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# **JS Investments Limited**

Quarterly Report for the period  
ended September 30, 2009



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## **Vision**

To be Industry Leaders in Financial Services

## **Mission**

Pursuit of Professional Excellence

## **Core Values**

- Shareholder Value
- Integrity
- Commitment

## COMPANY INFORMATION

<b>Board of Directors</b>	Mr. Munawar Alam Siddiqui Mr. Muhammad Najam Ali Mr. Ali Raza Siddiqui Mr. Nazar Mohammad Shaikh Mr. Siraj Ahmed Dadabhoy Lt. General (R) Masood Parwaiz Mr. Sadeq Sayeed	Chairman Chief 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. Suleman Lalani	
<b>Auditors</b>	Anjum Asim Shahid Rahman	
<b>Legal Advisors</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) 5361724 E-mail: info@jsil.com Website: www.jsil.com	

## DIRECTORS' REPORT TO THE SHAREHOLDERS

The Board of Directors of JS Investments Limited is pleased to present the quarterly report together with un-audited financial statements for the period ended September 30, 2009.

### Equity Market Outlook

During the period under review, the benchmark KSE 30 index increased by 2,460.77 points to close the quarter at a level of 10,031.85 points as compared to 7,571.08 points on June 30, 2009 – an increase of 32.5%. Discount rate cut of 100 bps by the State Bank of Pakistan to 13% coupled with IMF's approval of additional USD 3.1 bn facility and disbursement of the third tranche worth USD 1.2 bn maintained the bullish sentiment in the market. Furthermore, good corporate earnings and improvement in the country's credit ratings have resulted in significant foreign inflows into the country.

Trading volumes remained strong during the period with average daily trading volume increasing to 122.97 mn shares as compared to 116.62 mn shares in the preceding quarter. Foreign inflows also picked up significantly during the period under review with net foreign inflows of USD 234.7 mn being recorded as compared to outflow of USD 27.9 mn in the previous quarter. Economic indicators have also shown an improving trend with inflation declining and increasing of foreign reserves.

Going forward prospects of consistent foreign inflows and favorable developments on the macroeconomic front are expected to continue to maintain the positive sentiments within the market.

### Results of Operations

The Company incurred a net loss of Rs. 12.011 million during the quarter under review – a loss per share of Re. 0.12. The Company earned management remuneration from funds under management of Rs. 96.470 million compared to Rs. 140.152 million in the corresponding period last year. The assets under management as on September 30, 2009 were Rs. 21.694 billion compared to Rs. 21.250 billion as on June 30, 2009 – an increase of 2.1%. Administrative expenses for the quarter were Rs. 79.519 million compared to Rs. 95.045 million for the same period last year – a reduction of 16.3%. Financial charges during the period were Rs. 34.473 million compared to Rs. 51.833 million during the corresponding period last year.

During the period under review our JS Capital Protected Fund II matured and the redemption proceeds of Rs. 1,510 million were paid to the investors.

### Asset Manager Rating and Entity Rating

The Pakistan Credit Rating Agency (PACRA) has maintained the "AM2+" asset manager rating for JS Investments Limited. The rating denotes the Company's very strong capacity to manage



the risks inherent in asset management and the asset manager meets very high investment management industry standards and benchmarks.

PACRA has assigned the long-term and short-term entity 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.

### **Acknowledgment**

The Directors express their gratitude to the Securities and Exchange Commission of Pakistan for its support, assistance and guidance. The Board also thanks the employees of the Company for their dedication and hard work and the shareholders for their confidence in the Management.

Karachi: October 23, 2009

On behalf of the Board

**Munawar Alam Siddiqui**  
Chairman

# JS Investments Limited

## CONDENSED INTERIM BALANCE SHEET

AS AT SEPTEMBER 30, 2009

	Note	September 30, 2009 ----- Rupees ----- (Unaudited)	June 30, 2009 ----- (Audited)
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets		370,212,164	380,721,825
Intangible assets		113,740,761	114,926,195
Long-term receivable from related parties - unsecured, considered good		4,606,044	3,863,798
Long-term loans and advances - considered good		15,984,963	16,942,570
Investment in subsidiary		37,500,000	37,500,000
		<b>542,043,932</b>	<b>553,954,388</b>
<b>Current assets</b>			
Investments - available for sale	5	1,246,819,053	956,684,403
Loans and advances - considered good		3,146,141	2,005,902
Deposits, prepayments and other receivables		28,233,371	21,362,685
Balances due from funds under management		32,175,170	29,687,592
Taxation recoverable		95,276,469	91,238,444
Cash and bank balances	6	2,238,019	3,072,326
		<b>1,407,888,223</b>	<b>1,104,051,352</b>
Assets relating to the discontinued operations classified as held for sale	11.3	413,159,037	356,801,576
		<b>1,821,047,260</b>	<b>1,460,852,928</b>
<b>Total assets</b>		<b>2,363,091,192</b>	<b>2,014,807,316</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	7	1,000,000,000	1,000,000,000
Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	5	306,773,994	(8,770,960)
Statutory reserve		109,873,728	109,873,728
Accumulated loss		(810,094,056)	(800,127,824)
		<b>606,553,666</b>	<b>300,974,944</b>
Surplus on revaluation of fixed assets - net of tax		148,112,479	150,157,687
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Securitisation of management fee receivables - debt		466,398,831	511,522,640
Deferred taxation		47,720,833	50,261,567
		<b>514,119,664</b>	<b>561,784,207</b>
<b>Current liabilities</b>			
Current maturity of securitisation of management fee receivables - debt		81,925,415	64,539,121
Running finance		378,903,444	317,691,909
Accrued and other liabilities		40,867,802	53,740,150
Accrued mark-up		16,169,567	14,004,949
		<b>517,866,228</b>	<b>449,976,129</b>
Liabilities and other balances relating to the discontinued operations classified as held for sale	11.4	576,439,155	551,914,349
		<b>1,094,305,383</b>	<b>1,001,890,478</b>
<b>Total liabilities</b>		<b>1,608,425,047</b>	<b>1,563,674,685</b>
<b>Total equity and liabilities</b>		<b>2,363,091,192</b>	<b>2,014,807,316</b>
<b>Contingencies and commitments</b>			
<b>Breakup value</b>	8	<b>6.07</b>	<b>3.01</b>
<b>Breakup value (including surplus on revaluation of fixed assets)</b>		<b>7.55</b>	<b>4.51</b>

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

Chairman

Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
Note	----- Rupees -----	
<b>CONTINUING OPERATIONS</b>		
<b>INCOME</b>		
Remuneration from funds under management	<b>96,470,071</b>	140,152,135
Commission from open end funds under management	<b>646,261</b>	1,068,991
Gain on sale of investments - net	<b>5,070,826</b>	113,572
Return on bank deposits	<b>86,604</b>	557,160
	<b>102,273,762</b>	141,891,858
<b>OPERATING EXPENSES</b>		
Administrative and marketing expenses	<b>79,518,501</b>	95,045,040
<b>OPERATING PROFIT</b>		
Other operating expenses	<b>22,755,261</b>	46,846,818
Financial charges	<b>349,024</b>	300,300
	<b>34,472,980</b>	51,833,139
Other operating income	<b>(12,066,743)</b>	(5,286,621)
	<b>4,996,338</b>	3,732,745
<b>Loss before taxation from continuing operations</b>	<b>(7,070,405)</b>	(1,553,876)
Taxation - Current	<b>1,901,635</b>	540,572
- Deferred	<b>(2,540,734)</b>	(1,575,771)
	<b>(639,099)</b>	(1,035,199)
<b>Loss after taxation from continuing operations</b>	<b>(6,431,306)</b>	(518,677)
<b>OPERATIONS RELATING TO THE DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES</b>		
Loss after taxation from the discontinued operations	<b>(5,580,134)</b>	(10,464,250)
<b>Loss for the quarter</b>	<b>(12,011,440)</b>	(10,982,927)
Loss per share for the quarter	<b>(0.12)</b>	(0.11)

