

JAHANGIR SIDDIQUI & CO. *Ltd.*

Half Yearly Report
December 31, 2003
(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. Sarfaraz Ahmed Khanani
(Secretary)

COMPANY SECRETARY

Mr. Sarfaraz Ahmed Khanani

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
1st Floor, Westland Trade Centre,
Opp. Flyover, Shaheed-e-Millat Road,
Karachi-75350.

WEB SITE

www.js.com

CHAIRMAN'S STATEMENT

TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present to you the unaudited accounts of Jahangir Siddiqui & Co. Ltd. (the "Company"), duly reviewed by our external auditors, and consolidated accounts of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for the half year ended December 31, 2003.

The Economy and Stock Market Review

Our economic performance during FY04 to date has been sanguine. Growth has been fuelled by the commodity-producing sector, a substantial surplus reported in the current account, pick up in private sector credit and consistency in the budgetary targets. All other major economic indicators including exports, remittances, current account surplus, foreign exchange reserves, foreign direct investment and inflation represent sustained performance.

During October - December 2003 the market has depicted a positive trend with the KSE - 100 index soaring by 11% to the 4471.6 point level as against 4027.34 points as on September 30, 2003. The market rallied at the start of the quarter on the back of improvement on the domestic political front and persistent inflow of funds.

Brief review of results

The Company has reported a profit after tax of Rs. 325.813 million for the six months as compared to profit after tax of Rs. 138.691 million for the same period last year. Operating revenue for the six months period were Rs. 237.762 million as compared to Rs. 145.557 million for the same period last year. Operating expenses for the six months period were Rs. 57.889 million as compared to Rs. 54.380 million for the same period last year.

Credit rating

The Directors are pleased to inform you that The Pakistan Credit Rating Agency (Pvt.) Limited (PACRA) has upgraded the long term credit rating of the Company to AA+ (Double AA plus) and the short term rating of A1+ (A one plus). 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.

CHAIRMAN'S STATEMENT

TO THE MEMBERS

Outlook

For the next half financial year, the fundamentals of our business remain strong. We expect continued growth in our operating businesses during the next half.

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 for their efforts to strengthen the financial markets and measures to safeguard investor rights.

On behalf of the Board

Karachi: February 21, 2004

Mazhar-ul-Haq Siddiqui
Chairman

REVIEW REPORT
TO THE MEMBERS

We have reviewed the accompanying balance sheet of Jahangir Siddiqui & Company Limited ("the Company") as at December 31, 2003, and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof (here-in-after referred to as the "financial statements") for the six months then ended. These financial statements are the responsibility of the company's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the International Standard on Auditing applicable to review engagements. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi: February 21, 2004

Taseer Hadi Khalid & Co.
Chartered Accountants

BALANCE SHEET

AS AT DECEMBER 31, 2003 (UN-AUDITED)

	Note	December 31, 2003	June 30, 2003
(Rupees in '000)			
Capital & Reserves			
Share Capital			
Authorised 50,000,000 (June 2003: 50,000,000) ordinary shares of Rs. 10 each			
		<u>500,000</u>	<u>500,000</u>
Issued, subscribed and paid up		350,000	250,000
Share Premium		475,505	175,505
General Reserve		500,000	500,000
Unrealised gain on remeasurement of available for sale investments to fair value		294,887	362,203
Unappropriated profit		<u>680,794</u>	<u>354,981</u>
		2,301,186	1,642,689
Redeemable Capital		499,800	499,800
Current Liabilities			
Short term running finance under mark-up arrangement - secured		-	968,559
Securities sold under repurchase agreements		750,817	170,886
Creditors, accrued expenses and other liabilities		76,052	446,674
Provision for taxation	10	7,031	5,827
Dividend payable		39,321	2,625
Proposed dividend		-	37,500
		873,221	1,632,071
Commitments			
	4		
		<u>3,674,207</u>	<u>3,774,560</u>

BALANCE SHEET

AS AT DECEMBER 31, 2003 (UN-AUDITED)

