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COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Mazhar-ul-Haq Siddiqui
(Chairman)
Mr. Munaf Ibrahim
(Chief Executive)
Syed Nizam Ahmad Shah
Chief Justice (R) Mahboob Ahmed
Mr. Ali Jehangir Siddiqui
Mr. Ali Raza Siddiqui
Mr. Siraj Ahmed Dadabhoy
Mr. Khalid M. Bhaimia
Mr. Nauzer Aspi Dinshaw

AUDIT COMMITTEE

Syed Nizam Ahmad 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

SHARE REGISTRARS

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

REGISTERED OFFICE

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

WEB SITE

www.js.com

CHAIRMANS' REPORT

TO THE SHAREHOLDERS

On behalf of the Board of Directors, I am pleased to present to you the un-audited financial statements of Jahangir Siddiqui & Co. Ltd. (the "Company") for the quarter ended September 30, 2005.

The Economy and Stock Market Review

Pakistan's economy continued with broad-based positive trends as displayed during FY05 backed by growth in agriculture sector, manufacturing sector and services sector. Growth has also been fuelled by the consistency in higher than targeted exports, inflows of worker's remittances and growing foreign direct investment. Economic variables and the economic direction continue to be encouraging with stability on the fiscal and external front.

During the first quarter of FY06, the KSE-100 Index depicted an overall increase of 10% to close at 8226 points on September 30, 2005 as compared to 7450 points as on June 30, 2005. Economic and political stability coupled with excellent growth depicted by the corporate profitability continue to gain investors' confidence. The lack luster performance of the market finally came to an end with the substitution of Carry Over Transaction (COT) with Continuous Funding System (CFS). CFS has allowed more relaxation to investors in terms of number of scrips available, extension in the availability of the facility etc. The increase in the cap from the previous Rs.12 billion to Rs.25 billion has helped the market to steer itself out of liquidity crisis and consequently volumes have improved considerably since the introduction of the new facility.

Brief review of results

The Company has reported Profit after tax of Rs.477.97 million for the three months period as compared to Loss after tax of Rs.2.58 million for the same period last year. Overall revenues amounted to Rs.617.30 million as compared to Rs.37.09 million for the same period last year. Operating expenses for the three months period were Rs.69.09 million as compared to Rs.19.15 million for the same period last year.

Credit Rating

The Pakistan Credit Rating Agency Limited (PACRA) has maintained the long term rating of the Company of "AA+" (Double A plus) and short term rating of "A1+" (A one plus) during the FY 2005. 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.

CHAIRMANS' REPORT
TO THE SHAREHOLDERS

Future Outlook

In an increasingly competitive business environment, there is a growing need for us to maintain our drive to operational excellence, innovation and diversification.

For the next quarter of the financial year, the fundamentals of our market remain strong. We anticipate continued growth in our operating businesses.

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.

For and on behalf of the
Board of Directors

Karachi: October 29, 2004

Mazhar-ul-Haq Siddiqui
Chairman

BALANCE SHEET

AS AT SEPTEMBER 30, 2005 (UN-AUDITED)

	September 30, 2005	June 30, 2005 (Restated)
	Note	
		(Rupees in '000)
ASSETS		
Non-Current Assets		
Tangible fixed assets	20,959	23,504
Stock exchange membership cards and room	12,201	12,201
Long-term investments	2,239,272	2,154,822
Long-term loans and advances	72,395	78,997
Long-term security deposits	2,521	2,521
	2,347,348	2,272,045
Current Assets		
Current maturity of long-term loans and advances	31,816	67,022
Short-term investments	4,267,058	2,706,675
Receivable against sale of shares	72,319	185,762
Advance taxation-net	8,157	6,467
Advances, prepayments and other receivables	556,730	256,327
Fund placements	1,179,482	1,767,783
Cash and bank balances	13,965	47,094
	6,129,527	5,037,130
	8,476,875	7,309,175
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorised Capital		
150,000,000 (2005: 150,000,000) ordinary shares of Rs. 10 each	1,500,000	1,500,000
Issued, subscribed and paid up capital	350,000	350,000
Capital reserve		
Share premium reserve	475,505	475,505
Revenue reserve		
General reserve	1,500,000	1,500,000
Unrealised gain on revaluation of available-for-sale investments-net	1,030,772	969,662
Unappropriated profit	786,735	419,604
	3,317,507	2,889,266
Shareholders' equity	4,143,012	3,714,771
Non-Current Liabilities		
Redeemable capital	1,890,891	1,490,891
Current Liabilities		
Current portion of redeemable capital	600	600
Creditors, accrued expenses and other liabilities	322,325	303,968
Securities sold under repurchase agreements	735,813	734,600
Short-term running finance under mark-up arrangement-secured	1,103,058	869,032
Financial liabilities-held for trading	193,676	195,313
Proposed dividend	87,500	-
	2,442,972	2,103,513
Contingency and Commitments	5	
	8,476,875	7,309,175

