



## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Jahangir Siddiqui Capital Markets Limited** as at 30 June 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 account have been kept by the Company as required by the Companies Ordinance, 1984;
- b) in our opinion:
  - i) the balance sheet and profit and loss account together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
  - ii) the expenditure incurred during the year was for the purpose of the Company's business; 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 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.

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

Dated: 13 September 2006  
Karachi

**BALANCE SHEET**  
As at June 30, 2006

	Note	2006 Rupees	2005 Rupees
<b>Capital and reserves</b>			
Share capital			
Authorised			
25,000,000 (2005: 25,000,000) ordinary shares of Rs. 10 each		<b>250,000,000</b>	250,000,000
Issued, subscribed and paid up capital	3	<b>138,000,000</b>	100,000,000
Share premium		-	32,000,000
Unappropriated profit		<b>385,514,334</b>	127,306,180
Unrealised loss on remeasurement of available-for-sale investment at fair value	13.1	<b>(3,474,660)</b>	(17,373,300)
		<b>520,039,674</b>	241,932,880
<b>Advance against issue of shares</b>	4	<b>300,499,400</b>	-
<b>Deferred taxation</b>	5	<b>791,803</b>	597,452
<b>Current liabilities</b>			
Short term running finance under mark-up arrangement-secured	6	<b>176,890,535</b>	256,408,309
Creditors, accrued expenses and other liabilities	7	<b>1,197,779,507</b>	519,413,760
Provision for taxation	23.1	<b>42,755,104</b>	44,108,943
		<b>1,417,425,146</b>	819,931,012
<b>Commitments</b>	8		
		<b>2,238,756,023</b>	1,062,461,344

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

Adil Matcheswala  
Chairman/Director

G. M. Malkani  
Chief Executive

Kamran Ansari  
Chief Financial Officer



	Note	2006 Rupees	2005 Rupees
<b>Fixed assets</b>			
Property, plant and equipment	9	26,153,242	20,158,989
Intangible assets	10	22,933,335	24,866,667
Long term loans, advances and deposits	11	1,925,305	5,879,057
Long term investment - advance against equity	12	-	3,071,667
<b>Current Assets</b>			
Short term investment	13	66,018,540	52,119,900
Trade debts - unsecured, considered good	14	1,087,641,912	477,033,287
Loans, advances, prepayments and other receivable	15	11,659,082	10,156,482
Advance tax		40,818,648	43,741,784
Securities purchased under resale obligations	16	664,420,075	423,610,751
Cash and bank balances	17	317,185,884	1,822,760
		2,187,744,141	1,008,484,964
		<u>2,238,756,023</u>	<u>1,062,461,344</u>

**Adil Matcheswala**  
Chairman/Director

**G. M. Malkani**  
Chief Executive

**Kamran Ansari**  
Chief Financial Officer

**PROFIT AND LOSS ACCOUNT**  
For the year ended June 30, 2006

	Note	2006 Rupees	2005 Rupees
Operating revenue	18	424,300,760	206,322,207
Net gain / income from reverse repurchase transactions in marketable securities	19	<u>71,453,095</u>	<u>45,978,693</u>
		<b>495,753,855</b>	<b>252,300,900</b>
Administrative and operating expenses	20	<u>(190,204,308)</u>	<u>(122,584,522)</u>
		<b>305,549,547</b>	<b>129,716,378</b>
Other operating income	21	<u>12,278,845</u>	<u>630,668</u>
		<b>317,828,392</b>	<b>130,347,046</b>
Finance cost	22	<u>(12,827,662)</u>	<u>(9,317,703)</u>
Profit before taxation		<b>305,000,730</b>	<b>121,029,343</b>
Taxation - current		<b>(42,755,104)</b>	<b>(18,335,593)</b>
- prior		<b>2,156,879</b>	<b>-</b>
- deferred		<b>(194,351)</b>	<b>(394,235)</b>
	23.2	<u><b>(40,792,576)</b></u>	<u><b>(18,729,828)</b></u>
Profit after taxation		<u><b>264,208,154</b></u>	<u><b>102,299,515</b></u>
Earnings per share - basic and diluted	24	<u><b>19.15</b></u>	<u><b>7.41</b></u>

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

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Chairman/Director

**G. M. Malkani**  
Chief Executive

**Kamran Ansari**  
Chief Financial Officer



## CASH FLOW STATEMENT

For the year ended June 30, 2006

	Note	2006 Rupees	2005 Rupees
<b>Cash flows from operating activities</b>			
Profit before taxation		305,000,730	121,029,343
Adjustments for:			
Depreciation		6,623,826	2,355,119
Gain on sale of fixed assets		(163,697)	(40,833)
Amortisation of intangible assets		1,933,332	1,933,333
Financial charges		12,177,080	8,938,068
		<b>20,570,541</b>	13,185,687
Operating profit before working capital changes		<b>325,571,271</b>	134,215,030
(Increase) in operating assets:			
Trade debts		(610,608,625)	(435,599,369)
Short term Investments		-	(69,493,200)
Advances, deposits, pre-payments and other receivables		(1,502,600)	(4,094,869)
		<b>(612,111,225)</b>	(509,187,438)
Increase in current liabilities (creditors, accrued expenses and other liabilities)		<b>682,813,141</b>	308,191,950
Cash generated from operations		<b>396,273,187</b>	(66,780,458)
Mark-up paid		(12,390,474)	(8,724,302)
Taxes Paid		(39,028,928)	(39,956,191)
Dividend paid		-	(14,683,202)
Changes in long term loans and deposits		3,953,752	(4,471,123)
Net cash inflow / (outflow) from operating activities		<b>348,807,537</b>	(134,615,276)
<b>Cash flows from investing activities</b>			
Capital expenditure incurred		(13,097,190)	(20,479,428)
Proceeds from disposal of fixed assets		642,808	890,000
Payment for software		(4,234,000)	(1,566,000)
Refund/(Advance) against equity		3,071,667	(3,071,667)
Fund placements - net		(240,809,324)	(213,976,480)
Net cash inflow / (outflow) from investing activities		<b>(254,426,039)</b>	(238,203,575)
<b>Cash flows from financing activities</b>			
Further issue of share capital		-	40,000,000
Share premium		-	32,000,000
Advance against issue of shares		300,499,400	-
Net cash flow from financing activities		<b>300,499,400</b>	72,000,000
Net increase / (decrease) in cash and cash equivalents		<b>394,880,898</b>	(300,818,851)
Cash and cash equivalents at beginning of the year		(254,585,549)	46,233,302
Cash and cash equivalents at end of the year	25	<b>140,295,349</b>	(254,585,549)

