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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, 2006.

The Economy and Stock Market Review

After a brilliant 8.4% economic growth that Pakistan’s economy achieved during FY05, a slowdown is expected this year mainly on account of a slower growth in agriculture and manufacturing sectors.

Inflation that started increasing since May last year has come down to 8.05% in February 2006 from 9.3% recorded in June 2005. The exchange rate parity of Rupee: US$ at Rs.59.9 remained stable during the period under review. Budget deficit currently stands at 1.8% of GDP.

During the period under review, bullish trend ruled the market with benchmark KSE-100 Index posting a significant growth of 54% to close at 11,486 points on March 31, 2006 from 7,450 on June 30, 2005. The market thus has gained 4,036 points during the first nine months of FY06.

New highs were recorded in terms of both levels and average volume traded with 100 Index rising to a new high of 11,609 points on February 23, 2006.

Positive investor sentiments were developed in the wake of the strong corporate sector profitability and hefty dividend payouts by companies’ especially public sector entities. Policies on privatization, liberalization and deregulation encouraged private investments and have had a profound effect on the stock market.

The banking sector also performed exceptionally well amidst positive earnings growth following the reversal of interest rate scenario and strong credit demand by the private sector.

Brief Review of Results

The Company has reported a profit after tax of Rs.1,861 million for the nine months period as compared to profit after tax of Rs.839 million (restated) for the same period last year. Operating revenue for the nine months period was Rs.2,428 million as compared to Rs.1,060 million (restated) for the same period last year. Operating expenses for the nine months period were Rs.198 million as compared to Rs.119 million for the same period last year.
Chairman's Statement

Credit Rating

The Directors are pleased to inform you that the Company has a long term rating of AA+ (Double A plus) and the short term rating of A1+ (A one plus) assigned to it by Pakistan Credit Rating Agency Limited. 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.

Outlook

For the next quarter, the fundamentals of our business remain strong. We expect continued growth in our operating businesses during the remainder of the year.

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.

Karachi: April 22, 2006

Mazhar-ul-Haq Siddiqui
Chairman
## Balance Sheet

**As at March 31, 2006**

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2006 (Un-audited)</th>
<th>June 30, 2005 (Audited) (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>(Rupees in '000)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>27,469</td>
<td>23,504</td>
</tr>
<tr>
<td>Stock exchange membership cards and room</td>
<td>3,340,880</td>
<td>2,261,202</td>
</tr>
<tr>
<td>Long term investments</td>
<td>39,043</td>
<td>78,997</td>
</tr>
<tr>
<td>Long term loans, advances and other receivables</td>
<td>2,521</td>
<td>2,521</td>
</tr>
<tr>
<td><strong>CURRENT ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current maturity of long-term loans and advances</td>
<td>6,7917</td>
<td>67,036</td>
</tr>
<tr>
<td>Short term investments</td>
<td>8,262,159</td>
<td>2,706,675</td>
</tr>
<tr>
<td>Receivable against sale of shares</td>
<td>-</td>
<td>185,762</td>
</tr>
<tr>
<td>Taxation - net</td>
<td>5,632</td>
<td>6,467</td>
</tr>
<tr>
<td>Fund placements</td>
<td>221,254</td>
<td>1,767,783</td>
</tr>
<tr>
<td>Advance, prepayments and other receivables</td>
<td>49,074</td>
<td>83,743</td>
</tr>
<tr>
<td>Cash and bank balances</td>
<td>11,502</td>
<td>47,094</td>
</tr>
<tr>
<td><strong>EQUITY AND LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>SHARE CAPITAL &amp; RESERVES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorised capital:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>50,000,000 (June 2005: 50,000,000) ordinary shares of Rs. 10 each</td>
<td>500,000</td>
<td>500,000</td>
</tr>
<tr>
<td>100,000,000 (June 2005: 100,000,000) preference shares of Rs. 10 each</td>
<td>1,500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Issued, subscribed and paid-up capital</td>
<td>350,000</td>
<td>350,000</td>
</tr>
<tr>
<td><strong>Capital reserve:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ordinary share premium reserve</td>
<td>475,505</td>
<td>475,505</td>
</tr>
<tr>
<td><strong>Revenue reserves:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General reserve</td>
<td>1,500,000</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Unrealized gain on revaluation of available-for-sale investments - net</td>
<td>1,734,586</td>
<td>969,662</td>
</tr>
<tr>
<td>Unappropriated profit</td>
<td>2,146,986</td>
<td>373,414</td>
</tr>
<tr>
<td><strong>Shareholders’ equity:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5,381,572</td>
<td>2,843,076</td>
<td></td>
</tr>
<tr>
<td><strong>NON-CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Redeemable capital</td>
<td>1,863,916</td>
<td>1,490,691</td>
</tr>
<tr>
<td><strong>CURRENT LIABILITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current portion of redeemable capital</td>
<td>125,550</td>
<td>600</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>1,669,593</td>
<td>303,968</td>
</tr>
<tr>
<td>Short term running finances under mark-up arrangement – secured</td>
<td>1,526,385</td>
<td>303,968</td>
</tr>
<tr>
<td>Financial liabilities - held for trading</td>
<td>3,968,659</td>
<td>2,103,513</td>
</tr>
<tr>
<td><strong>CONTINGENCIES AND COMMITMENTS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12,039,652</td>
<td>7,262,985</td>
<td></td>
</tr>
</tbody>
</table>

The annexed notes 1 to 16 form an integral part of these financial statements.

**Munaf Ibrahim**  
Chief Executive

**Mazhar-ul-Haq Siddiqui**  
Chairman
### Profit & Loss Account

#### For the Nine Months Ended March 31, 2006

(UN-AUDITED)

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005 (Restated)</td>
</tr>
<tr>
<td></td>
<td>Rs. in '000</td>
<td></td>
</tr>
</tbody>
</table>

### Income

- Return on investments
- Gain on sale of investments
- Income from long-term loans and fund placements
- Fee, commission and brokerage
- Other income
- Gain/(loss) on revaluation of investments carried at fair value-net

### Expenditure

- Operating and administrative expenses
- Finance cost
- Provision for impairment against investments in subsidiaries, associates and joint ventures

### Profit Before Taxation

### Taxation

- Current
- Prior

### Profit After Taxation

### Earnings per Share—Basic and Diluted

The annexed notes 1 to 16 form an integral part of these financial statements.
## Cash Flow Statement

