



Engraved impressions

Annual Report 2004

JAHANGIR SIDDIQUI & CO. Ltd.



diversification

profile

excellence

success

integrity





diversification

Our Mission is to grow our various financial services business and create new products, services and markets in the financial services sector.

Jahangir Siddiqui & Company Limited is a financial services group with a 33-year history. We have a tradition of leadership and excellence in every market and business in which we operate. As one of the largest and most diversified financial services companies in Pakistan, Jahangir Siddiqui & Co. Ltd. is involved in investment banking, fixed income and equity securities sales and trading, asset management and insurance.





profile

Jahangir Siddiqui & Co. is one of eleven primary dealers for government securities in Pakistan. Our investment banking business is the single largest issuer (both by volume and value) of Term Finance Certificates (corporate bonds) in Pakistan.

Jahangir Siddiqui Capital Markets, a leading securities firm, has the largest investment banking teams in Pakistan, raising finances through capital markets, mergers and acquisitions and privatization and other advisory.

ABAMCO is Pakistan's second largest asset management company and the largest non-government asset management company. Jahangir Siddiqui Investment Bank Ltd. mobilizes funds through issue of Certificates of Investment ("COIs") which are utilized to provide short-term financing to corporate clients. Jahangir Siddiqui Investment Bank is also active in both equity and money markets.

We are a substantial principal investor and have long term investments in a number of companies in Pakistan including EFU General Insurance, EFU Life Assurance, Singer Pakistan, Universal Board and Industries (MDF Board and Ferro Alloys), Pakistan International Container Terminals (Container Terminal), Spell Telecommunications (Telecom Investments), Dadex Eternit (Building Products), Al Abbas Sugar Mills and Azgard Nine.





excellence

Our Vision is to be a leading financial services organization.

We measure our performance not just by the results but also by the quality of our work. Jahangir Siddiqui & Co. assists public and private sector entities, financial institutions, multinational corporations and domestic as well as international institutional investors in private placements, underwriting and advisory assignments.

It sets itself apart through strategic holdings in the sugar, sugar derivatives, textile and building materials sectors

- Winner of the **Best Equity House** and **Best Bond House** awards from *Asiamoney* in 2004
- Jahangir Siddiqui Capital Markets has one of the largest Fixed Income Sales teams in the industry that serves over 75 institutions
- JSCM's investment banking team has served as advisors / arrangers / underwriters in 18 out of the 64 TFC issues (Bond issues) in Pakistan to date





integrity

Our business is founded on trust and we manage our business ethically, lawfully and fairly. Nothing we do is more important than protecting and preserving our clients' interests. We hold responsibilities towards our clients in the highest regard.

JSCL has a long term credit rating of "AA+" and a short term credit rating of "A1+" by Pakistan Credit Rating Agency.






success

While we are fair and ethical at all times, we compete aggressively in managing our businesses and in producing superior returns for our clients. Jahangir Siddiqui & Co. Ltd. is one of the largest investment firms in Pakistan with shareholders' equity of PKR 2,956 million (USD 51 million), assets of PKR 7,851 million (USD 135 million) and profits after tax for the nine month period ended March 31, 2004 of PKR 754 million (USD 13 million).

- Jahangir Siddiqui & Co. was the first securities firm to boast a Wall Street pedigree by virtue of its joint venture with Bear Stearns
- Jahangir Siddiqui & Co. in collaboration with Bear Stearns, issued the Government of Pakistan's first Sovereign Eurobond of USD 150 million in 1994
- Jahangir Siddiqui & Co. issued Pakistan's first 10 year corporate bond in 2004
- Jahangir Siddiqui & Co. is the only non-banking company to be a **Primary Dealer** for government securities in Pakistan



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Abbreviations

ACF	ABAMCO Capital Fund
ASMF	ABAMCO Stock Market Fund
BBF	BSJS Balanced Fund Limited
CDC	Central Depository Company of Pakistan Limited
CFSL	Confidence Financial Services Limited
CMFL	Confidence Mutual Fund Limited
COIC	Citibank Overseas Investment Corporation Limited
COIs	Certificate of Investments
DCIT	Deputy Commissioner of Income Tax
DSCs	Defence Saving Certificates
FIB	Federal Investment Bonds
FRSH	Ford Rhodes Sidat Hyder & Co.
IASC	International Accounting Standards Committee
ICP	Investment Corporation of Pakistan
IPO	Initial Public Offering
JSCL	Jahangir Siddiqui & Company Limited
JSCML	Jahangir Siddiqui Capital Market (Private) Limited
JSIBL	Jahangir Siddiqui Investment Bank Limited
KSE	Karachi Stock Exchange (Guarantee) Limited
MROR	Market Rate of Return
NBFIs	Non Banking Financial Institutions
NBFC	Non Banking Finance Company
NIT	National Investment Trust
NPL	Non-Performing Loans
NSS	National Savings Schemes
PACRA	The Pakistan Credit Rating Agency (Pvt.) Ltd.
PC	Privatisation Commission
PIBs	Pakistan Investment Bonds
PICIC	Pakistan Industrial Credit and Investment Corporation Limited
PIPO	Pre-Initial Public Offer
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
SIC	Standing Interpretation Committee
TFCs	Term Finance Certificates
TTL	Technology Trade (Private) Limited
UTP	Unit Trust of Pakistan

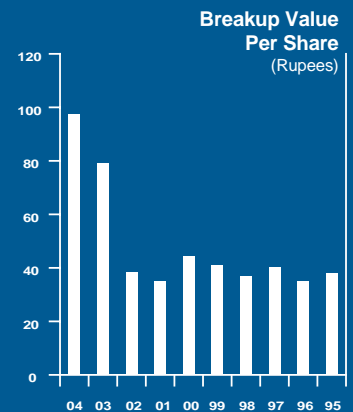
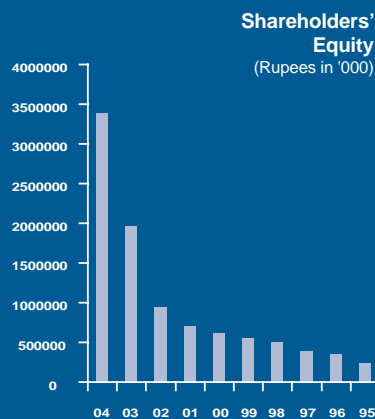
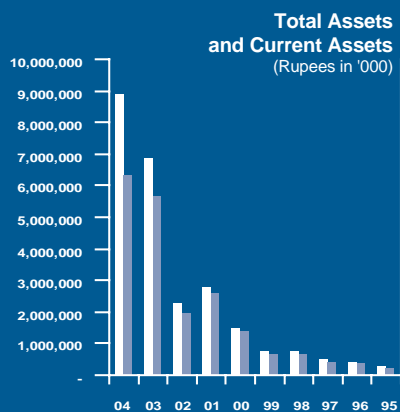
Company Information

Board of Directors	Chairman	Mr. Mazhar ul Haq Siddiqui
		Mr. Munaf Ibrahim
		Chief Executive
	Director	Chief Justice (R) Mahboob Ahmed
		Mr. Syed Nizam A. Shah
		Director
	Director	Mr. Khalid M. Bhaimia
		Mr. Nauzer Aspi Dinshaw
	Director	
	Director	Mr. Ali Jehangir Siddiqui
		Mr. Shezi Nackvi
		Director
	Director	Mr. Ali Raza Siddiqui
Audit Committee	Chairman	Mr. Syed Nizam Ahmed Shah
		Mr. Khalid M. Bhaimia
		Member
	Member	Mr. Ali Jehangir Siddiqui
		Mr. Wajahat Kazmi
		Member
Company Secretary		Mr. Wajahat Kazmi
Auditors		Taseer Hadi Khalid & Co.
Legal Advisors		Bawany & Partners
Share Registrar		Technology Trade (Pvt.) Limited 241-C, Block-2, P.E.C.H.S., Karachi
Registered Office		14th Floor, Chapal Plaza Hasrat Mohani Road, Karachi-74000
Web site		www.js.com

Financial Highlights

	2004*	2003*	2002*
Operating Results			
Revenue	1,262,292	760,759	301,998
Operating Expenses	349,751	283,182	136,088
Financial Expenses	103,927	107,266	133,610
Other Income	133,200	127,155	100,937
Profit before tax	978,659	705,149	167,020
Profit after tax **	680,259	550,975	133,739
Per Ordinary Share (Rupees)			
Earning per share**	21.01	22.04	6.24
Breakup value	97.05	78.79	38.07
Pay outs			
- Cash	15.00	15.00	22.00
- Bonus	-	-	-
Assets & Liabilities			
Total Assets	8,876,759	6,872,430	2,280,797
Current Assets	6,325,751	5,657,732	1,923,955
Current Liabilities	3,418,898	3,858,721	1,108,703
Financial Position			
Shareholders equity	3,396,831	1,969,819	951,713
Share Capital	350,000	250,000	250,000
Reserves	3,046,831	1,719,819	701,713
Shares outstanding ('000)	35,000	25,000	25,000
Ratios			
Return on Capital Employed %	20.03	27.97	14.05
Return on Total Assets %	7.66	8.02	6.86
Current Ratio	1.85	1.46	1.74
Interest Cover Ratio	7.55	6.14	2.00
Price Earning ratio	3.75	3.27	4.09

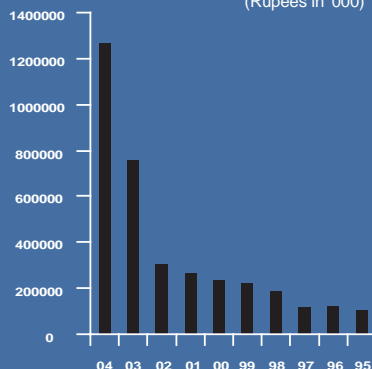
* numbers based on consolidated accounts. ** excluding minority interests.



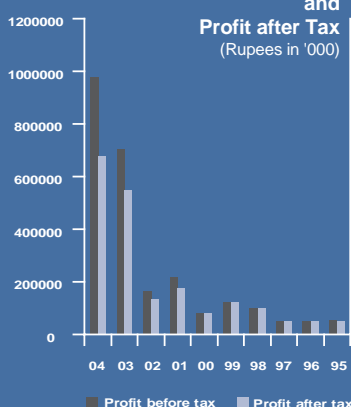
(Rupees in '000)
Except as indicated

	2001*	2000*	1999	1998	1997	1996	1995
	264,765	235,522	220,276	189,873	114,635	124,445	106,509
	158,867	136,688	120,244	121,677	86,003	76,142	52,965
	154,553	82,598	30,289	30,229	15,273	7,669	3,210
	246,230	64,896	62,864	60,463	37,107	11,503	7,422
	219,097	85,168	124,343	100,933	50,533	49,583	57,740
	176,517	82,600	124,236	100,023	52,773	47,397	50,047
	8.65	4.05	9.14	7.80	5.27	4.74	8.01
	34.87	44.27	41.00	36.86	39.74	35.06	38.02
	33.00	28.00	50.00	47.500	6.00	28.00	6.00
	20.00	25.00	-	-	20.00	-	25.00
	2,794,896	1,493,289	729,934	731,434	530,742	437,125	273,464
	2,582,403	1,397,460	648,274	647,809	435,472	351,010	208,697
	1,898,733	777,639	165,353	223,188	130,397	82,469	31,988
	711,258	602,061	557,541	501,305	397,402	350,629	237,607
	204,000	136,000	136,000	136,000	100,000	100,000	62,500
	507,258	466,061	421,541	365,305	297,402	250,629	175,107
	20,400	13,600	13,600	13,600	10,000	10,000	6,250
	24.82	13.75	22.28	19.95	13.28	13.52	21.06
	6.32	5.53	17.02	13.67	9.94	10.84	18.30
	1.36	1.80	3.92	2.90	3.34	4.26	6.52
	2.14	2.00	5.10	4.31	4.46	7.18	16.59
	3.94	8.64	3.28	3.85	6.28	6.73	6.12

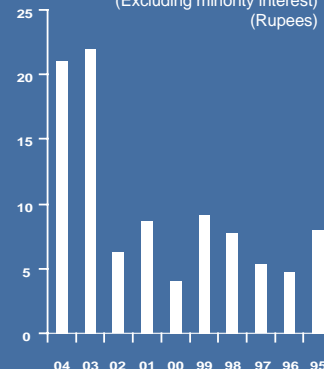
Revenue
(Rupees in '000)



Profit before Tax and Profit after Tax
(Rupees in '000)



Earnings Per Share
(Excluding minority interest)
(Rupees)



Notice of Meeting

Notice is hereby given that the Thirteenth Annual General Meeting of Jahangir Siddiqui & Co. Ltd. will be held at Beach Luxury Hotel, Karachi on Saturday, October 30, 2004 at 10:45 a.m. to transact the following business:

Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on November 29, 2003.
2. To receive and consider the audited financial statements of the Company for the year ended June 30, 2004 together with the Directors' and Auditors' report thereon.
3. To appoint the auditors for the ensuing year and fix their remuneration. Messers. Taseer Hadi Khalid & Co., Chartered Accountants, retire and offer themselves for reappointment, subject to approval from Securities and Exchange Commission of Pakistan.
4. To approve 15% cash dividend to those shareholders whose names appear as members on the register of members of the Company on the closing of October 23, 2004 as recommended by the Board of Directors of the Company.
5. To consider and if thought fit to pass the following resolution as Ordinary Resolution.

"RESOLVED that pursuant to the Securities and Exchange Commission of Pakistan's (SECP) Circular No. 19 of 2004 dated April 14, 2004 (the Circular), and the Karachi Stock Exchange's Notice dated April 23, 2004 to Listed Companies, the Directors of the Company be and are hereby authorized to place the Quarterly Accounts of the Company on the Company's Website, instead of sending the same by post to the Members, subject to the fulfillment of the conditions contained in the said Circular, including the obtention of prior permission of the SECP.

FURTHER RESOLVED that all procedural formalities for placement of the Quarterly Accounts on the Company's Website be fulfilled with the assistance of an Information Technology ("IT") Service Provider and the Company's IT personnel."

Special Business

6. To consider and if thought fit to pass the following resolution as Special Resolution.

RESOLVED that the Authorized Share Capital of the Company be increased from Rs.500,000,000/- divided into 50,000,000 shares of Rs.10/- each, to Rs.1,500,000,000/- divided into 150,000,000 shares of Rs.10/- each.

FURTHER RESOLVED that the Company be authorized to have different kinds of shares and different classes of shares under each kind with different rights and privileges attached thereto in accordance with the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000 as amended from time to time.

FURTHER RESOLVED that the Memorandum of Association of the Company be altered so as to replace Clause V thereof with the following provision:

Memorandum of Association, Clause V

The Authorized Capital of the Company is Rs.1,500,000,000/- divided into 150,000,000 Shares of Rs.10/- each, out of which 50,000,000 Shares of Rs.10/- each, shall be Ordinary Shares and 100,000,000 Shares shall be Preference Shares of different classes, as provided under the Company's Articles of Association with the power to increase, reduce or consolidate the share capital in respect of Ordinary Shares and the Preference Shares, including power to redeem the Preference Shares of any class, on such terms and conditions, as the directors may deem appropriate. Without prejudice to the foregoing, the share capital may comprise one or more kinds of shares and different classes of Ordinary Shares and Preference Shares, as permitted under Section 90 of the Companies Ordinance, 1984, and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000, as amended from time to time containing inter alia, such preferential, deferred, qualified or special rights, privileges and limitations attached thereto, including as to investments of the funds generated by issuance of such shares in strategic projects and distribution of whole or part of pre-tax profits earned from such investments to the shareholders of such class, as well as contributions of such losses by the shareholders of such class in the event such investments result in losses, as may be specified in the Articles of Association of the Company, including in relation to different or disproportionate entitlements of dividends, right shares or bonus shares, sharing of profits and losses, different or disproportionate voting rights and other special rights, privileges and entitlements for different or indefinite periods or for limited specified periods, with power to the Company from time to time to vary, modify or abrogate such rights, entitlements, privileges or conditions as approved by the Directors and / or to increase or reduce the capital as may be approved by the Members from time to time by Special Resolutions.

FURTHER RESOLVED that the Articles of Association of the Company be altered as follows so as to replace Article IV thereof with the following provision:

Articles of Association, Article IV

The Authorized Capital of the Company is Rs.1,500,000,000/- divided into 150,000,000 Shares of Rs.10/- each, out of which 50,000,000 Shares of Rs.10/- each, shall be Ordinary Shares and 100,000,000 Shares shall be Preference Shares of different classes, as provided under the Company's Articles of Association with the power to increase, reduce or consolidate the share capital in respect of Ordinary Shares and the Preference Shares, including power to redeem the Preference Shares of any class, on such terms and conditions, as the directors may deem appropriate. Without prejudice to the foregoing, the share capital may comprise of one or more kinds of shares and different classes of Ordinary Shares and Preference

Notice of Meeting

Shares, as permitted under Section 90 of the Companies Ordinance 1984, and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000, as amended from time to time containing inter alia, such preferential, deferred, qualified or special rights, privileges and limitations attached thereto, including as to investments of the funds generated by issuance of such shares in strategic projects and distribution of whole or part of pre-tax profits earned from such investments to the shareholders of such class, as well as contributions of such losses by the shareholders of such class in the event such investments result in losses, as may be specified in the Articles of Association of the Company, including in relation to different or disproportionate entitlements of dividends, right shares or bonus shares, sharing of profits and losses, different or disproportionate voting rights and other special rights, privileges and entitlements for different or indefinite periods or for limited specified periods, with power to the Company from time to time to vary, modify or abrogate such rights, entitlements, privileges or conditions as approved by the Directors and / or to increase or reduce the capital as may be approved by the Members from time to time by Special Resolutions.

4-A The Preference Shares mentioned in Article 4 above, shall be of Class "A" and Class "B" and shall have the following rights, entitlements, privileges, conditions and limitations attached thereto:-

Class "A" Preference Shares:

- a) Class "A" Preference Shareholders shall carry entitlement of a fixed cumulative preferential dividends out of the normal profits of the Company, as may be determined by the Directors.
- b) Class "A" Preference Shareholders shall not be entitled to receive notices, attend general meetings of the Company and vote at meetings of the Shareholders of the Company.
- c) Class "A" Preference Shareholders shall not carry entitlement of ordinary dividend, right shares or bonus shares or have any further right to participate in the profits of the Company.
- d) Class "A" Preference Shares may be redeemable at the option of the Company or (at the option of the Preference Shareholders), at such time and on such terms and conditions as may be prescribed by the Board at the time of issuance of the Preference Shares.

Class "B" Preference Shares:

- a) Class "B" Preference Shares may be issued by the Company for raising funds for making investments in strategic projects subject to all legal compliances. The funds raised by issuance of Class "B" Preference Shares may be earmarked and invested by the Company in the specific strategic projects for which Class "B" Preference Shares are issued on such terms and conditions, as may be determined by the Directors, the operating results of which shall be separately reflected in the Company's Balance Sheet.

- b) Class "B" Preference Shareholders shall carry entitlements of fixed cumulative preferential dividends or preferential dividends based on floating rates out of profit after tax (PAT) (net earnings) of the Company from such investments in strategic projects, as may be determined by the Directors.
- c) Class "B" Preference Shareholders shall not be entitled to receive notices, attend general meetings of the Company and vote at meetings of the Shareholders of the Company.
- d) Class "B" Preference Shareholders shall not carry entitlement of ordinary dividends, right shares or bonus shares or have any further right to participate in the profits of the company.
- e) Class "B" Preference Shares may be redeemable at the option of the Company or (at the option of the Preference Shareholders), at such time and on such terms and conditions as may be prescribed by the Board at the time of issuance of the Preference Shares.

4-B As regards voting rights, the holders of Class "A" Preference Shares and Class "B" Preference Shares shall not be entitled to receive notice of, attend, or vote at, any general meeting of the Company, except as otherwise provided by the Ordinance, whereby the holders of such shares would be entitled to vote separately as a Class, that is, with respect to voting entitlements of Class "A" Preference Shareholders and Class "B" Preference Shareholders on matters affecting, respectively, their substantive rights and liabilities.

- (i) As regards dividends, the profits which the Company may determine to distribute to Class "A" Preference Shareholders and Class "B" Preference Shareholders, in respect of any financial year or other period for which the accounts shall be made up, shall be applied in the following order of priority, subject to the terms and conditions to be determined by the Directors.

Class "A" Preference Shares:

- (a) in paying the holders of Class "A" Preference shares the right to a cumulative preferential dividend as determined by the Directors, on the capital paid up thereon, shall as regards each financial year be payable out of the profits of the Company resolved to be distributed in respect of that year, but shall not be entitled to any further participation in profits; and
- (b) subject to the rights of any class of shares for the time being issued, in distributing the balance amongst the holders of the Ordinary Shares.

Notice of Meeting

Class "B" Preference Shares:

- (a) in paying the holders of Class "B" Preference shares the right to a cumulative preferential dividend as determined by the Directors, on the capital paid up thereon, shall as regards each financial year be payable out of the profits after tax (PAT) of the Company earned out of the strategic investments made by the Company out of the investment of the capital raised by the Company by issuing Class "B" Preference Shares as may resolved to be distributed in respect of that year, but shall not be entitled to any further participation in profits; and
 - (b) subject to the rights of any class of share for the time being issued, in distributing the balance amongst the holders of the Ordinary Shares.
- (ii) As regards redemption, subject to Section 85, of the Ordinance, the Company may redeem the whole or any part of Class "A" Preference Shares and Class "B" Preference Shares, in accordance with the terms and conditions as the Directors may deem appropriate.
- (iii) In case of winding up, the surplus assets of the Company remaining after payment of its liabilities, including any outstanding dividends on Class "A" Preference Shares and Class "B" Preference Shares, whether declared or not, shall be applied in the following order of priority:
- (a) in paying to the holders of class "A" Preference Shares and Class "B" Preference Shares, the capital paid up on the same without any further right to participate in profits or assets; and
 - (b) subject to the rights of any other class of shares for the time being issued, in distributing the balance amongst the holders of the Ordinary Shares.
- (iv) As regards entitlement to bonus or right shares, the holders of Class "A" Preference Shares and Class "B" Preference Shares shall not be entitled to bonus or right shares in the event that the Company increases its capital by the issue of further shares or otherwise.

FURTHER RESOLVED that all legal, corporate and procedural formalities be fulfilled to effectuate the change to the Memorandum of Association and Articles of Association and the Chief Executive and / or the Company Secretary be and are hereby, jointly and severally authorized to perform, do and fulfill all necessary acts, deeds and formalities and to obtain all Governmental approvals that may be necessary for the amendments to the Memorandum and Articles of Association of the Company.

