

JAHANGIR SIDDIQUI & CO. *Ltd.*

Quarter Report
September 30, 2004
(Un-audited)

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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar-ul-Haq Siddiqui
(Chairman)
Mr. Munaf Ibrahim
(Chief Executive)
Chief Justice (R) Mahboob Ahmed
Mr. Syed Nizam Ahmad Shah
Mr. Khalid M. Bhaimia
Mr. Nauzer A. Dinshaw
Mr. Ali Jehangir Siddiqui
Mr. Ali Raza Siddiqui
Mr. Shezi Nackvi

AUDIT COMMITTEE

Mr. Syed Nizam Ahmed Shah
(Chairman)
Mr. Khalid M. Bhaimia
(Member)
Mr. Ali Jehangir Siddiqui
(Member)
Mr. Wajahat Kazmi
(Secretary)

COMPANY SECRETARY

Mr. Wajahat Kazmi

AUDITORS

Taseer Hadi Khalid & Co.
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners

REGISTERED OFFICE

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

SHARE REGISTRARS

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

WEB SITE

www.js.com

DIRECTORS' REPORT

TO THE SHAREHOLDERS

Directors' Report

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements of Jahangir Siddiqui & Co. Ltd. (the "Company") for the quarter ended September 30, 2004.

The Economy and Stock Market Review

During the first quarter of FY05, the Pakistan's economy came under mild pressure due to the rise in interest rates and the depreciation of the Rupee. Inflation during the first quarter rose massively, averaging approximately 9.00%. The agriculture sector remained vulnerable as water shortages threatened the Rabi crop.

During the quarter under review, the market depicted an overall decline of 1.20% to close at 5218 points on September 30, 2004 as compared to 5279 points as on June 30, 2004. After witnessing a peak level of 5486 points on July 12, 2004, the index subsequently declined massively by approximately 11.00% to around the 4900 point level in September 2004. However, the market rebounded by approximately 7.00% towards the end of the quarter as a result of strong corporate sector profitability and hefty dividend payouts by companies especially public sector institutions.

Brief review of results

The Company has reported profit after tax of Rs.41.68 million for the three months period as compared to profit after tax of Rs.209.54 million for the same period last year. Operating revenue for the three months period were Rs.10.89 million as compared to Rs.42.14 million for the same period last year. Operating expenses for the three months period were Rs.19.15 million as compared to Rs.38.19 million for the same period last year.

Credit Rating

The Pakistan Credit Rating Agency (Pvt.) Limited (PACRA) has assigned the long term rating of the Company of "AA+" (Double A plus) and short term rating of "A1+" (A one plus) during the financial year 2004. The long term rating denotes a very low expectation of credit risk and indicates a very strong capacity for timely payment of financial commitments. The short term rating denotes that obligations are supported by the highest capacity for timely repayment.

DIRECTORS' REPORT
TO THE SHAREHOLDERS

Future Outlook

For the next quarter of the financial year, the fundamentals of our market remain strong. We anticipate continued growth in our operating businesses during the next quarter.

Acknowledgement

We express our sincere gratitude to our clients and business partners for their continued patronage to the Company and to our management and employees for their dedication and hard work.

We would also like to acknowledge the excellent work of the Securities and Exchange Commission of Pakistan, the State Bank of Pakistan and the Central Board of Revenue for their efforts to strengthen the financial markets and measures to safeguard investor rights.

