Quarterly Report
March 31, 2006
(Un-audited)

Jahangir Siddiqui & Co. Ltd.

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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

TO THE MEMBERS

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

	Note	March 31, 2006 (Un-audited)	June 30, 2005 (Audited) (Restated)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	4	27,469	23,504
Stock exchange membership cards and room		12,201	12,201
Long term investments	5	3,340,880	2,281,202
Long term loans, advances and other receivables		39,043	78,997
Long term security deposits		2,521	2,521
		3,422,114	2,398,425
CURRENT ASSETS			
Current maturity of long-term loans and advances		67,917	67,036
Short term investments	6	8,262,159	2,706,675
Receivable against sale of shares		-	185,762
Taxation - net		5,632	6,467
Fund placements		221,254	1,767,783
Advance, prepayments and other receivables		49,074	83,743
Cash and bank balances		11,502	47,094
		8,617,538	4,864,560
		12,039,652	7,262,985
EQUITY AND LIABILITIES			
SHARE CAPITAL & 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
		1,500,000	1,500,000
Issued, subscribed and paid-up capital		350,000	350,000
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		1,734,586	969,662
Unappropriated profit		2,146,986	373,414
		5,381,572	2,843,076
Shareholders' equity		6,207,077	3,668,581
NON-CURRENT LIABILITIES			
Redeemable capital	7	1,863,916	1,490,891
CURRENT LIABILITIES			
Current portion of redeemable capital		125,550	600
Trade, accrued expenses and other payables		647,131	303,968
Securities sold under repurchase agreements		1,669,593	734,600
Short term running finances under mark-up arrangement - secured	8	1,526,385	869,032
Financial liabilities - held for trading		-	195,313
		3,968,659	2,103,513
CONTINGENCIES AND COMMITMENTS	9		
		12,039,652	7,262,985

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

Mazhar-ul-Haq Siddiqui	Munaf Ibrahim
Chairman	Chief Executive

PROFIT & LOSS ACCOUNT

FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	Note	Nine Months Ended		Quarter Ended	
		March 31, 2006	March 31, 2005 (Restated)	March 31, 2006	March 31, 2005 (Restated)
		---------- (Rs. in '000) ----------			
INCOME					
Return on investments		170,657	62,653	102,942	35,049
Gain on sale of investments		983,549	1,065,218	309,095	865,436
Income from long-term loans and fund placements		51,643	35,832	12,042	8,538
Fee, commission and brokerage		11,805	5,191	9,353	1,488
Other income		13,488	9,527	8,490	1,626
Gain / (loss) on revaluation of investments carried at fair value-net		1,196,829	(118,518)	610,430	(147,338)
		2,427,971	1,059,903	1,052,352	764,799
EXPENDITURE					
Operating and administrative expenses	10	197,624	118,744	78,090	70,459
Finance cost	11	289,485	99,283	118,969	48,459
Provision for impairment against investments in subsidiaries, associates and joint ventures		70,904	-	(19,437)	-
		558,013	218,027	177,622	118,918
PROFIT BEFORE TAXATION		1,869,958	841,876	874,730	645,881
TAXATION	12				
- Current		8,886	3,201	5,651	2,009
- Prior		-	(111)	-	-
		8,886	3,090	5,651	2,009
PROFIT AFTER TAXATION		1,861,072	838,786	869,079	643,872
Earnings per share-basic and diluted	(Rupees)	53.17	23.97	24.83	18.40

