

Annual Report 2005

JAHANGIR SIDDIQUI INVESTMENT BANK

Mission



Our Mission

Our Mission is to create a unique position in the Investment banking sector in Pakistan and endeavor to ensure increased profitability and value for its stakeholders, culminating in a contribution in economic activities and industrial development in the country. These objectives will be achieved through quality services using innovative technology, financial discipline and corporate governance with high levels of professional and ethical standards being maintained at all times.



Board of Directors



Standing (L-R) : Mr. Munawar Alam Siddiqui
Mr. Salman Rashid
Mr. Muhammad Yousuf Amanullah (Chief Executive Officer)

Sitting (L-R) : Mr. Maqbool Ahmed Soomro (Vice Chairman)
Mr. Mazharul Haq Siddiqui (Chairman)
Mr. Firasat Ali

Vision



Chairman's message

“Our vision is to transform this institution into a diversified financial super market catering to the needs of a broad array of clients. We strive to maintain our market dominance and superior leadership.”

**Mazharul Haq Siddiqui
Chairman**



Chief Executive's message

“We endeavor to achieve sustainable growth delivered through outstanding teamwork and flawless execution of strategy.”

**Muhammad Yousuf Amanullah
Chief Executive Officer**

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Company Information

Board of Directors

Mr. Mazharul Haq Siddiqui	Chairman
Mr. Maqbool Ahmed Soomro	Vice Chairman
Mr. Muhammad Yousuf Amanullah	Chief Executive Officer
Mr. Munawar Alam Siddiqui	
Mr. Salman Rashid	
Mr. Saad Saeed Faruqui	
Mr. Firasat Ali	

Company Secretary

Mr. Khwaja Jamaluddin Nasir

Auditors

Messrs Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Bankers

Allied Bank Limited
Bank Alfalah Limited
Bank Al Habib Limited
Citibank N.A.
Habib Bank Limited
Metropolitan Bank Limited
MCB Bank Limited
PICIC Commercial Bank Limited
KASB Bank Limited
Saudi Pak Commerical Bank Limited

Share Register

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

Registered Office

1301-1303, 13th Floor, Chapal Plaza
Hasrat Mohani Road, Karachi

Financial Highlights

		(Rupees in '000) Except as indicated			
		2005	2004	2003	2002
Operating results	Revenue	649,761	559,358	347,315	135,890
	Profit before tax	370,689	447,652	229,061	13,642
	Profit after tax	368,036	440,700	209,534	10,592
Per ordinary share (Rupees)	Earnings per share	4.31	5.17	2.46	0.12
	Breakup value	15.42	11.11	6.34	4.22
Dividends (%)	Cash	-	15	12.5	-
	Bonus	175	100	-	-
Financial position	Total Assets	4,816,490	3,501,739	3,076,375	964,334
	Certificates of Deposit	2,080,651	996,064	343,856	358,512
	Shareholders' equity	1,315,613	947,577	541,002	359,906
	Shares outstanding (000)	85,313	22,750	22,750	22,750
Financial ratio	Return on equity	27.98	46.51	38.73	2.94
	Current Ratio	1.29:1	1.29:1	1.25:1	1.48:1

* Accounts were prepared for 18 months ended June 30, 2000 due to change in accounting year from December to June.

		(Rupees in '000) Except as indicated					
		2001	2000*	1998	1997	1996	1995
		166,385	102,357	223,404	311,947	286,969	162,498
		48,945	21,042	52,267	63,639	76,439	40,943
		44,945	20,042	35,890	46,907	47,559	25,937
		0.53	0.23	0.42	0.55	0.56	0.30
		3.56	3.04	3.09	2.67	2.30	1.74
		-	25	-	15	-	-
		30	40	-	-	-	-
		1,307,559	772,029	426,439	1,756,542	1,656,187	1,102,265
		292,417	184,588	109,677	1,322,505	1,375,562	892,512
		303,814	258,869	263,827	227,937	196,030	148,471
		18,200	10,000	10,000	10,000	10,000	10,000
		14.79	7.74	13.60	20.58	24.26	17.47
		1.22:1	1.30:1	4.19:1	1.15:1	1.06:1	1.06:1



Notice of Twelfth Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting of Jahangir Siddiqui Investment Bank Limited will be held at Beach Luxury Hotel, Karachi on October 22, 2005 at 8:00 a.m. to transact the following business:

Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on October 30, 2004.
2. To receive and consider the Audited Financial Statements of the Company for the year ended June 30, 2005 together with the Directors' and Auditors' Report thereon.
3. To approve and ratify 175% stock dividend already paid to the shareholders as recommended by the Board of Directors of the Company.
4. To appoint the auditors and fix their remuneration for the ensuing year.
5. To consider any other business with the permission of the Chair.

Karachi: September 24, 2005

By order of the Board
Khwaja Jamaluddin Nasir
Company Secretary

Notes:

- (i) Share Transfer Books of the Company will remain closed from October 15, 2005 to October 21, 2005 (both days inclusive).
- (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 Office of the Company not less than 48 hours before the time of the meeting.
- (iv) In pursuance of Circular No. 1 of 2000 of Securities & Exchange Commission of Pakistan dated January 28, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (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, alongwith attested copies of the NIC or the passport of the beneficial owner and the proxy.
- (v) Shareholders are requested to notify immediately of any change in their address.

Product Information

Jahangir Siddiqui Investment Bank Limited ("JSIBL") offers a wide range of products to cater to the varied needs of its clients:

Certificates of Deposit (COD)

JSIBL offers attractive returns on its registered COD scheme. Investors can invest in COD for period(s) suitable to their requirements ranging from one month to five years.

Lending

JSIBL provides short-term margin finance and term finance at competitive mark-up rates.

Corporate Finance

JSIBL assists clients in raising capital through securities underwriting, private placements and loan syndications. We also provide financial advisory services such as acquisitions, financial restructuring, etc.

Portfolio Trading

Investors who wish to invest in stocks to earn higher returns can benefit from our Portfolio Trading Services (PTS). Our sales team assists retail investors in timely execution of their trades at the Stock Exchange.

Human Resource Development:

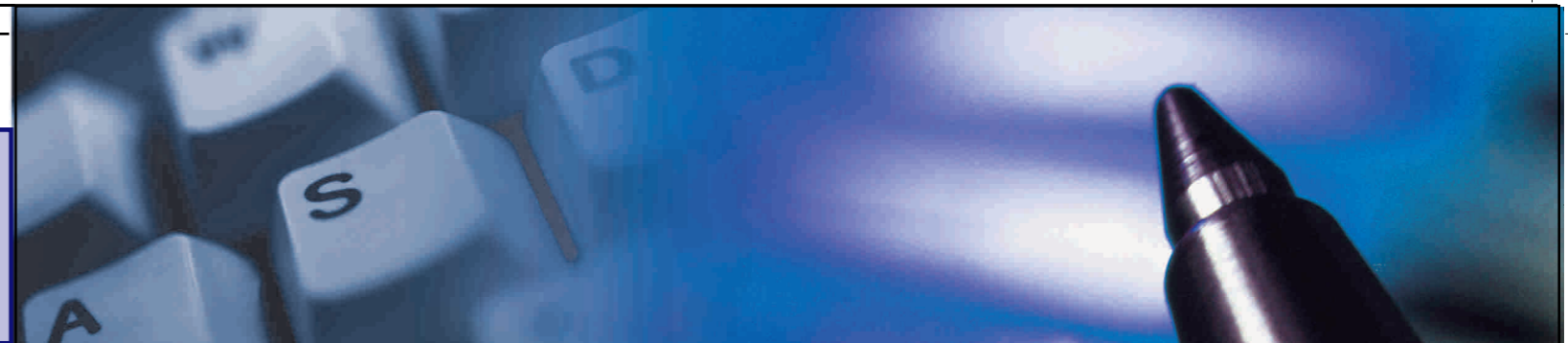
The Human Resource function at JS Investment Bank is intended to serve as a specialized service provider charged with the responsibility of managing the human resource of the organization in an efficient and effective manner. The company follows a philosophy of competing with the best organizations in the financial sector for quality manpower and ensuring that it has the capability to attract and retain the desired high quality professionals and staff.

The overall long-term objectives which the human resource function at JS Investment Bank aims to achieve are summarized below:

- Induct and develop the highest caliber people in the right number.
- Ensure Corporate culture fostering strong working relationships, positive attitude and competitive-ness amongst the employees of JS Investment Bank.
- Provide a working environment conducive to professional development of employees and providing them with opportunities to build a long term career in the organization.
- Assure an adequate compensation package for employees that ensures full recognition of the individual contribution and competence of every employee.

INTERNSHIP PROGRAM:

Following our HR philosophy, we at JS Investment Bank run an exclusive Internship Program every year catering to the academic need of the students of premier Institutions/Universities of Pakistan and abroad and the growing number of interns has reached to 30 plus in a year. The induction of Interns is made strictly on merit. The interns are provided with a deep insight of the department/function, they are associated with. Further, in view of the requirement of academia/concentration of the Intern and the department he/she is associated with, a mixed blend of needs/requirements meeting both ends, is developed and interns are also provided with rotation facility not only amongst the different departments of JS Investment Bank but also amongst the other companies of the group. The Intern's progress and achievements are checked, monitored and recorded through assigning him/her a supervisor on individual



basis. The supervisor evaluates an intern on completion of the Internship and provides the HR department with a comprehensive report.

IN-HOUSE TRAINING FACILITIES:

JS Investment Bank has an In-House Training Facility for its Investment Banking, Customer Services Personnel and other employees and executives. Renowned consultants are asked to come and Lecture JS Investment Bank staff on various aspects of investment banking & customer orientation. Besides JS Investment Bank, the Group HR Department has also been providing assistance for the development of such activities.

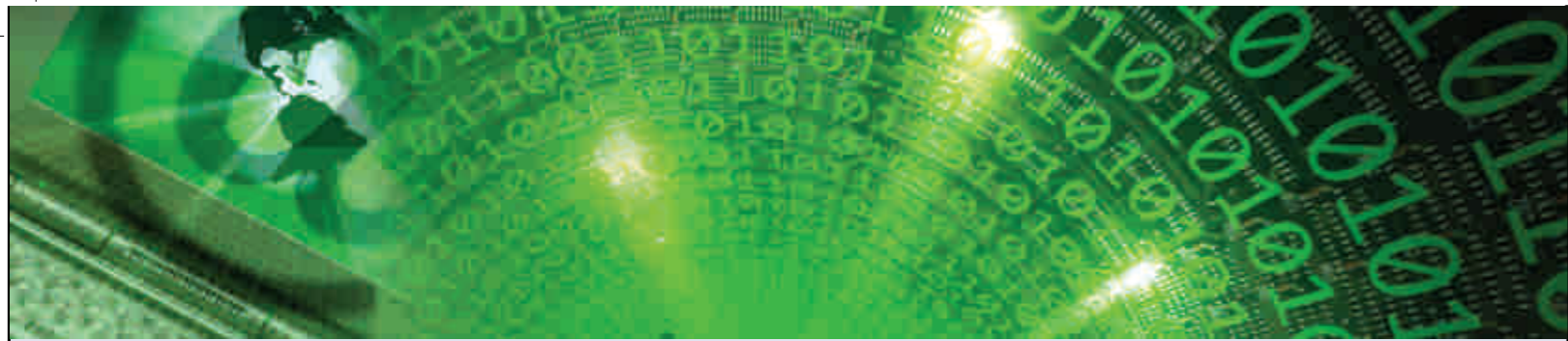
EXTERNAL TRAINING:

JS Investment Bank main concern has always been focused on consistent development of its employees and considerable efforts are being made to achieve this aim.

Our executives have been attending training workshops, seminars, conferences etc. organized by well reputed institutions such as PIM, LUMS, ICAP, NUTSHELL, etc; not only in Pakistan but also in Foreign Countries. However, recommendation for external training is made and considered on the merits of each case. Employees may also identify any appropriate training programs which would help them in improving their skills.