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

**Adil Matcheswala**  
Chairman/Director

**G. M. Malkani**  
Chief Executive

**Kamran Ansari**  
Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY**  
For the year ended June 30, 2006

	Issued, subscribed and paid up capital	Capital reserve		Revenue reserves		Total
		Issue of Bonus shares	Share premium	Unrealized loss on remeasurement of available for sale investment at fair value	Unappropriated profit	
----- (Rupees) -----						
Balance as on July 01, 2004	60,000,000	-	-	-	40,006,665	100,006,665
Profit for the year	-	-	-	-	102,299,515	102,299,515
Interim dividend	-	-	-	-	(15,000,000)	(15,000,000)
Effect of remeasurement of available for sale investments at fair value	-	-	-	(17,373,300)	-	(17,373,300)
Issue of share capital	40,000,000	-	-	-	-	40,000,000
Share premium	-	-	32,000,000	-	-	32,000,000
<b>Balance as on June 30, 2005</b>	<b>100,000,000</b>	<b>-</b>	<b>32,000,000</b>	<b>(17,373,300)</b>	<b>127,306,180</b>	<b>241,932,880</b>
Reserve for issue of Bonus shares	-	15,000,000	(15,000,000)	-	-	-
Issue of bonus shares 2004-05	15,000,000	(15,000,000)	-	-	-	-
Reserve for issue of Bonus shares	-	23,000,000	(17,000,000)	-	(6,000,000)	-
Issue of bonus shares 2005-06	23,000,000	(23,000,000)	-	-	-	-
Profit for the year	-	-	-	-	264,208,154	264,208,154
Effect of remeasurement of available for sale investments at fair value	-	-	-	13,898,640	-	13,898,640
<b>Balance as on June 30, 2006</b>	<b>138,000,000</b>	<b>-</b>	<b>-</b>	<b>(3,474,660)</b>	<b>385,514,334</b>	<b>520,039,674</b>

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

**Adil Matcheswala**  
Chairman/Director

**G. M. Malkani**  
Chief Executive

**Kamran Ansari**  
Chief Financial Officer



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2006

### 1. STATUS AND NATURE OF BUSINESS

Jahangir Siddiqui Capital Markets Limited was incorporated as a private limited company on June 28, 2000, however, the company commenced operations in May 2003 and name of the company was changed from JSCL Direct (Private) Limited to Jahangir Siddiqui Capital Markets (Private) Limited. Subsequently, the company was converted into a public unquoted company and the holding company Jahangir Siddiqui & Company Limited offered its 25% shareholding to the general public for subscription in December 2004 and the company obtained listing on Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (Guarantee) Limited on February 07, 2005.

The company is a corporate member of Karachi Stock Exchange (Guarantee) Limited and the principal activities of the company are share brokerage, money market and forex brokerage, advisory and consultancy services.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Statement of compliance

These financial statements are prepared in accordance with approved accounting standards as applicable in Pakistan and the requirements of 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 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.

#### 2.2 New accounting standards and IFRIC interpretations that are not yet effective

Following amendments to existing standards have been published that are mandatory for the Company's accounting periods beginning on or after January 01, 2006 or later periods:

IAS 19 (Amendment), Employee Benefits	January 01, 2006
IAS 39 (Amendment), Financial Instruments: Recognition and Measurement - The Fair Value Option	January 01, 2006
IAS 1 Presentation of Financial Statements - Capital Disclosure	January 01, 2007

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

In addition to the above various IFRICs are effective from future periods, which management considers that have no effect to the Company.

#### 2.3 Accounting convention

**2.3.1** These financial statements have been prepared under the historical cost convention, except for the measurement at fair value of Available-for-sale investment.

**2.3.2** The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of approved accounting standards, as applicable in Pakistan, that have significant effect on the financial statements and estimates with a significant risk of material judgment in the next year are discussed in note 29 to these financial statements.

## **2.4 Staff retirement benefits**

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

The company operates a defined contribution plan. i.e. recognized provident fund scheme for all its eligible employees in accordance with the trust deed and rules made thereunder. Equal monthly contributions at the rate of 10% of basic salary are made to the fund by the company and the employees.

## **2.5 Fixed assets - tangible**

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any, except for capital work in progress which is stated at cost. Depreciation is calculated on a straight line method at the rates given in the note 9 and is charged to income.

Depreciation on additions during the year is charged from the month of addition, whereas no depreciation is charged in the month of disposal. Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired.

Gains and losses on disposal of assets, if any, are included in the profit and loss account.

## **2.6 Intangible assets**

### ***Membership card***

This is stated at cost less impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether it is in excess of its recoverable amount, and where the carrying value exceeds estimated recoverable amount, it is written down to its estimated recoverable amount.

### ***Software***

Costs that are directly associated with identifiable software products purchased and have probable economic benefit beyond one year are recognized as intangible assets. Software is stated at cost less accumulated amortization and accumulated impairment losses, if any. These are amortised using the straight line method reflecting the pattern in which the economic benefits of the assets are consumed by the company.

Full year's amortization is charged on software acquired during the year, whereas no amortization is charged in the year of disposal. Normal maintenance is charged to income as and when incurred. Amortization period of software is 3 years.