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

PROFIT & LOSS ACCOUNT
FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

	July 2005 to September 30, 2005	July 2004 to September 30, 2004 (Restated)
(Rupees in '000)		
INCOME		
Return on investments	16,641	6,264
Gain on sale of investment	257,793	88,091
Income from long-term loans and fund placements	20,359	13,844
Fee, commission and brokerage	381	1,211
Other income	3,022	4,431
Gain/(loss) on revaluation of held for trading financial instruments-net	<u>319,102</u>	<u>(76,750)</u>
	617,298	37,091
EXPENDITURE		
Operating and administrative expenses	69,096	19,152
Financial charges	70,080	20,405
	<u>139,176</u>	<u>39,557</u>
Profit before taxation	478,122	(2,466)
TAXATION		
- Current	159	110
Profit after taxation	<u><u>477,963</u></u>	<u><u>(2,576)</u></u>
Basic earnings per share	<u><u>13.66</u></u>	<u><u>(0.07)</u></u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

	September 30, 2005	September 30, 2004 (Restated)
(Rupees in '000)		
Cash flows from operating activities:		
Profit before taxation	478,122	(2,466)
Adjustments for:		
Depreciation	1,307	1,355
Profit on sale of fixed assets	(339)	(3,566)
Interest income from Defence Saving Certificates	(127)	(108)
(Gain)/ loss on revaluation of held for trading investment-net	(319,102)	76,750
Financial charges	70,080	14,980
	<u>(248,181)</u>	<u>89,411</u>
Operating profit before working capital changes	229,941	86,945
(Increase)/ decrease in operating assets:		
Short term investments	(1,170,748)	(121,606)
Receivable against sale of shares	113,443	1,379
Advances, deposits, prepayments and other receivables	(414,394)	(235,423)
	<u>(1,471,699)</u>	<u>(355,650)</u>
(Decrease) in current liabilities		
Creditors, accrued expenses and other liabilities	(5,428)	(22,196)
Net cash (used in) / generated from operations	<u>(1,247,186)</u>	<u>(290,901)</u>
Mark-up paid	(46,295)	(55)
Taxes paid	(1,849)	(1,511)
Changes in long term loans and deposits	41,808	1,406
Net cash flow from operating activities	<u>(1,253,522)</u>	<u>(291,061)</u>
Cash flows from investing activities		
Capital expenditure incurred	(224)	(1,592)
Stock exchange membership cards and room acquired	-	(1,000)
Proceeds from sale of fixed assets	1,800	7,121
Fund Placements-net	588,301	552,379
Investment acquired-net of sale	(3,086)	(72,033)
Net cash flow from investing activities	<u>586,791</u>	<u>484,875</u>
Cash flows from financing activities		
Proceeds from issue of term finance certificates-net	400,000	-
Securities sold under repurchase agreements-net	1,213	(78,658)
Short sale of government securities-held for trading	(1,637)	-
Net cash generated from financing activities	<u>399,576</u>	<u>(78,658)</u>
Net (decrease) / increase in cash and cash equivalents	<u>(267,155)</u>	<u>115,156</u>
Cash and cash equivalents at the beginning of the period	<u>(821,938)</u>	<u>65,221</u>
Cash and cash equivalents at the end of the period	<u><u>(1,089,093)</u></u>	<u><u>180,377</u></u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

