

Quarterly Report
31 March, 2006
(Un-audited)



Jahangir Siddiqui Capital Markets Ltd.

Jahangir Siddiqui Capital Markets Ltd.

CONTENTS

Company Information	1
Directors' Report to the Members	2
Balance Sheet	3
Profit and Loss Account	5
Cash Flow Statement	6
Statement of Changes in Equity	7
Notes to the Financial Statements	8

Jahangir Siddiqui Capital Markets Ltd.

COMPANY INFORMATION

BOARD OF DIRECTORS

*Mr. Mazhar-ul-Haq Siddiqui
Mr. G.M. Malkani
Mr. Aslam Khaliq
Mr. Tariq Usman Bhatti
Mr. Adil Matcheswala
*Mr. Basir Shamsie
Mr. Zulfiqar Hyder Khan

*These directors have resigned and the casual vacancy is being filled up.

AUDIT COMMITTEE

Mr. Adil Matcheswala
Chairman
Mr. Basir Shamsie
Mr. Zulfiqar Hyder Khan
Mr. Shahid Kamal
(Secretary)

COMPANY SECRETARY

Mr. Kamran Muneer Ansari

AUDITORS

KPMG Taseer Hadi & Co.
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners

SHARES REGISTRAR

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

REGISTERED OFFICE

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

Jahangir Siddiqui Capital Markets Ltd.

DIRECTORS' REPORT TO THE MEMBERS

The directors are pleased to present to you the un-audited financial statements of Jahangir Siddiqui Capital Markets Limited (the "Company"), for the nine months period ended March 31, 2006 together with the comparative figures for the corresponding period of last year.

OPERATING PERFORMANCE

The Company has reported a profit before tax of Rs. 233.869 million and profit after tax of Rs. 195.805 million for the nine months, a growth of 142% and 132% respectively over the same period last year. Operating revenue for the nine months period was Rs. 331.326 million, a growth of 125.41% over the same period last year. Earnings per share for nine months period was Rs. 14.19 per share as compared to Rs. 6.11 per share (diluted) for the same period last year, a growth of 132%.

THE STOCK MARKET REVIEW

The stock market continued its rising momentum during the nine months period ended March 31, 2006. The KSE-100 index surged from 7,450 points on June 30, 2005 to 11,486 points at March end, an overall increase of 54%. It continued to benefit from strong corporate sector profitability and increased dividend payouts. Privatization policies, liberalization and deregulation encouraged investments and had a positive effect on stock market volumes. Banking, oil exploration and cement sector companies continued to perform exceptionally well due to increased earnings led by strong economic fundamentals. The E&P sector primarily, remained in the limelight due to continuously increasing international oil prices and regular inflow of news regarding new discoveries.

ECONOMIC REVIEW

Pakistan's economic growth momentum is now showing signs of slowing down after a massive growth of 8.4% during the last fiscal year. Slower growth in agriculture and manufacturing are identified as the prime reasons for a relatively weaker trend this year. Cotton output has declined by 13.7% and the GOP has reduced the wheat production estimate by 1.5 million tons. On the positive side, inflation had come down to 8.05% in February 2006 from 9.3% recorded in June 2005. Exchange rate parity remained stable, despite the widening current account deficit due to the expectations of strong foreign exchange inflows. The budget deficit was initially targeted at 3.8% of GDP, however it is expected that the actual deficit would over-shoot the target mainly due to the catastrophe created by the earthquake on October 08, 2005.

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 visavis the same period last year.

ACKNOWLEDGEMENT

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

On behalf of the Board

Adil Matcheswala
Chairman/Director

Karachi: April 22, 2006

Jahangir Siddiqui Capital Markets Ltd.

