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Abbreviations

BBF	BSJS Balanced Fund Limited
CDC	Central Depository Company of Pakistan Limited
CFSL	Confidence Financial Services Limited
CMFL	Confidence Mutual Fund Limited
COIC	Citibank Overseas Investment Corporation Limited
COIs	Certificate of Investments
DCIT	Deputy Commissioner of Income Tax
DSCs	Defence Saving Certificates
FEBC	Foreign Exchanges Bearer Certificates
FIB	Federal Investment Bonds
FRSH	Ford Rhodes Sidat Hyder & Co.
IASC	International Accounting Standards Committee
IPO	Initial Public Offering
ITAT	Income Tax Appellate Tribunal
ITO	Income Tax Officer
JSCCL	Jahangir Siddiqui & Company Limited
JSCML	Jahangir Siddiqui Capital Markets (Private) Limited
JSIBL	Jahangir Siddiqui Investment Bank Limited
JSSSL	Jahangir Siddiqui Securities Services Limited
KSE	Karachi Stock Exchange (Guarantee) Limited
MROR	Market Rate of Return
NBFIs	Non Banking Financial Institutions
NBFC	Non Banking Finance Company
NIT	National Investment Trust
NSS	National Savings Schemes
PACRA	The Pakistan Credit Rating Agency (Pvt.) Limited
PC	Privatisation Commission
PIB	Pakistan Investment Bonds
PIPO	Pre-Initial Public Offer
SBP	State Bank Of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SIC	Standing Interpretation Committee
TIFA	Trade and Investment Framework Agreement
TFCs	Term Finance Certificates
TTL	Technology Trade (Private) Limited
UTP	Unit Trust of Pakistan

Company Information

Board of Directors

Mr. Mazhar ul Haq Siddiqui
(Chairman)

Mr. Munaf Ibrahim
(Chief Executive)

Chief Justice (R) Mahboob Ahmed
(Director)

Mr. Syed Nizam A. Shah
(Director)

Mr. Khalid M. Bhaimia
(Director)

Mr. Nauzer Aspi Dinshaw
(Director)

Mr. Ali Jehangir Siddiqui
(Director)

Mr. Shezi Nackvi
(Director)

Mr. Ali Raza Siddiqui
(Director)

Audit Committee

Mr. Syed Nizam Ahmed Shah
(Chairman)

Mr. Khalid M. Bhaimia
(Member)

Mr. Ali Jehangir Siddiqui
(Member)

Mr. Wajahat Kazmi
(Secretary)

Company Secretary

Mr. Sarfaraz Ahmed Khanani

Auditors

Taseer Hadi Khalid & Co.

Legal Advisors

Bawaney & Partners

Share Registrar

Technology Trade (Pvt.) Limited
1st Floor, Westland Trade Centre
Opp. Fly Over Shaheed-e-Millat Road
Karachi-75350

Registered Office

14th Floor, Chapal Plaza
Hasrat Mohani Road
Karachi-74000

Web Site

js.com

Financial Highlights

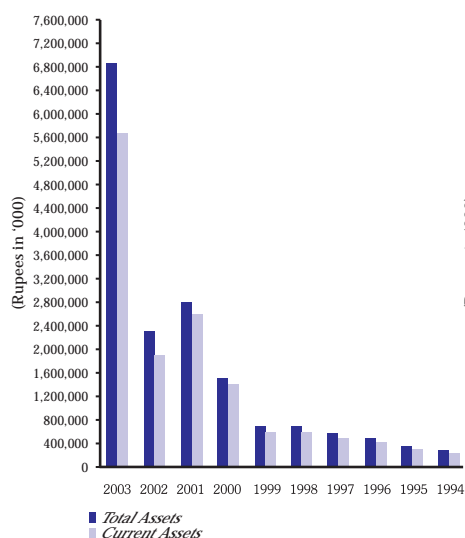
(Rupees in '000)
except as indicated

		2003*	2002*	2001*	2000*
Operating results	Revenue	760,759	301,998	264,765	235,522
	Operating Expenses	283,182	136,088	158,867	136,688
	Financial Expenses	107,266	133,610	154,553	82,598
	Other Income	127,155	100,937	246,230	64,896
	Profit before tax	705,149	167,020	219,097	85,168
	Profit after tax**	550,975	133,739	176,517	82,600
Per ordinary share (Rupees)	Earnings per share**	22.04	6.24	8.65	4.05
	Breakup value Per Share	78.79	38.07	34.87	44.27
Payouts (%)	Cash	15.00	22.00	33.00	28.00
	Bonus Shares	-	-	20.00	25.00
Assets & Liabilities	Total Assets	6,872,430	2,280,797	2,794,896	1,493,289
	Current Assets	5,657,732	1,923,955	2,582,403	1,397,460
	Current Liabilities	3,858,721	1,108,703	1,898,733	777,639
Shareholders Funds	Shareholders' equity	1,969,819	951,713	711,258	602,061
	Share Capital	250,000	250,000	204,000	136,000
	Reserves	1,719,819	701,713	507,258	466,061
	Shares outstanding ('000)	25,000	25,000	20,400	13,600
Ratios	Return On Capital Employed (%)	27.97	14.05	24.82	13.75
	Return On Total Assets (%)	8.02	6.86	6.32	5.53
	Current Ratio	1.46	1.74	1.36	1.80
	Interest Cover Ratio	6.14	2.00	2.14	2.00
	Price Earning Ratio	3.27	4.09	3.94	8.64

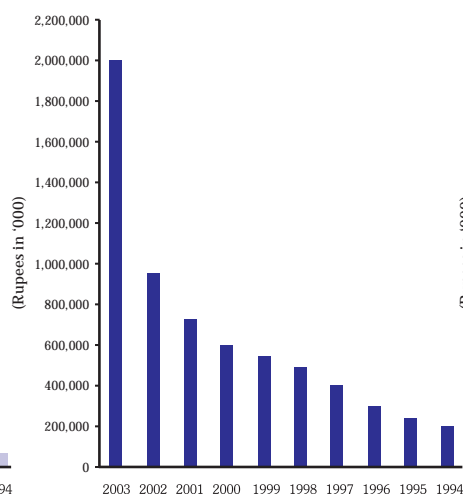
* number based on consolidated accounts

** excluding minority interest

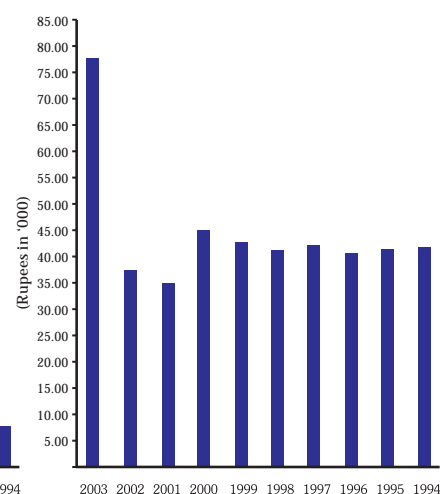
Total Assets and Current Assets



Shareholders' Equity



Breakup value per share



Financial Highlights

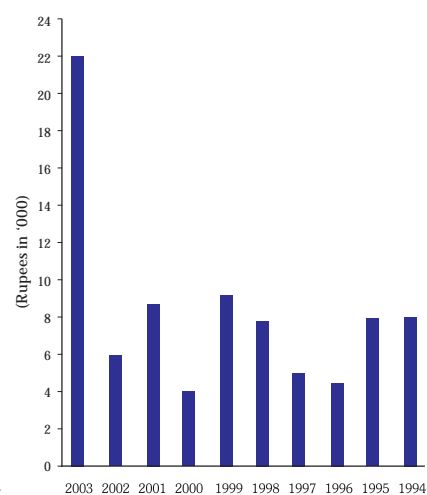
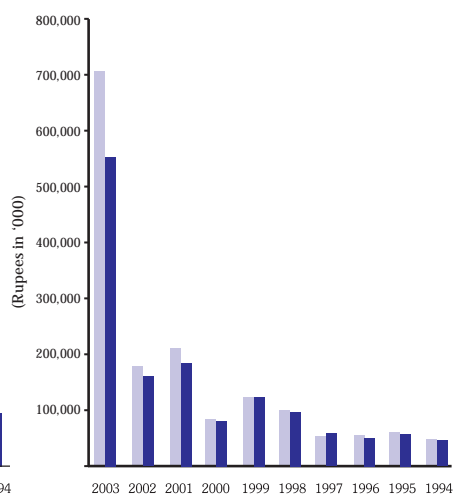
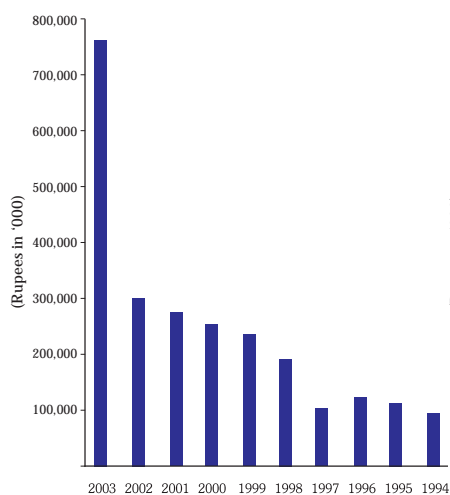
(Rupees in '000)
except as indicated

	1999	1998	1997	1996	1995	1994
	220,276	189,873	114,635	124,445	106,509	75,794
	120,244	121,677	86,003	76,142	52,965	36,969
	30,289	30,229	15,273	7,669	3,210	899
	62,864	60,463	37,107	11,503	7,422	4,166
	124,343	100,933	50,533	49,583	57,740	42,092
	124,236	100,023	52,773	47,397	50,047	40,446
	9.14	7.80	5.27	4.74	8.01	8.09
	41.00	36.86	39.74	35.06	38.02	38.27
	50.00	47.50	6.00	28.00	6.00	6.00
	-	-	20.00	-	25.00	25.00
	729,934	731,434	530,742	437,125	273,464	220,138
	648,274	647,809	435,472	351,010	208,697	188,238
	165,353	223,188	130,397	82,469	31,988	26,718
	557,541	501,305	397,402	350,629	237,607	191,310
	136,000	136,000	100,000	100,000	62,500	49,994
	421,541	365,305	297,402	250,629	175,107	141,320
	13,600	13,600	10,000	10,000	6,250	4,999
	22.28	19.95	13.28	13.52	21.06	21.14
	17.02	13.67	9.94	10.84	18.30	18.37
	3.92	2.90	3.34	4.26	6.52	7.05
	5.10	4.31	4.46	7.18	16.59	45.99
	3.28	3.85	6.28	6.73	6.12	10.38

Revenue

Profit Before Tax and Profit After Tax

*Earnings per share
(excluding minority interest)*



■ Profit Before Tax
■ Profit After Tax

Notice of Meeting

Notice is hereby given that the Twelfth Annual General Meeting of Jahangir Siddiqui & Company Limited will be held at Beach Luxury Hotel, Karachi on Saturday, November, 29, 2003 at 9:00 a.m. to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on October 26, 2002.
2. To receive and consider the audited financial statements of the Company for the year ended June 30, 2003 together with the Directors' and Auditors' report thereon.
3. To appoint the auditors for the ensuing year and fix their remuneration. Messers. Taseer Hadi Khalid & Co, Chartered Accountants, retire and offer themselves for reappointment.
4. To approve 15% cash dividend to those shareholders whose names appear as members on the Register of Members of the Company on the closing of November 21, 2003 as recommended by the Board of Directors of the Company.

Special Business

5. To consider and if thought fit to pass the following resolutions as Special Resolutions:

Resolved that the approval of the shareholders be and is hereby accorded:

- a) "Resolved, as Special Resolution, that the amount of Rs. 200,000,000 be and is hereby approved for investments in ABAMCO Limited by way of granting secured / unsecured loan and / or subscription of Right Shares, Preference Shares, Redeemable Preference Shares, Convertible Preference Shares, Secured / Unsecured Term Finance Certificates, etc., which may be issued by ABAMCO Limited."
- b) "Resolved, as Special Resolution, that out of the total amount of Rs. 196,000,000 that was approved for investment in Jahangir Siddiqui Investment Bank Limited ("JSIBL") at the Tenth Annual General Meeting of the Company (the actual investment made in March 2002 by way of subscription of right shares being Rs. 27,300,000) i.e. an aggregate approved amount of Rs. 168,700,000 (Rupees One Hundred Sixty Eight Million Seven Hundred Thousand only), which has remained uninvested and Rs. 200,000,000 in addition to the above, be and is hereby approved for investments in BSJS Balanced Fund Limited and / or JSIBL by way of purchase of shares directly from the market and / or subscription of Right Shares, Preference Shares,

Redeemable Preference Shares, Convertible Preference Shares, Secured / Unsecured Term Finance Certificates, etc., which may be issued by BSJS Balanced Fund Limited and / or JSIBL."

- c) "Resolved, as Special Resolution, that the amount of up to Rs. 500,000,000 be and is hereby approved for investments in Jahangir Siddiqui Capital Markets (Pvt) Limited by way of granting secured / unsecured loan and / or subscription of Right Shares, Preference Shares, Redeemable Preference Shares, Convertible Preference Shares, Secured / Unsecured Term Finance Certificates, etc., which may be issued by Jahangir Siddiqui Capital Markets (Pvt) Limited."

6. Any other business with the permission of the Chair.

Karachi: November 8, 2003

By order of the Board
Sarfaraz Ahmed Khanani
Company Secretary

- (i) Share transfer books of the Company will remain closed from November 22, 2003 to November 29, 2003 (both days inclusive) for determining the entitlement to the final dividend as declared by the Board of Directors.
- (ii) A member of the Company entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her.
- (iii) Proxies must be received at the Head Office of the Company not less than 48 hours before the time of the meeting.
- (iv) Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan (CDC) and / or their proxies are required to produce their original National Identity Card (NIC) or passport for identification purpose at the time of attending the meeting. The form of the proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and NIC numbers must be mentioned on the form, along with attested copies of the NIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
- (v) Shareholders are requested to notify immediately of any change in their address.

Notice of Meeting

- (vi) Statement under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to all the members.

Statement under Section 160(1)(b) of the Companies Ordinance, 1984

The Company is a public Limited Company with an equity base of over Rs. 1,643 million as of June 30, 2003. The Company has received a long term credit rating of AA ("Double A") and short term rating of A1+ ("A one plus") by Pakistan Credit Rating Agency (Private) Limited. The brokerage business, corporate finance and related activities are now being carried out through its wholly owned subsidiary Jahangir Siddiqui Capital Markets (Pvt.) Limited (JSCM).

1. ABAMCO Limited ("ABAMCO") is a subsidiary company in which the Company presently holds 53.74% of the equity. ABAMCO Limited is the asset management company of the Unit Trust of Pakistan, the country's first open-end mutual fund in the private sector, the BSJS Balanced Fund Limited, a closed end mutual fund, UTP-Islamic Fund, Pakistan's first Shariah Compliant mutual fund, UTP-Income Fund and have the management rights of Lot A ICP mutual funds. It is anticipated that with the expansion of business, ABAMCO Limited would be required to issue right shares. JSCL, being the parent company, would also be required to subscribe to the expected rights issue. Further, the Company intends to acquire equity interests in companies and projects offered for privatization from time to time, which the Board may consider feasible and attractive and in the interest of the Company and its shareholders.
2. Jahangir Siddiqui Investment Bank Limited ("JSIBL") is a subsidiary company in which the Company holds 62.41% of the equity. Approval was accorded by the Shareholders at the Tenth Annual General Meeting of the Company held on November 24, 2001, for investment of Rs. 196,000,000 in JSIBL by subscribing to right shares, Preference Shares, Redeemable Preference Shares, Term Finance Certificates. Out of this approved amount of Rs. 196,000,000 the Company has made an investment of Rs. 27,300,000 by subscribing to right shares of JSIBL and the balance approved amount of Rs. 168,700,000 is available for investment in associated companies / undertakings.
3. BSJS Balanced Fund Limited ("BBFL") is a closed end mutual fund, managed by ABAMCO Limited. The BBFL has announced 200 percent right shares. JSCL would be required to subscribe to the rights issue. Further, the Company intends to underwrite the right issue of BBFL. Therefore, in case the public shareholders do not subscribe to the right shares in full, the Company may be required to take up the unsubscribed right shares.
4. Jahangir Siddiqui Capital Markets (Pvt.) Ltd. (formerly JSCL Direct (Pvt.) Ltd) was incorporated under the Companies Ordinance 1984, on June 28, 2000. The principal activities of the company are share brokerage, money market brokerage, corporate finance advisory services, and underwriting etc. The company has started its operations from September 2003.
5. Hence, approval of the Shareholders is sought for making further investment of Rs. 200,000,000 in ABAMCO Limited, Rs. 200,000,000 in BSJS Balanced Fund Limited and / or Jahangir Siddiqui Investment Bank Limited and Rs. 500,000,000 in Jahangir Siddiqui Capital Markets (Pvt) Limited. No prejudice shall be caused to any Shareholders or Creditors, but on the contrary, the proposed investments would be in the best interest of the shareholders as the Company's funds would be mobilized adequately and feasibly.

Notice of Meeting

S. No.	Description	Information Required	Information Required	Information Required
1	Name of Investee Company	ABAMCO Limited	Jahangir Siddiqui Investment Bank Limited	BSJS Balanced Fund Limited
2	Nature, amount and extent of Investment	Long term - up to Rs. 200 million by way of subscription of right shares, preference shares, redeemable preference certificates which may be issued by ABAMCO Limited.	Long term - up to Rs. 218.700 million by way of purchase of shares directly from the market or by way of subscription of right shares, preference shares, redeemable preference shares, term finance certificates which may be issued by Jahangir Siddiqui Investment Bank Limited.	Long term - up to Rs. 150 million by way of purchase of shares directly from the market or by way of subscription of right shares, preference shares, redeemable preference shares, term finance certificates which may be issued by BSJS Balanced Fund Limited.
3	Average market price of the shares intended to be purchased of last three years	N/A	Rs. 11.56	Rs. 10.03
4	Break up value of shares as at June 30, 2003	Rs. 17.00	Rs.23.78	Rs. 19.47
5	Price at which shares will be purchased	Price at which the right shares will be issued	Not more than the price quoted at the Stock Exchange	Not more than the price quoted at the Stock Exchange
6	Earnings per share of investee company in last three years	June 30, 2003 Rs. 2.39 June 30, 2002 Rs. 0.87 June 30, 2001 Rs. 2.41 June 30, 2000 Rs. 1.17	June 30, 2003 Rs. 9.21 June 30, 2002 Rs. 0.56 June 30, 2001 Rs. 2.47 June 30, 2000 Rs. 1.10	June 30, 2003 Rs. 8.61 June 30, 2002 Rs. 1.22 June 30, 2001 Rs. 0.94 June 30, 2000 Rs. 2.70
7	Sources of funds from where shares will be purchased	Internal generation	Internal generation	Internal generation
8	Period for which investment will be made	Long term	Long term	Long term
9	Purpose of Investment	Strategic Investment Business expansion	Strategic Investment Business expansion	Strategic Investment Business expansion
10	Benefits likely to accrue to the Company and the Shareholders from the proposed investment	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.
11	Interest of Directors and their relatives in the investee company	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.

Notice of Meeting

S. No.	Description	Information Required
1	Name of Investee Company	ABAMCO Limited
2	Nature and amount	An amount of Rs. 200 million by way of long term advance
3	Purpose of loan	To facilitate the acquisition of equity interest by ABAMCO in companies and projects offered for privatization.
4	In case any loan had already been provided or loan has been written off to the said investee company, the complete details of the said loan	Not applicable
5	A brief about the financial position of the investee company	As at June 30, 2003 Equity Rs. 212,430,474 Revenue Rs. 106,346,807 Profit after tax Rs. 21,472,512 Earnings per share Rs. 2.39 Current Ratio 1.05 : 1 Debt Equity Ratio 37 : 63
6	Rate of mark up to be charged	Not less than the borrowing cost of the Company
7	Particulars of collateral security to be obtained from borrower and if not needed justification thereof	No collateral security
8	Sources of funds where loan or advance will be given	Available cash resources and the future internal cash generations from the operations of the Company
9	Repayment schedule	Primarily for the period of three to five years, subject to the approval by Board of Directors of the Company
10	Benefits likely to accrue to the company and the shareholders from loans and advances	The Company will receive markup on the actual amounts advanced. In addition growth in ABAMCO will increase the profit of the Company substantially. JSCL currently holds approximately 54% of ABAMCO's shares outstanding part of the returns to the Company in future
11	Interest of directors	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.

Notice of Meeting

S. No.	Description	Information Required
1	Name of Investee Company	Jahangir Siddiqui Capital Markets (Pvt) Limited (JSCM)
2	Nature and amount	An amount of Rs. 500 million by way granting secured / unsecured loan
3	Purpose of loan	To meet working capital and day-to-day funding requirement.
4	In case any loan had already been provided or loan has been written off to the said investee company, the complete details of the said loan	Not applicable
5	A brief about the financial position of the investee company	As at June 30, 2003 Equity Rs. 59.735 million Revenue Rs. 0.510 million Profit after tax Rs. (0.246) million Earnings per share Rs. (0.04) Current Ratio 89x Debt Equity Ratio 0.011x
6	Rate of mark up to be charged	Not less than the borrowing cost of the Company
7	Particulars of collateral security to be obtained from borrower and if not needed justification thereof	No collateral security
8	Sources of funds where loan or advance will be given	Available cash resources as well as future fund generations by the Company
9	Repayment schedule	Primarily for the period of three to five years, subject to the approval by Board of Directors of the Company
10	Benefits likely to accrue to the company and the shareholders from loans and advances	The Company will receive markup on the actual amounts advanced. Growth in JSCMs business will increase the profit of the Company JSCL currently holds 100% of the outstanding shares of JSCM.
11	Interest of directors	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.