**For the Nine Months Ended March 31, 2006**  
(Un-audited)

<table>
<thead>
<tr>
<th>Nine Months Ended</th>
<th>March 31, 2006</th>
<th>March 31, 2005 (Restated)</th>
<th>(Rupees in ‘000)</th>
</tr>
</thead>
</table>

### Cash Flows from Operating Activities

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profit before taxation</td>
<td>1,869,958</td>
<td>841,876</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>3,070</td>
<td>4,111</td>
</tr>
<tr>
<td>Profit on sale of fixed assets</td>
<td>(220)</td>
<td>(4,092)</td>
</tr>
<tr>
<td>(Gain)/loss on revaluation of investments carried at fair value</td>
<td>(1,196,829)</td>
<td>118,518</td>
</tr>
<tr>
<td>Provision for impairment against investments in subsidiaries, associates and joint ventures</td>
<td>70,904</td>
<td>-</td>
</tr>
<tr>
<td>Finance cost</td>
<td>289,485</td>
<td>99,283</td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>1,036,368</td>
<td>1,059,696</td>
</tr>
</tbody>
</table>

#### (Increase)/decrease in operating assets:

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term investments</td>
<td>(4,172,281)</td>
<td>(667,997)</td>
</tr>
<tr>
<td>Receivable against sale of shares</td>
<td>185,762</td>
<td>9,370</td>
</tr>
<tr>
<td>Advances, deposits, prepayments and other receivables</td>
<td>34,669</td>
<td>(69,132)</td>
</tr>
<tr>
<td>Increase in trade, accrued expenses and other payables</td>
<td>280,964</td>
<td>300,632</td>
</tr>
<tr>
<td>Net cash used in operations</td>
<td>(2,634,518)</td>
<td>632,569</td>
</tr>
</tbody>
</table>

#### Mark-up paid

- 2006: (227,504)  
- 2005: (93,308)

#### Taxes paid

- 2006: (8,051)  
- 2005: (6,368)

#### Dividend paid

- 2006: (87,282)  
- 2005: (49,203)

### Cash Flows from Investing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenditure incurred</td>
<td>(8,799)</td>
<td>(4,314)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>2,984</td>
<td>7,944</td>
</tr>
<tr>
<td>Fund placements-net</td>
<td>1,546,529</td>
<td>260,670</td>
</tr>
<tr>
<td>Investment acquired</td>
<td>(552,032)</td>
<td>(791,196)</td>
</tr>
<tr>
<td>Net cash generated from / (used in) investing activities</td>
<td>987,682</td>
<td>(526,896)</td>
</tr>
</tbody>
</table>

### Cash Flows from Financing Activities:

<table>
<thead>
<tr>
<th>Description</th>
<th>2006</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proceeds from issue of TFC-net</td>
<td>497,975</td>
<td>499,500</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>934,993</td>
<td>221,092</td>
</tr>
<tr>
<td>Short sale of government securities-held for trading</td>
<td>(195,313)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
<td>1,237,655</td>
<td>720,592</td>
</tr>
</tbody>
</table>

### Net decrease in cash and cash equivalents

- 2006: (692,945)  
- 2005: 723,963  
- Cash and cash equivalents at the beginning of the period: (821,938)  
- Cash and cash equivalents at the end of the period: 799,182

The annexed notes 1 to 16 form an integral part of these financial statements.

---

Munaf Ibrahim  
Chairman

Mazhar-ul-Haq Siddiqui  
Chief Executive
### Statement of Changes in Equity

**For the Nine Months Ended March 31, 2006 (Un-audited)**

#### Capital and Revenue Reserves

<table>
<thead>
<tr>
<th>Issued, subscribed and paid-up capital</th>
<th>Capital</th>
<th>Revenue</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ordinary Share premium</td>
<td>General reserve</td>
<td>Unrealised gain on revaluation of available-for-sale investments-net</td>
</tr>
<tr>
<td>Balances as at July 1, 2004 - as previously reported</td>
<td>350,000</td>
<td>475,505</td>
<td>500,000</td>
</tr>
<tr>
<td>Effect of change in accounting policy for investments in subsidiaries, associates and joint ventures (Note 3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at July 1, 2004 - restated</td>
<td>350,000</td>
<td>475,505</td>
<td>500,000</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>-</td>
<td>-</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Final dividend for the year ended June 30, 2004 (@Rs. 1.5 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net effect of revaluation of available-for-sale investments to fair value</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit after taxation for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at March 31, 2005</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Balances as at July 1, 2005 - as previously reported</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Effect of change in accounting policy for investment in subsidiaries, associates and joint ventures (Note 3)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balances as at July 1, 2005 - restated</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Final dividend for the year ended June 30, 2005 (@Rs. 2.5 per share)</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net effect of revaluation of available-for-sale investments to fair value</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit after taxation for the period</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at March 31, 2006</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 16 form an integral part of these financial statements.
1. THE COMPANY AND ITS OPERATIONS

Jahangir Siddiqui & Company Limited (the Company) was incorporated under the Companies Ordinance, 1984 on May 4, 1991 as a public unquoted company. The Company is presently listed on Karachi Stock Exchange (Guarantee) Limited. The Company is a corporate member of Karachi Stock Exchange (Guarantee) Limited and Islamabad Stock Exchange (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, consultancy services and 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 nine months financial statements are the same as those of the published annual financial statements for the year ended June 30, 2005, except for the following:

Change in accounting policy

During the period, the Company has changed its accounting policy with respect to accounting treatment of investment in subsidiaries, jointly controlled entities and associates from equity accounting method to cost method in accordance with the requirements of revised International Accounting Standard (IAS) 27 “Consolidated and Separate Financial Statements”, IAS 28 “Investments in Associates” and IAS 31 “Interests in Joint Ventures” which are effective for the accounting periods beginning on or after January 01, 2005. Previously, investments in subsidiaries, jointly controlled entities and associates were accounted for using the equity method. Now such investments are stated at cost less impairment, if any.

The change in accounting policy has been accounted for retrospectively and comparative information has been restated in accordance with the benchmark treatment specified in IAS 8 “Accounting Policies, Changes in Accounting Estimate and Errors”.