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Chairman

Director

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# JS Investments Limited

## CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	----- Rupees -----	
<b>Loss for the period - Continuing operations</b>	<b>(6,431,306)</b>	(518,677)
<b>Loss for the period - Discontinued operations</b>	<b>(5,580,134)</b>	(10,464,250)
<b>Loss for the period</b>	<b>(12,011,440)</b>	(10,982,927)
<b>Other comprehensive income:</b>		
Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	<b>319,298,792</b>	(718,416,663)
Gain realised on disposal of investments	<b>(3,753,838)</b>	(102,089)
	<b>315,544,954</b>	(718,518,752)
Taxation relating to components of other comprehensive income	-	-
Other comprehensive income / (loss) after taxation	<b>315,544,954</b>	(718,518,752)
<b>Total Comprehensive income / (loss)</b>	<b>303,533,514</b>	(729,501,679)

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

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## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the quarter before taxation	(12,650,107)	(10,427,295)
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management	(96,470,071)	(140,152,135)
Commission from open end funds under management	(646,261)	(1,068,991)
Dividend	(1,413,450)	(2,826,900)
Depreciation	10,118,007	8,491,420
Amortisation of intangible assets	1,335,435	1,997,610
Financial charges	54,404,771	75,823,058
Interest / mark-up income	(88,075)	(619,979)
Liabilities no longer required written back	-	(1,858,845)
Loss on disposal of fixed assets	245,614	1,787,810
	<b>(45,164,136)</b>	<b>(68,854,247)</b>
<b>Increase / decrease in assets / liabilities</b>		
Loans and advances	(1,140,239)	(2,344,770)
Long term loans and advances	957,607	1,729,431
Long-term receivable from related parties	(1,050,000)	(112,500)
Deposits, prepayments and other receivables	15,675,490	27,409,179
Accrued and other liabilities	(12,896,657)	(8,071,590)
	<b>1,546,201</b>	<b>18,609,750</b>
	<b>(43,617,935)</b>	<b>(50,244,497)</b>
Taxes paid	(5,939,660)	(9,997,726)
Bonus paid	-	(35,841,155)
Financial charges paid	(49,787,471)	(94,431,476)
Remuneration and commission received from funds under management	94,628,755	158,152,831
<b>Net cash outflow on operating activities</b>	<b>(4,716,310)</b>	<b>(32,362,023)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	24,216,993	90,566,788
Fixed capital expenditure incurred	(447,929)	(2,901,264)
Return on bank deposits	88,075	619,979
Proceeds from disposal of fixed assets	593,886	118,940
<b>Net cash inflow from investing activities</b>	<b>24,451,025</b>	<b>88,404,443</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee	(45,845,000)	(45,845,000)
Dividend paid	(19,245)	(8,443,754)
Short term borrowing	(36,000,000)	907,500,000
<b>Net cash (outflow) / inflow on financing activities</b>	<b>(81,864,245)</b>	<b>853,211,246</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(62,129,530)</b>	<b>909,253,666</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>(313,603,047)</b>	<b>(931,277,404)</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>(375,732,577)</b>	<b>(22,023,738)</b>

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

# JS Investments Limited

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Share capital	Accumulated Profit / (loss)	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity	Surplus on revaluation of fixed assets - net of tax
-----Amount in Rupees-----						
<b>Balance as at June 30, 2008</b>	1,000,000,000	1,017,952,970	109,873,728	(204,057,068)	1,923,769,630	42,270,935
Total Comprehensive income / (loss)	-	(10,982,927)	-	(718,518,752)	(729,501,679)	-
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	657,946	-	-	657,946	(657,946)
Final dividend for the year ended June 30, 2008	-	(100,000,000)	-	-	(100,000,000)	-
<b>Balance as at September 30, 2008</b>	1,000,000,000	907,627,989	109,873,728	(922,575,820)	1,094,925,897	41,612,989
<b>Balance as at June 30, 2009</b>	1,000,000,000	(800,127,824)	109,873,728	(8,770,960)	300,974,944	150,157,687
Total Comprehensive income / (loss)	-	(12,011,440)	-	315,544,954	303,533,514	-
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	2,045,208	-	-	2,045,208	(2,045,208)
<b>Balance as at September 30, 2009</b>	1,000,000,000	(810,094,056)	109,873,728	306,773,994	606,553,666	148,112,479

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

## **NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS** (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

### **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 licence of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005. The asset manager rating of the Company is AM2+ as rated by Pakistan Credit Rating Agency (PACRA).

As per the NBFC Regulations, all Asset Management Companies were required to separate their Investment Finance Services (IFS) operations by November 30, 2008. In the light of this requirement, the Board of Directors of the Company in its meeting held on July 9, 2008 decided to transfer the existing operations of investment finance services to a subsidiary company proposed to be incorporated for undertaking the business of investment finance services.

However, the Board of Directors of the Company in its meeting held on February 26, 2009 decided to defer the incorporation of a subsidiary for investment finance services till such time the market conditions became conducive. Accordingly, the Company applied to the SECP for a further extension of six months for the incorporation of the said subsidiary on March 9, 2009.

Subsequently, on June 23, 2009, the Company had informed SECP explaining that the company had decided to wind down the existing investments, however in light of the depressed market conditions, prevailing at that date, the disposal of investments would not be in the best interest of shareholders of the Company. The Company had therefore requested the SECP to grant an extension of six months to dispose off the investments held under the investment finance services license.

SECP vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

- 1.2** The company is an asset management company, investment adviser and pension fund manager for the following:

Asset management company of the following funds:

## **Closed-End**

- JS Large Cap Fund (formerly UTP Large Cap Fund)
- JS Growth Fund
- JS Value Fund Limited

## **Open-End**

- Unit Trust of Pakistan
- JS Income Fund
- UTP - Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- UTP - A30+ Fund
- JS Capital Protected Fund
- JS Capital Protected Fund IV
- JS Aggressive Income Fund
- JS Principal Secure Fund I

Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

## **2. STATEMENT OF COMPLIANCE**

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (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 disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) 34: "Interim Financial Reporting".