Notice of Meeting

S. No.	Description	Information Required
1	Name of Investee Company	Jahangir Siddiqui Capital Markets (Pvt) Ltd., (JSCM)
2	Nature, amount and extent of Investment	Long term - up to Rs. 500 million by way of subscription of right shares, preference shares, redeemable preference shares, term finance certificates which may be issued by JSCM
3	Average market price of the shares intended to be purchased of last three years	N/A
4	Break up value of shares as at June 30, 2003	Rs. 9.95
5	Price at which shares will be purchased	Price at which the right shares will be issued
6	Earnings per share of investee company in last three years	JSCM has started its operation from September 2003
7	Sources of funds from where shares will be purchased	Available cash resources as well as future fund generations by the Company
8	Period for which investment will be made	Long term
9	Purpose of Investment	To support the operations of the subsidiary
10	Benefits likely to accrue to the Company and the Shareholders from the proposed investment	Growth in JSCMs business will increase the profit of the Company JSCL currently holds 100% of the outstanding shares of JSCM.
11	Interest of Directors and their relatives in the investee company	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and as shareholders of the company.

Directors' Report

The directors are pleased to present the audited financial statements of Jahangir Siddiqui & Co Limited (The "Company") and consolidated financial statements of Jahangir Siddiqui & Co Limited and its subsidiaries (The "Holding Company") for the year ended June 30, 2003.

The Economy

The year 2003 witnessed a stable economic performance with significant improvement in fundamentals. GDP growth rate was recorded at 4.5% which was at the higher end of the range predicted by the State Bank of Pakistan. The period saw decreasing inflation and interest rates.

After gauging the impact of the earlier discount rate cut, the State Bank of Pakistan continued its relaxed stance on monetary policy. In view of the significant improvement in the macroeconomic environment, the SBP further reduced the discount rate to 7.5%.

On the external front, despite global recession, Pakistan's balance of payments improved significantly due to an unprecedented acceleration of inward remittances, larger inflow of foreign loans and efficient management of outflows. The historical deficit in the current account turned into a surplus and the overall liquid foreign exchange reserves crossed the US \$ 10 billion level.

In recognition to the country's improving fundamentals, Standard & Poor's upgraded Pakistan's long-term credit rating. It is expected that with the continuation of reforms Pakistan's credit rating should improve even further.

The stock market reacted positively to the improved economic fundamentals of the Country. The benchmark KSE-100 index crossed the 3,000 levels and closed at 3,402 on June 30, 2003.

The prospects for growth in Pakistan economy have improved due to an unprecedented fall in interest rates, reprofiling of foreign bilateral debts, improvement in relations with India, greater access to the Western markets and modernization of textile industry.

Capital Markets Review

During FY 2003 the Karachi Stock Exchange witnessed a massive bull run with the KSE-100 index depicting a 92% rise to the 3,402 point level on June 30, 2003 compared to 1,770 points a year earlier.

The market's extraordinary performance can be attributed to ample liquidity, transition to a parliamentary government, easing of Indo-Pakistan tensions and substantial progress on economic front. Strong corporate results as well as the reduced returns on National Savings Schemes also led to the strong performance of the market.

Performance Review

The Company's after tax profit increased substantially in the current year to Rs. 432.7 million mainly because of the increase in capital gains from trading activities and share of profits of associated companies. Overall revenues increased by 114% to Rs. 427.2 million. Current year operating expense also increased considerably to Rs. 176.8 million as compared to Rs. 89.8 million during FY 2002.

Results of Operations

The financial results for the year ended June 30, 2003 are summarized below:

	(Rupees. in '000)	
Profit after taxation	432,659	
Unappropriated profit brought forward	<u>259,822</u>	
Profit available for appropriation	692,481	
Appropriation:		
Proposed final cash dividend @ 15%	<table border="1"><tr><td style="text-align: center;">37,500</td></tr></table>	37,500
37,500		
Transfer to General reserve	<table border="1"><tr><td style="text-align: center;">300,000</td></tr></table>	300,000
300,000		
	<u>337,500</u>	
Unappropriated profit carried forward	<u>354,981</u>	

The earnings per share works to Rs. 17.31

Reorganization of Corporate Structure

After the end of FY 2003 the Company transferred certain businesses into its wholly owned subsidiary, Jahangir Siddiqui Capital Markets (Pvt.) Ltd. ("JSCM"). The business divisions transferred are equity, fixed income and currency brokerage, research and corporate finance. These divisions represent the Company's agency businesses. The Company will focus on principal investing both in equity and fixed income securities while agency businesses will be carried out on an arms length basis by JSCM.

This reorganization will reduce conflicts of interest inherent in the Company's businesses as we are significant principal investors as well as a leading investment banking firm.

Corporate and financial reporting framework

The Directors confirm compliance with the Corporate and financial reporting framework of the SECP Code of Corporate Governance for the following:

- 1 The financial statements present fairly the state of affairs of the Company, the results of its operations, Cash Flows Statement and Statement of Changes in Equity;
- 1 Proper books of accounts of the company have been maintained;

Directors' Report

- 1 Accounting policies as stated in the notes to the accounts have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- 1 International Accounting Standards as applicable in Pakistan and the Companies Ordinance, 1984 as stated in the notes attached with the accounts, have been followed in preparation of the financial statements;
- 1 The system of internal control is sound in design and has been effectively implemented and monitored;
- 1 The company is financially sound and is a going concern; and
- 1 There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

The Statement of Key operating and financial data of last ten years appears on Page 3-4.

The Company operates an approved contributory provident fund scheme for all its employees eligible to the scheme. Value of investments as at June 30, 2003 amounted to Rs. 9.3 million.

Four meetings of the Board of Directors were held during the year 2002-2003. The attendance of Directors at board meetings were as follows:

Name of Director	Meetings attended
Mr. Mazharul Haq Siddiqui, Chairman	Two
Mr. Munaf Ibrahim, Chief Executive Officer	Four
Mr. Khalid M. Bhaimia, Director	Four
Mr. Nauzer A. Dinshaw, Director	Two
Mr. Ali Raza Siddiqui, Director *	Two
Mr. Syed Nizam Ahmed Shah, Director	Three
Mr. Ali Jehangir Siddiqui, Director	Four
Chief Justice (R) Mahboob Ahmed, Director**	Two
Mr. Shezi Nackvi, Director	One

* Appointed as director on August 16, 2002.

** Appointed as director on October 31, 2002.

Management Discussion of Financial Responsibility

The Company's management is responsible for preparing the financial statements and related notes contained in the Annual Report.

The consolidated financial statements and notes are prepared in accordance with generally accepted accounting principles. Other financial data included in the Annual Report is consistent with the data in the financial statements.

The Company's accounting policies are integral to understanding the results reported. Accounting policies are described in detail in the Notes to the financial statements. The Company's most complex accounting policies require management's judgment to ascertain the valuation of assets and liabilities. The Company has established detailed policies and control procedures that are intended to ensure that valuation methods are fair well controlled and applied consistently.

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the Company's financial statements, controls systems and the independence and performance of its internal and independent auditors. The Audit Committee is composed of three directors and operate under terms of reference approved by the Board.

Future Outlook

The fundamentals of our market remain strong. On the back of the rise in share prices during the past 18 months we expect profit taking and corrections as a natural consequence. An interesting thing to note is that despite the bull run equity valuations remain attractive as interest rates have fallen considerably.

Credit Rating

The directors are pleased to inform you that The Pakistan Credit Rating Agency (Pvt) Limited has maintained the long term rating of AA ("Double A") and the short term rating of A1+ ("A one plus") during FY 2003. The long term rating of denotes a very low expectation of credit risk and indicates a very strong capacity for timely payment of financial commitments. The short term rating denotes that obligations are supported by the highest capacity for timely repayment.

Auditors

The retiring auditors, Messers Taseer Hadi Khalid & Co, Chartered Accountants, have expressed their willingness to continue as The Company's auditors for the ensuing year. A resolution to reappoint Taseer Hadi Khalid & Co as auditors of the Company and authorize to fix their remuneration will be proposed at the Annual General Meeting.

Directors' Report

Pattern of Shareholding

The Statement of Pattern of Shareholding as on June 30, 2003 appears on Page 80 including the transactions carried out by Directors, Chief Executive Officer, Chief Financial Officer, The Company Secretary and their spouses and minor children.

Acknowledgement

We express our sincere gratitude to our clients and business partners for their continued patronage to the Company and to our employees for their dedication and hard work.

We would also like to acknowledge the excellent work of the Securities and Exchange Commission of Pakistan for their efforts to strengthen the financial markets and measures to safeguard investor rights.

For and on behalf of the
Board of Directors

Mazharul Haq Siddiqui
Chairman

Karachi: October 29, 2003

STATEMENT OF COMPLAINEE WITH CODE OF CORPORATE GOVERNANCE YEAR ENDED JUNE 30, 2003

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 37 of listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors. At present the Board includes two independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurred in the Board was filled up by the directors within 15 days thereof.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.
6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, has been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and , in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The management of the Company is submitting a paper to the Board in their meeting to be held on October 29, 2003 to consider it as an orientation course for its directors to apprise them of their duties and responsibilities.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including, their remuneration and terms and conditions of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an audit committee. It comprises three members, of whom all are non-executive directors including the chairman of the committee.
16. The Audit Committee was formed on August 16, 2002. After the formation of the Audit Committee, all meetings of the same were held at least once every quarter prior to approval of interim and final results of the Company. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has set-up an effective internal audit function consisting of a full time internal auditor who is considered suitably qualified and experienced for

the purpose and is conversant with the policies and procedures of the Company.

18. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review programme of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all material principles contained in the Code have been complied.

For and on behalf of the Board

Mazharul Haq Siddiqui
Chairman

Karachi: October 29, 2003

Review Report to the Members on Statement of Compliance With Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Jahangir Siddiqui & Co. Limited to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange where the Company is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control system sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi: October 29, 2003

Auditors' Report to the Members

We have audited the annexed Balance Sheet of Jahangir Siddiqui & Company Limited as at June 30, 2003 and the related Profit and Loss account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the Balance Sheet and Profit and Loss account together with the Notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business;
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

- c) in our opinion and to the best of our information and according to the explanations given to us, the Balance Sheet, Profit and Loss account, Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2003 and of the profit, its Cash Flows and Changes in Equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi: October 29, 2003

JAHANGIR SIDDIQUI & CO. Ltd.

Balance Sheet

As at June 30, 2003

	Note	2003 (Rupees in '000)	2002 (Rupees in '000)		Note	2003 (Rupees in '000)	2002 (Rupees in '000)
Capital and reserves				Fixed assets - at cost less accumulated depreciation	11	43,716	44,191
Share capital				Intangible asset	12	100	100
Authorised 50,000,000 (2002: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>	Long term loans and deposits	13	3,606	2,354
Issued, subscribed and paid up	3	250,000	250,000	Investment in subsidiaries	14	480,259	229,538
Share premium	4	175,505	175,505	Long term investments	15	410,424	126,237
General reserve		500,000	200,000	Current assets			
Unrealised gain on remeasurement of available for sale investments to fair value		362,203	32,913	Short term investments	16	1,068,566	671,318
Unappropriated profit		<u>354,981</u>	<u>259,822</u>	Trade debtors - unsecured	17	884,221	48,218
		<u>1,642,689</u>	<u>918,240</u>	Advances, pre-payments and other receivables	18	10,703	17,717
Redeemable capital	5	499,800	-	Fund placements	19	859,373	392,227
Current liabilities				Cash and bank balances	20	13,592	55,208
Current portion of liabilities against assets subject to finance lease	6	-	3,732			<u>2,836,455</u>	<u>1,184,688</u>
Short term running finance under mark up arrangement-secured	7	968,559	148,305				
Securities sold under repurchase agreements	8	170,886	223,809				
Creditors, accrued expenses and other liabilities	9	446,674	232,359				
Provision for taxation		5,827	5,048				
Dividend payable		2,625	615				
Proposed dividend		37,500	55,000				
		<u>1,632,071</u>	<u>668,868</u>				
Commitments	10						
		<u>3,774,560</u>	<u>1,587,108</u>			<u>3,774,560</u>	<u>1,587,108</u>

The annexed notes 1 to 33 form an integral part of these accounts.

These financial statements were authorised for issue in Board of Directors meeting held on October 29, 2003.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

Profit and Loss Account

For the year ended June 30, 2003

	Note	2003 (Rupees in '000)	2002
Operating revenue	21	196,345	198,064
Net gain / income from transactions in marketable securities	22	230,866	1,295
		<u>427,211</u>	<u>199,359</u>
Operating expenses	23	(176,836)	(89,855)
Operating profit		<u>250,375</u>	<u>109,504</u>
Other income	24	25,867	28,791
		<u>276,242</u>	<u>138,295</u>
Financial charges	25	(17,532)	(33,496)
Share of profit of subsidiary / associated companies		141,617	9,441
Negative goodwill / (goodwill) - net	31	715	(363)
		<u>401,042</u>	<u>113,877</u>
Reversal of provision for diminution in value of investments		-	1,028
Gain on remeasurement of held for trading investments - net		<u>34,491</u>	<u>1,235</u>
Profit before taxation		<u>435,533</u>	<u>116,140</u>
Provision for taxation			
- Current	32	2,874	5,048
- Prior		-	(102)
		<u>2,874</u>	<u>4,946</u>
Profit after taxation		<u>432,659</u>	<u>111,194</u>
Unappropriated profit brought forward		259,822	192,250
Unrealised gain on revaluation of investments on account of change in accounting policy		-	11,378
Unappropriated profit brought forward - as restated		<u>259,822</u>	<u>203,628</u>
Profit available for appropriation		<u>692,481</u>	<u>314,822</u>
Appropriations:			
- Final cash dividend @ 15.00% (2002: 22.00%)		37,500	55,000
- Transfer to general reserve		300,000	-
		<u>337,500</u>	<u>55,000</u>
		<u>354,981</u>	<u>259,822</u>
Basic earnings per share	26	<u>17.31</u>	<u>5.18</u>

The annexed notes 1 to 33 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Cash Flow Statement

For the year ended June 30, 2003

	2003	2002
	(Rupees in '000)	
Cash flows from operating activities		
Profit before taxation	435,533	116,140
Adjustments for:		
Depreciation	10,713	11,469
Profit on sale of fixed assets	(4,991)	(1,830)
Share of profit of subsidiary / associated companies	(141,617)	(9,441)
Negative goodwill	(715)	363
Gain on remeasurement of held for trading investments	(34,491)	(1,235)
Reversal of provision for diminution in value of investments	-	(1,028)
Financial charges	17,532	33,496
	<u>(153,569)</u>	<u>31,794</u>
Operating profit before working capital changes	281,964	147,934
(Increase) / decrease in operating assets:		
Short term investments	(215,405)	123,949
Trade debtors	(836,003)	427,101
Advances, pre-payments and other receivables	10,199	(8,418)
	<u>(1,041,209)</u>	<u>542,632</u>
Increase in current liabilities (creditors, accrued expenses and other liabilities)	205,105	171,078
Cash generated from operations	<u>(554,140)</u>	<u>861,644</u>
Mark-up paid	(8,522)	(37,753)
Taxes paid	(4,412)	(4,705)
Dividend paid	(52,990)	(67,229)
Changes in long term loans and deposits	<u>(2,120)</u>	<u>460</u>
Net cash flow from operating activities	<u>(68,044)</u>	<u>(109,227)</u>
Cash flows from investing activities		
Capital expenditure incurred	(13,145)	(3,909)
Proceeds from sale of fixed assets	7,898	2,571
Fund placements	(467,146)	(318,366)
Investments acquired	(210,638)	(88,604)
Net cash flow from investing activities	<u>(683,031)</u>	<u>(408,308)</u>
Cash flows from financing activities		
Payment of lease obligation	(3,732)	(5,857)
Further issue of share capital	-	115,000
Proceeds from issue of TFC	500,000	-
Securities sold under Repurchase agreements	(52,923)	115,272
Net cash flow from financing activities	<u>443,345</u>	<u>224,415</u>
Net (decrease) / increase in cash and cash equivalents	(861,870)	568,524
Cash and cash equivalents at the beginning of the year	(93,097)	(661,621)
Cash and cash equivalents at the end of the year	<u>27</u> <u>(954,967)</u>	<u>(93,097)</u>

The annexed notes 1 to 33 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

Statement of Changes in Equity

For the year ended June 30, 2003

(Rupees in '000)

Note	Issued, subscribed and paid-up capital	Share premium	General reserve	Unrealised gain on remeasurement of available for sale investments to fair value	Un- appropriated profit	Total
Balance as at June 30, 2001 - as previously reported	204,000	106,505	200,000	-	192,250	702,755
Adjustment resulting from change in accounting policy with respect to unrealised gain on remeasurement of available for sale and held for trading investments to fair value as at July 01, 2001	2.7	-	-	-	11,378	11,378
Balance as at June 30, 2001 - as restated	204,000	106,505	200,000	-	203,628	714,133
Movement during the year						
Effect of remeasurement of available for sale investments to fair value held as at the year end	-	-	-	32,913	-	32,913
Profit for the year	-	-	-	-	111,194	111,194
Proposed dividend	-	-	-	-	(55,000)	(55,000)
Issue of share capital	46,000	69,000	-	-	-	115,000
Balance as at June 30, 2002	250,000	175,505	200,000	32,913	259,822	918,240
Movement during the year						
Effect of remeasurement of available for sale investments to fair value held as at the year end	2.7	-	-	311,192	-	311,192
Profit for the year	-	-	-	-	432,659	432,659
Share of unrealised gain / (loss) on remeasurement of available for sale investments of subsidiary companies	-	-	-	18,098	-	18,098
Transfer to general reserve	-	-	300,000	-	(300,000)	-
Proposed dividend	-	-	-	-	(37,500)	(37,500)
Balance as at June 30, 2003	250,000	175,505	500,000	362,203	354,981	1,642,689

The annexed notes 1 to 33 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Notes to the Accounts

For the year ended June 30, 2003

1. Status and Nature of Business

Jahangir Siddiqui & Company Limited ("the Company") was incorporated under the Companies Ordinance, 1984 on May 04, 1991 as a public unquoted company. The Company was listed on all three stock exchanges in Pakistan on August 10, 1993, however, during the year the Company has been voluntarily de-listed from the Lahore and Islamabad stock exchanges. The Company is a corporate member of Karachi Stock Exchange (Guarantee) Limited. The principal activities of the Company are share brokerage and trading, money market transactions, investment advisory and consultancy services, underwriting etc.

2. Summary of Significant Accounting Policies

2.1 Accounting convention

These accounts have been prepared under the historical cost convention except in case of available for sale and held for trading securities which are stated at their fair values.

2.2 Statement of compliance

These financial statements are prepared in accordance with approved accounting Standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise such International Accounting Standards as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standard, the requirements of the Companies Ordinance, 1984 or the requirements of the said directives take precedence.

2.3 Staff retirement benefits

The Company operates an approved funded contributory provident fund scheme for all its employees eligible to the scheme. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10% per annum of basic pay.

2.4 Fixed assets - Tangible

Owned

Fixed Assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is charged to income by applying straight line method over the useful life of the assets.

A full year's depreciation is charged on the assets acquired during the year, whereas, no depreciation is charged in the year of disposal.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are included in the profit and loss account.

Leased

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of the leased assets. The related obligations under the lease are accounted for as liabilities. Depreciation is charged by applying straight-line method at the rates given in Note 11 to the accounts.

The financial charge is calculated at the rate implicit in the lease.

2.5 Intangible assets

These are stated at cost less provision for permanent impairment, if any.

2.6 Investments in subsidiaries

Subsidiary companies are companies in which the Company owns more than 50% of the voting power. The Company accounts for investments in subsidiary companies using the equity method.

2.7 Investments

Investments in associates

Associates are those enterprises in which the Company has significant influence, but not control, over the financial and operating policies. These investments are valued as follows:

- Investments that are not held for disposal purposes are valued under the equity method of accounting, less impairment losses, if any.
- Other Investments and investments that are held exclusively with a view to their disposal are classified as available-for-sale and are stated at fair value, with any resultant gains or losses being recognised directly in equity. When the investment is sold or when the carrying amount of the investment is impaired, the cumulative gain or loss recognised in equity is transferred to the profit and loss account.

Investments held for trading

Investments which are acquired principally for the purposes of generating a profit from short term fluctuations in price or dealer's margins are classified as held for trading. These are stated at their fair values with any resulting gains or losses recognised directly in the profit and loss account.

Investments available for sale

These represent investments in bullion, equity instruments (including listed and unlisted securities) and other securities (except for investments in unlisted securities), which are stated at fair values with any resulting gains or losses, recognised directly in equity through the Statement of Changes in Equity. These are recognised / derecognised by the Company on the date of purchase / sale of investments. The fair value of those investments representing listed equity and other securities i.e. debt instruments are determined on the basis of year-end bid prices. The investments representing unlisted shares and debt instruments are stated at cost as relevant financial information is not available to determine their fair values. Hence provision for permanent diminution is made, if any.

Investments held to maturity

Investments with fixed maturity, where management has both the intent and ability to hold to maturity are classified as held to maturity and are stated at amortised costs. The resultant changes in value are reported directly in the profit and loss account.

2.8 Securities purchased and sold under resale / repurchase agreements

The Company enters into transactions of repurchase (Repo) and resale (Reverse Repo) of securities (including government securities) at contracted rates for specified period of time. Securities sold under repurchase obligations (Repo) and securities purchased under resale obligations (Reverse Repo) are recorded as liabilities and assets respectively. The differential in sale / purchase price and resale / repurchase price is accrued and recorded as cost / return earned.

2.9 Trade debtors

These are stated net of provision for doubtful debts. Full provision is made against the debts considered doubtful.

2.10 Revenue recognition

Income from reverse repurchase transactions is recognised on a time proportion basis.

Capital gains or losses on sale of investments are taken to income in the period in which they arise.

Dividend income is recorded when the right to receive the dividend is established i.e. at the time of the closure of share transfer books of the company declaring the dividend.

Underwriting commission is recognised when the agreement is executed. Take-up commission is recognised at the time, commitment is fulfilled.

Brokerage, Consultancy and Advisory fee, Commission on Foreign Exchange dealings and Government Securities, etc., are recognised as and when such services are provided.

Return on Defence Saving Certificates (DSCs) have been accounted for using a constant rate of return to maturity.

Return on government securities and term finance certificates is recognised on an accrual basis.

Return on bank deposits is recognised on an accrual basis.

