

Quarterly Report
September 30, 2006
(Un-audited)



Jahangir Siddiqui & Co. Ltd.

Jahangir Siddiqui & Co. Ltd.

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Jahangir Siddiqui & Co. Ltd.

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 Ahmed Dadabhoy
Mr. Adil Matcheswalla
Mr. Nauzer A. Dinshaw

AUDIT COMMITTEE

Mr. Syed Nizam Ahmed Shah
(Chairman)
Mr. Ali Jehangir Siddiqui
(Member)
Mr. Ali Raza Siddiqui
(Member)

COMPANY SECRETARY

Mr. Wajahat Kazmi

AUDITORS

Ford Rhodes Sidat Hyder & Co.
Chartered Accountants

LEGAL ADVISORS

Bawaney & Partners

SHARE REGISTRAR

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

REGISTERED OFFICE

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

WEB SITE

www.js.com

Jahangir Siddiqui & Co. Ltd.

CHAIRMAN'S STATEMENT

TO THE MEMBERS

On behalf of the Board of Directors, I am presenting the un-audited Financial Statements of Jahangir Siddiqui & Co. Ltd. (the "Company") along with consolidated Financial Statements of Jahangir Siddiqui & Co. Ltd. (the "Holding Company") and its subsidiaries for the first quarter ended September 30, 2006.

The Economy and Stock Market Review

Economic Review

At the close of first quarter of the FY07 the rising trend of trade deficit continued and stood at USD 3.1 billion i.e. 57.0% more than the corresponding period of last year, however, Central Board of Revenue (CBR) tax collection numbers has portrayed an encouraging trend as it collected PKR 187.4 billion during first quarter of FY07 which is 5.1% more than the targeted amount and 23.0% higher than the corresponding period of last year. Beside this inflation has also been increased in the first quarter and Consumer price index (CPI) closed at 8.7% on September 30, 2006 with quarter average turnout of 8.4%. The major contributory to this rise was the increase in prices of food item which has 40.0% weight in overall CPI basket. The government has set a target of 7.0% GDP growth for FY07, whereas fiscal deficit is targeted at 4.2% of GDP. Inflation (CPI) target is set at 6.5% for FY07.

Pakistan equity market ended first quarter of FY07 on a positive note. Benchmark KSE-100 Index gained 523 points or 5.0% in first quarter of FY07 to close at 10,512 points. The overall market capitalization at the quarter end was PKR 2.9 trillion (USD 48.0 billion).

Banking sector remained in the limelight throughout the quarter mainly on hopes of foreign acquisition of local banks. The market capitalization of the banking sector grew by 17.0% during Jul-Sep 2006 period.

During first quarter of FY07, average daily volume of both ready and futures market recorded on the lower side at 175 million shares (PKR 21.0 billion or USD 343.0 million) and 44 million shares (PKR 6.4 billion or USD 105.0 million), respectively as compared to 242 million shares (PKR 23.0 billion or USD 389.0 million) in ready market and 81 million shares (PKR 11.0 billion or USD 176.0 million) in futures market.

Brief review of results

The Company has reported a Loss after tax of PKR 156.0 million for the three months period as compared to profit after tax of PKR 477.9 million for the same period last

Jahangir Siddiqui & Co. Ltd.

CHAIRMAN'S STATEMENT

TO THE MEMBERS

year. Overall revenues for the three months period were PKR 59.9 million as compared to PKR 617.2 million for the same period last year. Operating expenses for the three months period were PKR 57.2 million as compared to PKR 69.1 million for the same period last year.

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

As a result of reduced activity in the financial markets the Company did not have significant capital gains during the first quarter. The fundamentals of our business remained strong and we expect that the steps taken for diversification and efficiency should improve earning capabilities of the company in the foreseeable future.

In a highly competitive business environment we aim to consolidate and improve our corporate identity and will endeavor to outperform the competition.

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 28, 2006

Mazhar-ul-Haq Siddiqui
Chairman

Jahangir Siddiqui & Co. Ltd.

BALANCE SHEET

AS AT SEPTEMBER 30, 2006

	Note	September 30, 2006 (Un-audited)	June 30, 2006 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Non-Current Assets			
Property and equipment	4	34,998	22,664
Investment properties		4,811	4,972
Stock exchange membership cards and room		12,201	12,201
Long term investments	5	5,370,584	5,325,048
Long term loans, advances and other receivables		2,550	2,550
Long term security deposits		2,521	2,521
		5,427,665	5,369,956
Current Assets			
Loans and advances		114,861	118,178
Short term investments	6	5,897,699	5,683,207
Prepayments, accrued mark-up and other receivables		60,911	39,715
Fund placements		35,001	242,048
Taxation - net		10,745	8,263
Cash and bank balances		15,541	47,535
		6,134,758	6,138,946
		<u>11,562,423</u>	<u>11,508,902</u>
EQUITY AND LIABILITIES			
Share Capital & Reserves			
Share capital		350,000	350,000
Reserves		4,744,894	5,031,702
Shareholders' equity		5,094,894	5,381,702
Non-Current Liabilities			
Long term financing		1,741,059	1,740,628
Current Liabilities			
Trade and other payables		895,030	211,566
Accrued interest/mark-up on borrowings		145,600	41,905
Short term borrowings	7	3,348,040	3,882,801
Current portion of long term financing		250,300	250,300
Proposed dividend		87,500	-
		4,726,470	4,386,572
CONTINGENCY AND COMMITMENTS	8	<u>11,562,423</u>	<u>11,508,902</u>

