



## Auditors' Report to the Members

We have audited the annexed balance sheet of **Jahangir Siddiqui Investment Bank Limited** as at June 30, 2006 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 accounts have been kept by the company as required by the Companies Ordinance, 1984;
- (b) in our opinion:
  - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
  - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2006 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.

Without qualifying our opinion, we draw attention to note 1.2 to the financial statements regarding the execution of a Framework Agreement by the Company and its Holding Company with American Express Bank Limited, New York (AEBL) whereby the Company and AEBL - Pakistan Branches will be amalgamated under a Scheme of Amalgamation under Section 48 of the Banking Companies Ordinance, 1962.

**Ford Rhodes Sidat Hyder & Co.**  
Chartered Accountants

Karachi: September 13, 2006



JAHANGIR SIDDIQUI INVESTMENT BANK Ltd.

## BALANCE SHEET

As at June 30, 2006

	Note	June 30, 2006	June 30, 2005
		(Rs. in '000s)	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	6,790	9,700
Intangible asset	6	11,101	11,101
Long term investments	7	397,466	237,728
Long term loans and term finances	8	33,783	93,369
Long term deposits		2,416	2,416
Deferred taxation	9	-	1,247
		<b>451,556</b>	<b>355,561</b>
<b>Current assets</b>			
Short term investments	10	1,468,656	1,340,480
Loans and advances	11	280,380	502,185
Fund placements	12	2,367,388	2,455,523
Receivable against sale of marketable securities	13	-	20,882
Prepayments, accruals and other receivables	14	50,772	53,101
Taxation - net	15	14,834	6,942
Cash and bank balances	16	541,582	81,816
		<b>4,723,612</b>	<b>4,460,929</b>
		<b>5,175,168</b>	<b>4,816,490</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Share capital	17	853,125	853,125
Reserves		614,245	462,488
Shareholders' equity		<b>1,467,370</b>	<b>1,315,613</b>
Deficit on revaluation of investments	18	(184,413)	(113,370)
<b>Non-current liabilities</b>			
Certificates of deposit	19	240,603	155,440
<b>Current liabilities</b>			
Certificates of deposit	19	2,390,823	1,925,211
Trade and other payables	20	89,312	91,755
Short term borrowings	21	1,094,452	1,186,729
Payable for purchase of marketable securities	22	77,021	255,112
		<b>3,651,608</b>	<b>3,458,807</b>
<b>Contingencies and commitments</b>	23	-	-
		<b>5,175,168</b>	<b>4,816,490</b>

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

CHAIRMAN

CHIEF EXECUTIVE



## PROFIT AND LOSS ACCOUNT

For the year ended June 30, 2006

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>INCOME</b>			
Income from investments / reverse repurchase transactions	24	265,172	169,340
Return on fund placements with financial institutions		36,842	24,837
Capital gains on disposal of investments / reverse repurchase transactions	25	747,137	392,709
Mark-up on loans and term finances	26	48,894	40,835
Consulting and corporate advisory fees	27	4,870	2,894
Commission and fees		5,147	16,095
Gain on sale of fixed assets		61	984
Other income	28	18,030	2,067
		<b>1,126,153</b>	<b>649,761</b>
<b>OPERATING EXPENSES</b>			
Return on certificates of deposit		249,827	87,908
Mark-up on short term running finances		15,541	30,748
Mark-up on borrowings from banks / NBFCs		150,879	54,879
Provision for non- performing loans and term finance		24	12
Provision for impairment on investment	7.1.2	22,443	-
Administrative and operating expenses	29	105,759	105,525
		<b>544,473</b>	<b>279,072</b>
Profit before taxation		<b>581,680</b>	<b>370,689</b>
Taxation	30	<b>(11,892)</b>	<b>(2,653)</b>
Profit after taxation		<b>569,788</b>	<b>368,036</b>
		<b>Rupees</b>	<b>Rupees</b>
Basic and diluted earnings per share	31	<b>6.68</b>	<b>4.31</b>

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

CHAIRMAN

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JAHANGIR SIDDIQUI INVESTMENT BANK Ltd.

## CASH FLOW STATEMENT

For the year ended June 30, 2006

	Note	June 30, 2006	June 30, 2005
		(Rs. in '000s)	
<b>Cash flows from operating activities:</b>			
Profit for the year before taxation		581,680	370,689
<b>Adjustments for:</b>			
Provision for staff bonus		7,500	13,750
Provision on non performing loans		24	24
Provision for compensated absences		397	341
Amortisation of premium on Government securities and term finance certificates		(42)	3,674
Depreciation on fixed assets		4,464	4,258
Gain on sale of fixed assets		(61)	(984)
Provision for impairment		22,443	-
		<u>34,725</u>	<u>21,063</u>
		616,405	391,752
<b>(Increase) / decrease in operating assets:</b>			
Long term loans and term finance		59,586	(72,938)
Long term deposits		-	265
Short term investments			
Available-for-sale		(25,929)	(909,360)
Held for trading		(177,060)	617,511
Short term loans and advances		221,781	(396,454)
Fund placements		88,135	(1,030,289)
Receivable for sale of marketable securities		20,882	(20,880)
Prepayments, accruals and other receivables		2,329	(11,316)
		<u>189,724</u>	<u>(1,823,461)</u>
<b>Increase / (decrease) in operating liabilities:</b>			
Borrowings from banks / NBFCs		60,931	(152,931)
Payable for purchase of marketable securities		(178,091)	251,362
Advances, accrued expenses and other liabilities		(16,059)	(173,356)
		<u>(133,219)</u>	<u>(74,925)</u>
Net cash generated from/(used in) operating activities before income tax		672,910	(1,506,634)
Income tax (paid) / refunded		(18,537)	16,958
<b>Net cash generated from / (used in) operating activities</b>		<u>654,373</u>	<u>(1,489,676)</u>
<b>Cash flows from investing activities:</b>			
Acquisition of fixed assets		(2,018)	(3,366)
Sale proceeds from disposal of fixed assets		525	1,845
Net cash (outflow) / inflow from long term investments			
Available-for-sale		(178,368)	113,706
<b>Net cash (used in) / generated from investing activities</b>		<u>(179,861)</u>	<u>112,185</u>
<b>Cash flows from financing activities:</b>			
Dividend paid		(412,313)	-
Issuance of certificates of deposit		550,775	1,084,587
<b>Net cash generated from financing activities</b>		<u>138,462</u>	<u>1,084,587</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<u>612,974</u>	<u>(292,904)</u>
<b>Cash and cash equivalents at beginning of the year</b>		<u>(97,844)</u>	<u>195,060</u>
<b>Cash and cash equivalents at end of the year</b>	32	<u>515,130</u>	<u>(97,844)</u>

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

CHAIRMAN

CHIEF EXECUTIVE



## STATEMENT OF CHANGES IN EQUITY

For the year ended June 30, 2006

	Issued, subscribed and paid-up capital	Reserves		Total	Total
		Capital	Revenue		
	Special reserve	Unappropriated profit			
	(Rs. in '000s)				
Balance as at July 1, 2004	227,500	182,342	537,735	720,077	947,577
275% bonus shares issued during the year	625,625	-	(625,625)	(625,625)	-
Net profit for the year	-	-	368,036	368,036	368,036
Transferred during the year	-	73,607	(73,607)	-	-
Balance as at June 30, 2005	853,125	255,949	206,539	462,488	1,315,613
Balance as at July 1, 2005	853,125	255,949	206,539	462,488	1,315,613
Net profit for the year	-	-	569,788	569,788	569,788
Transferred during the year	-	113,958	(113,958)	-	-
Interim dividend (@ Rs 4.9 per share)	-	-	(418,031)	(418,031)	(418,031)
<b>Balance as at June 30, 2006</b>	<b>853,125</b>	<b>369,907</b>	<b>244,338</b>	<b>614,245</b>	<b>1,467,370</b>

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

CHAIRMAN

CHIEF EXECUTIVE



JAHANGIR SIDDIQUI INVESTMENT BANK Ltd.

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2006

### 1. Legal status and operation

- 1.1** Jahangir Siddiqui Investment Bank Limited (JSIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. The registered office of the company is situated at Room # 1301-1303, 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi, Pakistan. JSIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The company is a subsidiary of Jahangir Siddiqui & Company Limited.
- 1.2** The Company and its holding company, Jahangir Siddiqui & Company Limited, entered into a Framework Agreement with American Express Bank Limited, New York (AEBL) on November 10, 2005 for acquisition of its Pakistan Operations. Accordingly, a new banking company, JS Bank Limited was incorporated on March 15, 2006. A restricted Banking License was issued to JS Bank Limited by the State Bank of Pakistan (SBP) on March 23, 2006.