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	Nine Months Ended	
	March 31, 2006	March 31, 2005 (Restated)
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,869,958	841,876
Adjustments for:		
Depreciation	3,070	4,111
Profit on sale of fixed assets	(220)	(4,092)
(Gain)/loss on revaluation of investments carried at fair value	(1,196,829)	118,518
Provision for impairment against investments in subsidiaries, associates and joint ventures	70,904	-
Finance cost	289,485	99,283
	(833,590)	217,820
Operating profit before working capital changes	1,036,368	1,059,696
(Increase)/ decrease in operating assets:		
Short term investments	(4,172,281)	(667,997)
Receivable against sale of shares	185,762	9,370
Advances, deposits, prepayments and other receivables	34,669	(69,132)
	(3,951,850)	(727,759)
Increase in trade, accrued expenses and other payables	280,964	300,632
Net cash used in operations	(2,634,518)	632,569
Mark-up paid	(227,504)	(93,308)
Taxes paid	(8,051)	(6,368)
Dividend paid	(87,282)	(49,203)
Changes in long term loans, advances and deposits	39,073	46,575
Net cash used in operating activities	(2,918,282)	530,265
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditure incurred	(9,799)	(4,314)
Proceeds from sale of fixed assets	2,984	7,944
Fund placements-net	1,546,529	260,670
Investment acquired	(552,032)	(791,196)
Net cash generated from /(used in) investing activities	987,682	(526,896)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of TFC-net	497,975	499,500
Securities sold under repurchase agreements	934,993	221,092
Short sale of government securities-held for trading	(195,313)	-
Net cash generated from financing activities	1,237,655	720,592
Net decrease in cash and cash equivalents	(692,945)	723,961
Cash and cash equivalents at beginning of the period	(821,938)	65,221
Cash and cash equivalents at end of the period	(1,514,883)	789,182

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves: Capital – Ordinary Share premium	Reserves: Revenue – General reserve	Reserves: Revenue – Unrealised gain on revaluation of available-for-sale investments-net	Reserves: Revenue – Unappropriated profit	Total
	(Rupees in '000)					
Balances as at July 1, 2004 - as previously reported	350,000	475,505	500,000	1,004,736	1,035,678	3,365,919
Effect of change in accounting policy- for investments in subsidiaries, associates and joint ventures (Note 3)	-	-	-	(175,874)	(519,162)	(695,036)
Balance as at July 1, 2004 - restated	350,000	475,505	500,000	828,862	516,516	2,670,883
Transfer to general reserve	-	-	1,000,000	-	(1,000,000)	-
Final dividend for the year ended June 30, 2004 (@ Rs. 1.5 per share)	-	-	-	-	(52,500)	(52,500)
Net effect of revaluation of available-for-sale investments to fair value	-	-	-	54,423	-	54,423
Profit after taxation for the period	-	-	-	-	838,786	838,786
Balance as at March 31, 2005	350,000	475,505	1,500,000	883,285	302,802	3,511,592
Balance as at July 1, 2005- as previously reported	350,000	475,505	1,500,000	867,885	1,164,028	4,357,418
Effect of change in accounting policy for investment in subsidiaries, associates and joint ventures (Note 3)	-	-	-	101,777	(790,614)	(688,837)
Balances as at July 1, 2005 - restated	350,000	475,505	1,500,000	969,662	373,414	3,668,581
Final dividend for the year ended June 30, 2005 (@ Rs. 2.5 per share)	-	-	-	-	(87,500)	(87,500)
Net effect of revaluation of available-for-sale investments to fair value	-	-	-	764,924	-	764,924
Profit after taxation for the period	-	-	-	-	1,861,072	1,861,072
Balance as at March 31, 2006	350,000	475,505	1,500,000	1,734,586	2,146,986	6,207,077

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED MARCH 31, 2006

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:

	March 31, 2006	June 30, 2005
	(Rupees in ‘000)	
Increase in unappropriated profit	1,301,782	790,614
Increase / (decrease) in gain on revaluation of available-for-sale investments	303,133	(101,777)
Increase in long term investments	1,574,042	688,837
Increase in current period / year profits	511,168	277,332

4. PROPERTY, PLANT AND EQUIPMENT

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

	March 31, 2006 (Un-audited) (Rupees in '000)
Additions-cost	
Motor vehicles	9,028
Office equipment	771
	9,799
Disposals-cost	
Motor vehicles	4,967

	Note	March 31, 2006 (Un-audited)	June 30, 2005 (Audited) (Restated)
		(Rupees in '000)	
5. LONG TERM INVESTMENTS			
Investment in subsidiaries-at cost	5.1	1,216,723	980,575
Investment in associates and joint ventures-at cost	5.2	477,195	222,944
Available for sale-quoted		1,573,766	1,074,866
- unquoted-cost	5.3	69,998	-
Held to maturity		3,198	2,817
		3,340,880	2,281,202