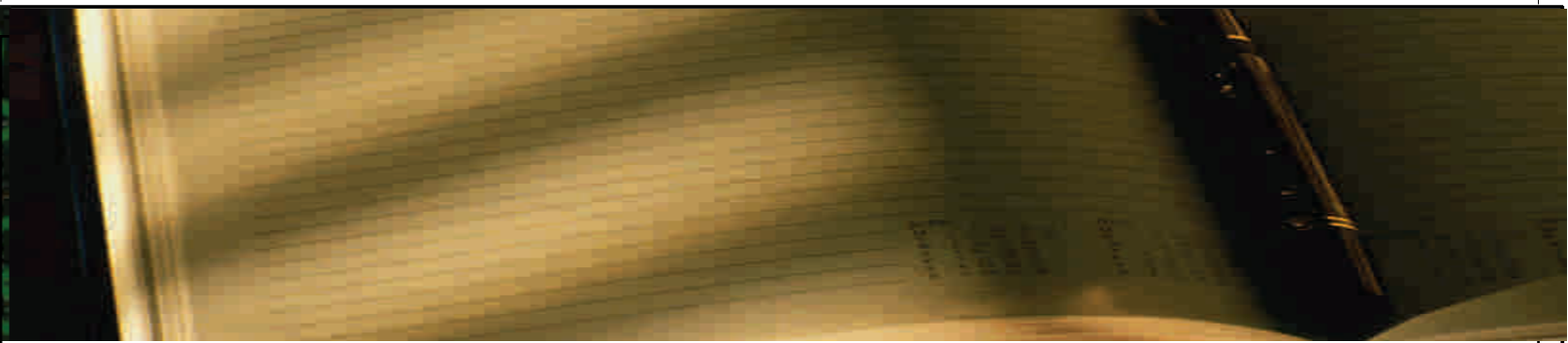
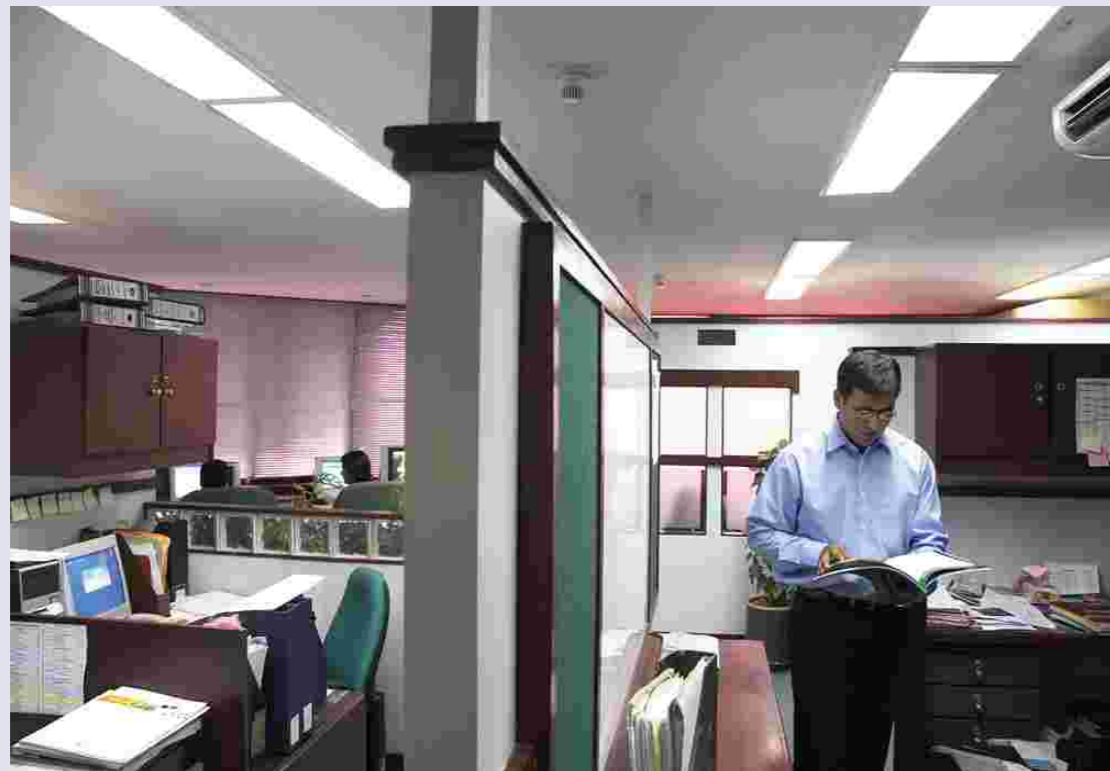
RETIREMENT BENEFITS:

JS Investment Bank, being a responsible and professional Corporate entity, completely fulfils its social and corporate responsibility and has introduced a recognized Provident fund scheme



which is managed by Trustees. Monthly contribution to the Provident Fund is deducted from the salary of an employee as per terms and conditions of the scheme and a matching contribution is made by the employer to the fund. The accumulated balance in the Provident Fund account, along with the profit thereon, is payable to the retiring/outgoing employee.

The Company also provides group life insurance cover to all its employees. The sum insured varies according to the position of the employee in each Job Level. The HR Department is responsible for coordinating settlement proceeding and providing assistance to an employee or his/her heirs in cases where any claim is filed under the scheme.



CORPORATE SOCIAL RESPONSIBILITY

The scope of corporate citizenship doesn't stop at creating value for shareholders, it also includes a commitment to give back to the society, to share the company's good fortune with everyone in Pakistan; at JS Investment Bank this is believed to be a golden rule.

JS Investment Bank is a major contributor to The Siddiqui Foundation, JS Group's charitable trust, which is a committed donor to the cause of providing quality education and health facilities to the underprivileged. JS Academy for the Deaf (JSAD) is a proof of this commitment. This academy not only provides primary education but also vocationally trains deaf children so that they can grow up to become independent citizens.

Organizations that JS Investment Bank continues to support are; Fakh e Imdad English Medium School, The Kidney Centre, Marie Adelaide Leprosy Centre and Layton Rehmat ullah Benevolent Trust.



Directors' Report to the Shareholders

We are pleased to present the Annual Report of Jahangir Siddiqui Investment Bank Limited ("JSIBL") along with the audited accounts and Auditors' report thereon for the year ended June 30, 2005.

The Economy

Riding on the strong economic fundamentals of last fiscal, Pakistan's economy maintained its momentum during the outgoing fiscal FY05. For the first time in 20 years Pakistan's real GDP grew by more than 8% with 8.35% growth in FY05. This is also the fifth time in the country's history that it exceeded 8% growth mark. The outgoing year was remarkable in many aspects be it growth in agriculture, manufacturing, services, FDI or exports.

Pakistan per capita income registered a double-digit growth of 12%, rising from US\$657 to US\$736. This resulted from a sharp pickup in real GDP growth, stable exchange rate and rise in inflow of workers' remittances. During FY05, domestic fixed investment grew by 15.6%, which was marginally slower than last years' growth of 17.4%. However, the composition of investment between private and public has changed significantly. Private sector investment grew by 19.3% this year as against a growth of 9.6% last year.

Privatization program continued to maintain its robust momentum as we saw mega privatization of PTCL and NRL during FY05, while developments were made on PPL and PSO privatization process. FY05 saw the launching of first ever Islamic Bond (Sukuk) in the international capital markets. The performance of Eurobond remained in line with the markets with the spread over US Treasury undergoing further compression.

During the period under review, the KSE-100 Index registered an increase of 41% to close at 7,450 points on June 30, 2005 as compared to 5,279 points as on June 30, 2004. The market remained highly volatile and went through a massive correction in March 2005. The market capitalization ended the period at Rs 2,068 bn (US\$35bn), up 45%. Multiple records were created in the index's run up past the 10,000 mark with an all time high of 10,303 points on March 15, 2005. The market capitalization peaked at Rs 2,813bn (US\$47.4bn) on March 15 and was at its low for the year on September 15th 2004 at Rs1,346bn (US\$22.8bn).

Performance Review

During the year, your company attained an after tax profit of Rs 368.04 million as compared to Rs. 440.70 million during the preceding year. The higher return achieved during the previous year was due to increased capital gains realized on sale of securities. We have continued to expand the range of activities with a view to enhancing and diversifying sources of revenue. New avenues were identified in response to the market developments and investments were made in debt, equity and mutual funds.

Total Assets and Liabilities increased to Rs 4.8 billion from Rs 3.5 billion last year. Finally, the deposit base of your company has shown remarkable growth from Rs 996 million as at June 30, 2004 to Rs 2.08 billion as at June 30, 2005 (a 109 percent increase) which reflects the continued commitment of the management to achieve the sustainable growth.

The management of your company has thus made strenuous efforts in all critical areas of the operations to improve the quality of its assets and manage its liabilities in a cost effective way as possible.

Earnings per Share

Earnings per share for the year are Rs 4.31 as against Rs 5.17 per share for the previous year.

Results of Operations

The financial results for the year ended June 30, 2005 are presented below:

	(Rs in 000)
Profit after taxation	368,036
Unappropriated profit brought forward	537,735
Profit available for appropriation	905,771
Appropriations :	
Transfer to special reserve	73,607
Bonus shares issued during the year	625,625
Unappropriated profit carried forward	206,539

Corporate and financial reporting framework

The Directors confirm compliance with the Corporate and financial reporting framework of the Securities and Exchange Commission of Pakistan (SECP) Code of Corporate Governance for the following:

- The financial statements prepared by the Management present fairly the state of affairs of the Company, the results of its operations, Cash Flow Statement and Statement of Changes in Equity.
- Proper books of accounts of the company have been maintained.
- Accounting policies as stated in the notes to the accounts have been consistently applied in the preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards as applicable in Pakistan have been followed in preparation of the financial statements.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no doubts about the company's ability to continue as a going concern.
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Statement of Key operating and financial data of last ten years in summarized form is included in this report.

Provident fund was recognized with effect from January 1, 2004. Uptill December 31, 2003 the company operates an unrecognized provident fund for its permanent employees effective from July 01, 2001. The value of investments based on audited accounts as at June 30, 2004 was Rs 1.53 million. (June 30, 2003 Rs 0.859 million). The audit of accounts of Provident fund for the year ended June 30, 2005 is in process.

Six meetings of the Board of Directors were held during the Year 2004-05. The attendance of directors at Board Meetings are as follows:

Name of Director	Elected / *Appointed on	Eligible to attend	Meetings attended
Mr. Mazharul Haq Siddiqui, Chairman	May 22, 2003	Six	Five
Mr. Maqbool Ahmed Soomro, Vice Chairman	May 22, 2003	Six	Five
Mr. Munawar Alam Siddiqui, Director	*Dec. 03, 2003	Six	Six
Mr. Salman Rashid, Director	May 22, 2003	Six	Five
Mr. Saad Saeed Faruqui, Director	May 22, 2003	Six	Three
Mr. Firasat Ali, Director	May 22, 2003	Six	Five
Mr. Muhammad Yousuf Amanullah, Director / CEO	*May 17, 2004	Six	Six



Future Outlook

The upward trend in the interest rates will improve competition in the sector. It will force the financial institutions to come up with innovative and improved mix of products. With our more focused approach, we will endeavor to outperform the competition by offering better services and customized products to our clients. We will also take steps to maximize shareholders' value by focusing on the operating strategies to enhance reliability, efficiency and profitability.

In the upcoming year, through our outstanding teamwork, we shall face the challenge of the dynamic business environment with the outlook of attaining sustainable growth, retaining competition and diversifying our business. We endeavor to achieve sustainable growth delivered through outstanding teamwork and flawless execution of strategy.

Credit Rating

The Pakistan Credit Rating Agency (Pvt.) Ltd. has maintained the long term credit rating of the Company to A+ ("Single A plus") and the short term rating at A1 ("A One"). The ratings denote a low expectation of credit risk and strong capacity for timely repayment of financial commitments.

Auditors

The present auditors, Messrs Ford Rhodes Sidat Hyder & Co. Chartered Accountants, retire and offer themselves for reappointment provided they are eligible to be reappointed.

Pattern of Shareholding

Statement of Pattern of Shareholding as on June 30, 2005 appears on Page No. 62 including the transactions carried out by Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary and their spouses and minor children.