		Capital reserve	Revenue reserve			
	Issued, subscribed and paid up capital	Share premium reserve	General reserve	Unrealised gain on remeasurement of available for sale investments to fair value	Unappropriated profit	Total
----- (Rupees in '000) -----						
Balances as at July 1, 2004-as previously reported	350,000	475,505	1,500,000	829,817	68,612	3,223,934
Appropriations declared subsequent to the year end						
- Transfer to general reserve	-	-	(1,000,000)	-	1,000,000	-
- Proposed dividend @ 15%	-	-	-	-	52,500	52,500
Effect of change in accounting policy in subsidiaries and associated companies - net change in profit & loss a/c	-	-	-	-	(604,597)	(604,597)
Balance as at July 1, 2004-restated	350,000	475,505	500,000	829,817	516,515	2,671,837
Appropriations declared subsequent to the year end						
- Transfer to general reserve	-	-	1,000,000	-	(1,000,000)	-
- Proposed dividend @ 15%	-	-	-	-	(52,500)	(52,500)
Net effect of revaluation of available-for-sale investments to fair value held for the period ended	-	-	-	(182,432)	-	(182,432)
(Loss) for the period ended	-	-	-	-	(2,576)	(2,576)
Balance as at September 30, 2004	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>647,385</u>	<u>(538,561)</u>	<u>2,434,329</u>
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 in subsidiary and associated company						
- reversal of share of profit for the year ended	-	-	-	-	(277,332)	(277,332)
- net effect of revaluation of available-for-sale investments to fair value held as the year end	-	-	-	101,777	-	101,777
- to reversal of revaluation of held for trading for the year ended	-	-	-	-	23,332	23,332
- net change in profit & loss a/c	-	-	-	-	(490,424)	(490,424)
Balance as at June 30, 2005-restated	350,000	475,505	1,500,000	969,662	419,604	3,714,771
- to reversal of revaluation of held for trading for the year ended	-	-	-	-	(23,332)	(23,332)
Appropriations declared subsequent to the year end						
- Proposed dividend @ 25%	-	-	-	-	(87,500)	(87,500)
Net effect of revaluation of available- for-sale investments to fair value held for the period ended	-	-	-	61,110	-	61,110
Profit for the period ended	-	-	-	-	477,963	477,963
Balance as at September 30, 2005	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>1,030,772</u>	<u>786,735</u>	<u>4,143,012</u>

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

NOTES TO THE ACCOUNTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

1. 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 requirements of the International Accounting Standards - 34 "Interim Financial Reporting" as applicable in Pakistan.

2. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2005. Except for the revised accounting policy as stated in note 3 of the financial statements.

3. CHANGE IN ACCOUNTING POLICY

During the period, the company changed its accounting policy with respect to accounting treatment of investments in subsidiaries, jointly controlled entities and associates from equity accounting method to cost method in accordance with the revised international accounting standard 27 "Consolidated and Separate Financial Statements" which is effective for the annual periods beginning on or after January 01, 2005. Upto June 30, 2005, investments in subsidiaries, jointly controlled entities and associates were accounted for using the equity accounting method.

The change in accounting policy has been accounted for retrospectively and comparative information has been restated in accordance with the benchmark treatment specified in International Accounting Standard (IAS) 8 "Net Profit or Loss for the period, Fundamental Errors and Changes in Accounting Policies."