5.1 Investment in subsidiaries-at cost

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

Name of Companies	Note	Holding March 31, 2006 %	Holding June 30, 2005 %	March 31, 2006 (Un-audited)	June 30, 2005 (Audited) (Restated)
				(Rupees in '000)	
Quoted					
Jahangir Siddiqui Investment Bank Limited 53,247,277 shares (June 30, 2005: 53,247,277 shares) having market value of Rs. 4,635 million (June 30, 2005: Rs. 1,552.16 million).		62.41	62.41	156,932	156,932
Jahangir Siddiqui Capital Markets Limited 10,350,000 shares (June 30, 2005: 7,500,000 shares) having market value of Rs. 2,391 million (June 30, 2005: Rs. 378.75 million)		75.00	75.00	99,000	99,000
Unquoted					
ABAMCO Limited 26,011,086 shares (June 30, 2005: 26,011,086 shares)		52.02	52.02	165,640	165,640
JS Infocom Limited (formerly Spell Telecommunication Limited) 60,000,000 shares (June 30, 2005: 60,000,000 shares)		81.37	81.37	600,000	600,000
Less: Provision for impairment				(99,731)	(40,997)
				500,269	559,003
JS International Limited 10,000 shares (June 30, 2005: Nil)	5.1.1	100.00	-	294,882	-
				1,216,723	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.

Number of shares			March 31, 2006 (Un-audited)	June 30, 2005 (Audited) (Restated)
March 31, 2006	June 30, 2005		(Rupees in '000)	
		Associates		
		- Quoted		
3,000,000	3,000,000	Network Micro Finance Bank Limited		
		Equity held 30% (June 30, 2005: 30%)		
		Market value Rs. 25.50 million (June 30, 2005: Rs. 24 million)	30,000	30,000
		Less: Provision for impairment	(4,500)	(1,694)
			25,500	28,306
6,250,000	6,250,000	Eye Television Network Limited		
		Equity held 12.5% (June 30, 2005: 17.86%)		
		Market value Rs. 53.44 million (June 30, 2005: Rs. 77.812 million)	62,500	62,500
		Less: Provision for impairment	(9,375)	-
			53,125	62,500
37,500,000	11,007,000	BankIslami Pakistan Limited		
		Equity held 18.75% (June 30, 2005: 18.75%)		
		Opening balance	110,070	-
		Advance against subscription of shares	-	110,070
		Investment during the period	264,930	-
			375,000	110,070
		- Unquoted		
750,000	750,000	EFU Services (Private) Limited		
		Equity held 37.50% (June 30, 2005: 37.50%)	7,500	7,500
		Joint Ventures		
1,806,700	1,806,700	DCD JS Factors (Private) Limited		
		Equity held 49.99% (June 30, 2005: 49.99%)	18,067	18,067
		Less: Provision for impairment	(3,488)	(3,499)
			14,579	14,568
50	-	DCD JS Factors Inc.		
		Equity held 49.99% (June 30, 2005: Nil)	1,491	-
			477,195	222,944

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.

	Note	March 31, 2006 (Un-audited)	June 30, 2005 (Audited) (Restated)
		(Rupees in '000)	
6. SHORT TERM INVESTMENTS			
Investment carried at fair value through profit and loss account	6.1	6,929,227	1,560,117
Available for sale	6.2	1,332,932	1,146,558
		8,262,159	2,706,675
6.1 Investment carried at fair value through profit and loss account			
- Listed equity securities		6,058,995	1,463,773
- Term finance certificates		79,461	96,344
- Government securities		790,771	-
		6,929,227	1,560,117
6.2 Available for sale			
- Equity securities-Quoted		863,104	1,061,165
-Unquoted-at cost		3,480	3,480
- Open-end fund units		425,623	81,913
- Term finance certificates		40,725	-
		1,332,932	1,146,558

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.

9.2 Commitments	March 31, 2006 (Un-Audited)	June 30, 2005 (Audited)
	(Rupees in '000)	
Future purchase of listed equity securities	-	7,751
Future sale of listed equity securities	15,695	18,691
Forward purchase of government securities	-	185,100
Commitments in respect of sale under repurchase transaction against:		
- Government securities	1,034,447	652,867
- Term finance certificates	58,300	85,963
- Listed equity seurities	576,845	-
	1,669,592	738,830
Commitment in respect of purchase under resale transaction against:		
- Listed equity securities	-	941,943
- Term finance certificates	-	835,076
- Government securities	221,254	-
	221,254	1,777,019
Commitments in respect of purchase of property held for sale	-	181,244