Acknowledgement

The Board places on record its appreciation for the dedicated services and hard work of the JSIBL team. We also thank our valued clients and the financial institutions for their support and confidence. The Board also expresses its gratitude to the State Bank of Pakistan, the Securities and Exchange Commission of Pakistan, the Central Board of Revenue and the Stock Exchanges for their continued cooperation and guidance.

Karachi: September 17, 2005

Mazhar ul Haq Siddiqui
Chairman

Muhammad Yousuf Amanullah
Chief Executive Officer

Corporate Governance

The Directors and Management are committed to integrity and accountability in the stewardship of Company affairs and recognize the importance of effective Corporate Governance.

The Board of Directors

The Board of Directors consists of one executive and six non-executive directors. The board meets regularly throughout the year. Directors and all employees are bound by code of conduct.

The Board is aware of the risks inherent in the business, understand the importance of identifying and evaluating these risks, and has adopted procedures and controls that enable it to manage these risks.

Board Committees

The Board delegates the specific responsibilities to the following:

Executive Committee and Assets and Liabilities Committee

This Committee meets regularly and as required, to plan future strategy, capital and general expenditures, staff budgets, income estimates and to review divisional performance, approve credit decisions, dealing limits, consider major business and market developments. The Executive Committee consists of Mr. Salman Rashid, Mr. Muhammad Yousuf Amanullah and Mr. Saad Saeed Faruqi.

Audit Committee

The Audit Committee of the Board of Directors is responsible for monitoring the integrity of the company's financial statements, the company's system of internal controls and the independence and performance of its internal and independent auditors, including the nature and amount of non-audit work supplied by the auditors. This committee has direct access to the auditors. The committee has written terms of reference and consists of Mr. Mazharul Haq Siddiqui, Mr. Munawar Alam Siddiqui, Mr. Maqbool Ahmed Soomro as members and Mr. Ashraf Shahzad as a secretary.

Statement of Compliance with Code of Corporate Governance Year ended June 30, 2005

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes at least six independent non-executive directors and there are no directors representing minority shareholders.
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 development financial institution (DFI) or a Non Bank Financial Institution (NBFI) or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No Casual vacancy has occurred during the year.
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 Chief Executive Officer (CEO) and other executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman 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 Board members participated in orientation course to apprise them of their duties and responsibilities.
10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and an Internal Auditor, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The director's 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 that 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 meetings of the audit committee were held in every quarter prior to approval of interim and final results of the company and as required by the code. 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 other material principles contained in the code have been complied with.

For and on behalf of the Board

Mazharul Haq Siddiqui
Chairman

Karachi: September 17, 2005

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 Investment Bank Limited to comply with the Listing Regulations No. 37 (Chapter XI) of the Karachi Stock Exchange (Guarantee) Limited, 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 systems 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 practice contained in the Code of Corporate Governance for the year ended June 30, 2005.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Karachi: September 17, 2005



Financial Statements

Auditors' Report to the Members

We have audited the annexed Balance sheet of **Jahangir Siddiqui Investment Bank Limited** as at 30 June 2005 and the related profit and loss account, cash flow statement, 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 reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied except for the change as stated in note 4.1 with which we concur;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, 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, 2005 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.

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

Karachi: September 17, 2005

BALANCE SHEET

As at June 30, 2005

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
ASSETS			
Non-current assets			
Property, plant and equipment	5	9,700	11,453
Stock exchange membership card	6	11,101	11,101
Long term investments	7	237,728	351,434
Long term loans and term finances	8	93,369	20,431
Long term deposits		2,416	2,681
Deferred taxation	9	1,247	2,028
		355,561	399,128
Current assets			
Short term investments	10	1,340,480	1,309,003
Loans and advances	11	502,185	105,755
Fund placements	12	2,455,523	1,425,234
Receivable against sale of marketable securities	13	20,882	2
Prepayments, accruals and other receivables	14	53,101	39,549
Taxation - net	15	6,942	28,008
Cash and bank balances	16	81,816	195,060
		4,460,929	3,102,611
		4,816,490	3,501,739
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	17	853,125	227,500
Reserves		462,488	720,077
Shareholders' equity		1,315,613	947,577
(Deficit) / surplus on revaluation of investments	18	(113,370)	143,328
Non-current liabilities			
Certificates of deposit	19	155,440	-
Current liabilities			
Certificates of deposit	19	1,925,211	996,064
Trade and other payables	20	91,755	251,020
Short term borrowings	21	1,186,729	1,160,000
Payable for purchase of marketable securities	22	255,112	3,750
		3,458,807	2,410,834
Contingencies and commitments	23	4,816,490	3,501,739

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

CHAIRMAN

CHIEF EXECUTIVE

PROFIT AND LOSS ACCOUNT

For the year ended June 30, 2005

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
INCOME			
Income from investments / reverse repurchase transactions	24	169,340	126,627
Return on fund placements with financial institutions		24,837	12,242
Capital gains/(loss) on disposal of investments / reverse repurchase transactions	25	392,709	393,455
Mark-up on loans and term finances	26	40,835	8,304
Consulting and corporate advisory fees	27	2,894	6,062
Commission and fees		16,095	8,067
Gain on sale of fixed assets		984	-
Other income		2,067	4,601
		649,761	559,358
OPERATING EXPENSES			
Return on certificates of deposit		87,908	24,106
Mark-up on short term running finances		30,748	654
Mark-up on borrowings from banks / NBFCs		54,879	27,505
Provision for non-performing loans and term finances	11.2	12	(170)
Administrative and operating expenses	28	105,525	59,611
		(279,072)	(111,706)
Profit before taxation		370,689	447,652
Taxation	29	(2,653)	(6,952)
Profit after taxation		368,036	440,700
		Rupees	Rupees
Basic and diluted earnings per share	30	4.31	5.17

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

CHAIRMAN

CHIEF EXECUTIVE

CASH FLOW STATEMENT

For the year ended June 30, 2005

	Note	June 30, 2005	June 30, 2004
		(Rs. in '000s)	
Cash flows from operating activities:			
Profit for the year before taxation		370,689	447,652
Adjustments for:			
Provision for staff bonus		13,750	5,500
Reversal of provision on non performing loans		-	(170)
Provision on non performing loans		24	
Provision for compensated absences		341	(12)
Amortisation of premium on government securities and term finance certificates		3,674	1,255
Depreciation on fixed assets		4,258	4,281
Gain on sale of fixed assets		(984)	-
Lease finance charges		-	3
		21,063	10,857
		391,752	458,509
(Increase) / decrease in operating assets:			
Long term loans and term finance		(72,938)	(10,874)
Short term investments			
Available-for-sale		(909,360)	60,076
Held for trading		617,511	119,534
Short term loans and advances		(396,454)	111,831
Fund placements		(1,030,289)	(815,152)
Receivable for sale of marketable securities		(20,880)	21,698
Prepayments, accruals and other receivables		(11,316)	(1,588)
		(1,823,726)	(514,475)
Increase / (decrease) in operating liabilities:			
Borrowings from banks / NBFCs		(152,931)	(341,000)
Payable for purchase of marketable securities		251,362	(16,567)
Advances, accrued expenses and other liabilities		(173,356)	208,947
		(74,925)	(148,620)
Net cash (used in) operating activities before income tax		(1,506,899)	(204,586)
Income tax refund		16,958	21,228
Net cash (used in) operating activities		(1,489,941)	(183,358)
Cash flows from investing activities:			
Acquisition of fixed assets		(3,366)	(9,935)
Sale proceeds from disposal of fixed assets		1,845	609
Net cash (outflow) from long term investments			
Available-for-sale		113,706	(61,507)
Dividend paid		-	(61,886)
Advance for subscription of term finance certificates		-	5,000
Advance for subscription of unquoted shares		-	63,600
Net cash generated from / (used in) investing activities		112,185	(64,119)
Cash flows from financing activities:			
Long term deposits		265	(1,349)
Stock Exchange membership card		-	(11,101)
Payment of lease rentals		-	(48)
Issuance / (Redemption) of certificates of deposit		1,084,587	652,208
Net cash generated from financing activities		1,084,852	639,710
Net (decrease)/ increase in cash and cash equivalents		(292,904)	392,233
Cash and cash equivalents at beginning of the year		195,060	(197,173)
Cash and cash equivalents at end of the year	31	(97,844)	195,060

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

CHAIRMAN

CHIEF EXECUTIVE

STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2005

	Issued, subscribed and paid-up capital	Reserves			Total	Total	
		Capital		Revenue			
		Special reserve	Reserve for issue of bonus shares				Unappropriated income
			(Rs. in '000s)				
Balance as at July 1, 2003-as previously reported	227,500	94,202	-	219,300	313,502	541,002	
Effect of change in accounting policy – note 4.1							
Final dividend for the year ended June 30,2003 declared subsequent to the year end (@Rs.1.25 per share)	-	-	-	28,438	28,438	28,438	
Balance as at July 1, 2003-restated	227,500	94,202	-	247,738	341,940	569,440	
Net profit for the year	-	-	-	440,700	440,700	440,700	
Final dividend for the year ended June 30,2003 (@Rs.1.25 per share)	-	-	-	(28,438)	(28,438)	(28,438)	
Transferred during the year	-	88,140	227,500	(315,640)	-	-	
Interim final dividend (@Rs.1.50 per share)	-	-	-	(34,125)	(34,125)	(34,125)	
Balance as at June 30, 2004	227,500	182,342	227,500	310,235	720,077	947,577	
Balance as at July 1, 2004	227,500	182,342	227,500	310,235	720,077	947,577	
Effect of change in accounting policy – note 4.1							
100% bonus shares declared subsequent to the year end	-	-	(227,500)	227,500	-	-	
Balance as at July 1, 2004-restated	227,500	182,342	-	537,735	720,077	947,577	
100% bonus shares declared subsequent to the year end	-	-	227,500	(227,500)	-	-	
Net profit for the year	-	-	-	368,036	368,036	368,036	
Transferred during the year	-	73,607	-	(73,607)	-	-	
275% bonus shares issued during the year	625,625	-	(227,500)	(398,125)	(625,625)	-	
Balance as at June 30, 2005	853,125	255,949	-	206,539	462,488	1,315,613	

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

CHAIRMAN

CHIEF EXECUTIVE

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2005

1. LEGAL STATUS AND OPERATION

Jahangir Siddiqui Investment Bank Limited (JSIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. The registered office of the company is situated at Room # 1301-1303, 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi, Pakistan. 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). The company is a subsidiary of Jahangir Siddiqui & Company Limited.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of Companies Ordinance, 1984 except for the disclosure requirements of clause 3C of Part II of the Fourth Schedule of the Companies Ordinance, 1984 in respect of which the SECP has given exemption to all NBFCs vide their letter No. SC/NBFC-1/R/2005 dated August 29, 2005. Approved accounting standards comprise of such International Accounting Standards (IASs) as 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 (SECP) differ with the requirements of these standards, the requirements of Companies Ordinance, 1984 or the requirements of the said directives take precedence.

3. BASIS OF MEASUREMENT

These financial statements have been prepared under the historical cost convention except for the measurement at fair value of derivatives and quoted investments.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Change in accounting policy

During the year, the Securities and Exchange Commission of Pakistan substituted the Fourth Schedule to the Companies Ordinance 1984, which is effective from the financial year ending on or after July 05, 2004. This has resulted in the change in accounting policy pertaining to recognition of dividend and other appropriations (except statutory reserve) declared subsequent to the year / period end. Dividend and other appropriations of profit are now recognized in the period in which these are declared. Up until the previous year, dividends declared and appropriations made after the balance sheet date but before the financial statements were authorized for issue, were recognized as of the balance sheet date. The change in accounting policy has been accounted for retrospectively and comparative information been restated in accordance with the benchmark treatment specified in IAS – 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies). Had there been no change in accounting policy, the unappropriated profit would have been lower by Rs. Nil [June 30, 2004: 227,500 (000)], "Trade and Other Payables" would have been higher by Rs. Nil and reserve for issue of bonus shares would have been higher by Rs. Nil [June 30, 2004: 227,500(000)]. The effect of the change in accounting policy has been reflected in the statement of changes in equity.

4.2 Fixed assets

Property, plant and equipment

Owned

Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Depreciation is charged to income applying the straight line method at the rates stated in note 5 to the financial statements. Year to date depreciation is charged on the assets acquired during the year, whereas no depreciation is charged on assets in the year of disposal. Gains and losses on disposal of fixed assets are taken to income currently.

