,053)

7.3 Maturity of funds

The duration of funds being managed by the Holding Company is specified in their respective offering documents are as follows. After which, these funds shall stand dissolved automatically.

Name of fund	IPO Date	Duration from the date of IPO
JS Principal Secure Fund I	April 24, 2009	Three years and six weeks
JS Principal Secure Fund II	December 14, 2009	Eighteen months and six weeks

7.4 Certificates / shares / units pledged against short term borrowing

The details of the certificates/ shares/ units of funds pledged by the Holding Company against its borrowings are as follows:

Name of fund/companies		As at June 30, 2011 Number of certificates / shares / units	As at June 30, 2010 Number of certificates / shares / units
JS Value Fund Limited		**21,450,000**	21,450,000
JS Large Cap Fund	**7.4.1**	**3,200,000**	22,000,000
JS Growth Fund		**34,000,000**	34,000,000
JS Capital Protected Fund IV		**-**	1,022,447

7.4.1 The certificates having par value of Rs. 10 each of JS Large Cap Fund were converted into unit of par value of Rs. 100 each (i.e. in the ratio of 10:1) upon conversion from Close-end Fund into an Open-end scheme.

7.5 This represents investment made in collective investment schemes managed by the Holding Company. The matter relating to the classification of these funds (i.e. as associates or subsidiary) has been referred by the various fund managers to the Professional Standards and Technical Advisory Committee and Joint Committee of the Institute of Chartered Accountants of Pakistan (ICAP) and Mutual Funds Association of Pakistan (MUFAP). Till such time as clarification is received from ICAP / MUFAP, the investments of the Holding Company in the collective investment schemes have been classified as available for sale in these financial statements.

7.6 The SECP vide their letter dated July 11, 2011 has extended the time period for Asset Management Companies to achieve compliance with regulation 37(7)(k) of Non Banking Finance Companies and Notified Companies Regulations, 2008 for not maintaining their own equity portfolio by June 30, 2012.

7.7 The markup rate on these TFC's is 15.86% per annum. Principal amount of Rs. 41.60 million each will be redeemed in October 2011 and April 2012 respectively.

8	LOANS AND ADVANCES - CONSIDERED GOOD	Note	2011 Rupees	2010 Rupees
	Current portion of long-term loan to executives and employees	6	826,735	993,486
	Unsecured advances to			
	- executives	8.1	64,686	129,997
	- employees	8.1	949,807	381,068
	- suppliers		-	106,390
			1,841,228	1,610,941

8.1 The advances to executives and other employees are provided to meet business expenses and are settled as and when incurred. In addition, advances are also provided to executives and employees against their salaries which are recovered through deduction from employees monthly payroll.

9	DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES-UNSECURED-CONSIDERED GOOD	Note	2011 Rupees	2010 Rupees
	Current maturity of long-term receivables from related parties		-	2,928,942
	Deposits		2,094,206	1,900,602
	Prepayments		4,355,064	6,273,625
	Mark-up receivable on term finance certificates		4,425,444	4,056,624
	Others	9.1	3,471,993	3,572,918
			14,346,707	18,732,711

9.1 This includes Rs 0.383 million (June 30, 2010: Rs 0.416 million) due from related parties on account of expenses incurred on their behalf.

10	BALANCES DUE FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES	Note	2011 Rupees	2010 Rupees
10.1	**Remuneration due from funds under management**			
	Closed end funds			
	JS Value Fund Limited	15.1	221,107	102,159
	JS Large Cap Fund	7.4.1 & 15.1	-	479,900
	JS Growth Fund	15.1	713,865	643,878
			934,972	1,225,937
	Open end funds			
	JS KSE-30 Index Fund	22.1	9,983	8,627
	JS Large Cap Fund	7.4.1 & 15.1	325,878	-
	Unit Trust of Pakistan	15.1	382,040	395,752
	JS Income Fund	15.1	93,478	123,881
	JS Islamic Fund	15.1	52,437	63,368
	JS Aggressive Asset Allocation Fund	22.1	26,996	25,262
	JS Fund of Funds	22.1	46,460	36,998
	JS Capital Protected Fund IV	22.1	-	93,056
	JS Pension Savings Fund	22.1	30,028	20,180
	JS Islamic Pension Savings Fund	22.1	17,086	14,869
	JS Principal Secure Fund I	22.1	190,412	369,496
	JS Principal Secure Fund II	22.1	101,039	72,193
	JS Aggressive Income Fund	22.1	9,256	9,549
	JS Cash Fund	22.1	145,458	139,432
			1,430,551	1,372,663

10.2 Commission	Note	2011 Rupees	2010 Rupees
Open end funds			
JS KSE-30 Index Fund	23.1	**1,183**	885
Unit Trust of Pakistan	23.1	**328**	3,060
JS Large Cap Fund	23.1	**1,165**	-
JS Income Fund	23.1	**-**	14,001
JS Islamic Fund	23.1	**12,291**	-
JS Pension Savings Fund	23.1	**2,520**	998
JS Cash Fund	23.1	**1,729**	888
		19,216	19,832
		2,384,739	2,618,432

11 CASH AND BANK BALANCES

	Note	2011 Rupees	2010 Rupees
Cash in hand		**70,082**	57,801
Cheque in hand		**8,261**	-
Cash at bank in:			
Current accounts		**1,403,641**	1,593,422
Saving accounts	11.1	**2,908,810**	3,605,189
		4,312,451	5,198,611
		4,390,794	5,256,412

11.1 These carry mark-up at rates ranging from 5 percent to 11.9 percent (2010: 4 percent to 11 percent) per annum. It includes Rs 0.0157 million (2010: Rs 0.473 million) held with JS Bank Limited (a related party).