Gains and losses on disposal of software, if any, are included in the profit and loss account.





## **2.7 Investments**

### **Financial assets at fair value through profit or loss**

Investments are classified as financial assets at fair value through profit or loss. This category has two sub-categories: financial assets held for trading and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management.

### **Available-for-sale**

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

### **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.

All investments are initially recognised at fair value plus transaction cost associated with the investment, excluding pertaining to 'financial assets at fair value through profit or loss' which is charged to the profit and loss account immediately.

After initial recognition, investments which are classified as financial assets at fair value through profit or loss and available-for-sale are remeasured at fair value. Gains or losses on financial assets at fair value through profit or loss are recognised in income. Gains or losses on available-for-sale investments are recognised in equity until the investment is sold, collected or otherwise disposed off, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in income. Investments classified as held-to-maturity are stated at amortised cost.

For investments in quoted marketable securities, fair value is determined by reference to Stock Exchange quoted market prices at the close of business on balance sheet date.

## **2.8 Securities purchased / sold under resale / repurchase agreements**

**2.8.1** Transactions of purchase under resale (reverse-repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities purchased with a corresponding commitment to resale at a specified future date (reverse-repos) are not recognised in the balance sheet. Amounts paid under these agreements in respect of reverse repurchase transactions are included in assets. The difference between purchase and resale price is treated as income from reverse repurchase transactions in marketable transactions.

**2.8.2** Transactions of sale under repurchase (repo) of marketable securities are entered into at contracted rates for specified periods of time. Securities 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 investment. The counterparty liabilities for amounts received under these transactions are recorded as liabilities. The difference between sale and repurchase price is treated as borrowing charges.

**2.9 Trade debts and other receivables**

Trade debts and other receivable originated by the Company are recognised initially at fair value and subsequently measured at amortised cost and are stated net of provision for impairment, if any. Provision for impairment is made when collection of the full amount is no longer probable and is taken to profit and loss account.

**2.10 Revenue recognition**

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

Dividend income is recorded when the right to receive the dividend is established.

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

**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 0.5% of turnover, under Section 113 of Income Tax Ordinance 2001, whichever is higher.

*Deferred*

Deferred tax is provided using balance sheet liability method, providing for all temporary differences between 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 asset is reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**2.12 Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise cash, bank balances and short term running finance repayable on demand as stated in note 25.

**2.13 Impairment**

The carrying amount of company's assets are reviewed at balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount is estimated and impairment losses are recognized in the profit and loss account. Reversal of impairment losses if any, is restricted to the original cost of assets.

**2.14 Foreign currency translation**

Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are converted into rupees at the rates of exchange prevailing at the transaction date. Exchange gains or losses are taken to income currently.



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended June 30, 2006

**2.15 Borrowing costs**

Borrowing costs are interest or other auxiliary costs incurred by the company in connection with borrowing of funds and is treated as periodic cost and charged to profit and loss account.

**2.16 Provisions**

Provisions are recognized when the Company has the legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

**2.17 Financial instruments**

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

**2.18 Offsetting of financial assets and liabilities**

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

**3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL**

2006 (Number of shares)	2005		2006 Rupees	2005 Rupees
10,000,000	10,000,000	Ordinary shares of Rs.10/- each fully paid in cash	100,000,000	100,000,000
3,800,000	-	Ordinary shares of Rs. 10/- each issued as bonus shares	38,000,000	-
<u>13,800,000</u>	<u>10,000,000</u>		<u>138,000,000</u>	<u>100,000,000</u>

Bonus shares include 15% bonus issue pertaining to prior year, however, accounted for during the year as a result of substitution of the fourth schedule to the Companies Ordinance, 1984 which was effective from financial year ending on or after July 05, 2004 and the 20% interim bonus issue approved by the Board of Directors in its meeting held on February 17, 2006.

The shareholding of the holding company, Jahangir Siddiqui & Company Limited (JSCL) as at June 30, 2006 was 10,349,989 shares (2005: 7,499,993) and 7 shares (2005: 7) were held by nominee directors of JSCL.

**4. ADVANCE AGAINST ISSUE OF SHARES**

The company negotiated with Global Investment House K.S.C.C., Kuwait ("Global") a company incorporated under the laws of Kuwait, for equity participation in the company to the extent of 10,350,000 Ordinary Shares of the company ("the Subscription Shares") at a subscription price of Rs. 217 per share.

Subscription and shareholders' Agreement was approved by the Company's Board of Directors at the Board meeting held on June 05, 2006 and was signed by the Chief Executive Officer, pursuant to the Board Resolution.

Global has made an Advance Payment of Rs. 300.499 Million to the Company by remittance through normal banking channels. The balance payment will be made by Global at the time of the issuance of the Subscription Shares.

The Shares are to be issued to Global without offering Right Shares on the basis of a Special Resolution passed on July 11, 2006. Securities & Exchange Commission of Pakistan vide its letter No. EMD/CI/49/2006-458 dated July 19, 2006 has already given approval in principle to the scheme of the transaction. The number of 10,350,000 Shares would be reduced by 138,000 Shares that are acquired by Global through a Tender Offer completed on September 06, 2006 under the Listed Companies (Substantial Acquisition of Voting Shares and Take-Overs) Ordinance 2002 and 202,300 Shares already held by the Global. The Company is in the process to complete other necessary formalities to issue 10,009,700 new Ordinary Shares to Global at the Subscription Price of Rs.217/- per share. Subsequent to issuance of the above, the Global and Jahangir Siddiqui & Company Limited each would have 10,350,000 Shares of the Company.

