

JAHANGIR SIDDIQUI INVESTMENT BANK *Ltd.*

Financial Statements For The  
Quarter Ended  
September 30, 2004  
(Un-Audited)

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## COMPANY INFORMATION

|                    |   |
|--------------------|---|
| Board of Directors | Mr. Mazharul Haq Siddiqui<br>(Chairman)<br><br>Mr. Maqbool Ahmed Soomro<br>(Vice Chairman)<br><br>Mr. Muhammad Yousuf Amanullah<br>(Chief Executive Officer)<br><br>Mr. Munawar Alam Siddiqui<br><br>Mr. Salman Rashid<br><br>Mr. Saad Saeed Faruqui<br><br>Mr. Firasat Ali |
| Company Secretary  | Mr. Muhammad Yousuf Amanullah   |
| Auditors           | Messrs. Ford Rhodes Sidat Hyder & Co.<br>Chartered Accountants  |
| Bankers            | Bank Al Falah Limited<br>Bank Al Habib Limited<br>Citibank N. A.<br>KASB Bank Limited<br>Metropolitan Bank Limited<br>Muslim Commercial Bank Limited<br>PICIC Commercial Bank Limited<br>Saudi Pak Commercial Bank Limited  |
| Share Registrar    | Technology Trade (Pvt.) Limited<br>241-C, Block-2,<br>P.E.C.H.S.,<br>Karachi.   |
| Registered Office  | 1301-1303, 13th Floor,<br>Chapal Plaza,<br>Hasrat Mohani Road,<br>Karachi.  |

# *CHAIRMAN'S REPORT*

TO THE MEMBERS

JAHANGIR SIDDIQUI INVESTMENT BANK *Ltd*

Karachi: April 21, 2004.

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Mazharul Haq Siddiqui  
Chairman

# *BALANCE SHEET*

AS AT SEPTEMBER 30, 2004  
(UN-AUDITED)

|  |      | September 30,<br>2004 | June 30,<br>2004 |
|--|------|-----------------------|------------------|
| Assets   | Note | ----- Rs. (000) ----- |                  |
| <b>Non-current assets</b>  |      |                       |                  |
| <b>Fixed assets</b>  |      |                       |                  |
| Stock Exchange Membership Card                                     |      | 11,684                | 11,453           |
| Long term deposits   |      | 11,101                | 11,101           |
| Long term loans and term finance                                   |      | 2,691                 | 20,681           |
| Long term investments  |      | 18,120                | 20,431           |
| Deferred taxation  |      | 388,210               | 351,434          |
|  |      | 601                   | 2028             |
|  |      | 432,407               | 399,128          |
| <b>Current assets</b>  |      |                       |                  |
| Short term investments   | 4    | 740,208               | 1,309,003        |
| Short term advances  |      | 240,000               | 10,000           |
| Short term loans   | 5    | 309,908               | 95,755           |
| Fund placements  |      | 1,298,315             | 1,425,234        |
| Receivable for sale of marketable securities                       |      | 63,967                | 2                |
| Prepayments, accruals & other receivables                          |      | 32,384                | 39,549           |
| Taxation-net   |      | -                     | 28,008           |
| Cash and bank balances   |      | 8,660                 | 195,060          |
|  |      | 2,693,442             | 3,102,611        |
|  |      | 3,125,849             | 3,501,739        |
| <b>Equity &amp; Liabilities</b>                                    |      |                       |                  |
| <b>Share capital &amp; reserves</b>                                |      |                       |                  |
| Authorised capital   |      |                       |                  |
| 500,000,000 (June 2004: 50,000,000) ordinary shares of Rs. 10 each |      | 5,000,000             | 500,000          |
| <b>Issued, subscribed and paid up capital</b>                      |      |                       |                  |
| 22,750,000 (June 2003: 22,750,000) ordinary shares of Rs. 10 each  |      | 227,500               | 227,500          |
| Reserves   |      | 864,714               | 720,077          |
| Shareholders' equity   |      | 1,092,214             | 947,577          |
| (Deficit) / surplus on revaluation of investments                  |      | (20,348)              | 143,328          |
| <b>Current liabilities</b>   |      |                       |                  |
| Certificates of deposit  |      | 813,564               | 996,064          |
| Running finance utilized under markup arrangements                 |      | 117,732               | -                |
| Borrowing from banks / NBFCs                                       |      | 1,025,000             | 1,160,000        |
| Payable for purchase of marketable securities                      |      | 1,163                 | 3,750            |
| Advances, accrued expenses and other liabilities                   |      | 85,068                | 251,020          |
| Taxation-net   |      | 11,456                | -                |
|  |      | 2,053,983             | 2,410,834        |
| Contingency and commitments  | 6    |                       |                  |
|  |      | 3,125,849             | 3,501,739        |

