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# JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Mr. Mazhar ul Haq Siddiqui  
(Chairman)

Mr. G. M. Malkani  
(Chief Executive)

Mr. Aslam Khaliq

Mr. Tariq Usman Bhatti

Mr. Adil Matcheswala

Mr. Basir Shamsie

Mr. Zulfiqar Hyder Khan

### AUDIT COMMITTEE

Mr. Adil Matcheswala  
Chairman

Mr. Basir Shamsie

Mr. Zulfiqar Hyder Khan

Mr. Mateen Sadiq  
Secretary

### COMPANY SECRETARY

Mr. Kamran Muneer Ansari

### AUDITORS

Taseer Hadi Khalid & Co.  
Chartered Accountants

### LEGAL ADVISORS

Bawaney & Partners

### SHARES REGISTRAR

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

### REGISTERED OFFICE

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

# **JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

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## **DIRECTORS' REPORT TO THE MEMBERS**

The directors are pleased to present to you the un-audited financial statements of Jahangir Siddiqui Capital Markets Limited (the "Company"), for three months period ended September 30, 2005 together with the comparative figures for the corresponding period of last year.

### **THE STOCK MARKET REVIEW**

During the quarter under review the KSE-100 index increased by 10% to close at 8,226 points on September 30, 2005. The market capitalization ended the period at Rs. 2,316 billion, up by 14%. Share turnover was on the lower side at the beginning of the quarter but it improved in the later part. Political stability, positive economic indicators coupled with excellent growth indicated by the corporate profitability enhanced the investor's confidence. CFS limit was also increased to Rs. 25 billion, which played pivotal role in the bull run at local bourses.

### **ECONOMIC REVIEW**

Riding on strong economic fundamentals Pakistan's economy posted good results during the period. Strong manufacturing sector along with the foundations laid over the past few years coupled with consistency in budgetary targets fuelled the overall growth. Country's economic performance can also be gauged from the fact shown by indicators such as record exports, rise in imports of machinery and inputs, the continuing surge in capacity utilization, strong growth in taxes and foreign direct investment. Thus it is expected that the GDP performance of last few years will continue in this year also.

### **OPERATING PERFORMANCE**

The Company has reported a profit before tax of Rs. 63.526 million and profit after tax of Rs. 51.384 million for three months as compared to profit before tax of Rs. 13.184 million and profit after tax of Rs. 9.851 million for the same period last year showing a significant improvement. Operating revenue for the three months period was Rs. 93.708 million as compared to Rs. 27.113 million for the same period last year. Earnings per share for three months period were Rs. 5.14 per share as compared to Rs. 0.99 per share for the same period last year.

### **FUTURE OUTLOOK**

For the next quarter of the financial year, the fundamentals of our business remain strong and we expect continued growth in our operating businesses visavis the same period last year.

### **ACKNOWLEDGMENT**

The directors are grateful to Company's clients and business partners for their faith and support and employees for their dedication and hard work.

On behalf of the Board

**Mazhar-ul-Haq Siddiqui**  
Chairman

Karachi October 29, 2005

## **JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

### **BALANCE SHEET**

AS AT SEPTEMBER 30, 2005

	Note	<b>Un-Audited September 30, 2005</b>	Audited June 30, 2005
-----Rupees-----			
<b>Capital and reserves</b>			
Share capital			
Authorised			
25,000,000 (June 2005: 25,000,000)			
ordinary shares of Rs. 10 each		<b>250,000,000</b>	250,000,000
Issued, subscribed and paid up capital		<b>100,000,000</b>	100,000,000
Reserves-capital		<b>32,000,000</b>	32,000,000
Unappropriated Profit		<b>178,690,620</b>	127,306,180
Unrealised loss on re-measurement of available-for-sale investment at fair value		<b>(800)</b>	(17,373,300)
		<b>310,689,820</b>	241,932,880
<b>Deferred taxation</b>		<b>770,717</b>	597,452
<b>Current Liabilities</b>			
Short term running finance under mark-up arrangement-secured	4	<b>354,256,858</b>	256,408,309
Creditors, accrued expenses and other liabilities		<b>113,862,793</b>	519,413,760
Provision for taxation		<b>56,077,234</b>	44,108,943
		<b>524,196,885</b>	819,931,012
Commitments	5	-	-
		<b>835,657,422</b>	1,062,461,344

The annexed notes 1 to 10 form an integral part of these financial statements.