A Transfer Agreement has been executed on June 24, 2006 between the Company and JS Bank Limited for the transfer of the entire business and undertaking of the Company to JS Bank Limited. A separate Transfer Agreement has also been executed on June 24, 2006 between AEBL and JS Bank Limited for the transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL Business).

The Company and American Express Bank Limited – Pakistan Branches (hereinafter called amalgamating entities) will be merged and amalgamated with and into JS Bank Limited pursuant to two separate Schemes of Amalgamation under Section 48 of the Banking Companies Ordinance, 1962 after completion of all the legal formalities and subject to the approval of the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan. The Schemes of Amalgamation have already been approved by the Shareholders of the Company and the shareholders of JS Bank Limited in the extra ordinary general meetings held on July 31, 2006.

These financial statements have been prepared on a going concern basis. However, all the assets and liabilities of the Company will be transferred to the JS Bank Limited under the Scheme of Amalgamation stated above, after the sanction by the State Bank of Pakistan.

### 2. Statement of compliance

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

The preparation of financial statements in conformity with the above requirements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The matters involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in respective notes to the financial statements.

### 3. Basis of measurement

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



#### **4. Summary of significant accounting policies**

##### **4.1 Fixed assets**

###### **Property, plant and equipment**

###### **Owned**

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

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

###### **Leased**

Assets subject to finance lease are stated at lower of present value of minimum lease payments under the lease agreement and the fair value of leased assets. The related obligations under the lease are accounted for as liabilities. Depreciation is charged to income applying the straight line method at the rates stated in note 5 to the financial statements. The financial charges are calculated at the rate implicit in the lease.

###### **Intangible**

###### **Owned**

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

###### **Stock exchange membership card**

This is carried at cost less impairment, if any.

##### **4.2 Staff retirement benefits**

###### **Defined contribution plan**

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

##### **4.3 Compensated absences**

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

##### **4.4 Loans, term finance and advances**

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

## 4.5 Investments

### Held-to-maturity

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

### Available-for-sale

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

### Held for trading

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

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

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

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

## 4.6 Derivatives

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

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

## 4.7 Securities under repurchase / reverse repurchase agreements

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





### **Repurchase agreements**

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

### **Reverse repurchase agreements**

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

## **4.8 Offsetting of financial assets and financial liabilities**

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

## **4.9 Trade date accounting**

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

## **4.10 Taxation**

### **Current**

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits and tax rebates available, if any or 0.5% of the turnover, whichever is higher.

### **Deferred**

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

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

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

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

#### **4.11 Certificates of deposit**

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

#### **4.12 Foreign currency translations**

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

Exchange gains and losses are included in income currently.

#### **4.13 Revenue recognition**

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

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

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

Dividend income on equity investments is recognized when the right to receive the same is established.

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

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

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

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

#### **4.14 Cash and cash equivalents**

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

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

#### **4.15 Dividend and appropriation to reserves**

Dividend and appropriation to reserves are recognised in the financial statements in the period in which these are approved.



## 5. PROPERTY, PLANT AND EQUIPMENT

	C O S T			D E P R E C I A T I O N			WRITTEN DOWN VALUE	Rate of depreciation per annum %
	As at July 1, 2 0 0 5	Additions/ (disposals)	As at June 30, 2 0 0 6	As at July 1, 2 0 0 5	For the year/ (disposals)	As at June 30, 2 0 0 6	As at June 30, 2 0 0 6	
----- (Rs. in '000s) -----								
Furniture	94	-	94	42	9	51	43	10
Vehicles	14,451	1,723 (580)	15,594	6,847	2,992 (116)	9,723	5,871	20
Office equipment	2,104	169	2,273	1,649	255	1,904	369	25
Computer equipment	5,288	126	5,414	3,699	1,208	4,907	507	33
<b>June 30, 2006</b>	<b>21,937</b>	<b>2,018 (580)</b>	<b>23,375</b>	<b>12,237</b>	<b>4,464 (116)</b>	<b>16,585</b>	<b>6,790</b>	
June 30, 2005	21,166	3,366 (2,595)	21,937	9,713	4,258 (1,734)	12,237	9,700	

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

Particulars	Original cost	Accumulated depreciation	Book value	Sale proceeds	Profit on disposal	Mode of disposal	Particulars
----- (Rs. in '000s) -----							
Vehicle	580	116	464	525	61	Insurance Claim	EFU General Insurance Ltd.

## 6. INTANGIBLE ASSET

This represents membership card of Islamabad Stock Exchange acquired by the company.

	Note	June 30, 2006		June 30, 2005	
		(Rs. in '000s)			
<b>7. LONG TERM INVESTMENTS - AVAILABLE FOR SALE</b>					
Related parties	7.1	<b>191,717</b>		180,052	
<b>Others</b>					
Listed certificates	7.2	<b>205,749</b>		57,676	
		<u><b>397,466</b></u>		<u>237,728</u>	
<b>7.1 Related parties</b>					
- In listed certificates	7.1.1	<b>106,260</b>		72,152	
- In an unquoted company	7.1.2	<b>85,457</b>		107,900	
		<u><b>191,717</b></u>		<u>180,052</u>	
<b>7.1.1 Listed certificates</b>					
<b>June 30, 2006</b>		<b>June 30, 2006</b>		<b>June 30, 2005</b>	
<b>June 30, 2005</b>		<b>Average Cost</b>	<b>Market value</b>	<b>Average Cost</b>	<b>Market value</b>
<b>No of ordinary certificate of Rs. 10 each</b>	<b>Name of the Mutual fund</b>	----- (Rs. in '000s) -----			
<b>8,745,668</b>	<b>8,745,668</b>	<b>BSJS Balanced Fund Limited</b>	<b>100,395</b>	<b>106,260</b>	<b>100,395</b>
			<u><b>100,395</b></u>	<u>72,152</u>	
			<b>June 30, 2006</b>	<b>June 30, 2005</b>	
			(Rs. in '000s)		
<b>7.1.2 In an unquoted company</b>					
JS Infocom Limited (formerly SPELL Telecommunications Limited)					
10,790,000 (2005: 10,790,000) fully paid ordinary shares of Rs. 10 each					
Equity held 14.63% having book value of Rs. 6.94 per share					
as per audited balance sheet as at June 30, 2006.					
Less: Provision for impairment					
			<b>107,900</b>	107,900	
			<b>(22,443)</b>	-	
			<u><b>85,457</b></u>	<u>107,900</u>	
<b>7.2 Listed certificates</b>					
<b>June 30, 2006</b>		<b>June 30, 2006</b>		<b>June 30, 2005</b>	
<b>June 30, 2005</b>		<b>Average Cost</b>	<b>Market value</b>	<b>Average Cost</b>	<b>Market value</b>
<b>No of ordinary certificate of Rs. 10 each</b>	<b>Name of the Company / Fund</b>	----- (Rs. in '000s) -----			
	<b>Mutual fund</b>				
<b>24,205,790</b>	<b>8,358,790</b>	<b>ABAMCO Composite Fund</b>	<b>261,957</b>	<b>205,749</b>	<b>83,588</b>
			<u><b>261,957</b></u>	<u>57,676</u>	



	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>8. LONG TERM LOANS AND TERM FINANCES - SECURED AND CONSIDERED GOOD</b>			
Due from executives Term finances	8.1 & 8.2	<b>82</b>	237
- to related party	8.3	<b>32,000</b>	32,000
- to others	8.4	<b>53,546</b>	72,690
		<b>85,546</b>	104,690
Others	8.2	<b>835</b>	312
		<b>86,463</b>	105,239
Current maturity of long term loans and term finances	11	<b>(52,680)</b>	(11,870)
		<b>33,783</b>	93,369

**8.1 Reconciliation of carrying amount of loans to executives:**

Opening balance	<b>237</b>	374
Repayments	<b>(155)</b>	(137)
	<b>82</b>	237

**8.2** This represents finance provided to the executives for purchase of vehicles, and for other purposes having maturities ranging from 1 to 3 years at mark-up rate of Nil to 13.44% [June 2005: Nil to 10.5%] per annum. Repayment is made on a monthly basis. The maximum aggregate amount due at the end of any month during the year from executives was Rs.255(000) [June 2005: Rs.374(000)]. These loans are secured against title documents of vehicles, employees' provident fund balances and personal guarantees.

