

JAHANGIR SIDDIQUI & CO. *Ltd.*

Quarter Report
March 31, 2005
(Un-audited)

JAHANGIR SIDDIQUI & CO. *Ltd.*

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COMPANY INFORMATION

BOARD OF DIRECTORS

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

AUDIT COMMITTEE

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

COMPANY SECRETARY

Mr. Wajahat Kazmi

AUDITORS

Ford Rhodes Sidat Hyder & 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

CHAIRMAN'S STATEMENT
TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present to you the un-audited accounts of Jahangir Siddiqui & Co. Ltd. (the "Company") along with consolidated accounts of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for the third quarter and nine months period ended March 31, 2005.

The Economy and Stock Market Review

Riding on the strong economic fundamentals of last year, Pakistan's economy maintained its momentum during the first nine months of current fiscal year. GDP growth is expected to be more than 7% as against the budgeted targets of 6.6% for the fiscal year 2004-2005. However, rising inflation and consequently interest rates and record high oil prices can put pressure on the growth in the medium to long term.

During January – March 2005 the KSE 100 Index depicted an overall increase of 25% reaching to 7770.33 point level as against 6218.40 points as on December 31, 2004. March 2005 proved to be an extremely volatile month for the Karachi Stock Exchange as it saw both historic heights as well as crisis during the month. The month started with the continuation of bullish sentiments which prevailed throughout February and the index rose to a historic level of 10,303. During the last two weeks the index shed approximately 2600 points.

Brief review of results

Despite a crisis situation of the market evidenced in the last two weeks of March 2005, the Company has reported a profit after tax of Rs.1,184.45 million for the nine months period as compared to profit after tax of Rs.503.07 million for the same period last year. Operating revenue for the nine months period was Rs.1,133.49 million as compared to Rs.331.71 million for the same period last year. Operating expenses for the nine months period were Rs.118.74 million as compared to Rs.78.43 million for the same period last year.

Credit Rating

The Directors are pleased to inform you that The Pakistan Credit Rating Agency (Pvt.) Ltd. has maintained the Company's long term rating of AA+ (Double A 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.

JAHANGIR SIDDIQUI & CO. Ltd.

CHAIRMAN'S STATEMENT
TO THE MEMBERS

Outlook

For the next quarter of the financial year, the fundamentals of our business remain strong. We expect continued growth in our operating businesses during 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: April 23, 2005

Mazhar-ul-Haq Siddiqui
Chairman

JAHANGIR SIDDIQUI & CO. Ltd.

BALANCE SHEET

AS AT MARCH 31, 2005 (UN-AUDITED)

	Note	March 31, 2005	June 30, 2004
ASSETS			
(Rupees in '000)			
NON-CURRENT ASSETS			
Tangible fixed assets		27,934	31,583
Stock exchange cards and rooms		12,201	11,201
Long term loans, advances and deposits		97,051	144,626
Investments in subsidiaries		1,862,862	964,528
Long term investments		1,039,139	1,077,976
		3,039,187	2,229,914
CURRENT ASSETS			
Short term investments		2,477,515	1,633,576
Trade debtors - unsecured, considered good		1,513	10,883
Advances, prepayments and other receivables		143,115	73,983
Advance taxation		6,368	2,473
Fund placements		551,443	812,113
Cash and bank balances		789,182	65,221
		3,969,136	2,598,249
		7,008,323	4,828,163
EQUITY & LIABILITIES			
SHARE CAPITAL & RESERVES			
Authorised capital			
150,000,000 (June 2004: 50,000,000) ordinary shares of Rs. 10 each		1,500,000	500,000
Issued, subscribed and paid up capital			
35,000,000 (June 2004: 35,000,000) ordinary shares of Rs. 10 each		350,000	350,000
Capital reserve			
Share premium reserve		475,505	475,505
Revenue reserves			
General reserve		1,500,000	1,500,000
Surplus on revaluation of available for sale investments		846,904	829,817
Unappropriated profit		1,178,023	46,066
		3,524,927	2,375,883
Share holders' equity		4,350,432	3,201,388
NON-CURRENT LIABILITIES			
Redeemable capital		1,498,700	999,400
CURRENT LIABILITIES			
Current portion of redeemable capital		600	400
Securities sold under repurchase agreements		743,941	522,849
Creditors, accrued expenses and other liabilities		407,263	100,255
Provision for taxation		3,201	2,982
Unclaimed dividend		4,186	889
		1,159,191	627,375
CONTINGENCY AND COMMITMENTS	4		
		7,008,323	4,828,163