Had there been no change in the accounting policy, the effect on the financial statements would have been as follows:

<table>
<thead>
<tr>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Rupees in '000)</td>
<td>(Rupees in '000)</td>
</tr>
<tr>
<td>Increase in unappropriated profit</td>
<td>1,301,782</td>
</tr>
<tr>
<td>Increase/(decrease) in gain on revaluation of available-for-sale investments</td>
<td>303,133</td>
</tr>
<tr>
<td>Increase in long term investments</td>
<td>1,574,042</td>
</tr>
<tr>
<td>Increase in current period/year profits</td>
<td>511,168</td>
</tr>
</tbody>
</table>
4. PROPERTY, PLANT AND EQUIPMENT

The details of additions and disposals during the nine months period ended March 31, 2006 are as follows:

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additions-cost</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>9,028</td>
</tr>
<tr>
<td>Office equipment</td>
<td>771</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Disposals-cost</td>
<td></td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>4,967</td>
</tr>
</tbody>
</table>

5. LONG TERM INVESTMENTS

Investment in subsidiaries-at cost

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2006 (Un-audited)</th>
<th>June 30, 2005 (Audited) (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>1,216,723</td>
<td>980,575</td>
</tr>
</tbody>
</table>

Investment in associates and joint ventures-at cost

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for sale-quoted</td>
<td>1,573,766</td>
</tr>
<tr>
<td>- unquoted-cost</td>
<td>69,998</td>
</tr>
</tbody>
</table>

Held to maturity

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2006 (Un-audited)</th>
<th>June 30, 2005 (Audited) (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.3</td>
<td>3,198</td>
<td>2,817</td>
</tr>
</tbody>
</table>

5.1 Investment in subsidiaries-at cost

These shares are of Rs. 10 each unless stated otherwise.

<table>
<thead>
<tr>
<th>Name of Companies</th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jahangir Siddiqui Investment Bank Limited</td>
<td></td>
</tr>
<tr>
<td>53,247,277 shares (June 30, 2005: 53,247,277 shares)</td>
<td>124.41</td>
</tr>
<tr>
<td>having market value of Rs. 4,635 million</td>
<td></td>
</tr>
<tr>
<td>(June 30, 2005: Rs. 1,552.16 million)</td>
<td></td>
</tr>
<tr>
<td>Jahangir Siddiqui Capital Markets Limited</td>
<td></td>
</tr>
<tr>
<td>10,350,000 shares (June 30, 2005: 7,500,000 shares)</td>
<td>75.00</td>
</tr>
<tr>
<td>having market value of Rs. 2,391 million</td>
<td></td>
</tr>
<tr>
<td>(June 30, 2005: Rs. 378.75 million)</td>
<td></td>
</tr>
</tbody>
</table>

Unquoted

<table>
<thead>
<tr>
<th>Name of Companies</th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABAMCO Limited</td>
<td></td>
</tr>
<tr>
<td>26,011,086 shares (June 30, 2005: 26,011,086 shares)</td>
<td>52.02</td>
</tr>
<tr>
<td>JS Infocom Limited (formerly Spell</td>
<td></td>
</tr>
<tr>
<td>Telecommunication Limited)</td>
<td></td>
</tr>
<tr>
<td>60,000,000 shares (June 30, 2005: 60,000,000 shares)</td>
<td>81.37</td>
</tr>
<tr>
<td>Less: Provision for impairment</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>JS International Limited</td>
<td></td>
</tr>
<tr>
<td>10,000 shares (June 30, 2005: Nil)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note 5.1.1 100.00 - 294,082 - 1,216,729 980,575
5.1.1 During the period, the Company incorporated a wholly owned subsidiary in Cayman Islands, B.W.I on July 14, 2005. The primary objective for which the subsidiary company has been established includes inward investment from non-resident Pakistanis and international institutional investors, financial advisory services to Pakistani companies expanding overseas and to foreign companies interested in investing or setting up joint ventures in Pakistan. The Company has remitted US $ 4.90 million to JS International Limited as equity investment after obtaining permission from the State Bank of Pakistan. The Company holds 10,000 shares of US $ 1/- each and paid US $ 489 per share as a share premium.

5.2 Investment in associates and joint ventures-at cost

These are fully paid ordinary shares of Rs. 10/- each.

<table>
<thead>
<tr>
<th>Number of shares</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Un-audited)</td>
<td>(Audited)</td>
</tr>
<tr>
<td></td>
<td>(Restated)</td>
<td>(Restated)</td>
</tr>
<tr>
<td>Associates</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Quoted</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Network Micro Finance Bank Limited</td>
<td>3,000,000</td>
<td>3,000,000</td>
</tr>
<tr>
<td>Equity held 30% (June 30, 2005: 30%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value Rs. 25.50 million (June 30, 2005: Rs. 24 million)</td>
<td>30,000</td>
<td>30,000</td>
</tr>
<tr>
<td>Less: Provision for impairment</td>
<td>(4,500)</td>
<td>(1,694)</td>
</tr>
<tr>
<td>Associates</td>
<td>25,500</td>
<td>23,306</td>
</tr>
<tr>
<td>Eye Television Network Limited</td>
<td>6,250,000</td>
<td>6,250,000</td>
</tr>
<tr>
<td>Equity held 12.5% (June 30, 2005: 17.86%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value Rs. 53.44 million (June 30, 2005: Rs. 77.812 million)</td>
<td>62,500</td>
<td>62,500</td>
</tr>
<tr>
<td>Less: Provision for impairment</td>
<td>(9,375)</td>
<td>-</td>
</tr>
<tr>
<td>Associates</td>
<td>53,125</td>
<td>62,500</td>
</tr>
<tr>
<td>BankIslami Pakistan Limited</td>
<td>37,500,000</td>
<td>11,007,000</td>
</tr>
<tr>
<td>Equity held 18.75% (June 30, 2005: 18.75%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Opening balance</td>
<td>110,070</td>
<td>-</td>
</tr>
<tr>
<td>Advance against subscription of shares</td>
<td>-</td>
<td>110,070</td>
</tr>
<tr>
<td>Investment during the period</td>
<td>264,930</td>
<td>-</td>
</tr>
<tr>
<td>Associates</td>
<td>375,000</td>
<td>110,070</td>
</tr>
<tr>
<td>EFU Services (Private) Limited</td>
<td>750,000</td>
<td>750,000</td>
</tr>
<tr>
<td>Equity held 37.50% (June 30, 2005: 37.50%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint Ventures</td>
<td>7,500</td>
<td>7,500</td>
</tr>
<tr>
<td>DCD JS Factors (Private) Limited</td>
<td>1,806,700</td>
<td>1,806,700</td>
</tr>
<tr>
<td>Equity held 49.99% (June 30, 2005: 49.99%)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less: Provision for impairment</td>
<td>(3,488)</td>
<td>(3,499)</td>
</tr>
<tr>
<td>Joint Ventures</td>
<td>14,579</td>
<td>14,568</td>
</tr>
<tr>
<td>DCD JS Factors Inc.</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Equity held 49.99% (June 30, 2005: Nil)</td>
<td>1,491</td>
<td>-</td>
</tr>
<tr>
<td>Joint Ventures</td>
<td>477,195</td>
<td>222,944</td>
</tr>
</tbody>
</table>
5.3 During the period, the Company acquired 1,018,000 ordinary shares of Rs. 10/- each in HKC Limited (HKC) incorporated in Pakistan on September 13, 2005 at a price of Rs. 68.76 per share. The primary objective of HKC is to undertake business of real estate acquisition, development of real estates, construction activities and improvements, repair and renovations. The Company’s holding is 15.55% in HKC Limited.

