

COMPANY INFORMATION

Board of Directors	Mr. Mazharul Haq Siddiqui (Chairman) Mr. Maqbool Ahmed Soomro (Vice Chairman) Mr. Sarfaraz Ahmed Khanani (Chief Executive Officer) Mr. Munawar Alam Siddiqui Mr. Salman Rashid Mr. Saad Saeed Faruqui Mr. Firasat Ali
Company Secretary	Mr. Sarfaraz Ahmed Khanani
Auditors	Messrs. Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Bankers	Bank Al Falah Limited Bank Al Habib Limited Citibank N. A. KASB Bank Limited Metropolitan Bank Limited Muslim Commercial Bank Limited PICIC Commercial Bank Limited Saudi Pak Commercial Bank Limited
Share Registrar	Technology Trade (Pvt.) Limited 1st Floor, Westland Trade Centre, Opp. Flyover Shaheed-e-Millat Road, Karachi-75350.
Registered Office	1301-1303, 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi.

CHAIRMAN'S STATEMENT

TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present the un-audited financial statements, duly reviewed by our external auditors, for the half year ended December 31, 2003.

Economic 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.

Operating Performance

During the last six months your Company earned a post-tax profit of Rs. 224.731 million compared to a post-tax profit of Rs. 51.609 million over the corresponding period last year. The increase can be attributed to the rapid increase in capital gains on sale of securities, which amounted to Rs. 182.280 million for the period from Rs. 14.556 million for corresponding period last year. The income on Term Finance Certificates has also increased to Rs. 31.026 million for the period from Rs. 20.797 million due to increase in investment in Term Finance Certificates.

Credit Rating

The Pakistan Credit Rating Agency (Pvt) Limited has upgraded the long term credit rating of the Company to A+ ("Single A plus") from A ("Single A"), while the short term rating has been maintained at A1 ("A one"). The ratings denote a low expectation of credit risk and strong capacity for timely repayment of financial commitments.

Outlook

As regards the future, we remain dedicated to our core purpose of promoting savings and investment in Pakistan. Our action plan going forward consists of increasing the coverage of our activities and further strengthening our balance sheet. Our task is to consolidate our gains, leverage our accomplishments and sustain our growth momentum.

The management expresses its gratitude for the support extended by our clients and the efforts from our employees. The management is also grateful to the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan for their valuable guidance provided to us from time to time.

On behalf of the Board

Karachi: February 20, 2004

Mazharul Haq Siddiqui
Chairman

REVIEW REPORT TO THE MEMBERS

We have reviewed the annexed Balance Sheet of Jahangir Siddiqui Investment Bank Limited, 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 half year 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 annexed financial statements are not presented fairly, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Karachi: February 20, 2004

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

BALANCE SHEET

AS AT DECEMBER 31, 2003
(UN-AUDITED)

		December 31, 2003	June 30, 2003
Assets	Note	----- (Rs. in '000s) -----	
Non-current assets			
Fixed assets-tangible		9,582	6,408
Long term deposits		2,645	1,332
Long term loans and term finance		8,866	9,557
Long term investments	4	512,168	416,267
		533,261	433,564
Current assets			
Short term investments	5	1,303,847	1,627,398
Short term advances		150,000	78,600
Short term loans		60,832	207,416
Fund placements		455,250	610,082
Receivable for sale of marketable securities		4,510	21,700
Prepayments, accruals & other receivables		46,563	35,199
Taxation-net		25,277	56,435
Cash and bank balances		49,733	5,981
		2,096,012	2,642,811
		2,629,273	3,076,375
Equity & Liabilities			
Share capital & reserves			
Authorised capital			
50,000,000 (2003: 50,000,000) ordinary shares of Rs. 10 each		500,000	500,000
Issued, subscribed and paid up capital			
22,750,000 (2003: 22,750,000) ordinary shares of Rs. 10 each		227,500	227,500
Reserves		538,233	313,502
Shareholders' equity		765,733	541,002
Surplus on revaluation of investments		296,672	390,244
Non-current liabilities			
Deferred Taxation		2,351	8,922
Current liabilities			
Certificates of deposit		772,561	343,856
Running finance utilized under markup arrangements		97,789	203,154
Borrowing from banks / NBFCs		550,000	1,501,000
Payable for purchase of marketable securities		131	20,317
Advances, accrued expenses and other liabilities		144,036	39,442
Proposed Dividend		-	28,438
		1,564,517	2,136,207
Contingency and commitments	7		
		2,629,273	3,076,375