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

**Mazharul Haq Siddiqui**  
Chairman

**Muhammad Yousuf Amanullah**  
Chief Executive

**JAHANGIR SIDDIQUI INVESTMENT BANK Ltd**

# PROFIT AND LOSS ACCOUNT

FOR THE QUARTER AND PERIOD  
ENDED SEPTEMBER 30, 2004  
(UN-AUDITED)

|   | July-<br>September<br>30, 2004 | July-<br>September<br>30, 2003 | Jan-<br>March<br>2004 | Jan-<br>March<br>2003 |
|---|--------------------------------|--------------------------------|-----------------------|-----------------------|
|   | ----- Rs. (000) -----          |                                |                       |                       |
| <b>Income</b>   |                                |                                |                       |                       |
| Income from investments/reverse repurchase transactions                             | 30,064                         | 43,984                         |                       |                       |
| Return on fund placements with financial institutions                               | 4,505                          | 9,583                          |                       |                       |
| Capital gains/(loss) on disposal of investments/<br>reverse repurchase transactions | 143,450                        | 177,168                        |                       |                       |
| Mark-up on loans and term finances  | 2,853                          | 3,076                          |                       |                       |
| Consulting and corporate advisory fees  | 5,537                          | 1,884                          |                       |                       |
| Commission and fees   | 529                            | 1,059                          |                       |                       |
| Gain on sale of fixed asstes  | 473                            |                                |                       |                       |
| Other income  | 1,157                          | 273                            |                       |                       |
|   | <b>188,568</b>                 | <b>237,027</b>                 |                       |                       |
| <b>Operating Expenses</b>   |                                |                                |                       |                       |
| Return on certificates of deposits  | 6,190                          | 4,356                          |                       |                       |
| Mark-up on short term running finance   | 415                            | 171                            |                       |                       |
| Mark-up on borrowings from banks/ NBFCs   | 8,379                          | 9,717                          |                       |                       |
| Administrative and operating expenses   | 26,779                         | 12,670                         |                       |                       |
|   | <b>41,763</b>                  | <b>26,914</b>                  |                       |                       |
| Profit before taxation  | 146,805                        | 210,113                        |                       |                       |
| Taxation  | (2,168)                        | (5,157)                        |                       |                       |
| Profit after taxation   | 144,637                        | 204,956                        |                       |                       |
| Unappropriated profit brought forward   | 310,235                        | 219,300                        |                       |                       |
|   | <b>454,872</b>                 | <b>424,256</b>                 |                       |                       |
| <b>Appropriations</b>   |                                |                                |                       |                       |
| Transfer to reserve for issue of bonus shares                                       | (398,125)                      | -                              |                       |                       |
| Unappropriated profit carried forward   | 56,747                         | 424,256                        |                       |                       |
|   | <b>Rupees</b>                  | <b>Rupees</b>                  |                       |                       |
| Basic earnings per share  | 6.36                           | 9.01                           |                       |                       |

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

# CASH FLOW STATEMENT

FOR THE PERIOD ENDED  
MARCH 31, 2004  
(UN-AUDITED)