	Note	December 31, 2003	June 30, 2003
(Rupees in '000)			
Fixed Assets			
- at cost less accumulated depreciation	5	34,162	43,716
Intangible asset		100	100
Long term loans and deposits		4,146	3,606
Investment in Subsidiaries	6	644,129	480,259
Long term Investments	7	521,539	410,424
Current Assets			
Short term Investments	8	1,343,813	1,068,566
Trade debtors-unsecured		-	884,221
Advances, prepayments and other receivables		45,339	10,703
Fund placements		863,422	859,373
Cash and bank balances		217,557	13,592
		2,470,131	2,836,455
		<u>3,674,207</u>	<u>3,774,560</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

PROFIT & LOSS ACCOUNT

FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED
DECEMBER 31, 2003
(UN-AUDITED)

	Three months ended December 2003	Six months ended December 2003	Three months ended December 2002	Six months ended December 2002
	(Rupees in '000)			
Operating revenue	26,317	68,456	54,741	79,988
Net gain / income from transactions in marketable securities	54,989	169,306	53,955	65,569
	81,306	237,762	108,696	145,557
Operating expenses	(19,698)	(57,889)	(35,687)	(54,380)
Operating profit	61,608	179,873	73,009	91,177
Other Income	8,953	19,765	5,290	11,198
	70,561	199,638	78,299	102,375
Financial charges	(9,717)	(22,220)	(2,883)	(3,725)
Share of profit of subsidiary/associated companies	16,407	177,525	29,502	41,430
Goodwill	-	-	(446)	(446)
	77,251	354,943	104,472	139,634
Gain / (loss) on remeasurement of held for trading investments - net	40,263	(27,509)	1,383	659
Profit before taxation	117,514	327,434	105,855	140,293
Provision for taxation - Current	1,240	1,621	1,407	1,602
Profit after taxation	116,274	325,813	104,448	138,691
Unappropriated profit brought forward	564,520	354,981	294,065	259,822
Profit available for appropriation	680,794	680,794	398,513	398,513
Basic earnings per share	3.32	10.86	4.18	5.55

The annexed notes from 1 to 11 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2003
(UN-AUDITED)

	Six months ended December 2003	Six months ended December 2002
(Rupees in '000)		
Cash flows from operating activities		
Profit before taxation	327,434	140,293
Adjustments for:		
Depreciation	5,411	4,774
(Profit) on sale of fixed assets	(7,350)	(309)
Share of (profit) of subsidiary / associated companies	(177,525)	(41,430)
Goodwill	-	446
Gain on remeasurement of held for trading investments	27,509	(659)
Financial Charges	22,220	3,725
	(129,735)	(33,453)
Operating profit before working capital changes	197,699	106,840
(Increase) / Decrease in operating assets		
Short term investments	(333,719)	(202,091)
Trade debtors	884,221	(241,816)
Advances, pre-payments and other receivables	(18,034)	(14,523)
	532,468	(458,430)
Decrease in current liabilities (Creditors, accrued expenses and other liabilities)	(369,294)	(67,586)
Cash generated from operations	360,873	(419,176)
Mark-up paid	(23,447)	(2,807)
Taxes paid	(1,548)	(3,149)
Dividend paid	(804)	(52,908)
Changes in long term loans and deposits	(540)	(603)
Net cash flow from operating activities	334,534	(478,643)
Cash flows from investing activities		
Capital expenditure incurred	(4,965)	(3,180)
Proceeds from sale of fixed assets	16,458	1,244
Fund Placements	(4,049)	(339,089)
Investments acquired	(149,285)	(41,679)
Net cash flow from investing activities	(141,841)	(382,704)
Cash flows from financing activities		
Payment of lease obligation	-	(2,076)
Securities sold under repurchase agreements	579,931	199,166
Redemption of Redeemable capital	(100)	-
Share issue at premium	400,000	-
Net cash flow from financing activities	979,831	197,090
Net increase / (decrease) in cash and cash equivalents	1,172,524	(664,257)
Cash and cash equivalents at the beginning of the period	(954,967)	(93,097)
Cash and cash equivalents at the end of the period	217,557	(757,354)