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

	September 30, 2005	June 30 2005
	(Rupees in '000)	
Increase in Unappropriated profit	<u>16,806</u>	<u>277,332</u>
Increase in Long term investments	<u>16,806</u>	<u>668,443</u>

	September 30, 2005	June 30, 2005 (Restated)
	(Rupees in '000)	
4. LONG TERM INVESTMENTS		
4.1. Investment in Subsidiaries		
Listed		
Jahangir Siddiqui Investment Bank Ltd.	156,932	156,932
Jahangir Siddiqui Capital Markets Ltd	99,000	99,000
Unlisted		
ABAMCO Ltd	165,640	165,640
JS Infocom Ltd	600,000	600,000
4.2 Investment in associates and Joint venture		
Listed		
Network Micro Finance Bank Ltd	30,000	30,000
Eye Television Network Ltd	62,500	-
Unlisted		
EFU Services (Private) Ltd	7,500	7,500
DCD-JS Factors (Pvt) Ltd	18,067	18,067
DCD-JS Factors Inc.	1,491	-
4.3 Other Investments		
Listed Equity Securities	1,042,238	1,074,866
Held to maturity	55,904	2,817
	<u>2,239,272</u>	<u>2,154,822</u>

5. CONTINGENCY AND COMMITMENTS

5.1 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 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 proceed subject to the final decision based on which the company has allotted these shares.

Based on the aforementioned legal advice, no provision has been made in these financial statements in this respect.

	September 30, 2005	June 30, 2005
	(Rupees in '000)	
5.2 Commitments		
Future purchase of listed equity securities	<u>-</u>	<u>7,751</u>
Future sale of listed equity securities	<u>-</u>	<u>18,691</u>
Forward purchase of government securities	<u>97,909</u>	<u>185,100</u>
Commitments in respect of sale under repurchase transactions against:		
- Government securities	615,987	652,867
- Term finance certificates	<u>85,950</u>	<u>85,963</u>
	<u>701,937</u>	<u>738,830</u>
Commitments in respect of purchase under resale transactions against:		
- Listed equity securities	945,482	941,943
- Government securities	<u>234,000</u>	<u>835,076</u>
	<u>1,179,482</u>	<u>1,777,019</u>
Commitments in respect of purchase of investment property	<u>129,297</u>	<u>181,244</u>

6. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over other party in making financial and operating decision. Related parties comprise of subsidiaries, associated companies, directors and key management personnel. The company in the normal course of business carries out transactions with various related parties. Amount due from and to these associated companies are shown under receivables and payables, reverse repos are shown under fund placements and the remuneration of Chairman, Chief Executive and Executives. The name and relationship with subsidiaries, associates, jointly controlled entities and others are given below:

Jahangir Siddiqui Investment Bank Limited-quoted-(a subsidiary)*

Jahangir Siddiqui Capital Markets Limited-quoted-(a subsidiary)*

JS Infocom Limited (Formerly Spell Telecommunications Limited)-unquoted-(a subsidiary)*

Network Micofinance Bank Limited-quoted-(an associate)*

EFU Services (Private) Limited-unquoted-(an associate)*

DCD-JS Factors (Private) Limited-unquoted-(a joint venture)*

Eye Television Network Limited-quoted-(an associate)*
(Formerly Eye TV Limited)

Bank Islami Pakistan Limited-unquoted-(an associate)*

DCD JS Factors Inc.-unquoted-(an associate)*

* The transaction with the above mentioned subsidiaries, associates and jointly controlled entity have not been disclosed in these financial statements in accordance with the exemption in International Accounting Standard-24 "Related Party Disclosures" as these will be disclosed in the published consolidated financial statements.

September 30, 2005	June 30 2005
(Rupees in '000)	

The transaction with other related parties are given below:

Siddiqui Foundation-(common directorship and key management personnel)

Donation paid	-	<u>24,300</u>
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Balances due to /from related parties, if any, are disclosed in respective notes to the financial statements.

The Company continues to have a policy whereby all transactions with related parties are entered into at arm's length prices using admissible valuation method.

7. GENERAL

Figures have been rounded off to nearest thousand rupee.