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

	March 31, 2006	March 31, 2005
	(Un-Audited)	
	(Rupees in '000)	
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
	74,731	21,333
Bank charges	280	392
	289,485	99,283

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:

	Nine months Ended		Quarter Ended	
	March 31, 2006	March 31, 2005	March 31, 2006	March 31, 2005
	(Rupees in '000)		(Rupees in '000)	
Brokerage expense	10,239	9,965	3,224	4,417
Brokerage income earned	-	2,314	-	-
Purchase of government securities	280,373	3,528,948	90,939	189,683
Sale of government securities	1,254,617	1,084,474	231,269	88,382
Mark-up on loan to subsidiary	7,763	12,125	3,880	3,895
Rent Income	5,205	5,605	2,037	1,796
Sale of fixed assets	874	6,974	-	-
Advisory and consultancy fees	306	630	90	-
Advance / investment against shares subscription to an associate	264,930	110,012	-	98,341
Consultancy charges to Mr. Ali Jehangir Siddiqui-(director)	4,500	1,500	1,500	1,500
Donations paid to Siddiqui Foundation-(common directorship and key management personnel)	16,800	5,300	10,000	4,500

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.

	Capital Market	Fixed Income	Others	Total
Segment results for the period ended March 31, 2006	(Rupees in '000)			
Gross operating income	2,217,089	82,383	115,011	2,414,483
Segment results	2,039,963	74,250	60,887	2,175,100
Unallocated costs				29,145
Operating profit				2,145,955
Other income				13,488
Finance cost				(289,485)
Profit before taxation				1,869,958
Income tax expense				(8,886)
Net profit for the period				1,861,072
Segment results for the period ended March 31, 2005				
Gross operating income	987,158	25,106	38,112	1,050,376
Segment results	933,871	17,243	676	951,790
Unallocated costs				20,158
Operating profit				931,632
Other income				9,527
Finance cost				(99,283)
Profit before taxation				841,876
Income tax expense				(3,090)
Net profit for the period				838,786

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

CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2006

	Note	March 31, 2006 (Un-Audited)	June 30, 2005 (Audited)
		(Rupees in '000)	
ASSETS			
NON-CURRENT ASSETS			
Fixed assets			
- Property, plant and equipment	4	255,395	247,532
- Intangible assets	5	111,792	126,367
Stock exchange membership cards and room		44,302	44,302
Long term investments	6	2,489,722	2,397,494
Long term loans, advances and other receivables		95,200	157,742
Long term security deposits		4,937	4,671
		3,001,348	2,978,108
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	7	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
		19,467,221	10,977,877
		22,468,569	13,955,985
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
		1,500,000	1,500,000
Issued, subscribed and paid-up capital		350,000	350,000
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
Unappropriated profit		3,514,691	1,153,105
		7,052,410	3,520,956
Shareholders' equity		7,877,915	4,346,461
Minority Interest		1,432,345	845,058
NON-CURRENT LIABILITIES			
Redeemable capital		1,863,916	1,490,891
Long term loans		113,779	379,999
Certificates of deposits		240,603	155,440
Deferred tax liability		24,874	23,453
		2,243,172	2,049,783
CURRENT LIABILITIES			
Trade, accrued expenses and other payables	8	2,086,852	970,057
Borrowings from banks / NBFCs		1,493,372	835,000
Securities sold under repurchase agreements		2,657,160	906,669
Short-term running finances under mark-up arrangement-secured		1,656,075	1,305,100
Financial liabilities-held for trading		-	195,313
Current portion of non-current liabilities	9	3,021,678	2,502,544
		10,915,137	6,714,683
CONTINGENCY AND COMMITMENTS	10		
		22,468,569	13,955,985

