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**JS Investments Limited**  
Quarterly Report for the period  
ended June 30, 2012



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#### **VISION**

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

#### **MISSION**

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

#### **BROAD POLICY OBJECTIVES**

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



## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Munawar Alam Siddiqui Mr. Rashid Mansur Mr. Suleman Lalani Mr. Nazar Mohammad Shaikh Lt. General (R) Masood Parwaiz Mr. Sadeq Sayeed Mr. Mazharul Haq Siddiqui	Chairman Chief Executive Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director Non-Executive Director
<b>Audit Committee</b>	Mr. Nazar Mohammad Shaikh Mr. Munawar Alam Siddiqui Lt. General (R) Masood Parwaiz	Chairman Member Member
<b>Chief Financial Officer &amp; Company Secretary</b>	Mr. Muhammad Khawar Iqbal	
<b>Auditors</b>	Anjum Asim Shahid Rahman Chartered Accountants	
<b>Legal Advisor</b>	Bawaney & Partners	
<b>Share Registrar</b>	Technology Trade (Private) Limited 241-C, Block-2, P.E.C.H.S., Karachi	
<b>Registered Office</b>	7th Floor, The Forum, G-20 Khayaban-e-Jami, Block-9, Clifton Karachi-75600 Tel: (92-21) 111-222-626 Fax: (92-21) 35361724 E-mail: info@jsil.com Website: www.jsil.com	

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of JS Investments Limited has pleasure in presenting to you the un-audited financial statements of the Company for the period ended June 30, 2012.

### Economic Outlook

Pakistan's economy exhibited resilience in the face of mounting challenges from high oil and food prices, unstable law & order conditions and persistent energy crisis along with the arrival of devastating floods for the second consecutive year in a row. According to provisional estimates, GDP growth improved to 3.7% during FY12 from 3.0% in the previous year with respective contributions of 3.1%, 1.8% and 4.0% from the Agricultural, LSM and Services Sectors.

Alterations to the inflation calculation methodology; change in base year from FY01 to FY08; and high base from the previous year combined to restrain YoY CPI at 11.0% for FY12 within the Government's target of 12% for the year and down from last year's level of 13.7%.

Nonetheless weaknesses in Pakistan's Fiscal Account and overall Balance of Payment continued to haunt the economy. Structural deficiencies in the tax and administrative system meant another year of high Fiscal Deficit hovering around the 8% (of GDP) mark with excessive Government borrowings, putting pressure on interest rates.

On the other hand, lower YoY cotton rates and rising oil prices in the international market resulted in burgeoning trade deficit which increased from USD 10.5bn in FY11 to USD 15.4bn in FY12 depicting a 46% increase. Meanwhile Pak-US relations experienced further hurdles post NATO airstrikes in November 2011 and resulted in non-materialization of external inflows under the heads of CSF (Coalition Support Fund) and the Kerry Lugar Bill. Along with the repayment of the IMF tranches on account of SBA (Stand-By Agreement), this culminated in an approximate USD 3bn attrition in the Foreign Exchange Reserve level during the 12 month period and kept PKR under immense pressure which depreciated 9.9% versus the USD.

As a result, post the initial softening in the Discount Rate to 12% by October 2011 from 14% correlating with the downhill in inflation, the Central Bank maintained a status quo stance in its four subsequent Monetary Policy Reviews.

### Asset Management Industry Review

The local mutual fund industry experienced growth recording a 52.4% YoY growth in FY12 as total assets under management (AUM) increased to PKR 381.0bn as on 30 June 2012. Open End Funds composed the major share of industry net asset size, with a 93.2% contribution and overall AUMs of PKR 355bn. Closed End Funds followed with the second largest market share of 6.1% and aggregate AUM size of PKR 23.2bn. A total of 13 new funds were launched during FY12, of which 11 were Open End Funds while 2 were Pension Funds.

After three years of continuous YoY decline, Income Funds witnessed the YoY growth at 125.2% reaching PKR 86.1bn with four new funds being launched under the category. The Money Market Funds category added two funds and recorded a YoY increase of 94.7%, with total AUMs reaching PKR 150.4bn. Meanwhile growth in Equity Fund category remained flattish reaching PKR. 52.2bn, up by a mere 0.3% YoY.

### Results of Operations

The Company earned a profit of Rs. 135.170 million during the period ended June 30, 2012 showing an earning per share of Rs. 1.35. The Company earned management remuneration from funds under management of Rs. 204.387 million compared to Rs. 244.683 million during last year. The assets under management were Rs. 12.070 billion as on June 30, 2012 compared to Rs. 12.812 billion as on June 30, 2011. Administration and marketing expenses were Rs. 207.221 million during the period under review compared to Rs. 227.473 million during last year - a decline of 8.9%. The financial charges were Rs. 111.475 million showing a decline of 22.3% over last year.

The shareholders equity was Rs. 985 million as on June 30, 2012 compared to Rs. 742 million as on June 30, 2011 - a substantial increase of 32.7%. This was primarily due to increase in market values of our investment portfolio.



#### Material Information

##### Acquisition of Controlling Interest in JS Investments Limited by JS Bank Limited

Jahangir Siddiqui & Company Limited ("JSCL") currently holds 52.024% shares of JS Investments Limited ("JSIL"). The Board of Directors of Jahangir JSCL and JS Bank Limited ("JSBL") in their meetings held on April 25, 2012 respectively, decided that JSCL's entire shareholding in its subsidiary company i.e. JSIL be transferred to JSBL, subject to the consent of regulatory bodies and fulfillment of legal requirements. The process of obtaining such legal and regulatory approvals is in process.

##### Change of Accounting Year

In order to comply with the requirements of Section 238 of the Companies Ordinance 1984, whereby the financial year of the subsidiaries has to coincide with the financial year of the holding company, it has been decided that the Financial Year of the Company be changed from 30th June to 31st December, and that the Annual Accounts of the Company for the period ended on 30th June, 2012 be extended to 31st December, 2012 i.e. for a period of eighteen (18) months.

The company has been accorded approval by the relevant authorities to adopt its financial year from January 1st to December 31st in line with financial year of holding company and has also been accorded approvals to prepare interim financial information for the period ended June 30, 2012. Accordingly the next audited financial statements of the Company will be prepared for the period of eighteen months ending December 31, 2012.