2.11 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any or one half of one percent of income under section 113 of Income Tax Ordinance, 2001 whichever is higher.

Deferred

Deferred tax is provided using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As at June 30, 2003, deferred tax asset has not been recorded in view of uncertainty about the availability of taxable profits in the foreseeable future against which such losses could be utilised.

2.12 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rate ruling on the transaction date. Foreign currency balances at year end are translated at official buying rate ruling on the balance sheet date.

Gain or loss on translation is taken to income currently.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise of cash, bank balances and bank overdrafts repayable on demand.

3. Issued, Subscribed & paid up capital

Number of shares			2003	2002
2003	2002		(Rupees in '000)	
13,387,500	13,387,500	Ordinary shares of Rs.10/- each fully paid in cash	133,875	133,875
11,612,500	11,612,500	Ordinary shares of Rs.10/- each issued as bonus shares	116,125	116,125
<u>25,000,000</u>	<u>25,000,000</u>		<u>250,000</u>	<u>250,000</u>

4. Share premium

Balance at the beginning of the year	175,505	106,505
Share premium received on issue of right shares	-	69,000
Balance at the end of the year	<u>175,505</u>	<u>175,505</u>

5. Redeemable capital - Unsecured (Non-participatory)

Term Finance Certificates (TFC's)	500,000	-
Less: Current portion shown under current liability	9	(200)
	<u>499,800</u>	<u>-</u>

JAHANGIR SIDDIQUI & CO. Ltd.

5.1 The profit on these TFCs is payable semi-annually, based on the cut-off yield of the last successful auction of five year Pakistan Investment Bonds (PIBs) held during the six month period plus 1.50% per annum with a floor and cap of 7.50% and 13.00% per annum. The TFCs have a tenor of five years i.e. 2003-2008 with a call option exercisable by the Company at any time during the tenor of the TFCs after the first 6 months by giving a 3 months notice. Mark-up not yet due amounts to Rs. 151.66 million.

6. Liabilities against assets subject to finance lease

	2003			2002		
	Minimum Lease payments	Financial Charges for future period	Principal outstanding	Minimum Lease payments	Financial Charges for future period	Principal outstanding
Upto one year	-	-	-	3,962	230	3,732
Over one year to three years	-	-	-	-	-	-
	-	-	-	3,962	230	3,732

(Rupees in '000)

6.1 Rentals were payable in equal monthly installments. Repairs and insurance costs are to be borne by the lessee. Financing rates ranging from 17.25% to 18.53% per annum (2002: 17.25% to 18.53% per annum) have been used as a discounting factor.

7. Short term running finance

The Company has short term running finance facilities under mark up arrangement in aggregate of Rs. 1,250.00 million (2002: Rs.1,635.00 million) from various banks at mark up rates ranging from 5.50% to 8.00% (2002: 10.25% to 14.00%) per annum. The arrangements are renewable and are secured against pledge of various shares held by the Company as investments. (2002: pledge of Special US Dollar bonds, pledge of various shares held by the Company as investments, charge over book debts).

8. Securities sold under repurchase agreements

These represent repos against PIBs and TFCs having tenure of two days to three months with rates ranging from 3.75% to 8.00% per annum (2002: 7.00% to 10.25% per annum)

9. Creditors, accrued expenses and other liabilities

		2003	2002
(Rupees in '000)			
Creditors for sale of shares on behalf of clients	9.1	357,810	188,169
Accrued expenses		13,578	15,710
Accrued mark up on running finance		1,407	-
Current portion of redeemable capital		200	-
Accrued mark up on TFC		7,603	-
Payable to directors		148	148
Provision for staff bonus		57,936	20,760
Retention Money		-	714
Others		7,992	6,858
		<u>446,674</u>	<u>232,359</u>

9.1 This includes creditors arising from reverse repurchase transactions in respect of listed equity securities amounting to Rs. Nil (2002: 176.73 million).

10. Commitments

Commitments in respect of repurchase transactions			
- Other securities		<u>171,433</u>	<u>226,709</u>
Commitments in respect of resale transactions			
- Listed equity securities		<u>845,468</u>	<u>217,519</u>
- Other securities		<u>18,707</u>	<u>74,193</u>
Commitments in respect of clean placements		<u>-</u>	<u>100,148</u>

JAHANGIR SIDDIQUI & CO. Ltd.

11. Fixed assets - at cost less accumulated depreciation

(Rupees in '000)

	Cost			Rate %	Depreciation			Written down Value as at June 30, 2003
	As at July 1, 2002	Additions / (Disposal) / Adjustments	As at June 30, 2003		As at July 1, 2002	For the year / (Disposal) / Adjustments	As at June 30, 2003	
Owned								
Office premises	48,032	-	48,032	5	17,565	2,445	20,010	28,022
Office equipments	32,627	1,714	45,714	25	31,585	3,749	43,865	1,849
		-				-		
		11,373				8,531		
Office furniture	7,591	-	7,591	10	5,827	416	6,243	1,348
Motor vehicles	21,512	11,431	23,008	20	13,436	4,103	10,511	12,497
		(9,935)				(7,028)		
		-				-		
	109,762	13,145	124,345		68,413	10,713	80,629	43,716
		(9,935)				(7,028)		
		11,373				8,531		
Leased								
Office equipments	11,373	-	-	25	8,531	-	-	-
		-				-		
		(11,373)				(8,531)		
	11,373	-	-		8,531	-	-	-
		-				-		
		(11,373)				(8,531)		
June 30, 2003	121,135	13,145	124,345		76,944	10,713	80,629	43,716
		(9,935)				(7,028)		
		-				-		
June 30, 2002	120,929	3,909	121,135		68,437	11,469	76,944	44,191
		(3,703)				(2,962)		
		-				-		

JAHANGIR SIDDIQUI & CO. Ltd.

11.1 Disposal of fixed assets

Particulars	(Rupees in '000)					Buyer's particulars	Mode of disposal
	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/(loss)		
Vehicles							
Toyota Corolla	1,169	234	935	1,199	264	Toyota Southern Motors Plot # 13, Sector-23, Korangi Industrial Area, Karachi	Negotiation
Suzuki Pickup	50	50	-	45	45	Mr. M Irfan 6/413, Liaqatabad, Karachi	Negotiation
Suzuki Baleno	649	649	-	513	513	Tamseel Ahmed House No. A-648 Sector 11-B, North Karachi.	Negotiation
Mercedes	2,400	2,400	-	1,550	1,550	Mr. Mohammad Ashraf Chohan 198/A Street No. 10, Cavalry ground Ext. Cantt. Lahore.	Negotiation
Toyota Corolla	100	100	-	115	115	Mr. Naveed Raza Khan R-261, Buffer Zone, North Karachi, Karachi	Negotiation
Suzuki Cultus	250	50	200	271	71	Standard Chartered Bank Main branch I.I. Chundrigar Road, Karachi	Negotiation
Suzuki Margalla	517	517	-	345	345	Mr. Habib Abdullah Mistri Fakhir M Khan Manzil Lane # 3 Noohabad, Karachi	Negotiation
Suzuki Margalla	517	517	-	365	365	Mr. Altaf N Bhayani G-6, Ibrahim Society Garden East, Karachi	Negotiation
Suzuki Margalla	483	483	-	330	330	Mr. Kashif Noor Memon 4A/II, 4th North Street, Phase 1, DHA, Karachi	Negotiation
Suzuki Baleno Saloon	559	447	112	450	338	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi	Insurance Claim
Suzuki Cultus	555	111	444	475	31	Mr. Anas Ahmed House No. 124-125, Moinabad Model Colony, Karachi	Negotiation
Honda Civic	1,245	249	996	1,045	49	Mr. M. Asghar House No. 120, Manakge St Garden East, Karachi	Negotiation
Suzuki Khyber	382	382	-	245	245	Mr. Mehboob Ali House No. 316, St No. 12, Block - C, Bhitaiabad, Karachi	Negotiation
Suzuki Khyber	401	401	-	240	240	Mr. M. Hanif R B-6, Chagla Street, Kharadar, Karachi	Negotiation
Honda (Motorcycle)	50	50	-	55	55	Mr. Abdul Sattar House # 51-52/B, Khatri Colony, FMD Khan Road, Usmanabad, Karachi.	Negotiation
Honda (Motorcycle)	59	59	-	65	65	Mr. Iftikhar Ahmed House # 1205 A, Street no. 7, L.A.C. No. 2, Mehmoodabad No. 6, Karachi.	Negotiation
Daihatsu Cuoure	419	251	168	450	282	Dr. Yasin Bhuiya A-11, IBA Apartment, Bl - 5, Kehkashan Clifton, Karachi	Negotiation
Toyota Corolla	130	78	52	140	88	Mr. Rashid Nazir House # C-47, Gali No. 3, Block J, North Nazimabad, Karachi.	Negotiation
2003	9,935	7,028	2,907	7,898	4,991		
2002	3,703	2,962	741	2,571	1,830		

JAHANGIR SIDDIQUI & CO. *Ltd.*

12. Intangible assets

The balance of Rs. 100,000 represents carrying value of membership card of the Karachi Stock Exchange (Guarantee) Limited.

13. Long term loans and deposits

2003
2002
(Rupees in '000)

Long term loans - secured, considered good

To executives		2,279	98
To employees		<u>266</u>	<u>359</u>
		2,545	457
Current maturity	18	<u>(1,178)</u>	<u>(310)</u>
		1,367	147
Deposits	13.3	<u>2,239</u>	<u>2,207</u>
		<u>3,606</u>	<u>2,354</u>

13.1 Loans to executives and employees are given for housing and for purchase of home appliances at rates ranging from 8.00% to 12.00% per annum in accordance with the Company's policy and are repayable over a period of two to five years.

13.2 Maximum amount due from executives calculated with reference to the month end balance was Rs. 2.28 million (2002: Rs. 0.23 million).

13.3 This represents security deposits to utility companies and security margin to Karachi Stock Exchange (Guarantee) Limited.

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14. Investment in Subsidiaries

(Rupees in '000)

These shares are of Rs. 10 each unless stated otherwise.

Name of Companies Quoted	Activity	Auditors	Holding		2003	2002
			2003 %	2002 %		
<p>Jahangir Siddiqui Investment Bank Limited 14,199,274 shares (2002:13,924,274 shares) Value based on net assets of Rs. 569.44 million (2002: 359.91 million) based on audited accounts as at June 30, 2003 14.1</p>						
	Investment Banking	Ford Rhodes Sidat Hyder & Co.	62.41	61.21		
					170,990	137,725
					130,156	6,328
					3,729	27,300
					1,245	(363)
					<u>306,120</u>	<u>170,990</u>
<p>Unquoted</p>						
<p>ABAMCO Limited 6,717,166 shares (2002:4,503,000 shares) Value based on net assets of Rs. 212.43 million (2002: 105.98 million) based on audited accounts as at June 30, 2003</p>						
	Asset Management and Investment Advisor	Taseer Hadi Khalid & Co.	53.73	54.98		
					58,298	55,136
					11,718	3,162
					18,098	-
					26,570	-
					(530)	-
					<u>114,154</u>	<u>58,298</u>
<p>Jahangir Siddiqui Capital Markets (Private) Limited 6,000,000 shares (2002: Nil shares) Value based on net assets of Rs. 59.735 million based on audited accounts as at June 30, 2003</p>						
	Acquisition and sale of marketable securities	Daudally Lalany & Co.	100.00	-		
					-	-
					60,000	-
					(265)	-
					<u>59,735</u>	<u>-</u>
<p>Jahangir Siddiqui Securities Services Limited 25,000 shares (2002: 25,000 shares) Value based on net assets of Rs. 0.16 million (2002: 0.15 million) based on audited accounts as at June 30, 2003 (The company is not operational)</p>						
	Dealing in and brokerage of marketable securities	Daudally Lalany & Co.	100.00	100.00		
					250	250
					-	-
					<u>250</u>	<u>250</u>
					<u>480,259</u>	<u>229,538</u>

JAHANGIR SIDDIQUI & CO. Ltd.

14.1 Citibank Overseas Investment Corporation (COIC) had on February 1, 1999 entered into an agreement to sell 6.00 million shares of Citicorp Investment Bank Limited to the Company and in that agreement it was agreed by the parties to the agreement that the purchase consideration of Rs. 123.90 million (representing 6.00 million shares at the rate of Rs. 20.65 per share) would be adjusted to the extent of 70.00% if there is any subsequent reduction in total disputed tax liability as of December 31, 1998 amounting to Rs. 68.65 million as confirmed by a Chartered Accountant firm. Therefore as and when this disputed tax liability is resolved in favour of Jahangir Siddiqui Investment Bank Limited, the Company would pay to the COIC the above amount to the extent of 70.00% which would be adjusted against the purchase consideration for above shares.

15. Long term investments		2003	2002
		(Rupees in '000)	
Investment in associates	15.1	7,459	7,451
Available for sale	15.2	400,943	117,073
Held to maturity	15.3	2,022	1,713
		<u>410,424</u>	<u>126,237</u>

15.1 Investment in associates

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

<u>Number of Shares</u>		Unquoted		
2003	2002			
750,000	750,000	EFU Services (Private) Limited Equity held 37.50% (2002: 37.50%) Value based on net assets of Rs. 19.89 million (2002: 19.87 million) Chief Executive: Syed Mehdi Imam	7,451	7,500
		Share of profits / losses	8	(49)
			<u>7,459</u>	<u>7,451</u>

15.2 Available for sale

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

<u>Number of Shares</u>		Quoted	2003		2002
2003	2002		Average Cost	Fair value	Fair value
		Associates	(Rupees in '000)		
4,173,747	1,687,797	BSJS Balanced Fund Limited (Equity held 12.27%)	33,335	84,727	14,979
		Others			
2,308,250	1,224,250	EFU Life Assurance Limited (Equity held 15.38%)	121,549	221,592	40,676
1,174,000	1,341,000	Tri-pack Films Limited (Equity held 3.91%)	51,909	94,624	61,418
			<u>206,793</u>	<u>400,943</u>	<u>117,073</u>
		Unrealised gain on account of remeasurement to fair value	194,150	-	-
			<u>400,943</u>	<u>400,943</u>	<u>117,073</u>

JAHANGIR SIDDIQUI & CO. Ltd.

		2003	2002
15.3 Held to maturity		Amortised cost (Rupees in '000)	
Defence Saving Certificates		2,022	1,713
		<u>2,022</u>	<u>1,713</u>
16. Short term investments		2003	2002
		(Rupees in '000)	
Held for trading	16.1	591,256	156,715
Available for sale	16.2	477,310	332,259
Held to maturity	16.3	-	182,344
		<u>1,068,566</u>	<u>671,318</u>
16.1 Held for trading			
Quoted			
- Shares	16.1.1	491,116	134,896
- Term Finance Certificates	16.1.2	100,140	21,819
		<u>591,256</u>	<u>156,715</u>

16.1.1 Quoted-Shares

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

Number of shares		Name of Companies	2003		2002
2003	2002		Average Cost	Fair value	Fair value
Investment Companies and Banks					
2,000,000	-	Pakistan Industrial Credit and Investment Corporation Limited	48,534	57,600	-
-	1,944,000	Muslim Commercial Bank Limited	-	-	56,609
Transport and Communication					
4,500,000	3,368,500	Pakistan Telecommunication Company Limited	123,231	128,025	57,938
Engineering					
178,500	-	Crescent Steel & Allied Products Limited	11,197	14,816	-
Fuel & Energy					
1,211,900	-	Attock Refinery Limited	114,369	115,797	-
Textile Composite					
3,131,000	-	Nishat Mills Limited	89,488	109,741	-
Chemical and Pharmaceuticals					
750,000	336,900	Engro Chemical Pakistan Limited	66,000	65,137	20,349
			<u>452,819</u>	<u>491,116</u>	<u>134,896</u>
		Unrealised gain on account of remeasurement to fair value	38,297	-	-
			<u>491,116</u>	<u>491,116</u>	<u>134,896</u>

JAHANGIR SIDDIQUI & CO. Ltd.

16.1.2 Quoted-Term Finance Certificates

No. of Certificates		Term Finance Certificates	Profits			2003		2002	
2003	2002		Repayment frequency	Rates %	Face Value	Maturity Date	Average Cost	Fair value	Fair value
600	-	Nishat Mills Limited	Semi annually	13.00	2,998	19-09-2005	3,005	3,000	-
104	-	Engro Chemical Pakistan Limited (2nd Issue)	Semi annually	11.00	520	05-07-2007	527	530	-
4,075	-	World Call Communications Limited	Semi annually	12.25	20,371	30-09-2007	20,406	20,375	-
3,460	-	Bank Al-Falah Limited	Semi annually	10.00	17,297	19-12-2008	19,940	19,940	-
300	-	Orix Leasing Pakistan Limited (2nd Issue)	Semi annually	10.00	1,500	21-07-2006	1,706	1,504	-
2,040	-	National Development Leasing Corporation	Semi annually	17.00	6,793	01-12-2004	6,905	10,200	-
5,000	-	Union Bank Limited	Semi annually	11.00	24,995	21-06-2008	28,374	25,000	-
1,000	-	Securitel SPV Limited	Quarterly	12.00	5,000	27-03-2006	5,000	5,000	-
1,000	-	Trust Leasing Limited	Semi annually	9.50	5,000	03-06-2008	5,000	5,000	-
740	-	Network Leasing Corporation Limited	Semi annually	16.25	3,696	04-10-2005	3,696	3,700	-
330	-	Muslim Commercial Bank Limited	Semi annually	11.75	1,650	10-02-2008	1,683	1,683	-
800	1,000	Union Leasing Limited	Semi annually	14.50	3,998	19-04-2005	4,193	4,208	5,260
-	55	Dewan Salman Fibres Limited (2nd Issue)	Quarterly	16.00	275	22-06-2005	-	-	275
-	400	Sigma Leasing Corporation	Semi annually	17.00	2,000	18-01-2003	-	-	1,400
-	2,000	Saudi Pak Leasing Company Limited	Semi annually	18.25	10,000	28-01-2003	-	-	2,581
-	1,810	Paramount Leasing Limited	Semi annually	16.25	10,000	28-06-2004	-	-	9,050
-	600	Sui Southern Gas Company Limited	Semi annually	11.50	3,000	04-06-2007	-	-	3,253
							100,435	100,140	21,819
Unrealised loss on account of remeasurement to fair value							(295)	-	-
							100,140	100,140	21,819

		2003	2002		
		(Rupees in '000)			
16.2	Available for sale				
	Bullion	16.2.1	-	1,439	
	Quoted - shares / certificates	16.2.2	383,689	5,579	
	Unquoted				
	- Shares	16.2.3	1,375	1,375	
	- Term Finance Certificates	16.2.4	-	45,918	
			1,375	47,293	
	Government securities	16.2.5	92,246	277,948	
			477,310	332,259	
16.2.1	Bullion				
	Quantity in grams	2003	2002		
		Fair Value	Fair Value		
		(Rupees in '000)			
	-	2,320	Investment in gold	-	1,473
	Unrealised loss on account of remeasurement to fair value			-	(34)
				-	1,439

JAHANGIR SIDDIQUI & CO. Ltd.

16.2.2 Quoted - shares / Certificates

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

Number of shares / Certificates		Name of Companies Associates	2003		2002
2003	2002		Average Cost	Fair value (Rupees in '000)	Fair value
		Mutual Funds			
		ICP Lot "A"	16.2.2.1		
310,000	-	1st ICP Mutual Fund	4,856	5,192	-
30,000	-	3rd ICP Mutual Fund	559	600	-
120,000	-	4th ICP Mutual Fund	4,798	4,908	-
70,000	-	8th ICP Mutual Fund	1,559	1,767	-
360,000	-	11th ICP Mutual Fund	4,385	6,912	-
450,000	-	12th ICP Mutual Fund	4,494	6,975	-
20,000	-	15th ICP Mutual Fund	360	312	-
30,000	-	19th ICP Mutual Fund	512	555	-
90,000	-	20th ICP Mutual Fund	1,495	1,629	-
420,000	-	21st ICP Mutual Fund	2,235	3,045	-
900,000	-	23rd ICP Mutual Fund	4,829	6,030	-
540,000	-	25th ICP Mutual Fund	4,937	7,587	-
		Rights entitlement			
418,500	-	1st ICP Mutual Fund	-	670	-
40,500	-	3rd ICP Mutual Fund	-	202	-
161,325	-	4th ICP Mutual Fund	-	2,420	-
94,500	-	8th ICP Mutual Fund	-	756	-
486,000	-	11th ICP Mutual Fund	-	3,402	-
607,500	-	12th ICP Mutual Fund	-	1,215	-
16,875	-	15th ICP Mutual Fund	-	34	-
40,500	-	19th ICP Mutual Fund	-	202	-
120,825	-	20th ICP Mutual Fund	-	604	-
		Others			
3,700	-	*UTP Income Fund	1,850	2,013	-
		Leasing Companies			
2,362,645	-	Orix Leasing Pakistan Limited	62,011	82,693	-
		Investment Companies and Banks			
975,000	-	Prudential Discount & Guarantee House Limited	195	1,560	-
		Insurance			
234,037	64,455	EFU General Insurance Limited	11,495	14,616	1,579
		Textile Composite			
5,203,440	10,500	Legler-Nafees Denim Mills Limited	23,796	80,913	139
		Textile Spinning			
2,330,500	-	Umer Fabrics Limited	60,121	95,550	-
110,500	-	Dewan Khalid Textile Mills Limited	3,511	7,625	-
		Fuel and Energy			
-	182,000	Sui Northern Gas Pipelines Company Limited	-	-	2,503
		Auto and Allied Engineering			
-	54,500	Pak Suzuki Motor Company Limited	-	-	1,358
		Cables & Electrical Goods			
1,122,000	-	Singer Pakistan Limited	28,050	43,702	-
		Unrealised gain on account of remeasurement to fair value	226,048	383,689	5,579
			157,641	-	-
			<u>383,689</u>	<u>383,689</u>	<u>5,579</u>

*Face value of certificate of UTP Income Fund is Rs. 500 each

JAHANGIR SIDDIQUI & CO. Ltd.

16.2.2.1 Based on a legal opinion, ICP lot "A" Mutual Funds are not associated undertakings of the Company as these are not managed by the Company.