**8.3** This represents finance provided to Mr. Siraj Ahmed Dadabhoy repayable over a period of two years at mark-up rate of 3.50% above six months KIBOR. The loan is secured by pledge of shares of listed companies. Maximum aggregate amount outstanding at the end of any month during the year was Rs.32,000(000) [2005 Rs.32,000(000)].

**8.4** This represents finances with maturities ranging from 1 to 6 years, at mark-up rates ranging from 8.00% to 14.74% [June 2005: 8.00% to 12.50%] per annum repayable in monthly and quarterly installments. These loans are secured against pledge of shares of listed companies, mortgage of property, hypothecation of fixed / moveable assets, home appliances and jewellery, promissory notes and personal guarantees from borrowers.

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>9. DEFERRED TAXATION</b>			
<b>Deductible temporary differences</b>			
Differences in accounting and tax bases of property plant and equipment		1,774	1,119
Unrealized loss on Government securities		236	-
Provision for non-performing loan		17	8
Provision for compensated absences		139	120
		<u>2,166</u>	<u>1,247</u>

9.1 Deferred tax assets have not been recognised as it is anticipated that these temporary differences will not be recoverable in the future period due to proposed amalgamation.

#### 10. SHORT TERM INVESTMENTS

In related party	10.1	219,157	11,862
Others	10.2	1,249,499	1,328,618
		<u>1,468,656</u>	<u>1,340,480</u>

##### 10.1 In related party - held for trading

June 30, 2006 No of ordinary and preference shares of Rs. 10 each	June 30, 2005	Name of the company	June 30, 2006		June 30, 2005	
			Average Cost	Market value (Rs. in '000s)	Average Cost	Market value
-	1,031,500	Azgard Nine Limited - 8.95% Cumulative Preference shares Redemption: Six years from the date of issue.	-	-	10,446	11,862
9,939,109	-	Azgard Nine Limited	260,600	219,157	-	-
			<u>260,600</u>	<u>219,157</u>	<u>10,446</u>	<u>11,862</u>



	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>10.2 Other investments</b>			
<b>Available-for-sale</b>			
<b>Listed securities</b>			
Open ended mutual fund units	10.3	275,240	363,441
Term finance certificates	10.4	302,359	414,424
<b>Unlisted securities</b>			
Term finance certificates	10.5	334,718	131,443
<b>Held for trading</b>			
Government securities	10.6	51,347	-
Listed shares / units	10.7	285,835	419,310
		<u>1,249,499</u>	<u>1,328,618</u>

### 10.3 Open ended mutual fund units

June 30, 2006	June 30, 2005	Name of the mutual fund – open ended units	Note	June 30, 2006		June 30, 2005	
				Face Value Rupees	Average Cost ----- (Rs. in '000s)	Market value	Average Cost -----
833,700	765,183	Crosby Dragon Fund	100	102,984	92,082	75,000	81,913
-	445,103	Unit Trust of Pakistan - Islamic Fund	500	-	-	291,320	281,528
2,104,052	-	Unit Trust of Pakistan - Aggressive Assets Allocation Fund	50	200,000	183,158	-	-
				<u>302,984</u>	<u>275,240</u>	<u>366,320</u>	<u>363,441</u>

**10.2 Term finance certificates - Listed\*\***

June 30, 2006 No. of certificates	June 30, 2005	Name of the company	Profit		Face value (Rupees)	Maturity Date	June 30, 2006		June 30, 2005	
			Repayment frequency	Rate per annum			Cost *	Market value	Cost *	Market value
-	3,000	First Dawood Investment Bank Limited - 1st issue	Semi-annually	1.75% over SBP's discount rate with 13.50% as floor and 17.50% as ceiling.	5,000	September 12, 2006	-	-	14,950	15,750
<b>13,682</b>	13,682	United Bank Limited	Semi-annually	9.49%	5,000	March 15, 2013	68,407	64,987	68,410	64,990
-	1,220	Gulistan Textile Mills Limited	Semi-annually	2.00% over SBP's discount rate with 14.00% as floor and 17.50% as ceiling.	5,000	September 5, 2006	-	-	13,489	14,096
-	1,000	Network Leasing Corporation Limited	Semi-annually	16.25%	5,000	October 4, 2005	-	-	1,249	1,273
-	6,665	Nishat Mills Limited	Semi-annually	1.50% over SBP's discount rate with 13.00% as floor and 17.00% as ceiling.	5,000	September 19, 2005	-	-	8,325	8,491
-	3,290	Prime Commercial Bank Limited	Semi-annually	6 months KIBOR ask rate + 190bps with no Floor and Cap	5,000	February 10, 2013	-	-	16,450	16,615
<b>5,895</b>	5,895	Chanda Oil and Gas Securitization	Quarterly	3 months KIBOR ask rate + 325bps with 8.95% as Floor and 13.00% as Cap	5,000	February 16, 2012	26,881	26,881	29,475	29,475
<b>1,500</b>	1,500	Reliance Weaving Mills Limited	Semi-annually	2.50% above SBP's discount rate with 15.25% as floor and 17.50% as ceiling.	5,000	February 07, 2007	2,143	2,207	4,286	4,564
<b>4,994</b>	4,994	Hira Textile Mills Ltd	Semi-annually	6 months KIBOR ask rate + 2.50% with no floor and no cap	5,000	March 17, 2010	24,900	25,334	24,970	24,970
-	1,268	Sui Southern Gas Company Limited - 1st issue	Semi-annually	1.10% above SBP's discount rate with 14.15% as floor and 18.00% as ceiling for the first two years and thereafter a floor of 15.00% and a ceiling of 18.00%.	5,000	June 1, 2006	-	-	2,112	2,165
Total carried forward							122,391	119,409	183,716	182,389





June 30, 2006 No. of certificates	June 30, 2005 No. of certificates	Name of the company	Repayment frequency	Profit Rate per annum	Face value (Rupees)	Maturity Date	June 30, 2006		June 30, 2005	
							Cost *	Market value	Cost *	Market value
		Total brought forward					122,391	119,409	183,716	182,389
2517	6,117	Bank Alfalah Limited	Semi-annually	1.35% above the cut-off yield of the last successful SBP auction of five year PIBs with 10.00% as floor and 15.50% as ceiling.	5,000	December 19, 2008	12,567	12,630	32,210	31,165
541	541	Crescent Leasing Corporation Limited	Semi-annually	2.00% above the cut-off yield of the last successful SBP auction of five year PIBs with 12.00% as floor and 15.75% as ceiling.	5,000	September 5, 2007	2,705	2,759	2,705	2,840
2,527	2,527	First Dawood Investment Bank Limited - 2nd issue	Semi-annually	1.75% above SBP's discount rate with 12.25% as floor and 16.25% as ceiling.	5,000	July 27, 2007	12,635	12,761	12,635	13,329
292	292	Maple Leaf Cement Factory Limited	Semi-annually	2.50% above the five year PIB rate with 15.25% as floor and 17.75% as ceiling.	5,000	July 19, 2006	243	247	730	770
46	46	MCB Bank Limited	Semi-annually	1.50% above the cut-off yield of the last successful SBP auction of five year PIBs with 11.75% as floor and 15.75% as ceiling.	5,000	February 10, 2008	230	234	237	241
900	900	Orix Leasing Pakistan Limited	Semi-annually	2.00% above SBP's discount rate with 10.00% as floor and 13.00% as ceiling.	5,000	July 31, 2006	4,500	4,523	4,500	4,545
		Total carried forward					155,271	152,563	236,733	235,279