##### Entity and Asset Manager Rating

Pakistan Credit Rating Agency (PACRA) has maintained the long-term and short-term rating to the Company of "A+" (Single A plus) and "A1" (A one) respectively. These ratings denote low expectation of credit risk emanating from a strong capacity for timely payment of financial commitments.

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

##### Acknowledgment

The directors express their gratitude to the employees of the Company for their dedication and hard work, the investors of the funds managed by the Company and the shareholders of the Company for their confidence in the Management.

On behalf of the Board

Rashid Mansur  
Chief Executive Officer

Karachi: August 27, 2012

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

### Introduction

We have reviewed the accompanying condensed interim balance sheet of **JS Investments Limited** (the company) as at **June 30, 2012**, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof (herein-after referred to as the "condensed interim financial information") for the year then ended. Management of the company is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended June 30, 2012 and 2011 have not been reviewed, as we are required to review only the cumulative figures for the year ended June 30, 2012

### Scope of Review

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

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the year ended June 30, 2012 is not prepared, in all material respects, in accordance with approved international financial reporting standards as applicable in Pakistan for interim financial reporting.

Karachi  
Date: August 27, 2012

Anjum Asim Shahid Rahman  
Chartered Accountants  
Muhammad Shaukat Naseeb



## JS Investments Limited

### CONDENSED INTERIM BALANCE SHEET

AS AT JUNE 30, 2012

	Note	(Un-audited) June 30 , 2012	(Audited) June 30, 2011
		-----Rupees-----	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible property and equipment	5	291,045,559	310,131,410
Intangible assets		106,121,163	106,978,119
Long-term loans - considered good		1,429,752	1,377,978
Investment in subsidiary		37,500,000	37,500,000
<b>Total non - current Assets</b>		<b>436,096,474</b>	<b>455,987,507</b>
<b>Current assets</b>			
Investments - available for sale	6	1,259,762,345	1,213,749,511
Loans and advances - considered good		2,559,611	1,841,228
Deposits, prepayments and other receivables - unsecured considered good		8,128,084	14,309,707
Balances due from funds under management - related parties		20,705,406	2,384,739
Taxation recoverable		90,256,615	70,394,820
Cash and bank balances	7	2,176,315	4,350,469
<b>Total current assets</b>		<b>1,383,588,376</b>	<b>1,307,030,474</b>
<b>Total assets</b>		<b>1,819,684,850</b>	<b>1,763,017,981</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	1,000,000,000	1,000,000,000
Unrealised gain on remeasurement of available for sale investments to fair value - net	6	450,583,861	349,939,144
Accumulated loss		(465,904,575)	(607,674,222)
<b>Total Equity</b>		<b>984,679,286</b>	<b>742,264,922</b>
Surplus on revaluation of fixed assets - net of tax		130,360,165	136,959,339
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Securitisation of management fee receivables - debt		130,356,143	257,817,193
Deferred tax liability - net		40,249,116	41,248,941
		170,605,259	299,066,134
<b>Current liabilities</b>			
Current maturity of securitisation of management fee receivables - debt		105,184,630	76,158,576
Short term running finance - secured		384,478,454	310,591,787
Short term borrowings - unsecured		-	150,000,000
Accrued and other liabilities		20,925,705	27,594,354
Sales tax payable		2,792,699	-
Accrued mark-up		20,658,652	20,382,869
<b>Total current liabilities</b>		<b>534,040,140</b>	<b>584,727,586</b>
<b>Total liabilities</b>		<b>704,645,399</b>	<b>883,793,720</b>
<b>Total equity and liabilities</b>		<b>1,819,684,850</b>	<b>1,763,017,981</b>
Contingencies and commitments	9		
Breakup value per share		9.85	7.42
Breakup value (including surplus on revaluation of fixed assets)		11.15	8.79

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

Chief Executive Officer

Director



## JS Investments Limited

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	(Un-audited) For the period ended June 30, 2012	(Audited) June 30, 2011	(Un-audited) For the quarter ended June 30, 2012	(Un-audited) June 30, 2011
	-----Rupees-----			
<b>INCOME</b>				
Remuneration from funds under management - gross	237,089,318	244,683,431	61,940,649	57,851,248
Less: Sales tax	32,701,975	-	8,543,538	-
Remuneration from funds under management - net	204,387,343	244,683,431	53,397,111	57,851,248
Commission from open end funds under management	36,833	34,525	5,099	21,409
Dividend	40,386,610	52,037,417	-	38,217,317
Gain on sale of investments - net	188,999,894	64,151,599	75,575,760	1,961,132
Return on bank deposits	132,054	178,146	49,125	45,803
Markup on term finance certificates	13,374,961	18,959,327	1,955,833	4,897,068
Commission income and share of profit from management of discretionary client portfolios	10 197,651	845,407	52,181	78,097
	447,515,346	380,889,852	131,035,109	103,072,074
Impairment loss on available for sale equity securities	6 8,152,260	-	-	-
	439,363,086	380,889,852	131,035,109	103,072,074
<b>OPERATING EXPENSES</b>				
Administrative and marketing	207,220,902	227,473,059	51,692,305	55,164,648
<b>OPERATING PROFIT</b>	232,142,184	153,416,793	79,342,804	47,907,426
Other operating expenses	3,169,504	2,319,744	2,531,415	-
Financial charges	111,475,375	143,495,795	23,148,302	34,326,477
	117,497,305	7,601,254	53,663,087	13,580,949
Other operating income	9,692,107	19,038,283	-	5,875,623
<b>Profit before tax</b>	127,189,412	26,639,537	53,663,087	19,456,572
<b>Income tax expense</b>				
- Current	1,989,306	11,525,750	(954,213)	6,600,613
- Prior	(8,970,541)	-	-	-
- Deferred	(999,825)	(8,814,455)	(376,737)	(2,400,000)
	(7,981,060)	2,711,295	(1,330,950)	4,200,613
<b>Profit for the period / quarter</b>	135,170,472	23,928,242	54,994,037	15,255,959
Earnings per share for the period / quarter - basic and diluted	11 1.35	0.24	0.55	0.15