Normal repairs and maintenance are charged to profit and loss account as and when incurred.

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 leased assets. The related obligations under the lease are accounted for as liabilities. Depreciation is charged to income applying the straight line method at the rates stated in note 5 to the financial statements. The financial charges are calculated at the rate implicit in the lease.

Intangible

Owned

Software development costs are only capitalised when it is probable that future economic benefits attributable to the software will flow to the enterprise.

4.3 Stock exchange membership card

This is carried at cost less impairment, if any.

4.4 Staff retirement benefits

Defined contribution plan

The company operates a recognised provident fund for its permanent employees. Equal monthly contributions to the fund are made both by the company and its employees in accordance with the fund rules.

4.5 Compensated absences

The company makes an annual provision for its liability towards non-vesting compensating absences on the basis of last drawn salary of the employee.

4.6 Loans, term finance and advances

Loans, term finance and advances originated by the company are stated at cost less any amount written off and provision for impairment, if any, in accordance with the Prudential Regulations issued by the Securities and Exchange Commission of Pakistan vide its Circular No. 2 dated January 21, 2004.

4.7 Investments

Held-to-maturity

Investments with fixed or determinable payments and fixed maturity, where management has both the intent and the ability to hold to maturity, are classified as held-to-maturity.

Available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity or changes in interest rates are classified as available-for-sale.

Held for trading

Investments which are acquired principally for the purposes of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading.

Investments in 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 recognized in the "surplus / deficit on revaluation of investments account", until actually realised on disposal.

For investments in government securities, fair value is determined based on discounted cash flows using interest rates quoted on Reuters. In respect of investments in quoted equity securities, fair value is determined by reference to stock exchange quoted market prices at the close of business on balance sheet date. For term finance certificates fair value is determined by reference to brokers' quotes as these are not actively traded on the stock exchanges.

Investment in associated undertaking is stated at cost less impairment, if any.

Investments in unquoted securities are recorded at cost in accordance with the above-mentioned circular. Provision for impairment in value is taken to income currently.

4.8 Derivatives

Derivative instruments held by the company generally comprise 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 a derivative is the equivalent of the unrealized gain or loss from marking to market the derivative using prevailing market rates. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities in the balance sheet. The resultant gains and losses are included in the "surplus / deficit on revaluation of investment account" 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.

4.9 Securities under repurchase / reverse repurchase agreements

Transactions of repurchase / reverse repurchase of investment securities are entered into at contracted rates for specified periods of time and are accounted for as follows:

Repurchase agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (repos) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liability for amounts received under these agreements is included in borrowings from banks / NBFCs. The difference between sale and repurchase price is treated as mark-up on borrowings from banks / NBFCs and accrued over the life of the repo agreement.

Reverse repurchase agreements

Investments purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the balance sheet. Amounts paid under these agreements are recorded as fund placements. The difference between purchase and resale price is treated as return from fund placements with financial institutions or income from reverse repurchase transactions of listed shares, as the case may be, and accrued over the life of the reverse repo agreement.

4.10 Offsetting of financial assets and financial liabilities

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

4.11 Trade date accounting

All "regular way" purchases and sales of listed shares are recognised on the trade date, i.e. the date that the company commits to purchase / sell the asset. Regular way purchases or sales of listed shares require delivery on T + 3 basis as per stock exchange regulations.

4.12 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 0.5% of the turnover, whichever is higher.

Deferred

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that the temporary differences will reverse in the future and taxable income will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part for the deferred tax asset to be utilised.

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

Deferred tax on surplus on revaluation of investment is charged or credited directly to the same account.

4.13 Certificates of deposit

Return on certificates of deposit (CODs) is recognized on a time proportionate basis taking into account the relevant CODs issue date and final maturity date.

4.14 Foreign currency translations

Foreign currency transactions, if any during the period are recorded at the exchange rates approximating those ruling on the date of transactions. Assets and liabilities, if any held in foreign currencies at the balance sheet date are translated at the rates prevailing on that date.

Exchange gains and losses are included in income currently.

4.15 Revenue recognition

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

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

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

Dividend income is recognized at the time of book closure of the company declaring the dividend.

Return on loans and term finance is recognized on an accrual basis.

Consultancy and corporate advisory fees are recognized as and when services are provided.

Commission on portfolio trading services is recognized on an accrual basis.

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

4.16 Cash and cash equivalents

Cash in hand and in banks and short term bank deposits are carried at cost.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash in hand, bank balances and balance with the State Bank of Pakistan, net of bank overdrafts repayable on demand, if any.

4.17 Fiduciary assets

Assets held in trust or in a fiduciary capacity are not treated as assets of the company and accordingly are not included in these financial statements.

5. PROPERTY, PLANT AND EQUIPMENT

	C O S T			D E P R E C I A T I O N			WRITTEN	Rate of depreciation per annum %
	As at	Additions/	As at	As at	For the	As at	DOWN VALUE	
	July 1, 2004	transfers (disposals)	June 30, 2005	July 1, 2004	period/ (disposals)	June 30, 2005	As at June 30, 2005	
	----- (Rs. in '000s) -----							
Furniture	94	-	94	33	9	42	52	10
Vehicles	14,992	2,054 (2,595)	14,451	5,818	2,763 (1,734)	6,847	7,604	20
Office equipment	1,973	131	2,104	1,416	233	1,649	455	25
Computer equipment	4,107	1,181	5,288	2,446	1,253	3,699	1,589	33
June 30, 2005	21,166	3,366 (2,595)	21,937	9,713	4,258 (1,734)	12,237	9,700	
June 30, 2004	11,840	9,326	21,166	5,432	4,281	9,713	11,453	

5.1 Particulars of disposal of fixed assets having book value above Rs. 50,000.

Particulars	Original cost	Accumulated depreciation	Book value	Sale proceeds	Profit / (loss) on disposal	Mode of disposal	Particulars
Vehicle	885	708	177	650	473	Negotiation	Perviaz Alam. House no. 43 Street 22, 38-B Landi 5, Karachi NIC- 42201-2159726
Vehicle	1,155	693	462	795	333	Negotiation	Bank Islami. 1304-1305, Chapal Plaza, Hasrat Mohani Road, Karachi
Vehicle	555	333	222	400	178	Negotiation	ABAMCO Limited 7th Floor, The Forum, BL-9, Khayabane-e-Jami, Clifton, Karachi
	2,595	1,734	861	1,845	984		

6. STOCK EXCHANGE MEMBERSHIP CARD

This represents membership card of Islamabad Stock Exchange acquired by the company during the year ended June 30, 2004.

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
7. LONG TERM INVESTMENTS			
Investment in related party	7.1	180,052	-
Others			
Available-for-sale			
Listed shares / units	7.2	57,676	351,434
		<u>237,728</u>	<u>351,434</u>
7.1 Investment in related parties			
- In listed units	7.1.1	72,152	-
- In unquoted associated company	7.1.2	107,900	-
		<u>180,052</u>	<u>-</u>

7.1.1 Listed units

June 30, 2005	June 30, 2004		June 30, 2005		June 30, 2004	
No of ordinary shares/ units of Rs. 10 each	Name of the Mutual fund		Average Cost	Market value (Rs. in '000s)	Average Cost	Market value
8,745,668	-	BSJS Balanced Fund Limited	100,395	72,152	-	-

	June 30, 2005 (Rs. in '000s)	June 30, 2004
7.1.2 In an unquoted associated company – at cost		
JS Infocom Limited (formerly SPELL Telecommunications Limited)		
10,790,000 fully paid ordinary shares of Rs. 10 each	107,900	-
Equity held 14.63%		

7.2 Listed shares / units

June 30, 2005	June 30, 2004		June 30, 2005		June 30, 2004	
No of ordinary shares/ units of Rs. 10 each	Name of the Company / Fund		Average Cost	Market value (Rs. in '000s)	Average Cost	Market value
		Mutual fund				
8,358,790	8,358,790	ABAMCO Composite Fund	83,588	57,676	83,588	78,572
		Transport				
-	6,360,000	Pakistan International Container Terminal Limited	-	-	63,600	146,280
		Others				
-	1,526,000	Tri Pack Films Limited	-	-	85,978	126,582
			<u>83,588</u>	<u>57,676</u>	<u>233,166</u>	<u>351,434</u>

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
8. LONG TERM LOANS AND TERM FINANCES			
- SECURED AND CONSIDERED GOOD			
Due from executives	8.1 & 8.2	237	374
Term finances	8.3	104,690	23,038
Others	8.2	312	1,379
		<u>105,239</u>	<u>24,791</u>
Current maturity of long term loans and term finances	11	(11,870)	(4,360)
		<u>93,369</u>	<u>20,431</u>
8.1 Reconciliation of carrying amount of loans to executives:			
Opening balance		374	-
Disbursements		-	425
Repayments		(137)	(51)
		<u>237</u>	<u>374</u>
8.2 This represent finance provided to the executives for purchase of vehicles, purchase of property and for other purposes having maturities ranging from 1 to 3 years at mark-up rate of Nil to 10.50% [June 2004: Nil to 10.00%] per annum. Repayment is made on a monthly basis. The maximum aggregate amount due at the end of any month during the year from executives was Rs.374(000) [June 2004: Rs.425(000)]. These loans are secured against title documents of vehicles, employees' provident fund balances and personal guarantees.			
8.3 This represents finances with maturities ranging from 1 to 6 years, at mark-up rates ranging from 8.00% to 12.50% [June 2004: 7.00% to 11.00%] per annum repayable in monthly and quarterly installments. These loans are secured against pledge of shares of listed companies, mortgage of a property, hypothecation of fixed / moveable assets, home appliances and jewellery, promissory notes and personal guarantees from borrowers.			
9. DEFERRED TAXATION			
Taxable temporary differences			
Differences in accounting and tax bases of property plant and equipment		1,119	(216)
Differences in accounting and tax bases of dividend receivable		-	(79)
Deductible temporary differences			
Unrealised loss on government securities		-	2,236
Provision for non-performing loan		8	4
Provision for compensated absences		120	83
		<u>1,247</u>	<u>2,028</u>

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
10. SHORT TERM INVESTMENTS			
Available-for-sale			
Listed securities			
Open ended mutual fund units	10.1	363,441	191,594
Term finance certificates	10.2	414,424	480,744
Unlisted securities			
Term finance certificates	10.3	131,443	98,232
WAPDA bonds		-	50,750
Held for trading			
Government securities			
Pakistan Investment Bonds		-	379,302
Listed shares / units	10.4	431,172	108,381
		1,340,480	1,309,003

10.1 Open ended mutual fund units

June 30, 2005	June 30, 2004	No of units	Name of the mutual fund – open ended units	Note	June 30, 2005		June 30, 2004	
					Face Value Rupees	Average Cost value (Rs. in '000s)	Average Cost value	Market value
765,183	750,000		Crosby Dragon Fund	100	75,000	81,913	75,000	75,263
-	249,546		Dawood Money Market Fund	100	-	-	25,000	26,775
-	160,000		Unit Trust of Pakistan - Income Fund	500	-	-	81,502	86,120
445,103	5,000		Unit Trust of Pakistan - Islamic Fund	500	291,320	281,528	2,500	3,436
					366,320	363,441	184,002	191,594

