

QUARTERLY REPORT
March 31, 2005
(Un-audited)

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

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JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar-ul-Haq Siddiqui
(Chairman)
Mr. Aftab Q. Munshi
(Chief Executive)
Syed Imran Ali
Mr. Adil Matcheswala
Mr. Aslam Khaliq
Mr. G.M. Malkani
Mr. Basir Shamsie

AUDIT COMMITTEE

Mr. Adil Matcheswala
(Chairman)
Mr. G.M. Malkani
Mr. Basir Shamsie
Mr. Faisal Hamid
(Secretary)

COMPANY SECRETARY

Mr. Faisal Hamid

AUDITORS

Taseer Hadi Khalid & Co.
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners

REGISTERED OFFICE

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

SHARES REGISTRAR

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

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements of Jahangir Siddiqui Capital Markets Limited (the "Company"), for the third quarter and nine months period ended March 31, 2005 together with the comparative figures for the corresponding period(s) of last year.

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. Acceleration in growth accompanied by a pick up in industrial production, upsurge in investment, greater credit off take to the private sectors and inflow of higher remittances. The strategic entry into the international capital markets through the floatation of Islamic Bond has been the other stellar occurrence. The stock market was further bolstered by positive news on the privatization front and attractive results and payouts from the Corporate Sector.

During the quarter under review, the KSE-100 Index depicted an overall increase of 25% to close at 7,770 on March 31, 2005 with a high 10,303 and a low of 6,220 on March 15 and January 03 respectively. The market remained highly volatile and fell rapidly after achieving an all time high of 10,303 due to highly overbought and over leveraged positions of traders. Average daily volume (both ready and future market) at KSE remained at 842mn shares during the quarter. The market capitalization ended the quarter at Rs. 2,114 bn (US\$ 36.1bn), up 24.4%. The market capitalization went as high as Rs. 2,813bn (US\$ 47.4bn) on March 15 and lowest of Rs. 1,725bn (US\$ 29.0bn) was seen on January 03.

OPERATING PERFORMANCE

The Company has reported a profit before tax of Rs.96.539 million and profit after tax of Rs.84.362 million for the nine months as compared to profit before tax of Rs.38.218 million and profit after tax of Rs.23.856 million for the same period last year showing improvements of 152.6 % and 253.6 % respectively. Operating revenue for the nine months period were Rs.146.986 million as compared to Rs. 70.091 million for the same period last year. Operating expenses for the nine months period were Rs.75.536 million as compared to Rs.35.390 million for the same period last year. Earning per share for the nine months period was Rs.8.83 per share as compared to Rs.3.98 per share for the same period last year.

FUTURE OUTLOOK

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

ACKNOWLEDGEMENT

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

On behalf of the Board

Mazhar-ul-Haq Siddiqui
Chairman

Karachi: April 20, 2005

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

BALANCE SHEET

AS AT MARCH 31, 2005 (UN-AUDITED)

	Note	March 31, 2005	June 30, 2004
Capital and reserves			
Share capital			
Authorised 25,000,000 (June 2004: 10,000,000) ordinary shares of Rs. 10 each		250,000,000	100,000,000
Issued, subscribed and paid up capital	4	100,000,000	60,000,000
Capital reserves			
Share Premium		32,000,000	-
Revenue reserves			
Unappropriated Profit		124,369,661	40,006,665
		256,369,661	100,006,665
Deferred tax liability		111,640	203,217
Current liabilities			
Short term running finance under markup arrangements-secured	5	-	-
Creditors, accrued expenses and other liabilities		854,636,753	206,354,707
Provision for taxation		38,041,680	25,773,350
		892,678,433	232,128,057
Contingencies & commitments	6	-	-
		<u>1,149,159,734</u>	<u>332,337,939</u>

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

Aftab. Q. Munshi
Chief Executive

Syed Imran Ali
Director

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

PROFIT & LOSS ACCOUNT

FOR THE THIRD QUARTER AND NINE MONTHS PERIOD
ENDED MARCH 31, 2005 (UNAUDITED)