6. SHORT TERM INVESTMENTS

Investment carried at fair value through profit and loss account

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2006 (Un-audited)</th>
<th>June 30, 2005 (Audited) (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>6,929,227</td>
<td>1,560,117</td>
</tr>
<tr>
<td>6.2</td>
<td>1,332,932</td>
<td>1,146,558</td>
</tr>
</tbody>
</table>

Total: 8,262,159

Available for sale

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2006 (Un-audited)</th>
<th>June 30, 2005 (Audited) (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>6,058,995</td>
<td>1,463,773</td>
</tr>
<tr>
<td>- Listed equity securities</td>
<td>6,058,995</td>
<td>1,463,773</td>
</tr>
<tr>
<td>- Term finance certificates</td>
<td>79,461</td>
<td>96,344</td>
</tr>
<tr>
<td>- Government securities</td>
<td>790,771</td>
<td>-</td>
</tr>
</tbody>
</table>

Total: 6,929,227

6.2 Available for sale

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2006 (Un-audited)</th>
<th>June 30, 2005 (Audited) (Restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Equity securities-Quoted</td>
<td>863,104</td>
<td>1,061,165</td>
</tr>
<tr>
<td>- Unquoted-at cost</td>
<td>3,480</td>
<td>3,480</td>
</tr>
<tr>
<td>- Open-end fund units</td>
<td>425,623</td>
<td>81,913</td>
</tr>
<tr>
<td>- Term finance certificates</td>
<td>40,725</td>
<td>-</td>
</tr>
</tbody>
</table>

Total: 1,332,932

7. REDEEMABLE CAPITAL

During the period the Company has issued further unsecured Term Finance Certificates (TFCs) amounting to Rs. 400 million and Rs. 100 million to private investors (Pre-IPO) and general public (IPO) respectively. The profit on these TFCs is payable semi-annually, based on a six month average KIBOR plus 175 basis points. These TFCs have a tenor of five years i.e. 2005-2009 with a call option exercisable by the Company anytime from the 30th month to the 54th month by giving a 30 days notice. Call option will be exercised only on the coupon dates. Transaction costs associated with the issue of TFCs, amounting to Rs. 1.829 million, are included in the initial measurement of the financial liability and has been amortised over the life of TFCs using effective interest method.

8. SHORT TERM RUNNING FINANCES UNDER MARK UP ARRANGEMENT-SECURED

Represents total facilities of running finance aggregating to Rs. 2.85 billion from commercial banks for one year and are renewable. The rate of mark-up ranges between 3-months KIBOR plus 1.00 percent to 2.00 percent per annum and six months KIBOR plus 1.00 percent per annum on a daily product basis. These arrangements are secured by pledge of marketable securities. The unavailed aggregate facility of running finances amount to Rs. 1.33 billion.
9. CONTINGENCIES AND COMMITMENTS

9.1 Contingencies

The Company is a principal defendant in a suit filed in the Honourable High Court of Sindh 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 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 renouncee 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 affected 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 the aforementioned legal advice no provision has been made in these financial statements in this respect.

<table>
<thead>
<tr>
<th>March 31, 2006 (Un-Audited)</th>
<th>June 30, 2005 (Audited)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future purchase of listed equity securities</td>
<td>-</td>
</tr>
<tr>
<td>Future sale of listed equity securities</td>
<td>15,695</td>
</tr>
<tr>
<td>Forward purchase of government securities</td>
<td>-</td>
</tr>
<tr>
<td>Commitments in respect of sale under repurchase transaction against:</td>
<td></td>
</tr>
<tr>
<td>- Government securities</td>
<td>1,034,447</td>
</tr>
<tr>
<td>- Term finance certificates</td>
<td>58,300</td>
</tr>
<tr>
<td>- Listed equity securities</td>
<td>576,845</td>
</tr>
<tr>
<td>Total</td>
<td>1,669,592</td>
</tr>
<tr>
<td>Commitment in respect of purchase under resale transaction against:</td>
<td></td>
</tr>
<tr>
<td>- Listed equity securities</td>
<td>-</td>
</tr>
<tr>
<td>- Term finance certificates</td>
<td>-</td>
</tr>
<tr>
<td>- Government securities</td>
<td>221,254</td>
</tr>
<tr>
<td>Total</td>
<td>221,254</td>
</tr>
<tr>
<td>Commitments in respect of purchase of property held for sale</td>
<td>-</td>
</tr>
</tbody>
</table>
10. OPERATING AND ADMINISTRATIVE EXPENSES

Includes provision for bonus to the executives Rs. 79.00 million (March 31, 2005: Rs. 20.00 million), consultancy charges Rs. 33.89 million (March 31, 2005: Rs. 8.38 million) and donation Rs. 35.13 million (March 31, 2005: Rs. 22.37 million). Donations is given to Siddiqui Foundation in which Mr. Ali Jehangir Siddiqui and Mr. Munaf Ibrahim are directors. No other directors or their spouses have any interest in any other donee’s fund to which donations were made.

11. FINANCE COST

Mark-up on:
- Short-term running finance 86,967 18,412
- Redeemable capital 127,507 59,146
- Repurchase transaction of
  Government securities 70,442 16,456
  Term finance certificates 4,289 4,877
  Bank charges 280 392
  Total 289,485 98,283

12. TAXATION

The income tax assessments of the Company have been finalised upto and including the tax year 2005. Further the Company has assessed and un-assessed carry forward tax losses aggregating to Rs. 241.11 million. However, 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.

13. RELATED PARTY TRANSACTIONS

Related parties comprise of subsidiaries, associates, joint ventures, directors, key management personnel and provident fund schemes.