16.2.3 Unquoted - shares

Number of shares			2003	2002
2003	2002		(Rupees in '000)	
184,662	137,500	Security General Insurance Limited Equity held 1.85 % (2002: 1.85%) Net assets as at December 31, 2002 Rs. 180.73 million (2001: Rs. 120.97 million) Chief Executive: Syed Jawad Gillani	1,375	1,375
			<u>1,375</u>	<u>1,375</u>

16.2.4 Unquoted - Term Finance Certificates

Number of certificates	Term Finance Certificates	Profits		Face Value	Maturity date			
		Repayment frequency	Rates %					
2003	2002			(Rupees in '000)				
-	1,000	Gulistan Textiles	Semi annually	14.00	5,000	05-09-2006	-	5,033
-	2,740	National Development Leasing Corporation Limited	Semi annually	17.00	13,700	01-12-2004	-	13,836
-	2,508	Nishat Mills Limited	Semi annually	14.50	12,540	19-09-2005	-	12,537
-	1,940	Network Leasing Corporation Limited	Semi annually	16.25	9,700	04-10-2005	-	9,194
-	1,063	Atlas Lease Limited	Semi annually	15.00	5,315	16-08-2006	-	5,318
							-	45,918
								<u>45,918</u>

16.2.5 Government securities

	Purchase date	Maturity date	Term (Years)	Coupon Rate %	2003		2002
					Cost	Fair value	Fair value
					(Rupees in '000)		
Pakistan Investment Bonds	26-06-2002	18-06-2012	10	11.00	-	-	52,771
	25-06-2002	28-02-2012	10	11.00	-	-	54,388
	25-06-2002	28-02-2012	10	11.00	-	-	54,388
	08-04-2002	28-03-2007	5	10.00	-	-	107,430
	21-06-2002	30-12-2010	10	14.00	-	-	8,971
	27-06-2003	18-06-2013	10	11.00	42,695	41,898	-
	17-06-2003	24-10-2013	10	11.00	48,134	50,348	-
					<u>90,829</u>	<u>92,246</u>	<u>277,948</u>
Unrealised gain on account of remeasurement to fair value					1,417	-	-
					<u>92,246</u>	<u>92,246</u>	<u>277,948</u>

16.3 Held to maturity

	2003	2002
	Amortised cost	
	(Rupees in '000)	
Certificates of investment	-	182,344
	-	<u>182,344</u>

JAHANGIR SIDDIQUI & CO. Ltd.

17. Trade debtors - unsecured	2003	2002
	(Rupees in '000)	
Considered good		
Receivable against purchase of shares on behalf of clients	878,730	45,803
Commission receivable	<u>5,491</u>	<u>2,415</u>
	<u><u>884,221</u></u>	<u><u>48,218</u></u>

17.1 Maximum amount due from directors and associated companies calculated with reference to month end balance was Rs. 57.97 million (2002: Rs. 2.50 million).

17.2 Receivable against purchase of shares aggregating to Rs. 878.73 million has been subsequently recovered.

18. Advances, pre-payments and other receivables

Advances:

- Taxation	5,170	2,853
- Staff	32	46
- Others	<u>82</u>	<u>7</u>
	5,284	2,906

Pre-payments

Current maturity of long term loans	13	958	2,330
Profit receivable on bank deposits		1,178	310
Profit receivable on government securities		266	108
Profit receivable on TFCs		712	4,440
Advance against TFC application		1,568	1,963
Other receivables		-	5,000
		<u>737</u>	<u>660</u>
		<u><u>10,703</u></u>	<u><u>17,717</u></u>

19. Fund placements

Securities purchased under resale obligation

- Listed equity securities	19.1	<u>840,973</u>	<u>220,727</u>
- Other securities	19.2	<u>18,400</u>	<u>71,500</u>
		859,373	292,227

Clean placements

		-	100,000
		<u>859,373</u>	<u>392,227</u>

19.1 The market value of securities held in respect of these aggregates to Rs. 892.18 million.

19.2 These represent reverse repos against TFCs having tenure of three months with rates ranging from 6.50 to 7.00% per annum (2002: 7.25% to 13.00% per annum).

JAHANGIR SIDDIQUI & CO. Ltd.

20. Cash and bank balances	2003	2002
	(Rupees in '000)	
Cash with banks		
- on current accounts		
- local currency	5,527	4,059
- foreign currency	<u>677</u>	<u>624</u>
	6,204	4,683
- on PLS Deposit accounts		
- local currency	<u>6,090</u>	<u>848</u>
- foreign currency	<u>1,263</u>	<u>48,501</u>
	7,353	49,349
Cheques in hand	-	1,141
Cash in hand	<u>35</u>	<u>35</u>
	<u>13,592</u>	<u>55,208</u>
21. Operating revenue		
Brokerage and other operating revenue	21.1 130,271	86,104
Consultancy and advisory fee	27,076	22,935
Underwriting commission	268	513
Dividend income	21.2 <u>38,730</u>	<u>88,512</u>
	<u>196,345</u>	<u>198,064</u>
21.1 This is net of profit paid on repo transactions arising from TFCs and PIBs amounting to Rs. 21.02 million (2002: Rs. 36.19 million) and includes profit earned on reverse repo transactions amounting to Rs. 8.56 million (2002: Rs. 20.49 million).		
21.2 Includes dividend received from BSJS Balanced Fund Limited Rs. 6.26 million (2002: 1.86 million).		
22. Net gain / income from transactions in marketable securities		
Net gain / (loss) on sale of held for trading / available for sale investments	205,303	(18,601)
Income from reverse repurchase transactions of listed equity securities	<u>25,563</u>	<u>19,896</u>
	<u>230,866</u>	<u>1,295</u>

JAHANGIR SIDDIQUI & CO. Ltd.

23. Operating expenses	2003	2002
	(Rupees in '000)	
Salaries and benefits	72,952	26,471
Provident fund	839	732
Directors' remuneration	28,977	12,851
Provident fund in respect of director's remuneration	229	376
Auditors' remuneration	23.1 457	277
Printing and stationery	1,864	961
Telephone, fax, telegram and postage	3,409	3,232
Royalty fee	2,300	-
Consultancy fee	1,414	384
Rent, rates and taxes	1,689	872
Vehicle running	2,917	2,450
Electricity, gas, etc.	2,594	2,309
Legal and professional charges	4,440	473
Insurance	3,967	3,836
Newspapers and periodicals	150	101
Entertainment	319	265
Advertisement	1,798	1,359
Office supplies	661	576
Depreciation	11 10,713	11,469
Fees and subscription	6,611	2,198
Conveyance and traveling	2,567	1,001
Repairs and maintenance	1,605	1,087
Computer expenses	3,873	3,570
Donations	23.2 8,025	2,140
KSE clearing house and CDC charges	10,150	9,401
Office security	1,108	891
Stamp charges	194	92
Others	1,014	481
	<u>176,836</u>	<u>89,855</u>

23.1 Auditors' remuneration

Auditors' remuneration includes the following:

Annual audit fee	180	150
Certifications including half year review	267	117
Out of pocket expenses	10	10
	<u>457</u>	<u>277</u>

23.2 This includes donation paid to Siddiqui Foundation in which Mr. Jahangir Siddiqui, Mrs. Mahvash J. Siddiqui, Mr. Ali Jehangir Siddiqui and Mr. Munaf Ibrahim are directors. No other directors or their spouses have any interest in any other donee's fund to which donation was made.

JAHANGIR SIDDIQUI & CO. *Ltd.*

24. Other income	2003	2002
	(Rupees in '000)	
Return on local currency deposits	2,144	288
Return on foreign currency deposits	2	169
Return on special US Dollar bonds	-	20,239
Profit on DSC.	309	824
Profit on loan to staff	456	-
Profit on TFCs.	14,082	14,623
Profit on sale of fixed assets	11.1 4,991	1,830
Rent income	3,754	3,093
Other Income	813	-
Exchange loss	(684)	(12,275)
	<u>25,867</u>	<u>28,791</u>
25. Financial charges		
Mark up on running finance	8,391	32,185
Lease finance charges	230	1,050
Markup on TFCs	8,458	-
Others	453	261
	<u>17,532</u>	<u>33,496</u>
26. Basic earnings per share		
Profit for the year	<u>432,659</u>	<u>111,194</u>
	Number of shares	
Weighted average ordinary shares in issue during the year	<u>25,000,000</u>	<u>21,447,000</u>
	(Rupees)	
Basic earnings per share	<u>17.31</u>	<u>5.18</u>
27. Cash and cash equivalents	2003	2002
	(Rupees in '000)	
Cash and bank balances	13,592	55,208
Short term running finance under mark-up arrangement	(968,559)	(148,305)
	<u>(954,967)</u>	<u>(93,097)</u>

JAHANGIR SIDDIQUI & CO. Ltd.

28. Financial instruments and related disclosures

28.1 Interest rate risk exposure

The company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarised as follows:

	June 30, 2003					(Rupees in '000)	
	Interest bearing				Non Interest bearing	Total	
	Less than one month	One month to three months	Three months to one year	One year to three year			More than three year
Financial assets							
Long term loans and deposits	-	-	-	1,367	-	2,239	3,606
Long term investments	-	-	-	-	2,022	400,943	402,965
Short term investments	201,891	-	-	-	-	866,675	1,068,566
Trade debtors	-	-	-	-	-	884,221	884,221
Advances and other receivables	-	-	1,178	-	-	4,355	5,533
Fund placement	-	18,400	-	-	-	840,973	859,373
Cash and bank balances	7,353	-	-	-	-	6,239	13,592
	<u>209,244</u>	<u>18,400</u>	<u>1,178</u>	<u>1,367</u>	<u>2,022</u>	<u>3,005,645</u>	<u>3,237,856</u>
Average interest rates	<u>12.10%</u>	<u>6.60%</u>	<u>10.00%</u>	<u>10.00%</u>	<u>18.03%</u>		
Financial liabilities							
Dividend payable	-	-	-	-	-	2,625	2,625
Short term running finance	968,559	-	-	-	-	-	968,559
Redeemable capital	-	-	-	250,100	249,700	-	499,800
Securities sold under Repurchase agreements	157,586	13,300	-	-	-	-	170,886
Creditors, accrued expenses and other liabilities	-	-	200	-	-	446,474	446,674
Proposed dividend	-	-	-	-	-	37,500	37,500
	<u>1,126,145</u>	<u>13,300</u>	<u>200</u>	<u>250,100</u>	<u>249,700</u>	<u>486,599</u>	<u>2,126,044</u>
Average interest rates	<u>5.97%</u>	<u>5.10%</u>	<u>7.50%</u>	<u>7.50%</u>	<u>7.50%</u>		
On-balance sheet gap-2003	<u>(916,901)</u>	<u>5,100</u>	<u>978</u>	<u>(248,733)</u>	<u>(247,678)</u>	<u>2,519,046</u>	<u>1,111,812</u>
Off balance sheet items							
Financial assets							
Commitments in respect of repurchase transactions							
- Listed equity securities	-	-	-	-	-	-	-
- Other securities	158,017	13,416	-	-	-	-	171,433
Commitments in respect of clean placements	-	-	-	-	-	-	-
Average interest rates	<u>5.18%</u>	<u>5.10%</u>	-	-	-		
Financial liabilities							
Commitments in respect of resale transactions							
- Listed equity securities	-	-	-	-	-	845,468	845,468
- Other securities	-	18,707	-	-	-	-	18,707
Average interest rates	-	<u>6.60%</u>	-	-	-		
Off-balance sheet gap-2003	<u>158,017</u>	<u>(5,291)</u>	-	-	-	<u>(845,468)</u>	<u>(692,742)</u>

JAHANGIR SIDDIQUI & CO. Ltd.

(Rupees in '000)

	June 30, 2002						Total
	Interest bearing					Non Interest bearing	
	Less than one month	One month to three month	Three months to one year	One year to three year	More than three years		
Financial assets							
Long term loans and deposits	-	-	-	-	-	2,354	2,354
Long term investments	-	-	-	-	1,713	117,073	118,786
Short term investments	528,029	-	-	-	-	143,289	671,318
Trade debtors	-	-	-	-	-	48,218	48,218
Advances and other receivables	-	-	-	-	-	10,387	10,387
Fund placements	100,000	9,500	62,000	-	-	220,727	392,227
Cash and bank balances	49,349	-	-	-	-	5,859	55,208
	<u>677,378</u>	<u>9,500</u>	<u>62,000</u>	<u>-</u>	<u>1,713</u>	<u>547,907</u>	<u>1,298,498</u>
Average interest rates	13.23%	12.87%	11.31%	-	18.03%		
Financial liabilities							
Liabilities against assets subject to finance lease	762	1,520	1,450	-	-	-	3,732
Dividend payable	-	-	-	-	-	615	615
Short term running finance	148,305	-	-	-	-	-	148,305
Securities sold under repurchase agreements	118,812	104,997	-	-	-	-	223,809
Creditors, accrued expenses and other liabilities	-	-	-	-	-	232,359	232,359
Proposed dividend	-	-	-	-	-	55,000	55,000
	<u>267,879</u>	<u>106,517</u>	<u>1,450</u>	<u>-</u>	<u>-</u>	<u>287,974</u>	<u>663,820</u>
Average interest rates	13.08%	12.83%	17.28%	-	-		
On-balance sheet gap - 2002	<u>409,499</u>	<u>(97,017)</u>	<u>60,550</u>	<u>-</u>	<u>1,713</u>	<u>259,933</u>	<u>634,678</u>
Off balance sheet items							
Financial assets							
Commitments in respect of repurchase transactions							
- Listed equity securities	-	-	-	-	-	-	-
- Other securities	119,262	107,447	-	-	-	-	226,709
Commitments in respect of clean placements	100,148	-	-	-	-	-	100,148
Average interest rates	10.69%	10.22%	-	-	-		
Financial liabilities							
Commitments in respect of resale transactions							
- Listed equity securities	-	-	-	-	-	217,519	217,519
- Other securities	-	9,810	64,383	-	-	-	74,193
Average interest rates	-	12.87%	10.00%	-	-		
Off-balance sheet gap - 2002	<u>219,410</u>	<u>97,637</u>	<u>(64,383)</u>	<u>-</u>	<u>-</u>	<u>(217,519)</u>	<u>(65,003)</u>

28.2 Fair value of financial instruments

The carrying value of all financial instruments reflected in the financial statements approximates their fair values.

28.3 Concentration of credit risk and credit exposure of the financial instruments

The Company attempts to control credit risk by applying and monitoring approved limits of credit exposure to any one counterparty, limiting transactions with specific counterparties and continually assessing the credit worthiness of counterparties.

29. Related party transactions

Related parties comprise of subsidiaries and associated companies and directors. Amount due from and to these associated companies are shown under receivables and payables and the remuneration of Chairman, Chief Executive and executives are disclosed in note 30. Other significant transactions with these related parties are as follows:

	2003	2002
	(Rupees in '000)	
Purchase of marketable securities for and on behalf of directors	<u>552,100</u>	<u>50,240</u>
Sale of marketable securities for and on behalf of directors	<u>512,840</u>	<u>54,130</u>
Purchase of marketable securities on behalf of associates	<u>3,445,210</u>	<u>1,079,461</u>
Sale of marketable securities on behalf of associates	<u>3,080,280</u>	<u>1,161,085</u>
Brokerage income earned from directors and associated companies	<u>4,860</u>	<u>2,730</u>
Purchase of government securities from associates	<u>166,110</u>	<u>364,000</u>
Sale of government securities to associates	<u>460,590</u>	<u>864,000</u>
Certificates of investments purchased	<u>-</u>	<u>157,000</u>
Certificates of investments matured	<u>157,000</u>	<u>-</u>
Return on certificates of investments	<u>842</u>	<u>-</u>
Rent income	<u>2,064</u>	<u>1,050</u>
Advisory and consultancy fees	<u>445</u>	<u>300</u>

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using admissible valuation methods

JAHANGIR SIDDIQUI & CO. Ltd.

30. Remuneration of chairman, chief executive and executives.

The aggregate amount charged in the accounts for remuneration, including certain benefits to the chairman, chief executive and executives of the Company is as follows:

(Rupees in '000)

	Chairman		Chief Executive		Executives	
	2003	2002	2003	2002	2003	2002
Number of persons	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>37</u>	<u>34</u>
Managerial remuneration	294	1,760	2,000	2,000	8,220	7,355
House rent allowance	117	704	800	800	3,288	2,942
Utilities allowance	29	176	200	200	822	735
Sub-brokerage, commission and performance bonus		5,000	22,500	7,500	14,506	8,876
Ex-gratia bonus	3,000	-	-	-	-	-
Contribution to provident fund	29	176	200	200	546	437
Medical	2	135	35	76	154	138
Reimbursable expenses	22	71	56	18	752	626
	<u>3,493</u>	<u>8,022</u>	<u>25,791</u>	<u>10,794</u>	<u>28,288</u>	<u>21,109</u>

The figures of Chairman represent aggregate amounts charged for the remuneration including all benefits to the

30.1 Ex-Chairman.

30.2 The Company also provides the chief executive and certain executives with Company maintained cars.

31. NEGATIVE GOODWILL

The Company during the current year subscribed for right shares in ABAMCO Limited, and also purchased shares in Jahangir Siddiqui Investment Bank Limited. The negative goodwill represents the difference between the cost of investment and the respective share of net assets of the Company in the above subsidiary company. Goodwill of Rs. 0.53 million resulted from the subscription of right shares in ABAMCO Limited, while a negative goodwill of Rs. 1.24 million arose due to acquisition of shares in Jahangir Siddiqui Investment Bank Limited.

32. Taxation

The charge for current taxation in the accounts is on the basis of Section 113(D) of the Income Tax Ordinance, 2001. The income tax assessments of the Company have been finalised upto and including the assessment year 2001-2002.

33. General

33.1 The number of employees as at June 30, 2003 was 108 (2002: 107).

33.2 Figures have been rounded off to nearest thousand rupee.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated and Subsidiaries Accounts

Directors' Report

The directors are pleased to present the consolidated financial statements of Jahangir Siddiqui & Co. Ltd. and its subsidiaries for the year ended June 30, 2003.

As at June 30, 2003, the two main operational subsidiaries of Jahangir Siddiqui & Co. Ltd. were Jahangir Siddiqui Investment Bank Limited ("JSIBL") and ABAMCO Limited ("ABAMCO").

Jahangir Siddiqui Investment Bank Limited

During the year, JSIBL achieved a milestone by posting an after tax profit of Rs. 209.5 million as compared to Rs. 10.6 million during the preceding year. Return on investments and placements combined with capital gains from investments aggregating Rs. 250.5 million was much higher than the corresponding figure of Rs. 71.5 million earned last year. The higher profit earned during the year on investments was accentuated on account of capital gains realized on sale of securities. Income on Term Finance Certificates ("TFCs") also increased to Rs. 42.8 million for the year from Rs. 26.8 million as the JSIBL's TFC portfolio has grown from Rs. 222.1 million to Rs. 452.2 million. Further, dividend income amounting to Rs. 57.0 million as compared to Rs. 47.8 million also contributed towards achieving record profits. Earnings per share for the year are Rs. 9.21 per share as against Rs. 0.56 per share for the previous year.

ABAMCO Limited

During the year two new open-end mutual funds, UTP-Income Fund and UTP-Islamic Fund, were launched by ABAMCO. In addition ABAMCO acquired the management rights of twelve ICP Mutual Funds ('ICP Lot A') in a successful privatization bid comprising of 1st, 3rd, 4th, 8th, 11th, 12th, 15th, 19th, 20th, 21st, 23rd and 25th ICP Mutual Funds. During the year, ABAMCO has earned an after tax profit of Rs. 21.5 million as compared to Rs. 7.1 million during the preceding year. Due to this rapid expansion during the period under review earnings per share increased to Rs. 2.39 as compared to Rs. 0.87 in the corresponding period last year.

For and on behalf of the
Board of Directors

Mazharul Haq Siddiqui
Chairman

Karachi: October 29, 2003

Auditors' Report to the Members

We have examined the annexed Consolidated Financial Statements comprising Consolidated Balance Sheet of Jahangir Siddiqui & Company Limited and its subsidiary companies as at June 30, 2003 and the related Consolidated Profit and Loss Account, Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity together with the notes forming part thereof, for the year ended June 30, 2003. We have also expressed separate opinion on the financial statements of Jahangir Siddiqui & Company Limited and its two subsidiary companies, ABAMCO Limited and Confidence Financial Services Limited (CFSL). The other three subsidiary companies, Jahangir Siddiqui Investment Bank Limited, Jahangir Siddiqui Securities Services Limited and Jahangir Siddiqui Capital Markets (Private) Limited (Formerly JSCL Direct (Private) Limited) were audited by other firms of Chartered Accountants whose reports have been furnished to us and our opinion in so far as it relates to the amounts included for such companies, is based solely on the reports of such other auditors.

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

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

In our opinion the Consolidated Financial Statements examined by us present fairly the financial position of Jahangir Siddiqui & Company Limited and its subsidiary companies as at June 30, 2003 and the results of their operations, their Cash Flows and Changes in Equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi: October 29, 2003

JAHANGIR SIDDIQUI & CO. Ltd.