FURTHER RESOLVED, that a copy of the Special Resolution be filed with the Registrar of Companies along with the complete reprinted Memorandum and Articles of Association amended as set out herein above and all legal and procedural formalities be complied with by the Chief Executive and / or the Company Secretary.

7. "RESOLVED as Special Resolution that an amount up to Rs.375,000,000/- be and is hereby approved for investment in Bank Islami Pakistan Limited by subscription of mainly Ordinary Shares which may be issued by Bank Islami Pakistan Limited.

FURTHER RESOLVED that Chief Executive Officer, a Director and Company Secretary be and hereby jointly as well as severally authorized to fulfill all legal and corporate formalities for making the investment."

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

Karachi: September 30, 2004

By order of the Board

Wajahat Kazmi

Company Secretary

- (i) Share transfer books of the Company will remain closed from October 24, 2004 to October 30, 2004 (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 Head Office of the Company not less than 48 hours before the time of the meeting.
- (iv) Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan (CDC) and / or their proxies are required to produce their original National Identity Card (NIC) or Passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and NIC numbers must be mentioned on the form, along with attested copies of NIC or the passport of the beneficial owner and the proxy. In case of corporate entity, the Board of Directors' Resolution / Power of Attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form to the Company).
- (v) Shareholders are requested to notify immediately of any change in their address.
- (vi) Statement under section 160(1)(b) of the Companies Ordinance, 1984 is being sent to all the members.

Notice of Meeting

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

1. The Directors believe that there would be ample opportunities for the Company to participate either on its own, or as a member of consortiums in the biddings for privatized projects offered for sale by the Government and also strategic projects offered for sale from time to time in the private sector. For this purpose, it would become necessary to raise funds through different sources, as capital of various classes with preferential, deferred, qualified or special rights, privileges and limitations, including different or disproportionate entitlements of dividends, rights shares or bonus shares as well as on payment of fixed profit on the investments or part of the investments to the subscribers of shares of specific class and sharing of the losses by such subscribers with different entitlements, rights and privileges and for indefinite periods or limited periods. Hence, it is proposed that the directors be given power to issue different classes of shares with different rights, privileges, entitlements, limitations, etc., as provided in the draft of the Special Resolutions enunciated above, for which purpose, the Memorandum and Articles of Association are required to be altered as per the text of the proposed Special Resolutions.

No prejudice will be caused to the Shareholders or the creditors of the Company, since the decision is in the best interest of the Company and its Shareholders.

The interest of the Chief Executive / Directors is only limited to the extent of their respective positions as the Chief Executive / Directors / Members of the Company.

2. The Islamic banking industry has become highly competitive and feasible as more and more banks are entering the field, not only that Islamic banks have outgrown from being a marginal niche player but have become a highly competitive alternative to conventional banks. An Islamic Bank has also been incorporated in United Kingdom which is also an indicator of growth of this type of Banking.

The Board is of the opinion that there exists a lot of opportunity in the industry that can be tapped with a right strategy. The Board therefore believes that there is good scope for offering this service according to international standards in the country let alone on Sharia compliant basis.

It is emphasized for the sake of clarity that all business dealings of the Bank would be strictly in compliance with Sharia monitored by a religious board comprising of known religious scholars.

Hence, approval of the Shareholders is sought for making investment up to Rs.375,000,000/- in Bank Islami Pakistan Ltd.

No prejudice shall be caused to any Shareholders or Creditors, but on the contrary, the proposed investments would be in the best interest of the Shareholders.

S. No.	Description	Information Required
1.	Name of Investee Company	Bank Islami Pakistan Ltd.
2.	Nature, amount and extent of investment	Long-term strategic up to Rs.375.00 million by subscription of mainly Ordinary Shares, which may be issued by Bank Islami Pakistan Ltd.
3.	Average market price of the shares to be purchased of last three years.	N/A
4.	Break up value of shares	N/A
5.	Price at which shares will be purchased.	At par value of Rs.10/- each
6.	Earnings per share of the investee company in last three years	N/A
7.	Sources of funds from where shares will be purchased.	Internal generation
8.	Period for which Investment will be made	Long-term
9.	Purpose of Investment	Strategic Investment
10.	Benefits likely to accrue to the Company and the shareholders from the proposed investment.	Investment of available funds in the investee company.
11.	Interest of Directors and their relatives in the investee company.	No Director or Chief Executive has any interest in the proposed investments, except in their capacities as "Directors / Chief Executive" and / or as shareholders of the Company.

Directors' Report

The directors are pleased to present the audited financial statements of Jahangir Siddiqui & Co. Ltd. (the "Company") and consolidated financial statements of Jahangir Siddiqui & Co. Ltd. and its subsidiaries (the "Holding Company") for the year ended June 30, 2004.

The Economy

The year 2004 witnessed a stable economic performance with significant improvement in fundamentals. GDP growth rate was recorded at 6.40% compared to 4.50% last year. Per capita income increased by \$ 70 reaching \$ 652 against last year's \$ 582.

This higher than targeted growth in real GDP is the result of stellar growth in large-scale manufacturing and a continuing robust performance in service, an unprecedented increase in credit to the private sector, sharp increases in the consumption of electricity and gas reflecting rising levels of economy, a reduction in the fiscal deficit, on target tax collection, a buoyant stock market with an all time high aggregate market capitalization, a sharp decline in the public and external debt burden, etc.

Acceleration in growth accompanied by a sharp pick up in industrial production, a strong upsurge in investment, consistency in the budgetary targets and a further strengthening of the external balance of payments have been the hallmarks of this year's performance.

The country's economic environment is also emphatically punctuated by indicators such as the record high exports, the sharp rise in imports of machinery and inputs, the continuing surge in capacity utilization, the strong growth in taxes, remittances, foreign exchange reserves and foreign direct investment. Economic variables and the economic directions continue to be encouraging with stability on the fiscal and external front.

The stock market reacted positively to the improved economic fundamentals of the country. The benchmark KSE-100 index showed a massive bull run and reached 5279.18 points as against 3402.48 points at the end of the previous year.

Pakistan's economy has undoubtedly come a long way; nonetheless, numerous challenges lie ahead. Efforts need to be made for enhancing the pace of both domestic and foreign investment for sustaining the momentum for higher economic growth.

Capital Markets Review

During the financial year 2004 the Karachi Stock Exchange witnessed a massive bullish run with KSE-100 Index depicting a 55% rise to 5279.18 as against 3402.48 points at the end of the previous year. The KSE-100 index surpassed 5600 points level during April and market capitalization soaring above Rs. 1,500 billion.

The land-mark performance of the stock market during the current fiscal year can be attributed to a number of positive factors including; a continuation of pro-growth macro-economic policies, a stable macroeconomic environment, strong economic growth, a stable exchange rate, a positive privatization process through the capital markets, a visible improvement in the Pakistan-India relationship, appropriate reforms initiated by the Securities and Exchange Commission of Pakistan (SECP), the availability of adequate liquidity in the market, good operating and financial results from the majority of blue chip companies and the enhancement of investor confidence, etc.

During the year the Initial Public Offering (I.P.O) of TRG, PICT, OGDCL, WorldCall Broadband Limited (WBL), MacPak and Bank Alfalah received a good response as all of them were over-subscribed. Moreover the public offering of SSGC also received an overwhelming response.

Performance Review

The Company's after tax profit increased substantially in the current year to Rs.766.13 million mainly because of the increase in capital gains from trading activities and share of profits of associated companies. Overall revenues decreased by 9.15% to Rs.388.09 million. Current year operating expenses also decreased considerably to Rs.122.82 million as compared to Rs.176.84 million during FY 2003.

Results of Operations

The financial results for the year ended June 30, 2004 are summarized below:

	(Rupees. in ' 000)
Profit after taxation	766,131
Un-appropriated profits brought forward	<u>354,981</u>
Profit available for appropriation	1,121,112
Appropriation:	
Proposed final cash dividend @ 15%	<u>52,500</u>
Transfer to general reserve	<u>1,000,000</u>
	1,052,500
Un-appropriated profit carried forward	<u><u>68,612</u></u>

The earning per share works to be Rs.23.66

Significant plans and decisions

In accordance with a letter dated August 20, 2004, received from the Securities & Exchange Commission of Pakistan, the status of Jahangir Siddiqui Capital Markets (Private) Limited stands converted to a Public Limited Company with effect from August 07, 2004.

As a next step, Jahangir Siddiqui Capital Markets Ltd., a wholly owned subsidiary of the Company (Jahangir Siddiqui & Co. Ltd.) will list its shares on one or more stock exchanges in Pakistan.

Directors' Report

This corporate restructure aims at increasing the capital base of the Company in order to compete in the market.

Further, with the enhanced capability, the Company will be able to market its services in an improved manner.

Corporate and Financial Reporting Framework

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

- The financial statements present fairly the state of affairs of the Company, the results of its operations, Cash Flows Statement and Statement of Changes in Equity;
- Proper books of accounts of the company have been maintained;
- Accounting policies as stated in the notes to the accounts have been consistently applied; except for the change in the depreciation policy as disclosed in note 2.4 of the financial statements. The preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards as applicable in Pakistan and the Companies Ordinance, 1984 as stated in the notes attached with the accounts, have been followed in preparation of the financial statements;
- The system of internal control is sound in design and has been effectively implemented and monitored;
- The company is financially sound and is a going concern; and
- There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

No material payment is outstanding on account of taxes, duties, levies and charges.

The statement of key operating and financial data of last ten years appears on Page 3 and 4.

The Company operates an approved contributory provident fund for all its employees eligible to the scheme. Value of investments as per un-audited financial statements for the year ended June 30, 2004 amounts to Rs.10.076 million.

Eight meetings of the Board of Directors were held during the year 2003-2004. The attendance of Directors at board meetings were as follows:

Name of Director	Meetings Attended
Mr. Mazharul Haq Siddiqui, Chairman	Eight
Mr. Munaf Ibrahim, Chief Executive Officer	Eight
Mr. Khalid M. Bhaimia, Director	Eight
Mr. Nauzer A. Dinshaw, Director	Seven
Mr. Ali Raza Siddiqui, Director	Seven
Mr. Syed Nizam Ahmed Shah, Director	Six
Mr. Ali Jehangir Siddiqui, Director	Eight
Chief Justice (R) Mahboob Ahmed, Director	Eight
Mr. Shezi Nackvi, Director	Six

Management Discussion of Financial Responsibility

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

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

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

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

Future Outlook

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

The fundamentals of our market remain strong. We anticipate continued growth in our operating businesses during the ensuing year.

Pakistan's standing is improving internationally and paving the way for increased foreign investment in the country. The continuity of the reforms process, build up of foreign exchange reserves and a successful privatization process will be the key ingredients for future growth.

Directors' Report

Credit Rating

The Directors are pleased to inform you that The Pakistan Credit Rating Agency (Pvt.) Limited (PACRA) has upgraded the long term rating of the Company to "AA+" (Double A plus) and maintained the short term rating of "A1+" (A one plus) during the financial year 2004. The long term rating denotes a very low expectation of credit risk and indicates a very strong capacity for timely payment of financial commitments. The short term rating denotes that obligations are supported by the highest capacity for timely repayment.

Auditors

The retiring auditors, Messrs Taseer Hadi Khalid & Co. Chartered Accountants, have expressed their willingness to continue as the Company's auditors for the ensuing year, subject to approval from the Securities and Exchange Commission of Pakistan.

A resolution to appoint the auditors of the Company and authorize to fix their remuneration will be proposed at the Annual General Meeting.

Pattern of Shareholding

The Statement of Pattern of Shareholding as on June 30, 2004 appears on Page 95 including the transactions carried out by Directors, Chief Executive Officer, Chief Financial Officer, the Company Secretary and their spouses and minor children.

Acknowledgement

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

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

For and on behalf of the
Board of Directors

Mazharul Haq Siddiqui
Chairman

Karachi: September 18, 2004

Statement of Compliance with the Code of Corporate Governance

Year ended June 30, 2004

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

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

1. The Company encourages representation of independent non-executive directors. At present the Board includes two independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board 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 CEO, have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The management of the Company has submitted a paper to the Board of Directors on July 02, 2004 to consider it as an orientation course for its directors and to apprise them of their duties and responsibilities.
10. The Board has the approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, as determined by the CEO.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

Statement of Compliance with the Code of Corporate Governance

Year ended June 30, 2004

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The directors, CEO and executives do not hold any interest in the shares of the Company other than those disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once 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 program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all material principles contained in the Code have been complied with.

For and on behalf of the Board

Mazharul Haq Siddiqui
Chairman

Karachi : September 18, 2004



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 & Company Limited to comply with the Regulation No. 37 of the Listing Regulations of the Karachi Stock Exchange where the Company is listed.

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

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control 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 practices contained in the Code of Corporate Governance.

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi: September 18, 2004

Auditors' Report to the Members

We have audited the annexed balance sheet of Jahangir Siddiqui & Company Limited as at June 30, 2004 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

- a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied, except for the change referred to in note 2.4 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 30 June 2004 and of the profit, its cash flows and changes in equity for the year then ended; and
- d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi: September 18, 2004

Financial Statements



Balance Sheet

As at June 30, 2004

	Note	2004 (Rupees in '000)	2003
Capital and reserves			
Share capital			
Authorised			
50,000,000 (2003: 50,000,000) ordinary shares of Rs. 10 each		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up	3	350,000	250,000
Capital reserve			
Share premium	4	475,505	175,505
Revenue reserves			
General reserve		1,500,000	500,000
Unrealised gain on remeasurement of available for sale investments to fair value		829,817	362,203
Unappropriated profit		68,612	354,981
		<u>2,398,429</u>	<u>1,217,184</u>
		<u>3,223,934</u>	<u>1,642,689</u>
Redeemable capital	5	999,400	499,800
Current liabilities			
Short term running finance under mark up arrangement-secured	6	-	968,559
Securities sold under repurchase agreements	7	522,849	170,886
Creditors, accrued expenses and other liabilities	8	100,655	446,674
Provision for taxation		2,982	5,827
Dividend payable		889	2,625
Proposed dividend		52,500	37,500
		<u>679,875</u>	<u>1,632,071</u>
Commitments	9		
		<u>4,903,209</u>	<u>3,774,560</u>

	Note	2004	2003
(Rupees in '000)			
Fixed assets - at cost less accumulated depreciation	10	31,583	43,716
Intangible assets	11	11,201	100
Long term loans and deposits	12	142,526	3,606
Investment in subsidiaries	13	988,124	480,259
Long term investments	14	979,726	410,424
Current assets			
Short term investments	15	1,633,576	1,068,566
Trade debtors - unsecured, considered good	16	10,883	884,221
Advances, pre-payments and other receivables	17	228,256	10,703
Fund placements	18	812,113	859,373
Cash and bank balances	19	65,221	13,592
		2,750,049	2,836,455
		4,903,209	3,774,560

The annexed notes 1 to 31 form an integral part of these accounts.

These financial statements were authorised for issue in Board of Directors meeting held on September 18, 2004.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Cash Flow Statement

For the year ended June 30, 2004

Note	2004	2003
	(Rupees in '000)	
Cash flows from operating activities		
Profit before taxation	768,873	435,533
Adjustments for:		
Depreciation	7,975	10,713
Profit on sale of fixed assets	(7,836)	(4,991)
Share of profit of subsidiary / associated companies	(470,307)	(141,617)
Negative goodwill	-	(715)
Gain on remeasurement of held for trading investments	(37,838)	(34,491)
Financial charges	44,460	17,532
	<u>(463,546)</u>	<u>(153,569)</u>
Operating profit before working capital changes	305,327	281,964
(Increase) / decrease in operating assets:		
Short term investments	(413,243)	(215,405)
Trade debtors	873,338	(836,003)
Advances, pre-payments and other receivables	(159,989)	10,199
	300,106	(1,041,209)
(Decrease) / increase in current liabilities (creditors, accrued expenses and other liabilities)	<u>(347,265)</u>	<u>205,105</u>
Cash generated from operations	258,168	(554,140)
Mark-up paid	(43,414)	(8,522)
Taxes paid	(2,890)	(4,412)
Dividend paid	(39,236)	(52,990)
Changes in long term loans and deposits	(199,181)	(2,120)
Net cash flow from operating activities	<u>(284,721)</u>	<u>(68,044)</u>
Cash flows from investing activities		
Capital expenditure incurred	(7,044)	(13,145)
Intangible asset acquired	(11,101)	-
Proceeds from sale of fixed assets	19,038	7,898
Fund placements	47,260	(467,146)
Dividend from subsidiary	39,048	-
Investments acquired	(292,223)	(210,638)
Net cash flow from investing activities	<u>(205,022)</u>	<u>(683,031)</u>
Cash flows from financing activities		
Payment of lease obligation	-	(3,732)
Further issue of share capital	400,000	-
Proceeds from issue of TFC - Net	499,800	500,000
Securities sold under repurchase agreements	351,963	(52,923)
Net cash flow from financing activities	<u>1,251,763</u>	<u>443,345</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,020,188</u>	<u>(861,870)</u>
Cash and cash equivalents at the beginning of the year	<u>(954,967)</u>	<u>(93,097)</u>
Cash and cash equivalents at the end of the year	26 <u>65,221</u>	<u>(954,967)</u>

The annexed notes 1 to 31 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Statement of Changes in Equity

For the year ended June 30, 2004

(Rupees in '000)

	Note	Issued, subscribed and paid-up capital	Capital Reserve Share premium	General reserve	Revenue Reserves Unrealised gain on remeasurement of available for sale investments to fair value	Unappropriated profit	Total
Balance as at June 30, 2002		250,000	175,505	200,000	32,913	259,822	918,240
Movement during the year							
Effect of remeasurement of available for sale investments to fair value held as at the year end	2.7	-	-	-	311,192	-	311,192
Profit for the year		-	-	-	-	432,659	432,659
Share of unrealised gain on remeasurement of available for sale investments of subsidiary companies		-	-	-	18,098	-	18,098
Transfer to general reserve		-	-	300,000	-	(300,000)	-
Proposed dividend		-	-	-	-	(37,500)	(37,500)
Balance as at June 30, 2003		<u>250,000</u>	<u>175,505</u>	<u>500,000</u>	<u>362,203</u>	<u>354,981</u>	<u>1,642,689</u>
Movement during the year							
Effect of remeasurement of available for sale investments to fair value held as at the year end	2.7	-	-	-	484,757	-	484,757
Profit for the year		-	-	-	-	766,131	766,131
Share of unrealised loss on remeasurement of available for sale investments of subsidiary companies		-	-	-	(17,143)	-	(17,143)
Transfer to general reserve		-	-	1,000,000	-	(1,000,000)	-
Proposed dividend		-	-	-	-	(52,500)	(52,500)
Issue of share capital		100,000	300,000	-	-	-	400,000
Balance as at June 30, 2004		<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>829,817</u>	<u>68,612</u>	<u>3,223,934</u>

The annexed notes 1 to 31 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Notes to the Accounts

For the year ended June 30, 2004

1. STATUS AND NATURE OF BUSINESS

Jahangir Siddiqui & Company Limited ("the Company") was incorporated under the Companies Ordinance, 1984 on May 04, 1991 as a public unquoted company. The Company was listed on all three stock exchanges in Pakistan on August 10, 1993, however, during 2003 the Company has been voluntarily de-listed from the Lahore and Islamabad stock exchanges. The Company is a corporate member of Karachi Stock Exchange (Guarantee) Limited. After the end of financial year 2003, the Company transferred certain businesses into its wholly owned subsidiary, Jahangir Siddiqui Capital Markets (Private) Limited ("JSCM"). The business divisions transferred are equity, fixed income and currency brokerage, research and corporate finance. These divisions represent the Company's agency business. The Company will focus principally on investing both in equity and fixed income securities while agency business will be carried out on an arms length basis by JSCM.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

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

2.2 Statement of compliance

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

2.3 Staff retirement benefits

The Company operates an approved funded contributory provident fund scheme for all its employees eligible to the scheme. Equal monthly contributions are made by the Company and employees to the fund at the rate of 10.00% per annum of basic pay.

2.4 Fixed assets - Tangible

Owned

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

Change in accounting policy

Till last year, full year's depreciation was charged on the assets acquired during the year and no depreciation was charged in the year of disposal. Whereas, from the current year full month's depreciation is charged on the assets acquired during the month and no depreciation is charged in the month of disposal. Had this change not been made, the depreciation charge for the year had been higher by Rs. 0.37 million and the profit after tax had been lower by the same.

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

2.5 Intangible assets

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

2.6 Investments in subsidiaries

Subsidiary companies are companies in which the Company owns more than 50.00% of the voting power. The Company accounts for investments in subsidiary companies using the equity method.

2.7 Investments

Investments in associates

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

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

Investments held for trading

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

Investments available for sale

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

Investments held to maturity

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

2.8 Securities purchased and sold under resale / repurchase agreements

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

2.9 Trade debtors

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

2.10 Revenue recognition

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

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

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

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

Brokerage, Consultancy and Advisory fee, Commission on foreign exchange dealings and government securities, etc. are recognised as and when such services are provided.

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

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

Return on bank deposits is recognised on an accrual basis.

2.11 Taxation

Current

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

Deferred

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

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

As at June 30, 2004, deferred tax asset has not been recorded in view of uncertainty about the availability of taxable profits in the foreseeable future against which such losses could be utilised.

2.12 Financial instruments

All financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to profit and loss account currently.

Notes to the Accounts

For the year ended June 30, 2004

2.13 Offsetting of financial assets and financial liabilities

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset.

2.14 Foreign currency translation

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

Gain or loss on translation is taken to income currently.

2.15 Cash and cash equivalents

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

2.16 Transactions with related parties

All transactions with related parties are priced on an arm's length basis. Prices for these transactions are determined on the basis of comparable uncontrolled price method.

2.17 Provisions

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

3. Issued, subscribed & paid up capital

2004 (Number of shares)	2003		2004 (Rupees in '000)	2003
23,387,500	13,387,500	Ordinary shares of Rs.10/- each fully paid in cash	233,875	133,875
11,612,500	11,612,500	Ordinary shares of Rs.10/- each issued as bonus shares	116,125	116,125
<u>35,000,000</u>	<u>25,000,000</u>		<u>350,000</u>	<u>250,000</u>

4. Share premium

Balance at the beginning of the year	175,505	175,505
Share premium received on issue of right shares	300,000	-
Balance at the end of the year	<u>475,505</u>	<u>175,505</u>

5. Redeemable capital - (Non-participatory)

Term Finance Certificates (TFC's)			
- Unsecured	5.1	499,800	500,000
- Secured	5.2	500,000	-
Current portion shown under current liability	8	(400)	(200)
		<u>999,400</u>	<u>499,800</u>

5.1 The profit on these TFCs is payable semi-annually, based on the cut-off yield of the last successful auction of five year Pakistan Investment Bonds (PIBs) held during the six month period plus 1.50% per annum with a floor and cap of 7.50% and 13.00% per annum. The TFCs have a tenor of five years i.e. 2003-2008 with a call option exercisable by the Company at any time during the tenor of the TFCs after the first 6 months by giving a 3 months notice. Mark-up not yet due amounts to Rs. 114.18 million.