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. *Ltd.*

PROFIT & LOSS ACCOUNT

FOR THE QUARTER AND PERIOD ENDED MARCH 31, 2005
(UN-AUDITED)

	Note	Jan-Mar 2005	July 2004- March 2005	Jan-Mar 2004	July 2003- March 2004
----- (Rs. in '000s) -----					
INCOME					
Operating revenue		29,526	69,691	16,231	94,968
Net gain / income from transactions in marketable securities		869,430	1,063,804	67,436	236,742
Other income		6,009	23,594	8,245	17,729
Share of profit of Subsidiary Companies		214,933	345,671	121,010	298,535
Loss on re-measurement of held for trading investments - net		(147,338)	(118,518)	(5,356)	(32,865)
		972,560	1,384,242	207,566	615,109
OPERATING EXPENSES					
Operating and administrative expenses	13	(70,459)	(118,744)	(20,542)	(78,431)
Financial charges		(41,285)	(77,951)	(9,410)	(31,630)
		(111,744)	(196,695)	(29,952)	(110,061)
Profit before taxation		860,816	1,187,547	177,614	505,048
TAXATION					
- Current		2,009	3,201	(349)	(1,970)
- Prior year		-	(111)	-	-
		2,009	3,090	(349)	(1,970)
Profit after taxation		858,807	1,184,457	177,265	503,078
Basic and diluted earnings per share		Rupees 24.54	Rupees 33.84	Rupees 5.06	Rupees 15.48

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

CASH FLOW STATEMENT

FOR THE PERIOD ENDED MARCH 31, 2005
(UN-AUDITED)

	March 31, 2005	March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES		
	(Rupees in '000)	
Profit before taxation	1,187,547	505,048
Adjustments for:		
Depreciation	4,111	8,410
(Profit) on sale of fixed assets	(4,092)	(7,350)
Share of profit of subsidiary / associated companies	(345,671)	(298,535)
Loss on remeasurement of held for trading investment	118,518	32,865
Financial charges	77,951	31,630
	(149,183)	(232,980)
Operating profit before working capital changes	1,038,364	272,068
(Increase)/ decrease in operating assets:		
Short term investment	(667,997)	(1,344,854)
Trade debtors	9,370	884,221
Advances, pre-payments and other receivables	(69,132)	(21,417)
	(727,759)	(482,050)
Decrease/(increase) in creditors, accrued expenses and other liabilities	300,632	(350,556)
Net cash (used in) / generated from operations	611,237	(560,538)
Mark-up paid	(71,976)	(26,796)
Taxes paid	(6,368)	(1,710)
Dividend paid	(49,203)	(37,871)
Changes in long term loans, advances and deposits	46,575	(10,671)
Net cash (used in) / generated from operating activities	530,265	(637,586)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(4,314)	(6,805)
Proceeds from sale of fixed assets	7,944	16,633
Fund Placements	260,670	402,930
Investment acquired	(791,196)	(284,252)
Net cash (used in) investing activities	(526,896)	128,506
CASH FLOWS FROM FINANCING ACTIVITIES		
Securities sold under repurchase agreements	221,092	1,116,201
Issuance of redeemable capital - net of repayments	499,500	(100)
Share issue at premium	-	400,000
Net cash generated from financing activities	720,592	1,516,101
Net increase in cash and cash equivalents	723,961	1,007,021
Cash and cash equivalents at the beginning of the period	65,221	(954,967)
Cash and cash equivalents at the end of the period	789,182	52,054

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED MARCH 31, 2005
(UN-AUDITED)