	Jan-Mar 2005	July 2004- March 2005	Jan-Mar 2004	July 2003- March 2004
Note				
Operating Revenue	76,242,341	146,986,868	34,162,009	70,091,215
Net Gain / income from transactions in marketable securities	<u>20,904,191</u>	<u>32,015,153</u>	<u>1,896,775</u>	<u>3,271,705</u>
	97,146,532	179,002,021	36,058,784	73,362,920
Operating expenses	<u>(32,839,175)</u>	<u>(75,536,868)</u>	<u>(14,926,444)</u>	<u>(35,390,089)</u>
Operating profit	64,307,357	103,465,153	21,132,340	37,972,831
Other income	<u>64,104</u>	<u>443,920</u>	<u>570,400</u>	<u>570,400</u>
	64,371,461	103,909,073	21,702,740	38,543,231
Financial charges	<u>(3,989,290)</u>	<u>(7,369,324)</u>	<u>(231,901)</u>	<u>(324,817)</u>
Profit before taxation	60,382,171	96,539,749	21,470,839	38,218,414
Taxation - current	<u>(5,975,826)</u>	<u>(12,268,330)</u>	<u>(8,059,115)</u>	<u>(14,361,900)</u>
- deferred	<u>(6,368)</u>	<u>91,577</u>	<u>-</u>	<u>-</u>
Profit after taxation	54,399,977	84,362,996	13,411,724	23,856,514
Unappropriated profit brought forward	<u>69,969,684</u>	<u>40,006,665</u>	<u>10,179,997</u>	<u>(264,793)</u>
Unappropriated profit carried forward	<i>Rupees</i> <u>124,369,661</u>	<u>124,369,661</u>	<u>23,591,721</u>	<u>23,591,721</u>
Earning per share - Basic and diluted	<i>7 Rupees</i> <u>5.69</u>	<u>8.83</u>	<u>2.24</u>	<u>3.98</u>

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

Aftab. Q. Munshi
Chief Executive

Syed Imran Ali
Director

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

CASH FLOW STATEMENT

FOR THE THIRD QUARTER AND NINE MONTHS PERIOD
ENDED MARCH 31, 2005 (UNAUDITED)

	Note	Nine months period ended March 31, 2005	Nine months period ended March 31, 2004
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit before taxation		96,539,749	38,218,414
Adjustments for:			
Depreciation		1,751,662	125,891
Gain on disposal of fixed assets		(40,832)	-
Preliminary Expenses		-	13,700
Financial charges		7,369,324	324,817
		9,080,154	464,408
Operating profit before working capital changes		105,619,903	38,682,822
(Increase)/ decrease in operating assets:			
Trade debtors		(585,451,072)	(80,659,945)
Advances, deposits, prepayments and other receivables		(13,374,459)	(3,806,991)
		(598,825,531)	(84,466,936)
Increase in current liabilities (Creditors, accrued expenses and other liabilities)		646,086,442	351,436,890
Cash generated from operations		152,880,814	305,652,776
Mark-up paid		(5,040,786)	(324,818)
Taxes paid		(26,971,774)	-
Long term deposits		(132,934)	(850,000)
Net cash inflow / (outflow) from operating activities		120,868,254	304,477,958
CASH FLOWS FROM INVESTING ACTIVITIES:			
Capital expenditure incurred		(12,511,483)	(706,517)
Payment of membership card		-	(18,900,000)
Sale proceeds from sale of fixed assets		890,000	-
Securities purchase under resale obligation		(98,368,861)	(43,109,738)
Net cash flow from investing activities		(109,990,344)	(62,716,255)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Further issue of share capital		72,000,000	-
Net cash flow from financing activities		72,000,000	-
(Decrease) / increase in cash and cash equivalents		82,877,910	241,761,703
Cash and cash equivalents at beginning of the period		46,233,302	790,231
Cash and cash equivalents at end of the period	<i>Rupees</i>	<u>129,111,212</u>	<u>242,551,934</u>

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

Aftab. Q. Munshi
Chief Executive

Syed Imran Ali
Director

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE THIRD QUARTER AND NINE MONTHS PERIOD
ENDED MARCH 31, 2005 (UNAUDITED)

	Share Capital	Share premium	Unappro- priated profit	Total
Balance as at July 01, 2003	60,000,000	-	(264,793)	59,735,207
Profit for the period	-	-	23,856,514	23,856,514
Balance as at March 31, 2004	<u>60,000,000</u>	<u>-</u>	<u>23,591,721</u>	<u>83,591,721</u>
Balance as at July 01, 2004	60,000,000	-	40,006,665	100,006,665
Issue of right shares	40,000,000	32,000,000	-	72,000,000
Profit for the period	-	-	84,362,996	84,362,996
Balance as at March 31, 2005	<i>Rupees</i> <u>100,000,000</u>	<u>32,000,000</u>	<u>124,369,661</u>	<u>256,369,661</u>

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

Aftab. Q. Munshi
Chief Executive

Syed Imran Ali
Director

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE THIRD QUARTER AND NINE MONTHS PERIOD
ENDED MARCH 31, 2005 (UNAUDITED)

	Share Capital	Share premium	Unappro- priated profit	Total
Balance as at July 01, 2003	60,000,000	-	(264,793)	59,735,207
Profit for the period	-	-	23,856,514	23,856,514
Balance as at March 31, 2004	<u>60,000,000</u>	<u>-</u>	<u>23,591,721</u>	<u>83,591,721</u>
Balance as at July 01, 2004	60,000,000	-	40,006,665	100,006,665
Issue of right shares	40,000,000	32,000,000	-	72,000,000
Profit for the period	-	-	84,362,996	84,362,996
Balance as at March 31, 2005	<i>Rupees</i> <u>100,000,000</u>	<u>32,000,000</u>	<u>124,369,661</u>	<u>256,369,661</u>

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

Aftab. Q. Munshi
Chief Executive

Syed Imran Ali
Director

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

NOTES TO THE ACCOUNTS

FOR THE THIRD QUARTER AND NINE MONTHS PERIOD
ENDED MARCH 31, 2005 (UNAUDITED)

1. BASIS OF PREPARATION

These financial statements are unaudited and have been prepared in accordance with requirements of International Accounting Standard-34 (IAS-34) 'Interim Financial Reporting' and are being submitted to the shareholders as required by Section 245 of the Companies Ordinance 1984 and the listing regulations of the Karachi Stock Exchange and Islamabad Stock Exchange where the Company is listed.