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

<table>
<thead>
<tr>
<th>Nine months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31,</td>
</tr>
<tr>
<td></td>
<td>2005 in '000</td>
</tr>
<tr>
<td>Brokerage expense</td>
<td>10,239</td>
</tr>
<tr>
<td>Brokerage income earned</td>
<td>2,314</td>
</tr>
<tr>
<td>Purchase of government securities</td>
<td>280,373</td>
</tr>
<tr>
<td>Sale of government securities</td>
<td>1,254,617</td>
</tr>
<tr>
<td>Mark-up on loan to subsidiary</td>
<td>7,763</td>
</tr>
<tr>
<td>Rent Income</td>
<td>5,205</td>
</tr>
<tr>
<td>Sale of fixed assets</td>
<td>874</td>
</tr>
<tr>
<td>Advisory and consultancy fees</td>
<td>306</td>
</tr>
<tr>
<td>Advance investment against shares subscription to an associate</td>
<td>264,930</td>
</tr>
<tr>
<td>Consultancy charges to Mr. Ali Jehangir Siddiqui (director)</td>
<td>4,500</td>
</tr>
<tr>
<td>Donations paid to Siddiqui Foundation (common directorship and key management personnel)</td>
<td>16,800</td>
</tr>
</tbody>
</table>

The Company continues to have policy whereby all transactions with related parties are entered into arm’s length prices using admissible valuation method.
14. SEGMENT INFORMATION

Primary segment information

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

Capital market operations - Principally engaged in trading of equity securities.

Fixed income operations - Principally engaged in money market trading and management of the Company’s funding operations by use of government securities and placements.

These segments are the basis on which the Company has identified its primary segment information. Other operations of the Company comprise of dividend from strategic investments, underwriting and consultancy services.

Segment results for the period ended March 31, 2006

<table>
<thead>
<tr>
<th></th>
<th>Capital Market</th>
<th>Fixed Income</th>
<th>Others</th>
<th>Total (Rupees in ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross operating income</td>
<td>2,217,089</td>
<td>82,383</td>
<td>115,011</td>
<td>2,414,483</td>
</tr>
<tr>
<td>Segment results</td>
<td>2,039,963</td>
<td>74,250</td>
<td>60,887</td>
<td>2,175,100</td>
</tr>
<tr>
<td>Unallocated costs</td>
<td></td>
<td></td>
<td></td>
<td>29,145</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
<td>2,145,955</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
<td>13,488</td>
</tr>
<tr>
<td>Finance cost</td>
<td></td>
<td></td>
<td></td>
<td>(289,485)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td></td>
<td></td>
<td>1,391,968</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td></td>
<td></td>
<td>(8,866)</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td></td>
<td></td>
<td></td>
<td>1,383,072</td>
</tr>
</tbody>
</table>

Segment results for the period ended March 31, 2005

<table>
<thead>
<tr>
<th></th>
<th>Capital Market</th>
<th>Fixed Income</th>
<th>Others</th>
<th>Total (Rupees in ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross operating income</td>
<td>987,158</td>
<td>25,106</td>
<td>38,112</td>
<td>1,050,376</td>
</tr>
<tr>
<td>Segment results</td>
<td>933,871</td>
<td>17,243</td>
<td>676</td>
<td>951,790</td>
</tr>
<tr>
<td>Unallocated costs</td>
<td></td>
<td></td>
<td></td>
<td>20,158</td>
</tr>
<tr>
<td>Operating profit</td>
<td></td>
<td></td>
<td></td>
<td>931,632</td>
</tr>
<tr>
<td>Other income</td>
<td></td>
<td></td>
<td></td>
<td>9,527</td>
</tr>
<tr>
<td>Finance cost</td>
<td></td>
<td></td>
<td></td>
<td>(99,263)</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td></td>
<td></td>
<td></td>
<td>841,876</td>
</tr>
<tr>
<td>Income tax expense</td>
<td></td>
<td></td>
<td></td>
<td>(3,090)</td>
</tr>
<tr>
<td>Net profit for the period</td>
<td></td>
<td></td>
<td></td>
<td>838,786</td>
</tr>
</tbody>
</table>

15. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on April 22, 2006.

16. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive
Consolidated Financial Statements
Jahangir Siddiqui & Co. Ltd.

CONSOLIDATED BALANCE SHEET
AS AT MARCH 31, 2006

<table>
<thead>
<tr>
<th>Note</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Un-Audited)</td>
<td>(Audited)</td>
</tr>
</tbody>
</table>

(Rupees in '000)

### ASSETS

#### NON-CURRENT ASSETS

- **Fixed assets**
  - Property, plant and equipment: 255,395 (247,532)
  - Intangible assets: 111,792 (126,367)
- Stock exchange membership cards and room: 44,302 (44,302)
- Long term investments: 2,489,722 (2,377,494)
- Long term loans, advances and other receivables: 95,200 (157,742)
- Long term security deposits: 4,937 (4,671)

#### CURRENT ASSETS

- Current maturity of long-term loans, advances and other receivables: 36,438 (19,407)
- Taxation-net: 8,291 (15,413)
- Short term investments: 13,154,520 (4,952,777)
- Trade debts - unsecured: 1,521,475 (383,515)
- Short term loans: 226,970 (490,315)
- Fund placements: 3,191,506 (4,646,917)
- Advances, prepayments and other receivables: 984,664 (312,439)
- Cash and bank balances: 343,357 (157,094)

### EQUITY AND LIABILITIES

#### SHARE CAPITAL AND RESERVES

- Authorised capital: 50,000,000 (June 2005: 50,000,000) ordinary shares of Rs. 10 each: 500,000 (500,000)
- 100,000,000 (June 2005: 100,000,000) preference shares of Rs. 10 each: 1,000,000 (1,000,000)

Issued, subscribed and paid-up capital: 1,500,000 (1,500,000)

Capital reserve:
- Ordinary share premium reserve: 475,505 (475,505)

Revenue reserves:
- General reserve: 1,500,000 (1,500,000)
- Unrealized gain on revaluation of available-for-sale investments-net: 2,037,719 (867,851)
- Unrealized gain on revaluation of available-for-sale investments-net: 3,514,691 (1,153,105)
- Unrealized gain on revaluation of available-for-sale investments-net: 7,052,410 (3,520,956)
- Unrealized gain on revaluation of available-for-sale investments-net: 8,977,912 (1,390,062)
- Unrealized gain on revaluation of available-for-sale investments-net: 1,432,345 (845,058)

NON-CURRENT LIABILITIES

- Redeemable capital: 1,963,916 (1,441,891)
- Long term loans: 113,779 (379,999)
- Certificates of deposits: 240,603 (4,646,917)
- Deferred tax liability: 24,874 (23,453)