For and on behalf of the
Board of Directors

Karachi: October 23, 2004

Mazhar-ul-Haq Siddiqui
Chairman

BALANCE SHEET

AS AT SEPTEMBER 30, 2004 (UN-AUDITED)

	Note	September 30, 2004	June 30, 2004
(Rupees in '000)			
Capital and reserves			
Share capital			
Authorised 50,000,000 (June 2004: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid up 23,387,500 (2004: 23,387,500) ordinary shares of Rs. 10 each fully paid in cash		233,875	233,875
11,612,500 (2004: 11,612,500) ordinary shares of Rs. 10 each fully paid as bonus shares		116,125	116,125
Share premium		475,505	475,505
General reserve		1,500,000	1,500,000
Unrealised gain on remeasurement of available for-sale investments to fair value		648,340	829,817
Unappropriated profit		109,641	68,612
		<u>3,083,486</u>	<u>3,223,934</u>
Redeemable capital		999,400	999,400
Current Liabilities			
Securities sold under repurchase agreements		444,191	522,849
Creditors, accrued expenses and other liabilities		93,384	100,655
Provision for taxation		3,093	2,982
Dividend payable		889	889
Proposed dividend		52,500	52,500
		<u>594,057</u>	<u>679,875</u>
Commitments	4		
		<u>4,676,943</u>	<u>4,903,209</u>

BALANCE SHEET

AS AT SEPTEMBER 30, 2004 (UN-AUDITED)

	Note	September 30, 2004	June 30, 2004
		(Rupees in '000)	
Fixed assets			
- at cost less accumulated depreciation		28,265	31,583
Intangible asset		12,201	11,201
Long term loans and deposits		141,120	142,526
Investment in subsidiaries	3	1,103,729	988,124
Long term investments		884,839	979,726
Current assets			
Short term investments		1,591,876	1,633,576
Trade debtors-unsecured. Considered good		9,504	10,883
Advances, prepayments and other receivables		465,298	228,256
Fund placements		259,734	812,113
Cash and bank balances		180,377	65,221
		2,506,789	2,750,049
		<u>4,676,943</u>	<u>4,903,209</u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2004
(UN-AUDITED)

	July-September 2004	July-September 2003
	(Rupees in '000)	
Operating revenue	10,897	42,139
Net gain / income from transactions in marketable securities	<u>85,862</u>	<u>114,317</u>
	96,759	156,456
Operating expenses	<u>(19,152)</u>	<u>(38,191)</u>
Operating profit	77,607	118,265
Other income	<u>11,657</u>	<u>10,812</u>
	89,264	129,077
Financial charges	<u>(14,980)</u>	<u>(12,503)</u>
	74,284	116,574
Share of profit of subsidiary companies / associated companies	<u>43,605</u>	<u>161,118</u>
	117,889	277,692
Loss on remeasurement of held for trading investments - net	<u>(76,750)</u>	<u>(67,772)</u>
Profit before taxation	41,139	209,920
Provision for taxation - Current Year	<u>(110)</u>	<u>(381)</u>
Profit after taxation	41,029	209,539
Unappropriated profit brought forward	<u>68,612</u>	<u>354,981</u>
Unappropriated profit carried forward	<u>109,641</u>	<u>564,520</u>
Basic earnings per share	Rupees <u>1.17</u>	<u>5.99</u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2004
(UN-AUDITED)