	Reserves					Total
	Issued, subscribed and paid up capital	Capital		Revenue		
		Share premium	General reserve	Surplus / (deficit) on revaluation of available for sale investments	Unappropriated profit	
----- (Rupees in '000) -----						
Balances as at July 1, 2003 - as previously reported	250,000	175,505	500,000	362,203	354,981	1,642,689
Effect of change in accounting policy- Dividend declared on October 29, 2003- added back	-	-	-	-	37,500	37,500
Balance as at July 1, 2003 - restated	<u>250,000</u>	<u>175,505</u>	<u>500,000</u>	<u>362,203</u>	<u>392,481</u>	<u>1,680,189</u>
Effect of change in accounting policy- Dividend declared on October 29, 2003	-	-	-	-	(37,500)	(37,500)
Issue of right shares	100,000	300,000	-	-	-	400,000
Effect of re-measurement of available for sale of investments to fair value held as at the period end	-	-	-	101,007	-	101,007
Profit for the period	-	-	-	-	503,078	503,078
Balance as at March 31, 2004	<u>350,000</u>	<u>475,505</u>	<u>500,000</u>	<u>463,210</u>	<u>858,059</u>	<u>2,646,774</u>
Balances as at July 1, 2004 - as adback previously reported	350,000	475,505	1,500,000	829,817	68,612	3,223,934
Effect of change in accounting policy - Dividend declared on September 18, 2004	-	-	-	-	52,500	52,500
Effect of change in accounting policy by subsidiary for recognition of gain or loss on available for sale investments from profit and loss account to statement of changes in equity	-	-	-	-	(75,046)	(75,046)
Balance as at July 1, 2004 - restated	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>829,817</u>	<u>46,066</u>	<u>3,201,388</u>
Effect of change in accounting policy - Dividend declared on September 18, 2004	-	-	-	-	(52,500)	(52,500)
Share of unrealised gain on re- measurement of available for sale investments of subsidiary company	-	-	-	(35,336)	-	(35,336)
Effect of re-measurement of available for sale of investments to fair value held as at the period end	-	-	-	52,423	-	52,423
Profit for the period	-	-	-	-	1,184,457	1,184,457
Balance as at March 31, 2005	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>846,904</u>	<u>1,178,023</u>	<u>4,350,432</u>

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

NOTES TO THE ACCOUNTS

FOR THE PERIOD ENDED MARCH 31, 2005
(UN-AUDITED)

1. THE COMPANY AND ITS OPERATION

Jahangir Siddiqui & Company Limited (the Company) was incorporated under the Companies Ordinance, 1984 on May 4, 1991 as a public unquoted company. The Company was listed on all three stock exchanges in Pakistan on August 10, 1993, however, during 2003 the Company was voluntarily de-listed from the Lahore and Islamabad Stock Exchanges. The Company is a corporate member of Karachi and Islamabad Stock Exchanges (Guarantee) Limited. The registered office of the Company is situated at 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi. The principal activities of the Company are equity trading, money market transactions, investment advisory and consultancy services, underwriting etc.

2. 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 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'.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of these financial statements are the same as those of the published annual financial statements for the year ended June 30, 2004, except for stated below:

3.1 Change in accounting policy

During the period, SECP substituted the Fourth Schedule to the Companies Ordinance, 1984, which is effective from the financial year ending on or after July 5, 2004. This has resulted in the change in accounting policy pertaining to recognition of dividend and other appropriations (except statutory reserve) declared subsequent to the year / period end. Dividend and other appropriations of profit are now recognised in the period in which these are declared. Upto the previous year, dividends declared and appropriations made after the balance sheet date but before the financial statements were authorized for issue, were recognized as of the balance sheet date. The change in accounting policy has been accounted for retrospectively and comparative information has been restated in accordance with the benchmark treatment specified in International Accounting Standard - 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies).

Had there been no change in accounting policy, unappropriated profit brought forward would have been lower by Rs. 52.50 million [June 30, 2003: Rs. 37.5 million] and proposed dividend would have been higher by Rs. Nil [June 30, 2003: Rs. 37.50 million]. The effect of the change in accounting policy has been reflected in the statement of changes in equity. The change in accounting policy has not resulted in any change in the profit for the current period.

3.2 Investments in joint ventures

A joint venture is a contractual arrangement in which a venturer has a joint control in the economic activities undertaken with the other venturers. Investment in joint ventures are accounted for under the equity method of accounting, less impairment losses, if any.

3.3 Change in accounting policy in a subsidiary company

ABAMCO Limited, a subsidiary of the company, during the period, changed its accounting policy from recognition of gain / (loss) on remeasurement of its available for sale investments in the profit and loss account to taking it directly to equity.

The Company's accounting policy for accounting for the same is now in line with the Company's accounting policy, which is in line with International Accounting Standard - 28 (Accounting for Investments in Associates) which requires that adjustments to the associates financial statements should be made when uniform accounting policies for like transactions are not used before using the equity method.

Since such an adjustment was not made in the financial statements for the year ended June 30, 2004, this is being accounted for retrospectively as required by International Accounting Standard - 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies), the effect of this change is reflected in the statement of changes in equity.