5.2 The profit on these TFCs is payable semi-annually, based on the 6 month KIBOR average rate plus 1.50% per annum for first 5 years, and thereafter, an increase of 0.10% a year for next 3 years and a further 0.10% a year for the last 2 years. The TFCs have a tenor of ten years i.e. 2004-2014 with a call option exercisable by the Company at any time during the tenor of the TFCs after the first 2 years by giving a 3 months notice. Mark-up not yet due amounts to Rs. 226.78 million. These TFCs are secured against lien over a designated account with the Central Depository Company. This account will contain marketable securities (market value at June 30, 2004: Rs. 751.10 million) equal to the issue size with the regulatory margin as prescribed by the State Bank of Pakistan's Prudential Regulations. In the event of any sale and repurchase of marketable securities, the lead arranger will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

6. Short term running finance

The Company has presently unavailed short term running finance facility under markup arrangement of Rs. 400 million from various banks at mark up rate of 5.50% per annum against pledge of various shares. (2003: Rs.1,250.00 million at mark-up rates ranging from 5.50% to 8.00% per annum against pledge of various shares held by the Company as investments).

7. Securities sold under repurchase agreements

These represent repos against PIBs and TFCs having tenure of five days to three months with rates ranging from 2.45% to 6.00% per annum (2003: 3.75% to 8.00% per annum).

8. Creditors, accrued expenses and other liabilities

	2004	2003
	(Rupees in '000)	
Creditors for sale of shares on behalf of clients	-	357,810
Creditors for purchase of shares	18,727	-
Accrued expenses	19,499	13,578
Accrued mark up on running finance	327	1,407
Current portion of redeemable capital	400	200
Accrued mark up on TFC	9,729	7,603
Payable to directors	148	148
Provision for staff bonus	43,417	57,936
Others	8,408	7,992
	<u>100,655</u>	<u>446,674</u>

9. Commitments

Commitments in respect of repurchase transactions		
- Other securities	<u>523,964</u>	<u>171,433</u>
Commitments in respect of resale transactions		
- Listed equity securities	<u>415,554</u>	<u>845,468</u>
- Other securities	<u>399,732</u>	<u>18,707</u>

Notes to the Accounts

For the year ended June 30, 2004

10. Fixed assets - at cost less accumulated depreciation

(Rupees in '000)

	Cost			Rate %	Depreciation			Written down value as at June 30, 2004
	As at July 1, 2003	Additions/ (disposal)	As at June 30, 2004		As at July 1, 2003	For the year/ (disposal)	As at June 30, 2004	
Owned								
Office premises	48,032	1,041 (13,635)	35,438	5	20,010	1,866 (4,805)	17,071	18,367
Office equipments	45,714	1,956 (10,061)	37,609	25	43,865	1,143 (10,061)	34,947	2,662
Office furniture	7,591	135	7,726	10	6,243	395	6,638	1,088
Motor vehicles	23,008	3,912 (3,366)	23,554	20	10,511	4,571 (994)	14,088	9,466
June 30, 2004	124,345	7,044 (27,062)	104,327		80,629	7,975 (15,860)	72,744	31,583
June 30, 2003	121,135	13,145 (9,935)	124,345		76,944	10,713 (7,028)	80,629	43,716

10.1 Disposal of fixed assets

							(Rupees in '000)
Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (loss)	Buyer's particulars	Mode of disposal
Vehicles							
Honda Civic	1,218	102	1,116	1,262	146	DCD-JS Factors (Private) Limited 1013, Chapal Plaza, Hasrat Mohani Road, Karachi.	Negotiation
Suzuki khyber	228	110	118	205	87	Shabir Ahmed A-11, Block 9, Yaseenabad, F.B.Area, Karachi.	Negotiation
Toyota Corolla	1,169	136	1,033	1,169	136	ABAMCO Ltd. 1306-1307, Chapal Plaza, Hasrat Mohani Road, Karachi.	Negotiation
Honda Civic	259	259	-	225	225	Mr. Hafiz Najamuddin 454/2, Street#2, Hussainabad Federal B Area, Karachi.	Negotiation
Honda (Motorcycle)	66	58	8	50	42	Mr. Abdul Aziz B-33 Khatri Colony, FMD Khan Road, Usmanabad Karachi.	Negotiation
Honda (Motorcycle)	66	58	8	50	42	Mr. Mehboob Ali Kalyar House#316, Street #12, Block-C, Bhitaiabad Near Airport, Karachi.	Negotiation
Kawasaki(Motorcycle)	58	58	-	22	22	Mr. M. Kamran Sami House#2B Hingorani Mension, Ratan Talao, Karachi.	Negotiation
Yamaha(Motorcycle)	24	19	5	24	19	Mr. Kausar Rahim Lashari Flat#E-7, Islamic Arcade, University Road, Karachi.	Negotiation
Honda (Motorcycle)	57	57	-	31	31	Mohammad Nafees House # 55/9, Block3/B Landhi No.4, Karachi.	Negotiation
Honda (Motorcycle)	47	47	-	31	31	Mr. Mohammad Arshad A-301 3rd floor Chapal Garden, Abulhasan Asfahani Road, Karachi.	Negotiation
Honda (Motorcycle)	42	42	-	28	28	Mr. Sabir Ali H# A-380, Block C, Hyderi North Nazimabad, Karachi.	Negotiation
Honda (Motorcycle)	61	28	33	55	22	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi.	Insurance Claim
Honda (Motorcycle)	71	20	51	52	1	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi.	Insurance Claim
Office Equipments							
IBM Wheelwriter Typewriter	30	30	-	8	8	S.E.S Business Systems 410, 4th floor, Trade Towers Abdullah Haroon Road, Karachi.	Negotiation
Computer Accessories	9,999	9,999	-	25	25	Computer Research 10/HH, First Floor, Block A, S.M.C.H.S, Karachi.	Negotiation
Equipments	32	32	-	1	1	M/s K.B. Sarkar International Suite#3, Landmark Plaza, Opp. Jang Building, I.I. Chundrigar Road, Karachi.	Negotiation
Office Premises							
Islamabad Property	13,635	4,805	8,830	15,800	6,970	Mr. Abrar Khan s/o M. Ashraf, House No. 294, Street No. 27, Sector F-11/2, Islamabad.	Negotiation
2004	27,062	15,860	11,202	19,038	7,836		
2003	11,080	7,613	3,467	8,758	5,291		

Notes to the Accounts

For the year ended June 30, 2004

11. Intangible assets

The balance represents carrying value of membership card of the Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited.

12. Long term loans and deposits

		2004 (Rupees in '000)	2003
Long term loans			
- Secured			
To executives		1,063	2,279
To employees		338	266
- Unsecured			
To ABAMCO Limited - subsidiary	12.3	<u>200,000</u>	<u>-</u>
		<u>201,401</u>	<u>2,545</u>
Current maturity			
	17	<u>(61,439)</u>	<u>(1,178)</u>
		<u>139,962</u>	<u>1,367</u>
Deposits			
	12.4	<u>2,564</u>	<u>2,239</u>
		<u>142,526</u>	<u>3,606</u>

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

12.2 Maximum amount due from executives calculated with reference to the month end balance was Rs. 2.20 million (2003: Rs. 2.28 million).

12.3 The loan is repayable in six equal semi annual installments commencing from October 30, 2004, along with markup at the rate of 9.50% per annum.

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

13. Investment in subsidiaries

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

Name of Companies	Activity	Auditors	Holding		2004 (Rupees in '000)	2003
			2004 %	2003 %		
Quoted						
Jahangir Siddiqui Investment Bank Limited						
14,199,274 shares (2003: 14,199,274 shares)						
value based on net assets of Rs. 947.58 million	Investment	Ford				
(2003: 569.44 million) based on audited accounts	Banking	Rhodes				
as at June 30, 2004	13.1	Sidat Hyder & Co.	62.41	62.41		
- Opening balance					306,120	170,990
- Share of profit for the year - net of tax					275,060	130,156
- Investment during the year					-	3,729
- Negative goodwill / (goodwill)					-	1,245
- Dividened received during year					(39,048)	-
					<u>542,132</u>	<u>306,120</u>

Unquoted	Activity	Auditors	Holding		2004 (Rupees in '000)	2003
			2004 %	2003 %		
ABAMCO Limited						
11,419,183 shares (2003: 6,717,166 shares) value based on net assets of Rs. 643.85 million (2003: 212.43 million) based on audited accounts as at June 30, 2004	Asset Management and Investment Advisor	Taseer Hadi Khalid & Co.	53.73	53.73		
- Opening balance					114,154	58,298
- Share of profit for the year - net of tax					154,935	11,718
- Share of unrealised gain on remeasurement of available for sale investments					(17,143)	18,098
- Investment during the year					-	26,570
- Right Shares subscribed / purchased					94,040	-
- (Goodwill)					-	(530)
					345,986	114,154
Jahangir Siddiqui Capital Markets (Private) Limited						
6,000,000 shares (2003: 6,000,000 shares) value based on net assets of Rs. 100.00 million (2003: 59.73 million) based on audited accounts as at June 30, 2004	Dealing in and brokerage of marketable securities	Taseer Hadi Khalid & Co.	100.00	100.00		
- Opening balance					59,735	-
- Investment during the year					-	60,000
- Share of profit for the year - net of tax					40,271	(265)
					100,006	59,735
Jahangir Siddiqui Securities Services Limited						
25,000 shares (2003: 25,000 shares)	Dealing in and brokerage of marketable securities	Daudally Lalany & Co.	-	100.00		
- Opening balance					250	250
- Share of profit for the year - net of tax					-	-
- Disposal of Investment					(250)	-
					-	250
					988,124	480,259

13.1 Citibank Overseas Investment Corporation (COIC) had on February 01, 1999 entered into an agreement to sell 6.00 million shares of Citicorp Investment Bank Limited to the Company and in that agreement it was agreed by the parties to the agreement that the purchase consideration of Rs. 123.90 million (representing 6.00 million shares at the rate of Rs. 20.65 per share) would be adjusted to the extent of 70.00% if there is any subsequent reduction in total disputed tax liability as of December 31, 1998 amounting to Rs. 68.65 million as confirmed by a Chartered Accountant firm. Therefore as and when this disputed tax liability is resolved in favour of Jahangir Siddiqui Investment Bank Limited, the Company would pay to the COIC the above amount to the extent of 70.00% which would be adjusted against the purchase consideration for above shares.

		2004 (Rupees in '000)	2003
14. Long term investments			
Investment in associates	14.2	7,500	7,459
Available for sale	14.3	969,840	400,943
Held to maturity	14.4	2,386	2,022
		979,726	410,424

Notes to the Accounts

For the year ended June 30, 2004

14.1 Includes investments pledged with Banks as follows:

- With Muslim Commercial Bank Limited, market value as at June 30, 2004 Rs. 144.25 million on account of TFCs issued by the Company. Refer note 5.2 .
- With various banks, market value as at June 30, 2004 amounting to Rs. 214.75 million on account of short term running finances obtained by a subsidiary company (Jahangir Siddiqui Capital Markets (Private) Limited).

14.2 Investment in associates

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

Number of shares		Unquoted	2004	2003
2004	2003		(Rupees in '000)	
750,000	750,000	EFU Services (Private) Limited Equity held 37.50% (2003: 37.50%) value based on net assets of Rs. 20.00 million (2003: 19.89 million) Chief Executive: Syed Mehdi Imam	7,459	7,451
		Share of profits	41	8
			<u>7,500</u>	<u>7,459</u>

14.3 Available for sale

Quoted Shares	14.3.1	929,490	400,943
Unquoted Shares	14.3.2	40,350	-
		<u>969,840</u>	<u>400,943</u>

14.3.1 Quoted Shares

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

Number of Shares		Quoted	2004		2003
2004	2003		Average Cost	Fair value	Fair value
		(Rupees in '000)			
-	4,173,747	BSJS Balanced Fund Limited	-	-	84,727
3,296,975	2,308,250	EFU Life Assurance Limited (Equity held 19.98 %)	190,260	708,025	221,592
2,003,924	-	EFU General Insurance Limited	106,383	160,314	-
737,200	1,174,000	Tri-pack Films Limited	46,029	61,151	94,624
			<u>342,672</u>	<u>929,490</u>	<u>400,943</u>
		Unrealised gain on account of remeasurement to fair value	586,818	-	-
			<u>929,490</u>	<u>929,490</u>	<u>400,943</u>

Number of Shares		2004		2003
2004	2003	Average Cost	Fair value	Fair value
(Rupees in '000)				
14.3.2 Unquoted Shares				
4,035,000	-	Universal Board and Industries Limited	40,350	40,350
			40,350	40,350
				-
				-

2004		2003
Amortised cost		
(Rupees in '000)		
14.4 Held to maturity		
Defence Saving Certificates		
	2,386	2,022
	2,386	2,022

15. Short term investments

Held for trading	15.2	663,002	591,256
Available for sale	15.3	970,574	477,310
		1,633,576	1,068,566

15.1 Includes investments pledged with Banks as follows:

- With Muslim Commercial Bank Limited, market value as at June 30, 2004 Rs. 606.86 million on account of TFCs issued by the Company. Refer note 5.2 .
- With various banks, market value as at June 30, 2004 amounting to Rs. 188.06 million on account of short term running finances obtained by a subsidiary company (Jahangir Siddiqui Capital Markets (Private) Limited).

2004		2003	
(Rupees in '000)			
15.2 Held for trading			
- Quoted Shares	15.2.1	502,825	491,116
- Quoted TFC's	15.2.2	160,177	100,140
		663,002	591,256

15.2.1 Quoted - shares

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

Number of Shares		Name of Companies	2004		2003
2004	2003		Average Cost	Fair value	Fair value
(Rupees in '000)					
Modaraba					
89,000	-	First Punjab Modaraba	1,253	1,268	-
Investment Companies and Banks					
4,665,500	-	Union Bank Limited	121,368	128,301	-
1,875,000	-	The Bank of Punjab	92,092	97,875	-
-	2,000,000	Pakistan Industrial Credit and Investment Corporation Limited (PICIC)	-	-	57,600

Notes to the Accounts

For the year ended June 30, 2004

Number of Shares		Name of Companies	2004		2003
2004	2003		Average Cost	Fair value	Fair value
Textile Composite					
-	3,131,000	Nishat Mills Limited	-	-	109,741
Refinery					
-	1,211,900	Attock Refinery Limited	-	-	115,797
Engineering					
-	178,500	Crescent Steel & Allied Limited	-	-	14,816
Transport					
177,000	-	Pakistan National Shipping Corporation	9,919	9,691	-
2,500,000	-	Pakistan International Airlines	50,000	44,750	-
Technology and Communication					
100,000	4,500,000	Pakistan Telecommunication Company Limited	4,236	4,215	128,025
9,350,000	-	TRG Pakistan (Rights entitlement)	-	59,372	-
Fertilizer					
273,000	750,000	Engro Chemical Pakistan Limited	26,649	26,618	65,137
1,100,000	-	Fauji Fertilizer Company Limited	134,107	130,735	-
			439,624	502,825	491,116
Unrealised gain on account of remeasurement to fair value			63,201		-
			502,825	502,825	491,116

15.2.2 Quoted - TFCs

No. of Certificates		Name of Companies	Profits				2004		2003
2004	2003		Repayment frequency	Rates %	Face value (Rupees in '000)	Maturity date	Average Cost	Fair value	Fair value
-	600	Nishat Mills Limited	Semi annually	13.00	2,998	19-09-2005	-	-	3,000
20	104	Engro Chemical Pakistan Limited (2nd Issue)	Semi annually	11.00	520	05-07-2007	101	100	530
4,730	4,075	World Call Communications Limited	Semi annually	12.25	20,371	30-09-2007	24,637	25,400	20,375
3,260	3,460	Bank Al-Falah Limited II	Semi annually	10.00	17,297	19-12-2008	18,784	19,152	19,940
-	300	Orix Leasing Pakistan Limited (2nd Issue)	Semi annually	10.00	1,500	31-07-2006	-	-	1,504
2,040	2,040	National Development Leasing Corporation	Semi annually	17.00	6,793	01-12-2004	3,508	10,200	10,200
3,170	5,000	Union Bank Limited 1	Semi annually	11.00	24,995	21-06-2008	17,873	18,703	25,000
3,333	-	Union Bank Limited 2	Semi annually	6.09	16,665	20-01-2011	16,665	16,665	-
-	1,000	Securitel SPV Limited	Quarterly	12.00	5,000	27-03-2006	-	-	5,000

No. of Certificates		Name of Companies	Profits				2004		2003
2004	2003		Repayment frequency	Rates %	Face value (Rupees in '000)	Maturity date	Average Cost	Fair value (Rupees in '000)	Fair value
4,000	1,000	Trust Leasing Limited 2	Semi annually	6.00	5,000	17-07-2008	20,000	20,000	5,000
-	740	Network Leasing Corporation Limited	Semi annually	16.25	3,696	04-10-2005	-	-	3,700
-	330	Muslim Commercial Bank Limited	Semi annually	11.75	1,650	10-02-2008	-	-	1,683
650	800	Union Leasing Limited	Semi annually	14.50	3,998	19-04-2005	3,406	3,477	4,208
60	-	Dewan Salman Fibres Limited	Quarterly	16.00	150	22-06-2005	154	310	-
1,263	-	Al Zamin Leasing	Semi annually	8.00	6,315	24-12-2008	6,315	6,315	-
1,000	-	Dawood Leasing Corporation Limited	Semi annually	13.50	5,000	12-09-2006	6,136	5,000	-
900	-	Packages Limited	Quarterly	13.50	4,500	15-01-2005	4,796	4,500	-
1,200	-	First Oil & Gas Securitization (Pre-IPO)	Monthly	10.50	4,961	04-12-2006	5,077	5,650	-
4,236	-	Pakistan PTA Limited	Semi annually	8.00	17,636	02-08-2004	18,165	21,765	-
560	-	Shah Murad Sugar Mills Ltd.	Semi annually	15.50	1,866	21-05-2006	1,922	2,940	-
							147,539	160,177	100,140
Unrealised gain on account of remeasurement to fair value							12,638	-	-
							160,177	160,177	100,140

15.3 Available for sale

	2004	2003
	(Rupees in '000)	
Quoted Shares	15.3.1 941,706	383,689
Unquoted Shares	15.3.2 3,480	1,375
Government Securities - PIBs	15.3.3 25,388	92,246
	970,574	477,310

15.3.1 Quoted - shares / certificates

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

Number of Shares		Name of Companies	2004		2003
2004	2003		Average Cost	Fair value (Rupees in '000)	Fair value
Mutual Funds					
-	310,000	1st ICP Mutual Fund	-	-	5,192
-	30,000	3rd ICP Mutual Fund	-	-	600
317,500	120,000	4th ICP Mutual Fund	9,725	11,144	4,908
-	70,000	8th ICP Mutual Fund	-	-	1,767
-	360,000	11th ICP Mutual Fund	-	-	6,912
-	450,000	12th ICP Mutual Fund	-	-	6,975
-	20,000	15th ICP Mutual Fund	-	-	312
-	30,000	19th ICP Mutual Fund	-	-	555
-	90,000	20th ICP Mutual Fund	-	-	1,629
-	420,000	21st ICP Mutual Fund	-	-	3,045
-	900,000	23rd ICP Mutual Fund	-	-	6,030
-	540,000	25th ICP Mutual Fund	-	-	7,587
10,322,426	-	ABAMCO Capital Fund	137,714	166,191	-
2,717,700	-	ABAMCO Stock Market Fund	43,820	56,800	-
8,558,802	-	ABAMCO Composite Fund	85,738	80,453	-
4,900,000	-	BSJS Balanced Fund Limited	45,202	63,455	-
3,700	3,700	UTP Income Fund	1,850	1,991	2,013
750,000	-	Crosby Dragon Fund	75,000	75,263	-

Notes to the Accounts

For the year ended June 30, 2004

Number of Shares		Name of Companies	2004		2003
2004	2003		Average Cost	Fair value (Rupees in '000)	Fair value
Rights Entitlement					
-	418,500	1st ICP Mutual Fund	-	-	670
-	40,500	3rd ICP Mutual Fund	-	-	202
-	161,325	4th ICP Mutual Fund	-	-	2,420
-	94,500	8th ICP Mutual Fund	-	-	756
-	486,000	11th ICP Mutual Fund	-	-	3,402
-	607,500	12th ICP Mutual Fund	-	-	1,215
-	16,875	15th ICP Mutual Fund	-	-	34
-	40,500	19th ICP Mutual Fund	-	-	202
-	120,825	20th ICP Mutual Fund	-	-	604
Leasing Companies					
2,375,145	2,362,645	Orix Leasing Pakistan Limited	62,458	86,099	82,693
Investment Companies and Banks					
975,000	975,000	Prudential Discount & Guarantee House Limited	195	2,243	1,560
Insurance					
-	234,037	EFU General Insurance Company Limited	-	-	14,616
Textile Composite					
8,200,940	5,203,440	Azgard Nine Limited (previously Legler-Nafees Denim Mills Ltd.)	89,260	184,521	80,913
Textile Spinning					
2,315,500	2,330,500	Umer Fabrics Limited	59,734	79,885	95,550
191,990	110,500	Dewan Khalid Textiles Mills Limited	7,438	10,559	7,625
Sugar & Allied Industries					
1,363,500	-	Al-Abbas Sugar Mills Limited - Associate	44,196	88,628	-
Cables & Electrical Goods					
1,122,000	1,122,000	Singer Pakistan Limited	28,050	34,333	43,702
Engineering					
3,100	-	Dadex Eternit Limited	119	141	-
			690,499	941,706	383,689
Unrealised gain on account of remeasurement to fair value			251,207	-	-
			941,706	941,706	383,689

15.3.1.1 Based on a legal opinion, ABAMCO Stock Market Fund, ABAMCO Capital Fund, ABAMCO Composite Fund, BSJS Balanced Fund and 4th ICP Mutual Fund are not associated undertakings of the Company as these are not managed by the Company.