BALANCE SHEET AS AT 31 MARCH, 2006

	Note	31 March 2006 (Unaudited)	30 June 2005 (Audited)
		----- (Rupees) -----	
Capital and reserves			
Share Capital			
Authorised			
25,000,0000 (June 2005: 25,000,000)			
ordinary shares of Rs. 10/- each		250,000,000	250,000,000
Issued, subscribed and paid up capital	8	138,000,000	100,000,000
Share Premium		-	32,000,000
Unappropriated profit		317,111,052	127,306,180
Unrealised loss on remeasurement of available-for-sale investment at fair value		(10,423,980)	(17,373,300)
		444,687,072	241,932,880
Deferred taxation		770,717	597,452
Current Liabilities			
Short term running finance under mark-up arrangements-secured	9	-	256,408,309
Creditors, accrued expenses and other liabilities	10	1,464,162,664	519,413,760
Provision for taxation		81,999,980	44,108,943
		1,546,162,644	819,931,012
Commitments	11		
		1,991,620,433	1,062,461,344

The annexed notes 1 to 14 form an integral part of these financial statements.

Adil Matcheswala
Chairman/Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Jahangir Siddiqui Capital Markets Ltd.

BALANCE SHEET

AS AT 31 MARCH, 2006

	Note	31 March 2006 (Unaudited)	30 June 2005 (Audited)
		------(Rupees)-----	
Fixed assets			
Property, plant and equipment	4	25,000,003	20,158,989
Intangible assets		23,416,667	24,866,667
Long term loans, advances and deposits		4,506,560	5,879,057
Long term investment-advance against equity		3,071,667	3,071,667
Current assets			
Short term investment		59,069,220	52,119,900
Trade debtors-unsecured, considered good	5	1,519,076,610	477,033,287
Advances, pre-payments and other receivables		16,034,896	10,156,482
Advance tax		75,061,815	43,741,784
Securities purchased under resale obligations	6	226,426,940	423,610,751
Cash and bank balances	7	39,956,055	1,822,760
		1,935,625,536	1,008,484,964
		1,991,620,433	1,062,461,344

The annexed notes 1 to 14 form an integral part of these financial statements.

Adil Matcheswala
Chairman/Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Jahangir Siddiqui Capital Markets Ltd.

PROFIT & LOSS ACCOUNT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2006

	Note	Three months period ended 31 March 2006	Nine months period ended 31 March 2006	Three months period ended 31 March 2005	Nine months period ended 31 March 2005
----- (Rupees) -----					
Operating revenue		117,425,183	331,325,886	76,242,341	146,986,868
Net Gain/income from reverse repurchase transactions in marketable securities		<u>17,060,328</u>	<u>48,710,291</u>	<u>20,904,191</u>	<u>32,015,153</u>
		134,485,511	380,036,177	97,146,532	179,002,021
Operating expenses		<u>(53,312,507)</u>	<u>(136,868,882)</u>	<u>(32,839,175)</u>	<u>(75,536,868)</u>
		81,173,004	243,167,295	64,307,357	103,465,153
Other operating income		<u>1,655,986</u>	<u>2,732,053</u>	<u>64,104</u>	<u>443,920</u>
		82,828,990	245,899,348	64,371,461	103,909,073
Financial charges		<u>(2,829,185)</u>	<u>(12,030,174)</u>	<u>(3,989,290)</u>	<u>(7,369,324)</u>
Profit before taxation		79,999,805	233,869,174	60,382,171	96,539,749
Taxation-current		<u>(11,850,896)</u>	<u>(37,891,037)</u>	<u>(5,975,826)</u>	<u>(12,268,330)</u>
-deferred		<u>-</u>	<u>(173,265)</u>	<u>(6,368)</u>	<u>91,577</u>
Profit after taxation		<u><u>68,148,909</u></u>	<u><u>195,804,872</u></u>	<u><u>54,399,977</u></u>	<u><u>84,362,996</u></u>
Earnings per share-Basic and diluted	12	<u><u>4.94</u></u>	<u><u>14.19</u></u>	<u><u>3.94</u></u>	<u><u>6.11</u></u>

The annexed notes 1 to 14 form an integral part of these financial statements.

Adil Matcheswala
Chairman/Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Jahangir Siddiqui Capital Markets Ltd.