4. CONTINGENCY AND COMMITMENT

4.1 Contingency

The Company is a principal defendant in a suit filed in the Honourable High Court of Sind by some shareholders seeking a declaration regarding the validity of the renunciation of right shares of the Company at Rs. 40 per share, a decree for specific performance of Letter of Rights and direction to the Company to allot the shares to the renounce and a permanent injunction restraining the Company from allotting the renounced shares to any other person.

The Plaintiffs in the Suit had also filed an application for interim relief seeking an interim injunction restraining the Company from allotting the allegedly renounced right shares to any person other than the Plaintiffs. This interim injunction was however not granted and the court allowed the allotment of shares to proceed subject to the final decision based on which the Company has allotted these shares.

In the opinion of the legal advisors, in the unlikely event of an adverse outcome of the suit, the status of the company shall not be effected in any manner nor the same will have any effect on the affairs of the Company (financial or otherwise). Furthermore, for various reasons, it is presently not possible to give any estimate of the financial impact on the Company in case of an adverse decision in the aforesaid suit.

Based on aforesaid legal advise no provision has been made in these financial statements in this respect.

JAHANGIR SIDDIQUI & CO. *Ltd.*

	March 31, 2005	June 30, 2004
4.2 Commitment		
Purchase of equity investment in an associate	264,988	-

5. RELATED PARTY TRANSACTIONS

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

Significant transactions with following related parties during the nine months period are as follows:-

- Bank Islami Pakistan Limited associate
- ABAMCO Limited subsidiary company
- Jahangir Siddiqui Capital Markets (Private) Limited subsidiary company
- Jahangir Siddiqui Investment Bank Limited subsidiary company
- DCD-JS Factors (Private) Limited Joint Venture

	Period Ended		3rd Quarter	
	March 31, 2005	March 31, 2004	March 31, 2005	March 31, 2004
	(Rupees in '000)		(Rupees in '000)	
Purchase of marketable securities for and on behalf of directors	-	703,514	-	-
Sale of marketable securities for and on behalf of directors	-	405,965	-	-
Purchase of marketable securities for and on behalf of associates	-	2,397,862	-	-
Sale of marketable securities for and on behalf of associates	-	2,654,505	-	-
Purchase of marketable securities	36,129,224	-	12,721,711	-
Sale of marketable securities	36,577,586	-	13,585,277	-
Brokerage expense	9,965	-	4,417	-
Brokerage income earned	2,314	1,846	-	-
Purchase of government securities	3,528,948	1,362,464	189,683	347,786
Sale of government securities	1,084,474	1,553,383	88,382	644,800
Mark-up on loan to subsidiary	12,125	-	3,895	-
Rent income	5,605	4,968	1,796	3,379
Sale of fixed assets	6,974	-	-	-
Advisory and consultancy fees	630	778	-	420
Advance against shares subscription to an associate	110,012	-	98,341	-

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 mark-up rates and collaterals, as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

6. 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.

JAHANGIR SIDDIQUI & CO. *Ltd.*

7. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on April 23, 2005

8. GENERAL

8.1 Due to certain changes made by the SECP in the Fourth Schedule to the Companies Ordinance, 1984 vide SRO 589(1)/2004 dated July 05, 2004, previous figures have been rearranged or reclassified wherever necessary for the purpose of comparison.

8.2 Figures have been rounded off to the nearest thousand rupees.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

CONSOLIDATED

		AS AT MARCH	
	Note	March 31, 2005	June 30, 2004
(Rupees in '000)			
Capital and reserves			
Share capital			
Authorised			
150,000,000 (June 2004: 50,000,000)			
ordinary shares of Rs. 10/- each		<u>1,500,000</u>	<u>500,000</u>
Issued, subscribed and paid-up		350,000	350,000
Share premium		475,505	475,505
Reverse due to merger		15,500	-
Capital reserve		1,500,000	1,500,000
General reserve			
Unrealised gain on remeasurement			
of available for sale investments			
to fair value		816,228	999,124
Unappropriated profit		<u>1,175,059</u>	<u>124,702</u>
		4,332,292	3,449,331
Redeemable Capital		1,801,300	999,400
Minority interest		959,175	645,485
Long term loan		718,685	416,145
Certificate of deposits		71,500	-
Liabilities against assets subject to finance lease		6,351	-
Deferred gain on sale and lease back		590	-
Deferred tax liability		112	
Current liabilities			
Current maturity of long term liabilities		2,023,288	1,021,464
Short term running finance under			
markup arrangement		843,358	-
Borrowings from banks / NBFC's		10,119	300,000
Securities sold under repurchase agreements		743,941	1,403,630
Creditors, accrued expenses and			
other liabilities		1,512,190	566,423
Provision for taxation		68,419	72,597
Unclaimed dividend		4,186	2,284
		5,205,501	3,366,398
Contingency and Commitments	4		
		<u>13,095,506</u>	<u>8,876,759</u>