	<b>2006</b>	2005
	<b>Rupees</b>	Rupees
<b>5. DEFERRED TAXATION</b>		
<b>Taxable temporary differences</b>		
Accelerated depreciation for tax purposes	<b>791,803</b>	602,101
<b>Deductible temporary differences</b>		
Difference in accounting and tax base of deferred cost	-	(4,649)
	<b>791,803</b>	597,452
<b>6. SHORT TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENT - secured</b>		
- MCB Bank Limited	<b>78,216,839</b>	207,087,414
- Metropolitan Bank Limited	<b>98,673,696</b>	49,320,895
	<b>176,890,535</b>	256,408,309

- The company has aggregate running finance facilities of Rs. 600 million (2005: Rs. 750 million) under mark-up arrangements.

- Mark-up rates varied from KIBOR plus 2% to KIBOR plus 3% per annum, with a floor ranging from 10% to 12% per annum.

- The arrangements would remain valid for varying periods upto December 31, 2006 and are secured by pledge of listed securities.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2006

	Note	2006 Rupees	2005 Rupees
<b>7. CREDITORS, ACCRUED EXPENSES AND OTHER LIABILITIES</b>			
Creditors for sale of shares on behalf of clients	7.1	1,162,550,890	493,610,728
Payable against purchase of software		-	4,234,000
Tax deducted at source		13,998	505,016
Accrued expenses		17,636,441	12,494,401
Provision for staff bonus		12,000,000	7,466,041
Accrued mark up on running finance		372	213,766
Unclaimed dividend		259,648	316,798
Retention money		580,000	-
Others		4,738,158	573,010
		<b>1,197,779,507</b>	<b>519,413,760</b>

7.1 This include payables to following related parties which were subsequently settled under T+3 Settlement system:

- DCD JS Factors (Private) Limited	1,007,000	-
- Jahangir Siddiqui Investment Bank Limited	7,269,000	-
- Directors of the Company	7,126,000	-
- Staff Retirement Fund	3,949,000	-
- Unit Trust of Pakistan	255,000	-
- Bank Al Islami Pakistan Limited	163,273,000	-

## 8. COMMITMENTS

Commitments in respect of resale transactions of listed equity securities	416,654,735	424,950,589
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## 9. PROPERTY, PLANT AND EQUIPMENT

	Cost			Rate %	Depreciation		Written down	
	As at July 1 2005	Additions / (Disposal)	As at June 30 2006		As at July 1 2005	For the year / (Disposal)	As at June 30 2006	value as at June 30 2006
Office equipments	11,478,362	3,747,630 (42,500)	15,183,492	25	886,827	3,291,426 (5,313)	4,172,940	11,010,552
Office Furniture	719,700	20,000	739,700	10	17,903	72,639	90,542	649,158
Motor vehicles	10,425,183	9,329,560 (618,500)	19,136,243	20	1,559,526	3,259,761 (196,576)	4,642,711	14,493,532
<b>June 30, 2006 (Rupees)</b>	<b>22,623,245</b>	<b>13,097,190 (661,000)</b>	<b>35,059,435</b>		<b>2,464,256</b>	<b>6,623,826 (181,889)</b>	<b>8,906,193</b>	<b>26,153,242</b>

	Cost			Rate %	Depreciation		Written down	
	As at July 1 2004	Additions / (Disposal)	As at June 30 2005		As at July 1 2004	For the year / (Disposal)	As at June 30 2005	value as at June 30 2005
Office equipments	1,282,117	10,196,245	11,478,362	25	136,216	750,611	886,827	10,591,535
Office Furniture	72,200	647,500	719,700	10	1,162	16,741	17,903	701,797
Motor vehicles	1,739,500	9,635,683 (950,000)	10,425,183	20	72,592	1,587,767 (100,833)	1,559,526	8,865,657
<b>June 30, 2005 (Rupees)</b>	<b>3,093,817</b>	<b>20,479,428 (950,000)</b>	<b>22,623,245</b>		<b>209,970</b>	<b>2,355,119 (100,833)</b>	<b>2,464,256</b>	<b>20,158,989</b>

### 9.1 Disposal of fixed assets

Particulars	Acquisition cost	Accumulated depreciation	Written down value	Sale proceeds	Profit / (loss)	Particular of Buyer's	Mode of disposal
Motor Vehicle - Corolla	300,000	105,000	195,000	365,000	170,000	Mr. Hafeez-ur-Rahman, employee	Negotiation
Motor Cycles (Book value of each is less than Rs. 50,000)	318,500	71,576	246,924	240,621	(6,303)	Various employees	Negotiation
Office equipment	42,500	5,313	37,187	37,187	-		
Rupees	661,000	181,889	479,111	642,808	163,697		

	Note	2006 Rupees	2005 Rupees
<b>10. INTANGIBLE ASSETS</b>			
- Membership Card	10.1	21,000,000	21,000,000
- Computer Software	10.2	1,933,335	3,866,667
		<b>22,933,335</b>	<b>24,866,667</b>

10.1 This represents cost of membership card of the Karachi Stock Exchange (Guarantee) Limited.

10.2 This represents a software which provides an integrated equities broking solution.

	Note	2006 Rupees	2005 Rupees
Opening Balance - cost		5,800,000	-
Additions during the year		-	5,800,000
		<b>5,800,000</b>	<b>5,800,000</b>
Accumulated amortization at beginning of the year		1,933,333	-
Amortization for the year	20	1,933,332	1,933,333
		<b>3,866,665</b>	<b>1,933,333</b>
		<b>1,933,335</b>	<b>3,866,667</b>

### 11. LONG TERM LOANS, ADVANCES AND DEPOSITS - considered good

Long term loans - secured			
- Executives	11.1, 11.2 & 11.3	564,469	712,322
- Employees	11.2	517,575	645,655
		<b>1,082,044</b>	<b>1,357,977</b>
Current maturity	15	(557,739)	(554,470)
		<b>524,305</b>	<b>803,507</b>
Advances to suppliers for motor vehicles		434,000	4,108,550
Security deposits	11.4	967,000	967,000
		<b>1,925,305</b>	<b>5,879,057</b>



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2006

	2006 Rupees	2005 Rupees
<b>11.1</b> Reconciliation of carrying amount of loans to executives:		
Balance at beginning of the year	712,322	187,617
Disbursements	285,000	754,793
Repayments	(432,853)	(230,088)
Balance at the end of the year	<u>564,469</u>	<u>712,322</u>

**11.2** Loan to executives and employees are given for purchase of home appliances at an interest rate of 8% to 11% per annum in accordance with the Company's policy and term of employment. The loan is repayable over a period of two to five years and is secured against provident fund balance of the executives / employees.