The annexed notes 1 to 15 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

PROFIT & LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

	Note	July 1 to September 30, 2006	July 1 to September 30, 2005
----- (Rs. in '000) -----			
INCOME			
Return on investments		65,647	16,641
Gain on sale of investments		18,644	257,793
Income from long term loans and fund placements		5,026	20,359
Fee and commission		15,248	381
Other income		3,392	3,022
(Loss) / gain on revaluation of investments carried at fair value through profit and loss account - net		(48,036)	319,102
		<u>59,921</u>	<u>617,298</u>
EXPENDITURE			
Operating and administrative expenses		57,270	69,096
Finance cost	9	150,242	70,080
Provision for impairment against investments in subsidiaries, associates and joint ventures		8,224	-
		<u>215,736</u>	<u>139,176</u>
(LOSS) / PROFIT BEFORE TAXATION		<u>(155,815)</u>	<u>478,122</u>
TAXATION	10		
- Current		211	159
- Prior		-	-
		<u>211</u>	<u>159</u>
(LOSS) / PROFIT AFTER TAXATION		<u>(156,026)</u>	<u>477,963</u>
(Loss)/earnings per share-basic and diluted	(Rupees)	<u>(4.46)</u>	<u>13.66</u>

The annexed notes 1 to 15 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

	July 1 to September 30, 2006	July 1 to September 30, 2005
	(Rs. in '000)	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(155,815)	478,122
Adjustments for:		
Depreciation	1,808	1,307
Profit on sale of property and equipment	(800)	(339)
Interest income from defence savings certificates	(150)	(127)
Loss / (gain) on revaluation of investments carried at fair value through profit and loss account-net	48,036	(319,102)
Provision for impairment against investments in subsidiaries, associates and joint venture	8,224	-
Finance cost	150,242	70,080
	<u>207,360</u>	<u>(248,181)</u>
Operating profit before working capital changes	51,545	229,941
(Increase)/ decrease in operating assets:		
Loans and advances	3,317	(424,070)
Short term investments	(357,514)	(1,170,748)
Trade debts	-	113,443
Prepayments, accrued mark-up and other receivables	(21,196)	9,676
Fund placements - net	207,047	588,301
Long term loans, advances and other receivables	-	41,808
	<u>(168,346)</u>	<u>(841,590)</u>
Increase / (decrease) in trade and other payables	683,464	(5,428)
Net cash generated from/ (used in) operations	<u>566,663</u>	<u>(617,077)</u>
Mark-up paid	(46,017)	(46,295)
Taxes paid	(2,693)	(1,849)
Net cash generated from/ (used in) operating activities	<u>517,953</u>	<u>(665,221)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(13,981)	(224)
Proceeds from sale of property and equipment	800	1,800
Investments acquired	(1,906)	(3,086)
Net cash used in investing activities	<u>(15,087)</u>	<u>(1,510)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Redemption) / proceeds from issue of TFC	(100)	400,000
Securities sold under repurchase agreements - net	(869,428)	1,213
Short sale of government securities-held for trading	-	(1,637)
Net cash (used in)/generated from financing activities	<u>(869,528)</u>	<u>399,576</u>
Net decrease in cash and cash equivalents	<u>(366,662)</u>	<u>(267,155)</u>
Cash and cash equivalents at beginning of the period	<u>(2,935,170)</u>	<u>(821,938)</u>
Cash and cash equivalents at end of the period	<u>(3,301,832)</u>	<u>(1,089,093)</u>