12 SHARE CAPITAL

2011 Number of shares	2010 Number of shares		2011 Rupees	2010 Rupees
		Authorised capital		
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	**2,000,000,000**	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	**500,000,000**	500,000,000
250,000,000	250,000,000		**2,500,000,000**	2,500,000,000
		Issued, subscribed and paid-up capital		
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**212,500,000**	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	**7,000,000**	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	**780,500,000**	780,500,000
100,000,000	100,000,000		**1,000,000,000**	1,000,000,000

12.1 52,023,622 (2010: 52,023,622) ordinary shares of the Company are held by Jahangir Siddiqui & Company Limited, the holding Company.

13 STATUTORY RESERVE	Note	2011 Rupees	2010 Rupees
Statutory reserve		**109,873,728**	109,873,728
Less: tranferred to accumulated loss	13.1	**(109,873,728)**	-
		-	109,873,728

13.1 Statutory reserve represents amount set aside as per the requirements of clause 16 of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 issued by the Securities and Exchange Commission of Pakistan. Consequent to discontinuance of IFS operations, the Holding company has transfered the statutory reserve balance to accumulated loss account.

14 SURPLUS ON REVALUATION OF FIXED ASSETS - NET OF TAX

This represents surplus arising on revaluation of office premises net of deferred tax thereon.

	2011 Rupees	2010 Rupees
Surplus on revaluation of fixed assets as at July 1	**220,730,212**	230,882,787
Transferred to accumulated profit:		
Surplus relating to incremental depreciation transferred to accumulated profit during the year - net of deferred tax	**(6,599,174)**	(6,599,174)
Related deferred tax liability	**(3,553,401)**	(3,553,401)
	(10,152,575)	(10,152,575)
	210,577,637	220,730,212
Less: related deferred tax liability on:		
- revaluation	**77,171,699**	80,725,100
- incremental depreciation charged during the year transferred to profit and loss account	**(3,553,401)**	(3,553,401)
	73,618,298	77,171,699
	136,959,339	143,558,513

15 SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	Repayment period From	Repayment period To	Price	2011 Rupees	2010 Rupees
Financial Receivables Securitisation Company Limited (FRSCL) (Class "A" TFC and Class "B" TFC)	Jan-07	Jan-14	6 months KIBOR plus 2% with floor of 8% and cap of 16% (repayable in fourteen semi annual installments including markup	**700,000,000**	700,000,000
Financial Receivables Securitisation Company Limited (Class "C" TFC)	Jan-07	Jan-14	Subordinate to Class "A" TFC and Class "B" TFC (repayable on maturity)	**2,500,000**	2,500,000
				702,500,000	702,500,000
Less: principal redemption made to date				**(312,745,000)**	(183,660,000)
Less: unamortised transaction cost				**(2,852,807)**	(4,887,393)
				386,902,193	513,952,607
Less: current maturity				**(129,085,000)**	(129,085,000)
Total				**257,817,193**	384,867,607

CURRENT MATURITY OF SECURITISATION OF MANAGEMENT FEE RECEIVABLES - DEBT

	2011 Rupees	2010 Rupees
Current maturity of principal	**129,085,000**	129,085,000
Less : Receivable from FRSCL	**(52,926,424)**	(60,765,848)
	76,158,576	68,319,152

15.1 The Holding company has entered into an agreement to sell certain portion of its management fee receivables from few funds (listed below) under its management, with Financial Receivables Securitisation Company Limited (FRSCL), a special purpose vehicle, incorporated for this purpose (for the tenure of facility) in accordance with the companies (Assets Backed Securitisation) Rules 1999. In addition, the Holding company has also entered into a service agreement with FRSCL to provide services in respect of the receivables sold under the above agreement. The services to be provided by the Holding company include the administration of these receivables. Further, the Holding company is also required to monitor these receivables in the same manner and apply the the same policies and practices to the origination and for the creation of these receivables as the Holding company applies in the case of other receivables which it retains on its own account. Under the arrangement, the entire cash flows arising to the Holding company from management fee receivables relating to these funds is deposited with the trustee. Subsequently, the trustee deduct there from the amount payable under the related agreement entered into by FRSCL in respect of issuance of term finance certificate with the TFC holders and returns the balance amount to the company. The amount retained by the trustee is passed on to FRSCL for meeting its obligations towards the relavent TFC holders and its other operating and administrative expenses. This securitisation transaction has been classified as a debt by the management. The initial amount obtained against securitisation funds amount in aggregate to rupees 702.5 million.

The securitised open-end and closed-end funds are as under:

Open end funds:

- Unit Trust of Pakistan
- JS Islamic Fund
- JS Income Fund
- JS Large Cap Fund

Closed end funds:

- JS Growth Fund
- JS Value Fund Limited

15.2 Put option

In respect of Class "B" TFC, the FRSCL have put options in respect of meeting its obligations towards TFC Class "B" which, if exercised, would require FRSCL (which is the buyer) to redeem the relevant TFC, firstly from any funds available with the buyer. In the event requisite funds are not available with the buyer, FRSCL may require the Holding Company (which is the originator) to purchase the relevant TFC in respect of which the put option has been exercised. Accordingly, in respect of Class "B" TFC, FRSCL has a partial or full put option on the company, exercisable on every semi-annual repayment date.

15.3 Class "C" TFC

Class 'C' TFC is subordinate to Class 'A' & Class 'B' TFCs for both principal and interest payments. The profit to Class "C" TFC holders will be paid out of the residual amount available from the deduction made by the Trustee at the cap rate of 16 percent in respect of the last instalment due under the relevant TFC agreements, less the sum total of (a) last instalment due under the Class "A" TFC and Class "B" TFC agreements, after which both Class "A" TFC and Class "B" TFC are fully redeemed; and (b) all remaining expenses of FRSCL.

16 DEFERRED TAX LIABILITY - NET

	2011 Rupees	2010 Rupees
Taxable temporary differences on:		
Accelerated tax depreciation	**11,588,569**	16,747,942
Surplus on revaluation of fixed assets	**73,618,298**	77,171,699
	85,206,867	93,919,641
Deductible temporary differences on:		
Short-term provisions	**(470,785)**	(369,104)
Deferred tax asset on carried forward tax losses	**(43,487,141)**	(43,487,141)
	41,248,941	50,063,396

16.1 The Holding Company has an aggregate amount of Rs. 124.248 million in respect of unabsorbed tax losses as at June 30, 2011 on which a deferred tax debit balance has been recognised.