These financial statements were authorised for issue in the Board of Directors meeting held on

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2005 (UN-AUDITED)

ASSETS	Note	September 30, 2005	June 30, 2005
		(Rupees in '000)	
Non-Current Assets			
Fixed assets		368,303	373,899
Stock exchange membership cards and room		47,685	44,302
Long-term investments	3	2,295,655	2,249,229
Long-term loans, advances and other receivables		217,170	157,742
Long-term security deposits		4,937	4,671
		2,933,750	2,829,843
Current Assets			
Current maturity of long-term loans, advances and other receivables		41,756	19,407
Advance taxation-net		21,262	15,413
Short-term investments		7,126,223	4,952,777
Trade debts-unsecured		343,229	383,515
Short-term loans		413,639	490,315
Fund placements		4,291,721	4,646,917
Advances, deposits, prepayments and other receivables		688,887	460,704
Cash and bank balances		436,997	157,094
		13,363,714	11,126,142
		<u>16,297,464</u>	<u>13,955,985</u>
EQUITY AND LIABILITIES			
Share Capital and reserves			
Authorised Capital			
150,000,000 (2005: 150,000,000) ordinary shares of Rs. 10 each		<u>1,500,000</u>	<u>1,500,000</u>
Issued, subscribed and paid up capital		350,000	350,000
Capital reserve			
Share premium reserve		475,505	475,505
Revenue reserve			
General reserve		1,500,000	1,500,000
Unrealised gain on revaluation of available-for-sale investments-net		1,052,985	867,851
Unappropriated profit		1,537,042	1,153,105
		<u>4,090,027</u>	<u>3,520,956</u>
		4,915,532	4,346,461
Minority Interest		945,394	845,058
Non-Current Liabilities			
Redeemable capital		1,890,891	1,490,891
Long-term loans		375,235	379,999
Certificates of deposit		179,726	155,440
Deferred taxation-liability		23,449	23,453
		2,469,301	2,049,783
Current Liabilities			
Creditors, accrued expenses and other liabilities		1,172,612	970,057
Borrowings from banks/NBFCs		635,000	835,000
Securities sold under repurchase agreements		1,247,322	906,669
Short-term running finance under mark-up arrangement-secured		1,546,180	1,305,100
Financial liabilities-held for trading		193,676	195,313
Current portion of redeemable capital		302,332	302,332
Current portion of long-term loans		341,476	275,001
Current portion of certificates of deposit		2,441,139	1,925,211
Proposed dividend		87,500	-
		7,967,237	6,714,683
Contingency and Commitments	4	<u>16,297,464</u>	<u>13,955,985</u>

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

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

	July 2005 to September 30, 2005	July 2004 to September 30, 2004
	(Rupees in '000)	
INCOME		
Return on investments	61,731	25,807
Gain on sale of investment	255,035	215,320
Income from long-term loans and fund placements	97,222	51,024
Fee, commission and brokerage	180,023	107,342
Other income	7,921	5,572
Gain/(loss) on revaluation of held for trading financial instruments-net	<u>305,250</u>	<u>(205,415)</u>
	907,182	199,650
Share of (loss) from associates	<u>(29,749)</u>	<u>-</u>
	877,433	199,650
EXPENDITURE		
Operating and administrative expenses	<u>242,064</u>	<u>94,570</u>
Financial charges	<u>123,074</u>	<u>43,295</u>
	<u>365,138</u>	<u>137,865</u>
Profit before taxation	512,295	61,785
TAXATION		
- Current	<u>21,173</u>	<u>19,657</u>
- Deferred	<u>173</u>	<u>-</u>
	<u>21,346</u>	<u>19,657</u>
Profit after taxation	490,949	42,128
(Profit)/loss attributable to minority interest	(19,512)	991
	<u>471,437</u>	<u>43,119</u>
Basic earnings per share	<u>13.47</u>	<u>1.23</u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