2. STATUS AND NATURE OF BUSINESS

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

During the current period on 7 August 2004, the Company has been converted into public un-quoted company. Further, the Company had also filed listing application with Karachi Stock Exchange (Guarantee) Limited (KSE) and Islamabad Stock Exchange (Guarantee) Limited (ISE), and the holding Company Jahangir Siddiqui Company Limited offered its 25% share holding with the Company to general public for subscription in December 2004. The Company has been listed on KSE / ISE on 7 February 2005.

3. 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.

During the year, the Securities and Exchange Commission of Pakistan substituted the Fourth Schedule to the Ordinance which is effective from financial year ending on or after 5 July 2004. Accordingly, effective from current period the Company has decided not to recognize the dividend declared/proposed subsequent to the period/year end, as a liability to comply with the substituted Fourth Schedule to the Companies Ordinance, 1984. Accordingly these financial statements do not reflect the interim dividend which has been disclosed by way of a note in note 9.1.

4. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

March 31, 2005	June 30, 2004		March 31, 2005	June 30, 2004
(Numbers)			(Rupees)	
10,000,000	6,000,000	Ordinary shares of Rs. 10 each fully paid in cash	100,000,000	60,000,000
<u>10,000,000</u>	<u>6,000,000</u>		<u>100,000,000</u>	<u>60,000,000</u>

As at 31 December 2004, 9,997,501 shares (June 2004: 5,998,500) were held by Jahangir Siddiqui & Company Limited (JSCL) and the remaining shares were held by nominees of JSCL. However, 2,500,000 out of 9,997,501 shares held by Jahangir Siddiqui & Co. Limited were offered to the general public as on 30 and 31 December, 2004 and their shareholding reduced to the extent of 2,500,000 shares due to said public offering.

5. SHORT TERM RUNNING FINANCES UNDER MARK-UP ARRANGEMENTS - SECURED

The Company has obtained a short term running finance facility under mark up arrangement of Rs. 750 million from various banks at mark up rate of 5.00 -9.00 % per annum payable quarterly. The arrangements are renewable and are secured against pledge of listed equity securities purchased under resale obligations. This arrangement at balance sheet date is unutilised.

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

		March 31, 2005	June 30, 2004
6. CONTINGENCIES AND COMMITMENTS			
6.1 Commitments			
Commitments in respect of resale transactions of listed equity securities	<i>Rupees</i>	308,248,310	211,102,357
7. EARNING PER SHARE - BASIC AND DILUTED			
		March 31, 2005	June 30, 2004
Profit after tax	<i>Rupees</i>	<u>84,362,996</u>	<u>40,271,458</u>
Average ordinary shares in issue during the period	<i>No.</i>	<u>9,555,556</u>	<u>6,000,000</u>
Earning per share	<i>Rupees</i>	<u>8.83</u>	<u>6.71</u>
8. RELATED PARTY TRANSACTIONS			
		March 31, 2005	June 30, 2004
Purchases of marketable securities for and on behalf of Directors	<i>Rupees</i>	<u>272,886,474</u>	<u>145,908,287</u>
Sale of marketable securities for and on behalf of Directors	<i>Rupees</i>	<u>270,276,733</u>	<u>144,340,120</u>
Purchases of marketable securities for and on behalf of associates	<i>Rupees</i>	<u>64,798,866,813</u>	<u>30,065,695,284</u>
Sale of marketable securities for and on behalf of associates	<i>Rupees</i>	<u>64,757,751,219</u>	<u>29,943,386,606</u>
Brokerage on purchase / sale transactions with directors and associates	<i>Rupees</i>	<u>13,790,117</u>	<u>14,037,335</u>

9. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on April 20, 2005 by the Board of the Directors of the Company.

9.1 Interim dividend

The board of Directors in their meeting held on 24 February, 2005 have declared an interim dividend at the rate of Rs.1.5 per share (i.e. 15 %) amounting to Rs.15 million.

10. GENERAL

Figures have been rounded of to the nearest rupee.

Aftab. Q. Munshi
Chief Executive

Syed Imran Ali
Director

BOOK POST
UNDER POSTAL CERTIFICATE

If undelivered please return to:-

JAHANGIR SIDDIQUI CAPITAL MARKETS LIMITED

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Chapal Plaza, Hasrat Mohani Road,
Karachi-74000, Pakistan.

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