## **3. ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2009.

	September 30, 2009	June 30, 2009
	----- Rupees -----	
	(Unaudited)	(Audited)
<b>4. FIXED ASSETS</b>		
<b>4.1 Tangible fixed assets</b>		
The following additions were made to tangible fixed assets during the quarter / year:		
Branch set-up	<b>748,400</b>	-
Furniture and fixtures	-	325,900
Office equipment	-	4,490,190
	<b>748,400</b>	4,816,090
The following disposals (net of book value) of tangible fixed assets were made during the quarter / year:		
Branch set-up	<b>839,500</b>	5,031,435
Furniture and fixtures	-	1,466,007
Office equipment	-	447,151
	<b>839,500</b>	6,944,593
<b>4.2 Intangible assets</b>		
The following additions were made to intangible assets during the quarter / year:		
Computer software	-	77,000
<b>4.3 Capital work-in-progress - at cost</b>		
<b>Advance to suppliers against</b>		
Acquisition of furniture & fixtures	-	700,000
Acquisition of office & computer equipment	<b>399,529</b>	-
	<b>399,529</b>	700,000

# JS Investments Limited

## 5. INVESTMENTS - available for sale

### Investments in certificates / units / shares - at fair value

	(Unaudited) September 30, 2009		(Audited) June 30, 2009	
	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	135,873,629	21,498,992	95,670,514
JS Large Cap Fund (formerly UTP Large Cap Fund)	65,810,000	375,117,000	65,810,000	204,669,100
JS Growth Fund	36,086,812	180,434,060	36,086,812	137,851,622
JS Pension Savings Fund - Equity	300,000	23,190,000	300,000	18,471,000
JS Pension Savings Fund - Debt	300,000	37,812,000	300,000	36,885,000
JS Pension Savings Fund - Money Market	300,000	36,081,000	300,000	35,097,000
JS Fund of Funds	1,885,257	186,508,447	1,885,257	143,939,350
JS Capital Protected Fund	133,830	13,953,107	130,000	13,218,400
JS Capital Protected Fund II	-	-	266,000	27,818,280
JS Capital Protected Fund IV	1,022,447	103,727,288	1,017,422	98,303,275
JS Islamic Pension Savings Fund - Equity	300,000	34,836,000	300,000	27,255,000
JS Islamic Pension Savings Fund - Debt	300,000	34,551,000	300,000	33,507,000
JS Islamic Pension Savings Fund - Money Market	300,000	32,565,000	300,000	32,019,000
JS Aggressive Income Fund	501,736	52,170,522	501,736	51,979,862
		<b>1,246,819,053</b>		956,684,403
Less: Cost of investments		(940,045,059)		(2,168,935,800)
Impairment on investments		-		1,203,480,437
		<b>(940,045,059)</b>		(965,455,363)
Unrealised gain / (loss) on re-measurement of investments		<b>306,773,994</b>		(8,770,960)

	Note	September 30, 2009	June 30, 2009
		(Unaudited)	(Audited)
<b>6. CASH AND BANK BALANCES</b>			
Cash in hand		65,926	75,191
Balance with banks:			
In current account		100,978	954,310
In savings accounts	6.1	2,071,115	2,042,825
		<b>2,172,093</b>	2,997,135
		<b>2,238,019</b>	3,072,326

6.1 This includes Rs 0.073 million (June 30, 2009: Rs 0.055 million) held with JS Bank Limited (a related party).

**7. SHARE CAPITAL**

September 30, 2009 (Unaudited)	June 30, 2009 (Audited)		September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
Number of shares			----- Rupees -----	
		<b>Authorised</b>		
<b>200,000,000</b>	200,000,000	Ordinary shares of Rs. 10 each	<b>2,000,000,000</b>	2,000,000,000
<b>50,000,000</b>	50,000,000	Convertible preference shares of Rs. 10 each	<b>500,000,000</b>	500,000,000
<b>250,000,000</b>	250,000,000		<b>2,500,000,000</b>	2,500,000,000
		<b>Issued, subscribed and paid-up capital</b>		
<b>21,250,000</b>	21,250,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	<b>212,500,000</b>	212,500,000
<b>700,000</b>	700,000	Fully paid ordinary shares of Rs. 10 each issued on amalgamation with CFSL	<b>7,000,000</b>	7,000,000
<b>78,050,000</b>	78,050,000	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<b>780,500,000</b>	780,500,000
<b>100,000,000</b>	100,000,000		<b>1,000,000,000</b>	1,000,000,000

At September 30, 2009 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2009: 52.024 million) ordinary shares of Rs. 10 each of the company.

**8. CONTINGENCIES & COMMITMENTS**
**8.1 Contingencies**

During the year 2009 an amended assessment order was passed against the Company for the tax year 2006, raising a further tax demand of Rs. 134 million on account of taxability of a portion of capital gain in dividend received from Mutual Funds, allocation of expenses and disallowance of certain expenses. No provision has been made against this tax demand in these financial statements as the company is contesting the order before the appellate forums as well as the 'Dispute Resolution Committee' and management is confident about a favourable outcome.

**8.2 Commitments in respect of:**

	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
	----- Rupees -----	
Capital expenditure contracted but not incurred	<b>104,170</b>	350,000
Royalty and advisory payments	<b>10,000,000</b>	10,000,000
Asset acquired under operating lease	-	1,920,000

**8.3** The Company has given guarantee to the seed capital investors of JS Aggressive Income Fund for the lock-in-period of 2 years from the respective date of issuance seed capital, ranging from November 6, 2007 to November 28, 2009. The initial investment amount of Rs 50.3 million and a minimum return thereon of eight percent (8%) per annum is covered under the above guarantee.



# JS Investments Limited

## 9. SEGMENT INFORMATION

-----Unaudited-----						
Note	Asset management & investment advisory services		Investment finance services		Total	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	Rupees					
<b>INCOME</b>						
Remuneration from the funds under management	96,470,071	140,152,135	-	-	96,470,071	140,152,135
Commission from open end funds under management	646,261	1,068,991	-	-	646,261	1,068,991
Dividend	-	-	1,413,450	2,826,900	1,413,450	2,826,900
Gain on sale of investments - net	5,070,826	113,572	-	1,512,467	5,070,826	1,626,039
Mark-up on term finance certificates	-	-	10,902,745	10,340,279	10,902,745	10,340,279
Mark up on letter of placement	-	-	-	742,482	-	742,482
Markup on commercial papers	-	-	-	1,950,593	-	1,950,593
Return on bank deposits	86,604	557,160	1,470	62,819	88,074	619,979
Amortisation of discount	-	-	1,226,937	-	1,226,937	-
Commission income and share of profit from management of discretionary client portfolios	10	-	1,632,027	45,187	1,632,027	45,187
	102,273,762	141,891,858	15,176,629	17,480,727	117,450,391	159,372,585
<b>OPERATING EXPENSES</b>						
Administrative expenses	79,518,501	95,045,040	824,540	2,364,227	80,343,041	97,409,267
Other operating expenses	349,024	300,300	-	-	349,024	300,300
Financial charges	34,472,980	51,833,139	19,931,791	23,989,919	54,404,771	75,823,058
Other operating income	4,996,338	3,732,745	-	-	4,996,338	3,732,745
<b>Segment results</b>	(7,070,405)	(1,553,876)	(5,579,702)	(8,873,419)	(12,650,107)	(10,427,295)
-----						
<b>Asset management &amp; investment advisory services</b>						
		<b>Investment finance services</b>		<b>Total</b>		
	(Unaudited) September 31, 2009	(Audited) June 30, 2009	(Unaudited) September 30, 2009	(Audited) June 30, 2009	(Unaudited) September 30, 2009	(Audited) June 30, 2009
-----						
Rupees						
<b>Segment assets</b>	1,949,932,155	1,658,005,740	413,159,037	356,801,576	2,363,091,192	2,014,807,316
<b>Segment liabilities</b>	1,031,985,892	1,011,760,336	576,439,155	551,914,349	1,608,425,047	1,563,674,685
-----						
<b>-----Unaudited-----</b>						
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
<b>Fixed capital expenditure</b>	748,400	2,466,595	-	-	748,400	2,466,595
<b>Depreciation / amortisation</b>	11,303,442	10,339,030	150,000	150,000	11,453,442	10,489,030

## 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 two (September 30, 2008: 4) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at September 30, 2009 was Rs. 40.053 million (September 30, 2008: 779.481 million) and Rs. 40.277 million (September 30, 2008: 757.841 million) respectively.