15.3.2 Unquoted - shares

Number of Shares			2004	2003
2004	2003		(Rupees in '000)	
387,791	184,662	Security General Insurance Limited Equity held 3.87 % (2003: 1.85%) Net assets as at December 31, 2003 Rs. 173.72 million(2002: Rs.132.58 million) Chief Executive: Mr. Manzar Mushtaq	3,480	1,375
			3,480	1,375

15.3.3 Government Securities

	Purchase date	Maturity date	Term (years)	Coupon rate %	2004		2003
					Cost	Fair value	Fair value
(Rupees in '000)							
Pakistan Investment Bonds	27-06-2003	18-06-2013	10	11.00	-	-	41,898
	17-06-2003	24-10-2013	10	11.00	-	-	50,348
	10-06-2004	10-06-2024	20	10.00	25,448	25,388	-
					<u>25,448</u>	<u>25,388</u>	<u>92,246</u>
Unrealised loss on account of remeasurement to fair value					(60)	-	-
					<u>25,388</u>	<u>25,388</u>	<u>92,246</u>

16. Trade debtors - unsecured

Considered good

	2004	2003
(Rupees in '000)		
Receivable against purchase of shares on behalf of clients	-	878,730
Receivable against sale of shares	10,883	-
Commission receivable	-	5,491
	<u>10,883</u>	<u>884,221</u>

16.1 Maximum amount due from directors and associated companies calculated with reference to month end balance was Rs. 37.65 million (2003: Rs. 57.97 million).

16.2 Receivable against purchase of shares aggregating to Rs. 10.88 million has been subsequently recovered.

17. Advances, pre-payments and other receivables

Advances:

- Taxation	2,473	5,170
- Staff	30	32
- Capital expenditure	2,100	-
- Others	202	82
	<u>4,805</u>	<u>5,284</u>

Pre-payments	1,969	958
Current maturity of long term loans	12	61,439
Profit receivable on bank deposits	601	266
Profit receivable on government securities	137	712
Profit receivable on TFCs	3,535	1,568
Advance against share subscription	17.1	149,697
Other receivables	6,073	737
	<u>228,256</u>	<u>10,703</u>

17.1 This represents advance against share subscription amounting to Rs. 51.45 million to Spell Telecommunications (Private) Limited, Rs. 5.75 million to DCD-JS Factors (Private) Limited Rs. 30.00 million to Network Micro Finance Bank Limited and Rs. 62.50 million to Eye TV (Private) Limited.

18. Fund placements

Securities purchased under resale obligation

- Listed equity securities	18.1	414,513	840,973
- Other securities	18.2	397,600	18,400
		<u>812,113</u>	<u>859,373</u>

Notes to the Accounts

For the year ended June 30, 2004

18.1 The market value of securities held in respect of these aggregates to Rs. 311.52 million.

18.2 These represent reverse repos against PIBs and TFCs having tenure of one week to three months with rates ranging from 2.90% to 5.25% per annum. (2003: 6.50% to 7.00% per annum). This include reverse repo against PIBs amounting to Rs. 10.00 million at a yield of 4.25% per annum with ABAMCO Limited having tenure of 3 months.

19. Cash and bank balances	2004	2003
	(Rupees in '000)	
Cash with banks		
- on current accounts		
- local currency	5,730	5,527
- foreign currency	673	677
	6,403	6,204
- on PLS Deposit accounts		
- local currency	57,667	6,090
- foreign currency	1,126	1,263
	58,793	7,353
Cash in hand	25	35
	65,221	13,592

20. Operating revenue

Brokerage and other operating revenue	20.1	51,131	130,271
Consultancy and advisory fee		11,693	27,076
Underwriting commission		21,226	268
Dividend income	20.2	46,870	38,730
		130,920	196,345

20.1 This is net of profit paid on repo transactions arising from TFCs and PIBs amounting to Rs. 15.69 million (2003: Rs. 21.02 million) and includes profit earned on reverse repo transactions amounting to Rs. 11.46 million (2003: Rs. 8.56 million).

20.2 Includes dividend received from BSJS Balanced Fund Limited of Rs. 6.26 million (2003: 6.26 million).

21. Net gain / income from transactions in marketable securities

Net gain / (loss) on sale of held for trading / available for sale investments	222,372	205,303
Income from reverse repurchase transactions of listed equity securities	34,800	25,563
	257,172	230,866

	2004 (Rupees in '000)	2003
22. Operating expenses		
Salaries and benefits	30,292	72,952
Provident fund	549	839
Directors' remuneration	18,000	28,977
Provident fund in respect of director's remuneration	200	229
Auditors' remuneration	22.1 350	457
Printing and stationery	321	1,864
Telephone, fax, telegram and postage	2,267	3,409
Royalty fee	9,450	2,300
Consultancy fee	5,470	1,414
Rent, rates and taxes	664	1,689
Vehicle running	2,123	2,917
Electricity, gas, etc.	2,696	2,594
Legal and professional charges	1,716	4,440
Insurance	2,804	3,967
Newspapers and periodicals	77	150
Entertainment	569	319
Advertisement	2,558	1,798
Office supplies	877	661
Depreciation	10 7,975	10,713
Fees and subscription	4,064	6,611
Conveyance and traveling	2,326	2,567
Repairs and maintenance	1,325	1,605
Computer expenses	2,728	3,873
Donations	22.2 10,176	8,025
KSE clearing house and CDC charges	6,735	10,150
Office security	2,194	1,108
Stamp charges	-	194
Others	4,317	1,014
	<u>122,823</u>	<u>176,836</u>

22.1 Auditors' remuneration

Auditors' remuneration includes the following:

Annual audit fee	130	180
Certifications including half year review	195	267
Out of pocket expenses	25	10
	<u>350</u>	<u>457</u>

22.2 This represents donation for Siddiqui Foundation in which Mr. Ali Jehangir Siddiqui and Mr. Munaf Ibrahim are directors. No other directors or their spouses have any interest in any other donee's fund to which donation was made.

Notes to the Accounts

For the year ended June 30, 2004

	2004 (Rupees in '000)	2003
23. Other income		
Return on local currency deposits	5,091	2,144
Return on foreign currency deposits	4	2
Profit on DSCs	365	309
Profit on loan to staff	111	456
Profit on long term loan	3,279	-
Profit on TFCs	13,643	14,082
Profit on sale of fixed assets	10.1 7,836	4,991
Rent income	8,035	3,754
Other income	1,544	813
Exchange gain / (loss)	11	(684)
	<u>39,919</u>	<u>25,867</u>
24. Financial charges		
Mark up on running finance	4,438	8,391
Lease finance charges	-	230
Markup on TFCs	39,706	8,458
Others	316	453
	<u>44,460</u>	<u>17,532</u>
25. Basic earnings per share		
Profit for the year	<u>766,131</u>	<u>432,659</u>
		Number of shares (Adjusted)
Weighted average ordinary shares in issue during the year	<u>32,385,349</u>	<u>27,112,500</u>
		(Rupees) (Adjusted)
Basic earnings per share	<u>23.66</u>	<u>15.96</u>

25.1 The earning per share and the weighted average ordinary shares for the year ended June 30, 2003 has been adjusted for the effect of right shares of 40.00% .The earnings per share and weighted average ordinary shares reflected in the financial statements of June 30, 2003 (without considering the effect of right issue of 40.00% for 2003) were Rs. 17.31 per share and 25 million shares respectively.

26. Cash and cash equivalents

	2004	2003
	(Rupees in '000)	
Cash and bank balances	65,221	13,592
Short term running finance under mark-up arrangement	-	(968,559)
	<u>65,221</u>	<u>(954,967)</u>

27. Financial instruments and related disclosures

27.1 Interest rate risk exposure

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

June 30, 2004	Interest bearing					Non Interest bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
Financial assets							
Long term loans and deposits	-	-	-	139,962	-	2,564	142,526
Long term investments	-	-	-	-	2,386	969,840	972,226
Short term investments	185,565	-	-	-	-	1,448,011	1,633,576
Trade debtors	-	-	-	-	-	10,883	10,883
Advances and other receivables	-	-	61,439	-	-	164,344	225,783
Fund placements	255,000	142,600	-	-	-	414,513	812,113
Cash and bank balances	58,793	-	-	-	-	6,428	65,221
	<u>499,358</u>	<u>142,600</u>	<u>61,439</u>	<u>139,962</u>	<u>2,386</u>	<u>3,016,583</u>	<u>3,862,328</u>
Average interest rates	6.47%	4.30%	9.50%	9.50%	18.03%		
Financial liabilities							
Dividend payable	-	-	-	-	-	889	889
Short term running finance	-	-	-	-	-	-	-
Redeemable capital	-	-	-	250,600	748,800	-	999,400
Securities sold under repurchase agreements	515,249	7,600	-	-	-	-	522,849
Creditors, accrued expenses and other liabilities	-	-	400	-	-	100,255	100,655
Proposed dividend	-	-	-	-	-	52,500	52,500
	<u>515,249</u>	<u>7,600</u>	<u>400</u>	<u>250,600</u>	<u>748,800</u>	<u>153,644</u>	<u>1,676,293</u>
Average interest rates	3.37%	3.75%	6.25%	7.50%	5.83%		
On-balance sheet gap - 2004	<u>(15,891)</u>	<u>135,000</u>	<u>61,039</u>	<u>(110,638)</u>	<u>(746,414)</u>	<u>2,862,939</u>	<u>2,186,035</u>
Off balance sheet items							
Financial assets							
Commitments in respect of repurchase transactions							
- Listed equity securities	-	-	-	-	-	-	-
- Other securities	516,292	7,672	-	-	-	-	523,964
Commitments in respect of clean placements	-	-	-	-	-	-	-
Average interest rates	5.18%	5.10%	-	-	-		

Notes to the Accounts

For the year ended June 30, 2004

(Rupees in '000)

	Interest bearing					Non Interest bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
Financial liabilities							
Commitments in respect of resale transactions							
- Listed equity securities	-	-	-	-	-	415,554	415,554
- Other securities	255,614	144,118	-	-	-	-	399,732
Average interest rates	-	6.60%	-	-	-	-	-
Off-balance sheet gap - 2004	260,678	(136,446)	-	-	-	(415,554)	(291,322)
June 30, 2003							
Financial assets							
Long term loans and deposits	-	-	-	1,367	-	2,239	3,606
Long term investments	-	-	-	-	2,022	400,943	402,965
Short term investments	201,891	-	-	-	-	866,675	1,068,566
Trade debtors	-	-	-	-	-	-	-
Advances and other receivables	-	-	1,178	-	-	4,355	5,533
Fund placements	-	18,400	-	-	-	840,973	859,373
Cash and bank balances	7,353	-	-	-	-	6,239	13,592
	209,244	18,400	1,178	1,367	2,022	2,121,424	2,353,635
Average interest rates	12.10%	6.60%	10.00%	10.00%	18.03%	-	-
Financial liabilities							
Dividend payable	-	-	-	-	-	2,625	2,625
Short term running finance	968,559	-	-	-	-	-	968,559
Redeemable capital	-	-	-	250,100	249,700	-	499,800
Securities sold under repurchase agreements	157,586	13,300	-	-	-	-	170,886
Creditors, accrued expenses and other liabilities	-	-	200	-	-	446,474	446,674
Proposed dividend	-	-	-	-	-	37,500	37,500
	1,126,145	13,300	200	250,100	249,700	486,599	2,126,044
Average interest rates	5.97%	5.10%	7.50%	7.50%	7.50%	-	-
On-balance sheet gap - 2003	(916,901)	5,100	978	(248,733)	(247,678)	1,634,825	227,591
Off balance sheet items							
Financial assets							
Commitments in respect of repurchase transactions							
- Listed equity securities	-	-	-	-	-	-	-
- Other securities	158,017	13,416	-	-	-	-	171,433
Commitments in respect of clean placements	-	-	-	-	-	-	-
Average interest rates	5.18%	5.10%	-	-	-	-	-
Financial liabilities							
Commitments in respect of resale transactions							
- Listed equity securities	-	-	-	-	-	845,468	845,468
- Other securities	-	18,707	-	-	-	-	18,707
Average interest rates	-	6.60%	-	-	-	-	-
Off-balance sheet gap - 2003	158,017	(5,291)	-	-	-	(845,468)	(692,742)

27.2 Fair value of financial instruments

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

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

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

28. Related party transactions

Related parties comprise of subsidiaries and associated companies and directors. Amount due from and to these associated companies are shown under receivables and payables, reverse repos are shown under fund placements and the remuneration of Chairman, Chief Executive and executives are disclosed in note 29. Other significant transactions with these related parties are as follows:

	2004 (Rupees in '000)	2003
Purchase of marketable securities for and on behalf of directors	<u>701,998</u>	<u>552,100</u>
Sale of marketable securities for and on behalf of directors	<u>405,965</u>	<u>512,840</u>
Purchase of marketable securities on behalf of associates	<u>696,110</u>	<u>3,445,210</u>
Sale of marketable securities on behalf of associates	<u>885,012</u>	<u>3,080,280</u>
Purchase of marketable securities from associates	<u>23,429,215</u>	<u>-</u>
Sale of marketable securities to associates	<u>23,252,156</u>	<u>-</u>
Brokerage expense to associates	<u>7,092</u>	<u>-</u>
Brokerage income earned from directors and associated companies	<u>2,254</u>	<u>4,860</u>
Purchase of government securities from associates	<u>1,340,708</u>	<u>166,110</u>
Sale of government securities to associates	<u>1,031,732</u>	<u>460,590</u>
Certificate of investments matured	<u>-</u>	<u>157,000</u>
Return on certificate of investments	<u>-</u>	<u>842</u>
Loan to subsidiary (note 12)	<u>200,000</u>	<u>-</u>
Mark-up on loan to subsidiary	<u>3,279</u>	<u>-</u>
Rent income	<u>5,329</u>	<u>2,064</u>
Sale of fixed assets	<u>1,169</u>	<u>-</u>
Advisory and consultancy fees	<u>358</u>	<u>445</u>

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

Notes to the Accounts

For the year ended June 30, 2004

29. Remuneration of chairman, chief executive and executives

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

	Chairman		Directors		Chief Executive		(Rupees in '000) Executives	
	2004	2003	2004	2003	2004	2003	2004	2003
Managerial remuneration	-	294	-	-	2,000	2,000	2,807	8,220
House rent allowance	-	117	-	-	800	800	1,123	3,288
Utilities allowance	-	29	-	-	200	200	281	822
Meeting fee	-	-	160	-	-	-	-	-
Sub-brokerage, commission and performance bonus	-	-	-	-	15,000	22,500	3,510	14,506
Ex-gratia bonus	-	3,000	-	-	-	-	-	-
Contribution to provident fund	-	29	-	-	200	200	192	546
Medical	-	2	-	-	9	35	21	154
Reimbursable expenses	-	22	-	-	45	56	247	752
	-	3,493	160	-	18,254	25,791	8,181	28,288
Number of persons	1	1	2	-	1	1	4	37

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

30. Taxation

30.1 The charge for current taxation in the accounts is on the basis of Section 113 of the Income Tax Ordinance, 2001.

30.2 The income tax assessments of the Company have been finalised upto and including the tax year 2003.

30.3 Relationship between accounting profit and tax expense

	2004	2003
	(Rupees in '000)	
Accounting profit for the year before tax	768,873	435,533
Tax charge @ 35% (2003: 35%)	269,106	152,437
Tax effect of permanent differences	(284,269)	(155,757)
Tax effect of inadmissible expenses	15,162	3,320
Effect of tax on income for separate consideration	2,344	1,936
Minimum tax under section 113 of Income Tax Ordinance, 2001	539	938
Prior years' tax reversal	(140)	-
Net charge for the year	2,742	2,874

31. General

31.1 The number of employees as at June 30, 2004 was 34 (2003: 108).

31.2 Figures have been rounded off to nearest thousand rupee.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated and Subsidiaries Accounts



Directors' Report

The Directors are pleased to present the consolidated financial statements of Jahangir Siddiqui & Co. Ltd. and its subsidiaries for the year ended June 30, 2004.

As at June 30, 2004 the subsidiaries of Jahangir Siddiqui & Co. Ltd. were Jahangir Siddiqui Capital Markets (Private) Limited ("JSCM"), Jahangir Siddiqui Investment Bank Limited ("JSIBL") and ABAMCO Limited ("ABAMCO").

Jahangir Siddiqui Capital Markets (Private) Limited

On September 01, 2003, equity, fixed income and currency brokerage, research and corporate finance divisions of the Holding Company were transferred to JSCM. During the year, JSCM reported a post tax profit of Rs.40.27 million. The operating revenue including income from transactions in marketable securities was Rs.143.26 million. The operating expenses were Rs.77.22 million. Earnings per share for the year were Rs.6.71 per share.

Jahangir Siddiqui Investment Bank Limited

During the year, JSIBL achieved a milestone by posting an after tax profit of Rs.440.70 million as compared to Rs.209.53 million during the preceding year. Return on investments and placements combined with capital gains from investments aggregating Rs.493.97 million was much higher than the corresponding figure of Rs.250.47 million earned last year. The higher profit earned during the year on investments was accentuated on account of capital gains realized on sale of securities. Income on Term Finance Certificates ("TFCs") also increased to Rs.60.09 million for the year from Rs.42.80 million as JSIBL's TFC portfolio has grown from Rs.452.18 million to Rs.554.71 million. Earnings per share for the year are Rs.19.37 per share as against Rs.9.21 per share for the previous year.

ABAMCO Limited

During the year 12 Mutual funds of Investment Corporation of Pakistan were consolidated into three separate mutual funds, namely ABAMCO Stock Market Fund, ABAMCO Capital Fund and the 4th ICP Mutual Fund. Further, during the year, the Company floated a new closed ended fund namely ABAMCO Composite Fund. The certificates were offered on May 14, 2004. During the year, ABAMCO has earned an after tax profit of Rs. 288.32 million as compared to Rs.21.47 million during the preceding year.

In the year under review, ABAMCO changed its accounting policy by re-classifying its long term investments in associated companies as available for sale and accordingly been valued at fair value. Up to the last year, the gains and losses arising on re-valuation of available for sale investments were recognized in equity. Effective from current year, such gains and losses are now being recognized in the profit and loss account of the period. Had the accounting policies, as stated above, not been changed, profit after taxation for the year would have been lower by Rs.141.58 million.

Dividend income during the current year increased to Rs.20.73 million as compared to Rs.7.50 million during the preceding year. Earnings per share increased to Rs.18.02 as compared to Rs.2.39 in the corresponding period last year.

For and on behalf of the
Board of Directors

Mazharul Haq Siddiqui
Chairman

Karachi: September 18, 2004

Auditors' Report to the Members

We have examined the annexed consolidated financial statements comprising Consolidated Balance Sheet of Jahangir Siddiqui & Co. Limited and its subsidiary companies as at June 30, 2004 and the related Consolidated Profit and Loss Account, Consolidated Cash Flow Statement and Statement of Changes in Equity together with the notes forming part thereof, for the year ended June 30, 2004. We have also expressed separate opinion on the financial statements of Jahangir Siddiqui & Company Limited and its three subsidiary companies, ABAMCO Limited, Jahangir Siddiqui Capital Markets (Private) Limited and Confidence Financial Services Limited (CFSL). The other subsidiary company Jahangir Siddiqui Investment Bank Limited was audited by other firm of Chartered Accountants whose report has been furnished to us and our opinion in so far as it relates to the amounts included for such company, is based solely on the reports of such other auditors.

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

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

In our opinion the consolidated financial statements examined by us present fairly the financial position of Jahangir Siddiqui & Co. Limited and its subsidiary companies as at June 30, 2004 and the results of their operations, their cash flows and changes in equity for the year then ended in accordance with approved accounting standards as applicable in Pakistan.

Taseer Hadi Khalid & Co.
Chartered Accountants

Karachi: September 18, 2004

Consolidated Balance Sheet

As at June 30, 2004

	Note	2004	2003
(Rupees in '000)			
Capital and reserves			
Share capital			
Authorised			
50,000,000 (2003: 50,000,000) ordinary shares of Rs. 10/- each			
		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up	4	350,000	250,000
Share premium	5	475,505	175,505
Capital reserve	6	-	2,857
General reserve		1,500,000	500,000
Unrealised gain on remeasurement of available for sale investments to fair value		924,078	522,924
Unappropriated profit		147,248	518,533
		<u>3,396,831</u>	<u>1,969,819</u>
Redeemable capital	7	999,400	499,800
Minority interest		645,485	392,325
Long term loan	8	416,145	125,000
Deferred tax liability	11	-	26,765
Current liabilities			
Current maturity of long term loan	8	25,000	25,000
Current portion of liabilities against assets subject to finance lease	9	-	45
Current maturity of Certificates of deposits	10	996,064	343,856
Short term running finance under mark up arrangements - secured	12	-	1,171,713
Borrowings from banks / NBFC's	13	300,000	751,000
Securities sold under repurchase agreements	14	1,403,630	1,001,933
Creditors, accrued expenses and other liabilities	15	566,823	500,847
Provision for taxation		72,597	23,484
Dividend payable		2,284	3,343
Proposed dividend		52,500	37,500
		<u>3,418,898</u>	<u>3,858,721</u>
Contingency and commitments	16		
Fiduciary assets	17		
		<u>8,876,759</u>	<u>6,872,430</u>

	Note	2004	2003
(Rupees in '000)			
Fixed assets - at cost less			
accumulated depreciation	18	124,581	56,272
Preliminary expenses		-	145
Intangible assets - net	19	183,302	157,600
Long term loans, term finance and deposits	20	27,830	14,848
Long term investments	21	2,238,763	1,035,126
Deferred expenditure receivable	22	24,000	-
Deferred tax asset	23	1,825	-
Negative goodwill	24	(49,293)	(49,293)
Current assets			
Trade debtors - unsecured	25	30,959	885,994
Advances, pre-payments and other receivables	26	400,482	266,094
Fund placements	27	2,475,311	1,563,989
Short term loans	28	95,755	207,416
Short term investments	29	2,952,791	2,695,964
Cash and bank balances	30	370,453	38,275
		6,325,751	5,657,732
		8,876,759	6,872,430

The annexed notes 1 to 45 form an integral part of these accounts.