The annexed notes 1 to 15 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

	Issued, subscribed and paid-up capital	Reserves				Total
		Capital	Revenue			
	Ordinary Share premium	General	Unrealised gain on revaluation of available-for-sale investments-net	Unappro- priated profit		
----- (Rupees in '000) -----						
Balances as at July 1, 2005 - as previously reported	350,000	475,505	1,500,000	969,662	396,272	3,691,439
Revaluation of available for sale investments to fair value charged to profit and loss account in the year 2002 now reversed	-	-	-	9,103	(9,103)	-
Balance as at July 1, 2005 - restated	350,000	475,505	1,500,000	978,765	387,169	3,691,439
Appropriations declared for the year ended June 30, 2005:						
- Proposed dividend @ Rs. 2.5 per share	-	-	-	-	(87,500)	(87,500)
Net effect of revaluation of available for sale investments to fair value	-	-	-	57,985	-	57,985
Profit after taxation for the period	-	-	-	-	477,963	477,963
Balance as at September 30, 2005 - restated	350,000	475,505	1,500,000	1,036,750	777,632	4,139,887
Balance as at July 1, 2006	350,000	475,505	1,500,000	1,712,886	1,343,311	5,381,702
Appropriations declared for the year ended June 30, 2006						
- Transfer to general reserve	-	-	1,000,000	-	(1,000,000)	-
- Proposed dividend@ Rs. 2.5 per share	-	-	-	-	(87,500)	(87,500)
Net effect of revaluation of available for sale investments to fair value	-	-	-	(43,282)	-	(43,282)
Loss after taxation for the period	-	-	-	-	(156,026)	(156,026)
Balance as at September 30, 2006	350,000	475,505	2,500,000	1,669,604	99,785	5,094,894

The annexed notes 1 to 15 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

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 and consultancy services, underwriting etc.

2. BASIS OF PREPARATION

These financial statement 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 financial statements are the same as those of the published annual financial statements for the year ended June 30, 2006.

4. PROPERTY AND EQUIPMENT

The details of additions and disposals during the quarter ended September 30, 2006 are as follows:

	(Un-audited) September 30, 2006 (Rupees in '000)
Additions-cost:	
Motor vehicles	226
Office equipment	1,368
Office furniture	12,387
	<u>13,981</u>
Disposals-cost	
Motor vehicles	<u>1,475</u>

Jahangir Siddiqui & Co. Ltd.

		September 30, 2006 (Un-audited) (Rupees in '000)	June 30, 2006 (Audited)
5. LONG TERM INVESTMENTS			
Related parties:			
Investment in subsidiaries	5.1	1,181,348	1,191,634
Investment in associates and joint ventures	5.2	1,663,397	1,659,429
Other related parties	5.3	458,750	512,500
		3,303,495	3,363,563
Other investments		2,067,089	1,961,485
		<u>5,370,584</u>	<u>5,325,048</u>

5.1 Investment in subsidiaries - at cost These shares are of Rs. 10 each unless stated otherwise.

	Holding		(Un-audited) (Audited)	
	September 30, 2006 %	June 30, 2006 %	September 30, 2006 (Rupees in '000)	June 30, 2006
Name of Companies				
Quoted				
Jahangir Siddiqui Investment Bank Limited 53,247,277 shares (June 30, 2006: 53,247,277 shares) having market value of Rs. 3,354.58 million (June 30, 2006: Rs. 3,085.68 million).	62.41	62.41	156,932	156,932
Jahangir Siddiqui Capital Markets Limited 10,349,996 shares (June 30, 2006: 10,349,996 shares) having market value of Rs. 2,074.14 million (June 30, 2006: Rs. 2,222.25 million)	75.00	75.00	99,000	99,000
Unquoted*				
JS ABAMCO Limited (formerly ABAMCO Limited) 26,011,806 shares (June 30, 2006: 26,011,806 shares) having net asset value of Rs. 620.121 million (June 30, 2006: Rs. 621.742 million)	52.02	52.02	165,640	165,640
JS Infocom Limited 60,000,000 shares (June 30, 2006: 60,000,000 shares) having net assets value of Rs. 429.00 million (June 30 2006: Rs. 416.167 million)	81.37	81.37	600,000 (135,106)	600,000 (124,820)
Less: Provision for impairment			464,894	475,180
JS International Limited 10,000 shares (March 31, 2006: 10,000 shares) of US \$ 1 each having net assets value of Rs. 294.411 million (March 31, 2006: Rs. 292.293 million) based on un-audited financial statements for the period ended June 30, 2006	100.00	100.00	294,882	294,882
			<u>1,181,348</u>	<u>1,191,634</u>

*Net assets values are based on un-audited financial statements for the quarter ended September 30, 2006 unless stated otherwise.

Jahangir Siddiqui & Co. Ltd.

5.2 Investment in associates and joint ventures-at cost

These are fully paid ordinary shares are of Rs. 10 each unless stated otherwise.

