

# Modaraba Al-Mali

Annual Report 1996

## Managed by

Al-Mal Corporation Ltd.

(Formerly Modaraba Al-Mal Corporation Ltd.)

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## Corporate Information

### BOARD OF DIRECTORS

Mr. Syed Iradat Husain	Chairman
Mr. Maqbool Husain	Vice Chairman
Mr. Zafar H. Naqvi	Managing Director & Chief Executive
Mr. Nazir A. Shaikh	Director
Mr. Mohammad Kamil	Director
Mr. Ashraf Kalam	Director
Mr. Ahmad H.I. Dada	Director
Mr. Naushad Hussain	Director

### COMPANY SECRETARY

Mr. D.V. Karia

### MODARABA MANAGEMENT COMMITTEE

Mr. Syed Iradat Husain  
 Mr. Maqbool Husain  
 Mr. Zafar H. Naqvi

### AUDITORS

Ford, Rhodes, Robson, Morrow  
 Chartered Accountants  
 Finlay House  
 I, I. Chundrigar Road  
 Karachi.

### BANKERS

Muslim Commercial Bank Limited  
 National Bank of Pakistan  
 United Bank Limited

### REGISTERED OFFICE

10th Floor, Progressive Square  
 Opposite Nursery, Sharea Faisal  
 Karachi..  
 Phones : 4547521-4  
 Fax : (92-21) 4547526

### DIRECTORS' REPORT

The Board of Directors of AI-Mal Corporation Limited have pleasure in presenting the 10th Report of Modaraba AI-Mali together with Audited Accounts for the year ended June 30, 1996.

#### 1. Operating Results:

Summarised results for the year under report are as under:

(Rs. in "000")  
 Year Ended 6 Months  
 June July  
 1996 1995

* Total operating income	114,583	59,420		
* Net profit before management fee & taxation			26,008	15,731
* Less: Management fee	2,364	1,430		

	23,644	14,301	
* Less: Provision for taxation		7,188	3,500
* Net profit for the year		16,456	10,801
* Add: Unappropriated profit b/f		8,934	293
* Profit available for appropriation		25,390	11,094
* Appropriations:			
- Statutory Reserve	3,291	2,160	
- 11% Cash dividend (1995: Nil)		20,083	--
		23,374	2,160
* Unappropriated profit carried forward		2,016	8,934

## 2. Profit Distribution:

Directors take pleasure in announcing distribution of cash dividend @ 11% i.e. Rs.1.10/- per certificate.

## 3. Statutory Reserves:

In compliance with SBP Prudential Regulations, the Board of Directors has decided to appropriate 20% of the year's profit to Statutory Reserves until it equals the paid up capital of the Modaraba.

## 4. Business Operations:

Prolonged depressed economic activity, high rate of inflation and political uncertainty affected our business operations during the period under review. Various new taxes were imposed which would not only make leasing more expensive for the lessee but also increase the administrative expenses of the lessor. There was intense competition for leasing business. However, through concerted efforts, we were able to write new leases amounting to Rs.84.8 million during the year as compared to Rs.29.7 million during the previous six months.

Despite increase in the lease portfolio we were able to earn pretax profit of only Rs.23.6 million for the whole year as compared to Rs.14.3 million during the six months ended June 30,1995. Leasing income declined as some high return leases began to mature and were replaced by leases at highly competitive rates. Operating costs increased by 2.3% and provision for bad debts increased to Rs.4.76 million as compared to Rs.0.73 million during the six months ended June 30, 1995. This was due to strict application of prudential regulations in two major accounts but negotiations are continuing and we expect some recoveries. Earnings per certificate was Rs.0.90 which under the present circumstances is considered satisfactory.

## 5. Future Prospects:

In the face of prevailing uncertainty on political and economic fronts, reports of decline in cotton production and heavy taxes introduced by the Government, the general business prospects do not appear to be encouraging. Stock exchange conditions continue to depict bearish overtones and the investors are carrying the burden of eroded equity portfolio. Income tax rate applicable to your Modaraba has risen to 25% as compared to 12.50% upto June 1995. Fixed costs are also on the rise. Competition for procuring new leasing business is becoming more and more intense.

The management is trying to meet the situation by introducing efficiencies and cost controls at all levels. By providing high quality service to the clients we are hopeful of at least retaining our share of leasing business. We have placed maximum emphasis on recoveries.