CASH FLOW STATEMENT (UNAUDITED) FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2006

	31 March 2006	31 March 2005
----- (Rupees) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	233,869,174	96,539,749
Adjustments for:		
Depreciation	4,656,944	1,751,662
Gain on disposal of fixed assets	(69,291)	(40,832)
Amortisation of intangible assets	1,450,000	-
Financial charges	12,030,174	7,369,324
	18,067,827	9,080,154
Operating profit before working capital changes	251,937,001	105,619,903
(Increase)/ decrease in operating assets		
Trade debtors	(1,042,043,323)	(585,451,072)
Advances, deposits, pre-payments and other receivables	(5,878,414)	(13,374,459)
	(1,047,921,737)	(598,825,531)
Increase in current liabilities (creditors, accrued expenses & other liabilities)	948,861,349	646,086,442
Cash generated from operations	152,876,613	152,880,814
Mark-up paid	(11,908,619)	(5,040,786)
Taxes paid	(31,320,031)	(26,971,774)
Long term deposits	1,372,497	(132,934)
Net cash inflow/(outflow) from operating activities	111,020,460	120,868,254
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(9,844,975)	(12,511,483)
Proceeds from disposal of fixed assets	416,308	890,000
Payment for software	(4,234,000)	-
Fund placements	197,183,811	(98,368,861)
Net cash flow from investing activities	183,521,144	(109,990,344)
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	294,541,604	82,877,910
Cash and cash equivalents at the beginning of the period	(254,585,549)	46,233,302
Cash and cash equivalents at the end of the period	39,956,055	129,111,212

The annexed notes 1 to 14 form an integral part of these financial statements.

Adil Matcheswala
Chairman/Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Jahangir Siddiqui Capital Markets Ltd.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH, 2006

	Issued, subscribed and paid up capital	Capital Reserves		Revenue Reserves		Total
		Issue of Bonus Shares	Share Premium	Unrealised loss on remeasurement of available for sale investment at fair value	Unappropriated profit	
----- (Rupees) -----						
Balance as on 01 July, 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 on 31 March, 2005	100,000,000	-	32,000,000	-	124,369,661	256,369,661
Profit for three months period ended 30 June, 2005	-	-	-	-	17,936,519	17,936,519
Interim dividend	-	-	-	-	(15,000,000)	(15,000,000)
Effect of measurement of available for sale investment at fair value	-	-	-	(17,373,300)	-	(17,373,300)
Balance as on 30 June, 2005	100,000,000	-	32,000,000	(17,373,300)	127,306,180	241,932,880
Reserve for issue of bonus shares	-	38,000,000	(32,000,000)	-	(6,000,000)	-
Issue of bonus shares	38,000,000	(38,000,000)	-	-	-	-
Profit for the nine months period ended 31 March, 2006	-	-	-	-	195,804,872	195,804,872
Effect of remeasurement of available for sale investment at fair value	-	-	-	6,949,320	-	6,949,320
Balance as on 31 March, 2006	138,000,000	-	-	(10,423,980)	317,111,052	444,687,072

The annexed notes 1 to 14 form an integral part of these financials statements.

Adil Matcheswala
Chairman/Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

Jahangir Siddiqui Capital Markets Ltd.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE NINE MONTHS PERIOD ENDED 31 MARCH , 2006

1. These financial statements have been prepared in condense form in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting".
2. These financial statements are unaudited and are being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.
3. The accounting policies and methods of computation adopted for the preparation of these financial statements are the same as those applied in the preparation of the financial statements for the preceding year ended 30 June, 2005.

4. **PROPERTY, PLANT AND EQUIPMENT**

Following is the cost of property, plant and equipment that have been added / disposed off during the nine months period ended 31 March, 2006:

	(Unaudited)	
	Additions	Disposals
	----- (Rupees) -----	
Office equipments	2,625,180	42,500
Office furniture	20,000	-
Motor vehicles	7,199,795	442,000
	<u>9,844,975</u>	<u>484,500</u>

5. **TRADE DEBTS -unsecured, considered good**

	31 March	30 June
	2006	2005
	(Unaudited)	(Audited)
	----- (Rupees) -----	
Debtors for purchase of shares on behalf of clients	1,509,695,945	468,758,871
Forex and fixed income commission receivable	9,380,665	8,274,416
	<u>1,519,076,610</u>	<u>477,033,287</u>

6. **SECURITIES PURCHASED UNDER RESALE OBLIGATIONS**

These securities have rates of return ranging from 16% to 18% per annum with maturities ranging from overnight to 30 trading days.