	Note	2011 Rupees	2010 Rupees
17 SHORT TERM RUNNING FINANCE - SECURED	17.1	**310,591,787**	311,454,723

17.1 This represents running finance facilities with a total limit of Rs. 450 million (June 30, 2010: 500 million) obtained from commercial banks. The facilities carries mark-up of 2% over 3 months KIBOR (June 30, 2010: 2% over 3 months KIBOR) rate which shall be reviewed on quarterly basis. Mark-up is payable on quarterly basis. The facilities is secured by way of Equitable mortgage of office premises and pledge of shares / certificates of funds under management. One of the facility of Rs. 200 million (2010: 250 million) is obtained from JS Bank Limited (a related party).

18 SHORT TERM BORROWINGS - UNSECURED

	Note	2011 Rupees	2010 Rupees
From commercial bank and financial institution	19.1	**150,000,000**	300,000,000

18.1 This represents borrowing from commercial bank and financial institution. This is repayable by July 6, 2011. Mark-up rate on this borrowing is 14.83% per annum (June 30, 2010: 13.35% per annum to 13.84% per annum). This includes Rs. 150 million (June 30, 2010: Rs. 200 million) borrowed from JS Bank Limited (a related party).

19 ACCRUED AND OTHER LIABILITIES

	2011 Rupees	2010 Rupees
Accrued expenses	**17,324,869**	11,190,472
Unclaimed dividend	**1,320,406**	1,321,706
Provision for staff compensated absences	**1,239,178**	849,714
Fee and commission payable	**3,665,781**	12,830,859
Advance rent	**751,332**	1,476,974
Others	**3,521,136**	9,680,581
	27,822,702	37,350,306

20 ACCRUED MARK-UP

	2011 Rupees	2010 Rupees
Mark-up accrued on:		
- Short term running finance	**15,833,197**	8,634,848
- Short term borrowings	**1,523,630**	337,233
- Securitisation of management fee receivables	**3,026,042**	2,049,961
	20,382,869	11,022,042

21 CONTINGENCIES & COMMITMENTS

21.1 Contingencies

In respect of the appeals filed by the holding company against orders passed for tax years 2006 and 2009 against demand of Rs. 162 million and 66 million respectively, the Commissioner Inland Revenue Appeal did not accept the basis of addition and set aside both the orders in respect of allocation of expenses between various sources of income for denovo proceedings with the directions to apportionment of expenditure according to actual incurrence of expenditure to the various sources of income.

The company has filed second appeal in Appellate Tribunal Inland Revenue in respect of disallowance and taxability of portion of capital gain on dividend received from mutual funds.

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

21.2 Commitments in respect of:	**2011 Rupees**	2010 Rupees
Capital expenditure contracted but not incurred	**1,501,000**	-
Royalty and advisory payment	**10,000,000**	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	**2,472,324**	**2,472,324**
- Due in two to five years	**4,944,648**	**7,416,972**

	Note	2011 Rupees	2010 Rupees
22 REMUNERATION FROM FUNDS UNDER MANAGEMENT - RELATED PARTIES			
Closed end funds			
JS Value Fund Limited	22.1	**23,312,206**	24,801,034
JS Large Cap Fund	22.1	**-**	47,560,856
JS Growth Fund	22.1	**61,817,160**	66,425,197
		85,129,366	138,787,087
Open end funds			
Unit Trust of Pakistan	22.1	**41,444,686**	61,838,150
JS Income Fund	22.1	**11,396,018**	58,983,811
JS Islamic Fund	22.1	**5,522,839**	9,000,434
JS Aggressive Asset Allocation Fund	22.1	**2,764,771**	5,685,171
JS Fund of Funds	22.1	**4,383,201**	4,696,426
JS KSE-30 Index Fund	22.1	**1,065,068**	1,522,115
JS Capital Protected Fund	22.1	**-**	6,337,414
JS Capital Protected Fund II	22.1	**-**	3,019,529
JS Capital Protected Fund IV	22.1	**9,996,439**	11,671,127
JS Pension Savings Fund	22.1	**2,449,023**	2,421,188
JS Islamic Pension Savings Fund	22.1	**1,641,191**	1,540,853
JS Aggressive Income Fund	22.1	**1,170,895**	2,409,352
JS Principal Secure Fund I	22.1	**18,449,516**	45,350,865
JS Principal Secure Fund II	22.1	**8,934,495**	4,809,351
JS Cash Fund	22.1	**13,538,265**	3,175,040
JS Large Cap Fund	22.1	**36,797,658**	
		159,554,065	222,460,826
		244,683,431	361,247,913

22.1 Under the provisions of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 and Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the asset management company / investment advisor of the Fund is entitled to a remuneration during the first five years of the fund, of an amount not exceeding three percent of the average net assets of the Fund and thereafter of an amount equal to two percent of such assets of the Fund. During the year ended June 30, 2011 the Holding Company has charged management fee at the rates ranging from 1 to 2 percent (2010: 1 to 3 percent).

	2011 Rupees	2010 Rupees
23 COMMISSION FROM OPEN END FUNDS UNDER MANAGEMENT - RELATED PARTIES		
Unit Trust of Pakistan	**3,610**	263,446
JS Income Fund	**1,406**	589,431
JS Islamic Fund	**16,151**	7,535
JS Fund of Funds	**-**	45,072
JS KSE 30 Index Fund	**1,844**	91,867
JS Aggressive Income Fund	**1,407**	800
JS Pension Savings Fund	**7,213**	514,622
JS Islamic Pension Savings Fund	**-**	2,100
JS Principal Secure Fund II	**-**	2,117,167
JS Cash Fund	**1,729**	1,925
JS Large Cap Fund	**1,165**	-
	34,525	3,633,965

23.1 This represents gross commission income earned by the Holding Company on account of sale of units made on behalf of the funds under management.