|   | September<br>2004   | September<br>2003 |
|---|---------------------|-------------------|
|   | -----Rs. (000)----- |                   |
| Cash flows from operating activities:                                     |                     |                   |
| Profit for the period before taxation                                     | 146,805             | 210,113           |
| Adjustment for:   |                     |                   |
| Depreciation on fixed assets  | 1,065               | 568               |
| Provision for staff bonus   | 1,500               | 1,500             |
| (Gain) on sale of fixed assets  | (473)               |                   |
| Lease finance charges   | -                   | 2                 |
|   | 2,092               | 2,070             |
|   | 148,897             | 212,183           |
| (Increase)/ decrease in operating assets:                                 |                     |                   |
| Long term loans and term finance  | 2,311               | (3,133)           |
| Short term investments  | 406,545             | 498,852           |
| Short term advances   | (150,000)           | 78,600            |
| Short term loans  | (214,153)           | 155,783           |
| Funds placements with financial institutions                              | 126,919             | (10,632)          |
| Receivable from sale of marketable securities                             | (63,965)            | (568,987)         |
| Prepayments, accruals and other receivables                               | 7,165               | (20,212)          |
| Increase/(Decrease) in operating liabilities                              |                     |                   |
| Running finance utilized under mark-up arrangements                       | 117,732             | (197,656)         |
| Borrowings from banks/NBFCs   | (135,000)           | (603,309)         |
| Payable for purchase of marketable securities                             | (2,587)             | (20,317)          |
| Advances, accrued expenses and other liabilities                          | (167,452)           | (11,503)          |
|   | (187,307)           | (832,785)         |
| Net Cash generated from/ (used in) operating activities before income tax | 76,412              | (112,550)         |
| Income tax refund   | 37,296              | 24,915            |
| Net cash generated from/ (used in) operating activities                   | 113,708             | (87,635)          |
| Cash flows from investing activities:                                     |                     |                   |
| Acquisition of fixed assets   | (1,472)             | (915)             |
| Sale proceeds from disposal of fixed assets                               | 650                 |                   |
| Advance for subscription of term finance certificate                      | (80,000)            | -                 |
| Long term deposits  | (10)                | -                 |
| Net cash (outflow)/ inflow from long term investments                     | (36,776)            | (55,744)          |
| Net cash (used in) investing activities                                   | (117,608)           | (56,659)          |
| Cash flows from financing activities                                      |                     |                   |
| Issuance of certificates of deposit                                       | (182,500)           | 180,705           |
| Payment of lease rentals  | -                   | (20)              |
| Net cash (used in)/ generated from financing activities                   | (182,500)           | 180,685           |
| Net (decrease)/ increase in cash and cash equivalents                     | (186,400)           | 36,391            |
| Cash and cash equivalents at beginning of the period                      | 195,060             | 5,981             |
| Cash and cash equivalents at end of the period                            | 8,660               | 42,372            |

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

**Mazharul Haq Siddiqui**  
Chairman

**Muhammad Yousuf Amanullah**  
Chief Executive

JAHANGIR SIDDIQUI INVESTMENT BANK Ltd

# *STATEMENT OF CHANGES IN EQUITY*

FOR THE PERIOD ENDED SEPTEMBER 30, 2004  
(UN-AUDITED)

|                                  | Issued,<br>Subscribed<br>and Paid-up<br>Capital | Reserves           |  |                          | Total          | Total            |
|----------------------------------|---|--------------------|--|--------------------------|----------------|------------------|
|                                  |   | Capital            |  | Revenue                  |                |                  |
|                                  |   | Special<br>Reserve | Reserve for<br>issue of<br>bonus share | Unappropriated<br>Profit |                |                  |
| ----- Rs. (000) -----            |   |                    |  |                          |                |                  |
| Balance as at July 1, 2003       | 227,500   | 94,202             | -                                      | 219,300                  | 313,502        | 541,002          |
| Net profit for the period        | -   | -                  | -                                      | 204,956                  | 204,956        | 204,956          |
| Balance as at September 30, 2003 | <u>227,500</u>                                  | <u>94,202</u>      | -                                      | <u>424,256</u>           | <u>518,458</u> | <u>745,958</u>   |
| Balance as at July 1, 2004       | 227,500   | 182,342            | -                                      | 424,256                  | 518,458        | 745,958          |
| Net profit for the period        | -   | -                  | -                                      | 144,637                  | 144,637        | 144,637          |
| Transferred during the period    | -   | -                  | 398,125                                | (398,125)                | -              | -                |
| Interim dividend                 | -   | -                  | -                                      | -                        | -              | -                |
| Balance as at September 30, 2004 | <u>227,500</u>                                  | <u>227,500</u>     | <u>625,625</u>                         | <u>56,747</u>            | <u>864,714</u> | <u>1,092,214</u> |

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED SEPTEMBER 30, 2004  
(UN-AUDITED)

1. Legal status and operation

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 No. 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 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.