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

Mazharul Haq Siddiqui
Chairman

Sarfraz Ahmed Khanani
Chief Executive

PROFIT AND LOSS ACCOUNT

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

Note	Half-Year Ended		Quarter Ended	
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
----- (Rs. in '000s) -----				
Income				
Income from investments/reverse repurchase transactions	71,473	74,303	27,486	40,502
Return on fund placements with financial institutions	11,923	8,672	2,340	7,552
Capital gains/(loss) on disposal of investments/ reverse repurchase transactions	182,280	14,556	5,112	16,754
Mark-up on loans and term finances	4,433	16,337	1,357	8,868
Consulting and corporate advisory fees	5,748	364	3,864	239
Commission and fees	1,373	1,794	314	1,001
Other income	1,653	2,824	1,380	1,552
	278,883	118,850	41,856	76,468
Operating Expenses				
Return on certificates of investment	8,913	13,404	4,557	6,688
Mark-up on short term running finance	304	1,156	133	757
Mark-up on borrowings from banks/ NBFCs	15,128	30,376	5,411	18,356
Administrative and operating expenses	23,345	18,583	10,675	12,227
	(47,690)	(63,519)	(20,776)	(38,028)
Profit before taxation	231,193	55,331	21,080	38,440
Taxation	(6,462)	(3,722)	(1,305)	(1,784)
Profit after taxation	224,731	51,609	19,775	36,656
Unappropriated profit brought forward	219,300	80,111	424,256	95,064
Unappropriated profit carried forward	444,031	131,720	444,031	131,720
	Rupees	Rupees	Rupees	Rupees
Basic earnings per share	9.88	2.27	0.87	1.61

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

Mazharul Haq Siddiqui
Chairman

Sarfaraz Ahmed Khanani
Chief Executive

CASH FLOW STATEMENT

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

	December 31, 2003	December 31, 2002
----- (Rs. in '000s) -----		
Cash flows from operating activities:		
Profit for the period before taxation	231,193	55,331
Adjustment for:		
Depreciation on fixed assets	1,588	830
Provision for staff bonus	1,500	5,000
Lease finance charges	3	13
	3,091	5,843
	234,284	61,174
Decrease / (Increase) in operating assets:		
Long term loans and term finance	691	(47,397)
Short term investments	204,964	(1,000,541)
Short term loans	146,584	(7,653)
Funds placements	154,832	(63,256)
Receivable from sale of marketable securities	17,190	(34,147)
Prepayments, accruals and other receivables	4,046	(29,940)
	528,307	(1,182,934)
(Decrease) / Increase in operating liabilities		
Borrowings from banks/NBFCs	(951,000)	1,005,000
Payable for purchase of marketable securities	(20,186)	(290)
Advances, accrued expenses and other liabilities	106,202	52,314
	(864,984)	1,057,024
Net cash (used in) / operating activities before income tax	(102,393)	(64,736)
Income tax refund/ (paid)	24,241	(1,447)
Net cash (used in) / operating activities	(78,152)	(66,183)
Cash flows from investing activities:		
Acquisition of fixed assets	(4,761)	(660)
Net cash (outflow)/ inflow from long term investments	(95,901)	(240)
Dividend paid	(28,022)	-
Advance for subscription of term finance certificates	(71,400)	22,305
Net cash (used in)/ generated from investing activities	(200,084)	21,405
Cash flows from financing activities		
Long term deposits	(1,313)	-
Payment of lease rentals	(39)	(175)
Issuance of Certificates of deposit	428,705	28,100
Net cash generated/ from financing activities	427,353	27,925
Net increase / (decrease) in cash and cash equivalents	149,117	(16,853)
Cash and cash equivalents at beginning of the period	(197,173)	(72,737)
Cash and cash equivalents at end of the period	(48,056)	(89,590)

Mazharul Haq Siddiqui
Chairman

Sarfaraz Ahmed Khanani
Chief Executive

STATEMENT OF CHANGES IN EQUITY

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

	Issued, Subscribed and Paid-up Capital	Capital <u>Reserve</u> Special Reserve	Revenue <u>Reserve</u> Un- appropriated Profit	Total
	----- (Rs. in 000s) -----			
Balance as at July 1, 2002	227,500	52,295	80,111	359,906
Net profit for the period	-	-	51,609	51,609
Balance as at December 31, 2002	<u>227,500</u>	<u>52,295</u>	<u>131,720</u>	<u>411,515</u>
Balance as at July 1, 2003	227,500	94,202	219,300	541,002
Net profit for the period	-	-	224,731	224,731
Balance as at December 31, 2003	<u>227,500</u>	<u>94,202</u>	<u>444,031</u>	<u>765,733</u>

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

Mazharul Haq Siddiqui
Chairman

Sarfaraz Ahmed Khanani
Chief Executive

NOTES TO THE ACCOUNTS

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

1. Legal status and operation

Jahangir Siddiqui Investment Bank Limited (JSIBL) is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 and is quoted on the Karachi Stock Exchange. The registered office of the Company is situated at 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi, Pakistan. JSIBL is licensed to carry out business of investment finance services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 issued by the Securities and Exchange Commission of Pakistan (SECP) (previously this was covered under SRO 585(1)/87 dated July 13, 1987, issued by the Ministry of Finance). The Company is a subsidiary of Jahangir Siddiqui & Company Limited.

2. Basis of preparation

These financial statements are unaudited but subject to limited scope review by auditors 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.

3. Accounting Policies

The accounting policies and methods of computation followed for the preparation of these financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2003.