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

This represents commission income and share of profit earned by the Holding company from management of discretionary portfolios. Currently, the Holding company is managing two (June 30, 2010: three) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2011 was Rs. 36.656 million (June 30, 2010: Rs. 36.159 million) and Rs. 36.613 million (June 30, 2010: Rs. 42.369 million) respectively.

25 ADMINISTRATIVE AND MARKETING EXPENSES

	Note	2011 Rupees	2010 Rupees
Salaries and benefits		**85,526,053**	103,587,815
Staff retirement benefits	25.1	**4,545,521**	4,339,179
Amortisation of intangible asset	5.6	**4,742,908**	5,305,168
Advertisement		**4,571,488**	2,619,978
Depreciation	5.1	**28,756,789**	36,246,473
Printing and stationery		**3,878,489**	3,163,494
Rent, rates, taxes and maintenance		**15,192,988**	19,044,123
Travelling, conveyance and vehicle maintenance		**8,296,493**	9,460,582
Transfer agent remuneration		**8,128,598**	8,142,267
Postage and telephone		**4,266,643**	4,358,240
Legal and professional		**4,923,156**	11,250,383
Fees and subscription		**2,696,053**	8,684,651
IT services		**9,357,889**	11,859,609
Utilities		**7,733,825**	6,853,319
Office security		**4,016,027**	6,813,948
Entertainment		**382,418**	242,176
Insurance		**5,490,176**	5,856,662
Newspaper		**83,488**	63,290
Directors' fee		**3,840,000**	3,795,000
Royalty and advisory fee	25.2	**10,000,000**	10,000,000
Office supplies		**879,494**	660,838
Operating expenses of subsidary company	25.3	**234,365**	329,517
Shariah Advisory Fee		**1,440,000**	1,440,000
Ijarah rentals		**2,472,324**	295,604
Miscellaneous expenses		**780,795**	1,652,991
		222,235,980	266,065,307
Fee and commission		**5,471,444**	19,616,387
		227,707,424	285,681,694

25.1 Staff retirement benefits include contributions to defined contribution plan of Rs 4.131 million (2010: Rs 4.085 million).

25.2 Royalty and advisory fee represents amounts payable to Mr. Jahangir Siddiqui on account of use of name and advisory services respectively.

		2011 Rupees	2010 Rupees
25.3	Operating expenses of subsidiary company		
	Legal and professional charges	77,800	75,200
	Auditor's remuneration	87,150	78,750
	Contribution to Worker's Welfare fund	22,365	74,029
	Membership fee of Pakistan Mercantile Exchange Limited	20,000	25,000
	SECP fee	7,000	36,000
	Rent, rate and taxes	20,000	40,000
	Bank Charges	50	538
		234,365	329,517

26 OTHER OPERATING EXPENSES

		2011 Rupees	2010 Rupees
	Auditors' remuneration		
	Annual audit fee	**800,000**	800,000
	Fee for review of the statement of compliance on code of corporate governance	**50,000**	50,000
	Out of pocket expenses	**17,244**	115,254
	Fee for review of half yearly financial statements	**200,000**	200,000
	Fee for tax and related advisory services	**1,252,500**	985,970
		2,319,744	2,151,224

27 FINANCIAL CHARGES

		2011 Rupees	2010 Rupees
	Mark-up on short-term borrowings	**74,495,905**	104,962,179
	Bank charges	**139,289**	121,953
	Mark-up and other charges of securitisation of management fee receivables	**68,860,601**	82,804,139
		143,495,795	187,888,271

28 OTHER OPERATING INCOME

		2011 Rupees	2010 Rupees
	Income from non-financial assets		
	Rental income	**16,518,425**	16,798,308
	Gain / (Loss) on disposal of fixed assets	**2,323,453**	(2,932,834)
	Income from financial assets		
	Liabilities no longer required written back	-	8,200,000
	Mark-up earned on loans to executives and employees	**196,405**	1,922,588
		19,038,283	23,988,062

29 TAXATION - Net

		2011 Rupees	2010 Rupees
	Current - for the year	**11,525,750**	4,253,092
	Current - for the prior years	-	(3,370,349)
	Deferred - for the year	**(8,814,455)**	(197,597)
		2,711,295	685,146

29.1 The income tax assessments of the company has been finalized upto and including the assessment year 2002-2003 (financial year ended June 30, 2002). The income tax assessments for the tax years 2003 to 2005, 2007, 2008 and 2010 have been filed under self assessment scheme and are deemed to be finalized under section 120 of the Income Tax ordinance 2001. The details of tax years 2006 and 2009 have been described in note 21.1 above.

	2011 Rupees	2010 Rupees
29.2 Relationship between accounting profit and tax expense is as follows:		
Accounting profit / (loss) before taxation	**27,735,410**	42,755,492
Tax @ 35% (2010: 35%)	**9,707,394**	16,148,450
Tax impact of income under FTR and differential in tax rates	**(39,079,533)**	(5,158,068)
Tax impact of exempt capital gains	**-**	(19,035,632)
Tax impact of minimum tax	**3,169,347**	2,244,556
Tax impact of depreciation/amortisation	**(6,125,000)**	1,235,786
Tax impact of expenses related to FTR income	**1,882,111**	3,980,591
Others	**33,156,976**	1,269,463
Net tax charged	**2,711,295**	685,146

30 EARNINGS PER SHARE - Basic and diluted

	2011	2010
Profit for the year after taxation	**25,024,115**	42,070,346
	Number of Shares	Number of Shares
Weighted average number of ordinary shares outstanding during the year	**100,000,000**	100,000,000
Earnings per share (Rupees)	**0.25**	0.42

30.1 Diluted earnings per share has not been presented as the group does not have any convertible instruments in issue as at June 30, 2011 and 2010 which would have any effect on the earnings per share if the option to convert is exercised.