The annexed notes from 1 to 11 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

STATEMENT OF CHANGES IN EQUITY
**FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED
 DECEMBER 31, 2003
 (UN-AUDITED)**

(Rupees in '000)

	Issued, subscribed and paid up capital	Share premium	General reserve	Unrealised gain / (loss) on remeasurement of available-for-sale investments to fair value	Unappropriated profit	Total
Balances as at July 01, 2002	250,000	175,505	200,000	32,913	259,822	918,240
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	89,741	-	89,741
Profit for the period	-	-	-	-	138,691	138,691
Balance as at December 31, 2002	<u>250,000</u>	<u>175,505</u>	<u>200,000</u>	<u>122,654</u>	<u>398,513</u>	<u>1,146,672</u>
Balance as at July 1, 2003	250,000	175,505	500,000	362,203	354,981	1,642,689
Issue of Right Shares	100,000	300,000	-	-	-	400,000
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	(67,316)	-	(67,316)
Profit for the period	-	-	-	-	325,813	325,813
Balance as at Decemeber 31, 2003	<u>350,000</u>	<u>475,505</u>	<u>500,000</u>	<u>294,887</u>	<u>680,794</u>	<u>2,301,186</u>

The annexed notes from 1 to 11 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

NOTES TO THE ACCOUNTS

FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED
DECEMBER 31, 2003
(UN-AUDITED)

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and as per the requirements of International Accounting Standard - 34 (IAS-34) 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance.

2. CHANGES IN STATUS AND NATURE OF BUSINESS

After the end of financial year 2003, the Company transferred certain business into its wholly owned subsidiary, Jahangir Siddiqui Capital Markets (Private) Limited ("JSCM"). The business divisions transferred are equity, fixed income and currency brokerage, research and corporate finance. These divisions represent the Company's agency business. The Company will focus principally on investing both in equity and fixed income securities while agency business will be carried out on an arms length basis by JSCM.

3. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these half yearly financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2003.

4. COMMITMENTS

	December 2003	June 2003
(Rupees in '000)		
Commitments in respect of repurchase transactions		
- Other securities	<u>752,715</u>	<u>171,433</u>
Commitments in respect of resale transactions		
- Listed equity securities	<u>209,472</u>	<u>845,468</u>
- Other securities	<u>658,510</u>	<u>18,707</u>

5. OPERATING FIXED ASSETS

The details of additions and disposals during the six months ended December 31, 2003 are as follows:

Additions

Office premises	1,041,250
Office Equipments	1,205,950
Motor Vehicles	2,635,334
Office furniture	82,600
	Rupees <u>4,965,134</u>

Disposals

Office premises:	
Cost	<u>13,635,500</u>
Written down value	8,887,695
Sale proceeds	<u>15,800,000</u>
Gain / (loss) on disposal	Rupees <u>6,912,305</u>

Motor Vehicle:	
Cost	<u>766,636</u>
Written down value	220,388
Sale proceeds	<u>657,750</u>
Gain / (loss) on disposal	Rupees <u>437,362</u>

6. INVESTMENT IN SUBSIDIARIES

These shares are of Rs. 10/- each unless stated otherwise.