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. *Ltd.*

BALANCE SHEET

31, 2005 (UN-AUDITED)

	Note	March 31, 2005	June 30, 2004
		(Rupees in '000)	
Fixed assets - at cost less accumulated depreciation		179,317	124,581
Stock exchange card and rooms		23,302	-
Intangible assets		147,875	183,302
Advance for capital expenditure		53,533	-
Long term loans, term finance and deposits		119,172	27,830
Long term investments		3,502,320	2,238,763
Deferred expenditure receivables		24,000	24,000
Deferred tax assets		470	1,825
Negative goodwill		(49,293)	(49,293)
Current assets			
Trade debtors - considered good		628,398	30,959
Advances, pre-payments and other receivables		1,068,257	400,482
Advance taxations		7,059	-
Fund placements		859,446	2,475,311
Short term loans		-	95,755
Short term investments		5,281,495	2,952,791
Cash and bank balances		1,250,155	370,453
		9,094,810	6,325,751

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE THIRD QUARTER AND NINE MONTHS
PERIOD ENDED MARCH 31, 2005 (UN-AUDITED)

	Quarter ended March 31, 2005	Period ended March 31, 2005	Quarter ended March 31, 2004	Period ended March 31, 2004
	----- (Rs. in '000s) -----			
INCOME				
Operating revenue	506,421	837,951	111,250	354,993
Net gain / income from transactions in marketable securities	1,026,169	1,397,923	232,485	581,835
Financial and other income / (charges)	(14,788)	13,665	53,819	126,861
Share of profit / (loss) of associated companies / joint venture	(268)	(6,933)	13,140	86,282
Gain on re-measurement of held for trading investments - net	(147,338)	(118,518)	(5,356)	(32,865)
	1,370,196	2,124,088	405,338	1,117,106
OPERATING EXPENSES				
Operating expenses	(203,745)	(424,018)	(74,479)	(217,876)
Financial charges	(132,198)	(231,001)	(23,528)	(73,881)
	(335,943)	(655,019)	(98,007)	(291,757)
Profit before taxation	1,034,253	1,469,069	307,331	825,349
TAXATION				
- Current	30,691	66,052	29,678	71,065
- Prior years	(92)	(203)	-	-
	30,599	65,849	29,678	71,065
Profit after taxation	1,003,654	1,403,220	277,653	754,284
Profit attributable to minority interest	(144,849)	(300,363)	(85,336)	(215,802)
Profit for the period after minority interest	858,805	1,102,857	192,317	538,482
Basic earnings per share	<i>Rupees</i> 24.54	31.51	5.49	16.57

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2005
(UN-AUDITED)

	Nine months ended March 31, 2005	Nine months ended March 31, 2004
(Rupees in '000)		
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	1,469,069	825,349
Adjustments for:		
Depreciation	19,598	13,492
(Profit) on sale of fixed assets	(5,228)	(7,617)
Share of loss of associated companies	6,933	(86,282)
Amortisation of Management Rights of ICP Mutual Funds	13,125	13,125
Loss on remeasurement of held for trading investments	118,518	32,865
Financial charges	231,001	73,881
	383,947	39,464
Operating profit before working capital changes	1,853,016	864,813
(Increase)/ decrease in operating assets:		
Short term investment	(2,142,952)	(1,720,228)
Trade debtors	(597,439)	805,334
Short term loans	95,755	162,063
Advances, prepayments and other receivables	(721,308)	(110,288)
	(3,365,944)	(863,119)
Decrease in current liabilities (creditors, accrued expenses and other liabilities)	900,014	70,902
Cash (used in) generated from operations	(612,914)	72,596
Mark-up paid	(193,878)	(67,809)
Taxes paid	(75,619)	6,039
Dividend paid	(50,598)	(38,589)
Changes in long term loans, term finance and deposits	(91,342)	(1,036)
Net cash flow (used in) from operating activities	(1,024,351)	(28,799)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(89,060)	(20,834)
Deferred cost incurred		(19,514)
Proceeds from sale of fixed assets	18,954	18,795
Fund Placements	1,615,865	997,357
Long term investments acquired	(1,704,931)	(562,945)
Net cash flow from investing activities	(159,172)	412,859
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of lease obligation	(7,834)	(35)
Share issue of premium	-	400,000
Acquisition / (Repayment) of long term loan	302,540	(25,000)
Certificates of investment / deposit	1,072,831	467,205
Issuance of redeemable Capital - net of repayment	801,900	-
Securities sold under repurchase commitment	(659,689)	411,625
Net cash flow from financing activities	1,509,748	1,253,795
Net increase in cash and cash equivalents	326,225	1,637,855
Cash and cash equivalents at the beginning of the period	70,453	(1,884,438)
Cash and cash equivalents at the end of the period	396,678	(246,583)