## 11. DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES

As mentioned in note 1.1 to these financial statements, NBFC Regulations required all Asset Management Companies to separate their Investment Finance Services (IFS) operations by November 30, 2008. In the light of this requirement, the Board of Directors of the Company in its meeting held on July 9, 2008 decided to transfer the existing operations of investment finance services to a subsidiary company proposed to be incorporated for undertaking the business of investment finance services.

However, the Board of Directors of the Company in its meeting held on February 26, 2009 decided to defer the incorporation of a subsidiary for investment finance services till such time the market conditions became conducive. Accordingly, the Company applied to the SECP for a further extension of six months for the incorporation of the said subsidiary on March 9, 2009.

Subsequently, on June 23, 2009, the Company had informed SECP explaining that the company had decided to wind down the existing investments, however in light of the depressed market conditions, prevailing at that date, the disposal of investments would not be in the best interest of shareholders of the Company. The Company had therefore requested the SECP to grant an extension of six months to dispose off the investments held under the investment finance services license.

SECP vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

Consequent to the above, the existing operations, assets, liabilities and other balances of the Investment Finance Services have been separately classified as "discontinued operations as held for sale" in accordance with the requirements of International Financial Reporting Standard (IFRS) 5 "Non-current assets held for sale and Discontinued Operations".

The analysis of the results of the discontinued operations are as follows:

	<b>September 30, 2009</b>	September 30, 2008
	----- Rupees -----	
	<b>(Unaudited)</b>	(Unaudited)
<b>11.1 Analysis of the (loss) / profit after tax</b>		
Income	<b>15,176,629</b>	17,480,727
Expenses	<b>20,756,331</b>	26,354,146
Loss before tax	<b>(5,579,702)</b>	(8,873,419)
<b>11.2 Taxation</b>		
Current	-	1,590,544
Deferred	<b>432</b>	287
	<b>432</b>	1,590,831
Loss after taxation	<b>(5,580,134)</b>	(10,464,250)

# JS Investments Limited

		September 30, 2009	June 30, 2009
		----- Rupees -----	
	Notes	(Unaudited)	(Audited)
<b>11.3 Analysis of the assets</b>			
Intangible assets		<b>1,950,000</b>	2,100,000
Investments - available for sale	11.5	<b>396,118,755</b>	336,088,574
Deposits, prepayments and other receivables		<b>14,157,292</b>	17,595,892
Deferred tax asset		<b>142</b>	574
Cash and bank balances	11.3.1	<b>932,848</b>	1,016,536
		<b>413,159,037</b>	356,801,576
<b>11.3.1</b> This includes Rs 0.025 million (June 30, 2009: Rs 0.059) held with JS Bank Limited (a related party).			
<b>11.4 Analysis of liabilities</b>			
Short term borrowing	11.4.1	<b>528,000,000</b>	564,000,000
Accrued markup		<b>4,251,375</b>	2,519,883
Other liabilities		<b>-</b>	43,556
		<b>532,251,375</b>	566,563,439
Unrealised gain / (loss) on investments classified as available for sale - net	11.5	<b>44,187,781</b>	(14,649,090)
		<b>576,439,155</b>	551,914,349

**11.4.1** These represent borrowings from commercial banks and financial institutions. These are repayable over various dates by October 2009. Mark-up rate on these borrowings ranges between 13.25% per annum to 14.81% per annum. This includes Rs. 428 million (June 30, 2009: Rs. 428 million) borrowed from JS Bank Limited (a related party).

## 11.5 Investments - available for sale

	(Unaudited) September 30, 2009		(Audited) June 30, 2009	
	Number of certificates / shares	Rupees	Number of certificates / shares	Rupees
EFU General Insurance Limited	3,900	408,954	3,900	343,551
Pakistan International Container Terminal Limited	942,300	112,725,464	942,300	50,347,089
Escort Investment Bank Limited	3,274,000	11,589,960	3,274,000	13,063,260
Nishat Mills Limited	25,000	1,662,750	25,000	945,500
	-	126,387,128	-	64,699,400
Term finance certificates				
Optimus Limited	25,000	118,242,263	25,000	119,346,975
Pak American Fertilizer Limited	10,000	44,473,300	10,000	43,426,373
United Bank Limited	23,625	107,016,064	23,625	108,615,826
		269,731,627		271,389,174
Investments at market value		396,118,755		336,088,574
Less: cost of investments		(351,930,974)		(461,351,203)
Impairment on investments		-		110,613,539
		(351,930,974)		(350,737,664)
Unrealised gain / (loss) on re-measurement of investments		44,187,781		[14,649,090]

## 12. LOSS PER SHARE

	(Unaudited)					
	Period Ended September 30, 2009			Period Ended September 30, 2008		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	Rupees					
Loss for the period after taxation	(6,431,306)	(5,580,134)	(12,011,440)	(518,677)	(10,464,250)	(10,982,927)
Weighted average number of ordinary shares outstanding during the quarter	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Loss per share	(0.06)	(0.06)	(0.12)	(0.01)	(0.10)	(0.11)

# JS Investments Limited

September 30, 2009      September 30, 2008  
 ----- Rupees -----  
 (Unaudited)      (Unaudited)

## 13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Remuneration from funds under management	96,470,071	140,152,135
Commission from funds under management	646,261	1,068,991
Rental income	1,824,165	1,677,375
Rent expense	1,136,250	175,583
Investments disposed off in funds under management - at cost	24,525,863	151,886,428
Contribution to staff provident fund	1,073,822	1,893,929
Dividend income	1,413,450	2,826,900
Markup expense on borrowing	10,541,576	-

Bonus shares / units      (Number of shares / units)      235,795      995,389

### Transactions with key management personnel

Remuneration to key management personnel	16,730,263	39,359,109
Consultancy fee to Chairman	870,000	870,000
Chief Executive Officer - markup income on long term loan	621,107	554,667

September 30, 2009      June 30, 2009  
 ----- Rupees -----  
 (Unaudited)      (Audited)

## 13.2 Balances:

Investments in funds under management and other related parties	1,404,426,771	1,050,801,416
Investments in subsidiary	37,500,000	37,500,000
Balances due from funds under management	32,175,170	29,687,592
Long-term receivable from funds under management	4,606,044	3,863,798
Short term borrowing	428,000,000	428,000,000
Interest payable on short term borrowing	4,154,415	2,016,870

## 14. CORRESPONDING FIGURES

Corresponding figures relating to the investment finance services business of the Company which were merged with the assets, liabilities, income and expenses of the asset management company at year ended June 30, 2009 have been reclassified as discontinued operation for better presentation in view of the reasons explained in note 11.