	September 30, 2004	September 30, 2003
(Rupees in '000)		
Cash flows from operating activities:		
Profit before taxation	41,139	209,920
Adjustments for:		
Depreciation	1,355	2,129
(Profit) on sale of fixed assets	(3,566)	(6,912)
Share of (profit) of subsidiary / associated companies	(43,605)	(161,118)
Gain on remeasurement of held for trading investment	76,750	97,772
Financial charges	14,980	12,503
	<u>45,914</u>	<u>(85,626)</u>
Operating profit before working capital changes	87,053	124,294
(Increase)/ decrease in operating assets:		
Short term investment / Marketable securities	(121,606)	(411,250)
Trade debtors	1,379	878,490
Advances, deposits, prepayments and other receivables	(235,531)	(7,714)
	<u>(355,758)</u>	<u>459,526</u>
(Decrease) in current liabilities		
(Creditors, accrued expenses and other liabilities)	(22,196)	(355,176)
Cash generated from operations	<u>(290,901)</u>	<u>228,664</u>
Mark-up paid	(55)	(1,637)
Taxes paid	(1,511)	(202)
Changes in long term loans and deposits	1,406	(712)
Net cash flow from operating activities	<u>(291,061)</u>	<u>226,093</u>
Cash flows from investing activities		
Capital expenditure	(1,592)	(3,496)
Intangible asset acquired	(1,000)	-
Proceeds from sale of fixed assets	7,121	15,800
Fund Placements	552,379	552,423
Investment acquired	(72,033)	(54,373)
Net cash flow from investing activities	<u>484,875</u>	<u>510,354</u>
Cash flows from financing activities		
Securities sold under repurchase agreements	(78,658)	316,721
Net cash flow from financing activities	<u>(78,658)</u>	<u>316,721</u>
Net increase in cash and cash equivalents	115,156	1,053,168
Cash and cash equivalents at the beginning of the period	65,221	(954,967)
Cash and cash equivalents at the end of the period	<u><u>180,377</u></u>	<u><u>98,201</u></u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2004
(UN-AUDITED)

	(Rupees in '000)					
	Issued, subscribed and paid up capital	Share premium	General reserve	Unrealised gain on remeasurement of available for sale investments to fair value	Unappropriated profit	Total
Balances as at June 30, 2003	250,000	175,505	500,000	362,203	354,981	1,642,689
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	(81,031)	-	(81,031)
Profit after taxation for the period	-	-	-	-	209,539	209,539
Balance as at September 30, 2003	<u>250,000</u>	<u>175,505</u>	<u>500,000</u>	<u>281,172</u>	<u>564,520</u>	<u>1,771,197</u>
Balances as at June 30, 2004	350,000	475,505	1,500,000	829,817	68,612	3,223,934
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	(181,477)	-	(181,477)
Profit after taxation for the period	-	-	-	-	41,029	41,029
Balance as at September 30, 2004	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>648,340</u>	<u>109,641</u>	<u>3,083,486</u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

NOTES TO THE ACCOUNTS

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

1. BASIS OF PREPARATION

These financial statements are unaudited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of the International Accounting Standards - 34 "Interim Financial Reporting" as applicable in Pakistan.

2. 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, 2004.

3. This represents investment in 62.41% shares, 53.74% shares and 100.00% shares of Jahangir Siddiqui Investment Bank Ltd, ABAMCO Limited and Jahangir Siddiqui Capital Markets Ltd., respectively.

4. COMMITMENTS

September 30, June 30
2004 2004

(Rupees in '000)

Commitments in respect of repurchase transactions

- Other securities	<u>445,066</u>	<u>523,964</u>
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Commitments in respect of resale transactions

- Listed equity securities	<u>53,478</u>	<u>415,554</u>
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- Other securities	<u>208,539</u>	<u>399,732</u>
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	September 30, 2004	June 30 2004
	(Rupees in '000)	
5. RELATED PARTY TRANSACTIONS		
Purchase of marketable securities for and on behalf of directors	-	701,998
Sale of marketable securities for and on behalf of directors	-	405,965
Purchase of marketable securities on behalf of associates	-	696,110
Sale of marketable securities on behalf of associates	-	885,012
Purchase of marketable securities from associates	14,618,498	23,429,215
Sale of marketable securities from associates	15,176,826	23,252,156
Brokerage income earned from directors and associated companies	2,314	2,254
Purchase of government securities from associates	1,160,991	1,340,708
Sale of government securities to associates	357,285	1,031,732
Loan to Subsidiary	200,000	200,000
Mark-up on loan to Subsidiary	4,114	3,279
Rent income	509	5,329
Advisory and consultancy fees	60	358

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using admissible valuation methods.

6. GENERAL

Figures have been rounded off to nearest thousand rupee.

These financial statements were authorised for issue in the Board of Directors meeting held on October 23, 2004.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

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If undelivered please return to:-

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