CURRENT LIABILITIES

- Trade, accrued expenses and other payables: 2,086,852 (970,057)
- Borrowings from banks/ NBFCs: 1,493,372 (435,000)
- Securities sold under repurchase agreements: 2,657,160 (906,669)
- Short-term running finances under mark-up arrangement-secured: 1,466,705 (1,335,101)
- Financial liabilities held for trading: 1,448,717 (195,313)
- Current portion of non-current liabilities: 3,021,678 (2,502,544)

CONTINGENCY AND COMMITMENTS

- 22,468,569 (13,955,985)

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

Munaf Ibrahim
Chief Executive

Munaf Ibrahim
Chairman

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

Munaf Ibrahim
Chief Executive
## Consolidated Profit & Loss Account

### For the Nine Months Ended March 31, 2006

(UN-AUDITED)

### Income

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Return on investments</td>
<td>492,631</td>
<td>318,062</td>
</tr>
<tr>
<td>Gain on sale of investments</td>
<td>1,565,682</td>
<td>1,417,092</td>
</tr>
<tr>
<td>Income from long-term loans and fund placements</td>
<td>171,039</td>
<td>104,931</td>
</tr>
<tr>
<td>Fee, commission and brokerage</td>
<td>657,924</td>
<td>395,404</td>
</tr>
<tr>
<td>Other income</td>
<td>20,416</td>
<td>14,050</td>
</tr>
<tr>
<td>Gain/(loss) on revaluation of investments carried at fair value-net</td>
<td>1,227,434</td>
<td>(118,518)</td>
</tr>
<tr>
<td>Share of (loss)/profit from associates</td>
<td>(5,213)</td>
<td>(5,435)</td>
</tr>
<tr>
<td>Share of (loss)/profit from joint ventures</td>
<td>340</td>
<td>(1,498)</td>
</tr>
<tr>
<td>Total income</td>
<td>4,135,126</td>
<td>2,131,021</td>
</tr>
</tbody>
</table>

### Expenditure

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Operating and administrative expenses</td>
<td>578,491</td>
<td>424,018</td>
</tr>
<tr>
<td>Finance cost</td>
<td>686,007</td>
<td>231,001</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>1,264,498</td>
<td>655,019</td>
</tr>
</tbody>
</table>

### Profit Before Taxation

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Total income</td>
<td>4,135,126</td>
<td>2,131,021</td>
</tr>
<tr>
<td>Total expenditure</td>
<td>1,264,498</td>
<td>655,019</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>2,865,755</td>
<td>1,476,002</td>
</tr>
</tbody>
</table>

### Taxation

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Current</td>
<td>106,251</td>
<td>66,052</td>
</tr>
<tr>
<td>Prior</td>
<td>-</td>
<td>(203)</td>
</tr>
<tr>
<td>Deferred</td>
<td>1,420</td>
<td>-</td>
</tr>
<tr>
<td>Total tax</td>
<td>107,671</td>
<td>65,849</td>
</tr>
</tbody>
</table>

### Profit After Taxation

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>2,865,755</td>
<td>1,476,002</td>
</tr>
<tr>
<td>Taxation</td>
<td>107,671</td>
<td>65,849</td>
</tr>
<tr>
<td>Profit after taxation</td>
<td>2,758,084</td>
<td>1,410,153</td>
</tr>
</tbody>
</table>

### Profit for the Period After Minority Interest

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Profit attributable to minority interest</td>
<td>(332,330)</td>
<td>(300,363)</td>
</tr>
<tr>
<td>Profit for the period after minority interest</td>
<td>2,425,754</td>
<td>1,109,790</td>
</tr>
</tbody>
</table>

### Earnings per Share-Basic and Diluted

<table>
<thead>
<tr>
<th>Note</th>
<th>Nine Months Ended</th>
<th>Quarter Ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>March 31, 2006</td>
<td>March 31, 2005</td>
</tr>
<tr>
<td></td>
<td>(Rs. in '000s)</td>
<td>--------------</td>
</tr>
<tr>
<td>Earnings per share-basic and diluted</td>
<td>69.31</td>
<td>31.51</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 14 form an integral part of these financial statements.
C H A S E  F L O W  S T A T E M E N T
FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

Nine Months Ended

<table>
<thead>
<tr>
<th></th>
<th>March 31, 2006</th>
<th>March 31, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Rupees in '000)</td>
<td></td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>2,865,755</td>
<td>1,469,069</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation</td>
<td>32,716</td>
<td>19,598</td>
</tr>
<tr>
<td>Amortisation on intangible assets</td>
<td>14,575</td>
<td>13,125</td>
</tr>
<tr>
<td>Profit on sale of fixed assets</td>
<td>(584)</td>
<td>(5,226)</td>
</tr>
<tr>
<td>Share of loss of associates and joint ventures</td>
<td>4,873</td>
<td>6,933</td>
</tr>
<tr>
<td>Gain on revaluation of investments carried at fair value</td>
<td>(1,227,434)</td>
<td>118,518</td>
</tr>
<tr>
<td>Finance Cost</td>
<td>686,007</td>
<td>231,001</td>
</tr>
<tr>
<td></td>
<td>(489,847)</td>
<td>363,947</td>
</tr>
<tr>
<td>Operating profit before working capital changes</td>
<td>2,375,908</td>
<td>1,853,016</td>
</tr>
<tr>
<td>(Increase)/decrease in operating assets:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Short term investments</td>
<td>(6,052,318)</td>
<td>(2,142,952)</td>
</tr>
<tr>
<td>Trade debts</td>
<td>(1,137,960)</td>
<td>(597,439)</td>
</tr>
<tr>
<td>Short term loans</td>
<td>263,345</td>
<td>90,725</td>
</tr>
<tr>
<td>Advances, deposits, prepayments and other receivables</td>
<td>(672,225)</td>
<td>(721,308)</td>
</tr>
<tr>
<td></td>
<td>(7,599,158)</td>
<td>(3,365,944)</td>
</tr>
<tr>
<td>Increase in trade, accrued expenses and other payables</td>
<td>1,011,665</td>
<td>900,014</td>
</tr>
<tr>
<td>Net cash used in operations</td>
<td>(4,211,585)</td>
<td>(612,914)</td>
</tr>
<tr>
<td>Mark-up paid</td>
<td>(581,095)</td>
<td>(193,878)</td>
</tr>
<tr>
<td>Taxes paid</td>
<td>(99,129)</td>
<td>(75,039)</td>
</tr>
<tr>
<td>Dividend paid</td>
<td>(87,282)</td>
<td>(50,089)</td>
</tr>
<tr>
<td>Changes in long term loans, advances, other receivables and security deposits</td>
<td>45,245</td>
<td>(91,342)</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>(4,933,846)</td>
<td>(1,024,351)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM INVESTING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital expenditure incurred</td>
<td>(42,188)</td>
<td>(89,062)</td>
</tr>
<tr>
<td>Proceeds from sale of fixed assets</td>
<td>2,193</td>
<td>18,954</td>
</tr>
<tr>
<td>Fund Placements-net</td>
<td>1,455,411</td>
<td>1,615,985</td>
</tr>
<tr>
<td>Investment acquired</td>
<td>429,066</td>
<td>(1,704,931)</td>
</tr>
<tr>
<td>Net cash generated from / (used in) investing activities</td>
<td>1,844,482</td>
<td>(159,172)</td>
</tr>
<tr>
<td><strong>CASH FLOWS FROM FINANCING ACTIVITIES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proceeds from issue of TFC-net</td>
<td>196,243</td>
<td>801,900</td>
</tr>
<tr>
<td>Payment of lease obligation</td>
<td>-</td>
<td>(7,834)</td>
</tr>
<tr>
<td>Long term loans</td>
<td>(287,500)</td>
<td>302,540</td>
</tr>
<tr>
<td>Certificates of deposits issued</td>
<td>782,359</td>
<td>1,072,831</td>
</tr>
<tr>
<td>Securities sold under repurchase agreements</td>
<td>1,750,491</td>
<td>(659,689)</td>
</tr>
<tr>
<td>Short sale of government securities-held for trading</td>
<td>(195,313)</td>
<td>-</td>
</tr>
<tr>
<td>Net cash generated from financing activities</td>
<td>2,066,280</td>
<td>1,583,746</td>
</tr>
<tr>
<td>Net (decrease)/ increase in cash and cash equivalents</td>
<td>(823,084)</td>
<td>326,225</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of the period</td>
<td>(1,983,006)</td>
<td>70,453</td>
</tr>
<tr>
<td>Cash and cash equivalents at end of the period</td>
<td>(2,806,090)</td>
<td>396,678</td>
</tr>
</tbody>
</table>

