

Notice of 22nd Annual General Meeting

Notice is hereby given that the Twenty Second Annual General Meeting of Jahangir Siddiqui & Co. Ltd. (the "Company") will be held at Defence Authority Creek Club, Zulfiqar Street No. 1, Phase VIII, Defence Housing Authority, Karachi on Wednesday, April 09, 2014 at 9:30 a.m., to transact the following businesses:

Ordinary Business

1. To receive, consider and adopt the audited separate and consolidated financial statements of the Company for the year ended December 31, 2013 together with the Directors' and Auditors' Reports thereon.
2. To appoint Company's Auditors and fix their remuneration. Messrs M. Yousuf Adil Saleem & Co, Chartered Accountants retire and being eligible have offered themselves for re-appointment.

Special Business

3. To consider and if deemed fit, pass the following resolution as Special Resolution under Section 208 of the Companies Ordinance, 1984, with or without any modification(s), addition(s) or deletion(s):

"RESOLVED by way of Special Resolution that consent and approval be and is hereby accorded pursuant to the requirements of Section 208 of the Companies Ordinance, 1984 for the long term equity investments of up to PKR 121,322,299.20 by Jahangir Siddiqui & Co. Ltd. ("Company") as follows:

- a) PKR 84,290,058.45 for subscription of 13,315,965 ordinary shares of par value of PKR 10/- each of BankIslami Pakistan Limited ("BIPL") an associated company to be offered as Right Shares at PKR 6.33 per shares (i.e. at a discount of PKR 3.67 per share) on existing 111,256,116 ordinary shares of BIPL held by the Company;
- b) PKR 37,032,240.75 for subscribing upto 5,850,275 unsubscribed Right Shares of BankIslami Pakistan Limited at PKR 6.33 per shares (i.e. at a discount of PKR 3.67 per share) that may be offered to the Company by the Board of Directors of BIPL under Section 86 (7) of the Companies Ordinance, 1984 or required to be subscribed by the Company in case the Company enter into an underwriting commitment in respect of the Right Issue of BIPL.

FURTHER RESOLVED that if any of the terms and conditions of the aforesaid Rights Issue are modified by the Securities and Exchange Commission of Pakistan or the State Bank of Pakistan, such modified terms and conditions shall be deemed to be part of the terms and conditions for investments without the need to obtain further approval of the shareholders.

FURTHER RESOLVED that this special resolution in terms of Section 208 of the Companies Ordinance, 1984 shall be valid for investments within a period of 2 years from the date of passing of the special resolution thereof.

FURTHER RESOLVED that the Chief Executive Officer, the Company Secretary and/or the Chief Financial Officer of the Company be and are hereby jointly and severally authorised to take and do and/or cause to be taken or done any/all necessary actions, deeds and things which are or may be necessary for giving effect to the spirit and intent of aforesaid resolutions and to do and fulfill all acts, matters, deeds, formalities and things which are necessary, incidental and/or consequential to the proposed investment of the Company's funds as above."

4. To consider and if deemed fit, approve and ratify the advisory fee payment to a Director of the Company during the eighteen month period ended December 31, 2012.

By Order of the Board

Hasan Shahid
CFO & Company Secretary
Karachi: March 18, 2014

NOTES

- (i) The Share Transfer Books of the Company shall remain closed from April 03, 2014 to April 09, 2014 (both days inclusive) for determining the entitlement of shareholders for attending the Annual General Meeting.
- (ii) Physical transfers and deposit requests under Central Depository System received at the close of business on April 02, 2014 by the Company's Registrar i.e. Technology Trade (Pvt.) Ltd., Dagia House, 241-C, Block-2, P.E.C.H.S., Karachi will be treated as being in time for the purpose of attending the meeting.
- (iii) A member of the Company entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company.
- (iv) Proxies must be received at the Registered Office of the Company not less than 48 hours before the time of the meeting.
- (v) Beneficial owners of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies will have to follow the following guidelines as laid down by the Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or original Passport along with Participant ID number and the account number at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
 - b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
 - c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - d. The proxy shall produce his original CNIC or original passport as may be applicable at the time of the meeting.
 - e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.
- (vi) Shareholders are requested to notify immediately of any change in their address to the Company's Registrar.

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on April 09, 2014.