June 30, 2005 No. of certificates	June 30, 2006	June 30, 2005	Name of the company	Profit		Maturity Date	June 30, 2006		June 30, 2005	
				Repayment frequency	Rate per annum		Face value (Rupees)	Cost *	Market value	Cost *
			Total brought forward							
2,000			Securitel S.P.V. Limited	Quarterly	2.00% above SBP's discount rate with 12.00% as floor and 16.00% as ceiling for the first year and thereafter 11.50% as floor and 16.00% as ceiling.	March 27, 2006	155,271	152,563	236,733	235,279
							-	-	2,500	2,525
471	471		Sirara Chemical Industries Limited	Semi-annually	12.00%	June 20, 2007	1,578	1,609	2,355	2,474
1,500	1,500		Sui Southern Gas Company Limited – 2nd issue	Semi-annually	1.10% above SBP's discount rate with 11.50% as floor and 16.00% as ceiling.	June 4, 2007	2,498	2,536	4,996	5,121
2,000	2,000		Trust Leasing Corporation Limited	Semi-annually	2.00% above SBP's discount rate with 9.00% as floor and 14.00% as ceiling.	June 3, 2008	8,115	8,237	9,375	9,703
6,213	6,213		Union Bank Limited – 1st issue	Semi-annually	2.25% above the cut-off yield of the latest successful SBP auction of five year PIBs with 11.00% as floor and 15.50% as ceiling.	June 21, 2008	31,999	31,487	32,775	32,120
9,000	9,000		WorldCall Telecom Limited	Semi-annually	1.75% above SBP's discount rate with 12.25% as floor and 16.25% as ceiling.	September 30, 2007	19,274	19,660	33,023	33,088
1,000	1,000		Crescent Standard Investment Bank Limited	Semi-annually	2.00% above SBP's discount rate with 10.50% as floor and 13.50% as ceiling.	July 8, 2007	2,499	2,518	4,165	4,248
2,000	2,000		Irtihad Chemicals Limited	Semi-annually	2.50% above SBP's discount rate with 7.00% as floor and 12.00% as ceiling.	June 27, 2008	6,661	6,761	9,994	10,294
540	540		First Oil & Gas Securitisation Company Limited	Monthly	2.50% above SBP's discount rate with 10.50% as floor and 14.50% as ceiling.	December 4, 2006	462	462	1,386	1,407
			Total carried forward				228,297	225,833	337,302	336,259

June 30, 2006 No. of certificates	June 30, 2005 No. of certificates	Name of the company	Profit		Maturity Date	June 30, 2006		June 30, 2005	
			Repayment frequency	Rate per annum		Face value (Rupees)	Cost *	Market value (Rs. in '000s)	Cost *
		Total brought forward							
3,494	3,494	Pakistan Services Limited	Semi-annually	2.25% above SBP's discount rate with 9.75% as floor and 13.75% as ceiling.	5,000	12,471	225,833	337,302	336,259
5,000	5,000	AlZamin Leasing Modaraba	Semi-annually	8.00%	5,000	25,000	24,000	25,000	24,250
8,400	8,400	Union Bank Limited - 2nd issue (unsecured)	Semi-annually	Cut off yield of the latest successful auction of 5 years PIB + 0.75% p.a. with 5.00% as floor and 10.75% as ceiling.	5,000	41,796	39,868	41,813	36,107
						307,564	302,359	421,575	414,424

(\*) Represents unredeemed average cost.

(\*\*) Secured, unless specified otherwise.

### 10.5 Term finance certificates - UnListed\*\*

June 30, 2006 No. of certificates	June 30, 2005 No. of certificates	Name of the company	Profit		Face value (Rupees)	Maturity Date	June 30, 2006 Cost*	June 30, 2005 Cost*
			Repayment frequency	Rate per annum				
-	10,000	Al Abbas Sugar Mills Limited	Quarterly	3.25% above the cut-off yield of the last successful SBP auction of three-month Treasury Bills with 6.00% as floor and 13.00% as ceiling.	5,000	July 4, 2008	-	34,210
10,000	10,000	Escort Investment Bank Limited	Semi-annually	27.5bps over Six months KIBOR with floor at 5.00% and ceiling at 10.00%	5,000	September 27, 2009	49,970	49,990
5,700	5,700	Pakistan Mobile Communication (Private) Limited	Semi-annually	2.25% above the average of the last three six-month Treasury Bill cut-off yields with 6.00% as floor and 12.00% as ceiling.	5,000	September 16, 2008	28,500	28,500
25	-	UIG (Private) Limited	Semi-annually	3.00% above KIBOR with a floor of 13.00% and no cap	10,000,000	June 26, 2008	250,000	-
5,000	5,000	Crescent Commercial Bank Limited	Semi-annually	3.00% above 6 months KIBOR ask rate with 6.00% as floor and 10.00% as ceiling.	5,000	October 22, 2006	6,248	18,743
						334,718	131,443	

(\*) Represents unredeemed average cost.

(\*\*) Secured, unless specified otherwise.



## 10.6 Government Securities

	June 30, 2006			June 30, 2005		
	Face Value	Average Cost	Market value	Face Value	Average Cost	Market value
	----- (Rs. in '000s) -----			----- (Rs. in '000s) -----		
Pakistan Investment Bonds	50,000	52,022	51,347	-	-	-

**10.6.1** The above represents Pakistan Investment Bonds (PIB's) with interest income receivable semi-annually at the rate ranging from 8.00% to 13.00% [June 2005: Nil] per annum with a remaining term of 5 to 7 years.

## 10.7 Listed shares / units

June 30, 2006	June 30, 2005	No of ordinary and preference shares/certificates of Rs. 10 each	Name of the company / fund	June 30, 2006		June 30, 2005	
				Average Cost	Market value	Average Cost	Market value
----- (Rs. in '000s) -----							
<b>Banks</b>							
600,000	-		Faysal Bank Limited	46,998	36,900	-	-
<b>Mutual fund</b>							
3,060,704	3,030,400		First Dawood Mutual Fund	30,304	28,465	30,304	30,304
<b>Textile composite</b>							
13,357,000	13,357,000		Chenab Limited -9.25% Cumulative Preference shares - Redemption: Six months from the date of call / put notice.	133,615	106,188	133,615	133,570
<b>Automobile</b>							
-	1,615,500		Dewan Farooq Motors Ltd	-	-	48,261	31,018
<b>Cement</b>							
1,512,542	1,512,542		DG Khan Cement Limited -10% Cumulative Preference shares - Redemption: After four years of issuance.	15,472	17,999	15,472	14,899
<b>Transport</b>							
1,248,000	5,322,028		Pakistan International Container Terminal Limited	118,448	96,283	121,057	136,776
<b>Others</b>							
-	1,515,500		Tri Pack Films Limited	-	-	121,202	72,743
				<b>344,837</b>	<b>285,835</b>	469,911	419,310



	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>11. LOANS AND ADVANCES</b>			
Term loan - considered good	11.1	102,700	490,315
- considered doubtful		47	24
		<b>102,747</b>	490,339
Less: Provision for non-performing loan	11.2	47	24
		<b>102,700</b>	490,315
Current maturity of long term loans and term finances	8	52,680	11,870
		<b>155,380</b>	502,185
<b>Advance for subscription of term finance certificates</b>			
<b>Secured</b>			
Pakistan Mobile Communication Limited TFC	11.3	30,000	-
<b>Unsecured</b>			
United Bank Limited TFC III	11.4	95,000	-
		<b>280,380</b>	502,185

**11.1** These carry mark-up ranging from 10.00% to 14.00% [June 2005: 9.00% to 13.66%] per annum and are secured by pledge of shares of listed companies, property of the borrowers and hypothecation of assets.

**11.2 Particulars of provision for non-performing loan**

Opening balance	24	12
Charge for the year	23	24
Reversal on recovery of a non performing loan	-	(12)
Closing balance	<b>47</b>	24

**11.3** This represent advance for subscription of 6,000 term finance certificates having a face value of Rs. 5,000 each and carries a rate of return of base rate plus 2.85% per annum. The base rate is defined as the 6 months Karachi interbank average (ask side). The TFC is listed on Islamabad Stock Exchange. This term finance certificate is secured by first rating pari passu floating charge, along with a 25% margin on all its present and future movable fixed assets (excluding land, building & vehicle).

**11.4** This represent advance for subscription of 19,000 term finance certificates having a face value of Rs. 5,000 each and carries a rate of return of base rate plus 1.7% per annum. The base rate is defined as the 6 months Karachi interbank offering rate. The TFC will be listed on Karachi Stock Exchange.

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>12. FUND PLACEMENTS</b>			
- unsecured, considered good	12.1	202,500	97,500
- secured under reverse repurchase agreement of securities, considered good	12.2 & 12.3	2,164,888	2,358,023
		<b>2,367,388</b>	<b>2,455,523</b>

**12.1** Represents placements with financial institutions, carrying mark-up rates ranging from 10.00% to 13.00% [June 2005: 10.00% to 11.25%] per annum.

**12.2** These placements carry mark-up rates ranging from 7.50% to 15.00% [June 2005: 6.39% to 15.31%] per annum.

	June 30, 2006			June 30, 2005		
	Held by the company	Further given as Collateral	Total	Held by the company	Further given as collateral	Total
	----- (Rs. in '000s) -----					
<b>12.3 Securities held as collateral against fund placements with financial institutions</b>						
Pakistan Investment Bonds	-	160,200	160,200	190,000	166,287	356,287
Open ended fund	-	-	-	25,000	-	25,000
Listed company shares	2,004,688	-	2,004,688	1,913,736	-	1,913,736
Term finance certificates	-	-	-	63,000	-	63,000
	<b>2,004,688</b>	<b>160,200</b>	<b>2,164,888</b>	<b>2,191,736</b>	<b>166,287</b>	<b>2,358,023</b>

	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>13. RECEIVABLE AGAINST SALE OF MARKETABLE SECURITIES</b>	-	20,882

This represents amount receivable from brokers against sale / purchase of listed securities. The maximum aggregate amount receivable from an associated undertaking at the end of any month during the year was Rs. 333,599(000) [June 2005: Rs. 6,272(000)].