	31 March	30 June
	2006	2005
	(Unaudited)	(Audited)
	----- (Rupees) -----	
7. CASH AND BANK BALANCES		
Cash with Banks		
- current accounts	429,257	1,802,378
- PLS/deposit accounts	39,477,411	15,174
	39,906,668	1,817,552
Cash in hand	49,387	5,208
	<u>39,956,055</u>	<u>1,822,760</u>

Jahangir Siddiqui Capital Markets Ltd.

8. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

31 March 2006 (Unaudited)	30 June 2005 (Audited)		31 March 2006 (Unaudited)	30 June 2005 (Audited)
-----Numbers-----			----- (Rupees)-----	
10,000,000	10,000,000	Ordinary shares of Rs. 10 each fully paid in cash	100,000,000	100,000,000
<u>3,800,000</u>	<u>-</u>	Ordinary shares of Rs. 10 each alloted as bonus shares	<u>38,000,000</u>	<u>-</u>
<u>13,800,000</u>	<u>10,000,000</u>		<u>138,000,000</u>	<u>100,000,000</u>

9. SHORT TERM RUNNING FINANCE UNDER MARK-UP ARRANGEMENTS-SECURED

Running finance utilised under mark-up arrangements	<u>-</u>	<u>256,408,309</u>
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The facilities of running finance available from various banks amounted to Rs. 600 million (June 2005: 750 million) and carry mark-up ranging from 10.25% to 13% per annum. These facilities are secured by pledge of listed equity securities purchased under resale obligations and listed equity securities of various companies owned by Jahangir Siddiqui & Company Limited, (holding company).

	31 March 2006 (Unaudited)	30 June 2005 (Audited)
	----- (Rupees)-----	
10. CREDITORS , ACCRUED EXPENSES AND OTHER LIABILITIES		
Creditors for sale of shares on behalf of clients	1,434,946,508	493,610,728
Payable against purchase of software	-	4,234,000
Tax deducted at source	30,258	505,016
Accrued expenses	25,967,377	19,960,442
Accrued mark-up on running finance	335,321	213,766
Unclaimed dividend	259,648	316,798
Retention money	580,000	-
Others	<u>2,043,552</u>	<u>573,010</u>
	<u>1,464,162,664</u>	<u>519,413,760</u>

11. COMMITMENTS

Commitments in respect of resale transactions of listed equity securities	<u>227,464,459</u>	<u>424,950,589</u>
	(Unaudited)	

	31 March 2006	31 March 2005
	----- (Rupees) -----	
12. EARNINGS PER SHARE- basic and diluted		
Profit for the period after taxation	<u>195,804,872</u>	<u>84,362,996</u>
Weighted average ordinary shares	<u>13,800,000</u>	<u>13,800,000</u>
Earnings per share-basic and diluted	<u>14.19</u>	<u>6.11</u>

Jahangir Siddiqui Capital Markets Ltd.

13. RELATED PARTY TRANSACTIONS

Related parties comprise of holding company, associated companies, other companies with common directors, retirement benefit fund, directors, executives and key management personnel.

Details of transactions and balances with related parties during the period and at period end are as follows:

	(Unaudited)	
	31 March 2006	31 March 2005
	----- (Rupees) -----	
Brokerage and advisory income earned from directors and associated companies	39,328,058	13,790,117
Payment to holding company and associated companies on account of expenses	5,523,740	-

14. GENERAL

14.1 These financial statements were authorised for issue by the Board of directors on April 22, 2006.

14.2 The figures have been rounded off to the nearest rupees.

Adil Matcheswala
Chairman/Director

G.M. Malkani
Chief Executive

Kamran Ansari
Chief Financial Officer

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UNDER POSTAL CERTIFICATE

If undelivered please return to:-
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