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	(Un-audited) For the period ended June 30, 2012	(Audited) June 30, 2011	(Un-audited) For the quarter ended June 30, 2012	(Un-audited) June 30, 2011
	-----Rupees-----			
Profit for the period / quarter	135,170,472	23,928,242	54,994,037	15,255,959
Other comprehensive income:				
Unrealised gain on remeasurement of available for sale investments to fair value - net	276,622,373	341,147,565	41,635,940	(24,222,738)
Impairment loss on available for sale equity securities	1,407,820	-	-	-
Gain realised on disposal of investments	(184,129,915)	(57,482,013)	(73,278,065)	(1,795,762)
	93,900,278	283,665,552	(31,642,125)	(26,018,500)
Taxation relating to components of other comprehensive income	-	-	-	-
	93,900,278	283,665,552	(31,642,125)	(26,018,500)
<b>Total comprehensive income / (loss)</b>	<b>229,070,750</b>	<b>307,593,794</b>	<b>23,351,912</b>	<b>(10,762,541)</b>

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

\_\_\_\_\_  
Chief Executive Officer\_\_\_\_\_  
Director

## JS Investments Limited

### CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	(Un-audited) June 30, 2012	(Audited) June 30, 2011
CASH FLOWS FROM OPERATING ACTIVITIES	Note	-----Amount in Rupees-----
Profit for the period before taxation		127,189,412      26,639,537
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management		(204,387,343)      (244,683,431)
Commission from open end funds under management		(36,833)      (34,525)
Dividend		(40,386,610)      (52,037,417)
Depreciation	5	21,902,335      28,756,789
Amortisation of intangible assets		1,512,785      4,742,908
Financial charges		111,475,375      143,495,795
Interest / mark-up income		(132,054)      (178,146)
Gain on sale of investments - net		(188,999,894)      (64,151,599)
Impairment loss on available for sale equity securities		8,152,260      -
Gain on disposal of fixed assets		(514,551)      (2,323,453)
		<u>(164,225,118)</u> <u>(159,773,542)</u>
<b>(Increase) / decrease in assets</b>		
Loans and advances		<u>(770,157)</u> <u>(261,926)</u>
Deposits, prepayments and other receivables		<u>35,207,677</u> <u>12,245,428</u>
		34,437,520      11,983,502
<b>Decrease in liabilities</b>		
Accrued and other Liabilities		<u>(3,875,950)</u> <u>(9,657,544)</u>
		<u>(133,663,548)</u> <u>(157,447,584)</u>
Taxes (paid) / refund - net		(12,880,560)      21,571,658
Remuneration and commission received from funds under management		186,103,509      244,951,649
<b>Net cash inflow from operating activities</b>		<u>39,559,401</u> <u>109,075,723</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net		<u>235,479,517</u> <u>247,727,909</u>
Fixed capital expenditure incurred		<u>(3,632,033)</u> <u>(1,159,481)</u>
Dividend received		40,386,610      52,037,417
Return on bank deposits		132,054      178,146
Proceeds from disposal of fixed assets		674,272      3,366,781
<b>Net cash inflow from investing activities</b>		<u>273,040,420</u> <u>302,150,772</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee		<u>(129,085,000)</u> <u>(129,085,000)</u>
Dividend paid		-      (1,300)
Short term borrowing		<u>(150,000,000)</u> <u>(150,000,000)</u>
Financial charges paid		<u>(109,575,642)</u> <u>(132,100,382)</u>
<b>Net cash used in financing activities</b>		<u>(388,660,642)</u> <u>(411,186,682)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>		<u>(76,060,821)</u> <u>39,813</u>
Cash and cash equivalents at beginning of the period / year		<u>(306,241,318)</u> <u>(306,281,131)</u>
<b>Cash and cash equivalents at end of the period / year</b>	12	<u><u>(382,302,139)</u></u> <u><u>(306,241,318)</u></u>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	Share capital	Unrealised gain / gain on remeasurement of available for sale investments to fair value - net	Statutory reserve	Accumulated (loss)	Total Equity
----- Amount in Rupees -----					
Balance as at June 30, 2010	1,000,000,000	66,273,592	109,873,728	(748,075,367)	428,071,953
Total Comprehensive income	-	283,665,552	-	23,928,242	307,593,794
Transfer of statutory fund to accumulated loss on discontinuance of IFS operation	-	-	(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
<b>Balance as at June 30, 2011 - Audited</b>	<u>1,000,000,000</u>	<u>349,939,144</u>	<u>-</u>	<u>(607,674,222)</u>	<u>742,264,922</u>
Balance as at June 30, 2011	1,000,000,000	349,939,144	-	(607,674,222)	742,264,922
Total Comprehensive income - Un-audited	-	93,900,278	-	135,170,472	229,070,750
Impairment loss on investments taken to profit and loss account	-	6,744,439	-	-	6,744,439
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
<b>Balance as at June 30, 2012 - Un-audited</b>	<u>1,000,000,000</u>	<u>450,583,861</u>	<u>-</u>	<u>(465,904,575)</u>	<u>984,679,286</u>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

### 1 STATUS AND NATURE OF BUSINESS

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

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

- 1.2 The Company has been accorded approval by the relevant authorities to adopt its financial year to be from January 1 to December 31 in line with that of financial year of holding company and also obtain approvals from regulatory authorities to prepare interim financial information for the year and accordingly the next audited financial statements of the company will be prepared for eighteen months ending December 31, 2012. The financial information has been prepared in context for the year end June 30, 2012. The interim information report is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set of annual financial statements. This condensed interim financial report should be read in conjunction with the audited financial statements of the company for the year ended June 30, 2011. Further, the amounts for the quarters ended June 30, 2012 and June 30, 2011 are neither audited nor reviewed.

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

1.3.1 Asset management company of the following funds:

**Closed-End**

- JS Growth Fund
- JS Value Fund Limited

**Open-End**

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

1.3.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

### 2 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after July 1, 2011 are either not considered to be relevant or have no significant effect on the company's operations.



### 3 BASIS OF PREPARATION

- 3.1 The condensed interim financial information is unaudited but has been reviewed by the external auditor of the company and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations to the Karachi Stock Exchange.
- 3.2 The condensed interim financial information is being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does not include all the information required for annual financial statements and therefore, should be read in conjunction with annual audited financial statements of the company for the year ended June 30, 2011.
- 3.3 The condensed interim financial information have been prepared under the accrual basis of accounting except for cash flow information.