10.2 Term finance certificates - Listed**

June 30, 2005 No. of certificates	June 30, 2004	Name of the company	Repayment frequency	Profit Rate per annum	Cumulative Face value (Rs. in '000s)	Maturity Date	June 30, 2005		June 30, 2004	
							Cost *	Market value (Rs. in '000s)	Cost *	Market value
-	2,500	Atlas Investment Bank Limited	Semi-annually	15.00%	12,500	27-Sep-05	-	-	6,245	6,620
3,000	3,000	First Dawood Investment Bank Limited - 1st issue	Semi-annually	1.75% over SBP's discount rate with 13.50% as floor and 17.50% as ceiling	15,000	12-Sep-06	14,950	15,750	14,950	16,900
13,682	-	United Bank Limited	Semi-annually	9.49%	68,410	15-Mar-13	68,410	64,990	-	-
1,220	1,220	Gulistan Textile Mills Limited	Semi-annually	2.00% over SBP's discount rate with 14.00% as floor and 17.50% as ceiling	27,000	5-Sep-06	13,489	14,096	22,482	24,506
-	350	NDFC-IFIC Bank Limited	Semi-annually	17.00%	35,000	1-Dec-04	-	-	11,650	12,233
1,000	634	Network Leasing Corporation Limited	Semi-annually	16.25%	5,000	4-Oct-05	1,249	1,273	3,746	4,008
6,665	334	Nishat Mills Limited	Semi-annually	1.50% over SBP's discount rate with 13.00% as floor and 17.00% as ceiling	33,325	19-Sep-05	8,325	8,491	24,974	26,972
3,290	-	Prime Commercial Bank Limited	Semi-annually	6 months KIBOR ask rate + 190bps with no floor and no cap	16,450	10-Feb-13	16,450	16,615	-	-
-	10,035	Pakistan PTA Limited	Semi-annually	3.00% above cut-off yield of last successful SBP auction of five year PIBs.	50,175	2-Aug-06	-	-	41,779	43,032
5,895	-	Chanda Oil and Gas Securitization	Semi-annually	3 months KIBOR ask rate + 325bps with 8.95% as floor and 13% as cap	29,475	16-Feb-12	29,475	29,475	-	-
1,500	1,500	Reliance Weaving Mills Limited	Semi-annually	2.5% above SBP's discount rate with 15.25% as floor and 17.50% as ceiling	7,500	7-Feb-07	4,286	4,564	6,429	7,136
4,994	-	Hira Textile Mills Ltd	Semi-annually	6 months KIBOR ask rate + 2.5% with no floor and no cap	24,970	17-Mar-10	24,970	24,970	-	-
1,268	1,268	Sui Southern Gas Company Limited - 1st issue	Semi-annually	1.10% above SBP's discount rate with 14.15% as floor and 18.00% as ceiling for the first two years and thereafter a floor of 13.00% and a ceiling of 18.00%.	6,340	1-Jun-06	2,112	2,165	4,223	4,603
-	3,000	Union Leasing Limited	Semi-annually	2.25% above SBP's discount rate with 14.50% as floor and 16.75% as ceiling	15,000	19-Apr-05	-	-	14,988	15,588
		Total carried forward					183,716	182,389	151,466	161,598

June 30, 2005 No. of certificates	June 30, 2004	Name of the company	Profit		Maturity Date	June 30, 2005		June 30, 2004		
			Repayment frequency	Rate per annum		Cumulative Face value (Rs. in '000s)	Cost *	Market value (Rs. in '000s)	Cost *	Market value
		Total brought forward					183,716	182,389	151,466	161,598
6,117	8,117	Bank Alfalah Limited	Semi-annually	1.35% above the cut-off yield of the last successful SBP auction of five year PIBs with 10.00% as floor and 15.50% as ceiling.	19-Dec-08	30,585	32,210	31,165	43,589	45,834
541	541	Crescent Leasing Corporation Limited	Semi-annually	2.00% above the cut-off yield of the last successful SBP auction of five year PIBs with 12.00% as floor and 15.75% as ceiling.	5-Sep-07	2,705	2,705	2,840	2,705	2,813
2,527	2,527	First Dawood Investment Bank Limited - 2nd issue	Semi-annually	1.75% above SBP's discount rate with 12.25% as floor and 16.25% as ceiling.	27-Jul-07	12,635	12,635	13,329	12,635	14,278
-	1,100	Engro Chemical Pakistan Limited	Semi-annually	1.00% above the average of cut-off of the last three SBP auctions of five year PIBs with 11.00% as floor and 15.00% as ceiling.	7-Jul-07	5,500	-	-	5,496	5,935
-	1,818	KASB Bank Limited	Semi-annually	2.25% above last three cut-off rates of five year PIBs with 11.50% as floor and 14.50% as ceiling.	15-Jan-08	9,090	-	-	9,086	9,359
292	292	Maple Leaf Cement Factory Limited	Semi-annually	2.50% above the five year PIB rate with 15.25% as floor and 17.75% as ceiling.	19-Jul-06	1,460	730	770	1,216	1,338
46	3,400	Muslim Commercial Bank Limited	Semi-annually	1.50% above the cut-off yield of the last successful SBP auction of five year PIBs with 11.75% as floor and 15.75% as ceiling.	10-Feb-08	230	237	241	16,990	19,368
900	1,100	Orx Leasing Pakistan Limited	Semi-annually	2.00% above SBP's discount rate with 10.00% as floor and 13.00% as ceiling.	31-Jul-06	4,500	4,500	4,545	5,500	5,940
-	4,000	Pakistan International Airlines Corporation	Semi-annually	0.50% above SBP's discount rate with 7.40% as floor and 12.50% as ceiling.	20-Feb-11	20,000	-	-	19,997	20,800
-	1,310	Paramount Leasing Company Limited - 2nd issue	Semi-annually	2.50% above SBP's discount rate with 11.50% as floor and 14.50% as ceiling.	7-Feb-07	6,550	-	-	6,547	6,678
		Total carried forward				236,733	235,279	275,227	293,941	293,941

June 30, 2005 No. of certificates	June 30, 2004	Name of the company	Profit		Maturity Date	Cumulative Face value (Rs. in '000s)	June 30, 2005		June 30, 2004	
			Repayment frequency	Rate per annum			Cost *	Market value	Cost *	Market value
		Total brought forward					236,733	235,279	275,227	293,941
2,000	2,000	Secured S.P.V. Limited	Quarterly	2.00% above SBP's discount rate with 12.00% as floor and 16.00% as ceiling for the first year and thereafter 11.50% as floor and 16.00% as ceiling.	27-Mar-06	10,000	2,500	2,525	5,833	6,125
471	461	Sitara Chemical Industries Limited	Semi-annually	12.00%	20-Jun-07	2,355	2,355	2,474	2,305	2,443
1,500	1,500	Sui Southern Gas Company Limited – 2nd issue	Semi-annually	1.10% above SBP's discount rate with 11.50% as floor and 16.00% as ceiling.	4-Jun-07	7,500	4,996	5,121	7,495	8,168
2,000	2,000	Trust Leasing Corporation Limited	Semi-annually	2.00% above SBP's discount rate with 9.00% as floor and 14.00% as ceiling.	3-Jun-08	10,000	9,375	9,703	9,876	10,171
6,213	6,213	Union Bank Limited – 1st issue	Semi-annually	2.25% above the cut-off yield of the latest successful SBP auction of five year PIBs with 11.00% as floor and 15.50% as ceiling.	21-Jun-08	31,065	32,775	32,120	33,660	34,772
9,000	9,000	WorldCall Communications Limited	Semi-annually	1.75% above SBP's discount rate with 12.25% as floor and 16.25% as ceiling.	30-Sep-07	45,000	33,023	33,088	47,304	49,470
1,000	1,000	Crescent Standard Investment Bank Limited	Semi-annually	2.00% above SBP's discount rate with 10.50% as floor and 13.50% as ceiling.	8-Jul-07	5,000	4,165	4,248	4,999	5,149
2,000	2,000	Irtehad Chemicals Limited	Semi-annually	2.50% above SBP's discount rate with 7.00% as floor and 12.00% as ceiling.	27-Jun-08	10,000	9,994	10,294	9,997	10,396
540	540	First Oil & Gas Securitisation Company Limited	Monthly	2.50% above SBP's discount rate with 10.50% as floor and 14.50% as ceiling.	4-Dec-06	2,700	1,386	1,407	2,310	2,390
		Total carried forward					337,302	336,259	399,006	423,025

June 30, 2005 No. of certificates	June 30, 2004 No. of certificates	Name of the company	Profit		Maturity Date	June 30, 2005		June 30, 2004	
			Repayment frequency	Rate per annum		Cumulative Face value (Rs. in '000s)	Cost*	Market value (Rs. in '000s)	Cost*
		Total brought forward					337,302	399,006	423,025
3,494	1,494	Pakistan Services Limited	Semi-annually	2.25% above SBP's discount rate with 9.75% as floor and 13.75% as ceiling.	12-Nov-08	17,460	7,469	7,469	7,469
5,000	5,000	Al Zamin Leasing Modaraba	Semi-annually	8%	24-Dec-08	25,000	25,000	25,000	25,250
8,400	5,000	Union Bank Limited - 2nd issue (unsecured)	Semi-annually	0.75% above the Cut off yield of the latest successful auction of five year PIBs with 5% as floor and 10.75% as ceiling	20-Jan-11	41,813	25,000	25,000	25,000
						421,575	456,475	480,744	

(*) Represents unredeemed average cost.

(**) Secured, unless specified otherwise.

10.3 Term finance certificates - Unlisted**

June 30, 2005 No. of certificates	June 30, 2004 No. of certificates	Name of the company	Repayment frequency	Profit Rate per annum	Maturity Date	Cumulative Face value (Rs. in '000s)	June 30, 2005		June 30, 2004	
							Cost*	Market value (Rs. in '000s)	Cost*	Market value
10,000	10,000	Al Abbas Sugar Mills Limited	Quarterly	3.25% above the cut-off yield of the last successful SBP auction of three-month Treasury Bills with 6.00% as floor and 13.00% as ceiling.	4-Jul-08	50,000	34,210	44,737	44,737	
10,000	-	Escort Investment Bank Limited	Semi-annually	275bps over six months KIBOR with floor at 5% and ceiling at 10%.	27-Sep-09	50,000	49,990	-	-	
5,700	5,700	Pakistan Mobile Communication	Semi-annually	2.25% above the average of the last three six-month Treasury Bill cut-off yields with 6.00% as floor and 12.00% as ceiling.	16-Sep-08	28,500	28,500	28,500	28,500	
5,000	5,000	Crescent Commercial Bank Limited	Semi-annually	3% + 6 months KIBOR ask rate with 6% as floor and 10% as ceiling	23-Oct-06	25,000	18,743	24,995	24,995	
						131,443	98,232			

(*) Represents unredeemed average cost.

(**) Secured, unless specified otherwise.

10.4 Listed shares / units

June 30, 2005	June 30, 2004	No of ordinary and preference shares/units of Rs. 10 each	Name of the company / fund	June 30, 2005		June 30, 2004	
				Average Cost	Market value	Average Cost	Market value
(Rs. in '000s)							
Banks							
-	261,500		Union Bank Limited	-	-	6,849	7,191
Mutual fund							
3,030,400	-		First Dawood Mutual Fund	30,304	30,304	-	-
Textile composite							
1,031,500	-		Azgard Nine Limited - 8.95% Cumulative Preference shares - Redemption: Six years from the date of issue.	10,446	11,862	-	-
13,357,000	-		Chenab Limited -9.25% Cumulative Preference shares - Redemption: Six months from the date of call / put notice.	133,615	133,570	-	-
Automobiles Assembler							
1,615,500	-		Dewan Farooq motors Ltd	48,261	31,018	-	-
Cement							
1,512,542	1,498,042		DG Khan Cement Limited-10% Cumulative Preference shares - Redemption: After four years of issuance.	15,472	14,899	15,317	15,954
Chemicals and Pharmaceuticals							
-	317,000		Engro Chemical (Pakistan) Limited	-	-	32,473	30,908
Communication							
-	1,250,000		Pakistan Telecommunication Company Limited	-	-	54,622	52,688
Fuel and Energy							
-	50,000		Sui Southern Gas Company Limited	-	-	1,770	1,640
Transport							
5,322,028	-		Pakistan International Container Terminal Limited	121,057	136,776	-	-
Others							
1,515,500	-		Tri Pack Films Limited	121,202	72,743	-	-
				480,357	431,172	111,031	108,381

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
11. LOANS AND ADVANCES			
Term loan - considered good	11.1	490,315	81,590
- considered doubtful		24	12
Discounted promissory notes - considered good		-	9,805
		490,339	91,407
Less: Provision for non-performing loan	11.2	24	12
		490,315	91,395
Current maturity of long term loans and term finances	8	11,870	4,360
		502,185	95,755
Advance for subscription of term finance certificates – considered good		-	10,000
		502,185	105,755

11.1 These carry mark-up ranging from 9.00% to 13.66% [June 2004: 7.75% to 13.00%] per annum and are secured by pledge of shares of listed companies, personal guarantees of the directors, property of the borrowers and hypothecation of assets.