2. Basis of preparation

These financial statements are unaudited and have been prepared in accordance with the requirements of the International Accounting Standards 34 "Interim Financial Reporting" as applicable in Pakistan.

3. Accounting Policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2004.

| September 30,<br>2004 | June 30,<br>2004 |
|-----------------------|------------------|
| ----- Rs. (000) ----- |                  |

4. Short term investments

Available-for-sale

Listed securities

|                               |         |         |
|-------------------------------|---------|---------|
| Open-ended mutual funds units | 189,732 | 191,594 |
| Term finance certificates     | 381,772 | 480,744 |

Unlisted securities

|                          |        |        |
|--------------------------|--------|--------|
| Wapda Bonds              | -      | 50,750 |
| Term finance certificate | 95,600 | 98,232 |

Held for trading

Government securities

|                           |        |         |
|---------------------------|--------|---------|
| Pakistan Investment Bonds | 51,262 | 379,202 |
|---------------------------|--------|---------|

Listed shares

|  |         |           |
|--|---------|-----------|
|  | 21,842  | 108,381   |
|  | 740,208 | 1,309,003 |

5. Short term loans

|                            |         |        |
|----------------------------|---------|--------|
| Term loan -Considered good | 294,655 | 81,590 |
| -Considered doubtful       | -       | 12     |

|   |       |       |
|---|-------|-------|
| Discounted promissory notes - considered good | 9,805 | 9,805 |
|---|-------|-------|

|                                    |   |    |
|------------------------------------|---|----|
| Less: Provision for non-performing | - | 12 |
|------------------------------------|---|----|

|  |         |        |
|--|---------|--------|
|  | 304,460 | 91,407 |
|--|---------|--------|

|  |         |        |
|--|---------|--------|
|  | 304,460 | 91,395 |
|--|---------|--------|

|   |       |       |
|---|-------|-------|
| Current maturity of long term loans and term finances | 5,448 | 4,360 |
|---|-------|-------|

|  |         |        |
|--|---------|--------|
|  | 309,908 | 95,755 |
|--|---------|--------|

JAHANGIR SIDDIQUI INVESTMENT BANK Ltd

September 30, June 30,  
2004 Rs. (000) 2004

6. Contingency and Commitments

7.1 Contingency

There is no significant change in the status of contingent liabilities of the company since the last annual balance sheet.

7.2 Commitments

|                          |         |         |
|--------------------------|---------|---------|
| Forward sale commitments | -       | 63,908  |
| Underwriting commitments | 193,000 | 523,000 |
| Pre-IPO commitments      | 40,000  | 65,000  |

7. Transactions with associated undertaking/ Related parties

July-Sept July-Sept  
2004 2003  
----- Rs. (000)-----

|  |           |           |
|--|-----------|-----------|
| Cumulative sum of money market instruments purchased                                       | 365,342   | 436,492   |
| Cumulative sum of money market instruments sold  | 1,172,050 | 690,918   |
| Receivable for sale of marketable securities   | 9,593     | 12,023    |
| Sale of marketable securities (including resale under reserve repurchase agreements)       | 4,327,942 | 2,069,608 |
| Purchase of marketable securities (including purchase under reserve repurchase agreements) | 4,517,948 | 2,030,511 |
| Brokerage  | 111       | 226       |
| Rent   | 518       | 462       |
| Security services  | 36        | 36        |

8. General

- 8.1 Prior period figures have been rearranged, wherever necessary, to facilitate the comparison
- 8.2 These financial statements were authorized for issue by the Board of Directors on ,2004.
- 8.3 Figures have been rounded off to the nearest thousand rupee.

Mazharul Haq Siddiqui  
Chairman

Muhammad Yousuf Amanullah  
Chief Executive

**JAHANGIR SIDDIQUI INVESTMENT BANK *Ltd***

Registered Office: 1301-1303, 13th Floor,  
Chapal Plaza, Hasrat Mohani Road,  
Karachi-74000, Pakistan.

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