G. M. Malkani  
Chief Executive

Tariq Usman Bhatti  
Director

## **JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

### **BALANCE SHEET**

AS AT SEPTEMBER 30, 2005

	Note	<b>Un-Audited September 30, 2005</b>	Audited June 30, 2005
		-----Rupees-----	
<b>Fixed assets</b>			
Property, plant and equipment	6	<b>26,035,713</b>	20,158,989
Intangible assets		<b>24,383,334</b>	24,866,667
<b>Long term loans, advances and deposits</b>		<b>905,779</b>	5,879,057
<b>Long term investment - advance against equity</b>		<b>3,071,667</b>	3,071,667
<b>Current assets</b>			
Short term investment	7	<b>2,400</b>	52,119,900
Trade debts-unsecured, considered good		<b>103,189,828</b>	477,033,287
Loans, advances, prepayments and other receivable		<b>10,318,061</b>	10,156,482
Advance tax		<b>51,511,115</b>	43,741,784
Securities purchased under resale obligations		<b>614,612,818</b>	423,610,751
Cash and bank balances		<b>1,626,707</b>	1,822,760
		<b>781,260,929</b>	1,008,484,964
		<b>835,657,422</b>	1,062,461,344

G. M. Malkani  
Chief Executive

Tariq Usman Bhatti  
Director



# JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

## CASH FLOW STATEMENT (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2005

	<b>2005-06</b>	2004-05
	<b>July-Sept.</b>	July-Sept.
	<b>2005</b>	2004
	-----Rupees-----	
<b>Cash flows from operating activities</b>		
Profit before taxation	<b>63,525,996</b>	13,184,165
Adjustments for:		
Depreciation	<b>1,287,753</b>	396,041
Amortization	<b>483,333</b>	-
Financial charges	<b>4,467,144</b>	1,273,747
	<b>6,238,230</b>	1,669,788
Operating profit before working capital changes	<b>69,764,226</b>	14,853,953
(Increase)/decrease in operating assets:		
Trade debtors	<b>373,843,459</b>	(103,496,355)
Short term investments	<b>69,490,000</b>	-
Advances, pre-payments and other receivables	<b>(161,579)</b>	(983,852)
	<b>443,171,880</b>	(104,480,207)
Increase/(decrease) in current liabilities (creditors, accrued expenses and other liabilities)	<b>(404,355,195)</b>	(132,642,461)
Cash generated from operations	<b>108,580,911</b>	(222,268,715)
Mark-up paid	<b>(3,922,916)</b>	(530,674)
Changes in long term loans and deposits	<b>4,973,278</b>	557,934
Net cash flow from operating activities	<b>109,631,273</b>	(222,241,455)
<b>Cash flows from investing activities</b>		
Capital expenditure incurred	<b>(7,201,664)</b>	(6,529,030)
Proceed from sale of fixed assets	<b>37,187</b>	-
Payment for software	<b>(1,740,000)</b>	-
Fund placements	<b>(191,002,067)</b>	(107,016,611)
Net cash flow from investing activities	<b>(199,906,544)</b>	(113,545,641)
Income tax paid	<b>(7,769,331)</b>	(1,478,696)
<b>Cash flows from financing activities</b>		
Further issue of share capital	-	40,000,000
Share premium	-	32,000,000
Net cash flow from financing activities	-	72,000,000
Net(decrease)/increase in cash and cash equivalents	<b>(98,044,602)</b>	(265,265,792)
Cash and cash equivalents at the beginning of the year	<b>(254,585,549)</b>	46,233,302
Cash and cash equivalents at the end of the period	<b>(352,630,151)</b>	(219,032,490)

The annexed notes 1 to 10 form an integral part of these financial statements.