The annexed notes form an integral part of financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

JAHANGIR SIDDIQUI & CO. Ltd.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE THIRD QUARTER AND NINE MONTHS
PERIOD ENDED MARCH 31, 2005 (UN-AUDITED)

	Issued, subscribed and paid up capital	Share premium	Capital reserve	General reserve	Unrealised gain on remeasurement of available-for-sale investments to fair value	Unappropri- ated profit	(Rupees in '000) Total
Balances as at July 1, 2003 - as previously reported	250,000	175,505	2,857	500,000	522,924	518,533	1,969,819
Effect of change in accounting policy- dividend declared on October 29, 2003 - added back	-	-	-	-	-	37,500	37,500
Balance as at July 1, 2003 - restated	250,000	175,505	2,857	500,000	522,924	556,033	2,007,319
Effect of change in accounting policy- dividend declared on October 29, 2003 - added back	-	-	-	-	-	(37,500)	(37,500)
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	-	49,672	-	49,672
Issue of shares	100,000	300,000	-	-	-	-	400,000
Share of capital reserve	-	-	(1,901)	-	-	-	(1,901)
Profit for the period	-	-	-	-	-	538,482	538,482
Proposed dividend	-	-	-	-	-	-	-
Balance as at March 31, 2004	<u>350,000</u>	<u>475,505</u>	<u>956</u>	<u>500,000</u>	<u>527,596</u>	<u>1,057,015</u>	<u>2,956,072</u>
Balance as at July 1, 2004	350,000	475,505	-	1,500,000	924,078	147,248	3,396,831
Effect of change in accounting policy- added back dividend declared on September 18, 2004	-	-	-	-	-	52,500	52,500
Effect of change in accounting policy for remeasurement of available for sale investment of subsidiary from profit & loss account to equity	-	-	-	-	-	(75,046)	(75,046)
Balance as at July 1, 2004 - restated	350,000	475,505	-	1,500,000	924,078	124,702	3,374,285
Effect of change in accounting policy- dividend declared on September 18, 2004	-	-	-	-	-	(52,500)	(52,500)
Capital reserve due to merger	-	-	15,500	-	-	-	15,500
Effect of remeasurement of available for sale investments to fair value held as at the period end	-	-	-	-	(107,850)	-	(107,850)
Profit for the period	-	-	-	-	-	1,102,857	1,102,857
Balance as at March 31, 2005	<u>350,000</u>	<u>475,505</u>	<u>15,500</u>	<u>1,500,000</u>	<u>816,228</u>	<u>1,175,059</u>	<u>4,332,292</u>

The annexed notes form an integral part of financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED NOTES TO THE ACCOUNTS

FOR THE THIRD QUARTER AND NINE MONTHS
PERIOD ENDED MARCH 31, 2005 (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'.

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 30 June, 2004, except for as stated below.

2.1 Change in accounting policy

During the period, SECP substituted the Fourth Schedule to the Companies Ordinance, 1984, which is effective from the financial year ending on or after July 5, 2004. This has resulted in the change in accounting policy pertaining to recognition of dividend and other appropriations (except statutory reserve) declared subsequent to the year / period end. Dividend and other appropriations of profit are now recognised in the period in which these are declared. Upto the previous year, dividends declared and appropriations made after the balance sheet date but before the financial statements were authorized for issue, were recognized as of the balance sheet date. The change in accounting policy has been accounted for retrospectively and comparative information has been restated in accordance with the benchmark treatment specified in International Accounting Standard - 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies).