Consolidated Balance Sheet

As at June 30, 2003

	Note	2003 (Rupees	2002 in '000)		Note	2003 (Rupees	2002 in '000)
Capital and reserves				Fixed assets - at cost less accumulated depreciation	17	56,272	52,983
Share capital				Preliminary expenses		145	-
Authorised 50,000,000 (2002: 50,000,000) ordinary shares of Rs. 10/- each		<u>500,000</u>	<u>500,000</u>	Intangible assets - net	18	157,600	100
Issued, subscribed and paid-up	4	250,000	250,000	Long term loans, term finance and deposits	19	14,848	4,821
Share premium	5	175,505	175,505	Long term investments	20	1,035,126	348,231
Capital reserve	6	2,857	2,392	Negative goodwill	21	(49,293)	(49,293)
General reserve		500,000	200,000	Current assets			
Unrealised gain on remeasurement of available for sale investments to fair value		522,924	18,758	Trade debtors - unsecured	22	885,994	47,094
Unappropriated profit		<u>518,533</u>	<u>305,058</u>	Advances, pre-payments and other receivables	23	266,094	173,169
		<u>1,969,819</u>	<u>951,713</u>	Fund placements	24	1,563,989	576,809
Redeemable capital	7	499,800	-	Short term loans	25	207,416	185,193
Minority interest		392,325	218,786	Short term investments	26	2,695,964	879,059
Long term loan	8	125,000	-	Cash and bank balances	27	38,275	62,631
Liabilities against assets subject to finance lease	9	-	45			<u>5,657,732</u>	<u>1,923,955</u>
Certificates of investment	10	-	1,550				
Deferred tax liability	11	26,765	-				
Current liabilities							
Current maturity of long term loan	8	<u>25,000</u>	<u>-</u>				
Current portion of liabilities against assets subject to finance lease	9	45	3,928				
Current maturity of Certificates of investment	10	343,856	199,618				
Short term running finance under mark up arrangements - secured	12	1,171,713	227,747				
Borrowings from banks / NBFC's	13	751,000	-				
Securities sold under repurchase agreements	14	1,001,933	353,809				
Creditors, accrued expenses and other liabilities	15	500,847	248,856				
Provision for taxation		23,484	18,411				
Dividend payable		3,343	1,334				
Proposed dividend		<u>37,500</u>	<u>55,000</u>				
Contingency and commitments	16	<u>3,858,721</u>	<u>1,108,703</u>				
		<u>6,872,430</u>	<u>2,280,797</u>			<u>6,872,430</u>	<u>2,280,797</u>

The annexed notes 1 to 41 form an integral part of these accounts.

These financial statements were authorised for issue in Board of Directors meeting held on October 29, 2003.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Profit and Loss Account

For the year ended June 30, 2003

	Note	2003 (Rupees in '000)	2002
Operating revenue	28	362,723	330,975
Capital gain / (loss) on investments - net	29	398,036	(28,977)
		<u>760,759</u>	<u>301,998</u>
Operating expenses	30	283,182	136,088
Operating profit		<u>477,577</u>	<u>165,910</u>
Financial and other income	31	127,155	100,937
		<u>604,732</u>	<u>266,847</u>
Financial charges	32	107,266	133,610
		<u>497,466</u>	<u>133,237</u>
Share of profit of associated companies		168,573	43,006
Gain on disposal of shareholding in a subsidiary company		2,455	-
Negative goodwill / (goodwill) - net		715	(11,967)
		<u>669,209</u>	<u>164,276</u>
Reversal of provision for diminution in value of investments		1,449	1,509
Gain on remeasurement of held for trading investments - net		34,491	1,235
Profit before taxation		<u>705,149</u>	<u>167,020</u>
Provision for taxation			
- Current	33	34,269	19,185
- Prior		(269)	(102)
- Deferred		17,843	-
		<u>51,843</u>	<u>19,083</u>
Profit after taxation		<u>653,306</u>	<u>147,937</u>
Profit attributable to minority interest		(102,331)	(14,198)
		<u>550,975</u>	<u>133,739</u>
Unappropriated profit brought forward		305,058	200,753
Unrealised gain on revaluation of investments on account of change in accounting policy		-	25,566
		<u>305,058</u>	<u>226,319</u>
Profit available for appropriation		856,033	360,058
Appropriations:			
- Transfer to General Reserve		300,000	-
- Final cash dividend @ 15.00% (2002: 22.00%)		37,500	55,000
		<u>518,533</u>	<u>305,058</u>
Earnings per share	34	<u>22.04</u>	<u>6.24</u>

The annexed notes 1 to 41 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Cash Flow Statement

For the year ended June 30, 2003

	Note	2003 (Rupees in '000)	2002
Cash flows from operating activities			
Profit before taxation		705,149	167,020
Adjustments for:			
Depreciation		15,152	14,182
Profit on sale of fixed assets		(5,291)	(2,119)
Share of profit of associated companies		(168,573)	(43,006)
Goodwill		(715)	(11,967)
Provision for doubtful debts		-	182
Reversal of provision for diminution in value of investments		(1,449)	(1,509)
Gain on remeasurement of held for trading investments		(34,491)	1,235
Amortisation of intangible assets		17,500	-
Financial charges		107,266	133,610
		(70,601)	90,608
Operating profit before working capital changes		634,548	257,628
(Increase) / decrease in operating assets:			
Short term investments		(1,469,391)	112,628
Trade debtors		(838,900)	400,513
Short term loans		(22,223)	(99,586)
Advances, pre-payments and other receivables		(89,229)	(51,451)
		(2,419,743)	362,104
Increase in current liabilities (creditors, accrued expenses and other liabilities)		243,325	66,039
Cash (used in) generated from operations		(1,541,870)	685,771
Mark up paid		(98,601)	(149,574)
Taxes paid		(32,624)	(16,382)
Dividend paid		(52,991)	(67,245)
Changes in long term loans, term finance and deposits		(10,027)	10,586
Net cash flows from operating activities		(1,736,113)	463,156
Cash flows from investing activities			
Capital expenditure		(21,908)	(8,094)
Deferred cost incurred		(175,000)	(25)
Proceeds from sale of fixed assets		8,758	2,989
Fund Placements		(987,180)	(167,948)
Long term investments acquired		(244,763)	(128,687)
Net cash flows from investing activities		(1,420,093)	(301,765)
Cash flows from financing activities			
Payment of lease obligation		(3,928)	(6,246)
Further issue of Share Capital and Premium		-	160,500
Proceeds from issue of TFC		500,000	-
Long term loan		150,000	-
Certificates of investment		142,688	-
Securities sold under repurchase commitment		648,124	(74,728)
Net cash flows from financing activities		1,436,884	79,526
Net (decrease) / increase in cash and cash equivalents		(1,719,322)	240,917
Cash and cash equivalents at the beginning of the year		(165,116)	(406,033)
Cash and cash equivalents at the end of the year	35	(1,884,438)	(165,116)

The annexed notes 1 to 41 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Statement of Changes in Equity

For the year ended June 30, 2003

	Issued, subscribed and paid-up capital	Share premium	Capital reserve	General reserve	Unrealised gain on remeasurement of available for sale investment to fair value	Un- appropriated profit	(Rupees in '000) Total
Balance as at June 30, 2001- as previously reported	204,000	106,505	-	200,000	-	200,753	711,258
Adjustment resulting from change in accounting policy with respect to unrealised gain on remeasurement of available for sale and held for trading investments to fair value as at July 1, 2001	-	-	-	-	-	25,566	25,566
Balance as at June 30, 2001 - as restated	204,000	106,505	-	200,000	-	226,319	736,824
Movement during the year							
Profit for the year	-	-	-	-	-	133,739	133,739
Effect of remeasurement of available for sale investments to fair value held as at the year end, etc.	-	-	-	-	18,758	-	18,758
Proposed dividend	-	-	-	-	-	(55,000)	(55,000)
Issue of share capital	46,000	-	-	-	-	-	46,000
Share premium on account of right issue	-	69,000	-	-	-	-	69,000
Capital reserve	-	-	2,392	-	-	-	2,392
Balance as at June 30, 2002	250,000	175,505	2,392	200,000	18,758	305,058	951,713
Movement during the year							
Profit for the year	-	-	-	-	-	550,975	550,975
Effect of remeasurement of available for sale investments to fair value held as at the year end, etc.	-	-	-	-	504,166	-	504,166
Transfer to general reserve	-	-	-	300,000	-	(300,000)	-
Share of capital reserve (refer note 6)	-	-	465	-	-	-	465
Proposed dividend	-	-	-	-	-	(37,500)	(37,500)
Balance as at June 30, 2003	250,000	175,505	2,857	500,000	522,924	518,533	1,969,819

The annexed notes 1 to 41 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Notes to the Accounts

For the year ended June 30, 2003

1. Status and nature of business

1.1 Jahangir Siddiqui & Company Limited ("the Holding Company") was incorporated under the Companies Ordinance, 1984 on May 04, 1991 as a public unquoted company. The Holding Company was listed on all three stock exchanges in Pakistan on August 10, 1993, however, during the year the Company has been voluntarily de-listed from the Lahore and Islamabad Stock Exchanges. The Holding Company is also a corporate member of Karachi Stock Exchange (Guarantee) Limited. Its principal activities are share brokerage and trading, money market transactions, investment advisory and consultancy services, underwriting, etc.

1.2 Following subsidiary companies have been consolidated in the accounts of the Holding Company:

Subsidiary Company	Note	Date of Acquisition	Group Holding
Jahangir Siddiqui Investment Bank Limited	1.3	September 18, 1999	62.41%
Jahangir Siddiqui Securities Services Limited	1.4	January 1, 2000	100%
Jahangir Siddiqui Capital Markets (Private) Limited (Formerly JSCL Direct (Private) Limited)	1.5	May 22, 2003	100%
ABAMCO Limited	1.6	July 31, 2000	53.74%
Confidence Financial Services Limited (Sub-subsidiary)	1.7	September 14, 2000	42.77%

1.3 Jahangir Siddiqui Investment Bank Limited (JSIBL)

JSIBL is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. JSIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance).

1.4 Jahangir Siddiqui Securities Services Limited (JSSSL)

JSSSL was incorporated in Pakistan as an unquoted public company limited by shares, under the Companies Ordinance, 1984. Initially, the principal objective of the company was to establish, setup and to carry on the business of Authorised Money Changer. However, effective January 2000, Company's management has been changed, which now intends to carry on business of dealing in brokerage of marketable securities. The Company has not yet commenced its commercial operations.

1.5 Jahangir Siddiqui Capital Markets (Private) Limited (JSCML)
(Formerly JSCL Direct (Private) Limited)

JSCML was incorporated under the Companies Ordinance, 1984, on June 28, 2000. The principal activities of the Company are share brokerage, money market transactions, advisory consultancy services and underwriting etc.

1.6 ABAMCO Limited

ABAMCO Limited was incorporated under the Companies Ordinance, 1984, on February 22, 1995 as an unlisted public limited company and is registered in Karachi as an "Investment Advisor" and "Asset Management Company" under rule 5 of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The consolidated financial statements of ABAMCO Limited include the financial statements of Confidence Financial Services Limited (subsidiary company) in which it holds 77.77%.

1.6.1 ABAMCO Limited is an investment advisor and asset management company of the following companies:

Investment advisor of:

- BSJS Balanced Fund Limited
- Twelve Mutual Funds of Investment Corporation of Pakistan (ICP)

Asset management company of:

- Unit Trust of Pakistan
- UTP - Income Fund
- UTP - Islamic Fund

During the year, two new Funds, namely the UTP - Income Fund and UTP - Islamic Fund were floated by ABAMCO Limited. In addition ABAMCO Limited during the year acquired the management rights (to act as an investment advisor) of 12 Mutual Funds of Investment Corporation of Pakistan (ICP Lot "A" Mutual Funds). As per the legal opinion obtained by the Holding Company from Bawaney & Partners dated March 26, 2003, ABAMCO is an associated company of ICP Lot "A" Mutual Funds and conversely, Lot "A" Mutual Funds are associated undertakings of ABAMCO. Further the legal opinion has concluded, the Holding Company is not an associated company or associated undertaking of ICP Lot "A" Mutual Funds as it is not managing these Mutual Funds. Details of this acquisition are given in note 18.2 to the accounts.

1.6.2 ABAMCO Limited during the year sold its holding in Security Fund Management Limited (previously a 100% owned subsidiary company) to Crosby Asset Management International Limited (CAMIL). Amount received on the above disposal was Rs. 23.97 million thereby yielding a net income of Rs. 2.45 million.

1.7 Confidence Financial Services Limited (CFSL)

CFSL was incorporated under the Companies Ordinance, 1984 on April 21, 1994 as an unlisted public limited company. The company was registered as an Investment Adviser under the Investment Companies and Investment Adviser's Rules, 1971.

The principal activities of the company include equity market operations. The company is registered in Karachi, Pakistan and is a subsidiary company of ABAMCO Limited (with 77.77% holding).

1.7.1 CFSL through an application dated May 9, 2003 has applied to the Securities and Exchange Commission of Pakistan (SECP) for the grant of a license to act as an investment adviser under the Non-Banking Finance Companies (Establishment and Regulation) (NBFC) Rules, 2003. This license however has not yet been received. However under the above NBFC rules, till such a time a new license is issued by the SECP, the existing license is deemed to be valid for the purpose of the said rules.

1.7.2 On September 14, 2000, the majority shareholding in CFSL was acquired by ABAMCO Limited. On March 24, 2001, the operations of Confidence Mutual Fund Limited (CMFL) and BSJS Balanced Fund (BBF) were merged following the approval of shareholders of both the companies. As per the scheme of merger approved by the Sindh High Court order dated April 26, 2001, CFSL ceased to hold office of the investment adviser of CMFL and ABAMCO Limited, which is the investment adviser of BBF, has become the investment adviser of the merged company. The effective date of merger is July 1, 2001.

2. Basis of consolidation

The consolidated financial statements include the accounts of the Holding Company and its subsidiaries (the Group). The financial statements of such Subsidiary Companies have been consolidated on a line-by-line basis.

All material inter company balances, transactions and resulting unrealised profits / losses have been eliminated.

3. Summary of significant accounting policies

3.1 Accounting convention

These accounts have been prepared under the historical cost convention except for certain investments which are stated on mark to market basis as described in notes 3.7.

3.2 Statement of compliance

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984. Approved accounting standards comprise such International Accounting Standards as are notified under the provisions of the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance 1984 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance 1984 or the requirements of the said directives take precedence.

3.3 Staff retirement benefits

The Holding Company and ABAMCO Limited operate approved funded contributory provident fund schemes for the employees eligible to the scheme. Equal monthly contributions are made by the companies and employees to the fund at the rate of 10.00% of basic pay.

JSIBL operates an unrecognised provident fund for its permanent employees. JSIBL is in the process of obtaining approval from the relevant authorities in respect of provident fund scheme. Equal monthly contribution to the fund are made both by the company and its employees in accordance with fund rules.

3.4 Fixed assets - Tangible

Owned

Fixed Assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation on fixed assets is charged to income by applying straight line method over the useful life of the assets.

A full year's depreciation is charged on the assets acquired during the year, whereas, no depreciation is charged in the year of disposal.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are included in the profit and loss account.

Leased

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of the leased assets. The related obligations under the lease are accounted for as liabilities. Depreciation is charged on straight-line method at the rates given in note 17 to the accounts.

The finance charge is calculated at the rate implicit in the lease.

3.5 Loans, Term Finance and Advances

Loans, Term Finance and Advances provided by JSIBL are stated at cost less any amount written off and provision made, if any, in accordance with the State Bank of Pakistan's Prudential Regulations.

3.6 Intangible Assets

The Holding Company states its intangible asset at cost less provision for permanent impairment, if any. The intangible asset of ABAMCO Limited representing payments made for the acquisition of management rights of Mutual Funds of Investment Corporation of Pakistan (ICP) are stated at cost less accumulated amortisation and impairment losses, if any. Amortisation is charged to the profit and loss account on a straight line basis over a period of ten financial years commencing from the year of payment.

3.7 Investments

Investments in associates

Associates are those enterprises in which the Group has significant influence, but not control, over the financial and operating policies. These investments are valued as follows:

1. Investments that are not held for disposal purposes are valued under the equity method of accounting, less impairment losses, if any.
1. Other investments and investments that are held exclusively with a view to their disposal are classified as available for sale and are stated at fair value, with any resultant gains or losses being recognised directly in equity. When the investment is sold or when the carrying amount of investment is impaired, the cumulative gain or loss recognised in equity is transferred to the profit and loss account.

Investments held for trading

Investments which are acquired principally for the purposes of generating a profit from short term fluctuations in price or dealer's margins are classified as held for trading. These are stated at their fair values with any resulting gains or losses recognised directly in the profit and loss account.

Investments available for sale

These represent investments in bullion, equity instruments (including listed and unlisted securities) and other securities which (except for investments in unlisted securities) are stated at fair values with any resulting gains or losses recognised directly in equity through the Statement of Changes in Equity. These are recognised / derecognised on the date of purchase / sale of investments. The fair value of those investments representing listed equity and other securities i.e. debt instruments are determined on the basis of year-end bid prices. The investments representing unlisted shares and debt instruments are stated at cost as relevant financial information is not available to determine their fair values. Hence provision for permanent diminution is made, if any.

Investments held to maturity

Investments with fixed maturity, where management has both the intent and ability to hold to maturity are classified as held to maturity and are stated at amortised costs. The resultant changes in value are reported directly in the profit and loss account.

In JSIBL, investments in quoted securities are initially recorded at cost and are subsequently marked to market in accordance with BSD Circular No. 20 dated August 4, 2000 issued by the State Bank of Pakistan, which requires that the difference between the carrying value (adjusted for amortisation of discount or premium) and the revalued amount be recognised in equity, until actually realised on disposal.

3.8 Securities purchased and sold under resale / repurchase agreements

Transactions of repurchase (Repo) and resale (Reverse Repo) of securities (including government securities) are entered at contracted rates for specified period of time. Securities sold under repurchase obligations (Repo) and securities purchased under resale obligations (Reverse Repo) are recorded as liabilities and assets respectively. The differential in sale / repurchase price is accrued and recorded as cost / return earned.

3.9 Derivatives

Derivative instruments held by JSIBL generally comprise of forward contracts in the capital and money markets. Derivatives are stated at fair value at the balance sheet date, if any. The fair value of derivative is the equivalent of unrealised gain or loss on marking to market the derivative using the prevailing market rates. Derivatives with positive market value (unrealised gains) are included in other assets and derivatives with negative market values (unrealised losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in equity in accordance with BSD Circular No. 20 dated August 4, 2000 issued by the State Bank of Pakistan until the derivatives are settled.

The fair value of unquoted derivatives is determined by discounted cash flows using appropriate interest rates applicable to the underlying asset.

3.10 Certificates of Investment

Return on certificates of investment (COIs) is recognised on a time proportion basis taking into account the relevant COIs issue date and maturity date.

3.11 Offsetting of financial assets and liabilities

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

3.12 Trade debtors

These are stated net of provision for doubtful debts. Full provision is made against the debts considered doubtful.

3.13 Revenue recognition

Income from reverse repurchase transactions is recognised on a time proportion basis.

Capital gains or losses on sale of investments are taken to income in the period in which they arise.

Dividend income is recorded when the right to receive the dividend is established i.e. at the time of the closure of share transfer books of the company declaring the dividend.

Underwriting commission is recognised when the agreement is executed. Take-up commission is recognised at the time commitment is fulfilled.

Brokerage, consultancy and advisory fee, commission on foreign exchange dealings, government securities and portfolio trading services are recognised as and when services are provided.

Commission from Unit Trust of Pakistan (UTP) funds is recognised at the time of sale of units.

Remuneration for investment advisory and asset management services are recognised on an accrual basis.

Return on loans and term finance is recognised on accrual basis.

Return on term finance certificates and government securities except for Defence Saving Certificates (DSC's) is recognised on a time proportion basis. Return on DSC's has been accounted for using a constant rate of return to maturity.

Trusteeship fees is recognised on an accrual basis in proportion to the provision of service.

Return on bank deposits is recognised on an accrual basis.

3.14 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any or one half of one percent of income under section 113 of Income Tax Ordinance, 2001 whichever is higher.

Deferred

Deferred tax is provided using balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

As at June 30, 2003, deferred tax asset has not been recorded by the Holding Company in view of uncertainty about the availability of its taxable profits in the foreseeable future against which such losses could be utilised.

3.15 Fiduciary Assets

Assets held in trust or in a fiduciary capacity are not treated as assets and accordingly are not included in these accounts.

3.16 Foreign currency translation

Foreign currency transactions during the year are recorded at the exchange rate ruling on the transaction date. Foreign currency balances at year-end are translated at official buying rate ruling on the balance sheet date. Gain or loss on translation is taken to income currently.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise of cash, bank balances and bank borrowings and overdrafts repayable on demand.

4. Issued, subscribed and paid-up capital

2003	2002		2003	2002
Number of shares			(Rupees in '000)	
13,387,500	13,387,500	Ordinary shares of Rs.10/- each fully paid in cash	133,875	133,875
11,612,500	11,612,500	Ordinary shares of Rs.10/- each issued as bonus shares	116,125	116,125
<u>25,000,000</u>	<u>25,000,000</u>		<u>250,000</u>	<u>250,000</u>

5. Share premium

Balance at the beginning of the year	175,505	106,505
Share premium received on issue of right shares	-	69,000
Balance at the end of the year	<u>175,505</u>	<u>175,505</u>

6. Capital reserve

This represents Group's share of capital reserve of BSJS Balanced Fund Limited created through the merger of Security Stock Fund Limited and BSJS Balanced Fund Limited.

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7. Redeemable capital - Unsecured (Non-participatory)

Term finance certificates (TFC's)		500,000	-
Less: Current portion shown under current liability	15	(200)	-
		<u>499,800</u>	<u>-</u>

7.1 The profit on these TFCs is payable semi-annually, based on the cut-off yield of the last successful auction of five year Pakistan Investment Bonds held during the six month period plus 1.50% per annum with a floor and cap of 7.50% and 13.00% per annum respectively. The TFCs have a tenor of five years i.e. 2003-2008 with a call option exercisable by the Holding Company at any time during the tenor of the TFCs after the first 6 months by giving a 3 months notice. Mark-up not yet due amounts to Rs. 151.66 million.

8. Long term loan - secured

Muslim Commercial Bank Limited		150,000	-
Current liability		(25,000)	-
		<u>125,000</u>	<u>-</u>

8.1 This represents demand finance facility of Rs. 150.00 million obtained by ABAMCO Limited and is payable in six equal annual installments of Rs. 25.00 million each. This facility is fully repayable by September 2008. The facility carries mark-up of 2.50% over 12 months treasury bills rate with a floor of 8.00%. Mark-up is payable on a semi-annual basis. The loan is secured by way of pledge of 1.60 million shares of BSJS Balanced Fund Limited owned by ABAMCO Limited and 1.35 million shares of BSJS Balanced Fund Limited owned by Confidence Financial Services Limited (subsidiary company of ABAMCO Limited), personal shares of the directors of the Group and personal guarantee of a director of the Group.