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the consolidated financial statements in respect of the remuneration, including benefits to the Chief Executive Officer, directors and executives of the Holding company are as follows:

	Chief Executive Officer		Directors		Executives	
	2011 Rupees	2010 Rupees	**2011 Rupees**	2010 Rupees	**2011 Rupees**	2010 Rupees
Managerial remuneration	**12,000,000**	8,620,645	**3,283,200**	6,244,443	**19,353,361**	25,903,347
Consultancy fee	**-**	-	**3,480,000**	3,480,000	**-**	-
House rent allowance	**3,600,000**	2,024,129	**984,960**	1,873,333	**5,806,008**	7,741,165
Utilities allowance	**500,400**	687,165	**328,320**	624,443	**1,935,336**	2,590,362
Car Allowance	**570,240**	559,806	**653,124**	1,531,423	**5,964,735**	8,446,613
Retirement benefits	**1,200,000**	862,065	**262,656**	67,557	**1,501,251**	1,917,581
Medical Allowance	**1,200,000**	862,065	**328,320**	624,443	**1,935,336**	2,590,362
Other reimbursable expenses	**-**	-	**14,527**	9,799	**1,211,625**	243,898
	19,070,640	13,615,875	**9,335,107**	14,455,441	**37,707,652**	49,433,328
Number of persons	**1**	1	**2**	3	**22**	26

31.1 The Chief Executive Officer and a director of the Holding company are provided with free use of company owned and maintained vehicles.

31.2 The Holding company may provide performance bonus to the Chief Executive Officer and executives. The individual entitlements are being reported on paid basis.

31.3 In addition, meeting fee of Rs 15,000 (2010: Rs 15,000) per meeting was paid to three non-executive directors for meetings attended during the year.

32	TRANSACTIONS AND OUTSTANDING BALANCES WITH RELATED PARTIES	2011 Rupees	2010 Rupees
32.1	**Transaction with related parties**		
32.1.1	**Transactions with associates - funds under management**		
	Remuneration income	**244,683,431**	361,247,913
	Commission income	**34,525**	3,633,965
	Other expenses incurred on behalf of the fund	**304,153**	967,143
	Reimbursement of other expenses incurred on behalf of the fund	**223,285**	1,124,236
	Dividend income	**52,037,417**	40,077,419
	Preliminary expenses incurred on behalf of the fund	**-**	2,869,683
	Reimbursement of preliminary expenses incurred on behalf of the fund	**2,928,942**	5,744,809
	Invesment made in funds under management	**50,544,896**	70,000,000
	Investments disposed off - at cost	**285,359,857**	126,006,947
	Other expenses incurred	**-**	551,850
	Bonus / additional shares / units (in numbers)	**271,203**	72,963
32.1.2	**Transactions with other related parties**		
	JS Global Capital Limited (JSGCL) - associate of JSCL		
	Rent expense	**4,013,608**	5,027,765
	Rental income	**3,354,758**	-
	Other expenses	**1,073,942**	1,003,861
	Expenses incurred by the company on behalf of JSGCL	**1,871,438**	784,660
	Reimbursement of expenses incurred on behalf of JSGCL	**1,985,304**	603,256
	JS Bank Limited (JSBL) - subsidiary of JSCL		
	Mark up expense on short term borrowings	**45,084,924**	52,237,536
	Rent expense	**482,760**	-
	Expenses incurred by the company on behalf of JSBL	**7,092**	35,461
	Reimbursement of expenses incurred on behalf of JSBL	**7,092**	35,461
	Pakistan International Container Terminal Limited		
	Dividend income	**-**	1,413,450
	Investments disposed off - at cost	**-**	50,346,590
	Agritech Limited (formerly Pak American Fertilizer Limited)		
	Markup income	**-**	5,338,079
	Markup income received	**-**	7,761,405
	Principal redemption	**-**	20,000
	Investments made	**-**	-
	Investments disposed off - at cost	**-**	44,322,156
	EFU General Insurance Limited		
	Investments disposed off - at cost	**-**	343,551

	2011 Rupees	2010 Rupees
Peregrine Aviation (Private) Limited [(formerly JS Air (Private)] Limited		
Other expenses incurred on behalf of the fund	**7,092**	35,461
Reimbursement of other expenses incurred on behalf of the fund	**7,092**	35,461
Staff Provident Fund		
Contributions during the year	**4,131,461**	4,085,435
32.1.3 Transactions with holding company		
Jahangir Siddiqui & Company Limited (JSCL) - holding company		
Rent received	**-**	3,606,390
Rental income	**-**	5,130,022
Expenses incurred on behalf of JSCL	**65,000**	1,474,747
Reimbursement of expenses incurred on behalf of JSCL	**65,000**	1,820,934
32.1.4 Transactions with subsidiary company		
JS ABAMCO Commodities Limited (JSACL) - subsidiary of JSIL		
Expenses incurred by the company on behalf of JSACL	**7,000**	11,860
Reimbursement of expenses incurred by the company on behalf of JSACL	**7,000**	6,860
32.1.5 Transactions with key management personnel		
Chief Executive Officer		
Mark-up income earned on long-term loan	**-**	2,256,059
Remuneration of key management personnel	**47,170,870**	92,127,946
32.2 Balances outstanding at the year end		
32.2.1 Balances outstanding with associates		
Receivable from various funds under management	**80,868**	65,136
Outstanding balance of expenses incurred on behalf of different funds under management	**-**	264,675
32.2.2 Balances outstanding with other related parties		
Markup Payable to JS Bank Limited	**7,813,430**	2,016,870
Payable to JS Global Capital Limited	**3,466,585**	-
Receivable from JS Global Capital Limited	**106,371**	38,833
Receivable from JS ABAMCO Commodities Limited	**-**	5,000
Receivable from Staff Provident Fund	**-**	53,781
32.2.3 Balances outstanding with Holding company		
Receivable from Jahangir Siddiqui & Company Limited	**112,399**	542,338

32.3 Other balances outstanding with related parties as at the year end have been disclosed in the relevant balance sheet notes.