	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>14. PREPAYMENTS, ACCRUALS AND OTHER RECEIVABLES</b>			
Prepayments		215	146
Accrued mark-up / profit on			
Available-for-sale investments			
Term finance certificates		10,427	12,638
Held for trading investments			
Government securities		1,020	-
Long term loans and term finances		1,792	1,787
Short term loans and advances		4,551	9,242
Fund placements		26,425	8,644
		44,215	32,311
Other receivables			
Dividend		-	16,693
Others	14.1	6,342	3,951
		6,342	20,644
		50,772	53,101

**14.1** This includes Rs. Nil [June 2005: Rs. 2,312(000)] receivable from an associated undertaking in respect of portfolio trading services. The maximum aggregate amount due at the end of any month during the period from an associated undertaking was Rs 4,000(000) [June 2005: Rs.3,320(000)].

#### 15. TAXATION – NET

##### Current

The income tax assessments upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002 have been finalized. Income tax returns for the tax years 2003, 2004 and 2005 have been filed on self-assessment basis and are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001.

#### 16. CASH AND BANK BALANCES

Cash with banks on			
Current accounts with			
State Bank of Pakistan	16.1	35,806	29,163
Others		7,042	1,119
PLS savings accounts & term deposits	16.2	498,721	51,534
		541,569	81,816
Cash in hand		13	-
		541,582	81,816

**16.1** This includes an amount of Rs. 2,369(000) [June 2005: Rs. 2,369(000)] deposited with the State Bank of Pakistan as required under the relevant provision of (now superseded) the State Bank of Pakistan's Prudential Regulations for Non-Banking Financial Companies to meet the additional reserve of 1% of certain specified liabilities.

**16.2** These carry mark-up rates ranging from 1% to 11.25% [June 2005: 0.50% to 11.00%] per annum.

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>17. SHARE CAPITAL</b>			
<b>Authorised Share Capital</b>			
500,000,000 [June 2005: 500,000,000] shares of Rs.10 each		<b>5,000,000</b>	5,000,000
<b>Issued, subscribed and paid-up capital</b>			
14,550,000 [June 2005: 14,550,000] ordinary shares of Rs.10 each fully paid in cash		<b>145,500</b>	145,500
70,762,500 [June 2005: 70,762,500] ordinary shares of Rs.10 each issued as fully paid bonus shares	17.1	<b>707,625</b>	707,625
		<b>853,125</b>	853,125
<b>17.1</b> Fully paid bonus shares at beginning of the year		<b>707,625</b>	82,000
Shares issued during the year as fully paid bonus shares		-	625,625
Fully paid bonus shares at end of the year		<b>707,625</b>	707,625
<b>17.2</b> Jahangir Siddiqui & Company Limited, the holding company, held 53,247,277 (62.41%) [June 2005: 53,247,277 (62.41%)] ordinary shares as at June 30, 2006.			
<b>18. DEFICIT ON REVALUATION OF INVESTMENTS</b>			
<b>Available-for-sale investments</b>			
Listed securities			
Open ended mutual funds units		<b>(27,744)</b>	(2,879)
Term finance certificates		<b>(5,206)</b>	(7,151)
Shares		<b>(50,343)</b>	(54,155)
		<b>(83,293)</b>	(64,185)
<b>Held for trading investments</b>			
Listed securities			
Shares		<b>(100,445)</b>	(49,185)
Government securities			
Pakistan Investment Bonds		<b>(675)</b>	-
		<b>(101,120)</b>	(49,185)
		<b>(184,413)</b>	(113,370)





	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>19. CERTIFICATES OF DEPOSIT</b>			
Local currency	19.1	2,631,426	2,080,651
Less : Certificate due within one year shown as current liability		2,390,823	1,925,211
		240,603	155,440
<b>19.1</b> Represents deposits received from customers under registered certificates of deposit in local currency. The maturity period ranges between one month to five year. The expected rate of return payable on these certificates ranges from 7.50 % to 12.75% [June 2005: 4.50% to 10.50%] per annum.			
<b>20. TRADE AND OTHER PAYABLES</b>			
Advances from customers		-	6,018
Accrued expenses		29,692	31,708
Accrued return on certificates of deposit		45,072	24,122
Accrued mark-up on			
Running finance under mark-up arrangements		19	516
Borrowings from banks / NBFCs		1,168	5,677
Unclaimed and unpaid dividend		6,806	1,088
Subscription received as banker to the issue of shares		-	21,305
Other liabilities		6,555	1,321
		89,312	91,755
<b>21. SHORT TERM BORROWINGS</b>			
Secured under repurchase agreements	21.1	175,000	172,069
Unsecured	21.2	893,000	700,000
Demand finance- secured		-	135,000
		1,068,000	1,007,069
Running finance utilized under mark-up arrangements - Secured	21.3	26,452	179,660
		1,094,452	1,186,729
<b>21.1</b> Represents amounts borrowed from banks / NBFCs and having mark-up rates of 8.00% [June 2005: 8.95% to 9.00%] per annum. These are secured against Pakistan investment bonds sold under repurchase agreements having an aggregate fair value of Rs. 165,381(000) [June 2005: Rs. 192,190(000)].			
<b>21.2</b> Represents amounts borrowed from banks / NBFCs and carry mark-up rates ranging from 9.25% to 9.75% [June 2005: 7.00% to 8.15%] per annum.			
<b>21.3</b> The company has short term running finance facilities under mark-up arrangements in aggregate of Rs. 1,750,000(000) [June 2005: Rs. 2,400,000(000)] from commercial banks having mark-up ranging from 11.00% to 12.00% [June 2005: 7.58% to 9.19%] per annum calculated on a daily product basis payable quarterly. The facility utilized against these arrangements are secured against shares of listed companies having an aggregate fair value of Rs. 198,840(000) [June 2005: Rs. 302,089(000)].			

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>22. PAYABLE FOR PURCHASE OF MARKETABLE SECURITIES</b>	22.1	<b>77,021</b>	255,112
<b>22.1</b> This includes Rs 20,904(000) [June 30, 2005 Rs. 154,400(000)] payable to a related party.			
<b>23. CONTINGENCIES AND COMMITMENTS</b>			
Forward sale commitments		<b>100,000</b>	232,476
Forward purchase commitments		-	88,875
Underwriting commitments		<b>212,500</b>	148,000
<b>24. INCOME FROM INVESTMENTS / REVERSE REPURCHASE TRANSACTIONS</b>			
Dividend	24.1	<b>212,890</b>	100,765
Mark-up on available-for-sale investments			
Term finance certificates		<b>49,500</b>	47,309
Mark-up on held for trading investments			
Government securities		<b>2,782</b>	21,266
		<b>265,172</b>	169,340
<b>24.1</b> Includes Rs. 70,955(000) [2005: 72,964(000)] in respect of reverse repurchase transaction and the balance represents dividend from investment in shares.			
<b>25. CAPITAL GAINS / (LOSS) ON DISPOSAL OF INVESTMENTS / REVERSE REPURCHASE TRANSACTIONS</b>			
Listed shares	25.1	<b>470,832</b>	334,372
Open ended fund		<b>230,022</b>	53,369
Term finance certificates		<b>2,274</b>	7,147
WAPDA bonds		-	417
Treasury bills		<b>42,955</b>	-
Government securities		<b>1,054</b>	(2,596)
		<b>747,137</b>	392,709
<b>25.1</b> Includes capital gain amounting to Rs. 241,163(000) [June 2005: Rs.107,613 (000)] in respect of reverse repurchase transactions. Also includes accrued price differential on unsettled reverse repurchase transactions.			
<b>26. MARK-UP ON LOANS AND TERM FINANCES</b>			
Long term loans and term finances		<b>10,194</b>	6,097
Short term loans		<b>38,700</b>	34,738
		<b>48,894</b>	40,835



## 27. CONSULTING AND CORPORATE ADVISORY FEES

Represents trusteeship fee received by the company as trustees on behalf of an asset management company and term finance certificate holders of various companies.