9. Liabilities against assets subject to finance lease

	2003			2002		
	Minimum Lease payments	Financial Charges for future period	Principal outstanding	Minimum Lease payments	Financial Charges for future period	Principal outstanding
Upto one year	48	3	45	4,177	249	3,928
Over one year to three years	-	-	-	48	3	45
	<u>48</u>	<u>3</u>	<u>45</u>	<u>4,225</u>	<u>252</u>	<u>3,973</u>

9.1 Rentals are payable in equal monthly instalments. Repairs and insurance costs are to be borne by the lessee. Financing rates ranging from 17.04% to 18.53% per annum (2002: 17.04% to 18.60% per annum) have been used as discounting factor.

10. Certificates of investment

	2003	2002
	(Rupees in '000)	
Local currency	343,856	201,168
Certificates due within one year shown as current maturity	<u>(343,856)</u>	<u>(199,618)</u>
	<u>-</u>	<u>1,550</u>

10.1 This represents deposits received by JSIBL from customers under registered Certificates of Investment (COI) in local currency. The maturity period ranges between one month to one year. The expected rate of return payable on the certificates ranges from 3.00% to 13.25% per annum (2002: 7.95% to 13.50% per annum).

11. Deferred tax liability

Taxable temporary differences

Unrealised gain on government securities		8,467	-
Difference in accounting and tax base of leased asset		12	-
Differences in accounting and tax bases of owned assets		523	-
Share of post acquisition reserves of associated companies	11.1	17,843	-

Deductible temporary differences

Provision for non-performing loan		(64)	-
Difference in accounting and tax base of obligation under finance lease		(16)	-
		<u>26,765</u>	<u>-</u>

11.1 This represents deferred tax liability recognised on share of post acquisition reserves of associated companies recognised by ABAMCO Limited under the equity basis of accounting.

12. Short term running finance under mark-up arrangements - secured

The Holding Company and JSIBL have short term running finance facilities under mark-up arrangements in aggregate of Rs. 1,675.00 million (2002: Rs. 1,960.00 million) from various banks at mark-up rates ranging from 5.50% to 8.00% (2002: 10.25% to 14.00%) per annum. The arrangements are secured against pledge of various shares held as investments. (2002: pledge of Special US Dollar bonds, pledge of various shares held as investments, charge over book debts and government securities).

13. Borrowings from banks / NBFC's

Represents amount borrowed by JSIBL from banks / NBFC's and carry mark-up at rates ranging from 3.05% to 12.00% per annum.

14. Securities sold under repurchase agreements

It includes repos against PIBs, TFCs and certificates of ICP mutual funds having a tenure of two days to six months with rates ranging from 2.25% to 9.10% per annum (2002: 6.45% to 10.25% per annum).

15. Creditors, accrued expenses and other liabilities

		2003	2002
		(Rupees in '000)	
Advance from customers	15.1	9,719	1,726
Creditors for sale of shares on behalf of clients	15.2	358,444	187,187
Accrued expenses		29,434	20,273
Accrued mark up		5,079	1,878
Accrued return on TFCs		7,603	-
Accrued return on COI's		3,231	5,370
Current portion of redeemable capital		200	-
Payable to directors		148	148
Provision for staff bonus		69,936	23,160
Tax deducted at source		-	1
Retention money		-	714
Negative fair value of derivative financial instruments		3,489	-
Others		13,564	8,399
		<u>500,847</u>	<u>248,856</u>

15.1 This represents amount payable against sale of shares under Portfolio Trading Services.

15.2 This includes creditors arising from reverse repurchase transactions in respect of listed equity securities amounting to Rs. Nil (2002: Rs. 176.73 million).

16. Contingency and commitments

16.1 Contingency

In respect of income tax assessments of JSIBL	33.2	<u>128,000</u>	<u>148,311</u>
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16.2 Commitments

- Commitments in respect of repurchase transactions		<u>1,007,601</u>	<u>226,709</u>
- Commitments in respect of guarantee		<u>50,000</u>	<u>-</u>
- Commitments in respect of resale transactions			
- Listed equity securities		<u>997,165</u>	<u>217,519</u>
- Other securities		<u>536,346</u>	<u>74,193</u>
- Commitments in respect of clean placements		<u>50,563</u>	<u>100,148</u>
- Commitments in respect of Underwriting		<u>135,000</u>	<u>80,000</u>
- Commitments in respect of Pre-Initial Public Offer (PIPO)		<u>160,000</u>	<u>30,000</u>

- Under the terms of agreement with Crosby Asset Management International Limited (CAMIL) referred to in note 1.6.2 to these financial statements, ABAMCO Limited is required to acquire the membership of National Commodity Exchange Limited (previously held by the subsidiary of ABAMCO Limited) for Rs. 1.00 million within a period of three years from March 22, 2003. However, if ABAMCO Limited, after the expiry of 3 years, is legally not permitted to acquire the membership, then ABAMCO Limited will have to pay Rs. 1.00 million to CAMIL. CAMIL however will hold the membership in trust until such time that it becomes legally permissible to transfer the membership to ABAMCO Limited.

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17. Fixed assets - at cost less accumulated depreciation

(Rupees in '000)

	Cost				Rate %	Depreciation			Written Down Value as at June 30, 2003
	As at July 1, 2002	Additions / (Disposal) / Adjustments	As at June 30, 2003			As at July 1, 2002	For the year / (Disposal) / Adjustments	As at June 30, 2003	
Owned									
Office premises	51,347	-	51,347	5	18,552	2,611	21,163	30,184	
Office equipment	38,547	3,971	54,356	25	35,949	5,366	50,194	4,162	
		-				-			
		11,838				8,879			
Office furniture	9,855	348	10,203	10	7,578	678	8,256	1,947	
Motor vehicles	28,741	17,589	35,250	20	16,480	6,434	15,301	19,949	
		(11,080)				(7,613)			
		-				-			
	128,490	21,908	151,156		78,559	15,089	94,914	56,242	
		(11,080)				(7,613)			
		11,838				8,879			
Leased									
Office equipment	12,028	-	190	25	8,976	63	160	30	
		-				-			
		(11,838)				(8,879)			
	12,028	-	190		8,976	63	160	30	
		-				-			
		(11,838)				(8,879)			
June 30, 2003	140,518	21,908	151,346		87,534	15,152	95,074	56,272	
		(11,080)				(7,613)			
		-				-			
June 30, 2002	136,733	8,094	140,518		76,791	14,182	87,535	52,983	
		(4,309)				(3,439)			
		-				-			

JAHANGIR SIDDIQUI & CO. Ltd.

17.1 Disposal of fixed assets

Particulars	(Rupees in '000)					Buyer's particulars	Mode of disposal
	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/(loss)		
Vehicles							
Toyota Corolla	1,169	234	935	1,199	264	Toyota Southern Motors Plot # 13, Sector-23, Korangi Industrial Area, Karachi	Negotiation
Suzuki Pickup	50	50	-	45	45	Mr. M Irfan 6/413, Liaqatabad, Karachi	Negotiation
Suzuki Baleno	649	649	-	513	513	Tamseel Ahmed House No. A-648 Sector 11-B, North Karachi.	Negotiation
Mercedes	2,400	2,400	-	1,550	1,550	Mr. Mohammad Ashraf Chohan 198/A Street No. 10, Cavalry ground Ext. Cantt. Lahore.	Negotiation
Toyota Corolla	100	100	-	115	115	Mr. Naveed Raza Khan R-261, Buffer Zone, North Karachi, Karachi	Negotiation
Suzuki Cultus	250	50	200	271	71	Standard Chartered Bank Main branch I.I. Chundrigar Road, Karachi	Negotiation
Suzuki Margalla	517	517	-	345	345	Mr. Habib Abdullah Mistri Fakhir M Khan Manzil Lane # 3 Noohabad, Karachi	Negotiation
Suzuki Margalla	517	517	-	365	365	Mr. Altaf N Bhayani G-6, Ibrahim Society Garden East, Karachi	Negotiation
Suzuki Margalla	483	483	-	330	330	Mr. Kashif Noor Memon 4A/II, 4th North Street, Phase 1, DHA, Karachi	Negotiation
Suzuki Baleno Saloon	559	447	112	450	338	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi	Insurance Claim
Suzuki Cultus	555	111	444	475	31	Mr. Anas Ahmed House No. 124-125, Moinabad Model Colony, Karachi	Negotiation
Honda Civic	1,245	249	996	1,045	49	Mr. M. Asghar House No. 120, Manakge St Garden East, Karachi	Negotiation
Suzuki Khyber	382	382	-	245	245	Mr. Mehboob Ali House No. 316, St No. 12, Block - C, Bhitaiabad, Karachi	Negotiation
Suzuki Khyber	401	401	-	240	240	Mr. M. Hanif R B-6, Chagla Street, Kharadar, Karachi	Negotiation
Honda (Motorcycle)	50	50	-	55	55	Mr. Abdul Sattar House # 51-52/B, Khatri Colony, FMD Khan Road, Usmanabad, Karachi.	Negotiation
Honda (Motorcycle)	59	59	-	65	65	Mr. Iftikhar Ahmed House # 1205 A, Street no. 7, L.A.C. No. 2, Mehmoodabad No. 6, Karachi.	Negotiation
Daihatsu Cuoure	419	251	168	450	282	Dr. Yasin Bhuiya A-11, IBA Apartment, Bl - 5, Kehkashan Clifton, Karachi	Negotiation
Toyota Corolla	130	78	52	140	88	Mr. Rashid Nazir House # C-47, Gali No. 3, Block J, North Nazimabad, Karachi.	Negotiation
Suzuki Cultus	585	585	-	300	300	Dr. Qamar Uddin Siddiqui 15 B, Block - A, S.M.C.H.S. Karachi.	Negotiation
Suzuki Cultus	560	-	560	560	-	Crosby Asset Management Company	Negotiation
June 30, 2003	11,080	7,613	3,467	8,758	5,291		
June 30, 2002	4,309	3,439	870	2,989	2,119		

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18. Intangible assets - net	Note	2003 (Rupees in '000)	2002
Deferred cost	18.1	100	100
Amount paid for the management rights of ICP Mutual Funds	18.2	175,000	-
Amortised during the year		<u>(17,500)</u>	<u>-</u>
		<u>157,600</u>	<u>100</u>

18.1 This represents carrying value of membership card of the Karachi Stock Exchange (Guarantee) Limited held by the Holding Company.

18.2 This represents the amount paid by ABAMCO Limited to the Privatisation Commission, Government of Pakistan for the acquisition of the management rights of the twelve ICP Mutual Funds. Cost incurred for the acquisition of these rights is being amortised on a straight line basis over ten financial years.

Under an agreement ("the Agreement") dated October 11, 2002 between ABAMCO Limited, Investment Corporation of Pakistan and the Privatisation Commission (PC) of the Government of Pakistan, ABAMCO Limited has acquired certificates in and management rights in respect of the following twelve Mutual Funds of ICP:

Particulars	Number of certificates	% of holding
1st ICP Mutual Fund	500,000	10.00
3rd ICP Mutual Fund	500,000	10.00
4th ICP Mutual Fund	500,000	10.00
8th ICP Mutual Fund	500,000	10.00
11th ICP Mutual Fund	500,000	10.00
12th ICP Mutual Fund	500,000	10.00
15th ICP Mutual Fund	500,000	10.00
19th ICP Mutual Fund	473,450	9.47
20th ICP Mutual Fund	500,000	10.00
21st ICP Mutual Fund	949,900	9.50
23rd ICP Mutual Fund	661,950	3.31
25th ICP Mutual Fund	1,250,200	3.13

Under the terms of the above agreement, until the re-organisation of ICP Mutual Funds (as hereinafter discussed) or the expiry of six months from the date of the agreement, ABAMCO Limited is required to manage the affairs of the Mutual Funds under the provisions of ICP Ordinance, ICP General Regulations and the prospectus of each of the ICP Mutual Funds. Since then this time period has been extended by the Securities and Exchange Commission of Pakistan (SECP) for additional six months up to October 10, 2003.

Further, ABAMCO Limited, under the above agreement, is also required to re-organise the corporate structure of the Mutual Funds within six months of the date of execution of the agreement to comply with the Investment Companies and Investment Advisors Rules, 1971 (now replaced by NBFC rules, 2003) with the object of carrying on the business of closed-end Mutual Funds in terms of Securities and Exchange Ordinance, 1969 and NBFC Rules, 2003. The SECP has extended the date of reorganisation up to October 2003. ABAMCO Limited has also approached the PC for the purchase of the remaining certificates of certain of the above Mutual Funds, so as to have a holding of at least 10.00% of the value of certificates issued by them (which ABAMCO Limited is required to do so under the above stated agreement).

Under the requirements of the above referred agreement, remuneration for the management of above 12 Mutual Funds is being recognised at 2.00% of the net asset value of respective Funds.

19. Long term loans, term finance and deposits

	Note	2003 (Rupees in '000)	2002
Long term loans - secured, considered good			
To executives		3,928	849
To employees		<u>791</u>	<u>359</u>
	19.1	4,719	1,208
Term finance	19.2	<u>18,852</u>	<u>652</u>
Other		<u>12</u>	<u>-</u>
		18,864	652
Current maturity		<u>(12,306)</u>	<u>(732)</u>
		11,277	1,128
Deposits	19.3	3,571	3,693
		<u>14,848</u>	<u>4,821</u>

19.1 This represents finance provided to executives and employees for purchase of property and for other purposes and are repayable over a maximum period of five years at mark-up rates ranging from nil to 12.00% per annum. Repayment is made on a monthly basis. These loans are secured against title documents of vehicles, equitable mortgage on property, employees' provident fund and personal guarantees.

19.2 This represents finances with maturities ranging from 1 to 4 years, at mark-up rates ranging from 8.00% to 11.50% (2002: 14.00%) per annum repayable in monthly and quarterly instalments.

Borrower	Collateral	2003	2002
Pakcom Limited	First pari passu hypothecation charge over fixed assets with a 25.00% margin and an equitable charge over present and future receivables from Pakistan Telecommunication Limited to Pakcom Limited.	14,400	-
Individuals	Personal guarantees and promissory notes from borrowers, pledge of shares / units of listed companies, DSC's, mortgage of a property, hypothecation of fixed assets, home appliances and jewellery.	<u>4,452</u>	<u>652</u>
		<u>18,852</u>	<u>652</u>

19.3 This includes security deposits with utility companies and security margin with Karachi Stock Exchange (Guarantee) Limited.

19.4 Maximum amount due from executives calculated with reference to the month end balance was Rs. 3.93 million (2002: Rs. 1.06 million).

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20. Long term investments

	Note	2003 (Rupees in '000)	2002
Investment in associates Available for sale	20.1	375,031	177,156
- Quoted-Shares	20.2.1	590,301	167,468
- Quoted-Certificates of Mutual funds	20.2.2	66,186	-
- Unquoted-Shares	20.2.3	1,586	1,893
		658,073	169,361
Held to maturity	20.3	2,022	1,714
		<u>1,035,126</u>	<u>348,231</u>

20.1 Investment in associates

Unquoted - shares	20.1.1	272,233	177,156
Quoted - certificates	20.1.2	102,798	-
		<u>375,031</u>	<u>177,156</u>

20.1.1 Unquoted - shares

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

<u>Number of Shares</u>			<u>Carrying value</u>	
2003	2002		2003	2002
			(Rupees in '000)	
750,000	750,000	EFU Services (Private) Limited Equity held 37.50% (2002: 37.50%) Value based on net assets of Rs. 19.89 million (2002: 19.87 million) Chief Executive: Syed Mehdi Imam	7,451	7,500
		Share of profits / (losses)	8	(49)
			<u>7,459</u>	<u>7,451</u>
14,187,847	13,687,297	BSJS Balanced Fund Limited		
		Balance as on July 1	169,705	122,609
		Reversal of provision / (provision) against impairment in value of investments	2,978	(12,182)
		Additions during the year - net	2,692	26,921
		Share of profits and reserves	110,231	46,877
		Dividend received	(20,832)	(14,520)
			<u>264,774</u>	<u>169,705</u>
			<u>272,233</u>	<u>177,156</u>

20.1.1.1 The Holding Company directly holds 12.28% (2002: 4.96%) shares of BSJS Balanced Fund Limited. However, through subsidiary companies the overall holding of the Group in BSJS Balanced Fund Limited at June 30, 2003 is 28.57% (2002: 21.91%). Market value of investments in BSJS Balanced Fund Limited as at June 30, 2003 was Rs. 288.01 million (2002: 121.47 million).

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20.1.2 Quoted-Certificates

Number of Certificates		Particulars	% of holding	Market value	Cost of acquisition	Share of post acquisition profit	Carrying value	
2003	2002						2003	2002
(Rupees in '000)								
268,687	-	1st ICP Mutual Fund	5.37	4,500	2,738	4,317	7,055	-
268,687	-	3rd ICP Mutual Fund	5.37	5,374	4,044	4,741	8,785	-
268,687	-	4th ICP Mutual Fund	5.37	10,989	7,494	9,377	16,870	-
268,687	-	8th ICP Mutual Fund	5.37	6,784	5,806	3,490	9,296	-
268,687	-	11th ICP Mutual Fund	5.37	5,159	3,985	5,569	9,553	-
268,687	-	12th ICP Mutual Fund	5.37	4,165	3,256	4,593	7,849	-
268,687	-	15th ICP Mutual Fund	5.37	4,192	2,520	5,224	7,744	-
254,419	-	19th ICP Mutual Fund	5.09	4,707	3,417	4,981	8,398	-
268,687	-	20th ICP Mutual Fund	5.37	4,863	3,383	5,246	8,629	-
510,451	-	21st ICP Mutual Fund	5.10	3,701	1,812	2,348	4,160	-
355,714	-	23rd ICP Mutual Fund	1.78	2,383	818	2,253	3,071	-
671,824	-	25th ICP Mutual Fund	1.68	9,439	3,292	8,096	11,388	-
				66,256	42,564	60,234	102,798	-

20.2 Available for sale

20.2.1 Quoted-Shares

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

Number of Shares		Quoted	2003		2002
2003	2002		Average cost	Fair value	Fair value
(Rupees in '000)					
3,037,250	1,953,250	EFU Life Assurance Limited (Equity held 20.25%)	134,935	291,576	65,061
2,257,500	1,341,000	Tri-pack Films Limited (Equity held 7.52%)	101,352	181,954	61,418
1,869,838	1,673,013	EFU General Insurance Company Limited (Equity held 9.84%)	50,560	116,771	40,989
			286,847	590,301	167,468
Unrealised gain on account of restatement to market value			303,454	-	-
			590,301	590,301	167,468

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20.2.2 Quoted - Certificates of mutual funds

Number of certificates		Name of funds	2003		2002
2003	2002		Average cost	Fair value	Fair value
		(Rupees in '000)			
130,500	-	1st ICP Mutual Fund	1,166	2,186	-
439,500	-	3rd ICP Mutual Fund	5,319	8,790	-
20,000	-	8th ICP Mutual Fund	439	505	-
570,000	-	11th ICP Mutual Fund	8,100	10,944	-
540,000	-	12th ICP Mutual Fund	6,352	8,370	-
420,000	-	15th ICP Mutual Fund	3,994	6,552	-
30,000	-	19th ICP Mutual Fund	411	555	-
27,500	-	20th ICP Mutual Fund	324	498	-
58,000	-	21st ICP Mutual Fund	204	421	-
844,000	-	23rd ICP Mutual Fund	2,094	5,655	-
809,500	-	25th ICP Mutual Fund	4,269	11,373	-
		Rights entitlement			
176,175	-	1st ICP Mutual Fund	-	643	-
593,325	-	3rd ICP Mutual Fund	-	3,412	-
27,000	-	8th ICP Mutual Fund	-	182	-
769,500	-	11th ICP Mutual Fund	-	2,347	-
729,000	-	12th ICP Mutual Fund	-	1,786	-
567,000	-	15th ICP Mutual Fund	-	1,758	-
40,500	-	19th ICP Mutual Fund	-	107	-
37,125	-	20th ICP Mutual Fund	-	102	-
			32,672	66,186	-
Unrealised gain on account of restatement to market value			33,514	-	-
			66,186	66,186	-

20.2.3 Unquoted - shares

Number of shares			2003		2002
2003	2002				
167,875	125,000	Security General Insurance Limited Chief Executive: Syed Jawad Gillani	1,586	1,586	1,586
-	30,000	Technology Trade (Private) Limited	-	-	307
			1,586	1,586	1,893

20.3 Held to maturity

	2003	2002
	Amortised cost (Rupees in '000)	
Defence Saving Certificates	2,022	1,714
	2,022	1,714

21. Negative goodwill

Citibank Overseas Investment Corporation (COIC) had on February 1, 1999 entered into an agreement to sell 6 million shares of Citicorp Investment Bank Limited to the Holding Company and in that agreement it was agreed by the parties to the agreement that the purchase consideration of Rs. 123.90 million (representing 6.00 million shares at the rate of Rs. 20.65 per share) would be adjusted to the extent of 70.00% if there is any subsequent reduction in total disputed tax liability as of December 31, 1998 amounting to Rs. 68.65 million as confirmed by a Chartered Accountant firm. Therefore as and when this disputed tax liability is resolved in favour of Jahangir Siddiqui Investment Bank Limited, the Holding Company would pay to COIC the above amount to the extent of 70.00% which would be adjusted against the purchase consideration (Negative goodwill) for above shares.

22. Trade debtors - unsecured

	2003	2002
	(Rupees in '000)	
Considered good		
Receivable against purchase of shares on behalf of clients	880,503	44,679
Commission receivable	5,491	2,415
	<u>885,994</u>	<u>47,094</u>

22.1 Maximum amount due from directors and associated companies calculated with reference to month end balance was Rs. 57.97 million (2002: Rs. 2.50 million).