Had there been no change in accounting policy, unappropriated profit brought forward would have been lower by Rs. 52.50 million [June 30, 2003: Rs. 37.5 million] and proposed dividend would have been higher by Rs. Nil [June 30, 2003: Rs. 37.50 million]. The effect of the change in accounting policy has been reflected in the statement of changes in equity. The change in accounting policy has not resulted in any change in the profit for the current period.

2.2 Investments in joint ventures

A joint venture is a contractual arrangement in which a venturer has a joint control in the economic activities undertaken with the other venturers. Investment in joint ventures are accounted for under the equity method of accounting, less impairment losses, if any.

2.3 Change in accounting policy in a subsidiary company

ABAMCO Limited, a subsidiary of the Holding Company, during the period, changed its accounting policy from recognition of gain / (loss) on remeasurement of its available for sale investments in the profit and loss account to taking it directly to equity.

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The Company's accounting policy for accounting for the same is now in line with ABAMCO Limited, which is in line with International Accounting Standard - 28 (Accounting for Investments in Associates) which requires that adjustments to the associates financial statements should be made when uniform accounting policies for like transactions are not used before using the equity method.

Since such an adjustment was not made in the financial statements for the year ended June 30, 2004, this is being accounted for retrospectively as required by International Accounting Standard - 8 (Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies), the effect of this change is reflected in the statement of changes in equity.

3. SUBSIDIARY COMPANIES

Following subsidiary companies have been consolidated in the financial statements of the Holding Company.

Subsidiary Companies	Nature of Business	Date of Acquisition	Group Holding
Jahangir Siddiqui Investment Bank Limited (JSIBL)	Investment Banking	Sept. 18, 1999	62.41%
ABAMCO Limited	Investment adviser and Asset Management Company	July 31, 2000	52.02%
Jahangir Siddiqui Capital Markets Limited (JSCML)	Brokerage House	May 22, 2003	75.00%
JS Infocom Limited (formerly Spell Telecommunications Limited)	Telecom, Media and Technology Company	April 8, 2004	82.49%

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 AND COMMITMENTS

4.1 Contingency

The Company is a principal defendant in a suit filed in the Honourable High Court of Sind by some shareholders seeking a declaration regarding the validity of the renunciation of right shares having subscription money of Rs.107.52 million for subscription of 2,687,988 right shares of the Holding Company at Rs.40 per share, a decree for specific performance of Letter of Rights and direction to the Holding Company to allot the shares to the renouncee and a permanent injunction restraining the Holding Company from allotting the renounced shares to any other person.

The Plaintiffs in the Suit had also filed an application for interim relief seeking an interim injunction restraining the Holding Company from allotting the allegedly renounced right shares to any person other than the Plaintiffs. This interim injunction

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was however not granted and the court allowed the allotment of shares to proceed subject to the final decision based on which the Holding Company has allotted these shares.

In the opinion of the legal advisor, in the unlikely event of an adverse outcome of the suit, the status of the company shall not be effected in any manner nor the same will have any effect on the affairs of the Holding Company (financial or otherwise). Furthermore, for various reasons, it is presently not possible to give any estimate of the financial impact on the Holding Company in case of an adverse decision in the aforesaid suit.

Based on aforesaid legal advise no provision has been made in these financial statements in this respect.

	March 31, 2005	June 30, 2004
	(Rupees in '000)	
4.2 Commitments		
Purchase of equity investment in associates	264,988	-
Commitments		
Commitments in respect of repurchase transactions	-	1,410,629
Commitments in respect of resale transactions		
- Listed equity securities	-	1,278,884
- Other Securities	-	1,028,568
Commitments in respect of clean placements	-	175,349
Commitments in respect of underwriting	183,000	523,000
Commitments in respect of Pre-Initial Public Offer (Pre-IPO)	15,000	65,000

5. 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.

6. TAXATION

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

In respect of JSIBL, income tax assessments upto tax 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 finalized upto and including the assessment year 2002-2003

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In respect of JSCML, the income tax assessment have been finalised upto and including tax year 2003, under section 120 of the Income Tax Ordinance, 2001.

7. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on April 23, 2005.

8. GENERAL

8.1 Due to certain changes made by the SECP in the Fourth Schedule to the Companies Ordinance, 1984 vide SRO 589(1)/2004 dated July 05, 2004, previous period's figures have been rearranged or reclassified wherever necessary for the purpose of comparison.

8.2 Figures have been rounded off to the nearest thousand rupees.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

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