28. Includes profit on Term Deposits amounting to Rs.16,064(000) [June 2005: Rs.1,705(000)].

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>29. ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries and benefits		20,797	21,795
Staff retirement benefits		1,092	605
Staff bonus		7,500	13,750
Printing and stationery		1,439	893
Telephone, fax and postage		842	1,036
Brokerage expenses		1,350	1,500
Rent, rates and taxes		2,193	2,686
Vehicle running and maintenance		2,046	1,708
Electricity		645	987
Legal and professional charges		11,371	6,425
Royalty	29.1	10,000	7,500
Consultancy fees		12,302	6,395
Auditors' remuneration	29.2	1,248	1,027
Insurance		1,105	1,206
Entertainment		541	552
Advertising and business promotion		7,326	3,442
Depreciation	5	4,464	4,258
Fees and subscription		1,016	12,204
Conveyance and travelling		1,614	2,750
Repairs and maintenance		611	1,122
Computer expenses		2,371	1,932
Donations	29.3	11,395	7,305
CDC charges		1,715	3,202
Expenses on meetings		66	14
Custody / bank charges		601	970
Commission expense		44	178
Miscellaneous charges		65	83
		<b>105,759</b>	<b>105,525</b>

### 29.1 Royalty

This represents the royalty payable on account of use of part of company's name under an agreement dated December 27, 2004.

	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>29.2 Auditors' remuneration</b>			
Audit fee		300	190
Taxation services		305	565
Fee for half year and CCG review and other certificates		550	176
Out-of-pocket expenses		93	96
		<b>1,248</b>	1,027

### 29.3 Donation

Includes donation paid to Siddiqui Foundation amounting to Rs. 10,500(000) [2005: Rs:6,500(000)], 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi. Mr. Munawar Alam Siddiqui-Director is also a director in Siddiqui Foundation.

## 30. TAXATION

For the year	30.1	10,645	4,108
Deferred		1,247	(1,455)
		<b>11,892</b>	2,653

### 30.1 Relationship between the tax expense and the accounting profit

Profit before tax		<b>581,680</b>	370,689
Tax at the applicable tax rate of 35% [2005: 35%]		<b>203,588</b>	129,741
Tax effect of expenses that are not deductible in determining taxable income		<b>6,936</b>	6,471
Tax effect of exempt income and expenses that are deductible from but are not included in accounting profit		<b>(171,660)</b>	(102,272)
Tax effect of income charged at lower tax rate and rebates		<b>(28,219)</b>	(29,832)
Net effect of deferred tax liability arising due to deductible temporary differences		<b>1,247</b>	(1,455)
Adjusted income tax charge		<b>11,892</b>	2,653
Higher of adjusted income tax charge as above and turnover tax under section 113 of Income Tax Ordinance, 2001 amounting to Rs. 5,631(000) [2005: Rs. 3,249(000)]		<b>10,645</b>	4,108



	Note	June 30, 2006 (Rs. in '000s)	June 30, 2005
<b>31. BASIC AND DILUTED EARNINGS PER SHARE</b>			
Net profit for the year attributable to ordinary shareholders		<b>569,788</b>	368,036
<b>(Numbers in '000)</b>			
Weighted average number of ordinary shares outstanding during the year.		<b>85,313</b>	85,313
		<b>Rupees</b>	Rupees
Basic and diluted earnings per share		<b>6.68</b>	4.31

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

### 32. CASH AND CASH EQUIVALENTS

Cash and bank balances	16	<b>541,582</b>	81,816
Running finance utilised under mark-up arrangements	21	<b>(26,452)</b>	(179,660)
		<b>515,130</b>	(97,844)

### 33. REMUNERATION OF DIRECTORS AND EXECUTIVES

	Chief Executive		Director		Executives		Total	
	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005	June 30, 2006	June 30, 2005
----- (Rs. in '000s) -----								
Managerial remuneration	<b>1,200</b>	680	<b>1,890</b>	-	<b>4,599</b>	4,088	<b>7,689</b>	4,768
Perquisites and allowances	<b>600</b>	340	-	-	<b>2,300</b>	2,044	<b>2,900</b>	2,384
Staff retirement benefits	<b>120</b>	68	-	-	<b>217</b>	293	<b>337</b>	361
Commission and bonus	<b>2,500</b>	1,300	<b>1,385</b>	-	<b>5,466</b>	6,913	<b>9,351</b>	8,213
Reimbursable expenses	<b>123</b>	74	<b>53</b>	-	<b>658</b>	432	<b>834</b>	506
	<b>4,543</b>	2,462	<b>3,328</b>	-	<b>13,240</b>	13,770	<b>21,111</b>	16,232
Number of persons	<b>1</b>	1	<b>1</b>	-	<b>6</b>	5	<b>8</b>	6

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

### 34. TRANSACTIONS WITH RELATED PARTIES / CONNECTED PERSONS

Related parties comprise the parent company, associated undertakings, directors and key management personnel of the company and its parent. The company in the normal course of business carries out transactions with various related parties. The transactions with the related parties are made at normal market prices. Material transactions with related parties are given below:

<b>Relationship with the company</b>	<b>Nature of transactions</b>	<b>June 30, 2006 (Rs in '000)</b>	<b>June 30, 2005 (Rs in '000)</b>
<b>Parent Company</b>			
Jahangir Siddiqui & Company Limited	Purchase of money market instruments	1,438,497	1,223,006
	Sale of money market instruments	2,468,773	2,077,257
	Purchase of fixed assets	830	1,474
	Borrowing of funds	-	150,000
	Expense on funds borrowed	-	38
	Rent paid	1,673	2,044
	Dividend paid	260,912	-
		<b>June 30, 2006 Number of shares</b>	<b>June 30, 2005</b>
	Bonus shares issued	-	39,048,003
<b>Associated undertaking</b>			
Jahangir Siddiqui Capital Markets Limited	Sale of marketable securities (including resale under reverse repurchase agreements)	71,358,713	43,785,105
	Purchase of marketable securities (including purchase under reverse repurchase agreements)	71,959,062	44,453,538
	Brokerage	458	376
Azgard – 9 Limited	Investment in equity shares	260,600	-
	Dividend received	7,042	-
	Fund placement	63,000	63,000
	Return on fund placement	4,334	645
<b>Common directorship</b>			
Eye Television Network Limited	Loan disbursed and repaid	-	15,000
	Markup on loan	-	112
BSJS Balanced Fund Limited	Dividend received	26,237	16,208
<b>Key management personnel of parent company</b>			
Siraj Ahmed Dadabhoy	Loan disbursed	-	32,000
	Markup on loan	3,676	1,409

There are no transactions with key management personnel other than under the terms of employment except as disclosed in note 33 and 34 to the financial statements.

The related party status of outstanding receivables and payable as at June 30, 2006 are included in respective notes to the financial statements.



### 35. SEGMENTAL INFORMATION

Primary segment information

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

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

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

Capital market	Money market	Others	Total
------(Rs. in '000s) -----			

#### Segmental information for the year ended June 30, 2006

##### Segment results for the year ended June 30, 2006

Gross operating income	913,745	174,106	38,302	1,126,153
Segment results	910,590	19,383	26,511	956,484
Unallocated costs				(374,804)
Profit before taxation				581,680
Income tax expense				(11,892)
Net profit for the year				569,788

##### Segment assets and liabilities as at June 30, 2006

Segment assets	3,184,273	1,214,329	196,756	4,595,358
Unallocated assets				579,810
Total assets				5,175,168
Segment liabilities	77,110	1,069,323	42,288	1,188,721
Unallocated liabilities				2,703,490
Total liabilities				3,892,211

##### Other segment information for the year ended June 30, 2006

Capital expenditure				-
Unallocated				2,018
				2,018
Segmented depreciation	35	237	824	1,096
Unallocated				3,368
				4,464

	Capital market	Money market	Others	Total
	----- (Rs. in '000s) -----			
<b>Segmental information for the year ended June 30, 2005</b>				
<b>Segment results for the year ended June 30, 2005</b>				
Gross operating income	488,506	98,380	62,875	649,761
Segment results	484,122	39,300	47,191	570,613
Unallocated costs				(199,924)
Profit before taxation				370,689
Income tax expense				(2,653)
Net profit for the year				368,036
<b>Segment assets and liabilities as at June 30, 2005</b>				
Segment assets	2,995,932	1,109,507	608,657	4,714,096
Unallocated assets				102,394
<b>Total assets</b>				4,816,490
Segment liabilities	255,757	877,896	316,569	1,450,222
Unallocated liabilities				2,164,025
<b>Total liabilities</b>				3,614,247
<b>Other segment information for the year ended June 30, 2005</b>				
Capital expenditure	54	322	227	603
Unallocated				2,763
				3,366
Segmented depreciation	35	237	868	1,140
Unallocated				3,118
				4,258