23. Advances, pre-payments and other receivables

	2003	2002
	(Rupees in '000)	
Advances:		
- Taxation	67,244	63,548
- Staff	46	60
- For KSE membership card	2,100	-
- Against unquoted share application	63,600	-
- Against TFC application	15,000	47,305
- Others	92	7
	<u>148,082</u>	<u>110,920</u>
Pre-payments	1,569	3,194
Current maturity of long term loans	19	516
Due from BSJS Balanced Fund Limited (BBF)	23.1 11,822	8,400
Due from Unit Trust of Pakistan (UTP)	23.2 22,746	26,223
Due from UTP Income fund	23.3 185	-
Due from UTP Islamic fund	23.4 6,521	-
Due from ICP mutual funds	23.5 35,555	-
Profit receivable on bank deposits	291	125
Profit receivable on government securities	6,634	4,440
Profit receivable on Term Finance Certificates	14,512	11,405
Profit receivable on short term loans	2,473	2,728
Profit receivable on fund placements	4,908	1,952
Dividend receivable	6,518	-
Profit receivable on WAPDA Bonds	482	-
Other receivables	2,418	3,266
	<u>266,094</u>	<u>173,169</u>

- 23.1 The remuneration of investment adviser (ABAMCO Limited) due from BBF for the last quarter of the current year has been calculated at 2.00% of the average annual net assets of the fund (calculated on a monthly basis) under the Non-Banking Finance Companies (Establishment and Regulation) (NBFC) Rules 2003. The above rules are applicable from April 1, 2003. However, remuneration for the first three quarters of the current year has been calculated at 2.00% of the net assets of the investment company, the maximum rate permissible under rule 11 of the Investment Companies and Investment Advisers' Rules, 1971.
- 23.2 This includes remuneration and commission in the amounts of Rs. 20.22 million and Rs. 2.53 million respectively receivable by ABAMCO Limited from Unit Trust of Pakistan (UTP). ABAMCO Limited is entitled to remuneration for services rendered to UTP. Remuneration from the above scheme for the last quarter of the current year has been recognised at 2.00% of the average annual net assets of the fund under the NBFC Rules, 2003. However, remuneration for the first three quarters of the current year has been recognised upto a maximum 2.00% per annum (2002: 3.00% per annum) of the average weekly net assets of the scheme under the Asset Management Companies Rules, 1995. Commission is receivable at 2.00% of the net assets value of the fund on sale of units by ABAMCO Limited.
- 23.3 ABAMCO Limited is entitled to a maximum remuneration of 3.00% per annum on the average annual net assets of the fund under the NBFC Rules, 2003, which amounts to Rs. 2.10 million. However, ABAMCO Limited has decided to waive the remuneration for the current year.
- 23.4 Remuneration has been recognised by ABAMCO Limited on the same basis as indicated in note 23.2 above, except that the same has been recognised at 3.00% of the average annual net assets or average weekly net assets or average weekly net assets of the fund as applicable.
- 23.5 Remuneration from ICP mutual funds for services rendered by ABAMCO Limited as an investment advisor has been recognised at 2.00% of the net assets of respective funds determined at the close of the financial year prorated for nine months ended June 30, 2003 in accordance with the management rights transfer agreement.

24. Fund placements

		2003	2002
		(Rupees in '000)	
Securities purchased under resale obligation			
- Listed equity securities	24.1	990,508	220,727
- Other securities	24.2	523,481	256,082
		1,513,989	476,809
Clean placements	24.3	50,000	100,000
		1,563,989	576,809

- 24.1 These placements carry mark-up at rates ranging from 6.50% to 12.45% per annum (2002: 8.50% to 15.75% per annum).
- 24.2 These placements carry mark-up at rates ranging from 3.20% to 10.60% per annum (2002: 7.25% to 13.00% per annum). These are secured against TFCs, PIBs, WAPDA bonds and UTP units purchased under resale agreements.
- 24.3 This placement carries mark-up at the rate of 4.50% (2002: 8.50% to 15.75%) per annum.

25. Short term loans

- Considered good	25.1	196,460	173,242
- Considered doubtful		182	182
		196,642	173,424
Provision for non-performing loans		(182)	(182)
		196,460	173,242
Current maturity of term finance		10,956	11,951
		207,416	185,193

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25.1 Represents loans provided by JSIBL for working capital finances, which carry mark-up at rates ranging from 9.00% to 13.00% (2002: 10.50 % to 20.00 %) per annum. These are secured by pledge of shares of listed companies, NIT Units, DSCs, deposit certificates, charge on book debts, personal guarantees of the directors, property of the borrowers and hypothecation of stock.

26. Short term investments

		2003 (Rupees in '000)	2002
Held for trading	26.1	1,296,989	189,435
Available for sale	26.2	1,398,975	664,624
Held to maturity - COIs		-	25,000
		<u>2,695,964</u>	<u>879,059</u>
26.1 Held for trading			
Quoted			
- Shares	26.1.1	980,210	167,616
- Term Finance Certificates	26.1.2	100,140	21,819
Government securities	26.1.3	216,639	-
		<u>1,296,989</u>	<u>189,435</u>

26.1.1 Quoted-Shares

These are fully paid ordinary shares of Rs.10/- each unless stated otherwise.

Number of shares		Name of companies	2003		2002
2003	2002		Average cost	Fair value (Rupees in '000)	Fair value
Investment Companies and Banks					
3,895,325	1,944,000	Muslim Commercial Bank Limited	96,926	146,269	56,609
2,000,000	-	Pakistan Industrial Credit and Investment Corporation	48,534	57,600	-
25,850	-	National Bank of Pakistan	609	705	-
Transport and Communication					
6,300,000	4,209,000	Pakistan Telecommunication Company Limited	173,008	179,235	72,353
Cement					
1,498,025	-	D. G. Khan Cement Limited	15,317	14,980	-
Engineering					
178,500	-	Crescent Steel & Allied Products Limited	11,197	14,816	-
Food and Allied					
9,520	10,940	*Unilever Pakistan Limited	8,634	12,615	9,999
Textile Composite					
5,005,000	1,500	Nishat Mills Limited	128,153	175,425	23
Fuel and Energy					
1,411,900	-	Attock Refinery	133,079	134,907	-
100,000	-	Pak Oil Field Limited	22,010	22,520	-
1,823,500	88,000	The Hub Power Company Limited	68,141	69,111	2,042
Chemical and Pharmaceuticals					
1,550,000	421,900	Engro Chemical Pakistan Limited	136,040	134,617	25,441
200,000	25,300	Fauji Fertilizer Company Limited	17,260	17,410	1,149
			<u>858,908</u>	<u>980,210</u>	<u>167,616</u>
Unrealised gain on account of restatement to market value			121,302	-	-
			<u>980,210</u>	<u>980,210</u>	<u>167,616</u>

(*) Face value of ordinary shares of Lever Brothers Pakistan Limited is Rs. 50 each.

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26.1.2 Quoted-Term Finance Certificates

No. of Certificates		Term Finance Certificates	Profits		Face Value	Maturity Date	2003		2002
2003	2002		Repayment frequency	Rates %			Average Cost	Fair value	Fair value
600	-	Nishat Mills Limited	Semi annually	13.00	2,998	19-09-2005	3,005	3,000	-
104	-	Engro Chemical Pakistan Limited (2nd Issue)	Semi annually	11.00	520	05-07-2007	527	530	-
4,075	-	World Call Communications Limited	Semi annually	12.25	20,371	30-09-2007	20,406	20,375	-
3,460	-	Bank Al-Falah Limited	Semi annually	10.00	17,297	19-12-2008	19,940	19,940	-
300	-	Orix Leasing Pakistan Limited (2nd Issue)	Semi annually	10.00	1,500	21-07-2006	1,706	1,504	-
2,040	-	National Development Leasing Corporation	Semi annually	17.00	6,793	01-12-2004	6,905	10,200	-
5,000	-	Union Bank Limited	Semi annually	11.00	24,995	21-06-2008	28,374	25,000	-
1,000	-	Securitel SPV Limited	Quarterly	12.00	5,000	27-03-2006	5,000	5,000	-
1,000	-	Trust Leasing Limited	Semi annually	9.50	5,000	03-06-2008	5,000	5,000	-
740	-	Network Leasing Corporation Limited	Semi annually	16.25	3,696	04-10-2005	3,696	3,700	-
330	-	Muslim Commercial Bank Limited	Semi annually	11.75	1,650	10-02-2008	1,683	1,683	-
800	1,000	Union Leasing Limited	Semi annually	14.50	3,998	19-04-2005	4,193	4,208	5,260
-	55	Dewan Salman Fibres Limited (2nd Issue)	Quarterly	16.00	275	22-06-2005	-	-	275
-	400	Sigma Leasing Corporation	Semi annually	17.00	2,000	18-01-2003	-	-	1,400
-	2,000	Saudi Pak Leasing Company Limited	Semi annually	18.25	10,000	28-01-2003	-	-	2,581
-	1,810	Paramount Leasing Limited	Semi annually	16.25	10,000	28-06-2004	-	-	9,050
-	600	Sui Southern Gas Company Limited	Semi annually	11.50	3,000	04-06-2007	-	-	3,253
							100,435	100,140	21,819
Unrealised loss on account of remeasurement to fair value							(295)	-	-
							100,140	100,140	21,819

26.1.3 Government securities

Pakistan Investment Bonds	213,252	216,639	-
Unrealised gain on account of remeasurement to fair value	3,387	-	-
	216,639	216,639	-

26.2 Available for sale

		2003	2002
		(Rupees in '000)	
Bullion	26.2.1	-	1,439
Quoted			
- Shares	26.2.2	326,659	95,515
- Certificates of mutual funds	26.2.3	172,229	3,318
- Term Finance Certificates	26.2.4	492,897	228,993
Unquoted			
- Shares	26.2.5	1,375	1,375
- Term Finance Certificates	26.2.6	-	45,918
		1,375	47,293
Government securities	26.2.7	367,710	277,948
WAPDA bonds	26.2.8	38,105	-
Unit Trust of Pakistan		-	10,118
		1,398,975	664,624

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26.2.1 Bullion

Quantity in grams		2003		2002
		Average cost	Fair value	Fair value
2003	2002	(Rupees in '000)		
-	2,320	-	-	1,439

26.2.2 Quoted - shares

These are fully paid ordinary shares of Rs. 10/- each unless stated otherwise.

Number of shares		Name of companies	2003		2002
			Average cost	Fair value	Fair value
2003	2002	(Rupees in '000)			
		Insurance			
234,037	64,455	EFU General Insurance Limited	11,495	14,616	1,579
		Leasing Companies			
2,362,645	-	Orix Leasing Pakistan Limited	62,011	82,693	-
		Textile Composite			
5,203,440	10,500	Legler-Nafees Denim Mills Limited	23,796	80,913	139
-	66,000	Nishat (Chunian) Limited	-	-	1,871
		Textile Spinning			
2,330,500	-	Umer Fabrics Limited	60,121	95,550	-
110,500	-	Dewan Khalid Textile Mills Limited	3,511	7,625	-
		Textile Weaving			
-	75,000	Kohinoor Raiwind Mills Limited	-	-	1,523
		Fuel and Energy			
-	1,288,000	Sui Northern Gas Pipelines Company Limited	-	-	6,974
-	110,500	Sui Southern Gas Company Limited	-	-	1,331
-	35,000	Pakistan State Oil Company Limited	-	-	2,100
-	29,000	National Refinery Limited	-	-	1,624
-	169,500	Kohinoor Energy Limited	-	-	2,288
		Auto and Allied Engineering			
-	74,500	Pak Suzuki Motor Company Limited	-	-	1,855
		Cement			
-	299,000	Maple Leaf Cement Factory Limited	-	-	1,988
-	103,500	Lucky Cement Limited	-	-	849
		Synthetic and Rayon			
-	93,500	Ibrahim Fibres Limited	-	-	1,304
		Chemicals and Pharmaceuticals			
-	700	Glaxo Wellcome Pakistan Limited	-	-	56
		Cables & Electrical Goods			
1,122,000	-	Singer Pakistan Limited	28,050	43,702	-
		Paper and Board			
-	300	Packages Limited	-	-	23

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Number of Shares			2003		2002
			Average cost	Fair value	Fair value
2003	2002		(Rupees in '000)		
Investment Companies and Banks					
975,000	-	Prudential Discount & Guarantee House Limited	195	1,560	-
-	1,230,000	Muslim Commercial Bank Limited	-	-	35,793
-	54,325	The Bank of Punjab Limited	-	-	622
Miscellaneous					
-	722,500	Tri-pack Films Limited	-	-	33,596
			189,179	326,659	95,515
Unrealised gain on account of restatement to market value					
			137,480	-	-
			326,659	326,659	95,515

26.2.3 Quoted - Certificates of mutual funds

Number of certificates		Name of funds	2003		2002
			Average cost	Fair value	Fair value
2003	2002		(Rupees in '000)		
310,000	-	1st ICP Mutual Fund	4,856	5,192	-
30,000	-	3rd ICP Mutual Fund	559	600	-
120,000	-	4th ICP Mutual Fund	4,798	4,908	-
70,000	-	8th ICP Mutual Fund	1,559	1,767	-
360,000	-	11th ICP Mutual Fund	4,385	6,912	-
450,000	-	12th ICP Mutual Fund	4,494	6,975	-
20,000	-	15th ICP Mutual Fund	360	312	-
30,000	-	19th ICP Mutual Fund	512	555	-
90,000	-	20st ICP Mutual Fund	1,495	1,629	-
420,000	-	21st ICP Mutual Fund	2,235	3,045	-
900,500	-	23rd ICP Mutual Fund	4,829	6,030	-
540,000	-	25th ICP Mutual Fund	4,937	7,587	-
162,700	-	*UTP Income Fund	83,354	89,173	-
5,000	-	*UTP Islamic Fund	2,500	2,920	-
246,831	-	**Dawood Money Market Fund	25,000	25,119	-
-	176,000	ICP S.E.M.F	-	-	3,318
Rights entitlement					
418,500	-	1st ICP Mutual Fund	-	670	-
40,500	-	3rd ICP Mutual Fund	-	202	-
161,325	-	4th ICP Mutual Fund	-	2,420	-
94,500	-	8th ICP Mutual Fund	-	756	-
486,000	-	11th ICP Mutual Fund	-	3,402	-
607,500	-	12th ICP Mutual Fund	-	1,215	-
16,875	-	15th ICP Mutual Fund	-	34	-
40,500	-	19th ICP Mutual Fund	-	202	-
120,825	-	20rd ICP Mutual Fund	-	604	-
			145,873	172,229	3,318
Unrealised gain on account of restatement to market value					
			26,356	-	-
			172,229	172,229	3,318

(* Face value of certificates of UTP Income Fund and UTP Islamic Fund is Rs. 500 each.

(**) Face value of certificates of Dawood Money Market fund is Rs. 100 each.

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26.2.4 Quoted-Term Finance Certificates

No. of certificates		Name of companies	Profits		Face value (Rupees in '000')	2003		2002	
2003	2002		Repayment frequency	Rates %		Maturity date	Average cost (Rupees in '000)	Fair value	Fair value
1,075	-	Atlas Investment Bank Limited	Semi annually	15.00	12,500	27-09-2005	10,408	11,562	-
-	2,500	Atlas Lease Limited	Semi annually	15.00	12,500	16-08-2006	-	-	12,742
8,117	-	Bank Alfalah Limited	Semi annually	10.00	40,585	19-12-2008	44,977	46,319	-
541	-	Crescent Leasing Corporation Limited	Semi annually	12.00	2,705	05-09-2007	2,705	2,769	-
1,100	3,000	Dawood Leasing Corporation Limited - 1st Issue	Semi annually	13.50	15,000	12-09-2006	14,950	17,676	15,255
2,527	-	Dawood Leasing Corporation Limited - 2nd Issue	Semi annually	12.25	12,635	27-07-2007	12,635	15,158	-
50	1,000	Engro Ashai Polymer and Chemical Limited	Semi annually	13.00	5,000	15-06-2006	4,996	5,833	5,048
1,100	-	Engro Chemical Pakistan Limited	Semi annually	11.00	5,500	07-07-2007	5,498	6,381	-
1,220	4,400	Gulistan Textiles Mills Limited	Semi annually	14.00	27,000	05-09-2006	26,983	30,513	22,436
1,818	-	KASB Leasing Limited	Semi annually	11.50	9,090	15-01-2008	9,090	9,608	-
292	-	Maple Leaf Cement Factory Limited	Semi annually	15.25	1,460	19-07-2007	1,460	1,466	-
3,400	-	Muslim Commercial Bank Limited	Semi annually	11.75	17,000	10-08-2007	16,996	20,214	-
350	4,000	National Development Leasing Corporation	Semi annually	17.00	35,000	01-12-2004	23,308	25,909	21,015
50	1,584	Network Leasing Corporation Limited	Semi annually	16.25	7,920	04-10-2005	7,912	8,682	7,994
334	6,665	Nishat Mills Limited	Semi annually	13.00	33,325	19-09-2005	33,305	35,680	33,985
4,000	-	Orix Leasing Pakistan Limited	Semi annually	11.00	20,000	31-07-2007	20,000	22,316	-
30	600	Pakistan Industrial Leasing Corporation Limited-2nd Issue	Semi annually	15.60	3,000	02-03-2004	1,000	1,045	2,020
6,000	-	Pakistan International Airline Corporation	Semi annually	7.40	30,000	20-02-2011	30,000	32,400	-
503	10,035	Pakistan PTA Limited	Semi annually	7.93	50,175	02-08-2006	50,145	50,020	52,856
50	1,000	Paramount Leasing Limited -1st Issue	Semi annually	16.25	5,000	28-06-2004	3,650	3,878	4,400
1,310	-	Paramount Leasing Limited -2nd Issue	Semi annually	11.50	6,550	07-02-2007	6,550	6,844	-
1,500	1,500	Reliance Weaving Mills Limited	Semi annually	15.25	7,500	07-02-2007	7,500	8,693	7,575
-	4,000	Saudi Pak Leasing	Semi annually	18.25	20,000	28-01-2003	-	-	5,162
2,000	-	Securitel S.P.V. Limited	Quarterly	12.00	10,000	27-03-2006	9,167	9,900	-
2,000	2,000	Security Leasing Corporation Limited - 1st Issue	Semi annually	14.75	10,000	29-12-2005	9,997	11,267	10,854
854	-	Security Leasing Corporation Limited - 2nd Issue	Semi annually	11.50	4,270	09-01-2007	4,270	4,400	-
-	1,000	Shahmurad Sugar Mills Limited	Semi annually	15.50	5,000	21-05-2006	-	-	5,000
461	-	Sitara Chemical Industries Limited	Semi annually	12.00	2,305	20-06-2007	2,305	2,425	-
1,211	1,211	Sui Southern Gas Company Limited - 1st Issue	Semi annually	14.15	6,340	01-06-2006	6,335	7,025	6,870
4,000	-	Sui Southern Gas Company Limited - 2nd Issue	Semi annually	11.50	20,000	04-06-2007	19,992	22,187	-
2,000	-	Trust Leasing Corporation Limited	Semi annually	9.50	10,000	03-06-2008	10,000	10,000	-
3,213	-	Union Bank Limited	Semi annually	11.00	16,065	21-06-2008	16,062	18,498	-
3,000	3,000	Union Leasing Limited	Semi annually	14.50	15,000	19-04-2005	14,994	15,775	15,781
5,000	-	Worldcall Communications Limited	Semi annually	12.25	25,000	30-09-2007	24,995	28,454	-
							452,185	492,897	228,993
Unrealised gain on account of restatement to market value							40,712	-	-
							492,897	492,897	228,993

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26.2.5 Unquoted - shares

<u>Number of shares</u>			2003	2002
2003	2002		Cost (Rupees in '000)	
184,662	137,500	Security General Insurance Limited Equity held 1.85 % (2001: 1.85%) Net assets as at December 31, 2002 Rs. 180.734 million (2001: 12.966 million) Chief Executive: Syed Jawad Gillani	1,375	1,375
			<u>1,375</u>	<u>1,375</u>

26.2.6 Unquoted- Term Finance Certificates

No. of certificates	Name of companies	Profits		Face value (Rupees in '000')	Maturity date	2003		2002
		Repayment frequency	Rates %			Average cost	Fair value	Fair value
- 1,000	Gulistan Textiles	Semi annually	14.00	5,000	05-09-2006	-	-	5,033
- 2,740	National Development Leasing Corporation Limited	Semi annually	17.00	13,700	01-12-2004	-	-	13,836
- 2,508	Nishat Mills Limited	Semi annually	14.50	12,540	19-09-2005	-	-	12,537
- 1,940	Network Leasing Corporation Limited	Semi annually	16.25	9,700	04-10-2005	-	-	9,194
- 1,063	Atlas Lease Limited	Semi annually	15.00	5,315	16-08-2006	-	-	5,318
								<u>45,918</u>

26.2.7 Government securities

Pakistan Investment Bonds	342,324	367,710	277,948
Increase in investments on account of restatement to market value	25,386	-	-
	<u>367,710</u>	<u>367,710</u>	<u>277,948</u>

26.2.8 WAPDA bonds

7,600	-	Water and Power Development Authority - 10th issue	Semi annually	7.25	38,000	29-04-2008	38,105	38,105	-
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27. Cash and bank balances

	2003	2002
	(Rupees in '000)	
Cash with bank		
- on current accounts		
- Local currency	27.1 11,484	8,215
- Foreign currency	677	624
	<u>12,161</u>	<u>8,839</u>
- on deposit accounts		
- Local currency	24,714	4,097
- Foreign currency	1,349	48,501
	<u>26,063</u>	<u>52,598</u>
Cheques in hand	-	1,141
Cash in hand	51	53
	<u>38,275</u>	<u>62,631</u>

27.1 This includes an amount of Rs. 2.37 million (2002: Rs. 2.37 million) deposited by JSIBL with the State Bank of Pakistan as required under the relevant provisions of the State Bank of Pakistan's Prudential Regulations to meet the additional reserve requirement of 1.00 percent of certain specified liabilities.

28. Operating revenue

		2003	2002
		(Rupees in '000)	
Brokerage and other operating revenue	28.1	129,484	86,101
Consultancy and advisory fee	28.2	30,263	32,212
Return on fund placement with financial institutions	28.3	12,766	40,897
Dividend income	28.4	86,510	130,542
Underwriting commission		4,141	4,094
Remuneration from BSJS Balanced Fund Limited (BBF)		11,822	8,404
Remuneration from Unit Trust of Pakistan (UTP)		25,330	24,712
Remuneration from ICP Mutual funds		35,555	-
Remuneration from UTP - Islamic Fund		5,637	-
Commission from UTP - Income Fund		3,273	-
Commission from UTP - Islamic Fund		3,345	-
Commission from UTP		14,597	4,013
		<u>362,723</u>	<u>330,975</u>

28.1 This is net of profit paid on repo transactions arising from TFCs, PIBs, Tbills, and FIBs amounting to Rs. 21.02 million (2002:Rs. 36.19 million) and includes profit earned on reverse repo transactions amounting to Rs. 8.56 million (2002: Rs. 20.49 million).