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive
### Consolidated Statement of Changes In Equity

**For the Nine Months Ended March 31, 2006**

*(Un-Audited)*

<table>
<thead>
<tr>
<th>Reserves</th>
<th>Issued, subscribed and paid up capital</th>
<th>Capital</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Ordinary</td>
<td>General</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Share</td>
<td>reserve</td>
</tr>
<tr>
<td></td>
<td></td>
<td>premium</td>
<td></td>
</tr>
<tr>
<td>Balances as at July 1, 2004</td>
<td>350,000</td>
<td>475,505</td>
<td>500,000</td>
</tr>
<tr>
<td>Transfer to general reserve</td>
<td>-</td>
<td>1,000,000</td>
<td></td>
</tr>
<tr>
<td>Final dividend@15%</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net effect of revaluation of available-for-sale investments to fair value held as at the period end</td>
<td>-</td>
<td>-</td>
<td>(107,850)</td>
</tr>
<tr>
<td>Profit for the period after minority interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at March 31, 2005</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Balance as at July 1, 2005</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Final dividend@25%</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Reversal of unrealised gain on investments carried at fair value through profit and loss account</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net effect of revaluation of available-for-sale investments to fair value held as at the period end</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Profit for the period after minority interest</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Balance as at March 31, 2006</td>
<td>350,000</td>
<td>475,505</td>
<td>1,500,000</td>
</tr>
</tbody>
</table>

The annexed notes 1 to 14 form an integral part of these financial statements.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
FOR THE NINE MONTHS ENDED MARCH 31, 2006

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’. These financial statements are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

2. ACCOUNTING POLICIES

The accounting policies and method of computation followed in the preparation of these nine months financial statements are the same as those of the published annual financial statements for the year ended June 30, 2005.

3. SUBSIDIARY COMPANIES

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

<table>
<thead>
<tr>
<th>Subsidiary Companies</th>
<th>Nature of Business</th>
<th>Date of Acquisition</th>
<th>Group Holding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jahangir Siddiqui Investment Bank Limited (JSIBL)</td>
<td>Investment Banking</td>
<td>Sept. 18, 1999</td>
<td>62.41%</td>
</tr>
<tr>
<td>ABAMCO Limited</td>
<td>Investment advisor and Asset Management Company</td>
<td>July 31, 2000</td>
<td>52.02%</td>
</tr>
<tr>
<td>Jahangir Siddiqui Capital Markets Limited (JSCML)</td>
<td>Brokerage House</td>
<td>May 22, 2003</td>
<td>75.00%</td>
</tr>
<tr>
<td>JS Infocom Limited (formerly Spell Telecommunication Limited)</td>
<td>Telecom, Media and Technology</td>
<td>April 8, 2004</td>
<td>90.50%</td>
</tr>
<tr>
<td>JS International Limited</td>
<td>Investment Advisory Services</td>
<td>July 14, 2005</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

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. PROPERTY, PLANT AND EQUIPMENT

<table>
<thead>
<tr>
<th>Additions-cost:</th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office premises</td>
<td>6,307</td>
</tr>
<tr>
<td>Office equipment</td>
<td>12,663</td>
</tr>
<tr>
<td>Furniture and fixtures</td>
<td>1,788</td>
</tr>
<tr>
<td>Motor Vehicles</td>
<td>21,430</td>
</tr>
<tr>
<td><strong>Total Additions</strong></td>
<td><strong>42,188</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Disposal-cost:</th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Office equipment</td>
<td>348</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>6,544</td>
</tr>
<tr>
<td><strong>Total Disposal</strong></td>
<td><strong>6,892</strong></td>
</tr>
</tbody>
</table>

### 5. INTANGIBLE ASSETS

<table>
<thead>
<tr>
<th>Computer software-cost</th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5,800</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Less: Amortized upto period ended</th>
<th>March 31, 2006 (Un-audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(3,383)</td>
<td>(1,933)</td>
</tr>
<tr>
<td><strong>2,417</strong></td>
<td><strong>3,367</strong></td>
</tr>
</tbody>
</table>

**5.1** This represents the amount paid to the Privatisation Commission, Government of Pakistan for the acquisition of the management rights of 12th ICP Mutual Funds (since then consolidated into ABAMCO Stock Market Fund, ABAMCO Growth Fund and ABAMCO Capital Fund).