## 15. GENERAL

These condensed interim financial statements were authorised for issue on October 23, 2009 by the Board of Directors of the Company.

\_\_\_\_\_  
 Chairman

\_\_\_\_\_  
 Director

Note: As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.



**CONDENSED INTERIM CONSOLIDATED  
FINANCIAL STATEMENTS**



## CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2009

	Note	September 30, 2009 ----- Rupees ----- (Unaudited)	June 30, 2009 ----- (Audited)
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets		372,712,164	383,221,825
Intangible assets		114,740,761	115,926,195
Long-term receivable from related parties - unsecured, considered good		4,606,044	3,863,798
Long-term loans and advances - considered good		15,984,963	16,942,570
		<b>508,043,932</b>	<b>519,954,388</b>
<b>Current assets</b>			
Investments - available for sale	5	1,284,814,320	993,688,006
Loans and advances - considered good		3,146,141	2,005,902
Deposits, prepayments and other receivables		28,232,620	21,373,185
Balances due from funds under management		32,175,170	29,687,592
Taxation recoverable		95,295,597	91,257,345
Cash and bank balances	6	2,326,995	3,159,542
		<b>1,445,990,843</b>	<b>1,141,171,572</b>
Assets relating to the discontinued operations classified as held for sale	11.3	413,159,037	356,801,576
		<b>1,859,149,880</b>	<b>1,497,973,148</b>
<b>Total assets</b>		<b>2,367,193,812</b>	<b>2,017,927,536</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	7	1,000,000,000	1,000,000,000
Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	5.1	304,773,994	(8,770,960)
Statutory reserve		109,873,728	109,873,728
Accumulated loss		(806,066,736)	(797,082,904)
		<b>610,580,986</b>	<b>304,019,864</b>
Surplus on revaluation of fixed assets - net of tax		148,112,479	150,157,687
<b>LIABILITIES</b>			
<b>Non current liabilities</b>			
Securitisation of management fee receivables - debt		466,398,831	511,522,640
Deferred taxation		47,720,833	50,261,567
		<b>514,119,664</b>	<b>561,784,207</b>
<b>Current liabilities</b>			
Current maturity of securitisation of management fee receivables - debt		81,925,415	64,539,121
Running finance		378,903,444	317,691,909
Accrued and other liabilities		40,943,102	53,815,450
Accrued mark-up		16,169,567	14,004,949
		<b>517,941,528</b>	<b>450,051,429</b>
Liabilities and other balances relating to the discontinued operations classified as held for sale	11.4	576,439,155	551,914,349
		<b>1,094,380,683</b>	<b>1,001,965,778</b>
<b>Total liabilities</b>		<b>1,608,500,347</b>	<b>1,563,749,985</b>
<b>Total equity and liabilities</b>		<b>2,367,193,812</b>	<b>2,017,927,536</b>
<b>Contingencies and commitments</b>			
<b>Breakup value</b>	8	6.11	3.04
<b>Breakup value (including surplus on revaluation of fixed assets)</b>		<b>7.59</b>	<b>4.54</b>

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

Chairman

Director

Note: As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.



# JS Investments Limited

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
Note	----- Rupees -----	
<b>INCOME</b>		
Remuneration from funds under management	96,470,071	140,152,135
Commission from open end funds under management	646,261	1,068,991
Gain on sale of investments - net	5,070,826	113,572
Return on bank deposits	88,880	567,548
Unrealised gain on remeasurement of investments at fair value through profit or loss	991,664	350,561
	<b>103,267,702</b>	142,252,807
<b>OPERATING EXPENSES</b>		
Administrative and marketing expenses	79,530,041	95,058,790
<b>OPERATING PROFIT</b>		
Other operating expenses	23,737,661	47,194,017
Financial charges	349,024	300,300
	<b>34,472,980</b>	51,833,139
Other operating income	(11,084,343)	(4,939,422)
	<b>4,996,338</b>	3,732,745
<b>Loss before taxation</b>	<b>(6,088,005)</b>	(1,206,677)
Taxation - Current	1,901,635	540,572
- Deferred	(2,540,734)	(1,575,771)
	<b>(639,099)</b>	(1,035,199)
<b>Loss after taxation from continuing operations</b>	<b>(5,448,906)</b>	(171,478)
<b>OPERATIONS RELATING TO THE DISCONTINUED OPERATIONS CLASSIFIED AS HELD FOR SALE - INVESTMENT FINANCE SERVICES</b>		
Loss after taxation from the discontinued operations	11.1 (5,580,134)	(10,464,250)
<b>Loss for the quarter</b>	<b>(11,029,040)</b>	(10,635,728)
Loss per share for the quarter	12 (0.11)	(0.11)

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

Chairman

Director

Note: As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

## CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

Note	September 30, 2009	September 30, 2008
	----- Rupees -----	
<b>Loss for the period - Continuing operations</b>	<b>(5,448,906)</b>	(171,478)
<b>Loss for the period - Discontinued operations</b>	<b>(5,580,134)</b>	(10,464,250)
<b>Loss for the period</b>	<b>(11,029,040)</b>	(10,635,728)
<b>Other comprehensive income:</b>		
Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	<b>319,298,792</b>	(718,416,663)
Gain realised on disposal of investments	<b>(3,753,838)</b>	(102,089)
	<b>315,544,954</b>	(718,518,752)
Taxation relating to components of other comprehensive income / (loss)	-	-
Other comprehensive income / (loss) after taxation	<b>315,544,954</b>	(718,518,752)
Total Comprehensive Income / (loss)	<b>304,515,914</b>	(729,154,480)
Total comprehensive income / (loss) attributable to:		
Owners of the parent	<b>304,515,914</b>	(729,154,480)
Non - Controlling interests	-	-
	<b>304,515,914</b>	(729,154,480)

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

# JS Investments Limited

## CONDENSED INTERIM CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	September 30, 2009	September 30, 2008
	----- Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the quarter before taxation	(11,667,706)	(10,080,096)
<b>Adjustment for non-cash and other items:</b>		
Remuneration from funds under management	(96,470,071)	(140,152,135)
Commission from open end funds under management	(646,261)	(1,068,991)
Dividend	(1,413,450)	(2,826,900)
Depreciation	10,118,007	8,491,420
Amortisation of intangible assets	1,335,435	1,997,610
Financial charges	54,404,771	75,823,058
Interest / mark-up income	(88,075)	(619,979)
Liabilities no longer required written back	-	(1,858,845)
Loss on disposal of fixed assets	245,614	1,787,810
Unrealised gain on remeasurement of investment at fair value through profit / loss	(991,663)	(350,561)
	<b>(45,173,399)</b>	<b>(68,857,609)</b>
<b>Increase / decrease in assets / liabilities</b>		
Loans and advances	(1,140,239)	(2,344,770)
Long term loans and advances	957,607	1,729,431
Long-term receivable from related parties	(1,050,000)	(112,500)
Deposits, prepayments and other receivables	15,684,741	27,415,429
Accrued and other liabilities	(12,894,657)	(8,069,582)
	<b>1,557,452</b>	<b>18,618,008</b>
	<b>(43,615,947)</b>	<b>(50,239,601)</b>
Taxes paid	(5,939,887)	(9,998,965)
Bonus paid	-	(35,841,155)
Financial charges paid	(49,787,471)	(94,431,476)
Remuneration and commission received from funds under management	94,628,755	158,152,831
<b>Net cash outflow on operating activities</b>	<b>(4,714,550)</b>	<b>(32,358,366)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments - net	24,216,993	90,566,788
Fixed capital expenditure incurred	(447,929)	(2,901,264)
Return on bank deposits	88,075	619,979
Proceeds from disposal of fixed assets	593,886	118,940
<b>Net cash inflow from investing activities</b>	<b>24,451,025</b>	<b>88,404,443</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of principal amount relating to the securitised management fee	(45,845,000)	(45,845,000)
Dividend paid	(19,245)	(8,443,754)
Short term borrowing	(36,000,000)	907,500,000
<b>Net cash (outflow) / inflow on financing activities</b>	<b>(81,864,245)</b>	<b>853,211,246</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(62,127,770)</b>	<b>909,257,323</b>
Cash and cash equivalents at beginning of the year	<b>(313,515,831)</b>	<b>(930,789,736)</b>
<b>Cash and cash equivalents at end of the quarter</b>	<b>(375,643,601)</b>	<b>(21,532,413)</b>