### 4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of the condensed interim financial information are the same as those applied in the preparation of the preceding annual financial statements of the company for the year ended June 30, 2011.

	(Un-audited) June 30, 2012	(Audited) June 30, 2011
	-----Rupees-----	
<b>5 PROPERTY AND EQUIPMENT</b>		
Opening WDV	309,629,411	338,772,046
Addition during the period / year	5.1 3,282,396	657,482
Disposal during the period / year	5.2 (159,721)	(1,043,328)
Depreciation for the period / year	<u>(21,902,335)</u>	<u>(28,756,789)</u>
	290,849,751	309,629,411
Capital work-in-progress - at cost	<u>195,808</u>	<u>501,999</u>
	<u><u>291,045,559</u></u>	<u><u>310,131,410</u></u>
5.1 The following additions were made to tangible property and equipment during the period / year:		
Branch set-up	-	272,760
Office equipment	2,397,396	384,722
Vehicles	<u>885,000</u>	<u>-</u>
	<u><u>3,282,396</u></u>	<u><u>657,482</u></u>
5.2 The following disposals (net book value) of tangible property and equipment were made during the period / year:		
Branch set-up	-	240,493
Furniture and fixtures	17,601	225,744
Office equipment	-	122,216
Vehicles	<u>142,120</u>	<u>454,875</u>
	<u><u>159,721</u></u>	<u><u>1,043,328</u></u>

## JS Investments Limited

### 6 INVESTMENTS - AVAILABLE FOR SALE

Investments in certificates / units / shares - at fair value

	(Un-audited) June 30, 2012		(Audited) June 30, 2011	
	Number of certificates / units / shares	Rupees	Number of certificates / units / shares	Rupees
<b>In funds under management:</b>				
JS Value Fund Limited	21,498,992	158,662,561	21,498,992	118,244,456
JS Large Cap Fund	6,581,000	325,035,590	6,581,000	460,340,950
JS Growth Fund	36,086,812	267,042,409	36,086,812	212,912,191
JS Pension Savings Fund - Equity	300,000	33,297,000	300,000	28,437,000
JS Pension Savings Fund - Debt	188,940	30,445,792	200,000	29,002,000
JS Pension Savings Fund - Money Market	189,695	25,373,603	200,000	24,168,000
JS Fund of Funds	-	-	194,432	19,929,233
JS Principal Secure Fund I	1,091	115,174	185,790	21,800,633
JS Islamic Pension Savings Fund - Equity	250,000	45,042,500	250,000	38,077,500
JS Islamic Pension Savings Fund - Debt	232,690	34,977,961	250,000	34,162,500
JS Islamic Pension Savings Fund - Money Market	236,585	31,503,659	250,000	30,357,500
JS Aggressive Income Fund	570,628	59,847,465	501,736	47,519,428
JS Cash Fund	2,006,272	208,832,804	400,000	42,120,000
		1,220,176,518		1,107,071,391
<b>Other investments</b>				
Escort Investment Bank Limited	-	-	3,274,000	6,318,820
Term Finance Certificate				
Optimus Limited	25,000	39,585,827	25,000	100,359,300
Investments at market value		1,259,762,345		1,213,749,511
<b>Less:</b>				
Carrying value of investments		(809,178,484)		(863,810,367)
Unrealised gain on re-measurement of investments		450,583,861		349,939,144

	(Un-audited) June 30, 2012	(Audited) June 30, 2011
Note	-----Rupees-----	
<b>7 CASH AND BANK BALANCES</b>		
Cash in hand	69,504	70,082
Cheque in hand	-	8,261
Cash at bank in:		
Current accounts	291,304	1,403,641
Savings accounts	1,815,507	2,868,485
	7.1	
	2,106,811	4,272,126
	2,176,315	4,350,469

7.1 This includes Rs. 0.0295 million (June 30, 2011: Rs. 0.0157 million) held with JS Bank Limited (a related party).



## JS Investments Limited

### 8 SHARE CAPITAL

(Un-audited) June 30, 2012	(Audited) June 30, 2011		(Un-audited) June 30, 2012	(Audited) June 30, 2011
Number of shares			-----Rupees-----	
<b>Authorised capital</b>				
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
50,000,000	50,000,000	Convertible preference shares of Rs. 10 each	500,000,000	500,000,000
<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000,000</u>	<u>2,500,000,000</u>
<b>Issued, subscribed and paid-up</b>				
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	212,500,000	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	780,500,000	780,500,000
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

8.1 As at June 30, 2012 Jahangir Siddiqui & Company Limited, the holding Company held 52.024 million (June 30, 2011: 52.024 million) ordinary shares of Rs. 10/- each of the Company.

### 9 CONTINGENCIES AND COMMITMENTS

#### 9.1 Contingencies

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

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

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

	(Un-audited) June 30, 2012	(Audited) June 30, 2011
9.2 Commitments in respect of:		
Capital expenditure contracted but not incurred	195,808	501,999
Royalty and advisory payment	10,000,000	10,000,000
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
-Due in One year	2,479,881	2,472,324
-Due in two to three years	2,479,881	4,944,648

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing three (June 30, 2011: 2) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2012 was Rs. 54.389 million (June 30, 2011: 36.656 million) and Rs. 51.683 million (June 30, 2011: 36.613 million) respectively.