These financial statements were authorised for issue in Board of Directors meeting held on September 18, 2004.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Profit and Loss Account

For the year ended June 30, 2004

	Note	2004	2003
(Rupees in '000)			
Operating revenue	31	533,007	362,723
Capital gain / (loss) on investments - net	32	729,285	398,036
		<u>1,262,292</u>	<u>760,759</u>
Operating expenses	33	(349,751)	(283,182)
Operating profit		<u>912,541</u>	<u>477,577</u>
Financial and other income	34	133,200	127,155
		<u>1,045,741</u>	<u>604,732</u>
Financial charges	35	(103,927)	(107,266)
		<u>941,814</u>	<u>497,466</u>
Share of profit of associated companies		41	168,573
Gain on disposal of shareholding in a subsidiary company		-	2,455
Negative goodwill / (goodwill) - net		-	715
		<u>941,855</u>	<u>669,209</u>
Reversal of provision for diminution in value of investments		-	1,449
Gain on remeasurement of investments - net		36,804	34,491
Profit before taxation		<u>978,659</u>	<u>705,149</u>
Provision for taxation			
- Current	36	86,397	34,269
- Prior		541	(269)
- Deferred		(17,887)	17,843
		<u>69,051</u>	<u>51,843</u>
Profit after taxation		<u>909,608</u>	<u>653,306</u>
Profit attributable to minority interest		(229,349)	(102,331)
		<u>680,259</u>	<u>550,975</u>
Reversal of share of capital reserve		956	-
Unappropriated profit brought forward		518,533	305,058
Profit available for appropriation		<u>1,199,748</u>	<u>856,033</u>
Appropriations:			
- Final cash dividend @ 15.00% (2003: 15.00%)		52,500	37,500
- Transfer to General Reserve		1,000,000	300,000
		<u>1,152,500</u>	<u>337,500</u>
		<u>147,248</u>	<u>518,533</u>
Earnings per share	37	<u>21.01</u>	<u>20.32</u>

The annexed notes 1 to 45 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Cash Flow Statement

For the year ended June 30, 2004

Note	2004	2003
	(Rupees in '000)	
Cash flows from operating activities		
Profit before taxation	978,659	705,149
Adjustments for:		
Depreciation	19,624	15,152
Profit on sale of fixed assets	(7,879)	(5,291)
Share of profit of associated companies	(41)	(168,573)
Goodwill	-	(715)
Reversal of provision for diminution in value of investments	-	(1,449)
Gain on remeasurement of investments - net	(36,804)	(34,491)
Amortisation of intangible assets	17,500	17,500
Financial charges	103,927	107,266
	<u>96,327</u>	<u>(70,601)</u>
Operating profit before working capital changes	1,074,986	634,548
(Increase) / decrease in operating assets:		
Short term investments	(264,106)	(1,469,391)
Trade debtors	855,035	(838,900)
Short term loans	105,065	(22,223)
Advances, pre-payments and other receivables	(161,553)	(89,229)
	<u>534,441</u>	<u>(2,419,743)</u>
Increase in current liabilities (creditors, accrued expenses and other liabilities)	60,295	243,325
Cash (used in) generated from operations	1,669,722	(1,541,870)
Mark up paid	(98,446)	(98,601)
Taxes paid	(33,335)	(32,624)
Dividend paid	(38,559)	(52,991)
Changes in long term loans, term finance and deposits	(6,329)	(10,027)
Net cash flows from operating activities	1,493,053	(1,736,113)
Cash flows from investing activities		
Capital expenditure	(100,076)	(21,908)
Deferred cost incurred	(49,702)	(175,000)
Proceeds from sale of fixed assets	20,022	8,758
Fund Placements	(911,322)	(987,180)
Long term investments acquired	(742,089)	(244,763)
Net cash flows from investing activities	(1,783,167)	(1,420,093)
Cash flows from financing activities		
Payment of lease obligation	(45)	(3,928)
Further issue of share capital and premium	400,000	-
Proceeds from issue of TFC	500,000	500,000
Long term loan	291,145	150,000
Certificates of investment	652,208	142,688
Securities sold under repurchase commitment	401,697	648,124
Net cash flows from financing activities	2,245,005	1,436,884
Net (decrease) / increase in cash and cash equivalents	1,954,891	(1,719,322)
Cash and cash equivalents at the beginning of the year	(1,884,438)	(165,116)
Cash and cash equivalents at the end of the year	38 <u>70,453</u>	<u>(1,884,438)</u>

The annexed notes 1 to 45 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Statement of Changes in Equity

For the year ended June 30, 2004

	Issued, subscribed and paid-up capital	Share premium	Capital reserve	General reserve	Unrealised gain on remeasurement of available for sale investments to fair value	Unappropriated profit	(Rupees in '000) Total
Balance as at June 30, 2002	250,000	175,505	2,392	200,000	18,758	305,058	951,713
Movement during the year							
Profit for the year	-	-	-	-	-	550,975	550,975
Effect of remeasurement of available for sale investments to fair value held as at the year end, etc.	-	-	-	-	504,166	-	504,166
Transfer to general reserve	-	-	-	300,000	-	(300,000)	-
Share of capital reserve	-	-	465	-	-	-	465
Proposed dividend	-	-	-	-	-	(37,500)	(37,500)
Balance as at June 30, 2003	<u>250,000</u>	<u>175,505</u>	<u>2,857</u>	<u>500,000</u>	<u>522,924</u>	<u>518,533</u>	<u>1,969,819</u>
Movement during the year							
Profit for the year	-	-	-	-	-	680,259	680,259
Effect of remeasurement of available for sale investments to fair value held as at the year end, etc.	-	-	-	-	401,154	-	401,154
Share of capital reserve (refer note 6)	-	-	(1,901)	-	-	-	(1,901)
Reversal of share of capital reserve	-	-	(956)	-	-	956	-
Proposed dividend	-	-	-	-	-	(52,500)	(52,500)
Share premium on account of right issue	-	300,000	-	-	-	-	300,000
Issue of share capital	100,000	-	-	-	-	-	100,000
Transfer to general reserves	-	-	-	1,000,000	-	(1,000,000)	-
Balance as at June 30, 2004	<u>350,000</u>	<u>475,505</u>	<u>-</u>	<u>1,500,000</u>	<u>924,078</u>	<u>147,248</u>	<u>3,396,831</u>

The annexed notes 1 to 45 form an integral part of these accounts.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Consolidated Notes to the Accounts

For the year ended June 30, 2004

1. Status and nature of business

1.1 Jahangir Siddiqui & Company Limited ("the Holding Company") was incorporated under the Companies Ordinance, 1984 on May 04, 1991 as a public unquoted company. The Holding Company was listed on all three stock exchanges in Pakistan on August 10, 1993, however, during year ended 2003 the Company has been voluntarily de-listed from the Lahore and Islamabad stock exchanges. The Holding Company is also a corporate member of Karachi Stock Exchange (Guarantee) Limited. After the end of financial year 2003, the Holding Company transferred certain businesses into its wholly owned subsidiary, Jahangir Siddiqui Capital Markets (Private) Limited ("JSCM"). The business divisions transferred are equity, fixed income and currency brokerage, research and corporate finance. These divisions represent Holding Company's agency business. The Holding Company will focus principally on investing both in equity and fixed income securities while agency business will be carried out on an arms length basis by JSCM.

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

Subsidiary Company	Note	Date of Acquisition	Group Holding
Jahangir Siddiqui Investment Bank Limited	1.2.1	September 18, 1999	62.41%
Jahangir Siddiqui Capital Markets (Private) Limited	1.2.2	May 22, 2003	100%
ABAMCO Limited	1.2.3	July 31, 2000	53.74%
Confidence Financial Services Limited (Sub-subsidiary)	1.2.4	September 14, 2000	42.77%

1.2.1 Jahangir Siddiqui Investment Bank Limited (JSIBL)

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

1.2.2 Jahangir Siddiqui Capital Markets (Private) Limited (JSCML)

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

1.2.3 ABAMCO Limited

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

Consolidated Notes to the Accounts

For the year ended June 30, 2004

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

Investment advisor of:

- BSJS Balanced Fund Limited (BBF)
- ABAMCO Capital Fund
- ABAMCO Stock market Fund
- ABAMCO Composite Fund
- 4th ICP Mutual Fund

Asset management company of:

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

1.2.3.2 During the year 12 Mutual Funds of Investment Corporation of Pakistan were consolidated into three separate mutual funds, namely ABAMCO Stock Market Fund, ABAMCO Capital Fund and the 4th ICP Mutual Fund. Details of these funds are given in notes 21.3.2.2 to these financial statements. Further during the year, ABAMCO Limited floated a new closed end fund namely ABAMCO Composite Fund. The certificates were offered on May 14, 2004. Details of this fund are given in notes 21.3.2.2 to these financial statements.

1.2.4 Confidence Financial Services Limited (CFSL)

CFSL was incorporated under the Companies Ordinance, 1984 on April 21, 1994 as an unlisted public limited company. The company was registered as an Investment Adviser under the Investment Companies and Investment Adviser's Rules, 1971. The principal activities of the company include equity market operations. The company is registered in Karachi, Pakistan and is a subsidiary company of ABAMCO Limited (with 77.77% holding).

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

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

2. Basis of consolidation

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

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

3. Summary of significant accounting policies

3.1 Accounting convention

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

3.2 Statement of compliance

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

3.3 Staff retirement benefits

The Holding Company, JSCML and ABAMCO Limited operate approved funded contributory provident fund schemes for the employees eligible to the scheme. Equal monthly contributions are made by the companies and employees to the fund at the rate of 10.00% of basic pay. JSIBL operates an unrecognised provident fund for its permanent employees. JSIBL is in the process of obtaining approval from the relevant authorities in respect of provident fund scheme. Equal monthly contribution to the fund are made both by the company and its employees in accordance with fund rules.

3.4 Fixed assets - Tangible

Owned

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

Change in accounting policy

Till last year, the Holding Company charged full year's depreciation on the assets acquired during the year and charged no depreciation in the year of disposal. Whereas, from the current year full month's depreciation is charged on the assets acquired during the month and no depreciation is charged in the month of disposal. Had this change not been made, the depreciation charge for the year had been higher by Rs. 0.37 million and the profit after tax had been lower by the same. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains and losses on disposal of assets, if any, are included in the profit and loss account.

Leased

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

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

3.5 Loans, Term Finance and Advances

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

3.6 Intangible Assets

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

3.7 Investments

Investments in associates

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

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

Investments held for trading

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

Investments available for sale

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

Investments held to maturity

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

In JSIBL, investments in quoted securities are initially recorded at cost and are subsequently marked to market in accordance with BSD Circular No.20 dated August 4, 2000 issued by the State

Bank of Pakistan, which requires that the difference between the carrying value (adjusted for amortisation of discount or premium) and the revalued amount be recognised in equity, until actually realised on disposal.

3.8 Securities purchased and sold under resale/repurchase agreements

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

3.9 Derivatives

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

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

3.10 Certificates of deposit

Return on certificates of deposit of JSIBL is recognised on a time proportion basis taking into account the relevant certificates issue date and maturity date.

3.11 Offsetting of financial assets and liabilities

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

3.12 Trade debtors

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

3.13 Revenue recognition

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

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

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

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

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

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

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

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

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

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

Return on bank deposits is recognised on an accrual basis.

3.14 Taxation

Current

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

Deferred

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

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

As at June 30, 2004, deferred tax asset has not been recorded by the Holding Company in view of uncertainty about the availability of its taxable profits in the foreseeable future against which such losses could be utilised.

3.15 Fiduciary Assets

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

3.16 Foreign currency translation

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

Gain or loss on translation is taken to income currently.

3.17 Cash and cash equivalents

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

4. Issued, subscribed and paid-up capital

Number of Shares		Note	2004	2003
2004	2003		(Rupees in '000)	
23,387,500	13,387,500	Ordinary shares of Rs.10/- each fully paid in cash	233,875	133,875
11,612,500	11,612,500	Ordinary shares of Rs.10/- each issued as bonus shares	116,125	116,125
35,000,000	25,000,000		350,000	250,000

5. Share premium

Balance at the beginning of the year	175,505	175,505
Share premium received on issue of right shares	300,000	-
Balance at the end of the year	475,505	175,505

6. Capital reserve

Rs. Nil (2003: Represents Group's share of capital reserve of BSJS Balanced Fund Limited created through the merger of Security Stock Fund Limited and BSJS Balanced Fund Limited).

7. Redeemable capital - Unsecured (Non-participatory)

Term finance certificates (TFC's)			
- Unsecured	7.1	499,800	500,000
- Secured	7.2	500,000	-
Less: Current portion shown under current liability	15	(400)	(200)
		999,400	499,800

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

7.2 The profit on these TFCs is payable semi-annually, based on the 6 month KIBOR average rate plus 1.50% per annum for first 5 years, and thereafter, an increase of 0.10% a year for next 3 years and a further 0.10% a year for the last 2 years. The TFCs have a tenor of ten years i.e. 2004-2014 with a call option exercisable by the Company at any time during the tenor of the TFCs after the first 2 years by giving a 3 months notice. Mark-up not yet due amounts to Rs. 226.78 million. These TFCs are secured against lien over a designated account with the Central Depository Company (CDC). This account will contain marketable securities (market value at June 30, 2004: Rs. 751.10 million) equal to the issue size with the regulatory margin as prescribed by the State Bank of Pakistan's Prudential Regulations. In the event of any sale and repurchase of marketable securities, the lead arranger will have a hypothecation charge on the ensuing receivable and a lien over subsequent cash which is to be maintained in a specified bank account.

8. Long term loan - secured

Muslim Commercial Bank Limited	8.1	125,000	150,000
Borrowings under repurchase transactions	8.2	316,145	-
Current liability		(25,000)	(25,000)
		416,145	125,000

8.1 This represents demand finance facility of Rs. 150.00 million obtained by ABAMCO Limited and is payable in six equal annual installments of Rs. 25.00 million each. This facility is fully repayable by September 2008. The facility carries mark-up of 2.50% over 12 months treasury bills rate with a floor of 8.00%. Mark-up is payable on a semi-annual basis. The loan is secured by way of pledge of 1.60 million

Consolidated Notes to the Accounts

For the year ended June 30, 2004

shares of BSJS Balanced Fund Limited owned by ABAMCO Limited and 1.35 million shares of BSJS Balanced Fund Limited owned by Confidence Financial Services Limited (sub-subsidiary), personal shares of a shareholder of ABAMCO and personal guarantee of a shareholder of ABAMCO.

8.2 This represents borrowings for securities sold under repurchase arrangements (repo) and carry mark-up ranging between 6.23% to 7.14% per annum. The borrowings are due for repayment in July 2005 and are secured against the investment in available for sale securities (refer note 21.3.2 to these financial statements).

9. Liabilities against assets subject to finance lease

	2004			2003		
	Minimum lease payments	Financial charges for future period	Principal outstanding	Minimum lease payments	Financial charges for future period	Principal outstanding
	(Rupees in '000)					
Upto one year	-	-	-	48	3	45
Over one year to three years	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>	<u>3</u>	<u>45</u>

9.1 Nil (2003: Financing rates ranging from 17.04% to 18.60% per annum used as a discounting factor)

10. Certificates of deposits

	2004	2003
	(Rupees in '000)	
Local currency	996,064	343,856
Certificates due within one year shown as current maturity	<u>(996,064)</u>	<u>(343,856)</u>
	<u>-</u>	<u>-</u>

10.1 This represents deposits received by JSIBL from customers under registered Certificates of deposits in local currency. The maturity period ranges between one month to one year. The expected rate of return payable on the certificates ranges from 3.00% to 4.50% per annum (2003: 3.00% to 13.25% per annum).

11. Deferred tax liability

	2004	2003
	(Rupees in '000)	
Taxable temporary differences		
Unrealised gain on government securities	-	8,467
Difference in accounting and tax base of leased asset	-	12
Differences in accounting and tax bases of owned assets	-	523
Share of post acquisition reserves of associated companies 11.1	-	17,843
Deductible temporary differences		
Provision for non-performing loan	-	(64)
Difference in accounting and tax base of obligation under finance lease	-	(16)
Difference in accounting and tax base of deferred cost	-	-
	<u>-</u>	<u>26,765</u>

11.1 In ABAMCO, deferred tax liability of Rs. 17.84 million has been reversed as the same is not likely to reverse in view of the management's plans to dispose off the investments in future (proceeds on disposal being exempt from taxation under the Income Tax Ordinance, 2001).

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

The Holding Company has presently unavailed short term running finance facility under markup arrangement of Rs. 400.00 million from various banks at mark-up rate of 5.50% per annum against pledge of various shares. JSIBL have short term running finance facilities under mark-up arrangements in aggregate of Rs. 100.00 million (2003: Rs.1,675.00 million) from various banks at mark-up rate of 5.50% (2003: 5.50% to 8.00%) per annum. The arrangements are secured against pledge of various shares of listed companies held as investments having an aggregate fair value of Rs. 236.78 million (2003: pledge of various shares held as investments).

13. Borrowings from banks / NBFC's

Represents amount borrowed by JSIBL from banks / NBFC's and carry mark-up at rates ranging from 3.25% to 4.00% (2003: 3.05% to 12.00%) per annum.

14. Securities sold under repurchase agreements

It includes repos against PIBs, TFCs and shares of BSJS Balanced Fund Limited having a tenure of five days to three months with rates ranging from 1.80% to 6.20% per annum (2003: 2.25% to 9.10% per annum).

15. Creditors, accrued expenses and other liabilities	Note	2004 (Rupees in '000)	2003
Advance from customers	15.1	8,781	9,719
Creditors for sale of shares on behalf of clients		161,482	358,444
Creditors for purchase of shares		18,727	-
Accrued expenses		49,282	29,434
Accrued mark up		5,332	5,079
Accrued return on TFCs		9,729	7,603
Accrued return on COI's		6,333	3,231
Current portion of redeemable capital		400	200
Payable to directors		148	148
Provision for staff bonus		73,417	69,936
Liability in respect of fiduciary activities	17	9,386	-
Negative fair value of derivative financial instruments		-	3,489
Subscription received on banker to issue		213,657	-
Others		10,149	13,564
		<u>566,823</u>	<u>500,847</u>

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

16. Contingency and commitments

16.1 Contingency

In respect of income tax assessments of JSIBL	-	128,000
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Consolidated Notes to the Accounts

For the year ended June 30, 2004

	Note	2004 (Rupees in '000)	2003
16.2 Commitments			
- Commitments in respect of repurchase transactions		<u>1,410,629</u>	<u>1,007,601</u>
- Commitments in respect of guarantee		<u>-</u>	<u>50,000</u>
- Commitments in respect of resale transactions			
- Listed equity securities		<u>1,278,884</u>	<u>997,165</u>
- Other securities		<u>1,028,568</u>	<u>536,346</u>
- Commitments in respect of clean placements		<u>175,349</u>	<u>50,563</u>
- Commitments in respect of Underwriting		<u>523,000</u>	<u>135,000</u>
- Commitments in respect of Pre-Initial Public Offer (PIPO)		<u>65,000</u>	<u>160,000</u>
- Under the terms of agreement of ABAMCO Limited with Crosby Asset Management International Limited (CAMIL), ABAMCO Limited is required to acquire the membership of National Commodity Exchange Limited (previously held by the subsidiary of ABAMCO Limited) for Rs. 1.00 million within a period of three years from March 22, 2003. However, if ABAMCO Limited, after the expiry of 3 years, is legally not permitted to acquire the membership, then ABAMCO Limited will have to pay Rs. 1.00 million to CAMIL. CAMIL however will hold the membership in trust until such time that it becomes legally permissible to transfer the membership to ABAMCO Limited.			
- Commitment for the development of a software by ABAMCO Limited at June 30, 2004 amounted to Rs. 7.00 million.			

17. Fiduciary assets

At June 30, 2004, the details of assets held on behalf of clients in fiduciary capacity were as follows:

	Note	2004 (Rupees in '000)	2003
Amount received from the clients		<u>32,000</u>	-
Amount invested in carry over transactions:			
- Sui Southern Gas Company Limited		<u>(6,843)</u>	-
- Sui Northern Gas Pipelines Limited		<u>(10,923)</u>	-
- Dera Ghazi Khan Cement Limited		<u>(5,220)</u>	-
- Return earned on bank deposit / capital gain		<u>372</u>	-
Balance as on June 30, 2004	30.2	<u>9,386</u>	<u>-</u>

18. Fixed assets - at cost less accumulated depreciation

(Rupees in '000)

	Cost			Rate %	Depreciation		Written down value as at	
	As at July 1, 2003	Additions/ (disposal) adjustment	As at June 30, 2004		As at July 1, 2003	For the year/ (disposal) / adjustment	As at June 30, 2004	June 30, 2004
Owned								
Office premises	51,347	71,302 (13,635) -	109,014	5	21,163	5,545 (4,805) -	21,903	87,111
Office equipment	54,177	11,813 (10,330) 190	55,850	25	50,015	4,550 (10,218) 189	44,536	11,314
Office furniture	10,203	956 -	11,159	10	8,256	732 -	8,988	2,171
Motor vehicles	35,250	16,005 (5,277) -	45,978	20	15,301	8,768 (2,076) -	21,993	23,985
	150,977	100,076 (29,242) 190	222,001		94,735	19,595 (17,099) 189	97,420	124,581
Leased								
Office equipment	190	- - (190)	-	25	160	29 - (189)	-	-
	190	- - (190)	-		160	29 - (189)	-	-
June 30, 2004	151,167	100,076 (29,242) -	222,001		94,895	19,624 (17,099) -	97,420	124,581
June 30, 2003	140,339	21,908 (11,080) -	151,167		87,355	15,152 (7,613) -	94,895	56,272

Consolidated Notes to the Accounts

For the year ended June 30, 2004

18.1 Disposal of fixed assets

Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (loss)	(Rupees in '000)	
						Buyer's particulars	Mode of disposal
Vehicles							
Honda Civic	1,218	102	1,116	1,262	146	DCD-JS Factors (Private) Limited 1013, Chapal Plaza Hasrat Mohani Road, Karachi.	Negotiation
Suzuki khyber	228	110	118	205	87	Shabir Ahmed A-11,Block 9,Yaseenabad, F.B.Area, Karachi	Negotiation
Honda Civic	259	259	-	225	225	Mr. Hafiz Najamuddin 454/2, Street#2, Hussainabad Federal B Area, Karachi	Negotiation
Honda (Motorcycle)	66	58	8	50	42	Mr.Abdul Aziz B-33 Khatri Colony FMD Khan Road, Usmanabad Karachi	Negotiation
Honda (Motorcycle)	66	58	8	50	42	Mr. Mehboob Ali Kalyar House#316, Street #12, Block-C, Bhitaiabad Near Airport Karachi	Negotiation
Kawasaki (Motorcycle)	58	58	-	22	22	Mr. M. Kamran Sami House#2B-Hingorani Mension, Ratan Talao, Karachi	Negotiation
Yamaha (Motorcycle)	24	19	5	24	19	Mr. Kausar Rahim Lashari Flat#E-7,Islamic Arcade, University Road Karachi	Negotiation
Honda (Motorcycle)	57	57	-	31	31	Mr. Mohammad Nafees House # 55/9, Block3/B Landhi#4 Karachi	Negotiation
Honda (Motorcycle)	47	47	-	31	31	Mr. Mohammad Arshad A-301 3rd floor Chapal Garden Abulhasan Asfahani Road Karachi	Negotiation
Honda (Motorcycle)	42	42	-	28	28	Mr. Sabir Ali H# A-380, Block C, Hyderi North Nazimabad, Karachi	Negotiation
Honda (Motorcycle)	61	28	33	55	22	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi	Insurance Claim
Honda (Motorcycle)	71	20	51	52	1	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi	Insurance Claim
Honda Civic	1,156	694	462	462	-	Mr.Habib-ur-rehman Ex-CEO ABAMCO	Negotiation
Toyota Corolla	524	524	-	175	175	Mr.Abid Hasan Zuberi	Negotiation
Honda City	791	-	791	795	4	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi	Insurance Claim
Suzuki Cultus	609	-	609	609	-	EFU General Insurance Qamar House, M.A. Jinnah Road, P.O Box 5005, Karachi	Insurance Claim

							(Rupees in '000)
Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit/ (loss)	Buyer's particulars	Mode of disposal
Office Equipments							
IBM Wheelwriter Typewriter	30	30	-	8	8	S.E.S Business Systems 410,4th floor, Trade Towers Abdullah Haroon Road Karachi	Negotiation
Computer Accessories	9,999	9,999	-	25	25	Computer Research 10 / HH, First Floor, Block A, S.M.C.H.S, Karachi	Negotiation
Equipments	32	32	-	1	1	M/s K.B. Sarkar International Suite#3, Landmark Plaza, Opp. Jang Building, I.I. Chundrigar Road, Karachi.	Negotiation
Computer	269	157	112	112	-	Mr.Habib-ur-rehman (Ex-CEO of ABAMCO)	Negotiation
Office Premises							
Islamabad Property	13,635	4,805	8,830	15,800	6,970	Mr. Abrar Khan s/o M. Ashraf, House No. 294, Street No. 27, Sector F-11/2, Islamabad.	Negotiation
June 30, 2004	29,242	17,099	12,143	20,022	7,879		
June 30, 2003	11,080	7,613	3,467	8,758	5,291		

		2004	2003
		(Rupees in '000)	
19. Intangible assets - net			
Deferred cost	19.1	43,302	100
Amount paid for the management rights of ICP Mutual Funds	19.2	175,000	175,000
Amortisation			
- as of July 1, 2003		17,500	-
- During the year		17,500	17,500
		(35,000)	(17,500)
		183,302	157,600

19.1 This represents carrying value of membership cards of the Karachi Stock Exchange (Guarantee) Limited held by the Holding Company and JSCML, and membership cards of the Islamabad Stock Exchange (Guarantee) Limited held by the Holding Company and JSIBL.