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

Mazhar-ul-Haq Siddiqui	Munaf Ibrahim
Chairman	Chief Executive

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	Note	Nine Months Ended March 31, 2006	Nine Months Ended March 31, 2005	Quarter Ended March 31, 2006	Quarter Ended March 31, 2005
		(Rs. in '000s)			
INCOME					
Return on investments		492,631	318,062	320,204	215,287
Gain on sale of investments		1,565,682	1,417,092	699,244	1,052,511
Income from long-term loans and fund placements		171,039	104,931	51,622	34,137
Fee, commission and brokerage		657,924	395,404	271,601	183,507
Other income		20,416	14,050	10,421	2,752
Gain / (loss) on revaluation of investments carried at fair value-net		1,227,434	(118,518)	641,035	(147,338)
		4,135,126	2,131,021	1,994,127	1,340,856
Share of (loss) / profit from					
- associates		(5,213)	(5,435)	426	(1,907)
- joint ventures		340	(1,498)	329	1,639
		(4,873)	(6,933)	755	(268)
		4,130,253	2,124,088	1,994,882	1,340,588
EXPENDITURE					
Operating and administrative expenses		578,491	424,018	215,019	203,741
Finance cost		686,007	231,001	273,554	102,594
		1,264,498	655,019	488,573	306,335
PROFIT BEFORE TAXATION		2,865,755	1,469,069	1,506,309	1,034,253
TAXATION	11				
- Current		106,251	66,052	59,924	30,691
- Prior		-	(203)	-	(92)
- Deferred		1,420	-	-	-
		107,671	65,849	59,924	30,599
PROFIT AFTER TAXATION		2,758,084	1,403,220	1,446,385	1,003,654
Profit attributable to minority interest		(332,330)	(300,363)	(227,376)	(144,849)
PROFIT FOR THE PERIOD AFTER MINORITY INTEREST		2,425,754	1,102,857	1,219,009	858,805
Earnings per share-basic and diluted	*Rupees*	69.31	31.51	34.83	24.54

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED CASH FLOW STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	Nine Months Ended	
	March 31, 2006	March 31, 2005
	(Rupees in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit before taxation	2,865,755	1,469,069
Adjustments for:		
Depreciation	32,716	19,598
Amortisation on intangible assets	14,575	13,125
Profit on sale of fixed assets	(584)	(5,228)
Share of loss of associates and joint ventures	4,873	6,933
Gain on revaluation of investments carried at fair value	(1,227,434)	118,518
Finance Cost	686,007	231,001
	(489,847)	383,947
Operating profit before working capital changes	2,375,908	1,853,016
(Increase) / decrease in operating assets:		
Short term investments	(6,052,318)	(2,142,952)
Trade debts	(1,137,960)	(597,439)
Short term loans	263,345	95,755
Advances, deposits, prepayments and other receivables	(672,225)	(721,308)
	(7,599,158)	(3,365,944)
Increase in trade, accured expenses and other payables	1,011,665	900,014
Net cash used in operations	(4,211,585)	(612,914)
Mark-up paid	(581,095)	(193,878)
Taxes paid	(99,129)	(75,619)
Dividend paid	(87,282)	(50,598)
Changes in long term loans, advances, other receivables and security deposits	45,245	(91,342)
Net cash used in operating activities	(4,933,846)	(1,024,351)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditure incurred	(42,188)	(89,060)
Proceeds from sale of fixed assets	2,193	18,954
Fund Placements-net	1,455,411	1,615,865
Investment acquired	429,066	(1,704,931)
Net cash generated from / (used in) investing activities	1,844,482	(159,172)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from issue of TFC-net	196,243	801,900
Payment of lease obligation	-	(7,834)
Long term loans	(267,500)	302,540
Certificates of deposits issued	782,359	1,072,831
Securities sold under repurchase agreements	1,750,491	(659,689)
Short sale of government securities-held for trading	(195,313)	-
Net cash generated from financing activities	2,266,280	1,509,748
Net (decrease) / increase in cash and cash equivalents	(823,084)	326,225
Cash and cash equivalents at beginning of the period	(1,983,006)	70,453
Cash and cash equivalents at end of the period	(2,806,090)	396,678

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

Mazhar-ul-Haq Siddiqui	Munaf Ibrahim
Chairman	Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED MARCH 31, 2006
(UN-AUDITED)