## JS Investments Limited

11. EARNINGS PER SHARE		(Un-audited)	(Audited)	(Un-audited)	(Un-audited)
		For the period ended June 30, 2012	For the period ended June 30, 2011	For the quarter ended June 30, 2012	For the quarter ended June 30, 2011
		-----Rupees-----			
Profit for the period / quarter	Rupees:	135,170,472	23,928,242	54,994,037	15,254,959
Weighted average number of ordinary shares outstanding during the period / quarter	Number:	100,000,000	100,000,000	100,000,000	100,000,000
Earnings per share	Rupees:	<u>1.35</u>	<u>0.24</u>	<u>0.55</u>	<u>0.15</u>

11.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

12 CASH AND CASH EQUIVALENTS	(Un-audited)	(Audited)
	June 30, 2012	June 30, 2011
	-----Rupees-----	
Cash and bank balances	2,176,315	4,350,469
Short term running finance - secured	(384,478,454)	(310,591,787)
	<u>(382,302,139)</u>	<u>(306,241,318)</u>

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	(Un-audited)	(Audited)
	June 30, 2012	June 30, 2011
	-----Rupees-----	
Remuneration from funds under management	204,387,343	244,683,431
Commission from funds under management	36,833	34,525
Rental income	2,554,525	3,354,758
Rent expense	2,090,583	4,496,368
Ijarah Rentals	2,515,284	2,472,324
Insurance premium paid	2,616,507	4,216,125
Investments made in funds under management	498,574,335	50,544,896
Investments disposed off - at cost	456,926,470	285,359,857
Contribution to staff provident fund	4,111,476	4,131,461
Dividend income	40,386,610	52,037,417
Markup expense on borrowing	51,600,407	45,084,924
Short term borrowing - repaid	150,000,000	150,000,000
Bonus shares / units (in numbers)	4,536,360	271,203
Transactions with key management personnel		
Remuneration to key management personnel	51,870,211	47,170,870
Director fee	3,900,000	3,840,000



	(Un-audited) June 30, 2012	(Audited) June 30, 2011
	-----Rupees-----	
<b>13.2 Balances:</b>		
Investments in funds under management and other related parties	1,220,176,518	1,107,071,391
Investments in subsidiary	37,500,000	37,500,000
Balances due from funds under management	20,705,552	2,384,739
Short term borrowing - secured	218,746,376	151,435,314
Short term borrowing - unsecured	-	150,000,000
Interest payable on short term borrowing	7,132,869	7,813,430

**14 DATE OF AUTHORIZATION**

This condensed interim financial information was authorised for issue on August 27, 2012 by the Board of Directors of the Company

**15 GENERAL**

The figures have been rounded off to the nearest rupee.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director





CONDENSED INTERIM CONSOLIDATED  
FINANCIAL INFORMATION

## JS Investments Limited

### CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2012

	Note	(Un-audited) June 30, 2012	(Audited) June 30, 2011
-----Rupees-----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Property and equipment	5	293,545,559	312,631,410
Intangible assets		107,121,163	107,978,119
Long-term loans - considered good		1,429,752	1,377,978
<b>Total non-current Assets</b>		<b>402,096,474</b>	<b>421,987,507</b>
<b>Current assets</b>			
Investments	6	1,298,217,257	1,248,637,751
Loans and advances - considered good		2,559,611	1,841,228
Deposits, prepayments and other receivables - unsecured considered good		8,180,504	14,346,707
Balances due from funds under management - related parties		20,705,406	2,384,739
Taxation recoverable		90,257,284	70,415,460
Cash and bank balances	7	2,212,764	4,390,794
<b>Total current assets</b>		<b>1,422,132,826</b>	<b>1,342,016,679</b>
<b>Total assets</b>		<b>1,824,229,300</b>	<b>1,764,004,186</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	8	1,000,000,000	1,000,000,000
Unrealised gain on remeasurement of available for sale investments to fair value - net	6	450,583,861	349,939,144
Accumulated loss		(461,510,425)	(606,916,365)
<b>Total equity</b>		<b>989,073,436</b>	<b>743,022,779</b>
Surplus on revaluation of fixed assets - net of tax		130,360,165	136,959,339
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Securitisation of management fee receivables - debt		130,356,143	257,817,193
Deferred tax liability - net		40,249,116	41,248,941
<b>Total non-current liabilities</b>		<b>170,605,259</b>	<b>299,066,134</b>
<b>Current liabilities</b>			
Current maturity of securitisation of management fee receivables - debt		105,184,630	76,158,576
Short term running finance - secured		384,478,454	310,591,787
Short term borrowings - unsecured		-	150,000,000
Accrued and other liabilities		21,076,005	27,822,702
Sales tax payable		2,792,699	-
Accrued mark-up		20,658,652	20,382,869
<b>Total current liabilities</b>		<b>534,190,440</b>	<b>584,955,934</b>
<b>Total liabilities</b>		<b>704,795,699</b>	<b>884,022,068</b>
<b>Total equity and liabilities</b>		<b>1,824,229,300</b>	<b>1,764,004,186</b>
Contingencies and commitments	9		
<b>Breakup value per share</b>		<b>9.89</b>	<b>7.43</b>
<b>Breakup value (including surplus on revaluation of fixed assets)</b>		<b>11.19</b>	<b>8.80</b>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	Note	(Un-audited) For the period ended June 30, 2012	(Audited) June 30, 2011	(Un-audited) For the quarter ended June 30, 2012	(Un-audited) June 30, 2011
<b>INCOME</b>					
Remuneration from funds under management - gross		237,089,318	244,683,431	61,940,649	57,851,248
Less: Sales tax		32,701,975	-	8,543,538	-
Remuneration from funds under management - net		204,387,343	244,683,431	53,397,111	57,851,248
Commission from open end funds under management		36,833	34,525	5,099	21,409
Dividends		40,386,610	52,037,417	-	38,217,317
Gain on sale of investments - net		189,074,360	64,157,894	75,601,523	1,965,106
Return on bank deposits		138,751	184,424	50,966	47,182
Markup on term finance certificates		13,374,961	18,959,327	1,955,833	4,897,068
Commission income and share of profit from management of discretionary client portfolios	10	197,651	845,407	52,181	78,097
Unrealized gain / (loss), on remeasurement of investment, at fair value through profit and loss		4,442,206	1,317,665	818,793	(2,219,580)
		452,038,715	382,220,090	131,881,506	100,857,847
Impairment loss on available for sale equity securities		8,152,260	-	-	-
		443,886,455	382,220,090	131,881,506	100,857,847
<b>OPERATING EXPENSES</b>					
Administrative and marketing		208,107,978	227,707,424	51,977,410	55,319,763
<b>OPERATING PROFIT</b>					
		235,778,477	154,512,666	79,904,096	45,538,084
Other operating expenses		3,169,504	2,319,744	2,531,415	-
Financial charges		111,475,375	143,495,795	23,148,302	34,326,477
		121,133,598	8,697,127	54,224,379	11,211,607
Other operating income		9,692,107	19,038,283	-	5,875,623
<b>Profit before tax</b>		130,825,705	27,735,410	54,224,379	17,087,230
<b>Income tax expense</b>					
- Current		1,989,306	11,525,750	(954,213)	6,600,613
- Prior		(8,970,541)	-	-	-
- Deferred		(999,825)	(8,814,455)	(376,737)	(2,400,000)
		(7,981,060)	2,711,295	(1,330,950)	4,200,613
<b>Profit for the period / quarter</b>		138,806,765	25,024,115	55,555,329	12,886,617
Earnings per share for the period / quarter - basic and diluted	11	1.39	0.25	0.56	0.13