32.4 Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The management considered all members of their management team, including the Chief Executive Officer and Directors to be key management personnel.

32.5 There are no transactions with key management personnel other than under their terms of employment.

32.6 Details of the remuneration relating to Chief Executive officer and directors are disclosed in note 31 to the financial statements.

33 CASH AND CASH EQUIVALENTS

	Note	2011 Rupees	2010 Rupees
- Cash and bank balances	11	**4,390,794**	5,256,412
- Short term running finance - secured	17	**(310,591,787)**	(311,454,723)
		(306,200,993)	(306,198,311)

34 FINANCIAL INSTRUMENTS BY CATEGORY

	2011			
	At fair value through profit and loss	Loans and receivables	Available for sale	Total
Assets	---------- Rupees ----------			
Non-current assets				
Long-term loans - considered good	-	1,377,978	-	**1,377,978**
	-	1,377,978	-	**1,377,978**
Current assets				
Investments - available for sale	-	-	1,213,749,511	**1,213,749,511**
Investments at fair value through profit and loss	34,888,240	-	-	**34,888,240**
Loans and advances - considered good	-	1,841,228	-	**1,841,228**
Deposits and other receivables - unsecured	-	9,991,643	-	**9,991,643**
Balances due from funds under management - related parties	-	2,384,739	-	**2,384,739**
Cash and bank balances	-	4,390,794	-	**4,390,794**
	34,888,240	18,608,404	1,213,749,511	**1,267,246,155**
	34,888,240	**19,986,382**	**1,213,749,511**	**1,268,624,133**

	2011		
	Liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Total
Liabilities	---------- Rupees ----------		
Non-current liabilities			
Securitisation of management fee receivables - debt	-	257,817,193	**257,817,193**
	-	257,817,193	**257,817,193**
Current liabilities			
Securitisation of management fee receivables - debt	-	76,158,576	**76,158,576**
Short term running finance - secured	-	310,591,787	**310,591,787**
Short term borrowings - unsecured	-	150,000,000	**150,000,000**
Accrued and other liabilities	-	26,583,524	**26,583,524**
Accrued mark-up	-	20,382,869	**20,382,869**
	-	583,716,756	**583,716,756**
	-	**841,533,949**	**841,533,949**

Assets	2010 At fair value through profit and loss	2010 Loans and receivables	2010 Available for sale	2010 Total
	---- Rupees ----			
Non-current assets				
Long-term loans - considered good	-	1,346,339	-	1,346,339
	-	1,346,339	-	1,346,339
Current assets				
Investments - available for sale	-	-	1,113,660,268	1,113,660,268
Investments at fair value through profit and loss	33,639,279	-	-	33,639,279
Loans and advances - considered good	-	1,610,941	-	1,610,941
Deposits and other receivables - unsecured	-	12,459,086	-	12,459,086
Balances due from funds under management - related parties	-	2,618,432	-	2,618,432
Cash and bank balances	-	5,256,412	-	5,256,412
	33,639,279	21,944,871	1,113,660,268	1,169,244,418
	33,639,279	23,291,210	1,113,660,268	1,170,590,757

Liabilities	2010 Liabilities at fair value through profit or loss	2010 Financial liabilities at amortized cost	2010 Total
	---- Rupees ----		
Non-current liabilities			
Securitisation of management fee receivables - debt	-	68,319,152	68,319,152
	-	68,319,152	68,319,152
Current liabilities			
Securitisation of management fee receivables - debt	-	384,867,607	384,867,607
Short term running finance - secured	-	311,454,723	311,454,723
Short term borrowings - unsecured		300,000,000	300,000,000
Accrued and other liabilities	-	34,128,700	34,128,700
Accrued mark-up	-	11,022,042	11,022,042
	-	1,041,473,072	1,041,473,072
	-	1,109,792,224	1,109,792,224

35 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. The group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group’s financial performance.

35.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

The Group's manages market risk by monitoring exposure on marketable securities by following the internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

35.1.2 Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group, at present is not exposed to currency risk as its operations are geographically restricted to Pakistan and all transactions are carried out in Pak Rupees.

35.1.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As the Group has no significant interest-bearing assets, the group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's intrest rate risk mainly arises from securitization of management fee receivables and short term borrowings Borrowings isssued at variable rates expose the Group to cash flow interest rate risk and borrowing issued at fixed rate gives exposure to fair value interest rate risk.

Yield / interest rate sensitivity position for on balance sheet financial instruments is based on the earlier of contractual repricing or maturity date.

	As at June 30, 2011			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	---------------------Rupees---------------------			
Non-current assets				
Long-term loans - considered good	-	1,377,978	-	**1,377,978**
	-	1,377,978	-	**1,377,978**
Current assets				
Investments - available for sale	100,359,300	-	1,113,390,211	**1,213,749,511**
Investments at fair value through profit and loss	-	-	34,888,240	**34,888,240**
Loans and advances - considered good	826,735	-	1,014,493	**1,841,228**
Deposits and other receivables	-	-	9,991,643	**9,991,643**
Balances due from funds under management - related parties	-	-	2,384,739	**2,384,739**
Cash and bank balances	2,908,810	-	1,481,984	**4,390,794**
	104,094,845	-	1,163,151,310	**1,267,246,155**
Sub Total	**104,094,845**	**1,377,978**	**1,163,151,310**	**1,268,624,133**
Financial liabilities				
Securitisation of management fee receivables - debt	76,158,576	257,817,193	-	**333,975,769**
Short term running finance - secured	310,591,787	-	-	**310,591,787**
Short term borrowings-unsecured	150,000,000	-	-	**150,000,000**
Accrued and other liabilities	-	-	27,822,702	**27,822,702**
Accrued mark-up	-	-	20,382,869	**20,382,869**
Sub Total	536,750,363	257,817,193	48,205,571	**842,773,127**
On-balance sheet gap	**(432,655,518)**	**(256,439,215)**	**1,114,945,739**	**425,851,006**
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(432,655,518)	(256,439,215)	1,114,945,739	425,851,006
Cumulative interest rate sensitivity gap	(432,655,518)	(256,439,215)		