Name of Companies	Holding		(Rupees in '000)	
	December 31, 2003 %	June 30, 2003 %	December 31, 2003	June 30, 2003
Quoted				
Jahangir Siddiqui Investment Bank Limited 14,199,274 shares (June 2003: 14,199,274 shares)	62.41	62.41		
- Opening balance			306,120	170,990
- Share of profit for the period - net of tax			140,265	130,156
- Investment during the period			-	3,729
- Negative goodwill / (goodwill)			-	1,245
- Dividend received during the period			<u>(17,750)</u>	-
			<u>428,635</u>	<u>306,120</u>
Unquoted				
ABAMCO Limited 6,717,166 shares (June 2003: 6,717,166 shares)	53.73	53.73		
- Opening balance			114,154	58,298
- Share of profit for the period - net of tax			26,700	11,718
- Share of unrealised gain on remeasurement of available for sale investments			4,385	18,098
- Investment during the period			-	26,570
- (Goodwill)			-	(530)
			<u>145,239</u>	<u>114,154</u>
Jahangir Siddiqui Capital Markets (Private) Limited 6,000,000 shares (June 2003: 6,000,000 shares)	100	100		
- Opening balance			59,735	-
- Investment during the period			-	60,000
- Share of profit / (loss) for the period - net of tax			10,520	(265)
			<u>70,255</u>	<u>59,735</u>
Jahangir Siddiqui Securities Services Limited Nil (June 2003: 25,000 shares)	-	100		
- Opening balance			250	250
- Share of profit for the period - net of tax			-	-
- Disposal during the period			<u>(250)</u>	-
			<u>-</u>	<u>250</u>
			<u>644,129</u>	<u>480,259</u>

7.	LONG TERM INVESTMENTS	December 31, 2003	June 30, 2003
		(Rupees in '000)	
	Investment in associate	7.1	7,500
	Available for sale	7.2	511,837
	Held to maturity	7.3	2,022
		<u>521,539</u>	<u>410,424</u>

7.1 Investment in associate

These are fully paid ordinary shares of Rs. 10/- each unless stated otherwise.

Number of shares			December 31, 2003	June 30, 2003
December 31, 2003	June 30, 2003	Unquoted	December 31, 2003	June 30, 2003
			(Rupees in '000)	
750,000	750,000	EFU Services (Private) Limited equity held 37.50% (June 2003: 37.50%) value based on net assets of Rs. 20.00 million (June 2003: 19.89 million) Chief Executive: Syed Mehdi Imam	7,459	7,451
		Share of Profit	41	8
			<u>7,500</u>	<u>7,459</u>

7.2 Available for sale

These are fully paid ordinary shares of Rs. 10/- each unless stated otherwise.

Number of shares			December 31, 2003	June 30, 2003
December 31, 2003	June 30, 2003	Quoted	December 31, 2003	June 30, 2003
			Fair value (Rupees in '000)	
		Associate		
11,652,615	4,173,747	BSJS Balanced Fund Limited (Equity held 11.06%)	145,075	84,727
		Others		
2,308,250	2,308,250	EFU Life Assurance Limited (Equity held 15.38%)	227,132	221,592
1,168,000	1,174,000	Tri-pack Films Limited (Equity held 3.89%)	99,280	94,624
		Unquoted		
4,035,000	-	Universal Board & Papers Limited	40,350	-
			<u>511,837</u>	<u>400,943</u>

		December 31, 2003	June 30, 2003
7.3	Held to maturity	Amortised cost (Rupees in '000)	
	Defence Saving Certificates	<u>2,202</u>	<u>2,022</u>

8 SHORT TERM INVESTMENTS

	Held for trading	8.1	556,602	591,256
	Available for sale	8.2	<u>787,211</u>	<u>477,310</u>
			<u>1,343,813</u>	<u>1,068,566</u>

8.1	Held for trading			
	Quoted			
	- Shares		310,958	491,116
	- Term Finance Certificates		<u>245,644</u>	<u>100,140</u>
			<u>556,602</u>	<u>591,256</u>

8.2	Available for sale			
	Quoted-shares		644,059	383,689
	Unquoted			
	- Shares		<u>3,525</u>	<u>1,375</u>
	- Term Finance Certificates		<u>-</u>	<u>-</u>
			3,525	1,375

	Government securities		<u>139,627</u>	<u>92,246</u>
			<u>787,211</u>	<u>477,310</u>

9. RELATED PARTY TRANSACTIONS

Related parties comprise of subsidiaries, associated companies, directors, key management personnel and provident fund schemes.