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

Chief Executive Officer

Director

JS Investments Limited

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	(Un-audited) For the period ended June 30, 2012	(Audited) June 30, 2011	(Un-audited) For the quarter ended June 30, 2012	(Un-audited) June 30, 2011
	-----Rupees-----			
Profit for the period / quarter	138,806,765	25,024,115	55,555,329	12,886,617
Other comprehensive income:				
Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	276,622,373	341,147,565	41,635,940	(24,222,738)
Impairment loss on available for sale equity securities	1,407,820	-	-	-
Gain realised on disposal of investments	(184,129,915)	(57,482,013)	(73,278,065)	(1,795,762)
	93,900,278	283,665,552	(31,642,125)	(26,018,500)
Taxation relating to components of other comprehensive income	-	-	-	-
	93,900,278	283,665,552	(31,642,125)	(26,018,500)
<b>Total comprehensive income / (loss)</b>	<b>232,707,043</b>	<b>308,689,667</b>	<b>23,913,204</b>	<b>(13,131,883)</b>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	(Un-audited) June 30, 2012	(Audited) June 30, 2011
Note	-----Rupees-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	130,825,705	27,735,410
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management	(204,387,343)	(244,683,431)
Commission from open end funds under management	(36,833)	(34,525)
Dividends	(40,386,610)	(52,037,417)
Depreciation	21,902,335	28,756,789
Amortisation of intangible assets	1,512,785	4,742,908
Financial charges	111,475,375	143,495,795
Interest / mark-up income	(138,751)	(178,146)
Gain on sale of investments - net	(189,074,360)	(64,157,894)
Impairment loss on available for sale equity securities	8,152,260	-
Gain on disposal of fixed assets	(514,551)	(2,323,453)
Un-realized gain on remeasurement of investments	(4,442,206)	(1,317,665)
	<u>(165,112,194)</u>	<u>(160,001,629)</u>
<b>(Increase) / decrease in assets</b>		
Loans and advances	<u>(770,157)</u>	<u>(261,926)</u>
Deposits, prepayments and other receivables	<u>35,192,257</u>	<u>12,225,428</u>
	34,422,100	11,963,502
<b>Increase / (decrease) in liabilities</b>		
Accrued and other liabilities	<u>(3,953,998)</u>	<u>(9,526,303)</u>
	<u>(134,644,092)</u>	<u>(157,564,430)</u>
Taxes (paid) / refund - net	(12,860,589)	21,571,009
Remuneration and commission received from funds under management - net	<u>186,103,509</u>	<u>244,951,649</u>
<b>Net cash inflow from operating activities</b>	<u>38,598,828</u>	<u>108,958,228</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	<u>236,429,517</u>	<u>247,802,909</u>
Fixed capital expenditure incurred	(3,632,033)	(1,159,481)
Dividends received	40,386,610	52,037,417
Return on bank deposits	138,751	178,146
Proceeds from disposal of fixed assets	<u>674,272</u>	<u>3,366,781</u>
<b>Net cash inflow from investing activities</b>	<u>273,997,117</u>	<u>302,225,772</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee	<u>(129,085,000)</u>	<u>(129,085,000)</u>
Dividends paid	-	(1,300)
Short term borrowings	<u>(150,000,000)</u>	<u>(150,000,000)</u>
Financial charges paid	<u>(109,575,642)</u>	<u>(132,100,382)</u>
<b>Net cash used in financing activities</b>	<u>(388,660,642)</u>	<u>(411,186,682)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(76,064,697)</u>	<u>(2,682)</u>
Cash and cash equivalents at beginning of the period / year	<u>(306,200,993)</u>	<u>(306,198,311)</u>
Cash and cash equivalents at end of the period / year	<u>12</u> <u>(382,265,690)</u>	<u>(306,200,993)</u>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



## JS Investments Limited

### CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

	Share capital	Unrealised gain / gain on remeasurement of available for sale investments to fair value - net	Statutory reserve	Accumulated (loss)	Total Equity
	-----Rupees-----				
Balance as at June 30, 2010 - Audited	1,000,000,000	66,273,592	109,873,728	(748,413,383)	427,733,937
Total Comprehensive income	-	283,665,552	-	25,024,115	308,689,667
Transfer of statutory fund to accumulated loss on discontinuance of IFS operation	-	-	(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
<b>Balance as at June 30, 2011 - Audited</b>	<u>1,000,000,000</u>	<u>349,939,144</u>	<u>-</u>	<u>(606,916,365)</u>	<u>743,022,779</u>
Balance as at June 30, 2011	1,000,000,000	349,939,144	-	(606,916,365)	743,022,779
Total Comprehensive income - Un-audited	-	93,900,278	-	138,806,765	232,707,043
Impairment loss on investments taken to profit and loss account	-	6,744,439	-	-	6,744,439
Surplus on revaluation of fixed assets realized during the period on account of incremental depreciation charged thereon - net of tax	-	-	-	6,599,175	6,599,175
<b>Balance as at June 30, 2012 - Un-audited</b>	<u>1,000,000,000</u>	<u>450,583,861</u>	<u>-</u>	<u>(461,510,425)</u>	<u>989,073,436</u>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION (UN-AUDITED)**  
FOR THE TWELVE MONTHS PERIOD ENDED JUNE 30, 2012

**1 THE GROUP AND ITS OPERATIONS**

The group consists of:

**Holding company**  
- JS Investments Limited

"Percentage holding of

**Subsidiary company**  
- JS ABAMCO Commodities limited

JS Investments Limited"  
\*99.99%

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

JS ABAMCO Commodities Limited (JSACL, the Subsidiary) was incorporated in Pakistan as a public limited company on September 25, 2007 under the Companies Ordinance, 1984. The registered office of the company is situated at 7th floor, The Forum, Khayaban-e-Jami, Clifton, Karachi. The company would be engaged in commodity market brokerage, advisory and consultancy services. The company has not commenced its commercial operations as at the balance sheet date. JS Investments Limited holds 99.99% share capital of JSACL.