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
Financial assets	----------------------Rupees----------------------			
Non-current assets				
Long-term loans - considered good	-	1,346,339	-	1,346,339
	-	1,346,339	-	1,346,339
Current assets				
Investments - available for sale	120,062,318	-	993,597,950	1,113,660,268
Investments at fair value through profit and loss	-	-	33,639,279	33,639,279
Loans and advances - considered good	993,486	-	617,455	1,610,941
Deposits and other receivables	-	-	12,459,086	12,459,086
Balances due from funds under management - related parties	-	-	2,618,432	2,618,432
Cash and bank balances	3,605,189	-	1,651,223	5,256,412
	124,660,993	-	1,044,583,425	1,169,244,418
Sub Total	124,660,993	1,346,339	1,044,583,425	1,170,590,757

	As at June 30, 2010			
	Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
	Upto one year	More than one year		
	---------------------Rupees---------------------			
Financial liabilities				
Securitisation of management fee receivables - debt	68,319,152	384,867,607	-	453,186,759
Short-term running finance - secured	311,454,723	-	-	311,454,723
Short term borrowings - unsecured	300,000,000	-	-	300,000,000
Accrued and other liabilities	-	-	34,128,700	34,128,700
Accrued mark-up	-	-	11,022,042	11,022,042
Sub Total	679,773,875	384,867,607	45,150,742	1,109,792,224
On-balance sheet gap	(555,112,882)	(383,521,268)	999,432,683	60,798,533
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(555,112,882)	(383,521,268)	999,432,683	60,798,533
Cumulative interest rate sensitivity gap	(555,112,882)	(383,521,268)		

Cash flow sensitivity analysis for variable rate instruments

The increase/decrease in interest rates of 1% would have decreased / increased profits and equity for the year 2011 and 2010 by the amount of Rs. 4.99 million (2010: Rs. 7.70 million) and Rs. 8.22 million (2010: Rs. 6.52 million). This analysis assumes that all other variables held constant.

The interest rate profile of interest / mark-up bearing assets are given in notes 6, 7 and 11 of these financial statements.

The interest rate profile of interest / mark-up bearing liabilities are given in notes 15, 17 and 18 of these financial statements.

35.1.4 Price Risk

The group is exposed to listed and quoted securities price risk because of investments held by the group and classified on the balance sheet as available for sale and investment at fair value through profit or loss. To manage its price risk arising from investments the goup invests mainly in those funds which are managed by itself.

35.1.5 Credit risk

The Holding Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. Credit risk arises from deposits with banks and financial institutions, and credit exposures arising as a result of dividends receivable on equity securities. For banks and financial institutions, only reputed parties are accepted. Credit risk on dividend receivable is minimal due to statutory protection. Management believes that the group is not exposed to any significant credit risk from investments in or receivables from the funds which are managed by the Holding Company itself. The risk of default is considered minimal due to inherent systematic measures taken therein. The subsidary company's maximum exposure to credit risk amounting to Rs. 34,951,840 (2010: 33,722,099).

All the financial assets of the holding company except Rs 0.070 million (2010: Rs 0.058 million) are exposed to credit risk. The group controls credit risk by monitoring credit exposure, limiting transactions with specific counter parties, obtaining collaterals and continually assessing the credit worthiness of counter parties.

Exposure to credit risk

The maximum exposure to credit risk before any credit enhancements at June 30, 2011 is the carrying amount of the financial assets. The maximum exposure to credit risk at reporting date is:

	2011 Rupees	**2010** Rupees
Long-term loans - cosidered good	1,377,978	1,346,339
Loans and advances - considered good	1,841,228	1,610,941
Investments - available for sale	1,213,749,511	1,113,660,268
Investment at fair value through profit and loss	34,888,240	33,639,279
Deposits and other receivables - unsecured	9,991,643	12,459,086
Balances due from funds under management - related parties	2,384,739	2,618,432
Bank balances	4,320,712	5,198,611
	1,268,554,051	1,170,532,956

Holding Company's bank balances can be assessed with reference to external credit ratings as follows:

Rating	**Highest**	**Lowest**
Short Term	A1+	A1
Long Term	AAA	A

35.1.6 Liquidity risk

Liquidity risk is the risk that the group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The group is not materially exposed to liquidity risk as significant amount of obligations / commitments are supported by assigning future management fee of the specific funds of the holding company to a Special Purpose Vehicle for discharging the liability of the Company. Other liabilities are short term in nature and are supported by other operating revenues generated by the group and are further in support against investments of the group which are readily convertible into cash.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	As at June 30, 2011			
	Total	**Upto three months**	**More than three months and upto one year**	**More than one year**
	------------------------ **Rupees** --------------------------			
Securitisation of management fee receivables - debt	333,975,769	-	76,158,576	257,817,193
Short term running finance - secured	310,591,787	310,591,787	-	-
Short term borrowings - unsecured	150,000,000	150,000,000		
Accrued and other liabilities	26,583,524	26,583,524	-	-
Accrued mark-up	20,382,869	17,356,827	-	3,026,042
	841,533,949	504,532,138	76,158,576	260,843,235

	As at June 30, 2010			
	Total	Upto three months	More than three months and upto one year	More than one year
	------------------------- Rupees --------------------------			
Securitisation of management fee receivables - debt	453,186,759	-	68,319,152	384,867,607
Short term running finance - secured	311,454,723	311,454,723	-	-
Short term borrowings - unsecured	300,000,000	300,000,000		
Accrued and other liabilities	34,128,700	34,128,700	-	-
Accrued mark-up	11,022,042	8,972,081	-	2,049,961
	1,109,792,224	654,555,504	68,319,152	386,917,568

36 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the group is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

Financial assets which are tradable in an open market are revalued at the market prices prevailing on the balance sheet date. The estimated fair value of all other financial assets and liabilities is considered not significantly different from book values as the items are either short term in nature or periodically repriced. Due to these factors analysis under the following groups from levels 1 to 3 has not been produced:

Level 1 : Quoted market prices
Level 2 : Valuation techniques (market observable)
Level 3 : Valuation techniques (non-market observable)

37 CAPITAL RISK MANAGEMENT

The primary objective of the group's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structures in order to ensure ample availability of finance for its existing and potential investment projects, to maximise shareholder value and reduce the cost of capital.