**11.3** Maximum amount due from executives calculated with reference to the month-end balance was Rs. 0.712 million (2005: Rs. 0.724 million).

**11.4** This represents amounts deposited with Karachi Stock Exchange (Guarantee) Limited, National Clearing Company of Pakistan and Central Depository Company of Pakistan Limited.

### 12. LONG TERM INVESTMENT - ADVANCE AGAINST EQUITY

This amount was paid for acquisition of shareholding in the F&B Company (Private) Limited. The Board of Directors evaluated the development, and on April 24, 2006 resolved to seek refund of the amount advanced against issue of shares of F&B Company (Private) Limited.

		2006 Rupees	2005 Rupees
<b>13. SHORT TERM INVESTMENTS - available-for-sale</b>			
Pakistan International Container Terminal Limited - (PICTL)	13.1	<u>66,018,540</u>	<u>52,119,900</u>

#### 13.1 Quoted - preference shares

Number of shares		Name of company	June 30, 2006		June 30, 2005
2006	2005		Average cost	Fair value	Fair value
----- Rupees -----					
6,949,320	6,949,320	Pakistan International Containers Terminal Limited	69,493,200	66,018,540	52,119,900
		Unrealised loss on remeasurement at fair value	-	3,474,660	17,373,300
<u>6,949,320</u>	<u>6,949,320</u>		<u>69,493,200</u>	<u>69,493,200</u>	<u>69,493,200</u>

**13.2** These are fully paid preference shares having issue price of Rs. 10 each and carrying dividend @ 10% per annum payable annually in arrears on the issue price with a term of 7 years from the issue date.

The company underwritten 50% of the total issue of 18,000,000 shares @ Rs. 10 each (par value) and had to subscribe for its undersubscribed portion in accordance with the underwriting agreement.

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2006

	Note	2006 Rupees	2005 Rupees
<b>14. TRADE DEBTS - unsecured, considered good</b>			
Trade debts for purchase of shares on behalf of clients	14.1	1,060,948,294	468,758,871
Trade debts for advisory services	14.1	20,872,340	-
Forex and fixed income commission receivable		5,821,278	8,274,416
		1,087,641,912	477,033,287
<b>14.1</b> Amount due from related parties at the year end was as follows:			
Jahangir Siddiqui Investment Bank Limited		* 28,202,804	154,253,771
Jahangir Siddiqui & Company Limited		* 5,806,305	-
Director of holding company		* 2,429,228	-
JS Finance		** 1,500,000	-
* These amounts were subsequently settled through T+3 settlement system.			
** This represents receivable in respect of advisory services and was subsequently received.			
<b>15. LOANS, ADVANCES, PRE-PAYMENTS AND OTHER RECEIVABLES - considered good</b>			
Current maturity of long term loans	11	557,739	554,470
Advances - staff		70,121	87,307
Pre-payments		621,337	212,752
Other receivables:			
- out of pocket expenses recoverable from clients	15.1	543,755	8,936,302
- profit receivable on bank deposits		844,748	78,473
- dividend receivable		7,531,070	-
- Income receivable on reverse repo transactions		1,238,451	-
- other receivable	15.2	251,861	287,178
		10,409,885	9,301,953
		11,659,082	10,156,482





## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2006

**15.1** Amount due on account of out of pocket expenses under advisory and consultancy services contracts from related parties at the period end was as follows:

	<b>2006 Rupees</b>	2005 Rupees
ABAMCO Limited	-	298,714
Jahangir Siddiqui & Company Limited	-	168,870
DCD JS Factors (Private) Limited	-	98,260
JS Air (Private) Limited	-	166,187
JS Energy Limited	-	3,964,982
Jahangir Siddiqui Investment Bank Limited	-	17,777

**15.2** This includes Rs. 245,066 and Rs. 6,473 receivable from Jahangir Siddiqui & Company Limited (Holding Company) and DCD JS Factors (Private) Limited respectively for various expenses incurred on behalf of each other, etc.

	<b>Note</b>	<b>2006 Rupees</b>	2005 Rupees
<b>16. SECURITIES PURCHASED UNDER RESALE OBLIGATIONS</b>			
Listed equity securities purchased under resale obligations	16.1	<b>664,420,075</b>	423,610,751

**16.1** The market value of securities held in respect of these aggregates to Rs. 731.982 million (2005: Rs. 438.337 million). These have rates of return ranging from 16% to 18% per annum (2005:12% to 15% per annum) with maturities ranging from overnight to 30 trading days.