### 6. LONG TERM INVESTMENTS

<table>
<thead>
<tr>
<th>Related parties</th>
<th>March 31, 2006 (Un-Audited) (Audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in associates</td>
<td>438,385</td>
</tr>
<tr>
<td>Interest in joint ventures</td>
<td>16,021</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Investments</th>
<th>March 31, 2006 (Un-Audited) (Audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Available for sale</td>
<td>2,032,118</td>
</tr>
<tr>
<td>Held to maturity</td>
<td>3,198</td>
</tr>
<tr>
<td><strong>Total Other Investments</strong></td>
<td><strong>2,489,722</strong></td>
</tr>
</tbody>
</table>

### 7. SHORT TERM INVESTMENTS

<table>
<thead>
<tr>
<th>Investments carried at fair value through profit and loss account</th>
<th>March 31, 2006 (Audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9,116,973</td>
<td>1,991,289</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Available for sale</th>
<th>March 31, 2006 (Audited) (Rupees in '000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,037,547</td>
<td>2,961,488</td>
</tr>
</tbody>
</table>

| **Total**          | **13,154,520**                               || **4,952,777**                               |
8. Includes disputed tax liability amounting to Rs. 49.29 million (June 30, 2005: Rs. 49.29 million) which had arisen as a result of an agreement dated February 1, 1999 between Citibank Overseas Investment Corporation (COIC) with Jahangir Siddiqui & Company Limited and in that agreement it was agreed by the parties to the agreement that the purchase consideration of Rs. 123.90 million (representing 6.00 million shares @ Rs. 20.65 per share) would be adjusted to the extent of 70.00% if there is any subsequent deduction in total disputed tax liability as of December 31, 1998 amounting to Rs. 68.65 million as confirmed by a Chartered Accountant firm. Therefore as and when this disputed tax liability is resolved in favour of JSIBL, the holding company would pay to the COIC the above amount to the extent of 70.00% which would be adjusted against the purchase consideration for the investment in JSIBL. It should be noted that even if the matter is decided in favour of JSIBL, the matter is most likely to be referred to a higher forum.

March 31, 2006 | June 30, 2005
---|---
(Un-Audited) | (Audited)

9. CURRENT MATURITY OF LONG TERM LIABILITIES

<table>
<thead>
<tr>
<th>Current maturity of:</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Redeemable capital</td>
<td>125,550</td>
<td>302,332</td>
</tr>
<tr>
<td>Long term loan</td>
<td>273,721</td>
<td>275,001</td>
</tr>
<tr>
<td>Certificate of investments / deposits</td>
<td>2,622,407</td>
<td>1,925,211</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,021,678</strong></td>
<td><strong>2,502,544</strong></td>
</tr>
</tbody>
</table>

10. CONTINGENCY AND COMMITMENTS

10.1 Contingency

The Company is a principal defendant in a suit filed in the Honourable High Court of Sindh 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 2,887,988 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 renouncee and a permanent injunction restraining the Company from allotting the renounced shares to any 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 affected 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 the aforementioned legal advice no provision has been made in these financial statements in this respect.
10.2 Commitments

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Future purchase of listed equity securities</td>
<td>-</td>
<td>7,751</td>
</tr>
<tr>
<td>Future sale of listed equity securities</td>
<td>15,695</td>
<td>18,691</td>
</tr>
<tr>
<td>Forward sale commitments</td>
<td>-</td>
<td>232,476</td>
</tr>
<tr>
<td>Forward purchase of government securities</td>
<td>-</td>
<td>273,476</td>
</tr>
<tr>
<td>Commitment in respect of sale under repurchase transaction against:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Government securities</td>
<td>2,022,015</td>
<td>652,867</td>
</tr>
<tr>
<td>- Term finance certificates</td>
<td>58,300</td>
<td>85,963</td>
</tr>
<tr>
<td>- Listed equity securities</td>
<td>576,845</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,657,160</td>
<td>736,830</td>
</tr>
</tbody>
</table>

Commitment in respect of purchase under resale transaction against:

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Listed equity securities</td>
<td>2,484,405</td>
<td>1,366,894</td>
</tr>
<tr>
<td>- Term finance certificates</td>
<td>138,018</td>
<td>835,075</td>
</tr>
<tr>
<td>- Government securities</td>
<td>232,254</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>2,854,677</td>
<td>2,201,969</td>
</tr>
</tbody>
</table>

Sub-underwriting agreement with Dawood Capital Management Limited

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>10,000</td>
</tr>
</tbody>
</table>

Underwriting commitments

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>150,000</td>
<td>148,000</td>
</tr>
</tbody>
</table>

Assets acquired under operating lease

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>1,060</td>
</tr>
</tbody>
</table>

Commitments in respect of purchase of investment property

<table>
<thead>
<tr>
<th>Description</th>
<th>March 31, 2006</th>
<th>June 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>-</td>
<td>-</td>
<td>181,244</td>
</tr>
</tbody>
</table>

11. TAXATION

11.1 The income tax assessments of the Holding Company have been finalised upto and including the tax year 2005.

11.2 In respect of JSIBL, income tax assessments have been finalised upto and including the tax year 2005.

11.3 In respect of ABAMCO Limited, income tax assessments have been finalised upto and including the assessment year 2002-2003. The income tax assessments for the tax years 2003, 2004 and 2005 have been filed under self-assessments scheme and are deemed to be finalised under section 120 of the Income Tax Ordinance, 2001.

11.4 In respect of JSCML the Income tax assessment have been finalised upto and including tax year 2005 under section 120 of the Income Tax Ordinance, 2001.
12. RELATED PARTY TRANSACTIONS

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

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

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Relationship</th>
<th>(Rupees in ‘000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Islami Pakistan Limited</td>
<td>In the equity shares of the company</td>
<td>264,930</td>
</tr>
<tr>
<td>Siddiqui Foundation</td>
<td>Donations paid</td>
<td>26,841</td>
</tr>
<tr>
<td>DCD JS Factor (Private) Limited</td>
<td>Advisory and consultancy fee</td>
<td>135</td>
</tr>
<tr>
<td></td>
<td>The group has an interest of 18.75%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Common directorship and key management personnel</td>
<td></td>
</tr>
<tr>
<td></td>
<td>The group has an interest of 49.09%</td>
<td></td>
</tr>
</tbody>
</table>

The Company continues to have a policy whereby all transactions with related parties are entered into 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.

13. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in its meeting held on April 22, 2006.

14. GENERAL

Figures have been rounded off to the nearest thousand rupees.