Following are the associates and subsidiaries of the company:

- BSJS Balanced Fund Limited	associate
- EFU Services (Private) Limited	associate
- Abamco Limited	subsidiary company
- Jahangir Siddiqui Capital Markets (Private) Limited	subsidiary company
- Jahangir Siddiqui Investment Bank Limited	subsidiary company
- Confidence Financial Services Limited	sub -subsidiary company

	December 31, 2003	June 30, 2003
	(Rupees in '000)	
Purchase of marketable securities for and on behalf of directors	<u>703,514</u>	<u>552,100</u>
Sale of marketable securities for and on behalf of directors	<u>405,965</u>	<u>512,840</u>
Purchase of marketable securities on behalf of associates	<u>2,397,862</u>	<u>3,445,210</u>
Sale of marketable securities on behalf of associates	<u>2,654,505</u>	<u>3,080,280</u>
Brokerage income earned from directors and associated companies	<u>1,846</u>	<u>4,860</u>
Purchase of government securities from associates	<u>1,014,678</u>	<u>166,110</u>
Sale of government securities to associates	<u>908,583</u>	<u>460,590</u>
Certificate of investments purchased	<u>-</u>	<u>-</u>
Certificate of investments matured	<u>-</u>	<u>157,000</u>
Return on certificate of investments	<u>-</u>	<u>842</u>
Rent income	<u>1,589</u>	<u>2,064</u>
Advisory and consultancy fees	<u>358</u>	<u>445</u>

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method. Borrowings and lending transactions with related parties are executed substantially at the same terms, including markup rates and collaterals, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

10. TAXATION

The income tax assessments of the company have been finalised upto and including the assessment year 2002-2003. Further the company has not recorded deferred tax asset in view of uncertainty about the availability of taxable profits in the foreseeable future against which such losses could be utilised.

11. GENERAL

These financial statements were authorised for issue in the Board of Directors meeting held on February 21, 2004.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2003 (UN-AUDITED)

	Note	December 31, 2003	June 30, 2003
		(Rupees in '000)	
Capital & Reserves			
Share Capital			
Authorised 50,000,000 (June 2003: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid up		350,000	250,000
Share Premium		475,505	175,505
Capital Reserve		2,286	2,857
General Reserve		500,000	500,000
Unrealised gain on remeasurement of available for sale investment to fair value		427,530	522,924
Unappropriated profit		864,698	518,533
		2,620,019	1,969,819
Redeemable Capital		499,800	499,800
Minority interest		485,415	392,325
Long term loans		100,000	125,000
Deferred tax liability		20,194	26,765
Current Liabilities			
Current maturity of long term loan		25,000	25,000
Current portion of liabilities against assets subject to finance lease		10	45
Current maturity of certificates of investments		772,561	343,856
Short term running finance under mark-up arrangement		97,789	1,171,713
Borrowings from banks / NBFC's		365,000	751,000
Securities sold under repurchase agreements		1,166,619	1,001,933
Creditors, accrued expenses and other liabilities		292,680	500,847
Provision for taxation		50,185	23,484
Dividend payable		39,321	3,343
Proposed dividend		-	37,500
		2,809,165	3,858,721
Contingency & Commitments	4	6,534,593	6,872,430
		6,534,593	6,872,430

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 2003 (UN-AUDITED)

	Note	December 31, 2003	June 30, 2003
(Rupees in '000)			
Fixed Assets			
- at cost less accumulated depreciation	5	52,334	56,272
Preliminary expenses		-	145
Intangible assets	6	169,896	157,600
Long term loans, term finance and deposits		17,240	14,848
Long term Investments	7	1,408,188	1,035,126
Negative Goodwill	8	(49,293)	(49,293)
Current Assets			
Trade debtors - considered good		25,945	885,994
Advances, prepayments and other receivables		468,666	266,094
Fund placements		1,396,475	1,563,989
Short term loans		60,832	207,416
Short term Investments	9	2,658,792	2,695,964
Cash and bank balances		325,518	38,275
		4,936,228	5,657,732

The annexed notes from 1 to 12 form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

6,534,593

6,872,430

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED
DECEMBER 31, 2003
(UN-AUDITED)