	<b>Note</b>	<b>2006 Rupees</b>	2005 Rupees
<b>17. CASH AND BANK BALANCES</b>			
Cash with banks:			
- current accounts		<b>8,941,208</b>	1,802,378
- PLS / deposit accounts	17.1	<b>7,691,885</b>	15,174
- Foreign currency deposit account	4	<b>300,499,400</b>	-
Cash in hand		<b>53,391</b>	5,208
		<b>317,185,884</b>	1,822,760

**17.1** PLS / deposits accounts carry profit rate of 8.5% (2005: 1%).

## **18. OPERATING REVENUE**

Brokerage and other operating revenue	<b>346,573,920</b>	183,657,070
Advisory and consultancy fee	<b>77,726,840</b>	22,665,137
	<b>424,300,760</b>	206,322,207

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2006

19. NET GAIN / INCOME FROM REVERSE REPURCHASE TRANSACTIONS IN MARKETABLE SECURITIES	Note	2006 Rupees	2005 Rupees
Income from reverse repurchase transactions in listed equity securities		62,537,506	38,011,993
Dividend income		8,915,589	7,966,700
		<b>71,453,095</b>	<b>45,978,693</b>
<b>20. ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries and benefits		80,641,447	50,886,830
Contribution to provident fund		939,120	569,832
Directors' remuneration	28	5,081,483	4,077,679
Provident fund in respect of director's remuneration	28	200,000	269,667
Fee for Directors / Committee meetings	28	890,000	830,000
Printing and stationery		1,873,086	1,719,573
Telephone, fax, telegram and postage		3,861,471	2,917,983
Contract employees salaries and other charges		5,759,356	-
Amortization of intangible assets	10.2	1,933,332	1,933,333
Rent, rates and taxes		11,842,594	4,040,000
Vehicle running expenses		2,967,403	1,882,659
Electricity, gas, etc.		2,813,537	1,545,730
Legal and professional charges		1,130,518	444,129
Insurance		4,060,598	3,647,585
Newspapers and periodicals		374,856	459,902
Entertainment		416,208	309,296
Advertisements and business promotion		2,943,875	3,185,315
Office supplies		693,141	528,735
Depreciation	9	6,623,826	2,355,119
Auditors' remuneration	20.1	326,385	200,275
Fees and subscription		3,474,329	5,077,741
Conveyance and traveling		2,557,279	1,357,855
Repairs and maintenance		1,412,662	1,664,021
Computer expenses		5,320,315	3,668,894
KSE clearing house and CDC charges		33,467,472	24,101,464
Royalty	20.2	2,500,000	2,500,000
Donation	20.3	6,100,015	2,410,905
		<b>190,204,308</b>	<b>122,584,522</b>
<b>20.1 Auditors' remuneration</b>			
Audit fee		200,000	100,000
Certifications including half year review		115,000	90,000
Out of pocket expenses		11,385	10,275
		<b>326,385</b>	<b>200,275</b>

**20.2** This represents the royalty payable on account of use of part of Company's name under an agreement dated June 29, 2004.

**20.3** This represents the donation to Siddiqui Foundation in which Holding Company's directors Mr. Ali Jehangir Siddiqui and Mr. Munaf Ibrahim are directors.



## NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2006

	2006 Rupees	2005 Rupees
<b>21. OTHER OPERATING INCOME</b>		
<i>Income from financial assets</i>		
Profit on PLS / deposit account	1,363,253	234,024
Dividend income	6,949,320	-
<i>Income from non-financial assets</i>		
Profit on sale of fixed assets	163,697	40,833
Other income	3,802,575	355,811
	<u>12,278,845</u>	<u>630,668</u>
<b>22. FINANCE COST</b>		
Mark up on running finance	12,177,080	8,938,068
Bank and other charges	650,582	379,635
	<u>12,827,662</u>	<u>9,317,703</u>
<b>23. TAXATION</b>		
<b>23.1</b> Income tax assessments of the company have been finalized up to and including tax year 2005, under section 120 of the Income Tax Ordinance, 2001.		
	2006 Rupees	2005 Rupees
<b>23.2 Reconciliation of tax charge for the year</b>		
Profit before taxation	305,000,730	121,029,343
Tax at the applicable tax rate of 35% (2005: 35%)	106,750,256	42,360,270
Tax effect of expenses that are deductible in determining taxable profit	(131,180,432)	(3,075,927)
Tax effect of expenses that are not deductible in determining taxable profit	41,532,929	1,238,052
Effect of income taxed at reduced rate of tax	-	(21,792,567)
Tax effect of rebates and tax credits	(2,135,005)	-
Tax effect under presumptive tax regime	27,787,356	-
Tax effect of amount relating to prior year	(2,156,879)	-
Tax effect of deferred tax liability	194,351	-
Current year tax charge	<u>40,792,576</u>	<u>18,729,828</u>
<b>24. EARNINGS PER SHARE - basic and diluted</b>		
Profit for the year after taxation	<u>264,208,154</u>	<u>102,299,515</u>
	<b>Number of shares</b>	
Weighted average ordinary shares in issue during the year	<u>13,800,000</u>	<u>13,800,000</u>
	<b>Rupees</b>	<b>Rupees</b>
Earnings per share - basic and diluted	<u>19.15</u>	<u>7.41</u>

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended June 30, 2006

	Note	2006 Rupees	2005 Rupees
<b>25. CASH AND CASH EQUIVALENTS</b>			
Cash and bank balances	17	<b>317,185,884</b>	1,822,760
Short term running finance under mark-up arrangement	6	<b>(176,890,535)</b>	(256,408,309)
		<b>140,295,349</b>	(254,585,549)

**26. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES**

The effective interest / mark-up rates as at June 30 for financial instruments are as follows:

	2006	2005
Securities purchased under resale obligations	<b>17%</b>	14%
Cash and bank balances	<b>8.50%</b>	1%
Short term running finance	<b>11%</b>	9%