	September 30, 2005	September 30, 2004
	(Rupees in '000)	
Cash flows from operating activities:		
Profit before taxation	512,295	61,785
Adjustments for:		
Depreciation	10,309	4,971
Amortisation of intangible assets	4,375	4,375
Profit on sale of fixed assets	340	4,039
Interest income from defence saving certificates	127	108
Share of loss of associated companies and a joint venture	29,749	-
(Gain)/loss on revaluation of held for trading investments	(305,250)	205,415
Financial charges	123,074	43,295
	(137,276)	262,203
Operating profit before working capital changes	375,019	323,988
(Increase)/ decrease in operating assets:		
Short term investment	(1,583,428)	(59,155)
Trade debtors	40,286	(123,475)
Short-term loans	76,676	(214,348)
Advances, prepayments and other receivables	(228,183)	(579,358)
	(1,694,649)	(976,336)
Increase/(decrease) in current liabilities		
Creditors, accrued expenses and other liabilities	126,626	(287,145)
Cash (used) in / generated from operations	(1,193,004)	(939,493)
Mark-up paid	(47,145)	(37,480)
Taxes paid	(27,199)	28,587
Dividend paid	-	(1,395)
Changes in long term loans	(81,777)	(189,467)
Changes in long-term deposits	(266)	-
Net cash (used in) / generated from operating activities	(1,349,391)	(1,139,248)
Cash flows from investing activities		
Capital expenditure incurred	12,128	16,427
Intangible asset acquired	(3,383)	-
Proceeds from sale of fixed assets	7,755	7,771
Fund Placements-net	355,196	910,076
Investment acquired-net	(124,423)	(23,505)
Net cash (used) in investing activities	247,273	910,769
Cash flows from financing activities		
Proceeds from issue of TFC-net	400,000	-
Long-term loans	61,711	160,057
Certificates of deposit issued	540,214	(182,497)
Securities sold under repurchase agreements	340,653	(959,439)
Short sale of government securities-held for trading	(1,637)	-
Net cash generated from financing activities	1,340,941	(981,879)
Net increase/(decrease) in cash and cash equivalents	238,823	(1,210,358)
Cash and cash equivalents at the beginning of the period	(1,983,006)	70,453
Cash and cash equivalents at the end of the period	(1,744,183)	(1,139,905)

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

		Capital reserve	Revenue reserve			
	Issued, subscribed and paid up capital	Share premium reserve	General reserve	Unrealised gain on remeasurement of available for sale investments to fair value	Unappropriated profit	Total
----- (Rupees in '000) -----						
Balances as at July 1, 2004-as previously reported	350,000	475,505	1,500,000	924,078	147,248	3,396,831
Appropriations declared subsequent to the year end						
- Transfer to general reserve	-	-	(1,000,000)	-	1,000,000	-
- Proposed dividend @ 15%	-	-	-	-	52,500	52,500
Balance as at July 1, 2004- restated	<u>350,000</u>	<u>475,505</u>	<u>500,000</u>	<u>924,078</u>	<u>1,199,748</u>	<u>3,449,331</u>
Appropriations declared subsequent to the year end						
- Transfer to general reserve	-	-	1,000,000	-	(1,000,000)	-
- Proposed dividend @ 15%	-	-	-	-	(52,500)	(52,500)
Net effect of revaluation of available-for-sale investments to fair value held for the period ended	-	-	-	(275,738)	-	(275,738)
Profit for the period ended	-	-	-	-	43,119	43,119
Balance as at September 30, 2004	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>648,340</u>	<u>190,367</u>	<u>3,164,212</u>
Balance as at July 1, 2005- as previously reported	350,000	475,505	1,500,000	867,851	1,153,105	4,346,461
Appropriations declared subsequent to the year end						
- Proposed dividend @ 25%	-	-	-	-	(87,500)	(87,500)
Net effect of revaluation of available- for-sale investments to fair value held for the period ended	-	-	-	185,134	-	185,134
Profit for the period ended	-	-	-	-	471,437	471,437
Balance as at September 30, 2005	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>1,052,985</u>	<u>1,537,042</u>	<u>4,915,532</u>

The annexed notes form an integral part of these accounts.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

CONSOLIDATED NOTES TO THE ACCOUNTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2005
(UN-AUDITED)

1. 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 requirements of the International Accounting Standards - 34 "Interim Financial Reporting" as applicable in Pakistan.

2. ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2005.