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

- 1.2 The company and its subsidiary have been accorded approval by the relevant authorities to adopt their financial year to be from January 1st to December 31st in line with that of financial year of holding company of the Company and also have obtained approvals from regulatory authorities to prepare interim financial information for the period and accordingly the next audited financial statements of the Company and its Subsidiary will be prepared for eighteen months ending December 31, 2012. The financial information has been prepared in context for the year ended June 30, 2012. The interim information report is not audited and has been presented in condensed form and does not include all the information as is required to be provided in a full set off annual financial statements. This condensed interim consolidated financial report should be read in conjunction with the audited consolidated financial statements of the Company and its subsidiary for the year ended June 30, 2011. Further, the amounts for the quarters ended June 30, 2012 and June 30, 2011 are neither audited nor reviewed.

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

- 1.3.1 Asset management company of the following funds:

- **Closed-End**
- JS Growth Fund
- JS Value Fund Limited
- **Open-End**
- Unit Trust of Pakistan
- JS Income Fund
- JS Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- JS KSE-30 Index Fund
- JS Aggressive Income Fund
- JS Principal Secure Fund I
- JS Cash Fund
- JS Large Cap Fund

- 1.3.2 Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

**2 STATEMENT OF COMPLIANCE**

This condensed interim consolidated financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the NBFC Rules, the NBFC Regulations or directives issued by the SECP differ with the requirements of IFRS, the requirements of the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

## JS Investments Limited

The new standards, amendments and interpretations that were mandatory for the accounting periods beginning on or after July 1, 2011 are either not considered to be relevant or have no significant effect on the company's operations.

### 3 BASIS OF PREPARATION

- 3.1 The condensed interim consolidated financial information is unaudited and is being circulated to the shareholders, as required by section 245 of the Companies Ordinance, 1984 and the listing regulations to the Karachi Stock Exchange.
- 3.2 The condensed interim consolidated financial information is being presented in condensed form in accordance with the requirements of International Accounting Standard (IAS) 34 "Interim Financial Reporting" as applicable in Pakistan. This condensed interim consolidated financial information does not include all the information required for annual consolidated financial statements and therefore, should be read in conjunction with annual audited consolidated financial statements of the company and its Subsidiary for the year ended June 30, 2011.
- 3.3 The condensed interim consolidated financial information has been prepared under the accrual basis of accounting except for cash flow information.

### 4 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of the condensed interim consolidated financial information are the same as those applied in the preparation of the preceding annual consolidated financial statements of the company and its subsidiary for the year ended June 30, 2011.

		(Un-audited) June 30, 2012	(Audited) June 30, 2011
	Note	-----Rupees-----	
<b>5 PROPERTY AND EQUIPMENT</b>			
Opening WDV		309,629,411	338,772,046
Additions during the period / year	5.1	3,282,396	657,482
Disposals during the period / year	5.2	(159,721)	(1,043,328)
Depreciation for the period / year		<u>(21,902,335)</u>	<u>(28,756,789)</u>
		290,849,751	309,629,411
Capital work-in-progress - at cost		<u>2,695,808</u>	<u>3,001,999</u>
		<u><u>293,545,559</u></u>	<u><u>312,631,410</u></u>
5.1 The following additions were made to property and equipment during the period / year:			
Branch set-up		-	272,760
Office equipment		2,397,396	384,722
Vehicles		<u>885,000</u>	-
		<u><u>3,282,396</u></u>	<u><u>657,482</u></u>
5.2 The following disposals (net book value) of property and equipment were made during the period / year:			
Branch set-up		-	240,493
Furniture and fixtures		17,601	225,744
Office equipment		-	122,216
Vehicles		<u>142,120</u>	<u>454,875</u>
		<u><u>159,721</u></u>	<u><u>1,043,328</u></u>



## JS Investments Limited

		(Un-audited) June 30, 2012	(Audited) June 30, 2011
-----Rupees-----			
<b>6 INVESTMENTS</b>			
Available for sale	6.1	1,259,762,345	1,213,749,511
At fair value through profit and loss account	6.2	<u>38,454,912</u>	<u>34,888,240</u>
		<u>1,298,217,257</u>	<u>1,248,637,751</u>
		(Un-audited) June 30, 2012	(Audited) June 30, 2011
		Number of units / shares / certificates	Number of units / shares / certificates
		Rupees	Rupees
<b>6.1 INVESTMENTS - available for sale</b>			
Investments in certificates / units / shares - at fair value			
In funds under management:			
JS Value Fund Limited	21,498,992	158,662,561	21,498,992
JS Large Cap Fund	6,581,000	325,035,590	6,581,000
JS Growth Fund	36,086,812	267,042,409	36,086,812
JS Pension Savings Fund - Equity	300,000	33,297,000	300,000
JS Pension Savings Fund - Debt	188,940	30,445,792	200,000
JS Pension Savings Fund - Money Market	189,695	25,373,603	200,000
JS Fund of Funds	-	-	194,432
JS Principal Secure Fund I	1,091	115,174	185,790
JS Islamic Pension Savings Fund - Equity	250,000	45,042,500	250,000
JS Islamic Pension Savings Fund - Debt	232,690	34,977,961	250,000
JS Islamic Pension Savings Fund - Money Market	236,585	31,503,659	250,000
JS Aggressive Income Fund	570,628	59,847,465	501,736
JS Cash Fund	2,006,272	208,832,804	400,000
		1,220,176,518	1,107,071,391
<b>Other investments</b>			
Escort Investment Bank Limited	-	-	3,274,000
			6,318,820
<b>Term Finance Certificate</b>			
Optimus Limited	25,000	39,585,827	25,000
			100,359,300
Investments at market value		<u>1,259,762,345</u>	<u>1,213,749,511</u>
Less:			
Carrying value of investments		(809,178,484)	(863,810,367)
Unrealised gain on re-measurement of investments		<u>450,583,861</u>	<u>349,939,144</u>
<b>6.2 INVESTMENTS - at fair value through profit and loss account</b>			
JS Income Fund - fund under management (related party)			
Investments at market value	436,541	38,454,912	408,623
Less: Carrying value of investment		<u>(34,012,706)</u>	<u>(33,570,575)</u>
Un-realized gain on re-measurement of investment		<u>4,442,206</u>	<u>1,317,665</u>
		(Un-audited) June 30, 2012	(Audited) June 30, 2011
-----Rupees-----			
<b>7 CASH AND BANK BALANCES</b>			
Cash in hand		69,504	70,082
Cheque in hand		-	8,261
Cash at bank in:			
- Current accounts		311,304	1,423,641
- Savings accounts	7.1	<u>1,831,956</u>	<u>2,888,810</u>
		<u>2,143,260</u>	<u>4,312,451</u>
		<u>2,212,764</u>	<u>4,390,794</u>