The group manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

38 CORRESPONDING FIGURES

Corresponding figures relating to consolidated 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 June 30, 2010 have been reclassified and merged with income and expenses of the Asset Management Services for better presentation.

39 GENERAL

These consolidated financial statements were authorised for issue on September 09, 2011 by the Board of Directors of the Holding company.

Chief Executive Officer **Chairman**

JS investments

PATTERN OF SHAREHOLDING

AS AT JUNE 30, 2011

No. of shareholders	Shareholding From	To	Total shares held
350	1	100	16,694
1099	101	500	478,035
701	501	1,000	669,149
1009	1,001	5,000	2,818,599
265	5,001	10,000	2,106,203
64	10,001	15,000	859,696
62	15,001	20,000	1,151,433
34	20,001	25,000	808,529
15	25,001	30,000	423,831
12	30,001	35,000	386,715
10	35,001	40,000	388,554
14	40,001	45,000	609,280
19	45,001	50,000	943,891
6	50,001	55,000	318,719
8	55,001	60,000	462,650
2	60,001	65,000	128,114
4	65,001	70,000	273,597
7	70,001	75,000	513,307
2	75,001	80,000	155,620
4	80,001	85,000	328,157
1	85,001	90,000	85,562
7	95,001	100,000	699,000
3	100,001	105,000	305,774
2	105,001	110,000	214,988
2	110,001	115,000	228,100
2	115,001	120,000	240,000
1	120,001	125,000	123,700
1	160,001	165,000	165,000
1	180,001	185,000	181,568
3	195,001	200,000	600,000
2	200,001	205,000	402,992
1	205,001	210,000	210,000
1	225,001	230,000	225,001
1	245,001	250,000	250,000
1	255,001	260,000	256,000
1	285,001	290,000	285,500
1	350,001	355,000	353,374
1	495,001	500,000	500,000
1	570,001	575,000	570,823
1	685,001	690,000	688,366
1	1,035,001	1,040,000	1,036,800
1	1,475,001	1,480,000	1,475,302
1	1,955,001	1,960,000	1,959,730
1	2,060,001	2,065,000	2,064,032
1	2,295,001	2,300,000	2,300,000
1	4,100,001	4,105,000	4,100,226
1	4,130,001	4,135,000	4,130,800
1	4,275,001	4,280,000	4,279,877
1	6,200,001	6,205,000	6,203,100
1	52,020,001	52,025,000	52,023,612
3731			**100,000,000**

Categories of shareholders	No.	Shares held	Percentage
Individual	3646	19,181,660	19.18
Insurance Companies	4	145,177	0.15
Joint Stock Companies	66	70,452,376	70.45
Financial Institutions	7	1,891,363	1.89
Modarba & Mutual Funds	1	18,000	0.02
Others	7	8,311,424	8.31
	3731	**100,000,000**	**100.00**

DISCLOSURE TO PATTERN OF SHARE HOLDING

		Shares held
1	**Associated Companies, undertaking and related parties:**	
	- Jahangir Siddiqui & Co. Ltd	52,023,617
2	**NIT AND ICP**	
	- National Bank of Pakistan, Trustee Deptt.	41,782
3	**Directors, CEO, their spouses and minor children:**	5,510
4	**Public sector companies & corporations:**	-
5	**Banks, DFIs, NBFCs, Insurance companies modarabas and mutual funds**	2,012,758
6	**Shareholders holding 10% or more voting interest in the listed companies:**	-
7	**Executives**	-

The Company Secretary
JS Investments Limited
7th Floor, The Forum, G-20,
Khayaban-e-Jami, Clifton,
Karachi- 75500.

I/We_____________________________________ of _________________________ being Shareholder (s) of __________________________, holding ______________________ shares as per Registered Folio No. / CDC A/c No. (For those who have shares in CDS) _____________________________________ hereby appoint Mr. / Ms ___________________________________ of (full address)______________________________ or failing him / her Mr. / Ms. __________________ of (full address) ___________________________________ ____who is / are also Shareholder of the Company,

as my proxy to attend, and vote for me / us on my / our behalf at the Annual General Meeting of the Company to be held on October 21, 2011 and / or any adjournment thereof.

As witness my / our hand / seal this _________________________ day of ______________ 2011. Signed by ____________________________ in the presence of________________________________ (name and address) _____________________________________ _______________________________________

Witness:

1. Name ____________________________
   Signature___________________________
   Address____________________________
   ____
   CNIC / Passport No. ___________________

2. Name ____________________________
   Signature___________________________
   Address____________________________
   ____
   CNIC / Passport No. ___________________

Signature on Rs. 5/-
Revenue Stamp

The Signature should agree with the specimen registered with the Company

IMPORTANT:

1. This proxy form, duly completed and signed, must be received at the Office of the Company Situated at 7th Floor, The Forum, Block-9, Khayaban-e-Jami, Clifton, Karachi not less than 48 before the time of holding the meeting.

2. No Person shall act as proxy unless he / she himself / herself is a Shareholder of the Company, except that a Corporation may appoint a person who is not a member.

3. If a Shareholder appoints more than one proxy and more than one instruments of proxy are deposited with the Company all such instruments of proxy shall be rendered invalid.

4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity card with him / her to prove his / her identity, and in case of proxy, must enclose an attested copy of his / her National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose

AFFIX
CORRECT
POSTAGE

The Company Secretary
JS Investments Limited
7th Floor, The Forum, G-20,
Khayaban-e-Jami, Block-9, Clifton
Karachi-75600.

JS Investments Limited

7th Floor, The Forum,
G-20 Khayaban-e-Jami,
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