**26.1 Interest rate risk exposure**

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

	2006						Total
	Interest bearing					Non Interest bearing	
	Less than one month	One month to three months	Three months to one year	One year to three years	More than three years		
<b>Financial assets</b>							
Long term loans, advances and deposits	-	-	-	524,305	-	1,401,000	1,925,305
Short term investment	-	-	-	-	-	66,018,540	66,018,540
Trade debts	-	-	-	-	-	1,087,641,912	1,087,641,912
Loans, advances and other receivables	-	-	557,739	-	-	10,480,006	11,037,745
Securities purchased under resale obligations	664,420,075	-	-	-	-	-	664,420,075
Cash and bank balances	7,691,885	-	-	-	-	8,941,208	16,633,093
Rupees	672,111,960	-	557,739	524,305	-	1,174,482,666	1,847,676,670
<b>Financial liabilities</b>							
Short term running finance	176,890,535	-	-	-	-	-	176,890,535
Creditors, accrued expenses and other liabilities	-	-	-	-	-	1,197,779,507	1,197,779,507
Rupees	176,890,535	-	-	-	-	1,197,779,507	1,374,670,042
On-balance sheet gap	Rupees 495,221,425	-	557,739	524,305	-	(23,296,841)	473,006,628
<b>Off Balance Sheet</b>							
Commitments in respect of reverse repo transactions	Rupees (416,654,735)	-	-	-	-	-	(416,654,735)
<b>Cumulative gap</b>	Rupees 78,566,690	-	557,739	524,305	-	(23,296,841)	56,351,893



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended June 30, 2006

		2005						
		Interest bearing						
		Less than one month	One month to three months	Three months to one year	One year to three years	More than three years	Non Interest bearing	Total
<b>Financial assets</b>								
Long term loans, advances and deposits		-	-	554,470	-	803,507	5,075,550	6,433,527
Short term investment		-	-	-	-	-	52,119,900	52,119,900
Trade debts		-	-	-	-	-	477,033,287	477,033,287
Loans, advances and other receivables		-	-	-	-	-	12,460,927	12,460,927
Securities purchased under resale obligations		423,610,751	-	-	-	-	-	423,610,751
Cash and bank balances		15,174	-	-	-	-	1,807,586	1,822,760
	Rupees	423,625,925	-	554,470	-	803,507	548,497,250	973,481,152
<b>Financial liabilities</b>								
Short term running finance		256,408,309	-	-	-	-	-	256,408,309
Creditors, accrued expenses and other liabilities		-	-	-	-	-	519,413,760	519,413,760
	Rupees	256,408,309	-	-	-	-	519,413,760	775,822,069
On-balance sheet gap	Rupees	167,217,616	-	554,470	-	803,507	29,083,490	197,659,083
<b>Off Balance Sheet</b>								
Commitments in respects of reverse repo transactions	Rupees	(424,950,589)	-	-	-	-	-	(424,950,589)
<b>Cumulative gap</b>	Rupees	(257,732,973)	-	554,470	-	803,507	29,083,490	(227,291,506)

**26.2 Fair value of financial instruments**

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

**26.3 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 counter party, limiting transactions with specific counter parties and continually assessing the credit worthiness of counter parties.

**26.4** Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding to an adequate amount of committed credit facilities and the ability to close out market positions due to the dynamic nature of the business. The Company's treasury aims at maintaining flexibility in funding by keeping committed credit lines available.

**27. RELATED PARTY TRANSACTIONS**

Related parties comprise of holding company, associated companies, other companies with common directors, retirement benefit fund, directors, executives and key management personnel.

Details of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

	<b>2006</b>	2005
	<b>Rupees</b>	Rupees
Brokerage and advisory income earned from:		
- Directors	<b>1,125,498</b>	2,284,135
- Holding Company	<b>18,606,729</b>	16,485,315
- Associated Companies	<b>28,037,636</b>	4,701,765
Payments to Staff Retirement Fund	<b>2,267,452</b>	1,805,176
Payments to holding company on account of expenses	<b>7,101,500</b>	3,900,000
Payments to associated companies on account of expenses	<b>7,338,492</b>	-

**28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES**

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

	<b>Chief Executive</b>		<b>Director</b>		<b>Executives</b>	
	<b>2006</b>	2005	<b>2006</b>	2005	<b>2006</b>	2005
<b>Number of persons</b>	<b>1</b>	1	<b>-</b>	3	<b>6</b>	3
Managerial remuneration	<b>2,000,000</b>	2,000,000	-	696,667	<b>5,260,695</b>	1,906,828
House rent allowance	<b>800,000</b>	800,000	-	278,667	<b>2,104,278</b>	762,731
Utilities allowance	<b>200,000</b>	200,000	-	69,667	<b>526,069</b>	190,683
Performance bonus	<b>2,000,000</b>	-	-	-	<b>1,795,000</b>	2,750,000
Contribution to provident fund	<b>200,000</b>	200,000	-	69,667	<b>371,665</b>	35,000
Medical	<b>81,483</b>	25,478	-	7,200	<b>30,565</b>	5,971
Rupees	<b>5,281,483</b>	3,225,478	<b>-</b>	1,121,868	<b>10,088,272</b>	5,651,213

**28.1** The Company provides the chief executive and certain executives with Company maintained cars.

**28.2** The Company has also paid Rs. 0.890 million to 2 non-executive directors (2005: Rs. 0.830 million to 2 non-executive directors) as fee for directors/committee meetings.



**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended June 30, 2006

**29. ACCOUNTING ESTIMATES AND JUDGMENTS**

**Income taxes**

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

**Property, plant and equipment**

The Company reviews the rate of depreciation/useful life and value of assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of the respective items of property, plant and equipment with a corresponding affect on the depreciation charge and impairment.

**Intangible assets**

The Company reviews the rate of amortisation and value of intangible assets for possible impairment on an annual basis. Any change in the estimates in future years might affect the carrying amounts of intangible assets with a corresponding affect on the amortisation charge and impairment.

**30. DATE OF AUTHORISATION**

These financial statements were authorised for issue in the Board of Directors meeting held on September 13, 2006.