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

Chairman

Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

	Share capital	Accumulated Profit / (Loss)	Statutory reserve	Unrealised gain / (loss) on remeasurement of available for sale investments to fair value - net	Total Equity	Surplus on revaluation of fixed assets - net of tax
-----Amount in Rupees-----						
<b>Balance as at June 30, 2008</b>	1,000,000,000	1,017,296,464	109,873,728	(204,057,068)	1,923,113,124	42,270,935
Total Comprehensive income / (loss)	-	(10,635,728)	-	(718,518,752)	(729,154,480)	-
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	657,946	-	-	657,946	(657,946)
Final dividend for the year ended June 30, 2008	-	(100,000,000)	-	-	(100,000,000)	-
<b>Balance as at September 30, 2008</b>	1,000,000,000	907,318,682	109,873,728	(922,575,820)	1,094,616,590	41,612,989
<b>Balance as at June 30, 2009</b>	1,000,000,000	(797,082,904)	109,873,728	(8,770,960)	304,019,864	150,157,687
Total Comprehensive income / (loss)	-	(11,029,040)	-	315,544,954	304,515,914	-
Transferred from surplus on revaluation of fixed assets to accumulated profit	-	2,045,208	-	-	2,045,208	(2,045,208)
<b>Balance as at September 30, 2009</b>	1,000,000,000	(806,066,736)	109,873,728	306,773,994	610,580,986	148,112,479

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

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

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

FOR THE QUARTER ENDED SEPTEMBER 30, 2009

### 1. THE GROUP AND ITS OPERATIONS

**The group consists of:**

Holding company  
- JS Investments Limited

**"Percentage holding of  
JS Investments Limited"**

**Subsidiary company**

- JS ABAMCO Commodities limited

\*99.99%

\* The remaining shares of the subsidiary company are held by the directors of the subsidiary company.

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

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

The Company has obtained the licence of an "Investment Adviser" and "Asset Management Company" (AMC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In addition, the Company has also obtained registration to act as Pension Fund Manager under the Voluntary Pension System Rules, 2005. The asset manager rating of the Company is AM2+ as rated by Pakistan Credit Rating Agency (PACRA).

As per the NBFC Regulations, all Asset Management Companies were required to separate their Investment Finance Services (IFS) operations by November 30, 2008. In the light of this requirement, the Board of Directors of the Company in its meeting held on July 9, 2008 decided to transfer the existing operations of investment finance services to a subsidiary company proposed to be incorporated for undertaking the business of investment finance services.

However, the Board of Directors of the Company in its meeting held on February 26, 2009 decided to defer the incorporation of a subsidiary for investment finance services till such time the market conditions became conducive. Accordingly, the Company applied to the SECP for a further extension of six months for the incorporation of the said subsidiary on March 9, 2009.

Subsequently, on June 23, 2009, the Company had informed SECP explaining that the company had decided to wind down the existing investments, however in light of the depressed market conditions, prevailing at that date, the disposal of investments would not be in the best interest of shareholders of the Company. The Company had therefore requested the SECP to grant an extension of six months to dispose off the investments held under the investment finance services license.

SECP vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

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

Asset management company of the following funds:

#### **Closed-End**

- JS Large Cap Fund (formerly UTP Large Cap Fund)
- JS Growth Fund
- JS Value Fund Limited

#### **Open-End**

- Unit Trust of Pakistan
- JS Income Fund
- UTP - Islamic Fund
- JS Aggressive Asset Allocation Fund
- JS Fund of Funds
- UTP - A30+ Fund
- JS Capital Protected Fund
- JS Capital Protected Fund IV
- JS Aggressive Income Fund
- JS Principal Secure Fund I

Pension fund manager of the following funds:

- JS Pension Savings Fund
- JS Islamic Pension Savings Fund

## **2. STATEMENT OF COMPLIANCE**

These condensed interim consolidated financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2007 (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 disclosures made in these condensed interim consolidated financial statements have, however, been limited based on the requirements of International Accounting Standard (IAS) 34: "Interim Financial Reporting".

### 3. ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2009.

	September 30, 2009	June 30, 2009
	----- Rupees -----	
	(Unaudited)	(Audited)
<b>4. FIXED ASSETS</b>		
<b>4.1 Tangible fixed assets</b>		
The following additions were made to tangible fixed assets during the quarter / year:		
Branch set-up	748,400	-
Furniture and fixtures	-	325,900
Office equipment	-	4,490,190
	<u>748,400</u>	<u>4,816,090</u>
The following disposals (net of book value) of tangible fixed assets were made during the quarter / year:		
Branch set-up	839,500	5,031,435
Furniture and fixtures	-	1,466,007
Office equipment	-	447,151
	<u>839,500</u>	<u>6,944,593</u>
<b>4.2 Intangible assets</b>		
The following additions were made to intangible assets during the quarter / year:		
Computer software	-	77,000
<b>4.3 Capital work-in-progress - at cost</b>		
<b>Advance to suppliers against</b>		
Acquisition of furniture & fixtures	-	700,000
Acquisition of office & computer equipment	399,529	-
	<u>399,529</u>	<u>700,000</u>

		September 30, 2009	June 30, 2009
		----- Rupees -----	
		(Unaudited)	(Audited)
<b>5. INVESTMENTS</b>			
Available for sale	5.1	<b>1,246,819,053</b>	956,684,403
At fair value through profit or loss account	5.2	<b>37,995,267</b>	37,003,603
		<b>1,284,814,320</b>	993,688,006