Number of shares			Holding		(Un-audited) (Audited)	
September 30, 2006	June 30, 2006		September 30, 2006 %	June 30, 2006 %	September 30, 2006 (Rupees in '000)	June 30, 2006
		Associates - Quoted				
3,000,000	3,000,000	Network Microfinance Bank Limited Market value Rs. 24.90 million (June 30, 2006: Rs. 22.80 million) Less: Provision for impairment	30.00	30.00	30,000 (5,100) 24,900	30,000 (7,200) 22,800
64,264,827	64,264,827	Azgard Nine Limited Market value Rs. 1,478.09 million (June 30, 2006: Rs. 1,417.04 million)	20.55	20.55		1,479,208 1,479,208
11,238,812	11,063,812	BSJS Balanced Fund Limited Market value Rs. 126.43 million (June 30, 2006: Rs. 134.43 million) Opening balance Investment during the period	9.48	9.33	133,660 1,906 135,566	133,660 - 133,660
		- Unquoted*				
750,000	750,000	EFU Services (Private) Limited Net assets value of Rs. 7.532 million (June 30, 2006: Rs. 7.532 million)	37.50	37.50		7,500 7,500
		Joint Ventures-Unquoted*				
1,806,691	1,806,691	DCD JS Factors (Private) Limited Net assets value of Rs. 14.732 million (June 30, 2006: 14.770 million) Less: Provision for impairment	49.99	49.99	18,067 (3,335) 14,732	18,067 (3,297) 14,770
50	50	DCD JS Factors Inc. ** Net assets value of Rs. 1.404 million (June 30, 2006: 1.252 million)	49.50	49.50		1,491 1,491
					1,663,397	1,659,429

*Net assets values are based on un-audited financial statements for the quarter ended September 30, 2006 unless stated otherwise.

** 50 shares of US\$ 1.00 each

5.3 Investment in other related parties-Available for sale-at fair value

These are fully paid ordinary shares of Rs. 10 each unless stated otherwise.

Number of shares			Holding		(Un-audited) (Audited)	
September 30, 2006	June 30, 2006		September 30, 2006 %	June 30, 2006 %	September 30, 2006 (Rupees in '000)	June 30, 2006
6,250,000	6,250,000	Eye Television Network Limited	12.50	12.50	40,625	43,750
37,500,000	37,500,000	BankIslami Pakistan Limited	18.75	18.75	418,125	468,750
					458,750	512,500

Jahangir Siddiqui & Co. Ltd.

		September 30, 2006 (Un-audited) (Rupees in '000)	June 30, 2006 (Audited)
6. SHORT TERM INVESTMENTS			
Investment carried at fair value through profit and loss account	6.1	4,894,640	4,926,825
Available for sale	6.2	1,003,059	756,382
		<u>5,897,699</u>	<u>5,683,207</u>
6.1 Investment carried at fair value through profit and loss account			
- Listed equity securities		3,781,145	2,627,252
- Term finance certificates		32,900	54,551
- Government securities		-	635,228
- Open-end fund units		1,080,595	1,609,794
		<u>4,894,640</u>	<u>4,926,825</u>
6.2 Available for sale			
- Equity securities-Quoted		568,232	622,310
- Open-end fund units		94,102	93,347
- Term finance certificates		340,725	40,725
		<u>1,003,059</u>	<u>756,382</u>
7. SHORT TERM BORROWINGS			
Securities sold under repurchase agreements		30,667	900,096
Short term running finance under mark-up arrangement	7.1	3,317,373	2,982,705
		<u>3,348,040</u>	<u>3,882,801</u>
7.1 Represents total facilities of running finance aggregating to Rs. 4,450 million from commercial banks for one year and are renewable. The rate of mark-up ranges between three months KIBOR plus 2.00 percent to 2.25 percent per annum and six months KIBOR plus 2.25 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. 1,133 million.			

8. CONTINGENCY AND COMMITMENTS

8.1 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 to proceed subject to the final decision based on which the Company has allotted these shares.

Jahangir Siddiqui & Co. Ltd.

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.

	September 30, 2006 (Un-audited)	June 30, 2006 (Audited)
	(Rupees in '000)	

8.2 Commitments

- Commitments in respect of expenditure	-	17,813
- Commitments in respect of purchase of computer equipment	-	2,509

	September 30, 2006 (Un-audited)	September 30, 2005 (Audited)
	(Rupees in '000)	
9. FINANCE COST		
Mark-up on:		
Short-term running finance	73,785	12,797
Long term financing	68,323	29,760
Repurchase transaction of:		
- Government securities	6,656	26,073
- Term finance certificates	928	1,424
	7,584	27,497
Amortization of transaction costs	530	-
Bank charges	20	26
	150,242	70,080

10. TAXATION

The income tax assessments of the Company upto assessment year 2002-2003 corresponding to accounting year ended June 30 2002 have been finalised. Income tax returns for the tax years 2003, 2004 and 2005 have filed on self-assessment basis and are deemed to be assessed under section 120 of the Income Tax Ordinance, 2001. Further the Company has assessed and un-assessed carry forward tax losses aggregating to Rs. 725.54 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.