	Quarter ended December 31, 2003	Half year ended December 31, 2003	Quarter ended December 31, 2002	Half year ended December 31, 2002
	(Rupees in '000)			
Operating revenue	112,429	243,743	97,025	147,476
Net gain / income from transactions in marketable securities	<u>58,248</u>	<u>349,350</u>	<u>143,041</u>	<u>152,765</u>
	170,677	593,093	240,066	300,241
Operating expenses	<u>(66,792)</u>	<u>(143,397)</u>	<u>(56,542)</u>	<u>(100,874)</u>
Operating profit	<u>103,885</u>	<u>449,696</u>	<u>183,524</u>	<u>199,367</u>
Financial and other income / (charges)	<u>15,756</u>	<u>73,042</u>	<u>(21,554)</u>	<u>14,500</u>
	119,641	522,738	161,970	213,867
Financial charges	(21,702)	(50,353)	(44,049)	(52,066)
Share of profit of subsidiary/associated companies	24,644	73,142	16,657	16,657
Goodwill	-	-	511	(446)
	<u>122,583</u>	<u>545,527</u>	<u>135,089</u>	<u>178,012</u>
Reversal / (Provision) for diminution in value of investments	-	-	(5,456)	-
Gain / (loss) on remeasurement of held for trading investments - net	<u>40,263</u>	<u>(27,509)</u>	<u>5,730</u>	<u>5,006</u>
Profit before taxation	<u>162,846</u>	<u>518,018</u>	<u>135,363</u>	<u>183,018</u>
Provision for taxation	11			
- Current	<u>18,577</u>	<u>41,387</u>	<u>1,891</u>	<u>6,675</u>
Profit after taxation	<u>144,269</u>	<u>476,631</u>	<u>133,472</u>	<u>176,343</u>
Profit attributable to minority interest	<u>(27,705)</u>	<u>(130,466)</u>	<u>(21,302)</u>	<u>(29,930)</u>
	<u>116,564</u>	<u>346,165</u>	<u>112,170</u>	<u>146,413</u>
Unappropriated profit brought forward	748,134	518,533	339,301	305,058
Profit available for appropriation	<u>864,698</u>	<u>864,698</u>	<u>451,471</u>	<u>451,471</u>
Basic earnings per share	<u>4.66</u>	<u>11.54</u>	<u>4.49</u>	<u>5.86</u>

The annexed notes from 1 to 12 form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED CASH FLOW STATEMENT

FOR THE HALF YEAR ENDED DECEMBER 31, 2003
(UN-AUDITED)

	Six months ended December 2003	Six months ended December 2002
	(Rupees in '000)	
Cash flows from operating activities		
Profit before taxation	518,018	183,018
Adjustments for:		
Depreciation	8,198	6,275
(Profit) on sale of fixed assets	(7,350)	(309)
Share of profit of Associated Companies	(73,142)	(16,657)
Goodwill	-	446
Amortisation of Management Rights of ICP Mutual Funds	8,750	5,833
Provision for Staff Bonus	-	5,000
Reversal of provision for diminution in value of investments	-	(4,347)
Gain on remeasurement of held for trading investments	27,509	(659)
Financial Charges	50,353	7,534
	14,318	3,116
Operating profit before working capital changes	532,336	186,134
(Increase) / Decrease in operating assets		
Short term investments	(337,118)	(694,667)
Trade debtors	860,049	(241,816)
Short term loans	146,584	(7,653)
Advances, pre-payments and other receivables	(22,537)	(76,849)
	646,978	(1,020,985)
Decrease in current liabilities (Creditors, accrued expenses and other liabilities)	(208,167)	(9,812)
Cash (used in)/ generated from operations	971,147	(844,663)
Mark-up paid	(27,097)	(70,547)
Taxes paid	(14,887)	(10,009)
Dividend paid	(804)	(43,385)
Changes in long term loans, term finance and deposits	(2,392)	(48,000)
Net cash flow (used in) from operating activities	925,967	(1,016,604)
Cash flows from investing activities		
Capital expenditure	(12,326)	(4,438)
Proceeds from sale of fixed assets	16,458	1,244
Fund Placements	167,514	(402,345)
Long term investments acquired	(245,186)	(201,592)
Net cash flow from investing activities	(73,540)	(607,131)
Cash flows from financing activities		
Payment of lease obligation	(2,251)	(2,251)
Share issue at premium	400,000	-
Repayment of long term loan	(25,000)	-
Certificates of investment and borrowing from banks	428,705	1,183,100
Advance against Term Finance Certificate	(71,400)	22,305
Securities sold under repurchase Commitment.	164,686	199,166
Net cash flow from financing activities	894,740	1,402,320
Net (decrease) / increase in cash and cash equivalents	1,747,167	(221,415)
Cash and cash equivalents at the beginning of the period	(1,884,438)	713,943
Cash and cash equivalents at the end of the period	(137,271)	492,528