### 36. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

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

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





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

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

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

June 30, 2006			June 30, 2005		
Loans and term finance	Investments	Others	Loans and term finance	Investments	Others
----- (Rs. in '000s) -----					

### 37. SEGMENT BY CLASS OF BUSINESS

Chemical and pharmaceuticals	-	8,370	109	-	2,473	149
Textile	9,665	352,887	988	14,286	207,849	2,208
Cement	-	18,246	17	-	15,669	50
Automobile and transportation equipment	20,500	96,283	679	158,000	167,794	769
Financial	95,000	912,835	2,941,813	-	849,484	2,583,285
Individuals	158,998	-	5,672	414,268	-	9,809
Sugar and allied industries	-	-	-	-	34,210	656
Services and consultancy	-	-	-	-	-	-
Fuel and energy	-	29,879	455	-	50,886	8,750
Insurance	-	-	-	-	-	-
Communication	30,000	133,617	1,807	9,000	169,487	1,433
Government securities	-	51,347	1,020	-	-	-
Others	-	262,658	9,598	-	80,356	6,629
	<u>314,163</u>	<u>1,866,122</u>	<u>2,962,158</u>	<u>595,554</u>	<u>1,578,208</u>	<u>2,613,738</u>

### 38. LIQUIDITY RISK

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

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

	June 30, 2006				
	Total	Upto three months	Over three months to one year	Over one year to five years	Over five years
	----- (Rs. in '000s) -----				
<b>Assets</b>					
Property , plant and equipment	6,790	-	-	6,790	-
Stock exchange membership card	11,101	-	-	-	11,101
Long term deposits	2,416	-	-	2,416	-
Loans and term finance	314,163	148,475	138,720	26,968	-
Investments	1,866,122	864,821	187,988	743,744	69,569
Fund placements	2,367,388	2,359,888	7,500	-	-
Prepayments, accruals and other receivables	50,772	47,601	3,171	-	-
Taxation - net	14,834	-	14,834	-	-
Cash and bank balances	541,582	541,582	-	-	-
	5,175,168	3,962,367	352,213	779,918	80,670
<b>Liabilities</b>					
Certificates of deposit	2,631,426	1,546,107	844,716	240,603	-
Short term borrowings	1,094,452	1,094,452	-	-	-
Payable for purchase of marketable securities	77,021	77,021	-	-	-
Trade and other payables	89,312	89,312	-	-	-
	3,892,211	2,806,892	844,716	240,603	-
<b>Net assets</b>	1,282,957	1,155,475	(492,503)	539,315	80,670
<b>Represented by :</b>					
Issued, subscribed and paid-up capital	853,125				
Reserves	614,245				
Deficit on revaluation of investments	(184,413)				
	1,282,957				



	June 30, 2005				
	Total	Upto three months	Over three months to one year	Over one year to five years	Over five years
	----- (Rs. in '000s) -----				
<b>Assets</b>					
Property , plant and equipment	9,700	-	-	9,700	-
Stock exchange membership card	11,101	-	-	-	11,101
Long term deposits	2,416	-	-	2,416	-
Loans and term finance	595,554	259,057	243,314	93,183	-
Investments	1,578,208	13,074	858,906	607,354	98,874
Deferred taxation	1,247	-	-	1,247	-
Fund placements	2,455,523	2,368,581	86,942	-	-
Receivable against sale of marketable securities	20,882	20,882	-	-	-
Prepayments, accruals and other receivables	53,101	52,155	946	-	-
Taxation - net	6,942	6,942	-	-	-
Cash and bank balances	81,816	81,816	-	-	-
	4,816,490	2,802,507	1,190,108	713,900	109,975
<b>Liabilities</b>					
Certificates of deposit	2,080,651	966,665	958,546	155,440	-
Short term borrowings	1,186,729	1,051,729	135,000	-	-
Payable for purchase of marketable securities	255,112	255,112	-	-	-
Trade and other payables	91,755	91,755	-	-	-
	3,614,247	2,365,261	1,093,546	155,440	-
<b>Net assets</b>	1,202,243	437,246	96,562	558,460	109,975
<b>Represented by :</b>					
Issued, subscribed and paid-up capital	853,125				
Reserves	462,488				
Deficit on revaluation of investments	(113,370)				
	1,202,243				

### 39. YIELD / INTEREST RATE RISK

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

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

	Effective yield / interest rate %	June 30, 2006				Not exposed to yield / interest risk
		Exposed to yield / interest risk			Total	
		Upto three months	Over three months to one year	Over one year to five years		
(Rs. in '000s)						
<b>Financial assets</b>						
Long term deposits	-	2,416	-	-	-	2,416
Loans and term finance	0.00-14.74	314,163	148,475	138,720	26,968	-
Investments	7.00-15.25	1,866,122	208,776	187,988	415,847	1,053,511
Fund placements	7.5-15.00	2,367,388	2,359,888	7,500	-	-
Accrued and other receivables	-	50,772	-	-	-	50,772
Cash and bank balances	1.00-11.25	541,582	498,734	-	-	42,848
		5,142,443	3,215,873	334,208	442,815	1,149,547
<b>Financial liabilities</b>						
Certificates of deposit	7.5-12.75	2,631,426	1,546,107	844,716	240,603	-
Short term borrowings	8.80-11.00	1,094,452	1,094,452	-	-	-
Payable for purchase of marketable securities	-	77,021	-	-	-	77,021
Trade and other payables	-	89,312	-	-	-	89,312
		3,892,211	2,640,559	844,716	240,603	166,333
Total yield / interest risk sensitivity gap		1,250,232	575,314	(510,508)	202,212	983,214
Cumulative yield / interest risk sensitivity gap			575,314	64,806	267,018	

	Effective yield / interest rate %	June 30, 2005				Not exposed to yield / interest risk
		Exposed to yield / interest risk			Total	
		Upto three months	Over three months to one year	Over one year to five years		
(Rs. in '000s)						
<b>Financial assets</b>						
Long term deposits	-	2,416	-	-	-	2,416
Loans and term finance	0.00-13.90	595,554	259,057	243,314	92,844	339
Investments	5.18-16.25	1,578,208	13,074	119,292	413,501	1,032,341
Fund placements	8.9-15.31	2,455,523	2,368,581	86,942	-	-
Receivable against sale of marketable securities	-	20,882	-	-	-	20,882
Accrued and other receivables	-	53,101	-	-	-	53,101
Cash and bank balances	0.75-11.00	81,816	51,534	-	-	30,282
		4,787,500	2,692,246	449,548	506,345	1,139,361
<b>Financial liabilities</b>						
Certificates of deposit	5.00-10.75	2,080,651	966,665	958,546	155,440	-
Short term borrowings	7.8-11.46	1,186,729	1,051,729	135,000	-	-
Payable for purchase of marketable securities	-	255,112	-	-	-	255,112
Trade and other payables	-	91,755	-	*	-	91,755
		3,614,247	2,018,394	1,093,546	155,440	346,867
Total yield / interest risk sensitivity gap		1,173,253	673,852	(643,998)	350,905	792,494
Cumulative yield / interest risk sensitivity gap			673,852	29,854	380,759	

\* This includes amount payable to Portfolio Trading Services customers



#### 40. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

	June 30, 2006		June 30, 2005	
	Book value	Fair value	Book value	Fair value
	----- (Rs. in '000s) -----			
<b>Financial assets</b>				
Long term deposits	2,416	2,416	2,416	2,416
Loans and term finance	314,163	314,163	595,554	595,554
Investments	1,866,122	1,866,122	1,578,208	1,578,208
Fund placements	2,367,388	2,367,388	2,455,523	2,455,523
Receivable against sale of marketable securities	-	-	20,882	20,882
Accrued and other receivables	50,772	50,772	53,101	53,101
Cash and bank balances	541,582	541,582	81,816	81,816
	<u>5,142,443</u>	<u>5,142,443</u>	<u>4,787,500</u>	<u>4,787,500</u>
<b>Financial liabilities</b>				
Certificates of deposit	2,631,426	2,631,426	2,080,651	2,080,651
Short term borrowings	1,094,452	1,094,452	1,186,729	1,186,729
Payable for purchase of marketable securities	77,021	77,021	255,112	255,112
Trade and other payables	89,312	89,312	91,755	91,755
	<u>3,892,211</u>	<u>3,892,211</u>	<u>3,614,247</u>	<u>3,614,247</u>

As at June 30, 2006, the net fair value of all financial instruments has been based on the valuation methodology outlined below:

**(a) Loans and certificates of deposits**

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

**(b) Investments**

The fair value of quoted investments is based on quoted market prices or average of quotations received from the brokers.