11. 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 quarter ended September 30, 2006 are as follows:

	Quarter Ended	
	September 30, 2006	September 30, 2005
	(Rupees in '000)	
Purchase of marketable securities	269,125	7,884,243
Sale of marketable securities	48,014	7,817,052
Brokerage expense	358	4,896
Purchase of government securities	43,325	71,571
Sale of government securities	101,420	606,422
Mark-up on loan to subsidiary	-	3,883
Rental Income	1,549	1,527
Advisory and consultancy income	18,460	45
Loan repaid by subsidiary	-	35,206
Investment/advance against TFC/ shares subscription	314,406	294,000
Advisory fee to Mr. Ali Jahangir Siddiqui-(director)	71,500	1,500

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

Jahangir Siddiqui & Co. Ltd.

12. SEGMENT INFORMATION

For management purposes, the company is organised into following business segments:

Capital market operations	Principally engaged in trading of equity securities and maintaining strategic and trading portfolios
Fixed Income operations	Principally engaged in fixed income trading and management of the Company's funding operations by use government securities and placements.
Others	Other operations of the company comprise underwriting and consultancy services.

	Capital Market Operations		Fixed Income Operation	Others	Total
	Strategic Portfolio	Trading Portfolio			
Segment results for the period ended September 30, 2006	(Rupees in '000)				
Gross operating revenue	9,279	17,071	13,050	15,248	54,648
Unallocated revenue	-	-	-	-	5,273
	<u>9,279</u>	<u>17,071</u>	<u>13,050</u>	<u>15,248</u>	<u>59,921</u>
Segment results	(84,999)	(63,574)	(5,997)	13,910	(135,387)
Unallocated expenditure					(20,428)
Loss before taxation					(155,815)
Taxation					(211)
Net loss for the period					<u>(156,026)</u>
Segment results for the period ended September 30, 2005					
Gross operating revenue	4,493	584,136	25,134	381	614,144
Unallocated revenue	-	-	-	-	3,154
	<u>4,493</u>	<u>584,136</u>	<u>25,134</u>	<u>381</u>	<u>617,298</u>
Segment results	(81,118)	563,076	(5,515)	381	479,978
Unallocated expenditure					(1,856)
Profit before taxation					478,122
Taxation					(159)
Net profit for the period					<u>477,963</u>

13. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

Jahangir Siddiqui Capital Markets Limited (JSCML), a subsidiary company, negotiated with Global Investment House K.S.C.C., Kuwait ("Global"), a company incorporated under the laws of Kuwait, for equity participation in JSCML to the extent of upto 10,350,000 Ordinary Shares of JSCML ("the Subscription Shares") at a subscription price of Rs. 217/- per share constituting 43.47% of the then issued shares of JSCML.

Subscription and shareholders' Agreement (the Agreement) was approved by the JSCML's Board of Directors at the Board meeting held on June 05, 2006 and was signed by the Chief Executive Officer, pursuant to the Board Resolution. In addition, an Addendum to the Agreement was also inked on June 22, 2006.

Pursuant to the Agreement and the Addendum thereto, Global made an Advance Payment of Rs. 300.499 Million to JSCML by remittance through normal banking channels for issuance of 10,009,700 number of subscription shares at a subscription price of Rs. 217 per share of JSCML without offering right shares on the basis of a special resolution passed on July 11, 2006 and final approval of the Securities & Exchange Commission of Pakistan (SECP) obtained on September 27, 2006.

Jahangir Siddiqui & Co. Ltd.

JSCML served the subscription notice to Global following the obtention of final approval from SECP and issued and credited 10,009,700 number of subscription shares to CDC account of Global subsequent to the balance sheet date on October 4, 2006 against the receipt of balance payment. As a result, the status of JSCML is now changed from subsidiary company to an associate company of Jahangir Siddiqui & Company Limited.

14. DATE OF AUTHORISATION

These financial statements were authorised for issue in the Board of Directors meeting held on October 28, 2006.

15. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

Consolidated Financial Statements

Jahangir Siddiqui & Co. Ltd.