19.2 This represents the amount paid by ABAMCO Limited to the Privatisation Commission, Government of Pakistan for the acquisition of the management rights of the twelve ICP Mutual Funds. Cost incurred for the acquisition of these rights is being amortised on a straight line basis over ten financial years from the year ended June 30, 2003. Details of this acquisition are given in note 21.3.2.2.

		2004	2003
		(Rupees in '000)	
20. Long term loans, term finance and deposits			
Long term loans - secured, considered good			
To executives	2,932	3,928	791
To employees		1,346	4,719
	20.1	4,278	4,719
Term finance	20.2	23,038	18,852
Other		72	12
		23,110	18,864
Current maturity		(5,653)	(12,306)
		21,735	11,277
Deposits	20.3	6,095	3,571
		27,830	14,848

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For the year ended June 30, 2004

20.1 This represents finance provided to executives and employees for purchase of property and for other purposes and are repayable over a maximum period of five years at mark-up rates ranging from nil to 10.00% per annum. Repayment is made on a monthly basis. These loans are secured against title documents of vehicles, equitable mortgage on property, employees' provident fund and personal guarantees.

20.2 This represents finances with maturities ranging from 1 to 3 years, at mark-up rates ranging from 7.00% to 11.00% (2003: 8.00% to 11.50%) per annum repayable in monthly and quarterly installments.

Borrower	Collateral	2004 (Rupees in '000)	2003
Khunja Textile Mills Limited (consortium loan)	First pari passu charge on BMR expansion related fixed assets and personal guarantee of the sponsors.	15,000	-
Pakcom Limited	First pari passu hypothecation charge over fixed assets with a 25.00% margin and an equitable charge over present and future receivables from Pakistan Telecommunication Limited to Pakcom Limited.	-	14,400
Individuals	Personal guarantees and promissory notes from borrowers, pledge of shares of listed companies, / units of open-ended schemes DSCs, mortgage of a property, hypothecation of fixed / movable assets, home appliances and jewellery.	8,038	4,452
		<u>23,038</u>	<u>18,852</u>

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

20.4 Maximum amount due from executives calculated with reference to the month end balance was Rs. 3.88 million (2003: Rs. 3.93 million).

21. Long term investments

		2004 (Rupees in '000)	2003
Investment in associates - unquoted shares	21.2	7,500	7,459
Available for sale			
- Quoted-shares	21.3.1	1,202,352	590,301
- Quoted - certificates / shares of mutual funds	21.3.2	986,175	433,758
- Unquoted-shares	21.3.3	40,350	1,586
		<u>2,228,877</u>	1,025,645
Held to maturity	21.4	2,386	2,022
		<u>2,238,763</u>	<u>1,035,126</u>

21.1 Includes investments of Holding Company pledged with Banks as follows:

- With Muslim Commercial Bank Limited, market value as at June 30, 2004 Rs. 144.25 million on account of TFCs issued by the Holding Company. Refer note 7.2 .
- With various banks, market value as at June 30, 2004 amounting to Rs. 214.75 million on account of short term running finances obtained by Jahangir Siddiqui Capital Markets (Private) Limited.

21.2 Investment in associates - unquoted shares

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

<u>Number of Shares</u>			<u>Carrying value</u>	
2004	2003		2004	2003
			(Rupees in '000)	
750,000	750,000	EFU Services (Private) Limited Equity held 37.50% (2003: 37.50%) Value based on net assets of Rs. 20.00 million (2003: 19.89 million)	7,459	7,451
		Chief Executive: Syed Mehdi Imam		
		Share of profits	41	8
			<u>7,500</u>	<u>7,459</u>

21.3 Available for sale

21.31 Quoted-Shares

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

<u>Number of Shares</u>			<u>2004</u>		2003
2004	2003		Average cost	Fair value	Fair value
			(Rupees in '000)		
3,296,975	3,037,250	EFU Life Assurance Limited (Equity held: 19.98%)	190,260	708,025	291,576
2,263,200	2,257,500	Tri-pack Films Limited (Equity held: 7.54%)	132,007	187,733	181,954
2,003,924	1,869,838	EFU General Insurance Company Limited (Equity held: 9.54%)	106,383	160,314	116,771
6,360,000	-	Pakistan International Container Terminal Limited (Equity held: 9.97%)	63,600	146,280	-
			<u>492,250</u>	<u>1,202,352</u>	<u>590,301</u>
		Unrealised gain on account of restatement to market value	710,102	-	-
			<u>1,202,352</u>	<u>1,202,352</u>	<u>590,301</u>

Consolidated Notes to the Accounts

For the year ended June 30, 2004

21.32 Quoted - certificates / shares of mutual funds

Number of Shares/ certificates			Note	2004		2003
2004	2003			Carrying value	Fair value	Fair value
				(Rupees in '000)		
19,050,660	14,187,847	BSJS Balanced Fund Limited	21.3.2.1	264,645	246,706	264,774
11,986,594	4,312,725	ABAMCO Capital Fund	21.3.2.2, 21.3.2.3 & 21.3.2.8	240,388	192,984	105,709
1,855,255	3,249,488	ABAMCO Stock Market Fund	21.3.2.2, 21.3.2.4 & 21.3.2.8	44,275	38,775	36,068
1,246,086	268,687	4th ICP Mutual Fund	21.3.2.6	57,751	43,738	16,870
49,358,790	-	ABAMCO Composite Fund	21.3.2.7	496,724	463,972	-
Rights entitlement						
-	176,175	1st ICP Mutual Fund		-	-	643
-	593,325	3rd ICP Mutual Fund		-	-	3,412
-	27,000	8th ICP Mutual Fund		-	-	182
-	769,500	11th ICP Mutual Fund		-	-	2,347
-	729,000	12th ICP Mutual Fund		-	-	1,786
-	567,000	15th ICP Mutual Fund		-	-	1,758
-	40,500	19th ICP Mutual Fund		-	-	107
-	37,125	20th ICP Mutual Fund		-	-	102
				1,103,783	986,175	433,758
Impairment on account of restatement to market value including gain / (loss) on certain investments				21.3.2.9	(117,608)	-
				986,175	986,175	433,758

21.3.2.1 Above 19.05 million shares include 10.62 million shares, which have been pledged by ABAMCO as follows:

	No. of shares
Against repurchase borrowings (notes 8.2 & 14)	4,270,000
Against demand finance facility from a bank (note 8.1)	6,348,600
	10,618,600

21.3.2.2 During the year ended June 30, 2003, ABAMCO had acquired certificates in 12 Mutual Funds of Investment Corporation of Pakistan (ICP) under a management rights transfer agreement dated October 11, 2002 between ABAMCO, ICP and the Privatisation Commission of the Government of Pakistan. Under this agreement ABAMCO is entitled to act as an investment advisor of these funds. An amount of Rs. 175.00 million was paid by ABAMCO for the purpose of above rights.

During the current year, ABAMCO, under schemes of arrangement for amalgamation, merged the above referred Mutual Funds of ICP funds (except the 4th ICP Mutual Fund as hereinafter discussed) into two separate funds. Under these schemes, the 1st, 3rd, 8th, 11th, 12th, 15th, 19th and 20th ICP Mutual Funds were amalgamated to form ABAMCO Capital Fund (ACF), a closed end scheme with Central Depository Company of Pakistan Limited as the trustee and ABAMCO Limited as the investment advisors. The paid-up capital of ACF after merger was Rs. 1.19 billion. The merger of these funds was approved by the certificate holders in their extra ordinary general meetings held on December 20, 2003 and the schemes of arrangement of amalgamation of these funds was authorised by the Securities and Exchange Commission of Pakistan (SECP) on January 20, 2004. The 21st, 23rd and 25th ICP Mutual funds were amalgamated into ABAMCO Stock Market Fund (ASMF), a closed end scheme with Muslim Commercial Financial Services (Private) Limited as the trustees and ABAMCO Limited as investment advisors. The paid-up capital of ASMF after merger was Rs. 500.00 million. The merger of these three funds were approved by the certificate holders in their extra ordinary general meetings held on November 1, 2003 and the schemes of arrangement of amalgamation of these funds was authorised by the SECP on December 31, 2003. The above two consolidated funds are separately listed on the Stock Exchanges.

The swap ratio for the consolidation of above funds (excluding the 4th ICP Mutual Fund) into two separate funds have been determined on the basis of net assets of respective ICP Mutual Fund as of June 30, 2003.

21.3.2.3 At June 30, 2004, 11.70 million certificates of ABAMCO Capital Fund were pledged as security against repurchase borrowings (refer note 8.2 to these financial statements).

21.3.2.4 At June 30, 2004, all the certificates of ABAMCO Stock Market Fund were pledged as security against repurchase borrowings (refer note 8.2 to these financial statements).

ABAMCO has approached the Privatisation Commission for the purchase of the remaining certificates of the above Mutual Fund, so as to have the requisite minimum holding of 10.00% of certificates issued by the fund (which ABAMCO is required to do so under the above stated management rights transfer agreement).

21.3.2.5 BSJS Balanced Fund ceased to be an associate of the company during the current year. Further, based on a legal opinion, ABAMCO Stock Market Fund, ABAMCO Capital Fund, ABAMCO Composite Fund, BSJS Balanced Fund and 4th ICP mutual fund are not associated undertakings of the Company as these are not managed by the Company.

21.3.2.6 ABAMCO is holding investment in 4th ICP Mutual Fund as an investment advisor as under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the holding company is required to maintain between 10 to 20% holding in the fund. At June 30, 2004, 1.141 million certificates had been pledged against repo borrowings. (Refer note 8.2 to these financial statements)

The certificate holders of the fourth ICP Mutual Fund in their extra ordinary general meetings held on December 20, 2003 had not approved the merger of the Fund into ABAMCO Capital Fund. The fund is expected to be re-organised as a closed-end trust under the scheme of arrangement for amalgamation to be managed under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, upon the completion of necessary statutory requirements. The above re-organisation would be subject to the approval of Securities and Exchange Commission of Pakistan.

21.3.2.7 During the year, ABAMCO floated a new closed end fund namely ABAMCO Composite Fund. The certificates were offered on May 14, 2004. The SECP has authorised the offer of certificates of ABAMCO Composite Fund under Rule 41 of the Non-Banking Finance Companies (Establishment & Regulation) Rules, 2003 vide letter dated April 16, 2004.

Consolidated Notes to the Accounts

For the year ended June 30, 2004

21.3.2.8 The corresponding figures (as of June 30, 2003) of ABAMCO Stock Market Fund and ABAMCO Capital Fund represents the cumulative figures of different ICP Mutual Funds which have now been consolidated in the above two funds.

21.3.2.9 This includes unrealised (loss) amounting to Rs. 5.02 million on account of mark to market of investments by JSIBL in accordance with the BSD Circular No. 20 dated August 4, 2000 issued by the State Bank of Pakistan.

21.3.3 Unquoted - shares

Number of Shares		Name of Companies	2004		2003
2004	2003		Average cost	Fair value	Fair value
-	125,000	Security General Insurance Limited Chief Executive: Syed Jawad Gillani	-	-	1,586
4,035,000	-	Universal Board and Industries Limited	40,350	40,350	-
			40,350	40,350	1,586

21.4 Held to maturity

	2004	2003
Defence Saving Certificates	2,386	2,022
	2,386	2,022

22. Deferred expenditure receivable - unsecured considered good

	2004	2003
Balance due from ABAMCO Composite Fund	30,000	-
Current maturity	(6,000)	-
	24,000	-

This represents expenditure incurred on the incorporation and flotation of ABAMCO Composite Fund. These expenses are recoverable from the fund over a period of five years in equal annual instalments of Rs. 6.00 million and do not carry any mark-up.

23. Deferred tax asset

	2004	2003
Taxable temporary differences		
Differences in accounting and tax bases of owned assets	(442)	-
Differences in accounting and tax bases of dividend receivable	(79)	-
Deductible temporary differences		
Unrealised loss on government securities	2,236	-
Difference in accounting and tax base of deferred cost	23	-
Provision for non-performing loan	4	-
Provision for compensated absences	83	-
	1,825	-

23.1 This represents net deferred tax asset recognised by JSCML and JSIBL. In respect of the holding company, deferred tax asset has not been recorded in view of uncertainty about the availability of taxable profits in the foreseeable future against which such losses could be utilised.

24. Negative goodwill

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

25. Trade debtors - unsecured

	Note	2004 (Rupees in '000)	2003
Considered Good			
Receivable against purchase of shares on behalf of clients		12,170	880,503
Receivable against sale of shares		10,883	-
Commission receivable		7,081	5,491
Advisory fee receivable		825	-
		<u>30,959</u>	<u>885,994</u>

25.1 Maximum amount due from directors and associated companies calculated with reference to month end balance was Rs. 37.65 million (2003: Rs. 57.97 million).

26. Advances, pre-payments and other receivables

Advances:			
- Taxation		34,164	67,244
- Staff		93	46
- For capital expenditure		11,114	-
- For KSE membership card		-	2,100
- Against unquoted shares	26.1	149,697	63,600
- Against TFC application		10,000	15,000
- Others		4,202	92
		<u>209,270</u>	<u>148,082</u>
Pre-payments		6,837	1,569
Current maturity of long term loans	20	1,293	1,378
Current maturity of deferred expenditure receivable	22	6,000	-
Due from BSJS Balanced Fund Limited (BBF)	26.2	23,570	11,822
Due from Unit Trust of Pakistan (UTP)	26.3	12,513	22,746
Due from UTP Income Fund	26.4	1,436	185
Due from UTP Islamic Fund	26.5	5,400	6,521
Due from ICP Mutual Funds	26.6	11,312	35,555
Due from ABAMCO Stock Market Fund	26.7	21,373	-
Due from ABAMCO Capital Fund	26.8	45,510	-
Due from ABAMCO Composite Fund	26.9	11,225	-
Profit receivable on bank deposits		1,212	291

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Note	2004 (Rupees in '000)	2003
Profit receivable on government securities	5,729	6,634
Profit receivable on US Dollar Bonds	137	-
Profit receivable on Term Finance Certificates	16,237	14,512
Profit receivable on short term loans	911	2,473
Profit receivable on fund placements	8,429	4,908
Dividend receivable	1,618	6,518
Recoverable from clients on accounts of expenses	1,009	-
Positive fair value of derivative financials instruments	2,763	-
Profit receivable on WAPDA Bonds	624	482
Other receivables	6,074	2,418
	<u>400,482</u>	<u>266,094</u>

26.1 This represents advance against share subscription amounting to Rs. 51.45 million paid by the holding company to Spell Telecommunications (Private) Limited, Rs. 5.75 million to DCD-JS Factors (Private) Limited, Rs. 30.00 million to Network Micro Finance Bank Limited and Rs. 62.50 million to Eye TV (Private) Limited.

26.2 ABAMCO Limited is an investment advisor to BBF (a close ended investment company). Remuneration due from BBF has been calculated at 2.00% of the average annual net assets of the fund (calculated on a monthly basis) under the Non-Banking Finance Companies (Establishment and Regulation) (NBFC) Rules 2003.

26.3 This includes remuneration and commission in the amounts of Rs. 10.47 million and Rs. 2.04 million respectively receivable by ABAMCO Limited from Unit Trust of Pakistan (UTP), an open ended unit trust scheme floated by ABAMCO Limited for services rendered as an asset management company. Remuneration from the above scheme for the current year has been recognised at 2.00% of the average annual net assets of the scheme determined on a weekly basis under the NBFC Rules, 2003. Commission is receivable at 2.00% of the net assets value of the scheme on sale of units by ABAMCO Limited.

26.4 ABAMCO Limited is entitled to a minimum remuneration of 3.00% per annum on the average annual net assets of the open ended scheme under the NBFC Rules, 2003, which amounts to Rs. 2.10 million. However, ABAMCO Limited has decided to waive the remuneration.

26.5 Remuneration has been recognised by ABAMCO Limited on the same basis as indicated in note 24.2 above, except that the same has been recognised at 3.00% of the average annual net assets of the scheme determined on a weekly basis.

26.6 Remuneration from 4th ICP mutual fund (closed ended fund) for services rendered by ABAMCO Limited as an investment advisor has been recognised at 2.00% of the net assets of the fund determined on a monthly basis in accordance with the provisions of NBFC Rules, 2003.

26.7 Remuneration from ABAMCO Stock Market Fund (closed ended fund) for services rendered by ABAMCO Limited as an investment advisor has been recognised at 2.00% of the average annual net assets of the fund determined on a monthly basis in accordance with the provisions of NBFC Rules, 2003.

26.8 Remuneration from ABAMCO Capital Fund (closed ended fund) for services rendered by ABAMCO Limited as an investment advisor has been recognised at 2.00% of the average annual net assets of the fund determined on a monthly basis in accordance with the provisions of NBFC Rules, 2003.

26.9 Remuneration from ABAMCO Composite Fund (closed ended fund) for services rendered by ABAMCO Limited as an investment advisor has been recognised at 2.00% of the average annual net assets of the fund determined on a monthly basis in accordance with the provisions of NBFC Rules, 2003.

27. Fund placements	Note	2004 (Rupees in '000)	2003
Securities purchased under resale obligation			
- Listed equity securities	27.1	1,276,375	990,508
- Other securities	27.2	1,026,436	523,481
		2,302,811	1,513,989
Clean placements	27.3	172,500	50,000
		2,475,311	1,563,989

27.1 These placements carry mark-up at rates ranging from 3.50% to 11.80% per annum (2003: 6.50% to 12.45% per annum).

27.2 These placements carry mark-up at rates ranging from 2.90% to 11.80% per annum (2003: 3.20% to 10.60% per annum). These are secured against PIBs purchased under resale agreements.

27.3 This placement carries mark-up at the rates ranging from 5.00% to 8.25% (2003: 4.50%) per annum.

28. Short term loans

Term loan			
- Considered good	28.1	81,590	196,460
- Considered doubtful		12	182
Discounted promissory notes - considered good	28.2	9,805	-
		91,407	196,642
Provision for non-performing loans		(12)	(182)
		91,395	196,460
Current maturity of term finance		4,360	10,956
		95,755	207,416

28.1 Represents loans provided by JSIBL for working capital finances, which carry mark-up at rates ranging from 7.75% to 13.00% (2003: 9.00% to 13.00%) per annum. These are secured by pledge of shares of listed companies, personal guarantees of the directors, property of the borrowers and hypothecation of stock.

28.2 Represents discounting of 10 promissory notes issued by a financial institution with a denomination of Rs. 1.00 million each. These have a tenor of nine months with effective yield of 5.04% per annum

29. Short term investments

Held for trading	29.2	1,150,685	1,296,989
Available for sale	29.3	1,802,106	1,398,975
		2,952,791	2,695,964

29.1 Includes investments of Holding Company pledged with Banks as follows:

- With Muslim Commercial Bank Limited, market value as at June 30, 2004 Rs. 606.86 million on account of TFCs issued by the Holding Company. Refer note 7.2 .
- With various banks, market value as at June 30, 2004 amounting to Rs. 188.06 million on account short term running finances obtained by Jahangir Siddiqui Capital Markets (Private) Limited.