**5.1 INVESTMENTS - available for sale**
**Investments in certificates / units / shares - at fair value**

	(Unaudited) September 30, 2009		(Audited) June 30, 2009	
	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	135,873,629	21,498,992	95,670,514
JS Large Cap Fund (formerly UTP Large Cap Fund)	65,810,000	375,117,000	65,810,000	204,669,100
JS Growth Fund	36,086,812	180,434,060	36,086,812	137,851,622
JS Pension Savings Fund - Equity	300,000	23,190,000	300,000	18,471,000
JS Pension Savings Fund - Debt	300,000	37,812,000	300,000	36,885,000
JS Pension Savings Fund - Money Market	300,000	36,081,000	300,000	35,097,000
JS Fund of Funds	1,885,257	186,508,447	1,885,257	143,939,350
JS Capital Protected Fund	133,830	13,953,107	130,000	13,218,400
JS Capital Protected Fund II	-	-	266,000	27,818,280
JS Capital Protected Fund IV	1,022,447	103,727,288	1,017,422	98,303,275
JS Islamic Pension Savings Fund - Equity	300,000	34,836,000	300,000	27,255,000
JS Islamic Pension Savings Fund - Debt	300,000	34,551,000	300,000	33,507,000
JS Islamic Pension Savings Fund - Money Market	300,000	32,565,000	300,000	32,019,000
JS Aggressive Income Fund	501,736	52,170,522	501,736	51,979,862
		<b>1,246,819,053</b>		956,684,403
Less: Cost of investments		(940,045,059)		(2,168,935,800)
Impairment on investments		-		1,203,480,437
		<b>(940,045,059)</b>		(965,455,363)
Unrealised gain / (loss) on re-measurement of investments		<b>306,773,994</b>		(8,770,960)

**5.2 At fair value through profit or loss account**

	September 30, 2009		June 30, 2009	
	Number of units	Rupees	Number of units	Rupees
<b>JS Income Fund - fund under management</b>				
Investment at market value	368,707	37,995,267	352,886	37,003,603
Less: Carrying value of investments		(37,003,603)		(33,653,102)
Unrealised gain on re-measurement of investments		<b>991,664</b>		3,350,501



# JS Investments Limited

		September 30, 2009	June 30, 2009
	Note	----- Rupees -----	
		(Unaudited)	(Audited)
<b>6. CASH AND BANK BALANCES</b>			
Cash in hand		65,926	75,191
Balance with banks:			
In current account		120,978	974,310
In savings accounts	6.1	2,140,091	2,110,041
		<b>2,261,069</b>	3,084,351
		<b>2,326,995</b>	3,159,542

**6.1** This includes Rs 0.073 million (2009: Rs 0.055 million) held with JS Bank Limited (a related party).

## 7. SHARE CAPITAL

September 30, 2009	June 30, 2009		September 30, 2009	June 30, 2009
(Unaudited)	(Audited)		(Unaudited)	(Audited)
Number of shares			----- Rupees -----	
		<b>Authorised</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
<b>250,000,000</b>	<b>250,000,000</b>		<b>2,500,000,000</b>	<b>2,500,000,000</b>
		<b>Issued, subscribed and paid-up capital</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
<b>100,000,000</b>	<b>100,000,000</b>		<b>1,000,000,000</b>	<b>1,000,000,000</b>

At September 30, 2009 Jahangir Siddiqui & Company Limited, the holding company, held 52.024 million (June 30 2009: 52.024 million) ordinary shares of Rs. 10 each of the company.

## 8. CONTINGENCIES & COMMITMENTS

### 8.1 Contingencies

During the year 2009 an amended assessment order was passed against the Company for the tax year 2006, raising a further tax demand of Rs. 134 million on account of taxability of a portion of capital gain in dividend received from Mutual Funds, allocation of expenses and disallowance of certain expenses. No provision has been made against this tax demand in these financial statements as the company is contesting the order before the appellate forums as well as the 'Dispute Resolution Committee' and management is confident about a favourable outcome.

	<b>September 30, 2009</b>	June 30, 2009
	----- Rupees ----- (Unaudited)	(Audited)
<b>8.2 Commitments in respect of:</b>		
Capital expenditure contracted but not incurred	<b>104,170</b>	350,000
Royalty and advisory payments	<b>10,000,000</b>	10,000,000
Asset acquired under operating lease	-	1,920,000

**8.3** The Company has given guarantee to the seed capital investors of JS Aggressive Income Fund for the lock-in-period of 2 years from the respective date of issuance seed capital ranging from November 6, 2007 to November 28, 2009. The initial investment amount of Rs 50.3 million and a minimum return thereon of eight percent (8%) per annum is covered under the above guarantee.

# JS Investments Limited

## 9. SEGMENT INFORMATION

Note	-----Unaudited-----							
	Asset management & investment advisory services		Investment finance services		Commodity operations		Total	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	Rupees							
<b>INCOME</b>								
Remuneration from the funds under management	96,470,071	140,152,135	-	-	-	-	96,470,071	140,152,135
Commission from open end funds under management	646,261	1,068,991	-	-	-	-	646,261	1,068,991
Dividend	-	-	1,413,450	2,826,900	-	-	1,413,450	2,826,900
Gain on sale of investments - net	5,070,826	113,572	-	1,512,467	-	-	5,070,826	1,626,039
Mark-up on term finance certificates	-	-	10,902,745	10,340,279	-	-	10,902,745	10,340,279
Mark up on letter of placement	-	-	-	742,482	-	-	-	742,482
Markup on commercial papers	-	-	-	1,950,593	-	-	-	1,950,593
Return on bank deposits	86,604	557,160	1,470	62,819	2,276	10,388	90,350	630,367
Amortisation of discount	-	-	1,226,937	-	-	-	1,226,937	-
Commission income and share of profit from management of discretionary client portfolios	-	-	1,632,027	45,187	-	-	1,632,027	45,187
Unrealized gain on remeasurement of investments	-	-	-	-	991,664	350,561	991,664	350,561
	102,273,762	141,891,858	15,176,629	17,480,727	993,940	360,949	118,444,331	159,733,534
<b>OPERATING EXPENSES</b>								
Administrative expenses	79,518,501	95,045,040	824,540	2,364,227	11,540	13,750	80,354,581	97,423,017
Other operating expenses	349,024	300,300	-	-	-	-	349,024	300,300
Financial charges	34,472,980	51,833,139	19,931,791	23,989,919	-	-	54,404,771	75,823,058
Other operating income	4,996,338	3,732,745	-	-	-	-	4,996,338	3,732,745
<b>Segment results</b>	(7,070,405)	(1,553,876)	(5,579,702)	(8,873,419)	982,400	347,199	(11,667,707)	(10,080,094)

	-----Unaudited-----							
	Asset management & investment advisory services		Investment finance services		Commodity operations		Total	
	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
	Rupees							
Segment assets	1,912,425,155	1,620,500,740	413,159,037	356,801,576	41,609,620	40,625,220	2,367,193,812	2,017,927,536
Segment liabilities	1,031,979,193	1,011,755,636	576,439,155	551,914,349	82,000	80,000	1,608,500,348	1,563,749,983

	-----Unaudited-----							
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
	Rupees							
Fixed capital expenditure	748,400	2,466,595	-	-	-	-	748,400	2,466,595
Depreciation / amortisation	11,303,442	10,339,030	150,000	150,000	-	-	11,453,442	10,489,030

## 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 two (September 30, 2008: 4) discretionary client portfolios. The total cost and total market value of the unsettled client portfolios as at September 30, 2009 was Rs. 40.053 million (September 30, 2008: 779.481 million) and Rs. 40.277 million (September 30, 2008: 757.841 million) respectively.

## 11. OPERATIONS RELATING TO THE DISCONTINUED OPERATIONS - INVESTMENT FINANCE SERVICES

As mentioned in note 1.1 to these financial statements, NBFC Regulations required all Asset Management Companies to separate their Investment Finance Services (IFS) operations by November 30, 2008. In the light of this requirement, the Board of Directors of the Company in its meeting held on July 9, 2008 decided to transfer the existing operations of investment finance services to a subsidiary company proposed to be incorporated for undertaking the business of investment finance services.