CONSOLIDATED BALANCE SHEET

AS AT SEPTEMBER 30, 2006

	Note	September 30, 2006 (Un-audited)	June 30, 2006 (Audited)
----- (Rupees in '000) -----			
ASSETS			
Non-Current Assets			
Property and equipment	4	253,844	252,378
Intangible assets	5	114,158	118,970
Investment properties		4,811	4,972
Stock exchange membership cards and room		44,302	44,302
Long term investments	6	4,761,291	4,788,026
Long term loans, advances and other receivables		82,269	52,439
Long term deposits		4,937	5,904
		5,265,612	5,266,991
Current Assets			
Short term investments	7	11,707,019	8,607,839
Trade debts - unsecured		1,627,768	1,083,095
Loans and advances		220,051	355,667
Deposits, prepayments, accrued mark-up and other receivables		151,113	336,043
Fund placements		873,569	3,273,856
Taxation - net		12,800	6,824
Cash and bank balances		566,228	1,730,158
		15,158,548	15,393,482
		<u>20,424,160</u>	<u>20,660,473</u>
EQUITY AND LIABILITIES			
Share Capital & Reserves			
Share capital		350,000	350,000
Reserves		6,072,546	6,332,562
Equity attributable to equity holders' of the parent		6,422,546	6,682,562
Minority interest		1,244,626	1,238,590
Total equity		7,667,172	7,921,152
Non-Current Liabilities			
Long term financing		1,791,059	1,840,628
Certificates of deposits		240,418	240,603
Deferred tax - liability		27,391	27,375
		2,058,868	2,108,606
Current Liabilities			
Trade and other payables	8	3,312,908	1,959,066
Accrued interest/mark-up on borrowings		223,932	101,680
Short term borrowings		4,357,746	5,712,179
Current portion of non-current liabilities	9	2,716,034	2,857,790
Proposed dividend		87,500	-
		10,698,120	10,630,715
CONTINGENCY AND COMMITMENTS	10	<u>20,424,160</u>	<u>20,660,473</u>

The annexed notes 1 to 13 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

CONSOLIDATED PROFIT & LOSS ACCOUNT

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

	July 1 to September 30, 2006	July 1 to September 30, 2005
INCOME	----- (Rs. in '000) -----	
Return on investments	181,986	61,731
Gain on sale of investments	27,072	255,035
Income from long-term loans and fund placements	6,691	97,222
Fee, commission and brokerage	220,894	180,023
Other income	27,052	7,921
(Loss) / gain on revaluation of investments carried at fair value through profit and loss account - net	(34,288)	305,250
	<u>429,407</u>	<u>907,182</u>
Share of profit / (loss) from:		
- associates	5,453	(29,749)
- joint ventures	309	-
	<u>5,762</u>	<u>(29,749)</u>
	435,169	877,433
EXPENDITURE		
Operating and administrative expenses	233,642	242,064
Finance cost	264,864	123,074
	<u>498,506</u>	<u>365,138</u>
(LOSS) / PROFIT BEFORE TAXATION	(63,337)	512,295
TAXATION		
- Current	32,801	21,173
- Deferred	17	173
	<u>32,818</u>	<u>21,346</u>
(LOSS) / PROFIT AFTER TAXATION	(96,155)	490,949
Profit attributable to minority interest	(27,764)	(19,512)
(LOSS) / PROFIT FOR THE PERIOD AFTER MINORITY INTEREST	<u>(123,919)</u>	<u>471,437</u>
(Loss) / earnings per share - basic and diluted	Rupees <u>(3.54)</u>	<u>13.47</u>

The annexed notes 1 to 13 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

	July 1 September 30, 2006	July 1 September 30, 2006
	----- (Rs. in '000) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) / profit before taxation	(63,337)	512,295
Adjustments for:		
Depreciation	11,729	10,309
Amortisation on intangible assets	5,474	4,375
Profit on sale of property and equipment	(1,687)	(340)
Interest income from defence savings certificates	(150)	(127)
Share of (profit)/loss in associates and joint ventures	(5,762)	29,749
Loss/ (gain) on revaluation of investments carried at fair value through profit and loss account - net	34,288	(305,250)
Finance cost	264,864	123,074
	<u>308,756</u>	<u>(138,210)</u>
Operating profit before working capital changes	245,419	374,085
(Increase)/ decrease in operating assets:		
Short term investments	(3,255,497)	(1,583,428)
Trade debts	(544,673)	40,286
Loans and advances	135,616	101,866
Long term loans, advances and other receivables	(29,830)	(81,777)
Long term deposits	967	(266)
Fund placements	2,400,287	355,196
Deposits, prepayments, accrued mark-up and other receivables	184,930	(228,183)
	<u>(1,108,200)</u>	<u>(1,396,306)</u>
Increase in trade and other payables	1,353,842	126,626
Net cash generated from/(used in) operations	491,061	(895,595)
Mark-up paid	(142,081)	(47,145)
Taxes paid	(38,777)	(27,199)
Net cash generated from/ (used in) operating activities	310,203	(969,939)
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure incurred	(19,846)	(12,128)
Intangible assets acquired	(663)	(3,383)
Proceeds from sale of property and equipment	8,500	7,755
Investment acquired - net of sale	84,351	(124,423)
Net cash generated from /(used in) investing activities	72,342	(132,179)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Redemptions)/proceeds from issue of TFCs - net	(100)	400,000
Long term loans	(133,784)	61,711
Proceeds from issue of commercial papers - net	713	-
Certificate of deposits issued	(58,157)	540,214
Securities sold under repurchase agreements	(1,042,984)	340,653
Short sale of government securities-held for trading	-	(1,637)
Net cash generated from financing activities	<u>(1,234,312)</u>	<u>1,340,941</u>
Net (decrease)/increase in cash and cash equivalents	(851,767)	238,823
Cash and cash equivalents at beginning of the period	<u>(2,364,492)</u>	<u>(1,983,006)</u>
Cash and cash equivalents at end of the period	<u><u>(3,216,259)</u></u>	<u><u>(1,744,183)</u></u>