Investment in BankIslami Pakistan Limited

- (a) BIPL is an associated company of the Company by virtue of one common director with an existing investment of 111,256,116 Ordinary Shares representing 21.07% of the total paid-up capital of the BIPL.
- (b) In pursuance of the instructions of the State Bank of Pakistan (SBP) vide BSD Circular No. 07 of 2009 dated April 15, 2009, BIPL has received an in-principal approval of the State Bank of Pakistan (SBP) pursuant to its letter bearing No. BPRD/CA&PD/618/17147/2013 dated November 20, 2013 to issue Ordinary Shares of PKR 10/- at an offer price of PKR 6.33 per share (i.e. at a discount of PKR 3.67 per share) by way of rights to its members to raise paid up capital of BIPL by PKR 400 million. The Company intends to subscribe for such right shares as may be offered by BIPL pursuant to the approval of BIPL's shareholders in its Extraordinary General Meeting held on February 22, 2014 and regulatory approvals received from the Securities and Exchange Commission of Pakistan and SBP at offer price of PKR 6.33 per share. The Company's entitlement to Right Shares of BIPL would be 13,315,965 ordinary right shares for an amount of PKR 84,290,058.45.
- (c) In order to facilitate 100% subscription of such Rights Issue, the Company also intends to underwrite the Rights Issue of BIPL. In case there is no underwriting commitment, the Board of Directors of BIPL may offer unsubscribed Right Shares to the Company in terms of Section 86 (7) of the Companies Ordinance, 1984. The Company's obligation in any case will be to the extent of 5,850,275 Right Shares of BIPL at an offer price of PKR 6.33 per share (i.e. at a discount of PKR 3.67 per share) amounting in aggregate to PKR 37,032,240.75 in case of under subscription.
- (d) Hence, shareholders' approval is required for making such investments in BIPL by way of subscription of 13,315,965 Right Shares intended to be offered by BIPL at an offer price of PKR 6.33 per share (i.e. at a discount of PKR 3.67 per share) of an aggregate amount of PKR 84,290,058.45 and for subscription of upto 5,850,275 unsubscribed Right Shares, if any, of upto the aggregate amount of PKR 37,032,240.75 that may have to be taken by the Company pursuant to underwriting commitment or otherwise. The maximum investment in subscribing the Right Shares on Company's existing holding and taking up the unsubscribed Right Shares, if any, shall not exceed PKR 121,322,299.20.
- (e) The Directors, sponsors, majority shareholders of JSCL and their relatives have no vested interest in BIPL and the proposed investment except to the extent of their/Spouses' shareholdings and directorship in the investee company.

Undertaking pursuant to Regulation 3(3) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

The Directors submit that they have carried out necessary due diligence for the proposed investment in BIPL. Duly signed recommendations of the due diligence report shall be made available to the members for inspection in the Annual General Meeting along with latest audited and reviewed accounts of BIPL.

Interest of Associated Company and its Sponsors and Directors in the Investing Company pursuant to Regulation 4(1) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

BIPL and its sponsors/directors /major shareholders have no interest in JSCL except that JSCL is an associated company by virtue of common directorship of Mr. Ali Hussain. The sponsors and directors of BIPL have no interest in JSCL except for their respective shareholdings in JSCL.

Information Required under Clause (a) of sub-regulation (1) of Regulation 3 of the Companies (Associated Companies or Associated Undertakings) Regulations, 2012

S. No	Description	Information Required
1	Name of associated company	BankIslami Pakistan Limited
2	Criteria for Associated relationship	Common directorship
3	Purpose, benefit and period of Investment	Right Shares are being offered by BIPL to meet its minimum capital requirement. The Company's proposed long-term investment by way of subscription of right shares and by way of underwriting commitment would be for the benefit of the Company, to avoid dilution in holding and to earn better returns in the long run on strategic investment.
4	Maximum amount of Investment	Up to PKR 84,290,058.45 for subscription of Right Shares and upto PKR 37,032,240.75 for subscription of unsubscribed Right Shares pursuant to the Company's underwriting commitment or otherwise i.e. an aggregate investment of PKR 121,322,299.20.
5	Maximum price at which securities to be acquired	PKR 6.33 per share.
6	Maximum number of securities to be acquired	Up to 13,315,965 Ordinary Shares of Rs. 10/- each as Right Shares and upto 5,850,275 Ordinary Shares as unsubscribed Right Shares, if any as per underwriting commitment or otherwise.
7	Maximum number of securities and percentage held before and after the proposed investment	<p>Present shareholding Ordinary Shares: 111,256,116 (21.07%)</p> <p>After the proposed investment Ordinary Shares: 130,422,356 (22.06%)</p>
8	Average of the preceding 12 weekly average price of the security intended to be acquired (From November 18, 2013 to February 7, 2014)	Rs. 6.97 per share
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs. 10.52 per share As of December 31, 2012
10	Earnings/(Loss) per share of the associated company for the last 3 years:	December 31, 2012 PKR 0.7782 December 31, 2011 PKR 0.7757 December 31, 2010 PKR 0.0890
11	Sources of funds from which securities will be acquired:	Internally generated funds and borrowings.

S. No	Description	Information Required
(a)	Justification for investment through borrowings	<ul style="list-style-type: none"> - As per the requirements of the State Bank of Pakistan, BankIslami Pakistan Limited (BIPL) has to raise its paid up capital (net of losses) to gradually to meet minimum capital requirement, therefore, being sponsor, JSCL will be required to subscribe 13,315,965 Right Shares - In case of under-subscription, JSCL may be required to subscribe upto 5,850,275 unsubscribed Right Shares in terms of underwriting commitment or otherwise. - The strategic investment would be beneficial for the Company in the long term.
(b)	Details of guarantees & assets pledged for obtaining such funds	Pledge of marketable equity securities.
12	Salient features of all agreements entered into with the associated company or associated undertaking with regards to proposed investment	<p>Underwriting Agreement for Right Issue:</p> <ul style="list-style-type: none"> - To underwrite up to PKR 37.04 million; - Take-up commitment for upto 5,850,275 unsubscribed Right Shares. <p>No other Agreement is required for right shares, as the shares will be received as right offer on the Company's existing shareholding.</p>
13	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives in the associated company or the transaction under consideration	<p>The Directors, sponsors, majority shareholders of JSCL and their relatives have no interest, directly or indirectly, in the proposed investment or BIPL except to the extent of their shareholding in the Company or BIPL, if any.</p> <p>Mr. Ali Hussain's interest is that of being a Director of the Company as well as Director of BIPL and to the extent of his shareholdings in these companies.</p>