**31. GENERAL**

**31.1** The number of employees as at June 30, 2006 was 97 (2005: 79).

**30.2** Figures have been rounded off to nearest rupee.

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**Adil Matcheswala**  
Chairman/Director

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**G. M. Malkani**  
Chief Executive

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**Kamran Ansari**  
Chief Financial Officer

**PATTERN OF SHARE HOLDING  
FORM “34”**

**SHAREHOLDER’S STATISTICS**

As at June 30, 2006

No. of Shareholders	Share Holding		Total Shares Held
	From	To	
208	1	100	15,902
122	101	500	32,415
298	501	1000	208,874
90	1001	5000	212,020
13	5001	10000	103,570
4	10001	15000	43,750
2	15001	20000	36,100
2	20001	25000	43,500
1	25001	30000	26,500
3	45001	50000	144,620
1	50001	55000	54,000
2	55001	60000	114,300
1	75001	80000	77,280
1	100001	105000	104,190
1	110001	115000	114,000
1	150001	155000	150,600
1	175001	180000	180,000
1	195001	200000	199,500
1	220001	225000	222,200
1	255001	260000	255,990
1	285001	290000	288,600
1	315001	320000	317,400
1	500001	505000	504,700
1	10345001	10350000	10,349,989
<b>758</b>			<b>13,800,000</b>

S.No	Categories of Shareholders	No. of Shareholders	Total Shares Held	Percentage
1	Individuals	723	2,264,319	16.41%
2	Investment Companies	24	10,597,281	76.79%
3	Insurance Companies	5	468,260	3.39%
4	Joint Stock Companies	3	7,750	0.06%
5	Foreign Investor	1	199,500	1.45%
6	Other(s)			
	Trustee - Siddiqui Foundation		255,990	
	Kaymo Trading (FZE)		6,900	
		2	262,890	1.91%
		<b>758</b>	<b>13,800,000</b>	<b>100.00%</b>

\* Includes 626 CDC Beneficial Owner as per list appear on CDS.





## DISCLOSURE TO PATTERN OF SHAREHOLDING

As at June 30, 2006

Serial No.	Description	No. of Shareholders	No. of Shares Held
<b>1.</b>	<b>Associated Companies, Undertakings and Related Parties</b>		
	M/s Jahangir Siddiqui & Company Limited	1	10,349,989
	M/s Jahangir Siddiqui Securities Services Limited	1	180,000
	DCD-JS Factors (Private) Limited	1	3,450
			<u>10,533,439</u>
<b>2.</b>	<b>NIT and ICP</b>	Nil	Nil
<b>3.</b>	<b>List of Directors, CEO and their spouses and minor children</b>		
	Mr. Adil Matcheswala	1	6,901
	Mr. Aslam Khaliq	1	4,141
	Mr. Tariq Usman Bhatti	1	691
	Mr. Zulfiqar Hyder khan	1	1
	Mr. G.M. Malkani	1	1
	Mr. Ahsen Ahmed	1	1
	Syed Nadir Shah	1	1
	Mrs. Alaiyya Matcheswala	1	3,450
	Mrs. Rubina Malkani	1	114,000
			<u>129,187</u>
<b>4.</b>	<b>List of Executives</b>	Nil	Nil
<b>5.</b>	<b>Public Sector Companies and Corporations</b>	Nil	Nil
<b>6.</b>	<b>Banks, Development Finance Institutions, Non-Banking Finance Institutions, Insurance Companies, Modarabas and Mutual Funds</b>	6	<u>470,260</u>
<b>7.</b>	<b>Joint Stock Companies &amp; Others</b>	26	<u>531,982</u>
<b>8.</b>	<b>Individuals</b>	714	<u>2,135,132</u>

**DETAIL OF SHARE HOLDING 10% MORE**

1. M/s Jahangir Siddiqui & Company Limited

10,349,989

Details of trades carried out by Directors, CEO, CFO, Company Secretary and their spouses and minor children during the period from July 01, 2005 to June 30, 2006.

S.No	Name	Designation	Shares Bought	Shares Sold
1	Mr. Adil Matcheswala	Chairman	-	-
2	Mr. G.M. Malkani	CEO / Director	-	-
3	Mr. Aslam Khaliq	Director	-	-
4	Mr. Tariq Usman Bhatti	Director	500	2,500
5	Mr. Zulfqar Hyder Khan	Director	-	-
6	Mr. Ahsen Ahmed	Director	-	-
7	Syed Nadir Shah	Director	-	-
8	Mr. Basir Shamsie	Director	-	-
9	Mr. Mazhar ul Haq Siddiqui	Director	-	-
10	Mr. Kamran Ansari	CFO & Company Secretary	-	-
11	Minor Family Members/Spouses		40,900	4,500

**FORM OF PROXY**  
6th Annual General Meeting

The Company Secretary  
**Jahangir Siddiqui Capital Markets Ltd.**  
14th Floor, Chapal Plaza, Hasrat Mohani Road,  
**Karachi-74000**

I/We \_\_\_\_\_  
of \_\_\_\_\_  
being member(s) of Jahangir Siddiqui Capital Markets Ltd. holding \_\_\_\_\_ ordinary shares as per Registered FolioNo. / CDC A/c No. (for members who have shares in CDS) \_\_\_\_\_  
hereby appoint Mr. / Mrs. / Miss \_\_\_\_\_  
of (full address) \_\_\_\_\_ or failing him/her  
Mr. / Mrs. / Miss \_\_\_\_\_ of (full address) \_\_\_\_\_  
\_\_\_\_\_ 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 31, 2006 and / or any Adjournment thereof.

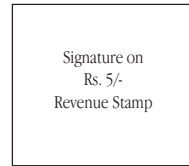
As witness my / our hand / seal this \_\_\_\_\_ day of 2006.

Signed by \_\_\_\_\_

in the presence of \_\_\_\_\_

**Witness:**

1. Name \_\_\_\_\_  
Signature \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
NIC or \_\_\_\_\_  
Passport No. \_\_\_\_\_
  
2. Name \_\_\_\_\_  
Signature \_\_\_\_\_  
Address \_\_\_\_\_  
\_\_\_\_\_  
NIC 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 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000, not later 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 Capital Markets Ltd.**  
14th Floor, Chapal Plaza,  
Hasrat Mohani Road,  
**Karachi-74000**