The annexed notes 1 to 13 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE QUARTER ENDED SEPTEMBER 30, 2006
(UN-AUDITED)

Reserves

----- (Rupees in '000) -----

Balances as at July 1, 2005 - as previously reported	350,000	475,505	1,500,000	-	876,954	1,169,798	845,058	5,217,315
Revaluation of available for sale investments to fair value charged to profit and loss account in the year 2002 now reversed	-	-	-	-	9,103	(9,103)	-	-
Balance as at July 1, 2005 - restated	350,000	475,505	1,500,000	-	886,057	1,160,695	845,058	5,217,315
Appropriations declared subsequent to the year ended June 30, 2005:								
- Proposed dividend @ 25%	-	-	-	-	-	(87,500)	-	(87,500)
Net effect of revaluation of available for sale investments to fair value held as at period end	-	-	-	-	176,031	-	80,824	256,855
Profit for the period	-	-	-	-	-	471,437	19,512	490,949
Balance as at September 30, 2005 - restated	<u>350,000</u>	<u>475,505</u>	<u>1,500,000</u>	<u>-</u>	<u>1,062,088</u>	<u>1,544,632</u>	<u>945,394</u>	<u>5,877,619</u>
Balance as at July 1, 2006	350,000	475,505	1,500,000	(212)	1,580,119	2,777,150	1,238,590	7,921,152
Appropriations declared subsequent to the year ended June 30, 2006:								
- Transfer to general reserve	-	-	1,000,000	-	-	(1,000,000)	-	-
- Proposed dividend @ 25%	-	-	-	-	-	(87,500)	-	(87,500)
Net effect of translation of net assets of foreign subsidiaries to reporting currency	-	-	-	21	-	-	-	21
Net effect of revaluation of available for sale investments to fair value held as at the period end	-	-	-	-	(48,618)	-	(21,728)	(70,346)
Loss for the period	-	-	-	-	-	(123,919)	27,764	(96,155)
Balance as at September 30, 2006	<u>350,000</u>	<u>475,505</u>	<u>2,500,000</u>	<u>(191)</u>	<u>1,531,501</u>	<u>1,565,731</u>	<u>1,244,626</u>	<u>7,667,172</u>

The annexed notes 1 to 13 form an integral part of these financial statements.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 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 methods of computation followed in the preparation of these three months financial statements are the same as those of the published annual financial statements for the year ended June 30, 2006.

3. SUBSIDIARY COMPANIES

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

Subsidiary Companies	Note	Nature of Business	Date of Acquisition	Group Holding
Jahangir Siddiqui Investment Bank Limited (JSIBL)	3.1	Investment Banking	18-09-1999	62.41%
JS ABAMCO Limited (formerly ABAMCO Limited)		Investment advisor and Asset Management Company	31-07-2000	52.02%
Jahangir Siddiqui Capital Markets Limited (JSCML)	11	Brokerage House	22-05-2003	75.00%
JS Infocom Limited		Telecom, Media and Technology	25-08-2003	90.50%
JS International Limited - Cayman Islands, B.W.I.		Investment Advisory Services	14-07-2005	100.00%
JS International LLP* - United Kingdom		Investment Advisory Services	11-04-2006	100.00%

* A wholly owned subsidiary of JS International Limited - Cayman Islands, B.W.I.

The consolidated financial statements include the accounts of the Holding Company and its subsidiaries companies (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 unrealized profits / losses have been eliminated.

- 3.1 JSIBL and the holding company, entered into a Framework Agreement with American Express Bank Limited, New York (AEBL) on November 10, 2005 for the acquisition of its Pakistan Operations. Accordingly, a new banking company, JS Bank Limited, was incorporated on March 15, 2006. A restricted Banking License was issued to JS Bank Limited by the State Bank of Pakistan (SBP) on March 23, 2006. A transfer Agreement was executed on June 24, 2006 between the JSIBL and JS Bank Limited for the transfer of the entire business and undertaking of the JSIBL to JS Bank Limited and a separate Transfer Agreement has also been executed on June 24, 2006 between AEBL and JS Bank Limited for transfer of AEBL's commercial banking business in Pakistan with all assets and liabilities (other than certain excluded assets and liabilities) (AEBL Business).