Consolidated Notes to the Accounts

For the year ended June 30, 2004

29.2 Held for trading	Note	2004	2003
		(Rupees in '000)	
Quoted			
- Shares	29.2.1	611,206	980,210
- Term Finance Certificates	29.2.2	160,177	100,140
Government securities	29.2.3	379,302	216,639
		<u>1,150,685</u>	<u>1,296,989</u>

29.2.1 Quoted-Shares

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

Number of Shares		Name of Companies	2004		2003
2004	2003		Average cost	Fair value	Fair value
			(Rupees in '000)		
Modaraba					
89,000	-	First Punjab Modaraba	1,253	1,268	-
Investment Companies and Banks					
4,927,000	-	Union Bank Limited	128,217	135,492	-
1,875,000	-	The Bank of Punjab	92,092	97,875	-
-	3,895,325	Muslim Commercial Bank Limited	-	-	146,269
-	2,000,000	Pakistan Industrial Credit and Investment Corporation	-	-	57,600
-	25,850	National Bank of Pakistan	-	-	705
Textile Composite					
-	5,005,000	Nishat Mills	-	-	175,425
Cement					
1,498,042	1,498,025	D. G. Khan Cement Limited - Preference shares	15,317	15,954	14,980
Refinery					
-	1,411,900	Attock Refinery	-	-	134,907
Power Generation & Distribution					
-	1,823,500	The Hub Power Company Limited	-	-	69,111
Oil and Gas Marketing Companies					
50,000	-	Sui Southern Gas Company Limited	1,770	1,640	-
Oil & Gas Exploration Companies					
-	100,000	Pak Oil Field Limited	-	-	22,520

Number of Shares		Name of Companies	2004		2003
2004	2003		Average cost	Fair value	Fair value
(Rupees in '000)					
Engineering					
-	178,500	Crescent Steel & Allied Products Limited	-	-	14,816
Transport					
177,000	-	Pakistan National Shipping Corporation	9,919	9,691	-
2,500,000	-	Pakistan International Airlines	50,000	44,750	-
Technology and Communication					
1,350,000	6,300,000	Pakistan Telecommunication Company Limited	58,858	56,903	179,235
9,350,000	-	TRG Pakistan (Rights)	-	59,372	-
Fertilizers					
590,000	1,550,000	Engro Chemical Pakistan Limited	59,122	57,526	134,617
1,100,000	200,000	Fauji Fertilizer Company Limited	134,107	130,735	17,410
Food and Personal Care Products					
-	9,520	*Unilever Pakistan Limited	-	-	12,615
			550,655	611,206	980,210
Unrealised gain on account of restatement to market value			60,551	-	-
			611,206	611,206	980,210

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

29.2.2 Quoted-Term Finance Certificates

No. of Certificates		Name of Companies	Profits				2004	2003	
2004	2003		Repayment frequency	Rates %	Face value (Rupees in '000)	Maturity date	Average Cost	Fair value	Fair value
(Rupees in '000)									
-	600	Nishat Mills Limited	Semi annually	13.00	2,998	19-09-2005	-	-	3,000
20	104	Engro Chemical Pakistan Limited (2nd Issue)	Semi annually	11.00	520	05-07-2007	101	100	530
4,730	4,075	World Call Communications Limited	Semi annually	12.25	20,371	30-09-2007	24,637	25,400	20,375
3,260	3,460	Bank Al-Falah Limited II	Semi annually	10.00	17,297	19-12-2008	18,784	19,152	19,940
-	300	Orix Leasing Pakistan Limited (2nd Issue)	Semi annually	10.00	1,500	21-07-2006	-	-	1,504
2,040	2,040	National Development Leasing Corporation	Semi annually	17.00	6,793	01-12-2004	3,508	10,200	10,200
3,170	5,000	Union Bank Limited 1	Semi annually	11.00	24,995	21-06-2008	17,873	18,703	25,000

Consolidated Notes to the Accounts

For the year ended June 30, 2004

No. of Certificates		Name of Companies	Profits				2004		2003
2004	2003		Repayment frequency	Rates %	Face value (Rupees in '000)	Maturity date	Average Cost	Fair value	Fair value
(Rupees in '000)									
3,333	-	Union Bank Limited 2	Semi annually	6.09	16,665	20-01-2011	16,665	16,665	-
-	1,000	Securitel SPV Limited	Quarterly	12.00	5,000	27-03-2006	-	-	5,000
4,000	1,000	Trust Leasing Limited 2	Semi annually	9.50	5,000	03-06-2008	20,000	20,000	5,000
-	740	Network Leasing Corporation Limited	Semi annually	16.25	3,696	04-10-2005	-	-	3,700
-	330	Muslim Commercial Bank Limited	Semi annually	11.75	1,650	10-02-2008	-	-	1,683
650	800	Union Leasing Limited	Semi annually	14.50	3,998	19-04-2005	3,406	3,477	4,208
60	-	Dewan Salman Fibres Limited	Semi annually	16.00	150	22-06-2005	154	310	-
1,263	-	Al Zamin Leasing	Monthly	8.00	6,315	24-12-2008	6,315	6,315	-
1,000	-	Dawood Leasing Corporation Limited	Semi annually	13.50	5,000	12-09-2006	6,136	5,000	-
900	-	Packages Limited	Quarterly	13.50	4,500	15-01-2005	4,796	4,500	-
1,200	-	First Oil & Gas Securitization (Pre-IPO)	Monthly	10.50	4,961	02-08-2006	5,077	5,650	-
4,236	-	Pakistan PTA Limited	Semi annually	8.00	17,636	02-08-2006	18,165	21,765	-
560	-	Shah Murad Sugar Mills Ltd.	Semi annually	15.50	1,866	21-05-2006	1,922	2,940	-
							147,539	160,177	100,140
Unrealised gain on account of remeasurement to fair value							12,638	-	-
							160,177	160,177	100,140

29.2.3 Government securities

Pakistan Investment Bonds	388,452	379,302	216,639
Unrealised loss on account of remeasurement to fair value	(9,150)	-	-
	379,302	379,302	216,639

29.3 Available for sale

Quoted			
- Shares	29.3.1	486,409	326,659
- Certificates of mutual funds	29.3.2	646,891	172,229
- Term Finance Certificates	29.3.3	480,744	492,897
Unquoted			
- Shares	29.3.4	3,480	1,375
- Term Finance Certificates	29.3.5	98,232	-
		101,712	1,375
Wapda bonds			
	29.3.6	50,750	38,105
Government securities			
	29.3.7	35,600	367,710
		1,802,106	1,398,975

29.3.1 Quoted - shares

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

Number of Shares		Name of Companies	2004		2003
2004	2003		Average cost	Fair value (Rupees in '000)	Fair value
Leasing Companies					
2,375,145	2,362,645	Orix Leasing Pakistan Limited	62,458	86,099	82,693
Investment Companies and Banks					
975,000	975,000	Prudential Discount & Guarantee House Limited	195	2,243	1,560
Insurance					
-	234,037	EFU General Insurance Company Limited	-	-	14,616
Textile Spinning					
2,315,500	2,330,500	Umer Fabrics Limited	59,734	79,885	95,550
191,990	110,500	Dewan Khalid Textile Mills Limited	7,438	10,559	7,625
Textile Composite					
8,200,940	5,203,440	Azgard Nine Limited (previously Legler-Nafees Denim Mills Ltd.)	89,260	184,521	80,913
Sugar & Allied Industries					
1,363,500	-	Al-Abbas Sugar Mills Limited	44,196	88,628	-
Engineering					
3,100	-	Dadex Eternit	119	141	-
Cables & Electrical Goods					
1,122,000	1,122,000	Singer Pakistan Limited	28,050	34,333	43,702
			291,450	486,409	326,659
		Unrealised gain on account of restatement to market value	194,959	-	-
			486,409	486,409	326,659

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For the year ended June 30, 2004

29.3.2 Quoted - Certificates of mutual funds

Number of Shares		Name of Companies	2004		2003
2004	2003		Average cost	Fair value (Rupees in '000)	Fair value
Mutual Funds					
-	310,000	1st ICP Mutual Fund	-	-	5,192
-	30,000	3rd ICP Mutual Fund	-	-	600
317,500	120,000	4th ICP Mutual Fund*	9,725	11,144	4,908
-	70,000	8th ICP Mutual Fund	-	-	1,767
-	360,000	11th ICP Mutual Fund	-	-	6,912
-	450,000	12th ICP Mutual Fund	-	-	6,975
-	20,000	15th ICP Mutual Fund	-	-	312
-	30,000	19th ICP Mutual Fund	-	-	555
-	90,000	20th ICP Mutual Fund	-	-	1,629
-	420,000	21st ICP Mutual Fund	-	-	3,045
-	900,000	23rd ICP Mutual Fund	-	-	6,030
-	540,000	25th ICP Mutual Fund	-	-	7,587
10,322,426	-	ABAMCO Capital Fund*	137,714	166,191	-
2,717,700	-	ABAMCO Stock Market Fund*	43,820	56,800	-
8,558,802	-	ABAMCO Composite Fund*	85,738	80,453	-
4,900,000	-	BSJS Balanced Fund Limited*	45,202	63,455	-
163,700	162,700	UTP Income Fund*	83,354	88,111	89,173
5,000	5,000	UTP Islamic Fund*	2,500	3,436	2,920
249,546	246,831	Dawood Money Market Fund**	25,000	26,775	25,119
1,500,000	-	Crosby Dragon Fund	150,000	150,526	-
Rights entitlement					
-	418,500	1st ICP Mutual Fund	-	-	670
-	40,500	3rd ICP Mutual Fund	-	-	202
-	161,325	4th ICP Mutual Fund	-	-	2,420
-	94,500	8th ICP Mutual Fund	-	-	756
-	486,000	11th ICP Mutual Fund	-	-	3,402
-	607,500	12th ICP Mutual Fund	-	-	1,215
-	16,875	15th ICP Mutual Fund	-	-	34
-	40,500	19th ICP Mutual Fund	-	-	202
-	120,825	20th ICP Mutual Fund	-	-	604
			583,053	646,891	172,229
		Unrealised gain on account of restatement to market value	63,838	-	-
			646,891	646,891	172,229

(*) Face value of certificates of UTP Income Fund and UTP Islamic Fund is Rs. 500 each. Based on a legal opinion, ABAMCO Stock Market Fund, ABAMCO Capital Fund, ABAMCO Composite Fund, BSJS Balanced Fund, UTP Income Fund, UTP Islamic Fund and 4th ICP Mutual Fund are not associated undertakings of the Company as these are not managed by the Company.

(**) Face value of certificates of Dawood money market fund is Rs. 100 each.

29.3.3 Quoted-Term Finance Certificates

No. of Certificates		Name of Companies	Profits			2004		2003	
2004	2003		Repayment frequency	Rates %	Face value (Rupees in '000)	Maturity date	Average Cost	Fair value	Fair value
(Rupees in '000)									
5,000	-	Al-Zamin Leasing Modaraba	Semi annually	8.00%	25,000	09-01-2004	25,000	25,250	-
2,500	1,075	Atlas Investment Bank Limited	Semi annually	15.00%	12,500	27-09-2005	6,245	6,620	11,562
8,117	8,117	Bank Alfalah Limited	Semi annually	10.00% to 15.50%	40,585	19-12-2008	43,589	45,834	46,319
541	541	Crescent Leasing Corporation Limited	Semi annually	12.00% to 15.75%	2,705	05-09-2007	2,705	2,813	2,769
1,000	-	Crescent Standard Investment Bank Limited	Semi annually	10.50% to 13.50%	5,000	08-07-2007	4,999	5,149	-
3,000	1,100	First Dawood Investment Bank Limited - 1st Issue	Semi annually	13.50% to 17.50%	15,000	12-09-2006	14,950	16,900	17,676
2,527	2,527	First Dawood Investment Bank Limited - 2nd Issue	Semi annually	12.25% to 16.25%	12,635	27-07-2007	12,635	14,278	15,158
1,494	-	First Oil and Gas Securitisation Company Limited	Monthly	10.50% to 14.50%	2,700	04-12-2006	2,310	2,390	-
-	50	Engro Ashai Polymer and Chemical Limited	Semi annually	13.00% to 17.00%	5,000	15-06-2006	-	-	5,833
1,100	1,100	Engro Chemical Pakistan Limited	Semi annually	11.00% to 15.00%	5,500	07-07-2007	5,496	5,935	6,381
1,220	1,220	Gulistan Textiles Mills Limited	Semi annually	14.00% to 17.50%	27,000	05-09-2006	22,482	24,506	30,513
2,000	-	Ittehad Chemicals Limited	Semi annually	7.00% to 12.00%	10,000	27-06-2008	9,996	10,396	-
1,818	1,818	KASB Bank Limited	Semi annually	11.50% to 14.50%	9,090	15-01-2008	9,086	9,359	9,608
292	292	Maple Leaf Cement Factory Limited	Semi annually	15.25% to 17.70%	1,460	19-07-2007	1,216	1,338	1,466
3,400	3,400	Muslim Commercial Bank Limited	Semi annually	11.75% to 15.75%	17,000	10-08-2007	16,990	19,368	20,214
350	350	NDFC-IFIC Bank Limited	Semi annually	17.00%	35,000	01-12-2004	11,650	12,233	25,909
634	50	Network Leasing Corporation Limited	Semi annually	16.25%	7,920	04-10-2005	3,746	4,008	8,682
334	334	Nishat Mills Limited	Semi annually	13.00% to 17.00%	33,325	19-09-2005	24,974	26,972	35,680
1,100	4,000	Orix Leasing Pakistan Limited	Semi annually	10.00% to 13.00%	5,500	31-07-2007	5,500	5,940	22,316
-	30	Pakistan Industrial Leasing Corporation Limited -2nd Issue	Semi annually	15.60%	3,000	02-03-2004	-	-	1,045
4,000	6,000	Pakistan International Airline Corporation	Semi annually	7.40% to 7.50%	20,000	20-02-2011	19,997	20,800	32,400

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No. of Certificates		Name of Companies	Profits				2004		2003	
2004	2003		Repayment frequency	Rates %	Face value (Rupees in '000)	Maturity date	Average Cost	Fair value	Fair value	
(Rupees in '000)										
10,035	503	Pakistan PTA Limited	Semi annually	7.93%	50,175	02-08-2006	41,779	43,032	50,020	
1,494	-	Pakistan Services Limited	Semi annually	9.75% to 13.75%	7,470	12-09-2008	7,469	7,469	-	
-	50	Paramount Leasing Limited - 1st Issue	Semi annually	16.25%	5,000	28-06-2004	-	-	3,878	
1,310	1,310	Paramount Leasing Limited - 2nd Issue	Semi annually	11.50% to 14.50%	6,550	07-02-2007	6,547	6,678	6,844	
1,500	1,500	Reliance Weaving Mills Limited	Semi annually	15.25% to 17.50%	7,500	07-02-2007	6,429	7,136	8,693	
2,000	2,000	Securitel S.P.V. Limited	Quarterly	11.50% to 16.00%	10,000	27-03-2006	5,833	6,125	9,900	
-	2,000	Security Leasing Corporation Limited - 1st Issue	Semi annually	14.75% to 17.50%	10,000	29-12-2005	-	-	11,267	
-	854	Security Leasing Corporation Limited - 2nd Issue	Semi annually	11.50% to 15.50%	4,270	09-01-2007	-	-	4,400	
461	461	Sitara Chemical Industries Limited	Semi annually	12.00%	2,305	20-06-2007	2,305	2,443	2,425	
1,268	1,211	Sui Southern Gas Company Limited - 1st Issue	Semi annually	13.00% to 18.00%	6,340	01-06-2006	4,223	4,603	7,025	
1,500	4,000	Sui Southern Gas Company Limited - 2nd Issue	Semi annually	11.50% to 16.00%	7,500	04-06-2007	7,494	8,168	22,187	
2,000	2,000	Trust Leasing Corporation Limited	Semi annually	9.00% to 14.00%	10,000	03-06-2008	9,875	10,171	10,000	
6,213	3,213	Union Bank Limited - 1st Issue	Semi annually	11.00% to 15.50%	31,065	21-06-2008	33,660	34,772	18,498	
5,000	-	Union Bank Limited - 2nd Issue	Semi annually	5.00% to 10.75%	25,000	15-12-2004	25,000	25,000	-	
3,000	3,000	Union Leasing Limited	Semi annually	14.50% to 16.75%	15,000	19-04-2005	14,988	15,588	15,775	
9,000	5,000	Worldcall Communications Limited	Semi annually	12.50% to 16.25%	45,000	30-09-2007	47,303	49,470	28,454	
							456,471	480,744	492,897	
Unrealised gain on account of restatement to market value							24,273	-	-	
							480,744	480,744	492,897	
29.3.4 Unquoted - shares										
Number of Shares		Name of Company								
2004	2003		2004		2003					
(Rupees in '000)										
387,791	184,662	Security General Insurance Limited Equity held 3.87% (2003: 1.85%) Net assets as at 31 December 2003: Rs. 173.72 million (2002: Rs.132.58 million)					3,480		1,375	
Chief Executive: Mr. Manzar Mushtaq										
							3,480		1,375	

29.3.5 Unquoted- Term Finance Certificates

No. of Certificates		Name of Companies	Profits		Face value (Rupees in '000)	Maturity date	2004	2003
2004	2003		Repayment frequency	Rates %			Average Cost	Average Cost
(Rupees in '000)								
10,000		- Al Abbas Sugar Mills Limited	Semi annually	6.00% to 13.00%	50,000	04-07-2008	44,737	-
5,700		- Pakistan Mobile Communication	Semi annually	6.00% to 12.00%	28,500	16-09-2008	28,500	-
5,000		- Trust Commercial Bank Limited	Semi annually	3 yrs PIB cutoff yield + 3.00% p.a	25,000	01-12-2004	24,995	-
							<u>98,232</u>	<u>-</u>

29.3.6 WAPDA bonds

2004	2003	Name of Companies	Repayment frequency	Rates %	Face value	Maturity date	2004	2003
							Average Cost	Fair value
(Rupees in '000)								
10,000	7,600	Water and Power Development Authority - 10th issue	Semi annually	7.25	50,000	29-04-2008	50,750	38,105

29.3.7 Government securities

Pakistan Investment Bonds	35,660	35,600	367,710
Decrease in investments on account of restatement to market value	(60)	-	-
	<u>35,600</u>	<u>35,600</u>	<u>367,710</u>

30. Cash and bank balances

		2004	2003
(Rupees in '000)			
Cash with bank			
on current accounts			
- Local currency	30.1	12,455	11,484
- Foreign currency		673	677
		<u>13,128</u>	<u>12,161</u>
on deposit accounts			
- Local currency	30.2	356,074	24,714
- Foreign currency		1,126	1,349
		<u>357,200</u>	<u>26,063</u>
Cash in hand			
		125	51
		<u>370,453</u>	<u>38,275</u>

30.1 This includes an amount of Rs. 2.37 million (2003: Rs. 2.37 million) deposited by JSIBL with the State Bank of Pakistan as required under the relevant provisions of the State Bank of Pakistan's Prudential Regulations to meet the additional reserve requirement of 1.00 percent of certain specified liabilities.

30.2 This include Rs. 9.38 million held on behalf of clients in respect of fiduciary activities. Also refer note 17 to these financial statements.

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For the year ended June 30, 2004

		2004	2003
		(Rupees in '000)	
31. Operating revenue			
Brokerage and other operating revenue	31.1	129,415	129,484
Consultancy and advisory fee	31.2	65,232	30,263
Return on fund placement with financial institutions	31.3	12,692	12,766
Dividend income		73,972	86,510
Underwriting commission		24,076	4,141
Remuneration from BSJS Balanced Fund Limited (BBF)		23,570	11,822
Remuneration from Unit Trust of Pakistan (UTP)		57,835	25,330
Remuneration from ICP Mutual Funds		11,312	35,555
Remuneration from UTP - Islamic Fund		21,224	5,637
Remuneration from ABAMCO Stock Market Fund		21,372	-
Remuneration from ABAMCO Capital Fund		45,510	-
Remuneration from ABAMCO Composite Fund		11,225	-
Commission from UTP - Income Fund		7,116	3,273
Commission from UTP - Islamic Fund		6,188	3,345
Commission from UTP		22,268	14,597
		<u>533,007</u>	<u>362,723</u>

31.1 This is net of profit paid on repo transactions arising from TFCs, PIBs, Tbills, and FIBs amounting to Rs. 15.69 million (2003: Rs. 21.02 million) and includes profit earned on reverse repo transactions of TFCs, PIBs, Tbills and FIBs amounting to Rs. 11.46 million (2003: Rs. 8.56 million).

31.2 Includes trusteeship fee of Rs. 2.69 million (2003: Rs. 1.04 million) received by JSIBL as trustees on behalf of Term Finance Certificate holders of various companies.

31.3 This is net of Rs. 0.29 million (2003: 2.27 million) which have been offset against mark-up on borrowings from banks / NBFIs.

		2004	2003
		(Rupees in '000)	
32. Capital gain / (loss) on investments - net			
Net gain / loss on sale of held for trading / available for sale investments		684,498	368,684
Income from reverse repurchase transactions of listed equity securities		44,787	29,352
		<u>729,285</u>	<u>398,036</u>

33. Operating expenses

Salaries and benefits		124,282	103,594
Provident fund		1,989	839
Directors' remuneration		31,640	42,172
Directors' provident fund		908	309
Auditors' remuneration	33.1	2,522	1,310
Printing and stationery		8,180	4,349
Communication		10,610	5,207
Consultancy fee		4,149	1,976
Royalty fee		9,658	2,300
Rent, rates and taxes		4,652	3,648
Vehicle running		4,166	3,239
Utilities		5,381	3,547
Amortisation of intangible assets		17,500	17,500
Legal and professional charges		6,668	9,351

		2004	2003
		(Rupees in '000)	
Insurance		6,438	5,009
Newspapers and periodicals		194	218
Entertainment		2,111	910
Advertisement		13,532	11,538
Office supplies		969	661
Depreciation	18	19,624	15,152
Fees and subscription		7,738	8,318
Conveyance and traveling		8,174	5,034
Repairs and maintenance		2,997	2,414
Computer expenses		6,808	7,879
Donations	33.2	22,735	12,684
Provision for doubtful debts		-	-
KSE clearing house and CDC charges		16,482	10,918
Office security		2,997	1,108
Zakat		-	403
Stamp charges		-	194
Others		6,647	1,401
		<u>349,751</u>	<u>283,182</u>

33.1 Auditors' remuneration includes the following:

	Auditors of Holding Company	Auditors of subsidiary Companies	2004	2003
			(Rupees in'000)	
Annual audit fee	130	518	648	679
Other services	195	1,580	1,775	557
Out of pocket expenses	25	74	99	74
	<u>350</u>	<u>2,172</u>	<u>2,522</u>	<u>1,310</u>

33.2 This includes donation amounting to Rs. 13.92 million to Siddiqui Foundation in which Mr. Ali Jehangir Siddiqui and Mr. Munaf Ibrahim are directors. None of the directors or their spouses have any interest in any other donee's fund to which donation was made.

34. Financial and other income

Return on local currency deposits		7,672	2,802
Return on foreign currency deposits		4	2
Profit on TFCs		73,734	56,883
Profit on government securities		27,350	22,739
Profit on DSCs		365	309
Profit on WAPDA bonds		831	3,119
Profit on loan to staff		1,401	456
Income from short term loans		7,014	29,080
Preliminary and pre-operating expenses written off		(55)	(37)
Exchange loss		11	(697)
Profit on sale of fixed assets	18.1	7,879	5,291
Rent income		823	1,690
Others		6,171	5,518
		<u>133,200</u>	<u>127,155</u>

Consolidated Notes to the Accounts

For the year ended June 30, 2004

	2004	2003
	(Rupees in '000)	
35. Financial charges		
Mark up on borrowings from NBFC's	27,505	53,591
Mark up on bank financing	12,193	19,517
Mark up on TFCs	39,706	8,458
Provision for NPL	(170)	-
Lease finance charges	3	248
Return on Certificates of Investment	24,106	24,819
Others	584	633
	<u>103,927</u>	<u>107,266</u>

36. Taxation

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

The income tax assessments of the Holding Company have been finalised upto and including tax year 2003.