The annexed notes from 1 to 12 form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED
DECEMBER 31, 2003
(UN-AUDITED)

(Rupees in '000)

	Issued, subscribed and paid up capital	Share premium	Capital reserve	General reserve	Unrealised gain / (loss) on remeasurement of available-for-sale investments to fair value	Un- appropriated profit	Total
Balances as at July 01, 2002	250,000	175,505	2,392	200,000	18,758	305,058	951,713
Reversal of capital reserve of BBF created through the merger SSFL and BBF	-	-	(2,392)	-	-	-	(2,392)
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	-	226,117	-	226,117
Profit for the period	-	-	-	-	-	349,350	349,350
Balance as at December 31, 2002	<u>250,000</u>	<u>175,505</u>	<u>-</u>	<u>200,000</u>	<u>244,875</u>	<u>654,408</u>	<u>1,524,788</u>
Balance as at July 1, 2003	250,000	175,505	2,857	500,000	522,924	518,533	1,969,819
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	-	(95,394)	-	(95,394)
Issue of shares	100,000	300,000	-	-	-	-	400,000
Share of capital reserve	-	-	(571)	-	-	-	(571)
Profit for the period	-	-	-	-	-	346,165	346,165
Proposed dividend	-	-	-	-	-	-	-
Balance as at December 31, 2003	<u>350,000</u>	<u>475,505</u>	<u>2,286</u>	<u>500,000</u>	<u>427,530</u>	<u>864,698</u>	<u>2,620,019</u>

The annexed notes from 1 to 12 form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED NOTES TO THE ACCOUNTS

FOR THE SECOND QUARTER AND SIX MONTHS PERIOD ENDED
DECEMBER 31, 2003
(UN-AUDITED)

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and as per the requirements of International Accounting Standard - 34 (IAS - 34) 'Interim Financial Reporting' and have been reviewed by the auditors as required by the Code of Corporate Governance.

2. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these half yearly financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2003.

3. SUBSIDIARY COMPANIES

Following subsidiary companies have been consolidated in the accounts of the Holding Company:

Subsidiary Companies	Nature of Business	Date of Acquisition	Group Holding
Jahangir Siddiqui Investment Bank Limited (JSIBL)	Investment Banking	September 18, 1999	62.41%
ABAMCO Limited	Investment Advisor and Asset Management Company	July 31, 2000	53.74%
Confidence Financial Services Limited (Sub-subsidiary)	Former Investment Advisor of former Security Stock Fund Limited	September 14, 2000	42.77%
Jahangir Siddiqui Capital Markets (Private) Limited (Formerly JSCL Direct (Private) Limited)	Brokerage House	May 22, 2003	100.00%

The consolidated financial statements include the accounts of the Holding Company and its subsidiaries (the Group). The financial statements of such Subsidiary Companies have been consolidated on a line-by-line basis.

All material inter company balances, transactions and resulting unrealised profits/ losses have been eliminated.