11.1.1 Includes term loans with conversion option into ordinary shares amounting to Rs.158 Million to a customer details of which are as follows:

Nature	Amount in Rs	Mark-up	Tenor	Security
A. short-term finance facility	100 Million	3 months KIBOR plus 5% per annum payable monthly	6 months maturing on October 11, 2005	Secured against ranking charge (Loan-A) / floating charge (Loan-B) over all present and future assets and properties of the borrower.
B. short term syndicated bridge financing facility	58 Million	six months KIBOR plus 5% per annum payable monthly	5 months maturing on October 04, 2005	

	June 30, 2005 (Rs. in '000s)	June 30, 2004
11.2 PARTICULARS OF PROVISION FOR NON-PERFORMING LOAN		
Opening balance	12	182
Charge for the year	24	-
Reversal on recovery of a non performing loan	(12)	(170)
Closing balance	24	12

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
12. FUND PLACEMENTS			
- unsecured, considered good	12.1	97,500	172,500
- secured under reverse repurchase agreement of securities, considered good	12.2 & 12.3	2,358,023	1,252,734
		<u>2,455,523</u>	<u>1,425,234</u>

12.1 Represents placements with financial institutions, carry mark-up rates ranging from 10.00% to 11.25% [June 2004: 5.00% to 8.25%] per annum.

12.2 These placements carry mark-up rates ranging from 6.39% to 15.31% [June 2004: 3.50% to 11.80%] per annum.

June 30, 2005			June 30, 2004		
Held by the company	Further given as Collateral	Total	Held by the company	Further given as collateral	Total
----- (Rs. in '000s) -----					

12.3 Securities held as collateral against fund placements with financial institutions

Pakistan Investment Bonds	190,000	166,287	356,287	-	628,836	628,836
Open ended fund	25,000	-	25,000	-	-	-
Listed company shares	1,913,736	-	1,913,736	623,898	-	623,898
Term finance certificates	63,000	-	63,000	-	-	-
	<u>2,191,736</u>	<u>166,287</u>	<u>2,358,023</u>	<u>623,898</u>	<u>628,836</u>	<u>1,252,734</u>

	June 30, 2005 (Rs. in '000s)	June 30, 2004
13. RECEIVABLE AGAINST SALE OF MARKETABLE SECURITIES	<u>20,882</u>	<u>2</u>

This represents amount receivable from brokers against sale / purchase of listed securities. The maximum aggregate amount receivable from an associated undertaking at the end of any month during the year was Rs.6,272(000) [June 2004: Rs.82,319(000)].

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
14. PREPAYMENTS, ACCRUALS AND OTHER RECEIVABLES			
Prepayments		146	964
Accrued mark-up / profit on			
Available-for-sale investments			
Term finance certificates		12,638	12,702
WAPDA bonds		-	624
Held for trading investments			
Government securities		-	5,542
Long term loans and term finances		1,787	39
Short term loans and advances		9,242	911
Fund placements		8,644	8,429
		32,311	28,247
Other receivables			
Dividend		16,693	1,571
Positive fair value of derivative financial instruments		-	2,763
Others	14.1	3,951	6,004
		20,644	10,338
		53,101	39,549

14.1 This includes Rs. 2,312(000) (June 30 2004: Rs.3,575(000)) receivable from an associated undertaking in respect of portfolio trading services. The maximum aggregate amount due at the end of any month during the year from an associated undertaking was Rs3,320(000) [2004:5,754(000)].

15. TAXATION – NET

Current

The income tax assessments upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002 have been finalized. Income tax returns for the tax years 2003 and 2004 have been filed on self-assessment basis and are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001.

16. CASH AND BANK BALANCES

Cash with banks on			
Current accounts with			
State Bank of Pakistan	16.1	29,163	4,354
Others		1,119	1,817
PLS savings accounts	16.2	51,534	188,885
		81,816	195,056
Cash in hand		-	4
		81,816	195,060

16.1 This includes an amount of Rs.2,369(000) [2004: Rs. 2,369(000)] deposited with the State Bank of Pakistan as required under the relevant provision of (now superseded) the State Bank of Pakistan's Prudential Regulations for Non-Banking Financial Companies to meet the additional reserve of 1% of certain specified liabilities.

16.2 These carry mark-up rates ranging from 0.50%to 11.00% [June 2004: 0.50% to 4.00%] per annum.

17. SHARE CAPITAL	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
Authorised Share Capital			
500,000,000 [2004: 50,000,000] shares of Rs.10 each		5,000,000	500,000
Issued, subscribed and paid-up capital			
14,550,000 [June 2004: 14,550,000] ordinary shares of Rs.10 each fully paid in cash		145,500	145,500
70,762,500 [June 2004: 8,200,000] ordinary shares of Rs.10 each issued as fully paid bonus shares	17.1	707,625	82,000
		853,125	227,500
17.1 Fully paid bonus shares at beginning of the year		82,000	82,000
Shares issued during the year as fully paid bonus shares		625,625	-
Fully paid bonus shares at end of the year		707,625	82,000
Jahangir Siddiqui & Company Limited, the holding company, held 53,247,277 (62.41%) [June 2004: 14,199,274 (62.41%)] ordinary shares as at June 30, 2005. ABAMCO Limited, an associated company also holds NIL [June 2004: 967 (0.004%)] ordinary shares as at June 30, 2005.			
18. (DEFICIT)/SURPLUS ON REVALUATION OF INVESTMENTS			
Available-for-sale investments			
Listed securities			
Open ended mutual funds units		(2,879)	7,592
Term finance certificates		(7,151)	24,269
Shares		(54,155)	118,268
		(64,185)	150,129
Held for trading investments			
Listed securities			
Shares		(49,185)	(2,650)
Government securities			
Pakistan Investment Bonds		-	(9,150)
Positive / (negative) fair value of a derivative financial instruments		-	2,763
		(49,185)	(9,037)
		(113,370)	141,092
Add: related deferred tax asset		-	2,236
		(113,370)	143,328

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
19. CERTIFICATES OF DEPOSIT			
Local currency	19.1	2,080,651	996,064
Less : Certificate due within one year shown as current liability		1,925,211	996,064
		155,440	-

19.1 Represents deposits received from customers under registered certificates of deposit in local currency. The maturity period ranges between one month to five year. The expected rate of return payable on these certificates ranges from 4.50 %to 10.50% [June 2004: 3.00% to 4.50%] per annum.

20. TRADE AND OTHER PAYABLES

Advances from customers	20.1	6,018	8,781
Accrued expenses		31,708	14,929
Accrued return on certificates of deposit		24,122	6,333
Accrued mark-up on			
Running finance under mark-up arrangements		516	22
Borrowings from banks / NBFCs		5,677	5,095
Unclaimed and unpaid dividend		1,088	1,395
Subscription received as banker to the issue of customers	20.2	21,305	213,657
Other liabilities		1,321	808
		91,755	251,020

20.1 Represents amount payable against sale of shares under Portfolio Trading Services [PTS] (refer to note 40).

20.2 Represents subscription funds received in respect of the offer for sale of shares and TFCs. The company is entitled to receive commission at the rate of 0.25% of the amount of shares allotted.

21. SHORT TERM BORROWINGS

Secured under repurchase agreements	21.1	172,069	860,000
Unsecured	21.2	700,000	300,000
Demand finance- secured	21.3	135,000	-
		1,007,069	1,160,000
Running finance utilized under mark-up arrangements - Secured	21.4	179,660	-
		1,186,729	1,160,000

21.1 Represents amounts borrowed from banks / NBFCs and carry mark-up rates ranging from 8.95% to 9.00% [June 2004: 1.80% to 3.75%] per annum. These are secured against Pakistan investment bonds and term finance certificates sold under repurchase agreements having an aggregate fair value of Rs.192,190(000) [June 2004: Rs.991,681(000)].

21.2 Represents amounts borrowed from banks / NBFCs and carry mark-up rates ranging from 7.00% to 8.15% [June 2004: 3.25% to 4.00%] per annum.

21.3 The company has Demand finance facilities under mark-up arrangement in aggregate of Rs500,000(000) [June 2004: Rs.Nil] from commercial bank having mark-up of 8.97% [June 2004: Nil] per annum. The principal amount is payable at maturity. The facility utilized against these arrangements are secured against quoted / unquoted TFC's having an aggregate fair value of Rs197,612(000) [June 2004: Rs.Nil].

21.4 The company has short term running finance facilities under mark-up arrangements in aggregate of Rs.2,400,000(000) [June 2004: Rs.100,000(000)] from commercial banks having mark-up ranging from 7.58% to 9.19% [June 2004: 5.50%] per annum calculated on a daily product basis payable quarterly. The facility utilized against these arrangements are secured against shares of listed companies having an aggregate fair value of Rs.302,089(000) [June 2004: Rs.236,778(000)].

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
22. PAYABLE FOR PURCHASE OF MARKETABLE SECURITIES	22.1	255,112	3,750

22.1 This includes Rs 154,400(000) [June 30, 2004 Rs. Nil] payable to an associated undertaking.

23. CONTINGENCIES AND COMMITMENTS

Forward sale commitments		232,476	63,908
Forward purchase commitments		88,875	-
Underwriting commitments		148,000	523,000
Pre-IPO commitments		-	65,000

24. INCOME FROM INVESTMENTS / REVERSE REPURCHASE TRANSACTIONS

Dividend	24.1	100,765	38,355
Mark-up on available-for-sale investments			
Term finance certificates		47,309	60,091
WAPDA bonds		-	831
Mark-up on held for trading investments			
Government securities		21,266	27,350
		169,340	126,627

24.1 Includes Rs.72,964(000) [2004: Rs.14,583(000)] in respect of reverse repurchase transactions and the balance represents dividend from investments in shares.

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
25. CAPITAL GAINS / (LOSS) ON DISPOSAL OF INVESTMENTS / REVERSE REPURCHASE TRANSACTIONS			
Listed shares	25.1	334,372	392,386
Open ended Fund		53,369	3,870
Term finance certificates		7,147	4,828
Treasury bills		-	987
WAPDA bonds		417	2,100
Government securities		(2,596)	(10,716)
		<u>392,709</u>	<u>393,455</u>
25.1 Includes capital gain amounting to Rs.107,613(000) [2004: Rs.19,993(000)] in respect of reverse repurchase transactions. Also includes accrued price differential on unsettled reverse repurchase transactions.			
26. MARK-UP ON LOANS AND TERM FINANCES			
Long term loans and term finances		6,097	1,290
Short term loans		34,738	7,014
		<u>40,835</u>	<u>8,304</u>
27. CONSULTING AND CORPORATE ADVISORY FEES			
Includes trusteeship fee of Rs.2,893(000) [2004: Rs.2,687(000)] received by the company as trustees on behalf of an asset management company and term finance certificate holders of various companies.			
28. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and benefits		21,795	12,314
Staff retirement benefits		605	639
Staff bonus		13,750	5,500
Printing and stationery		893	606
Telephone, fax and postage		1,036	621
Brokerage expenses		1,500	3,033
Rent, rates and taxes		2,686	2,529
Vehicle running and maintenance		1,708	1,013
Electricity		987	785
Legal and professional charges		6,425	3,865
Royalty		7,500	-
Consultancy fees		6,395	6,700
Auditors' remuneration	28.1	1,027	1,546
Insurance		1,206	949
Entertainment		552	291
Advertising and business promotion		3,442	410
Depreciation	5	4,258	4,281
Fees and subscription	28.2	12,204	1,280
Conveyance and travelling		2,750	730
Repairs and maintenance		1,122	1,005
Computer expenses		1,932	1,444
Donation	28.3	7,305	8,813
CDC charges		3,202	1,112
Expenses on meetings		14	38
Custody / bank charges		970	92
Lease finance charges		-	3
Commission expense		178	-
Miscellaneous charges		83	12
		<u>105,525</u>	<u>59,611</u>

Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
28.1 Auditors' remuneration		
Audit fee	190	190
Taxation services	565	1,075
Fee for half year and CCG review and other certificates	176	235
Out-of-pocket expenses	96	46
	1,027	1,546

28.2 Includes fee of Rs.8.7 million paid during the year for increase in authorized share capital of the company.

28.3 Donation

Includes donation paid to Siddiqui Foundation amounting to Rs. 6,500(000) [2004: Rs: NIL], 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi. Mr. Munawar Alam Siddiqui-Director is also a director in Siddiqui Foundation.