28.2 Includes trusteeship fee of Rs. 1.04 million (2002: Rs. 0.67 million) received by JSIBL as trustees on behalf of Term Finance Certificate holders of various companies.

28.3 This is net of Rs. 2.27 million (2002: 3.59 million) which have been offset against mark-up on borrowings from banks / NBFIs.

28.4 It includes Rs. 3.14 million (2002: 86.99 million) in respect of reverse repurchase transactions.

29. Capital gain / (loss) on investments - net

Net gain / loss on sale of held for trading / available for sale investments		368,684	(44,544)
Income from reverse repurchase transactions of listed equity securities		<u>29,352</u>	<u>15,567</u>
		<u>398,036</u>	<u>(28,977)</u>

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30. Operating expenses

		2003	2002
		(Rupees in '000)	
Salaries and benefits		103,594	39,871
Provident fund		839	732
Directors' remuneration		42,172	18,566
Directors' provident fund		309	652
Auditors' remuneration	30.1	1,310	917
Printing and stationery		4,349	2,906
Communication		5,207	4,211
Consultancy fee		1,976	1,575
Royalty fee		2,300	-
Rent, rates and taxes		3,648	1,767
Vehicle running		3,239	2,623
Utilities		3,547	3,489
Amortisation of intangible assets		17,500	-
Legal and professional charges		9,351	1,489
Insurance		5,009	4,847
Newspapers and periodicals		218	126
Entertainment		910	646
Advertisement		11,538	8,172
Office supplies		661	598
Depreciation	17	15,152	14,182
Fees and subscription		8,318	3,844
Conveyance and traveling		5,034	2,683
Repairs and maintenance		2,414	1,518
Donations	30.2	12,684	2,532
Computer expenses		7,879	5,184
Provision for doubtful debts		-	182
KSE clearing house and CDC charges		10,918	9,916
Office security		1,108	948
Underwriting commission		-	638
Zakat		403	-
Stamp charges		194	92
Others		1,401	1,182
		<u>283,182</u>	<u>136,088</u>

30.1 Auditors' remuneration includes the following:

Company	Auditors of Holding companies	Auditors of subsidiary	2003	2002
			(Rupees in '000)	
Annual audit fee	180	499	679	400
Other services	267	290	557	473
Out of pocket expenses	10	64	74	44
	<u>457</u>	<u>853</u>	<u>1,310</u>	<u>917</u>

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30.2 This includes donation amounting to Rs. 11.88 million to Siddiqui Foundation in which Mr. Jahangir Siddiqui, Mrs. Mahvash J. Siddiqui, Mr. Ali Jehangir Siddiqui and Mr. Munaf Ibrahim are directors. It also includes Rs. 0.15 million paid to Fakhr-e-Imdad foundation in which Mr. Jahangir Siddiqui, Mr. Habib-ur-Rehman and Mr. Mazhar ul Haq Siddiqui are trustees. No other directors or their spouses have any interest in any other donee's fund to which donation was made.

31. Financial and other income

	2003	2002
	(Rupees in '000)	
Return on local currency deposits	2,802	1,013
Return on foreign currency deposits	2	169
Return on Special US Dollar Bonds	-	24,002
Return on Foreign Exchange Bearer Certificates	-	165
Profit on TFCs	56,883	41,435
Profit on government securities	22,739	30,711
Profit on DSCs	309	824
Profit on WAPDA bonds	3,119	-
Profit on loan to staff	456	-
Income from short term loans	29,080	20,831
Preliminary and pre-operating expenses written off	(37)	(97)
Exchange loss	(697)	(23,791)
Profit on sale of fixed assets	17.1	5,291
Rent income	1,690	2,043
Others	5,518	1,513
	<u>127,155</u>	<u>100,937</u>

32. Financial charges

Mark up on borrowings from NBFC's	53,591	64,391
Mark up on bank financing	19,517	36,373
Mark up on TFCs	8,458	-
Lease finance charges	248	1,115
Return on Certificates of Investment	24,819	30,863
Others	633	868
	<u>107,266</u>	<u>133,610</u>

33. Taxation

33.1 In respect of the Holding Company, the charge for current taxation in the accounts is on the basis of Section 113 of the Income Tax Ordinance, 2001.

The income tax assessments of the Holding Company have been finalised upto and including assessment year 2001-2002.

33.2 In respect of JSIBL, the income tax assessments upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002 have been finalised.

In the assessment years 1994-1995 to 1996-1997 the Income Tax Officer (ITO) has applied the rate of income tax applicable to banking companies instead of that applicable to public companies. JSIBL disputed this treatment and filed appeals with the Commissioner of Income Tax (Appeals) [CIT (Appeals)] and the Income Tax Appellate Tribunal (ITAT). The ITAT allowed the appeals filed by JSIBL. Based on the ITAT's decision the DCIT has allowed relief by applying the rate applicable to companies. However, the income tax authorities have challenged the decision of the ITAT in the High Court.

In the assessment years 1997-1998 to 1999-2000 the Deputy Commissioner of Income Tax (DCIT) again applied the rate applicable to banking companies instead of public companies. JSIBL filed appeals against these orders with CIT (Appeals). These have been decided in favour of JSIBL by the CIT (Appeals). The effect of the decision has been taken by the DCIT in the latest assessment orders in respect of the above years. However, the income tax authorities have challenged the decision of the CIT (Appeals) in the ITA.

In the assessment year 2000-2001 to 2002-2003 the DCIT again applied the rate applicable to banking companies instead of public companies. Furthermore, the DCIT has made certain disallowances against which JSIBL has filed an appeal.

If the issue regarding the applicability of tax rate of banking company versus the rate applicable to the public company and the disallowances of expenses are decided against JSIBL, then a further provision of Rs. 128.00 million (2002: 148.31 million) will be required. The management is of the view that JSIBL would be successful in these appeals. Hence, no provision has been made in this respect.

33.3 In respect of ABAMCO Limited, the income tax assessments of ABAMCO Limited have been finalised upto and including assessment year 2001-2002 and that of its subsidiaries upto and including the assessment year 2002-2003.

34. Earnings per share - basic and diluted

	2003	2002
	(Rupees in '000)	
Profit for the year	550,975	133,739
	Number of shares	
Weighted average ordinary shares in issue during the year	25,000,000	21,447,000
	(Rupees)	
Earnings per share	22.04	6.24

35. Cash and cash equivalents

	2003	2002
	(Rupees in '000)	
Cash and bank balances	38,275	62,631
Borrowings from banks / NBFIs	(751,000)	-
Short term running finance under mark-up arrangements	(1,171,713)	(227,747)
	<u>(1,884,438)</u>	<u>(165,116)</u>

36. Financial instruments and related disclosures

36.1 Interest rate risk exposure

The interest rate risk and the effective rates on financial assets and liabilities of the Group are summarised as follows:

June 30, 2003	Interest / markup bearing					(Rupees in '000)	
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years	Non Interest / markup bearing	Total
	Financial assets						
Cash and bank balances	26,063	-	-	-	-	12,212	38,275
Short term investments	722,594	492,897	-	-	-	1,480,473	2,695,964
Short term loans	-	109,960	97,456	-	-	-	207,416
Fund placements	-	573,481	-	-	-	990,508	1,563,989
Advances and other receivables	-	15,000	-	-	-	183,850	198,850
Trade debtors	-	-	-	-	-	885,994	885,994
Long term loans, term finance and deposits	-	-	-	1,720	9,135	3,993	14,848
Long term investments	-	-	-	-	2,022	658,073	660,095
	<u>748,657</u>	<u>1,191,338</u>	<u>97,456</u>	<u>1,720</u>	<u>11,157</u>	<u>4,215,103</u>	<u>6,265,431</u>
Average interest rates	9.25%	9.04%	12.25%	10.00%	11.97%		
Financial liabilities							
Dividend payable	-	-	-	-	-	3,343	3,343
Short term running finance under mark-up arrangement	1,171,713	-	-	-	-	-	1,171,713
Borrowings from banks / NBFC's	751,000	-	-	-	-	-	751,000
Redeemable capital	-	-	-	250,100	249,700	-	499,800
Long term loan	-	-	25,000	125,000	-	-	150,000
Certificates of investment	-	301,795	42,061	-	-	-	343,856
Securities sold under repurchase agreements	907,586	94,347	-	-	-	-	1,001,933
Liabilities against assets subject to finance lease	-	18	27	-	-	-	45
Creditors, accrued expenses and other liabilities	-	9,719	200	-	-	490,928	500,847
Proposed dividend	-	-	-	-	-	37,500	37,500
	<u>2,830,299</u>	<u>405,879</u>	<u>67,288</u>	<u>375,100</u>	<u>249,700</u>	<u>456,771</u>	<u>4,385,037</u>
Average interest rates	6.90%	8.10%	8.08%	7.67%	7.50%		
Balance sheet gap-2003	<u>(2,081,642)</u>	<u>785,459</u>	<u>30,168</u>	<u>(373,380)</u>	<u>(238,543)</u>	<u>3,683,332</u>	<u>1,805,394</u>

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June 30, 2002	Interest / markup bearing					(Rupees in '000)	
	Less than	One month to	Three months	One year to	More than	Non Interest /	Total
	one month	three months	to one year	three years	three years	markup bearing	
Financial assets							
Cash and bank balances	52,585	-	-	-	-	10,046	62,631
Short term investments	373,801	-	225,877	-	-	279,381	879,059
Short term loans	-	116,674	68,519	-	-	-	185,193
Fund placements	100,000	120,082	136,000	-	-	220,727	576,809
Advances and other receivables	-	42,305	-	-	-	130,864	173,169
Trade debtors	-	-	-	-	-	47,094	47,094
Long term loans, term finance and deposits	-	210	-	-	442	4,169	4,821
Long term investments	-	-	-	-	1,713	346,518	348,231
	526,386	279,271	430,396	-	2,155	1,038,799	2,277,007
Average interest rates	8.58%	17.46%	8.00%	-	16.21%		
Financial liabilities							
Dividend payable	-	-	-	-	-	1,334	1,334
Short term running finance under mark-up arrangement	227,747	-	-	-	-	-	227,747
Certificates of investment	170,956	-	28,662	1,550	-	-	201,168
Securities sold under repurchase agreements	248,812	104,997	-	-	-	-	353,809
Liabilities against assets subject to finance lease	819	1,520	1,589	45	-	-	3,973
Creditors, accrued expenses and other liabilities	-	-	1,726	-	-	247,130	248,856
Proposed dividend	-	-	-	-	-	55,000	55,000
	648,334	106,517	31,977	1,595	-	303,464	1,091,887
Average interest rates	13.09%	13.47%	16.97%	17.26%	-		
Balance sheet gap -2002	(121,948)	172,754	398,419	(1,595)	2,155	735,335	1,185,120

36.2 Concentration of credit risk and credit exposure of the financial instruments

The Group attempts to control credit risk by applying and monitoring approved limits of credit exposure to any one counter party, limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties.

JSIBL follows two sets of credit guidelines, internally, it has its own operating policy duly approved by the Board of Directors where as externally it adheres to the regulations issued by the State Bank of Pakistan.

JSIBL is exposed to credit risk on loans, term finance, funds placements with financial institutions and receivable for sale of marketable securities. JSIBL seeks to minimize its credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable.

36.3 Market rate of return and management

Market rate of return (MROR) risk arises from the possibility that changes in MRORs will affect the value of financial instruments. JSIBL is exposed to MROR risk as a result of mismatches or gaps in the amounts of the assets and liabilities that mature and reprice in a given period. JSIBL manages this risk by matching the repricing of assets and liabilities.

36.4 Fair value of the financial instruments

The carrying value of all the financial assets (including derivatives) reflected in the financial statements approximates their fair values, except for investment in associates which have been accounted for under the equity method of accounting.

37. Related party transactions

	2003	2002
	(Rupees in '000)	
Purchase of marketable securities for and on behalf of directors	552,100	50,240
Sale of marketable securities for and on behalf of directors	512,840	54,130
Purchase of marketable securities on behalf of associates	968,960	399,344
Sale of marketable securities on behalf of associates	897,330	306,701
Brokerage income earned from directors and associated companies	4,332	2,730
Purchase of government securities from associates	26,880	727,760
Sale of government securities to associates	-	864,000

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using admissible valuation methods.

38. Remuneration of chairman, chief executives and executives

The aggregate amount charged in the accounts for remuneration, including certain benefits, to the chairman, chief executive and executives of the Group companies are as follows:

(Rupees in '000)

	Chairman		Chief Executives		Directors		Executives	
	2003	2002	2003	2002	2003	2002	2003	2002
Number of person	<u>1</u>	<u>1</u>	<u>3</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>59</u>	<u>49</u>
Managerial remuneration	294	1,760	5,393	5,177	1,167	387	14,266	10,264
Meeting fees	-	-	-	-	5	11	-	-
Perquisites and allowances	148	1,015	2,732	2,664	583	193	7,349	5,321
Sub-brokerage, commission and performance bonus	-	5,000	28,850	8,450	-	-	17,991	9,834
Ex-gratia bonus	3,000	-	-	-	-	-	-	-
Contribution to provident fund	29	176	719	476	117	-	1,213	616
Reimbursable expenses	22	71	159	143	-	20	1,294	954
	<u>3,493</u>	<u>8,022</u>	<u>37,853</u>	<u>16,910</u>	<u>1,872</u>	<u>611</u>	<u>42,113</u>	<u>26,989</u>

38.1 The figures of Chairman represent aggregate amounts charged for the remuneration including all benefits to the Ex-Chairman.

38.2 The Group has also provided Chief Executives and a few Executives with company maintained cars.

39. Portfolio trading service

JSIBL holds an amount of Rs. 162.63 million as at June 30, 2003 (2002: 78.41 million) in respect of security deposits in the form of shares of listed companies under its Portfolio Trading Service offered to customers. Under the scheme, JSIBL offers a trading limit against these security deposits, enabling customers to trade on the stock exchange facilitated by JSIBL.

40. Modification in the auditors report of a subsidiary company

The auditor's report on the consolidated financial statements of a subsidiary company; ABAMCO Limited contained the following emphasis of matter paragraph.

"Without qualifying our opinion we draw attention to note 20 to the financial statements re: pledge of subsidiary company's (Confidence Financial Services Limited) investment in BSJS Balanced Fund Limited to secure a long term loan obtained by the holding company."

Note 20 to the consolidated financial statements of ABAMCO Limited states that:

The loan is secured by way of pledge of 1.60 million shares of BSJS Balanced Fund Limited owned by the holding company and 1.35 million shares of BSJS Balanced Fund Limited owned by Confidence Financial Services Limited (subsidiary company of ABAMCO Limited) and, personal shares of the directors of the group and personal guarantee of a director of the group.

ABAMCO Limited holds 77.77% shareholding in Confidence Financial Services Limited and remaining shareholder of 22.23% share has consented to the above long term borrowing.

41. General

41.1 The number of employees as at June 30, 2003 was 178 (2002: 149).

41.2 Figures have been rounded off to nearest thousand rupee.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Pattern of Shareholding

Form "34"

Shareholders Statistics As at June 30, 2003

Number of Shareholders	From	Share-holding	To	Total shares held
215	1	-	100	8,849
273	101	-	500	76,092
239	501	-	1000	166,389
125	1001	-	5000	280,668
55	5001	-	10000	420,947
21	10001	-	15000	256,114
18	15001	-	20000	326,080
15	20001	-	25000	315,892
1	25001	-	30000	25,367
2	30001	-	35000	66,876
1	35001	-	40000	36,500
2	40001	-	45000	86,433
3	45001	-	50000	146,889
2	65001	-	70000	134,088
1	90001	-	95000	91,911
1	115001	-	120000	118,000
1	165001	-	170000	170,000
1	220001	-	225000	221,250
1	230001	-	235000	231,523
1	245001	-	250000	250,000
1	255001	-	260000	260,000
1	345001	-	350000	350,000
1	385001	-	390000	385,870
1	410001	-	415000	414,955
1	625001	-	630000	628,396
1	745001	-	750000	749,274
1	1795001	-	1800000	1,800,000
1	2505001	-	2510000	2,508,698
1	4210001	-	4215000	4,211,299
1	10260001	-	10265000	10,261,640
998*				25,000,000

S.No.	Categories of Shareholders	Number of Shareholders	Total shares held	Percentage
1	Individuals	938	13,472,320	53.90
2	Investment Companies	29	906,039	3.62
3	Insurance Companies	5	718,237	2.87
4	Joint Stock Companies	6	20,476	0.08
5	Financial Institutions	2	999,274	4.00
6	Modaraba Companies	2	607	0.00
7	Foreign Investors	6	8,883,047	35.53
		988	25,000,000	100.00

* Includes 294 CDC beneficial owners as per list appearing on CDS.

Disclosure of Pattern of Shareholding

As on June 30, 2003

Serial No.	Name of Shareholders / CDC Beneficial Owners	No. of shares held
1. Associated Companies, Undertakings and Related Parties:		
	M/s. BSJS Balanced Fund Limited	170,000
2. NIT and ICP:		
	M/s. Investment Corporation of Pakistan	12,035
	National Bank of Pakistan- Trustee Wing	749,274
		<u>761,309</u>
3. Directors, CEO their Spouses and minor children:		
	Mr. Mazharul Haq Siddiqui	919
	Mr. Munaf Ibrahim	630,361
	Mr. Ali Jehangir Siddiqui	10,261,640
	Mr. Khalid M Bhaimia (Nominee M/s. Dallah Al-Baraka Inv. Co.Ltd. U.K.)	1
	Mr. Nauzer A. Dinshaw (Nominee M/s. Dallah Al-Baraka Inv. Co.Ltd. U.K.)	1
	Mr. Shezi Nackvi (Nominee M/s. Dallah Al-Baraka Inv. Co.Ltd. U.K.)	0
	Mr. Syed Nizam Ahmed Shah	44,117
	Chief Justice (R) Mahboob Ahmed	6,892
	Mr. Ali Raza Siddiqui	500
	Mrs. Akhtar Jabeen Siddiqui	42,316
	Mrs. Farheen Munaf	36,500
		<u>11,023,247</u>
4. Executives:		
	Sarfaraz Ahmed Khanani	3,000
5. Public Sector Companies and Corporations :		
		Nil
6. Banks, Development Financial Institutions, Non-Banking Financial Institutions, Insurance Companies, Modarabas and Mutual Funds:		
	M/s. Fidelity Investment Bank Limited	300
	M/s. Prudential Investment Bank	349
	M/s. New Jubilee Insurance Company Limited	66,169
	M/s. Adamjee Insurance Company Limited	32,470
	M/s. Business & Industrial Insurance Company Limited	2,205
	M/s. First UDL Modaraba	554
	M/s. First Constellation Modaraba	53
	M/s. Dawood Leasing	250,000
	M/s. Trustee - UTP Income Fund	260,000
	M/s. EFU Life Assurance Limited	231,523
	M/s. EFU General Insurance Company Limited	385,870
	M/s. The Bank of New York	271,139
	M/s. International Finance Corporation U.S.A	1,800,000
	M/s. Dallah Albaraka Investment Co. Limited London	2,508,698
	M/s. Al-Baraka Investment Company Limited, UK	4,211,299
		<u>10,020,629</u>

JAHANGIR SIDDIQUI & CO. *Ltd.*

Serial No.	Name of Shareholders / CDC Beneficial Owners	No. of shares held
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7. Shareholder holding shares 10% or more:

M/s. Ali Jehangir Siddiqui	10,261,640
M/s. Dallah Al-Barkaka Investment Company Limited	2,508,698
M/s. Al-Baraka Investment Company Limited	4,211,299
	<u>16,981,637</u>

Details of Trade carried out by Directors, CEO, CFO, Company Secretary and their spouses and minor children during the period from July 01, 2002 to June 30, 2003.

No trades were carried out by any of Directors, CEO, CFO, Company Secretary and their spouses and minor children except the following:

Name of Director	Purchased / sold	No. of Shares
Mr. Munaf Ibrahim and his spouse	Purchased	536,500
	Sold	541,000
Mr. Ali Raza Siddiqui	Purchased	500

JAHANGIR SIDDIQUI & CO. Ltd.

*Form of Proxy
12th Annual General Meeting*

The Company Secretary
Jahangir Siddiqui & Co. Ltd.
14th Floor, Chapal Plaza
Hasrat Mohani Road
Karachi-74000

I/We _____

of _____

being member(s) of Jahangir Siddiqui Co. Ltd. holding _____ ordinary shares as per Registered Folio No. / CDC A/c No. (for members who have shares in CDS) _____

hereby appoint Mr. / Mrs. / Miss _____

of (full address) _____

Mr. / Mrs. / Miss _____

being member of the Company) as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on November 29, 2003 and/or any Adjournment thereof.

As witness my/our hand/ seal this _____ day of 2003.

Signed by _____

in the presence of _____

Witness

1. Name: _____
Signature: _____
Address: _____
NIC or
Passport No. _____

2. Name: _____
Signature: _____
Address: _____
NIC or
Passport No. _____

Signature on
Rs. 5/-
Revenue Stamp

The signature should agree with the
specimen registered with the
Company

Important:

1. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000, not less than 48 hours before the time of holding meeting.
2. No person shall act as proxy unless he / she himself / herself is a member of the Company, except that a corporation may appoint a person who is not a member.
3. If member appoints more than one proxies and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
4. Any individual Beneficial Owner of the Central Depository Company, entitled to vote at this meeting must bring his / her National Identity Card with him / her to prove his / her identity, and in case of proxy, must enclose an attested copy of his / her National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose.

AFFIX
CORRECT
POSTAGE

The Company Secretary
JAHANGIR SIDDIQUI & CO. Ltd.
14 th Floor, Chapal Plaza
Hasrat Mohani Road
Karachi-74000