3. SUBSIDIARY COMPANIES

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

Subsidiary Companies	Nature of Business	Date of Acquisition	Group Holding
Jahangir Siddiqui Investment Bank Limited (JSIBL)	Investment Banking	September 18, 1999	62.41%
Jahangir Siddiqui Capital Markets Ltd	Share brokerage, money market transactions, advisory consultancy services and underwriting etc	May 22, 2003	75.00%
ABAMCO Limited	Investment advisor and Asset Management Company	July 31, 2000	52.02%
JS Infocom Limited (formerly Spell Telecommunications Limited)	Telecom, Media and Technology Company	April 8, 2004	81.37%

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. CONTINGENCY AND COMMITMENTS

4.1 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 of specific performance of Letter of Rights and direction to the company to allot the shares to the renounee and a permanent injunction restraining the company from allotting the renounced shares to any other .

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.

CONSOLIDATED NOTES TO THE ACCOUNTS

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 effected 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 of 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.

	September 30, 2005	June 30, 2005
	(Rupees in '000)	
4.2 Commitments		
Future purchase of listed equity securities	-	<u>7,751</u>
Future sale of listed equity securities	-	<u>18,691</u>
Forward sale commitments	-	<u>232,476</u>
Forward purchase of government securities	<u>97,909</u>	<u>273,975</u>
Commitments in respect of sale under repurchase transactions against:		
- Government securities	615,987	652,867
- Term finance certificates	85,950	85,963
	<u>701,937</u>	<u>738,830</u>
Commitments in respect of purchase under resale transactions against:		
- Listed equity securities	945,485	1,366,894
- Government securities	234,000	835,076
	<u>1,179,485</u>	<u>2,201,970</u>
Sub-underwriting commitments	-	<u>10,000</u>
Underwriting commitments	<u>148,000</u>	<u>148,000</u>
Asset acquired under operating lease	-	<u>1,060</u>
Commitments in respect of purchase of investment property	<u>129,297</u>	<u>181,244</u>

5. RELATED PARTY TRANSACTIONS

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

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

- ABAMCO Limited	subsidiary company
- JS Infocom Ltd	subsidiary company
- Jahangir Siddiqui Capital Markets Limited	subsidiary company
- Jahangir Siddiqui Investment Bank Limited	subsidiary company
-DCD-JS Factors (Private) Limited	Joint venture.
- Bank Islami Pakistan Limited	associated

	September 30, 2005	June 30, 2005
	(Rupees in '000)	
Purchase of marketable securities	11,072,227	79,205,755
Sale of marketable securities	10,923,562	78,896,631
Brokerage expense	4,896	16,523
Purchase of government securities	26,237	2,089,458
Sale of government securities	651,756	1,219,781
Mark-up on loan to subsidiary	3,883	17,595
Loan repaid by subsidiary	35,206	60,584
Rent income	1,527	6,981
Sale of fixed assets	-	7,894
Advisory and consultancy fees	45	839
Donation paid	-	24,300
Dividend paid	-	872

The Company continues to have a policy whereby all transactions with related parties are entered into at 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 of comparable transactions with unrelated parties and do not involve more than a normal risk.

6. Taxation

- 6.1 The income tax assessments of the holding company have been finalised upto and including the tax year 2004.
- 6.2 In respect of JSIBL the income tax assessments upto assessment year 2002-2003 corresponding to accounting year ended June 30, 2002 have been finalised. Income tax returns for the tax years 2003 and 2004 have been filed on self-assessment basis and are deemed to be assessed under Section 120 of the Income Tax Ordinance, 2001.
- 6.3 In respect of ABAMCO Limited, the income tax assessments have been finalised upto and including the assessment year 2001-2002 (financial year ended June 30, 2001). The income tax assessments for the tax years 2003 and tax year 2004 have been filed under the self assessment scheme and are deemed to be finalised under Section 120 of the Income Tax Ordinance, 2001.
- 6.4 In respect of JSCML the Income tax assessment have been finalised upto and including tax year 2004 under Section 120 of the Income Tax Ordinance, 2001.

7. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on October 29, 2005.

8. GENERAL

Figures have been rounded off to nearest thousand rupee.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