	Issued, subscribed and paid up capital	Reserves					Total
		Capital	Revenue				
		Ordinary Share premium	General reserve	Unrealised gain on revaluation of available-for-sale investments-net	Unappropriated profit		
	(Rupees in '000)						
Balances as at July 1, 2004	350,000	475,505	500,000	924,078	1,199,748		3,449,331
Transfer to general reserve	-	-	1,000,000	-	(1,000,000)		-
Final dividend@ 15%	-	-	-	-	(52,500)		(52,500)
Net effect of revaluation of available-for-sale investments to fair value held as at the period end	-	-	-	(107,850)	-		(107,850)
Profit for the period after minority interest	-	-	-	-	1,102,857		1,102,857
Balance as at March 31, 2005	350,000	475,505	1,500,000	816,228	1,250,105		4,391,838
Balance as at July 1, 2005	350,000	475,505	1,500,000	867,851	1,153,105		4,346,461
Final dividend@ 25%	-	-	-	-	(87,500)		(87,500)
Reversal of unrealised gain on investments carried at fair value through profit and loss account	-	-	-	-	23,332		23,332
Net effect of revaluation of available-for-sale investments to fair value held as at the period end	-	-	-	1,169,868	-		1,169,868
Profit for the period after minority interest	-	-	-	-	2,425,754		2,425,754
Balance as at March 31, 2006	350,000	475,505	1,500,000	2,037,719	3,514,691		7,877,915

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

FOR THE NINE MONTHS ENDED MARCH 31, 2006

1. BASIS OF PREPARATAION

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:

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

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

	March 31, 2006 (Un-audited) (Rupees in '000)
Additions-cost:	
- Office premises	6,307
- Office equipment	12,663
- Furniture and fixtures	1,788
- Motor Vehicles	21,430
	42,188
Disposal-cost:	
- Office equipment	348
- Motor vehicles	6,544
	6,892

5. INTANGIBLE ASSETS

	Note	March 31, 2006 (Un-Audited)	June 30, 2005 (Audited)
		(Rupees in '000)	
Computer software-cost		5,800	5,800
Less: Amortized upto period ended		(3,383)	(1,933)
		2,417	3,867
Management rights	5.1	175,000	175,000
Less: Amortized upto period ended		(65,625)	(52,500)
		109,375	122,500
		111,792	126,367

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

	March 31, 2006 (Un-Audited)	June 30, 2005 (Audited)
	(Rupees in '000)	
Related parties		
- Investment in associates	438,385	1,133,728
- Interest in joint ventures	16,021	15,681
Other Investments		
- Available for sale	2,032,118	1,245,268
- Held to maturity	3,198	2,817
	2,489,722	2,397,494

7. SHORT TERM INVESTMENTS

Investments carried at fair value through profit and loss account	9,116,973	1,991,289
Available for sale	4,037,547	2,961,488
	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 (Un-Audited)	June 30, 2005 (Audited)
	(Rupees in '000)	
9. CURRENT MATURITY OF LONG TERM LIABILITIES		
Current maturity of:		
-Redeemable capital	125,550	302,332
-Long term loan	273,721	275,001
- Certificate of investments / deposits	2,622,407	1,925,211
	3,021,678	2,502,544

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 2,687,988 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 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.

	March 31, 2006 (Un-Audited)	June 30, 2005 (Audited)
	(Rupees in '000)	
10.2 Commitments		
Future purchase of listed equity securities	-	7,751
Future sale of listed equity securities	15,695	18,691
Forward sale commitments	-	232,476
Forward purchase of government securities	-	273,476
Commitment in respect of sale under repurchase transaction against:		
- Government securities	2,022,015	652,867
- Term finance certificates	58,300	85,963
- Listed equity securities	576,845	-
	2,657,160	738,830
Commitment in respect of purchase under resale transaction against:		
- Listed equity securities	2,484,405	1,366,894
- Term finance certificates	138,018	835,075
- Government securities	232,254	-
	2,854,677	2,201,969
Sub-underwriting agreement with Dawood Capital Management Limited	-	10,000
Underwriting commitments	150,000	148,000
Assets acquired under operating lease	-	1,060
Commitments in respect of purchase of investment property	-	181,244

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:

Particulars	Relationship	(Rupees in '000)
Bank Islami Pakistan Limited		
In the equity shares of the company	The group has an interest of 18.75%	264,930
Siddiqui Foundation		
Donations paid	Common directorship and key management personnel	26,841
DCD JS Factor (Private) Limited		
Advisory and consultancy fee	The group has an interest of 49.99%	135

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.

Mazhar-ul-Haq Siddiqui	Munaf Ibrahim
Chairman	Chief Executive

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