36.2 In respect of JSIBL, the income tax assessments upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002 have been finalised. Income tax return for the tax year 2003 have been filed and is deemed to be assessed under section 120 of the Income Tax Ordinance, 2001.

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

36.4 In respect of JSCML, the income tax assessments have been finalised upto and including tax year 2003, under section 120 of the Income Tax Ordinance, 2001.

36.5 Relationship between accounting profit and tax expense

Group accounting profit	978,659	705,149
Statutory tax charge on accounting profits:		
- Holding Company @ 35.00% (2003: 35.00%)	269,106	152,437
- JSIBL @ 35.00% (2003: 35.00%)	156,678	80,172
- ABAMCO @ 41.00% (2003: 43.00%)	70,148	81,937
- JSCML @ 41.00% (2003: 43.00%)	27,162	(106)
	<u>523,094</u>	<u>314,440</u>
Tax effect of permanent differences	(449,425)	(200,019)
Tax effect of inadmissible expenses	23,610	6,187
Effect of tax on income for separate consideration	(11,218)	(70,427)
Minimum tax under section 113 of Income Tax Ordinance, 2001	539	938
Prior years' tax reversal	541	269
Net effect of deferred tax liability arising due to deductible temporary differences	(18,090)	455
Net charge for the year	<u>69,051</u>	<u>51,843</u>

	2004	2003
	(Rupees in '000)	
37. Earnings per share - basic and diluted		
Profit for the year	<u>680,259</u>	<u>550,975</u>
	Number of shares	
	(Adjusted)	
Weighted average ordinary shares in issue during the year	<u>32,385,349</u>	<u>27,112,500</u>
	(Rupees)	
	(Adjusted)	
Earnings per share	<u>21.01</u>	<u>20.32</u>

37.1 The earning per share and the weighted average ordinary shares for the year ended June 30, 2003 has been adjusted for the effect of right shares of 40.00% .The earnings per share and the weighted average ordinary shares reflected in the financial statements of June 30, 2003 (without considering the effect of right issue of 40.00% for 2003) were Rs. 22.04 per share and 25.00 million shares respectively.

	2004	2003
	(Rupees in '000)	
38. Cash and cash equivalents		
Cash and bank balances	370,453	38,275
Borrowings from banks / NBFIs	(300,000)	(751,000)
Short term running finance under mark-up arrangements	-	(1,171,713)
	<u>70,453</u>	<u>(1,884,438)</u>

39. Segment results

Primary segment information

For financial reporting purposes the group has identified four major business segments:

Money market operations

Principally providing money market, trading and treasury services, as well as management of the group's funding operations by use of treasury bills, government securities and placements and acceptances with other companies, through treasury and wholesale banking.

Capital market operations

Principally engaged in dealing equity instruments of entities listed on the stock exchange.

Investment advisory / asset management

Principally providing investment advisory and asset management services to different mutual funds and unit trusts.

Agency and other business

Principally engaged in providing equity, fixed income and currency brokerage, research and corporate finance.

Consolidated Notes to the Accounts

For the year ended June 30, 2004

	Money market operations		Capital market operations		Investment advisory / asset management		Agency and other business		Total	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
----- (Rupees in '000) -----										
Total revenue (including unrealised gain on remeasurement of held for trading investments)	8,462	306	832,969	520,486	227,620	99,559	222,953	176,348	1,292,004	796,699
Financial and other income	108,463	109,011	831	3,119	-	-	23,906	15,025	133,200	127,155
Segment revenue	116,925	109,317	833,800	523,605	227,620	99,559	246,859	191,373	1,425,204	923,854
Less: Allocable expenses	25,209	31,604	179,764	151,376	49,074	28,783	53,222	55,327	307,269	267,090
Less: Financial charges	12,781	18,527	91,146	88,739	-	-	-	-	103,927	107,266
Segment result	78,935	59,186	562,890	283,490	178,546	70,776	193,637	136,046	1,014,008	549,498
Less: Unallocable expenses									35,390	16,092
Add: Share of profit from associated companies / gain on disposal of shareholding in a subsidiary company									41	171,028
Negative goodwill / (goodwill) - net									-	715
Profit before taxation	78,935	59,186	562,890	283,490	178,546	70,776	193,637	136,046	978,659	705,149
Tax charge for the year									(69,051)	(51,843)
Net profit for the period before minority interest									909,608	653,306
Segment assets	2,514,016	2,011,728	5,517,612	3,614,990	302,339	234,329	21,085	885,994	8,355,052	6,747,041
Unallocated corporate assets									521,707	125,389
Total assets									8,876,759	6,872,430
Depreciation / amortization	1,610	1,793	11,481	8,588	20,634	19,133	3,399	3,138	37,124	32,652
Capital expenditure	8,210	2,592	101,750	12,417	15,983	2,361	17,335	4,538	143,278	21,908

40. Financial instruments and related disclosures

40.1 Interest rate risk exposure

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

June 30, 2004	Interest / markup bearing					Non Interest / markup bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
Financial assets							
Cash and bank balances	357,200	-	-	-	-	13,253	370,453
Short term investments	185,565	505,403	75,370	428,255	-	1,758,198	2,952,791
Short term loans	-	10,787	84,656	-	-	312	95,755
Fund placements	502,964	1,560,334	7,500	-	-	404,513	2,475,311
Advances and other receivables	-	10,000	587	-	-	339,845	350,432
Trade debtors	-	-	-	-	-	30,959	30,959
Long term loans, term finance and deposits	-	10,787	206	21,049	58	6,489	38,589
Long term investments	-	-	-	-	2,386	2,228,877	2,231,263
	1,045,729	2,097,311	168,319	449,304	2,444	4,782,446	8,545,553
Average interest rates	5.25%	8.20%	8.26%	11.01%	18.03%		

	(Rupees in '000)						
	Interest / markup bearing					Non Interest / markup bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
Financial liabilities							
Dividend payable	-	-	-	-	-	2,284	2,284
Short term running finance under mark-up arrangement	-	-	-	-	-	-	-
Borrowings from banks / NBFC's	300,000	-	-	-	-	-	300,000
Redeemable capital	-	-	-	250,600	748,800	-	999,400
Long term loan	-	-	25,000	416,145	-	-	441,145
Certificates of investment	-	967,500	28,564	-	-	-	996,064
Securities sold under repurchase agreements	1,290,249	7,600	105,781	-	-	-	1,403,630
Creditors, accrued expenses and other liabilities	-	8,781	400	-	-	559,036	568,217
Proposed dividend	-	-	-	-	-	52,500	52,500
	<u>1,590,249</u>	<u>983,881</u>	<u>159,745</u>	<u>666,745</u>	<u>748,800</u>	<u>613,820</u>	<u>4,763,240</u>
Average interest rates	3.20%	3.75%	3.12%	5.79%	5.95%		
Balance sheet gap - 2004	<u>(544,520)</u>	<u>1,113,430</u>	<u>8,574</u>	<u>(217,441)</u>	<u>(746,356)</u>	<u>4,168,626</u>	<u>3,782,313</u>

	(Rupees in '000)						
	Interest / markup bearing					Non Interest / markup bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
June 30, 2003							
Cash and bank balances	26,063	-	-	-	-	12,212	38,275
Short term investments	722,594	492,897	-	-	-	1,480,473	2,695,964
Short term loans	-	109,960	97,456	-	-	-	207,416
Fund placements	-	573,481	-	-	-	990,508	1,563,989
Advances and other receivables	-	15,000	-	-	-	183,850	198,850
Trade debtors	-	-	-	-	-	885,994	885,994
Long term loans, term finance and deposits	-	-	-	1,720	9,135	3,993	14,848
Long term investments	-	-	-	-	2,022	658,073	660,095
	<u>748,657</u>	<u>1,191,338</u>	<u>97,456</u>	<u>1,720</u>	<u>11,157</u>	<u>4,215,103</u>	<u>6,265,431</u>
Average interest rates	9.25%	9.04%	12.25%	10.00%	11.97%		

	(Rupees in '000)						
	Interest / markup bearing					Non Interest / markup bearing	Total
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
Financial liabilities							
Dividend payable	-	-	-	-	-	3,343	3,343
Short term running finance under mark-up arrangement	1,171,713	-	-	-	-	-	1,171,713
Borrowings from banks / NBFC's	751,000	-	-	-	-	-	751,000
Redeemable capital	-	-	-	250,100	249,700	-	499,800
Long term loan	-	-	25,000	125,000	-	-	150,000
Certificates of investment	-	301,795	42,061	-	-	-	343,856
Securities sold under repurchase agreements	907,586	94,347	-	-	-	-	1,001,933
Liabilities against assets subject to finance lease	-	18	27	-	-	-	45
Creditors, accrued expenses and other liabilities	-	9,719	200	-	-	490,928	500,847
Proposed dividend	-	-	-	-	-	37,500	37,500
	<u>2,830,299</u>	<u>405,879</u>	<u>67,288</u>	<u>375,100</u>	<u>249,700</u>	<u>531,771</u>	<u>4,460,037</u>
Average interest rates	6.90%	8.10%	8.08%	7.67%	7.50%		
Balance sheet gap - 2003	<u>(2,081,642)</u>	<u>785,459</u>	<u>30,168</u>	<u>(373,380)</u>	<u>(238,543)</u>	<u>3,683,332</u>	<u>1,805,394</u>

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

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

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

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

40.3 Market rate of return and management

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

40.4 Fair value of the financial instruments

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

41. Related party transactions

	2004	2003
	(Rupees in '000)	
Purchase of marketable securities for and on behalf of directors	<u>701,998</u>	<u>552,100</u>
Sale of marketable securities for and on behalf of directors	<u>405,965</u>	<u>512,840</u>
Purchase of marketable securities on behalf of associates	<u>696,110</u>	<u>968,960</u>
Sale of marketable securities on behalf of associates	<u>885,012</u>	<u>897,330</u>
Brokerage income earned from directors and associated companies	<u>2,254</u>	<u>4,332</u>
Purchase of government securities from associates	<u>-</u>	<u>26,880</u>

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

42. Remuneration of chairman, chief executives and executives

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

	(Rupees in '000)							
	Chairman		Chief Executive		Directors		Executives	
	2004	2003	2004	2003	2004	2003	2004	2003
Managerial remuneration	-	294	6,000	5,393	1,997	1,167	19,410	14,266
Meeting fees	-	-	-	-	168	5	-	-
Perquisites and allowances	-	148	2,618	2,732	1,314	583	9,705	7,349
Sub-brokerage, commission and performance bonus	-	-	19,543	28,850	-	-	5,948	17,991
Ex-gratia bonus	-	3,000	-	-	-	-	-	-
Contribution to provident fund	-	29	696	719	212	117	1,141	1,213
Reimbursable expenses	-	22	154	159	-	-	1,281	1,294
	-	3,493	29,011	37,853	3,691	1,872	37,485	42,113
Number of person	1	1	4	3	6	1	58	59

42.1 The Group has also provided the Chief Executives, a director and a few Executives with company maintained cars.

43. Portfolio trading service

JSIBL holds an amount of Rs. 274.97 million as at June 30, 2004 (2003: 162.63 million) in respect of security deposits in the form of shares of listed companies under its Portfolio Trading Service offered to customers. Under the scheme, JSIBL offers a trading limit against these security deposits, enabling customers to trade on the stock exchange facilitated by JSIBL.

44. Modification in the auditors report of a subsidiary company

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

"Without qualifying our opinion we draw attention to note 24.1 to the financial statements re: pledge of subsidiary company's (Confidence Financial Services Limited) investment in BSJS Balanced Fund Limited to secure a long term loan obtained by the holding company."

Note 24.1 to the consolidated financial statements of ABAMCO Limited states that:

The loan is secured by way of pledge of 5.00 million shares of BSJS Balanced Fund Limited owned by the holding company and 1.35 million shares of BSJS Balanced Fund Limited owned by Confidence Financial Services Limited (subsidiary company of ABAMCO Limited) and, personal shares of a shareholder of ABAMCO and personal guarantee of a shareholder of the ABAMCO.

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

45. General

45.1 The number of employees as at June 30, 2004 was 211 (2003: 178).

45.2 Figures have been rounded off to nearest thousand rupee.

Mazharul Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Pattern of Shareholding Form "34"

Shareholders Statistics As at June 30, 2004

Number of Shareholders	Share Holding		Total Shares Held
	From	To	
271	1	100	11,548
319	101	500	92,127
216	501	1000	162,265
208	1001	5000	468,937
54	5001	10000	408,252
10	10001	15000	115,449
8	15001	20000	139,789
11	20001	25000	247,615
4	25001	30000	110,768
2	30001	35000	66,818
1	35001	40000	35,513
1	40001	45000	45,000
3	45001	50000	143,515
2	50001	55000	105,061
1	55001	60000	59,242
1	60001	65000	61,763
1	80001	85000	81,000
2	90001	95000	185,245
1	95001	100000	100,000
1	100001	105000	102,600
1	125001	130000	128,675
1	225001	230000	225,600
1	230001	235000	231,523
1	235001	240000	238,000
1	250001	255000	251,358
1	265001	270000	269,418
1	325001	330000	329,705
1	395001	400000	400,000
1	620001	625000	625,000
1	640001	645000	640,218
1	670001	675000	674,341
1	695001	700000	700,000
1	915001	920000	919,897
1	1045001	1050000	1,048,983
1	1085001	1090000	1,090,000
1	1335001	1340000	1,335,484
1	2060001	2065000	2,062,998
1	2505001	2510000	2,508,698
1	4210001	4215000	4,211,299
1	14365001	14370000	14,366,296
* 1137			35,000,000

S. No	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage
1	INDIVIDUALS	1057	18,884,878	53.96
2	INVESTMENT COMPANIES	49	2,576,843	7.36
3	INSURANCE COMPANIES	9	1,250,531	3.57
4	JOINT STOCK COMPANIES	8	164,427	0.47
5	FINANCIAL INSTITUTIONS	1	1,048,983	3.00
6	MODARABA COMPANIES	2	8,054	0.02
7	FOREIGN INVESTORS	6	7,902,607	22.58
8	OTHERS	5	3,163,677	9.04
		1137	35,000,000	100.00

* INCLUDES 587 CDC BENEFICIAL OWNERS AS PER LIST APPEARING ON CDS.

Disclosure of Pattern of Shareholding

As at June 30, 2004

1. Associated Companies, Undertaking And Related Parties: Nil

2. NIT And ICP:

M/S. Investment Corporation Of Pakistan	16,849
National Bank Of Pakistan, Trustee Deptt.	1,048,983
	<u>1,065,532</u>

3. List Of Directors, CEO And Their Spouse And Minor Children:

Mr. Mazharul Haq Siddiqui	1,286
Mr. Munaf Ibrahim	882,505
Mr. Ali Jehangir Siddiqui	14,366,296
Mr. Syed Nizam Shah	61,763
Mr. Justice M. Mahboob Ahmed	9,648
Mr. Khalid Bhaimia	1
Mr. Nauzer A. Dinshaw	1
Mr. Ali Raza Siddiqui	700
Mrs. Akhtar Jabeen Siddiqui	59,242
	<u>15,381,442</u>

4. List Of Executives: Nil

5. Public Sector Companies And Corporations:

Rahat Securities Limited	1,117
Javed Omer Vohra & Company Limited	18,000
Standard Bearer Securities Limited	374
First Capital Equities Limited	400
Fortune Securities Limited	1,500
Arif Habib Securities Limited	17,400
DCD Investments Limited	400,000
Askari Securities Limited	500
	<u>439,291</u>

Disclosure of Pattern of Shareholding

As at June 30, 2004

6. Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas And Mutual Funds:

BSJS Balanced Fund Limited	238,000
M/s. Fidelity Investment Bank Limited	250
M/s. First UDL Modaraba	554
M/s. Adamjee Insurance Company Limited	45,458
M/s. Business & Industrial Insurance Company Limited	3,087
The Bank Of New York	379,594
M/s. EFU Life Assurance Limited	424,132
4th ICP Mutual Fund Lot "A"	625,000
First Capital Mutual Fund Limited	54,800
Guardian Modaraba	7,500
New Jubilee Insurance Company Limited	92,636
First Dawood Investment Bank Limited	10,700
EFU General Insurance Company Limited	640,218
ICP-S.E.M.F	27,400
Habib Insurance Co. Limited	45,000
Jahangir Siddiqui Investment Bank Limited	200
Security Investment Bank Limited	1,500
Trustee-UTP-Income Fund	700,000
CDC Trustee - Abamco Capital Fund	2,062,998
CDC Trustee - PICIC Investment Fund	81,000
Bear Stearns Securities Corporation	128,675
Al-Baraka Investment Company Limited	4,211,299
Dallah Albaraka Investment Company Limited London	2,508,698
Dallah Albaraka (Ireland) Limited	674,341
	<hr/>
	12,963,040
	<hr/>

7. Shareholders Holding Shares 10% Or More:

Mr. Ali Jehangir Siddiqui	14,366,296
Al-Baraka Investment Company Limited	4,211,299
	<hr/>
	18,577,595
	<hr/>

Details of trades carried out by Directors, CEO, CFO, Company Secretary and their spouses and minor children during the period from July 01, 2003 to June 30, 2004.

No trades were carried out by any Directors, CEO, CFO, Company Secretary and their spouses and minor children.

Form of Proxy

13th Annual General Meeting

The Company Secretary

Jahangir Siddiqui & Co. Ltd.

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

I/We _____

of _____

being member(s) of Jahangir Siddiqui & Co. Ltd. holding _____ ordinary shares as per Registered Folio

No. / CDC A/c No. (for members who have shares in CDS) _____

hereby appoint Mr. / Mrs. / Miss _____

of (full address) _____

Mr. / Mrs. / Miss _____

being member of the Company, as my / our proxy to attend, act and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held on October 30, 2004 and / or any Adjournment thereof.

As witness my / our hand / seal this _____ day of 2004.

signed by _____

in the presence of _____

Witness:

1. Name _____

Signature _____

Address _____

NIC or _____

Passport No. _____

2. Name _____

Signature _____

Address _____

NIC or _____

Passport No. _____

Signature on
Rs. 5/-
Revenue Stamp

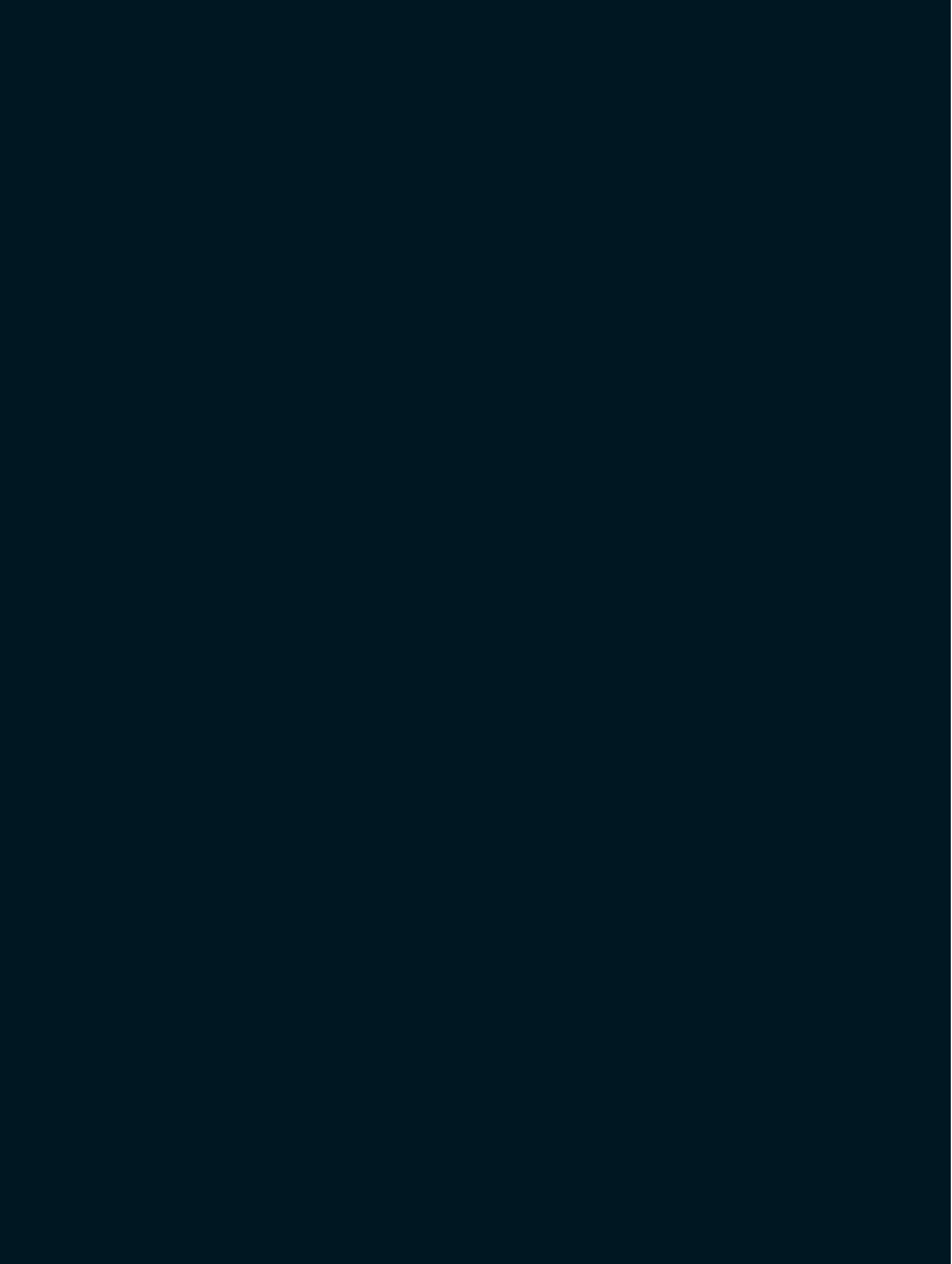
The Signature should agree with the specimen registered with the Company

Important

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

**AFFIX
CORRECT
POSTAGE**

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



JAHANGIR SIDDIQUI & CO. *Ltd.*

14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000
Tel: 92-21-2431181-8 Fax: 92-21-2431151, 2431178