Advisory payments to a Director of the Company

During the period ended December 31, 2012, the Company paid an amount of PKR. 424.944 million in addition to the normal advisory fee of PKR 9.0 million to Mr. Ali Jehangir Siddiqui (Mr. AJS), a Non-Executive Director of the Company, in terms of Advisory Agreement executed on May 02, 2005 between the Company and Mr. AJS.

Mr. AJS, in his capacity under the advisory agreement, has been instrumental in advising the Company on the matter of sale transaction of Pakistan International Container Terminal Limited ("PICT"). As a result of this sale of shares, the Company entered into Share Purchase Agreements with the buyer to sell 23,000,000 shares of PICT for a sum of PKR 3,630.85 million which resulted in capital gain aggregating to PKR 2,453.50 million. Prior to the sale of these shares, the Company also received from PICT one-off cash dividend of PKR 287.50 million in addition to a cash dividend of PKR 92 million and an in-specie dividend of PKR 115 million in the form of 11,500,000 ordinary voting shares of Pakistan International Bulk Terminal Limited (having current value of PKR 623.64 million on the basis of market price of PIBT share as of March 05, 2014). As a result, the Company earned a total gain of PKR 2,948 million from its investment in PICT during the period.

As Mr. AJS has been instrumental in this transaction, therefore, in terms of the advisory agreement dated May 02, 2005, the Board of Directors of the Company approved a bonus of PKR 424.944 million other than his normal advisory fee of PKR 9 million during the eighteen month period ended December 31, 2012. The above payment is made at arm's length for extraordinary services provided to the Company in respect of sale of the above said shares. Advisory fee and bonus was paid to Mr. AJS in terms of Advisory Agreement resulting into sale proceeds of PKR 3,630,405,633.85 (net of transaction cost) for 23,000,000 shares. Mr. AJS was also instrumental in advising the Company on transfer of shares of JS Global Capital Limited and JS Investments Limited to JS Bank Limited to meet the Bank's Minimum Capital Requirement. As a result of these share swaps the Company managed to save cash outflow of PKR 1,686 million. It is added that Mr. AJS has been instrumental in the development, growth and diversification of the Company's business thereby greatly benefitting the Company and its shareholders. He has identified, negotiated and finalized various strategic investments (including the original investment into PICT) and has planned, motivated and implemented new projects. These investments and projects have enhanced the profitability of the Company besides strengthening and enhancing the size of the Company.

The Company believes that it has made payments strictly in accordance with the requirements of law and in this regard all the legal formalities were duly fulfilled. Furthermore, as directed by SECP in 2013, the shareholders were duly briefed on the above payments as a separate matter in the annual general meeting held on April 05, 2013 and the shareholders unanimously approved the audited accounts for the period ended December 31, 2012 which included the above payments under the Advisory Agreement. The Company, however, without prejudice to its legal position in the above matter and as a show of good faith on its part is presenting the above payment for the specific approval of shareholders in the Annual General Meeting to be held on April 09, 2014.

The following resolution is proposed to be passed as an ordinary resolution:

"RESOLVED that advisory payment in pursuance of the advisory agreement to Mr. Ali Jehangir Siddiqui amounting to PKR 424.944 million in addition to the normal advisory fee of PKR 9.0 million for the eighteen months period ended December 31, 2012 on account of bonus for his extra efforts and services for earning a total gain of PKR 2,948.0 million for the Company in Sale of shares of Pakistan International Container Terminal Limited be and is hereby approved and ratified."

Mr. Ali Jehangir Siddiqui is a director of the Company and is interested in the above business. Other directors have no interest in the above resolution or the payment, directly or indirectly.

STATEMENT UNDER REGULATION 4(2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATION, 2012

The Company in its Extraordinary General Meetings held on November 25, 2013 had approved the investment in 150,000,000 Un-listed, non-voting, convertible, irredeemable, perpetual, non-cumulative preference shares of par value of PKR 10/- each of JS Bank Ltd. ("JSBL") to be offered as right shares and otherwise by way of underwriting the Preference Shares as may be offered by JSBL under Section 208 of the Companies Ordinance, 1984. Following investment has been made against the said approvals.

PKR in Million

S. No.	Name of Company	Amount of Investments approved	Amount of Investment made to date	Reasons for not making investment
1	JS Bank Limited	1,500	1,454	The issue was fully subscribed. No further investment is to be made.

There is no change in the financial position of JS Bank Limited except that its EPS for the year ended 31 December 2013 was PKR 0.33 as against EPS of PKR 0.27 as of 30 September 2013.