29. TAXATION

For the year	4,108	7,199
Deferred	(1,455)	(247)
	2,653	6,952

29.1

29.1 Relationship between the tax expense and the accounting profit

Profit before tax	370,689	447,652
Tax at the applicable tax rate of 35% [2004: 35%]	129,741	156,678
Tax effect of expenses that are not deductible in determining taxable income	6,471	5,490
Tax effect of exempt income and expenses that are deductible from but are not included in accounting profit	(102,272)	(142,438)
Tax effect of income charged at lower tax rate and rebates	(29,832)	(12,531)
Net effect of deferred tax liability arising due to deductible temporary differences	(1,455)	(247)
Adjusted income tax charge	2,653	6,952
Higher of adjusted income tax charge as above and turnover tax under section 113 of Income Tax Ordinance, 2001 amounting to Rs.3,249(000) [2004: Rs.2,797(000)]	2,653	6,952

	Note	June 30, 2005 (Rs. in '000s)	June 30, 2004
30. BASIC AND DILUTED EARNINGS PER SHARE			
Net profit for the year attributable to ordinary shareholders		368,036	440,700
		Number	
Weighted average number of ordinary shares outstanding during the year.		85,313	85,313
		Rupees	Rupees
Basic and diluted earnings per share		4.31	5.17

No figure for diluted earnings per share has been presented as the company has not as yet issued any instruments which would have an impact on earnings per share when exercised.

Number of shares in issue during the corresponding period have been restated for the effect of bonus shares issued during the year.

31. CASH AND CASH EQUIVALENTS

Cash and bank balances	16	81,816	195,060
Running finance utilised under mark-up arrangements	21	(179,660)	-
		(97,844)	195,060

32. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	----- (Rs. in '000s) -----							
Managerial remuneration	680	817	-	-	4,088	6,149	4,768	6,966
Perquisites and allowances	340	408	-	-	2,044	3,074	2,384	3,482
Staff retirement benefits	68	80	-	-	293	247	361	327
Commission and bonus	1,300	550	-	-	6,913	4,950	8,213	5,500
Reimbursable expenses	74	109	-	-	432	531	506	640
	2,462	1,964	-	-	13,770	14,951	16,232	16,915
Number of persons	1	1	-	-	5	18	6	19

The chief executive, a director and certain executives are also provided with free use of company owned and maintained vehicles.

33. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS / RELATED PARTIES / CONNECTED PERSONS

These include Jahangir Siddiqui & Company Limited being the holding company, ABAMCO Limited, and Jahangir Siddiqui Capital Market Limited being the subsidiaries of the holding company, Eye TV Limited, JS Infocom Limited, Bank Islami Pakistan, retirement benefit fund, directors and the key management personnel.

The transactions with connected persons are in the normal course of business, at contracted rates and terms determined in accordance with market rates. Transactions with key management personal are disclosed in note 32 and other material transactions with the related parties are as follows.

	With holding company		With associated undertakings		With directors	
	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004	June 30, 2005	June 30, 2004
	----- (Rs. in '000s) -----					
Cumulative sum of money market instruments purchased	1,223,006	1,340,708	-	644,800	-	-
Cumulative sum of money market instruments sold	2,077,257	1,031,732	-	475,187	-	-
Cumulative sum of funds borrowed from financial institutions	150,000	-	-	-	-	-
Expense on funds borrowed from financial institutions	38	76	-	-	-	-
Sale of marketable securities (including resale under reverse repurchase agreements)	-	873,170	43,785,105	5,862,486	-	-
Purchase of marketable securities (including purchase under reverse repurchase agreements)	-	707,953	44,453,538	5,527,804	-	-
Brokerage	-	408	376	356	-	-
Rent	2,044	1,873	-	-	-	-
Security services	-	-	159	213	-	-
Consulting service	-	-	-	5,500	-	1,200
Sale of fixed assets	-	-	1,195	-	-	-
Loan disbursed and repaid	-	-	15,000	-	-	-
Mark-up on short-term loan	-	-	112	-	-	-
Purchase of fixed assets	1,474	-	-	-	-	-

Balances due to / from the related parties are disclosed in respective notes to the financial statements.

34. SEGMENTAL INFORMATION

Primary segment information

For financial reporting purposes the company has identified two major business segments:

- Capital market operations - principally engaged in dealing in equity instruments of enterprises listed on the stock exchange.
- Money market operations - principally providing money market, trading and treasury services, as well as management of the company's funding operations by use of treasury bills, government securities and placements and acceptances with other companies, through treasury and wholesale banking.

These segments are the basis on which the company has identified its primary segment information. Other operations of the company comprise of underwriting, trusteeship, portfolio trading services, loans and advances and consultancy services.

	Capital market	Money market	Others	Total
	------(Rs. in '000s) -----			
Segmental information for the year ended June 30, 2005				
Segment results for the year ended June 30, 2005				
Gross operating income	488,506	98,380	62,875	649,761
Segment results	484,122	39,300	47,191	570,613
Unallocated costs				(199,924)
Profit before taxation				370,689
Income tax expense				(2,653)
Net profit for the period				368,036
Segment assets and liabilities as at June 30, 2005				
Segment assets	2,995,932	1,109,507	608,657	4,714,096
Unallocated assets				102,394
Total assets				4,816,490
Segment liabilities	255,757	877,896	316,569	1,450,222
Unallocated liabilities				2,164,025
Total liabilities				3,614,247
Other segment information for the year ended June 30, 2005				
Capital expenditure	54	322	227	603
Unallocated				2,763
				3,366
Segmented depreciation	18	106	75	199
Unallocated				634
				833
Segmental information for the year ended June 30, 2004				
Segment results for the year ended June 30, 2004				
Gross operating income	434,611	97,713	27,034	559,358
Segment results	432,472	65,120	19,512	517,104
Unallocated costs				(69,452)
Profit before taxation				447,652
Income tax expense				(6,952)
Net profit for the period				440,700

	Capital market	Money market	Others	Total
	----- (Rs. in '000s) -----			
Segment assets and liabilities as at June 30, 2004				
Segment assets	666,397	2,475,808	124,251	3,266,456
Unallocated assets				235,283
Total assets				<u>3,501,739</u>
Segment liabilities	3,879	1,165,626	222,704	1,392,209
Unallocated liabilities				1,018,625
Total liabilities				<u>2,410,834</u>
Other segment information for the year ended June 30, 2004				
Capital expenditure	54	616	4,075	4,745
Unallocated				5,190
				<u>9,935</u>
Segmented depreciation	18	130	933	1,081
Unallocated				3,195
				<u>4,276</u>

35. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk, which arises with the possibility that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The company attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

The company follows a two-pronged policy. Firstly, it has developed its own prudent operating policies duly approved by the Board of Directors. Secondly, it follows the regulations issued by the Securities and Exchange Commission of Pakistan. The internal policy prescribes the maximum limits of fund and non-fund based exposures with respect to a particular sector or a business group. Extra care is taken to ensure that per party and per sector exposures remain within limits prescribed by the internal policy and the Securities and Exchange Commission of Pakistan regulations.

Concentration of credit risk arises when a number of counter parties have a similar type of business activities. As a result, any change in economic, political or other conditions would effect their ability to meet contractual obligations in a similar manner.

JSIBL is exposed to credit risk on loans, term finance, fund placements with financial institutions, certain investments and receivable for sale of marketable securities. JSIBL seeks to minimise its credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Details of the composition of loans and finance portfolios are given in note 36 below.

Credit risk in respect of derivative financial instruments is limited to those with positive fair values.

June 30, 2005			June 30, 2004		
Loans and term finance	Investments	Others	Loans and term finance	Investments	Others
----- (Rs. in '000s) -----					

36. SEGMENT BY CLASS OF BUSINESS

Chemical and pharmaceuticals	-	2,473	149	-	92,714	1,590
Textile	14,286	207,849	2,208	15,000	58,614	2,346
Cement	-	15,669	50	-	17,292	84
Automobile and transportation equipment	158,000	167,794	769	58,000	173,205	1,077
Financial	-	849,484	2,583,285	10,000	613,071	1,653,094
Individuals	414,268	-	9,809	33,186	-	408
Sugar and allied industries	-	34,210	656	-	44,737	647
Services and consultancy	-	-	-	-	-	2,681
Fuel and energy	-	50,886	8,750	-	16,801	1,698
Communication	9,000	169,487	1,433	-	130,650	1,563
Government securities	-	-	-	-	379,302	6,166
Others	-	80,356	6,629	-	134,051	1,168
	595,554	1,578,208	2,613,738	116,186	1,660,437	1,672,522

37. LIQUIDITY RISK

Liquidity risk is the risk that an institution will be unable to meet its funding requirements. To guard against the risk, the company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summarises the maturity profile of the company's assets and liabilities. The contractual maturities of assets and liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date and do not take account of the effective maturities as indicated by the company's deposit retention history and the availability of liquid funds. Assets and liabilities not having a contractual maturity are assumed to mature on the expected date on which the assets / liabilities will be realised / settled.

June 30, 2005

	Total	Upto three months	Over three months to one year	Over one year to five years	Over five years
	----- (Rs. in '000s) -----				
Assets					
Property , plant and equipment	9,700	-	-	-	9,700
Stock exchange membership card	11,101	-	-	-	11,101
Long term deposits	2,416	-	-	-	2,416
Loans and term finance	595,554	259,057	243,314	93,183	-
Investments	1,578,208	13,074	858,906	607,354	98,874
Deferred taxation	1,247	1,247	-	-	-
Fund placements	2,455,523	2,368,581	86,942	-	-
Receivable against sale of marketable securities	20,882	20,882	-	-	-
Prepayments, accruals and other receivables	53,101	52,155	946	-	-
Taxation - net	6,942	6,942	-	-	-
Cash and bank balances	81,816	81,816	-	-	-
	4,816,490	2,803,754	1,190,108	700,537	122,091

Liabilities

Certificates of deposit	2,080,651	966,665	958,546	155,440	-
Short term borrowings	1,186,729	1,051,729	135,000	-	-
Deferred taxation	-	-	-	-	-
Payable for purchase of marketable securities	255,112	255,112	-	-	-
Trade and other payables	91,755	91,755	-	-	-
	3,614,247	2,365,261	1,093,546	155,440	-
Net assets	1,202,243	438,493	96,562	545,097	122,091

Represented by :

Issued, subscribed and paid-up capital	853,125
Reserves	462,488
(Deficit) on revaluation of investments	(113,370)
	1,202,243

June 30, 2004					
Total	Upto three months	Over three months to one year	Over one year to five years	Over five years	
----- (Rs. in '000s) -----					
Assets					
Property, plant and equipment	11,453	-	-	-	11,453
Stock exchange membership card	11,101				11,101
Long term deposits	2,681	-	-	-	2,681
Loans and term finance	116,186	10,795	84,681	15,710	5,000
Investments	1,660,437	613,784	266,964	401,395	378,294
Deferred taxation	2,028	2,028			
Short term advances	10,000	10,000	-	-	-
Fund placements	1,425,234	1,417,734	7,500	-	-
Receivable against sale of marketable securities	2	2	-	-	-
Prepayments, accruals and other receivables	39,549	35,919	3,630	-	-
Taxation – net	28,008	28,008	-	-	-
Cash and bank balances	195,060	195,060	-	-	-
	<u>3,501,739</u>	<u>2,313,330</u>	<u>362,775</u>	<u>417,105</u>	<u>408,529</u>
Liabilities					
Certificates of deposit	996,064	967,500	28,564	-	-
Short term borrowings	1,160,000	1,075,000	85,000	-	-
Payable for purchase of marketable securities	3,750	3,750	-	-	-
Trade and other payables	251,020	250,000	1,020	-	-
	<u>2,410,834</u>	<u>2,296,250</u>	<u>114,584</u>	<u>-</u>	<u>-</u>
Net assets	<u>1,090,905</u>	<u>17,080</u>	<u>248,191</u>	<u>417,105</u>	<u>408,529</u>
Represented by :					
Issued, subscribed and paid-up capital	227,500				
Reserves	720,077				
Surplus on revaluation of investments	143,328				
	<u>1,090,905</u>				

38. YIELD / INTEREST RATE RISK

Yield risk is the risk of decline in earnings due to adverse movement of the yield curve. Interest rate risk arises from the possibility that changes in interest rates will affect the value of the financial instruments. The company is exposed to interest rate risk as a result of mismatches or gaps in the amounts of assets and liabilities and off balance sheet instruments that mature or reprice in a given period. The company manages this risk by matching the repricing of assets and liabilities through risk management strategies.