G. M. Malkani  
Chief Executive

Tariq Usman Bhatti  
Director

# JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

## STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE QUARTER ENDED SEPTEMBER 30, 2005

	Issued Subscribed and paid up capital	Capital reserve		Revenue reserve		Total
		Issue of bonus shares	Share premium	Unrealised loss on remeasurement of available for sale investment at fair value	Un- appropriated profit/ (accumulated loss)	
----- Rupees -----						
<b>Balance as at</b>						
<b>July 01, 2004 (Audited)</b>	60,000,000	-	-	-	40,006,665	100,006,665
Profit for the quarter ended September 30, 2004	-	-	-	-	9,851,405	9,851,405
Issue of share capital	40,000,000	-	-	-	-	40,000,000
Share premium	-	-	32,000,000	-	-	32,000,000
<b>Balance as at</b>						
<b>September 30, 2004</b>	100,000,000	-	32,000,000	-	49,858,070	181,858,070
Profit for the nine months ended June 30, 2005	-	-	-	-	92,448,110	92,448,110
Interim dividend	-	-	-	-	(15,000,000)	(15,000,000)
Effect of measurement of available for sale investments at fair value	-	-	-	(17,373,300)	-	(17,373,300)
<b>Balance as at</b>						
<b>June 30, 2005 (Audited)</b>	100,000,000	-	32,000,000	(17,373,300)	127,306,180	241,932,880
Profit for the quarter ended September 30, 2005	-	-	-	-	51,384,440	51,384,440
Reserve for issue of bonus shares	-	15,000,000	(15,000,000)	-	-	-
Transfer to profit and loss account on sale of investment	-	-	-	17,372,500	-	17,372,500
<b>Balance as at</b>						
<b>September 30, 2005</b>	100,000,000	15,000,000	17,000,000	(800)	178,690,620	310,689,820

The annexed notes 1 to 10 form an integral part of these financial statements.

G. M. Malkani  
Chief Executive

Tariq Usman Bhatti  
Director

# **JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)**

FOR THE QUARTER ENDED SEPTEMBER 30, 2005

### **1. STATUS AND NATURE OF BUSINESS**

The company was incorporated under the Companies Ordinance, 1984 on June 28, 2000 as a private limited company by the name of JSCL Direct (Pvt) Limited. The company is a corporate member of Karachi Stock Exchange (Guarantee) Limited. The principal activities of the company are share brokerage, money market and foreign exchange brokerage, advisory and consultancy services.

The company was converted into a public-unquoted company on August 07, 2004 and filed listing application with Karachi Stock Exchange (Guarantee) Limited (KSE) and Islamabad Stock Exchange (Guarantee) Limited (ISE), and the holding company Jahangir Siddiqui & Company Limited offered its 25% share holding with the company to general public for subscription in December 2004. The company obtained listing on KSE and ISE on February 07, 2005.

### **2. BASIS OF PREPARATION**

These financial statements are un-audited and have been prepared in accordance with the requirements of International Accounting Standard-34 "Interim Financial Reporting" and are being submitted to the shareholders as required by section 245 of the Companies Ordinance, 1984 and the listing regulations of the KSE and ISE, where the company is listed.

### **3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2005.

### **4. SHORT TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENT-SECURED**

	----- Rupees -----	
	30-9-2005	<b>Audited</b> 30-06-2005
Running finance utilised under mark up arrangements	<u>354,256,858</u>	<u>256,408,309</u>

The facilities for running finance available from various banks amounted to Rs. 750 million and carry mark-up ranging from 10.25% to 12% per annum. These facilities are secured by pledge of listed equity securities purchased under resale obligations and listed equity securities of various companies owned by Jahangir Siddiqui & Company Limited, (holding company).

## **JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

### 5. COMMITMENTS

	----- Rupees -----	<b>Audited</b>
	30-9-2005	30-06-2005
Commitments in respect of resale transactions of listed equity securities	615,125,058	424,950,589
Commitments in respect of repurchase transactions of preference shares of P.I.C.T	69,512,931	-

### 6. FIXED ASSETS

Following is the cost of property, plant and equipment that have been added/ disposed off during the quarter ended September 30, 2005.

	----- Rupees -----	<b>Disposal</b>
	<b>Additions</b>	
Office equipments	928,784	42,500
Motor vehicles	6,272,880	-
	<u>7,201,664</u>	<u>42,500</u>

### 7. SHORT TERM INVESTMENT

Preference shares of Pakistan International Containers Terminal Limited sold under repurchase obligations.

### 8. RELATED PARTY TRANSACTIONS

	----- Rupees -----	<b>Audited</b>
	30-9-2005	30-06-2005
Brokerage and advisory income earned from directors and associated companies	8,424,233	23,471,214
Payment to holding company and associated companies on account of expenses	2,130,154	3,900,000

### 9. BONUS SHARES

The Board of Directors in its meeting held on September 10, 2005 proposed bonus shares i.e. 3 Ordinary shares for every 20 Ordinary shares held. These financial statements include the effect thereof.

### 10. GENERAL

These financial statements were authorised for issue by the Board of Directors on October 29, 2005.

Figures have been rounded off to the nearest rupees.

G. M. Malkani  
Chief Executive

Tariq Usman Bhatti  
Director

**QUARTERLY REPORT**  
**September 30, 2005**  
**(Un-audited)**

**JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

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**JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**  
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Chapal Plaza, Hasrat Mohani Road,  
Karachi-74000, Pakistan.  
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# **JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED**

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