	December 31, 2003	June 30, 2003
----- (Rs. in '000s) -----		
4. Long term investments		
Available-for-sale		
Listed shares/ units / rights entitlement	512,168	414,681
Unlisted shares	-	1,586
	512,168	416,267
5. Short term investments		
Available-for-sale		
Listed securities		
Open-ended mutual funds units	238,290	115,199
Term finance certificates	673,676	492,897
Unlisted securities		
WAPDA Bonds	-	38,105
Government securities		
Pakistan Investment Bonds	-	275,464
Held for trading		
Government securities		
Pakistan Investment Bonds	333,720	216,639
Listed shares	58,161	489,094
	1,303,847	1,627,398

	December 31, 2003	June 30, 2003
----- (Rs. in '000s) -----		
6. Short term loans		
Considered good	57,853	196,460
Considered doubtful	182	182
	58,035	196,642
Less: Provision for non-performing loan	182	182
	57,853	196,460
Current maturity of long term loans and term finances	2,979	10,956
	<u>60,832</u>	<u>207,416</u>

7. Contingency and Commitments

7.1 Contingencies

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

7.2 Commitments

Forward sale commitments	343,222	689,443
Underwriting commitments	508,000	135,000
Pre-IPO commitments	45,000	160,000
Guarantee commitment	-	50,000

Note	Half-Year Ended		Quarter Ended	
	December 31, 2003	December 31, 2002	December 31, 2003	December 31, 2002
----- (Rs. in '000s) -----				

8. Capital Gains / (Loss) on Disposal
of Investments / Reverse
Repurchase Transactions

Listed shares	8.1	193,060	12,160	9,459	12,335
Term finance certificates		318	578	318	501
Treasury bills		79	-	88	42
WAPDA bonds		2,100	-	415	-
Government securities		(13,227)	1,818	(5,168)	3,876
		<u>182,280</u>	<u>14,556</u>	<u>5,112</u>	<u>16,754</u>

8.1 Includes capital gain on disposal of listed shares amounting to Rs. 6,048(000) [December 2002: Rs. 1,291(000)] in respect of reverse repurchase transactions. Also includes accrued price differential on unsettled reverse repurchase transactions.

Mazharul Haq Siddiqui
Chairman

Sarfaraz Ahmed Khanani
Chief Executive

Half-Year Ended		Quarter Ended	
December	December	December	December
31, 2003	31, 2002	31, 2003	31, 2002

----- (Rs. in '000s) -----

9. Transactions with associated undertakings /
Related parties

Cumulative sum of money market instruments purchased	991,897	-	555,405	-
Cumulative sum of money market instruments sold	825,616	-	134,698	-
Cumulative sum of funds borrowed from financial institutions	585,000	375,000	585,000	150,000
Expense on funds borrowed from financial institutions	76	520	76	520
Sale of marketable securities (including resale under repurchase agreements)	3,076,075	362,800	1,006,467	293,813
Purchase of marketable securities (including purchase under reverse repurchase agreements)	2,914,645	515,148	884,134	464,856
Brokerage	408	83	182	23
Rent	924	851	462	426
CDC charges	-	477	-	215
Security services	72	-	36	-

10 Segment Information

Primary segment information

For financial reporting purposes the company has identified two major business segments:

Capital market operations - principally engaged in dealing in equity instruments of enterprises listed on the stock exchange.

Money market operations - principally providing money market, trading and treasury services, as well as management of the company's funding operations by use of treasury bills, Government securities and placements and acceptances with other companies, through treasury and wholesale banking.

These segments are the basis on which the company has identified its primary segment information. Other operations of the company comprise of underwriting, trusteeship, portfolio trading services, loans and advances and consultancy services.

Mazharul Haq Siddiqui
Chairman

Sarfraz Ahmed Khanani
Chief Executive

	Half-Year Ended			Total
	Capital market	Money market	Others	
	----- (Rs. in '000s) -----			
Segment results for the half-year ended December 31, 2003				
Gross operating income	<u>216,005</u>	<u>49,671</u>	<u>13,207</u>	<u>278,883</u>
Segment results	215,064	32,620	8,361	256,045
Unallocated costs				<u>(24,852)</u>
Profit before taxation				231,193
Income tax expense				<u>(6,462)</u>
Net profit for the period				<u><u>224,731</u></u>
Segment results for the half-year ended December 31, 2002				
Gross operating income	<u>53,718</u>	<u>43,814</u>	<u>21,318</u>	<u>118,850</u>
Segment results	52,687	11,530	18,452	82,669
Unallocated costs				<u>(27,338)</u>
Profit before taxation				55,331
Income tax expense				<u>(3,722)</u>
Net profit for the period				<u><u>51,609</u></u>

11. General

11.1 The figures of the profit and loss account for the quarters ended December 31, 2003 and December 31, 2002 have not been subject to a limited scope review, as the scope of the review covered only the cumulative figures for the six months ended December 31, 2003.

11.2 These financial statements were authorized for issue by the Board of Directors on _____

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

Mazharul Haq Siddiqui
Chairman

Sarfaraz Ahmed Khanani
Chief Executive

JAHANGIR SIDDIQUI INVESTMENT BANK *Ltd.*

Financial Statements For The
Half Year Ended
December 31, 2003
(Un-Audited)

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