The position for financial instruments is based on the earlier of contractual repricing date or maturities.

Effective yield / interest rate %	June 30, 2005					
	Total	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	Over three months to one year	Over one year to five years		
	(Rs. in '000s)					
Financial assets						
Long term deposits	-	2,416	-	-	-	2,416
Loans and term finance	0.00-13.66	595,554	259,057	243,314	92,844	339
Investments	5.18-16.25	1,578,208	13,074	119,292	413,501	1,032,341
Fund placements	6.39-15.31	2,455,523	2,368,581	86,942	-	-
Receivable against sale of marketable securities	-	20,882	-	-	-	20,882
Prepayment, accrued and other receivables	-	53,101	-	-	-	53,101
Cash and bank balances	0.50-11.00	81,816	51,534	-	-	30,282
		4,787,500	2,692,246	449,548	506,345	1,139,361
Financial liabilities						
Certificates of deposit	4.50-10.50	2,080,651	966,665	958,546	155,440	-
Short term borrowings	7.58-9.19	1,186,729	1,051,729	135,000	-	-
Payable for purchase of marketable securities	-	255,112	-	-	-	255,112
Trade and other payables	-	91,755	-	-	-	91,755
		3,614,247	2,018,394	1,093,546	155,440	346,867
Total yield / interest risk sensitivity gap		1,173,253	673,852	(643,998)	350,905	792,494
Cumulative yield / interest risk sensitivity gap			673,852	29,854	380,759	

* This includes amount payable to Portfolio Trading Services customers

Effective yield / interest rate %	June 30, 2004					
	Total	Exposed to yield / interest risk			Not exposed to yield / interest risk	
		Upto three months	Over three months to one year	Over one year to five years		
	(Rs. in '000s)					
Financial assets						
Long term deposits	-	2,681	-	-	-	2,681
Loans and term finance	0.00-13.00	116,186	10,787	84,656	20,349	394
Investments	5.18-17.00	1,660,437	505,403	75,370	428,255	651,409
Short term advances	4.47	10,000	10,000	-	-	-
Fund placements	3.50-11.80	1,425,234	1,417,734	7,500	-	-
Receivable against sale of marketable securities	-	2	-	-	-	2
Prepayment, accrued and other receivables	-	38,585	-	-	-	38,585
Cash and bank balances	0.50-4.0	195,060	195,056	-	-	4
		3,448,185	2,138,980	167,526	448,604	693,075
Financial liabilities						
Certificates of deposit	3.00-4.50	996,064	967,500	28,564	-	-
Short term borrowings	1.80-4.0	1,160,000	1,075,000	85,000	-	-
Payable for purchase of marketable securities	-	3,750	-	-	-	3,750
Trade and other payables	-	251,020	-	-	-	251,020
		2,410,834	2,042,500	113,564	-	254,770
Total yield / interest risk sensitivity gap		1,037,351	87,699	53,962	448,604	447,086
Cumulative yield / interest risk sensitivity gap			87,699	141,661	590,265	

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	June 30, 2005		June 30, 2004	
	Book value	Fair value	Book value	Fair value
	----- (Rs. in '000s) -----			
Financial assets				
Long term deposits	2,416	2,416	2,681	2,681
Loans and term finance	595,554	595,554	116,186	116,186
Investments	1,578,208	1,578,208	1,660,437	1,660,437
Short term advances	-	-	10,000	10,000
Fund placements	2,455,523	2,455,523	1,425,234	1,425,234
Receivable against sale of marketable securities	20,882	20,882	2	2
Prepayment, accrued and other receivables	53,101	53,101	38,585	38,585
Cash and bank balances	81,816	81,816	195,060	195,060
	4,787,500	4,787,500	3,448,185	3,448,185
Financial liabilities				
Certificates of deposit	2,080,651	2,080,651	996,064	996,064
Short term borrowings	1,186,729	1,186,729	1,160,000	1,160,000
Payable for purchase of marketable securities	255,112	255,112	3,750	3,750
Trade and other payables	91,755	91,755	251,020	251,020
	3,614,247	3,614,247	2,410,834	2,410,834

As at June 30, 2005, the net fair value of all financial instruments has been based on the valuation methodology outlined below:

(a) Loans and certificates of deposits

For all advances and deposits, the fair values have been taken at book values as these are not considered materially different based on the current market rates of return and rate repricing profiles of similar advances and deposits portfolios.

(b) Investments

The fair value of quoted investments is based on quoted market prices or average of quotations received from the brokers. Investment in an associated undertaking is measured at cost.

(c) Other financial instruments

The fair value of all other financial instruments are considered to approximate their book values as they are short term in nature.

40. Portfolio Trading Services (PTS)

JSIBL holds an amount of Rs.174,990(000) as at June 30, 2005 [2004: Rs.274,968(000)] as security in the form of shares of listed companies under its portfolio trading services offered to its customers. Under the scheme, the company offers a trading limit against those security deposits deposited, enabling customers to trade on the stock exchange facilitated by the company.

41. NUMBER OF EMPLOYEES

The number of employees at the balance sheet date is 32 [June 2004: 31].

42. GENERAL

42.1 Figures have been rounded off to the nearest thousand of rupees.

42.2 Due to revision of the Fourth Schedule to the Companies Ordinance, 1984 by the Securities and Exchange Commission of Pakistan vide SRO. 589(1)/2004 dated July 05, 2004, previous year's figures have been rearranged and/or reclassified, wherever necessary, for the purpose of comparison. Material reclassifications made during the year were as follows:

- (a) Loans and advances to executives and remuneration to executives have been restated due to the amendment in definition of "executive" under Fourth Schedule to the Companies Ordinance, 1984.
- (b) Short-term advances have been reclassified as loans and advances under current assets.
- (c) In addition to the above figures, comparative information has also been restated in order to comply with the change in accounting policy as explained in note 4.1.

43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors on September 17, 2005.

CHAIRMAN

CHIEF EXECUTIVE

PATTERN OF SHAREHOLDING

FORM "34"

Shareholders Statistics as at June 30, 2005

No. of Shareholders	Shareholding		Total shares held
	From	To	
241	1	100	14,507
639	101	500	246,293
832	501	1000	735,431
1421	1001	5000	3,862,659
312	5001	10000	2,397,452
132	10001	15000	1,699,667
46	15001	20000	810,640
17	20001	25000	393,950
20	25001	30000	569,823
16	30001	35000	535,262
7	35001	40000	263,659
7	40001	45000	306,741
2	45001	50000	98,492
1	50001	55000	52,844
7	55001	60000	408,927
8	60001	65000	500,037
6	65001	70000	408,675
1	70001	75000	73,375
2	75001	80000	153,700
6	80001	85000	489,217
2	85001	90000	173,000
3	95001	100000	297,600
1	100001	105000	100,250
2	105001	110000	217,375
3	125001	130000	385,875
1	140001	145000	144,500
2	145001	150000	300,000
2	155001	160000	315,775
1	165001	170000	165,003
1	205001	210000	207,575
1	215001	220000	217,111
1	235001	240000	237,175
1	275001	280000	276,750
1	295001	300000	300,000
1	6290001	6295000	6,292,890
1	8410001	8415000	8,412,993
1	10235001	10240000	10,237,500
1	43005001	43010000	43,009,777
3749			85,312,500

S.No	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage
1	INDIVIDUALS	3656	14,948,547	17.52
2	INVESTMENT COMPANY(S)	58	54,523,729	63.91
3	INSURANCE COMPANY(S)	6	6,649,752	7.79
4	JOINT STOCK COMPANY(S)	13	110,847	0.13
5	FINANCIAL INSTITUTION(S)	4	8,700,993	10.20
6	MODARABA COMPANY(S)	3	84,132	0.10
7	FOREIGN INVESTOR(S)	2	6,825	0.01
8	OTHER(S):			
	TRUSTEES AL-ABBAS SUGAR MILLS LTD EMP.GF	2,000		
	TRUSTEES ARTAL RESTAURANTS INT'L EMP P.F	4,000		
	TRUSTEE-THE BHAIMIA FOUNDATION	4,500		
	KAYMO TRADING (FZE)	25,000		
	TRUSTEES ITIM ASSOCIATES (PVT) LTD. EPF	44,700		
	CDC - TRUSTEE FIRST DAWOOD MUTUAL FUND	81,600		
	CDC - TRUSTEE ABAMCO COMPOSITE FUND	125,875		
		7	287,675	0.34
		3749	85,312,500	100

* INCLUDES 3003 CDC BENEFICIAL OWNER AS PER LIST APPEARING ON CDS.

DISCLOSURE TO PATTERN OF SHAREHOLDING

As at June 30, 2005

Serial No.	Name of Share Holders / CDC Beneficial Owners	No. of Shares Held
1.	Associated Companies, Undertakings and Related Parties:	
	M/s. Jahangir Siddiqui & Co. Limited	53,247,277
2.	NIT and ICP:	
	M/S. Investment Corporation of Pakistan National Bank of Pakistan, Trustee Deptt.	3,126 8,412,993
	Total	8,416,119
3.	List Of Directors, CEO and their Spouse and Minor Children:	
	Mr. Mazharul Haq Siddiqui	166,503
	Mr. Saad S.faruqui	3
	Mr. Maqbool Ahmed Soomro	3
	Mrs. Akhter Jabeen Siddiqui	45,000
	Mr. Muhammad Yousuf Amanullah	0
	Mr. Salman Rasheed	0
	Mr. Firasat Ali	0
	Mr. Safia Munawar	0
	Mr. Munawar Alam Siddiqui	0
	Total	211,509
4.	List of Executives	NIL
5.	Public Sector Companies and Corporations:	NIL
6.	Banks, Development Finance Institutions, Non-banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds:	7,486,426
7.	Shareholder / CDC Beneficial Owners Holding Shares 10% or More:	
	M/S. Jahangir Siddiqui & Co. Limited	53,247,277

Details of transactions carried out by Directors, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and their spouses and minor children during the period from July 1, 2004 to June 30, 2005.

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

- Mr. Mazharul Haq Siddiqui has sold 40,000 shares for Rs. 4,940,000/-.
- Ms. Akhtar Jabeen Siddiqui w/o Mr. Mazharul Haq Siddiqui has sold 6,500 shares for Rs. 802,750/-.
- Ms. Safia Munawar w/o Mr. Munawar Alam Siddiqui has sold 7,000 shares for Rs. 834,500/-.

Form of Proxy

12th Annual General Meeting

The Company Secretary
Jahangir Siddiqui Investment Bank Limited
1301-1303, 13th Floor, Chapal Plaza,
Hasrat Mohani Road,
Karachi-74000

I/We _____
of _____
being member(s) of Jahangir Siddiqui Investment Bank Ltd. holding _____ ordinary
shares hereby appoint _____ of _____ who is / are also member(s) of
Jahangir Siddiqui Investment Bank Limited as my / our proxy in my / our absence to attend and vote for me / us and on my/our
behalf at the 12th Annual General Meeting of the Company to be held on October 22, 2005 and / or any adjournment thereof.

As witness my / our hand seal this _____ day of _____ 2005.

Signed by _____
in the presence of _____

Folio No.

CDC Participant I.D.

Sub Account No.

Signature on
Rs. 5/-
Revenue Stamp

The signature should
agree with the
specimen registered
with the Company

Witnesses

Important:

1. This proxy form, duly completed and signed, must be received at the Office of the Company situated at 1301-1303, 13th 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.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Jahangir Siddiqui Investment Bank Limited
1301-1303, 13th Floor, Chapal Plaza,
Hasrat Mohani Road,
Karachi-74000