

## **JAHANGIR SIDDIQUI**

*Chairman, JS Group*

### **Profile:**

Jahangir Siddiqui — also known as JS is Chairman JS Group, with his numerous entrepreneurial initiatives, commencing from the inception of the JS Group in 1970, has led to him playing a significant role in defining the financial sector in Pakistan. Siddiqui's commitment to work led to the formation of leading financial services companies like Jahangir Siddiqui & Co Ltd. and augmented through the development of one of the fastest growing commercial banks in Pakistan, JS Bank, of which he is currently the Chairman. JS Investments, another company under his management, has grown to become one of Pakistan's largest private sector asset management companies and JS Global Capital Limited a leading Brokerage and Investment Banking firm within the country. The JS Group is an international investment and industrial conglomerate with offices in Karachi, Dubai and Hong Kong. Siddiqui's association on boards of major companies span key economic segments including energy, shipping, engineering, industrial and the financial sectors. The government has utilized him in various functions including the member Privatization Commission, member Economic Advisory Board and the member Exchange Reforms Committee, among many other committees related to investment, taxation and finance. He has also been associated with the Karachi Stock Exchange in various capacities including its President.

### **Inspiring Success Story:**

Siddiqui was not born with a silver spoon in his mouth, nor did he inherit a business empire from his father or come from an incredibly wealthy family. Jahangir Siddiqui is a self-made man who remains as humble as ever. He is refreshingly casual and has a wonderful way of putting people at ease. In his interactions he is jovial, chatty and remarkably frank. Born in Hyderabad, Sindh on 28 July 1948, Siddiqui was the ninth of ten children - a big family even by the standards of the day. His father was a government servant and his mother a housewife. A "reasonably religious culture" permeated the Siddiqui family. Siddiqui's father built a mosque which today stands opposite Sindh University's city campus in Hyderabad. Everyday after school, young Siddiqui would go to the mosque for the Asr (early evening) prayers. He would not go home until he had also offered the Maghrib (sunset) prayers. During the two-hour wait between Asr and Maghrib, Siddiqui would pass the time with a friend of his who prayed at the same mosque. This friend owned a shop. "I used to sit in that shop and I'd see how many bottles of Coke they were selling on a daily basis and how much money they were making. I calculated all this and I thought to myself that I could start doing this business as well. All I needed to do was to make an initial investment of around Rs.6, 000." Showing an initiative and enterprise uncharacteristic of a fourteen year old, Siddiqui decided to discuss the matter with his father. One can only imagine the father's amusement when his fourteen-year old son told him that he wanted to start his own business immediately as a distributor of Coca Cola! "My father was a very straight guy," laughs Siddiqui, "but he never discouraged me". All he said was that 'you don't have the money.' And that was the only thing he said. The determined young boy took his father's response to mean that his father did not disagree in principle with his son starting a business and the only problem was that his son didn't have the money. Young Siddiqui made up his mind to remedy that situation - the selling of his father's car. "My father being a government servant went away on a four-day tour and I immediately called a kabari (used goods dealer) and told him that he could buy my father's car. It was a standard vanguard car - a 1952 model. I got Rs.1,800 for it," says Siddiqui with amusement. Siddiqui also sold a lot of the coal and wheat stored in his father's garage. "In those days there was no gas in Hyderabad so we used to use coal for fire and therefore there was a demand for coal. I sold all of it but I kept two sacks of wheat and coal in the house." He then cleared out the garage to make space for the café he would set up. "I needed a café or an outlet to sell cold drinks so I set it up in my father's garage." When his father returned home after his four-day tour, he was alarmed not to see his car. It was time for young Siddiqui to explain himself: "I told him that I sold is car to raise money because I wanted to start my business and he had told me that I could do so only if I had the money. Well ... now I had." Surprisingly, Siddiqui's father was not at all angry. "He laughed and gave me some more money because he knew that I was determined to start a

business.” Two years later, Siddiqui bought his father a brand new car - a Fiat 600. Siddiqui still remembers the day on which he started his business: “It was 15 May 1962,” he remembers fondly.

Becoming an investor Because he was doing so well in his business (he was also a distributor of ice cream and had a refrigerator shop) young Siddiqui naturally lost interest in his studies: “Unfortunately, I was not able to clear two subjects in my Inter-Commerce examinations.” His father was concerned. “My father was strict about education and he told me firmly but politely that he was not interested in my money making and that I had to study and become a professional.” He may have been a wilful child but he was certainly not disobedient: “I sold my business and gave my café on lease and started studying regularly just to please my father,” says Siddiqui. The hard work paid off and Siddiqui managed to complete his Inter-Commerce examinations and went on to do a B.Com in 1966 and secured a first division.

Beginning of the group Trouble has been just around the corner as a few months later the 1971 war between Pakistan and India started and this heralded the start of one of the most difficult periods in Siddiqui’s life. “The market was not behaving properly and most of my shares were in East Pakistan companies and these just became worthless pieces of paper. Then Bhutto came to power and began nationalization and everybody was a seller and there were no buyers. It was terrible.” But Siddiqui survived the hardships of that period through sheer hard work and ingenuity. “I thought to myself that now I have started this business and I can’t go back. I was determined to fight it out and I fought. I developed the fixed income business — selling and buying bonds and government securities. By the grace of Almighty Allah, during 1975 to late 80’s, highest daily volume traded in fixed securities was ours. I had become the leading fixed income and securities broker.” Siddiqui did not have the right connections. This disadvantage in the long run turned out to be an advantage as it prompted him to concentrate on developing institutional clients. He began networking with directors of small institutions who were impressed when they met him. “I would meet the General Manager of Deutsche Bank or American Express and they became my clients. I started getting business from institutions, which in those days were very small such as the Investment Corporation of Pakistan and the National Investment Trust. That is how I transferred myself from retail business to institutional business and into the business of fixed income.” Luckily, Siddiqui managed to develop a niche for himself and from 1975 onwards, he was only dealing with banks and financial institutions and not with individuals anymore. Siddiqui was fortunate enough to find two brokers who helped promote him in the KSE: Mr. Z.A Saya and Mr. Amin Tai. “Mr. Saya promoted me a lot,” he acknowledges, “I really respect Amin Tai - he is a genuine person who always supported me.” Siddiqui also made history as far as his company was concerned. Ignoring the advice of everyone in the market; in 1991 Jahangir Siddiqui & Co (JSCL) Ltd became the first corporate securities brokerage in the KSE. JSCL was also the first securities brokerage with a Wall Street stamp. “We joined hands with Bear Stearns, one of the largest and most respectable firms in New York,” smiles Siddiqui. A joint venture with Bear Stearns was no mean feat. After entering into a joint venture with Siddiqui, it issued the first sovereign Eurobond for the Islamic Republic of Pakistan in an amount of US\$150m in 1994. Another landmark achievement was the establishment of JS Investments in 1995, which now is a subsidiary of JS Bank. JS Investments was formerly known as Abamco. Abamco was a joint venture between Amvescap Plc. IFC and JSCL.

### **A visionary entrepreneur**

Sharing his experiences as an entrepreneur Siddiqui said, “Positive thinking distinguishes an entrepreneur from the rest of the crowd. He’s never deterred by difficult circumstances.” He advises future entrepreneurs to never lose heart and keep going on. “Don’t be scared. Don’t feel threatened. Come up with a solution. Every problem can be solved,” he said. “An entrepreneur always finds opportunities amid adversities.”