7.1 This includes Rs. 0.0295 million (June 30, 2011: Rs. 0.0157 million) held with JS Bank Limited (a related party).

## JS Investments Limited

### 8 SHARE CAPITAL

(Un-audited) June 30, 2012	(Audited) June 30, 2011	Authorised	(Un-audited) June 30, 2012	(Audited) June 30, 2011
Number of shares			-----Rupees-----	
200,000,000	200,000,000	Ordinary shares of Rs. 10 each	2,000,000,000	2,000,000,000
<u>50,000,000</u>	<u>50,000,000</u>	Convertible preference shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
<u>250,000,000</u>	<u>250,000,000</u>		<u>2,500,000,000</u>	<u>2,500,000,000</u>
<b>Issued, subscribed and paid-up</b>				
21,250,000	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	212,500,000	212,500,000
700,000	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with Crosby Financial Services Limited	7,000,000	7,000,000
78,050,000	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	780,500,000	780,500,000
<u>100,000,000</u>	<u>100,000,000</u>		<u>1,000,000,000</u>	<u>1,000,000,000</u>

8.1 As at June 30, 2012 Jahangir Siddiqui & Company Limited, the holding Company held 52.024 million (June 30, 2011: 52.024 million) ordinary shares of Rs. 10 each of the Company.

### 9 CONTINGENCIES AND COMMITMENTS

#### 9.1 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 be in favour of the Company. Hence, no provision has been made in these condensed interim financial information.

	(Un-audited) June 30, 2012	(Audited) June 30, 2011
	-----Rupees-----	
9.2 Commitments in respect of:		
Capital expenditure contracted but not incurred	<u>2,695,808</u>	<u>3,001,999</u>
Royalty and advisory payment	<u>10,000,000</u>	<u>10,000,000</u>
Motor Vehicle acquired under Ijarah from Bank Islami Limited		
- Due in One year	<u>2,479,881</u>	<u>2,472,324</u>
- Due in two to three years	<u>2,479,881</u>	<u>4,944,648</u>

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

This represents commission income and share of profit earned by the company from management of discretionary portfolios. Currently, JSIL is managing three (June 30, 2011: two) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at June 30, 2012 was Rs. 54.389 million (June 30, 2011: 36.656 million) and Rs. 51.683 million (June 30, 2011: 36.613 million) respectively.



## JS Investments Limited

11 EARNINGS PER SHARE		(Un-audited)	(Audited)	(Un-audited)	(Un-audited)
		For the period ended June 30, 2012	June 30, 2011	For the quarter ended June 30, 2012	June 30, 2011
	Profit for the period / quarter	Rupees 138,806,765	25,024,115	55,555,329	12,886,617
	Weighted average number of ordinary shares outstanding during the period / quarter	Number 100,000,000	100,000,000	100,000,000	100,000,000
	Earnings per share for the period / quarter	Rupees <u>1.39</u>	<u>0.25</u>	<u>0.56</u>	<u>0.1</u>

11.1 Diluted earnings per share has not been presented as the Company does not have any convertible instruments in issue as at June 30, 2012 which would have any effect on the earnings per share if the option to convert is exercised.

12 CASH AND CASH EQUIVALENTS	(Un-audited)	(Audited)
	June 30, 2012	June 30, 2011
	-----Rupees-----	
	Cash and bank balances	2,212,764 4,390,794
	Short term running finance - secured	(384,478,454) (310,591,787)
		<u>(382,265,690)</u> <u>(306,200,993)</u>

### 13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

	Un-audited June 30, 2012	Audited June 30, 2011
	-----Rupees-----	
Remuneration from funds under management	204,387,343	244,683,431
Commission from funds under management	36,833	34,525
Rental income	2,554,525	3,354,758
Rent expense	2,090,583	4,496,368
Ijarah Rentals	2,515,284	2,472,324
Insurance premium paid	2,616,507	4,216,125
Investments made in funds under management	498,574,335	50,544,896
Investments disposed off - at cost	457,876,470	285,434,857
Contribution to staff provident fund	4,111,476	4,131,461
Dividend income	40,386,610	52,037,417
Markup expense on borrowing	51,600,407	45,084,924
Short term borrowing - repaid	150,000,000	150,000,000
Bonus shares / units (in numbers)	4,575,163	297,390
Transactions with key management personnel		
Remuneration to key management personnel	51,870,211	47,170,870
Director fee	3,900,000	3,840,000

## JS Investments Limited

	Un-audited June 30, 2012	Audited June 30, 2011
	-----Rupees-----	
13.2 The details of significant balances with related parties during the period are as follows:		
Investments in funds under management	1,258,631,430	1,141,959,631
Balances due from funds under management	20,705,552	2,384,739
Short term borrowing - secured	218,746,376	151,435,314
Short term borrowing - unsecured	-	150,000,000
Interest payable on short term borrowing	7,132,869	7,813,430

#### 14 DATE OF AUTHORIZATION

This condensed interim consolidated financial information was authorised for issue on August 27, 2012 by the Board of Directors of the Company.

#### 15 GENERAL

The figures have been rounded off to the nearest rupee.

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director

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