**(c) Other financial instruments**

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

#### 41. PORTFOLIO TRADING SERVICES (PTS)

JSIBL holds an amount of Rs. NIL as at June 30, 2006 [June 2005: Rs. 174,990(000)] as security in the form of shares of listed companies under its portfolio trading services offered to its customers. Under the scheme, the company offers a trading limit against those security deposits deposited, enabling customers to trade on the stock exchange facilitated by the company.

#### 42. RECENT ACCOUNTING DEVELOPMENTS

42.1 A new series of standards referred to as “International Financial Reporting Standards (IFRSs)” have been introduced and seven IFRSs have been issued by International Accounting Standard Board under this series. Out of these the following IFRSs have been adopted by ICAP however since these have not been adopted by SECP as yet, therefore, these do not form part of the approved local financing reporting framework.

IFRS-2	(Share based Payments)
IFRS-3	(Business Combinations)
IFRS-5	(Non-current Assets held for Sale and Discontinued Operations) and
IFRS-6	(Exploration for and Evaluation of Mineral Resources)

The company expects that the adoption of these pronouncements mentioned above will have no significant impact on the company’s financial statements in the period of initial application.

42.2 Following amendments to existing standards have been published that are mandatory for the company’s accounting periods beginning on or after January 01, 2007:

i.	IAS 19	(Amendments) – Employee Benefits	effective from January 01, 2006
ii.	IAS 1	Presentation of Financial Statements Capital Disclosures	effective from January 01, 2007

Adoption of the above amendments may only impact the extent of disclosures presented in the financial statements.

#### 43. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue by the Board of Directors of the Company on September 13, 2006.

#### 44. GENERAL

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



## PATTERN OF SHAREHOLDING

FORM "34"

Shareholders Statistics as at June 30, 2006

No. of Shareholders	Shareholding		Total shares held
	From	To	
237	1	100	12,586
577	101	500	209,434
433	501	1000	357,818
699	1001	5000	1,879,839
137	5001	10000	1,018,302
70	10001	15000	946,175
22	15001	20000	393,400
17	20001	25000	381,393
6	25001	30000	167,647
9	30001	35000	292,802
9	35001	40000	333,057
5	40001	45000	215,667
3	45001	50000	148,867
4	50001	55000	208,250
2	55001	60000	119,500
2	65001	70000	138,250
2	75001	80000	157,900
1	80001	85000	83,500
1	95001	100000	100,000
1	100001	105000	100,250
1	125001	130000	127,875
1	140001	145000	140,500
1	145001	150000	150,000
1	150001	155000	154,000
1	165001	170000	165,003
1	200001	205000	201,000
1	215001	220000	217,500
1	245001	250000	250,000
1	365001	370000	365,250
1	530001	535000	533,500
1	575001	580000	575,500
1	645001	650000	648,000
1	670001	675000	672,500
1	820001	825000	823,500
1	1320001	1325000	1,325,000
1	3745001	3750000	3,745,575
1	6290001	6295000	6,292,890
1	8410001	8415000	8,412,993
1	10235001	10240000	10,237,500
1	43005001	43010000	43,009,777
<b>2,257</b>			<b>85,312,500</b>

S.No	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage
1	INDIVIDUALS	2,154	12,406,414	14.54
2	INVESTMENT COMPANIES	67	63,002,083	73.85
3	INSURANCE COMPANIES	8	8,325,652	09.76
4	JOINT STOCK COMPANIES	5	200,275	00.24
5	FINANCIAL INSTITUTION(S)	6	905,367	01.06
6	MODARABA COMPANIES	4	71,572	00.08
7	FOREIGN INVESTOR(S)	7	324,862	00.38
8	OTHERS:			
	TRUSTEES AL-ABBAS SUGAR MILLS LTD EMP.GF	2,000		
	TRUSTEES INTERNATIONAL FOUNDATION & GARMENTS SENIOR EMP PF	5,500		
	TRUSTEES INTERNATIONAL FOUNDATION & GARMENTS SENIOR EMP GF	14,500		
	TRUSTEES-THE BHAIMIA FOUNDATION	4,500		
	W.H. ASSOCIATES (PVT.) LIMITED	275		
	TRUSTEES JSCL STAFF PROVIDENT FUND	49,500		
		6	76,275	0.09
		<b>2,257</b>	<b>85,312,500</b>	<b>100.00</b>

\* INCLUDES 1553 CDC BENEFICIAL OWNER AS PER LIST APPEARING ON CDS.



JAHANGIR SIDDIQUI INVESTMENT BANK Ltd.

## DISCLOSURE TO PATTERN OF SHAREHOLDING

As at June 30, 2006

Serial No.	Name of Share Holders / CDC Beneficial Owners	No. of Shares Held
<b>1.</b>	<b>Associated Companies, Undertakings and Related Parties:</b>	
	M/s. Jahangir Siddiqui & Co. Limited	53,247,277
<b>2.</b>	<b>NIT and ICP:</b>	
	M/S. Investment Corporation of Pakistan	1,300
	National Bank of Pakistan, Trustee Deptt.	8,412,993
	Total	8,414,293
<b>3.</b>	<b>List of Directors, CEO and their Spouse and Minor Children:</b>	
	Mr. Mazharul Haq Siddiqui	165,003
	Mr. Maqbool Ahmed Soomro	3
	Mrs. Akhter Jabeen Siddiqui	45,000
	Mr. Muhammad Yousuf Amanullah	0
	Mr. Salman Rashid	0
	Mr. Firasat Ali	0
	Mr. Munawar Alam Siddiqui	0
	Mr. Zainul Abidin Memon	0
	Total	210,006
<b>4.</b>	<b>List of Executives</b>	
	Ms. Nadia Munawar	500
	Mr. Rashid Raza	7,500
	Total	8,000
<b>5.</b>	<b>Public Sector Companies and Corporations:</b>	NIL
<b>6.</b>	<b>Banks, Development Finance Institutions, Non-banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds:</b>	10,141,691
<b>7.</b>	<b>Shareholder / CDC Beneficial Owners Holding Shares 10% or More :</b>	
	M/S. Jahangir Siddiqui & Co. Limited	53,247,277





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**Details of transactions carried out by Directors, Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary and their spouses and minor children during the period from July 1, 2005 to June 30, 2006.**

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



JAHANGIR SIDDIQUI INVESTMENT BANK Ltd.

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## Form of Proxy

13<sup>th</sup> Annual General Meeting

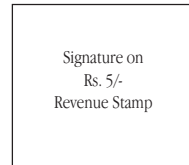
The Company Secretary  
**Jahangir Siddiqui Investment Bank Limited**  
1301-1303, 13<sup>th</sup> Floor, Chapal Plaza,  
Hasrat Mohani Road,  
**Karachi-74000**

I/We \_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_ being member(s) of **Jahangir Siddiqui Investment Bank Ltd.** holding  
\_\_\_\_\_ ordinary shares as per Registered Folio No./CDC A/c No. (For members who have shares in  
CDS) \_\_\_\_\_ hereby appoint Mr./Ms. \_\_\_\_\_  
of (full address) \_\_\_\_\_  
or failing him/her Mr./Ms. \_\_\_\_\_ of (full address) \_\_\_\_\_  
\_\_\_\_\_, 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 31,  
2006 and / or any adjournment thereof.

As witness my / our hand / seal this \_\_\_\_\_ day of \_\_\_\_\_ 2006. Signed by \_\_\_\_\_ in  
the presence of (name & address) \_\_\_\_\_

### Witness:

1. Name \_\_\_\_\_  
Signature \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
CNIC or \_\_\_\_\_  
Passport No. \_\_\_\_\_
2. Name \_\_\_\_\_  
Signature \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
CNIC or \_\_\_\_\_  
Passport No. \_\_\_\_\_



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 1301-1303, 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000, not less than 48 hours before the time of holding the 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 a 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 Computerised National Identity card with him / her to prove his / her identity, and in case of proxy, must enclose an attested copy of his / her Computerised National Identity Card. Representatives of Corporate members should bring the usual documents required for such purpose.

AFFIX  
CORRECT  
POSTAGE

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