However, the Board of Directors of the Company in its meeting held on February 26, 2009 decided to defer the incorporation of a subsidiary for investment finance services till such time the market conditions became conducive. Accordingly, the Company applied to the SECP for a further extension of six months for the incorporation of the said subsidiary on March 9, 2009.

Subsequently, on June 23, 2009, the Company had informed SECP explaining that the company had decided to wind down the existing investments, however in light of the depressed market conditions, prevailing at that date, the disposal of investments would not be in the best interest of shareholders of the Company. The Company had therefore requested the SECP to grant an extension of six months to dispose off the investments held under the investment finance services license.

SECP vide its letters dated September 2, 2009 and September 18, 2009 had confirmed the cancellation of license w.e.f. June 30, 2009 and has instructed the Company to wind down the existing investments held under IFS license upto February 28, 2010.

Consequent to the above, the existing operations, assets, liabilities and other balances of the Investment Finance Services have been separately classified as "discontinued operations as held for sale" in accordance with the requirements of International Financial Reporting Standard (IFRS) 5 "Non-current assets held for sale and Discontinued Operations".

The analysis of the results of the discontinued operations are as follows:

	<b>September 30, 2009</b>	September 30, 2008
	----- Rupees -----	
	<b>(Unaudited)</b>	(Unaudited)
<b>11.1 Analysis of the (loss) / profit after tax</b>		
Income	<b>15,176,629</b>	17,480,727
Expenses	<b>20,756,331</b>	26,354,146
Loss before tax	<b>(5,579,702)</b>	(8,873,419)
<b>11.2 Taxation</b>		
Current	-	1,590,544
Deferred	<b>432</b>	287
	<b>432</b>	1,590,831
Loss after taxation	<b>(5,580,134)</b>	(10,464,250)

# JS Investments Limited

		September 30, 2009	June 30, 2009
		----- Rupees -----	
	Notes	(Unaudited)	(Audited)
<b>11.3 Analysis of the assets</b>			
Intangible assets		<b>1,950,000</b>	2,100,000
Investments - available for sale	11.5	<b>396,118,755</b>	336,088,574
Deposits, prepayments and other receivables		<b>14,157,292</b>	17,595,892
Deferred tax asset		<b>142</b>	574
Cash and bank balances	11.3.1	<b>932,848</b>	1,016,536
		<b>413,159,037</b>	356,801,576
<b>11.3.1</b> This includes Rs 0.025 million (June 30, 2009: Rs 0.059) held with JS Bank Limited (a related party).			
<b>11.4 Analysis of liabilities</b>			
Short term borrowing	11.4.1	<b>528,000,000</b>	564,000,000
Accrued markup		<b>4,251,375</b>	2,519,883
Other liabilities		<b>-</b>	43,556
		<b>532,251,375</b>	566,563,439
Unrealised gain / (loss) on investments classified as available for sale - net	11.5	<b>44,187,781</b>	(14,649,090)
		<b>576,439,155</b>	551,914,349

**11.4.1** These represent borrowings from commercial banks and financial institutions. These are repayable over various dates by October 2009. Mark-up rate on these borrowings ranges between 13.25% per annum to 14.81% per annum. This includes Rs. 428 million (June 30, 2009: Rs. 428 million) borrowed from JS Bank Limited (a related party).

## 11.5 Investments - available for sale

	(Unaudited) September 30, 2009		(Audited) June 30, 2009	
	Number of certificates / shares	Rupees	Number of certificates / shares	Rupees
EFU General Insurance Limited	3,900	408,954	3,900	343,551
Pakistan International Container Terminal Limited	942,300	112,725,464	942,300	50,347,089
Escort Investment Bank Limited	3,274,000	11,589,960	3,274,000	13,063,260
Nishat Mills Limited	25,000	1,662,750	25,000	945,500
	-	126,387,128	-	64,699,400
Term finance certificates				
Optimus Limited	25,000	118,242,263	25,000	119,346,975
Pak American Fertilizer Limited	10,000	44,473,300	10,000	43,426,373
United Bank Limited	23,625	107,016,064	23,625	108,615,826
		269,731,627		271,389,174
Investments at market value		396,118,755		336,088,574
Less: cost of investments		(351,930,974)		(461,351,203)
Impairment on investments		-		110,613,539
		(351,930,974)		(350,737,664)
Unrealised gain / (loss) on re-measurement of investments		44,187,781		[14,649,090]

## 12. LOSS PER SHARE

	(Unaudited)					
	Period Ended September 30, 2009			Period Ended September 30, 2008		
	Continuing Operations	Discontinued Operations	Total	Continuing Operations	Discontinued Operations	Total
	Rupees					
Net loss for the quarter after taxation	(5,448,906)	(5,580,134)	(11,029,040)	(171,478)	(10,464,250)	(10,635,728)
Weighted average number of ordinary shares outstanding during the quarter	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Loss per share	(0.05)	(0.06)	(0.11)	(0.00)	(0.10)	(0.11)

# JS Investments Limited

September 30,      September 30,  
2009                      2008  
----- Rupees -----  
(Unaudited)              (Unaudited)

## 13. TRANSACTIONS AND BALANCES WITH RELATED PARTIES

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

Remuneration from funds under management	<b>96,470,071</b>	140,152,135
Commission from funds under management	<b>646,261</b>	1,068,991
Rental income	<b>1,824,165</b>	1,677,375
Rent expense	<b>1,136,250</b>	175,583
Investments disposed off in funds under management - at cost	<b>24,525,863</b>	151,886,428
Contribution to staff provident fund	<b>1,073,822</b>	1,893,929
Dividend income	<b>1,413,450</b>	2,826,900
Markup expense on borrowing	<b>10,541,576</b>	-

Bonus shares / units	(Number of shares / units)	<b>235,795</b>	995,389
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### Transactions with key management personnel

Remuneration to key management personnel	<b>16,730,263</b>	39,359,109
Consultancy fee to Chairman	<b>870,000</b>	870,000
Chief Executive Officer - markup income on long term loan	<b>621,107</b>	554,667

September 30,      June 30,  
2009                      2009  
----- Rupees -----  
(Unaudited)              (Audited)

## 13.2 Balances:

Investments in funds under management and other related parties	<b>1,442,422,038</b>	1,087,805,019
Balances due from funds under management	<b>32,175,170</b>	29,687,592
Long-term receivable from funds under management	<b>4,606,044</b>	3,863,798
Short term borrowing	<b>428,000,000</b>	428,000,000
Interest payable on short term borrowing	<b>4,154,415</b>	2,016,870

## 14. CORRESPONDING FIGURES

Corresponding figures relating to the investment finance services business of the Company which were merged with the assets, liabilities, income and expenses of the asset management company at year ended June 30, 2009 have been reclassified as discontinued operation for better presentation in view of the reasons explained in note 11.

## 15. GENERAL

These condensed interim consolidated financial statements were authorised for issue on October 23, 2009 by the Board of Directors of the Company.

\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Director

**Note:** As the Chief Executive Officer is outside Pakistan the financial statements have been signed by the Chairman and a Director.

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