The JSIBL and AEBL - Pakistan Branches (hereinafter called amalgamating entities) will be merged and amalgamated with and into JS Bank Limited pursuant to separate Schemes of Amalgamation under section 48 of the Banking Companies Ordinance, 1962 after completion of all legal formalities and subject to the approval of State Bank of Pakistan and the Securities and Exchange Commission of Pakistan. The said Schemes of Amalgamation has already been approved by the shareholders of JSIBL and the shareholders of JS Bank Limited in the extra ordinary general meeting held on July 31, 2006.

Jahangir Siddiqui & Co. Ltd.

These financial statements have been prepared on a going concern basis. As all the assets and liabilities of JSIBL will be transferred to the JS Bank Limited under a Schemes of Amalgamation as stated above, after the sanction by the state Bank of Pakistan.

		September 30, 2006 (Un-audited) (Rupees in '000)
4.	PROPERTY AND EQUIPMENT	
	Additions-cost:	
	- Office equipment	3,381
	- Furniture and fixtures	12,475
	- Motor vehicles	3,990
		<u>19,846</u>
	Disposals-cost:	
	- Motor vehicles	4,209
		<u>4,209</u>
		<u>19,846</u>
	Note	September 30, 2006 (Un-audited) June 30, 2006 (Audited)
		(Rupees in '000)
5.	INTANGIBLE ASSETS	
	Computer software-cost	18,376
	Addition during the period / year	663
		<u>19,039</u>
	Less: Amortized upto period ended	(5,506)
		<u>13,533</u>
	Management rights of ICP Mutual funds	175,000
	Less: Amortized upto period ended	(74,375)
		<u>100,625</u>
		<u>114,158</u>
		<u>175,000</u>
		<u>175,000</u>
		<u>105,000</u>
		<u>118,970</u>
		<u>118,970</u>
5.1	Intangible asset in respect of Management Rights of ICP Mutual Funds 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). During the year, these funds have merged to form UTP-Growth fund. Cost incurred for the acquisition of management rights is being amortised on a straight line basis over ten financial years from the year ended June 30, 2003.	
6.	LONG TERM INVESTMENTS	
	Related parties:	
	- Investment in associates	1,957,974
	- Interest in joint ventures	16,952
	- Other related parties	462,058
		<u>2,436,984</u>
	Other investments	
	- Available for sale	2,320,832
	- Held to maturity	3,475
		<u>4,761,291</u>
		<u>2,016,012</u>
		<u>16,643</u>
		<u>516,070</u>
		<u>2,548,725</u>
		<u>2,235,976</u>
		<u>3,325</u>
		<u>4,788,026</u>

Jahangir Siddiqui & Co. Ltd.

	September 30, 2006 (Un-audited)	June 30, 2006 (Audited)
	(Rupees in '000)	
7. SHORT TERM INVESTMENTS		
Investments carried at fair value through profit and loss account	7,758,304	5,930,195
Available for sale	3,948,715	2,677,644
	<u>11,707,019</u>	<u>8,607,839</u>
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.		
	September 30, 2006 (Un-audited)	June 30, 2006 (Audited)
	(Rupees in '000)	
9. CURRENT PORTION OF NON-CURRENT LIABILITIES		
Long term financing:		
-Long term loans	132,883	216,667
-Long term financing-TFCs	250,300	250,300
- Certificate of investments/deposits	2,332,851	2,390,823
	<u>2,716,034</u>	<u>2,857,790</u>
10. CONTINGENCY AND COMMITMENTS		
10.1 Contingency		
<p>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.</p> <p>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.</p> <p>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.</p> <p>Based on the aforementioned legal advice no provision has been made in these financial statements in this respect.</p>		

Jahangir Siddiqui & Co. Ltd.

	September 30, 2006 (Un-audited) (Rupees in '000)	June 30, 2006 (Audited) (Rupees in '000)
10.2 Commitments		
Forward sale commitments	-	100,000
Commitment in respect of expenditure	-	17,370
Commitment in respect of computer equipment	-	2,509
Underwriting commitments	-	212,500
Assets acquired under operating lease	-	1,680

11. SIGNIFICANT EVENT AFTER THE BALANCE SHEET DATE

Jahangir Siddiqui Capital Markets Limited (JSCML), a subsidiary company, negotiated with Global Investment House K.S.C.C., Kuwait ("Global"), a company incorporated under the laws of Kuwait, for equity participation in JSCML to the extent of upto 10,350,000 Ordinary Shares of JSCML ("the Subscription Shares") at a subscription price of Rs. 217/- per share constituting 43.47% of the then issued shares of JSCML.

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12. DATE OF AUTHORISATION

These financial statements were authorised for issue by the Board of Directors in its meeting held on October 28, 2006.

13. GENERAL

Figures have been rounded off to the nearest thousand rupees.

Mazhar-ul-Haq Siddiqui
Chairman

Munaf Ibrahim
Chief Executive

Jahangir Siddiqui & Co. Ltd.

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