4.	CONTINGENCY & COMMITMENTS	December 31, 2003	June 30, 2003
		(Rupees in '000)	
4.1	Contingency		
	In respect of income tax assessments of JSIBL	<u>128,000</u>	<u>128,000</u>
4.2	Commitments		
	Commitments in respect of repurchase transactions	<u>752,715</u>	<u>1,007,601</u>
	Commitments in respect of resale transactions		
	- Listed equity securities	<u>209,472</u>	<u>997,165</u>
	- Other securities	<u>1,001,732</u>	<u>536,346</u>
	Commitments in respect of clean placements	<u>-</u>	<u>50,563</u>
	Commitments in respect of underwriting	<u>508,000</u>	<u>135,000</u>
	Commitments in respect of pre-initial public offer (Pre-IPO)	<u>45,000</u>	<u>160,000</u>
	Commitments in respect of guarantee	<u>-</u>	<u>50,000</u>

5. OPERATING FIXED ASSETS

The details of additions and disposals during the six months ended December 31, 2003 are as follows:

Additions

Office premises	1,041,250
Office equipments	4,252,807
Furniture and fixtures	1,146,550
Motor vehicles	6,926,834
	Rupees <u>12,326,191</u>

Disposals

Office premises:	
Cost	Rupees <u>13,635,500</u>
Written down value	8,887,695
Sale proceeds	<u>15,800,000</u>
Gain / (loss) on disposal	Rupees <u>6,912,305</u>

Motor vehicle:

Cost	Rupees <u>766,636</u>
Written down value	220,388
Sale proceeds	<u>657,750</u>
Gain / (loss) on disposal	Rupees <u>437,362</u>

6. INTANGIBLE ASSETS

This includes payment of Rs. 149 million for acquisition of management rights of ICP Mutual Funds Lot 'A'. The details are as follows:

	December 31, 2003	June 30, 2003
	(Rupees in '000)	
Payment for management rights	157,500	175,000
Amortisation	<u>8,750</u>	<u>(17,500)</u>
	<u>148,750</u>	<u>157,500</u>

The payment for management rights is being amortised over a period of 10 years. ABAMCO Limited is entitled to receive management fee @ 2% of Net Assets of ICP Mutual Funds comprised in Lot 'A'.

7. LONG TERM INVESTMENTS

Investment in associate	381,981	375,031
Available for sale	1,024,005	658,073
Held to maturity	<u>2,202</u>	<u>2,022</u>
	<u>1,408,188</u>	<u>1,035,126</u>

8. NEGATIVE GOODWILL

Citibank Overseas Investment Corporation (COIC) had on February 1, 1999 entered into an agreement to sell 6 million shares of Citicorp Investment Bank Limited to the company and in that agreement it was agreed by the parties to the agreement that the purchase consideration of Rs. 123.9 million (representing 6 million shares at the rate of Rs. 20.65 per share) would be adjusted to the extent of 70 percent if there is any subsequent reduction in total disputed tax liability as of December 31, 1998 amounting to Rs. 68.655 million as confirmed by a Chartered Accountant firm. Therefore as and when this disputed tax liability is resolved in favour of Jahangir Siddiqui Investment Bank Limited, the company would pay to COIC the above amount to the extent of 70 percent which would be adjusted against the purchase consideration (Negative goodwill) for above shares.

9. SHORT TERM INVESTMENTS

	December 31, 2003	June 30, 2003
	(Rupees in '000)	
Held for trading	948,483	1,296,989
Available-for-sale	1,710,309	1,398,975
	<u>2,658,792</u>	<u>2,695,964</u>

10. RELATED PARTY TRANSACTIONS

Related parties comprise of subsidiaries, associated companies, directors, key management personnel and provident fund schemes. The Group continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using comparable uncontrolled price method.

11. TAXATION

The income tax assessments of the Holding Company have been finalised upto and including the assessment year 2002-2003. Further the company has not recorded deferred tax asset in view of uncertainty about the availability of taxable profits in the foreseeable future against which such losses could be utilised.

In respect of JSIBL, income tax assessments upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2003 have been finalised. Income tax return for the tax year 2003 have been filed on self-assessment basis.

In respect of ABAMCO Limited, income tax assessments have been finalised upto and including the assessment year 2002-2003.

12. GENERAL

These financial statements were authorised for issue in the Board of Directors meeting held on February 21, 2004.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

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