## 6. Auditors:

The present auditors, Messrs. Ford, Rhodes, Robson, Morrow, Chartered Accountants, are due for retirement, and being eligible, offer themselves for re-appointment for the year ending June, 1997.

## 7. Pattern of Certificate holding:

The pattern of certificate-holding is attached.

## 8. Acknowledgment:

The Directors wish to place on record their appreciation and thanks to certificate-holders for their continued confidence in the Modaraba, to the authorities for their guidance and to all the Members of Management and staff for their dedication and hard work.

On behalf of the Board,

S. IRADAT HUSAIN  
Chairman

Karachi- 14th November, 1996.

## AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet as at June 30, 1996 and the related profit and loss account and statement of changes in financial position together with the notes to the accounts for the year ended June 30, 1996 of MODARABA AL-MALI which are modaraba company's (AI-Mal Corporation Limited) representation and we state that we have obtained all the information and explanations which we required and, after due verification thereof, we report that:

(a) in our opinion proper books of account have been kept by the modaraba company in respect of Modaraba AI-Mali as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and

Modaraba Companies and Modarabas Rule, 1981;

(b) in our opinion, the balance sheet and the profit and loss account have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Modaraba Companies and Modarabas Rules, 1981; and

(c) in our opinion and to the best of our information and according to the explanations given to us;

(i) the balance sheet and the related profit and loss account and statement of changes in financial position, which are in agreement with the books of account, exhibit respectively a true and fair view of the state of the Modaraba's affairs as at June 30, 1996 and the profit and the changes in the financial position for the year ended on that date;

(ii) in our opinion, there was no zakat deductible at source, under the Zakat & Ushr Ordinance, 1980

(iii) the business conducted, investments made and expenditure incurred by the Modaraba are in accordance with the objects, terms and conditions of the Modaraba.

Ford, Rhodes, Robson, Morrow  
Chartered Accountants

Karachi: December 05, 1996

#### BALANCE SHEET

AS AT JUNE 30, 1996

	June 30 1996	June 30 1995
Note	Rupees	Rupees
<b>CAPITAL AND RESERVES</b>		
<b>Certificate capital</b>		
Authorised		
20,000,000 (1995: 20,000,000)		
Modaraba Certificates of Rs. 10/-each	200,000,000	200,000,000
	=====	
Issued, subscribed and paid up	3182,574,000	182,574,000
<b>Capital Reserve</b>		
Statutory reserve	4 12,127,462	8,836,252
<b>Revenue reserve</b>		
Unappropriated profit	2,015,666	8,933,992
	-----	
	14,143,128	17,770,244
	-----	
	196,717,128	200,344,244
<b>LONG TERM MUSHARAKA, MORABAHA AND TERM FINANCES</b>		
	5 16,194,401	3,481,632
<b>DEFERRED LIABILITIES</b>		
Staff gratuity	--	390,949
Customers' security deposits	16,868,584	18,395,234
	16,868,584	18,786,183
<b>CURRENT LIABILITIES</b>		
Current maturity of musharaka, morabaha & term finances	4,287,231	4,217,104
Current maturity of customers' security deposits	14,194,263	11,220,758
Creditors, accrued and other liabilities	6 7,887,669	5,782,979
Rentals received in advance	1,968,890	1,958,166
Provision for taxation	7,321,241	3,246,284
Dividend payable	702,772	27,948,749
Proposed dividend	20,083,140	--
	-----	
	56,445,206	54,374,040
<b>CONTINGENCIES AND COMMITMENTS</b>		
	7	
	-----	
	286,225,319	276,986,099
	=====	
	June 30	June 30
	1996	1995
Note	Rupees	Rupees

<b>TANGIBLE FIXED ASSETS</b>	8		
Assets given on lease - net cost		354,227,536	337,020,614
Less: Accumulated amortization		177,519,642	168,496,851
		-----	-----
		176,707,894	168,523,763
Assets in own use- cost		5,134,824	4,151,162
Less: Accumulated depreciation		2,894,247	2,273,882
		-----	-----
		2,240,577	1,877,280
Capital Work-in-progress		9,312,543	-
		-----	-----
		188,261,014	170,401,043
<b>LONG TERM INVESTMENTS</b> [Market Value Rs.11.8 million note 2.2 (e) ]	9	24,121,812	18,791,669
<b>DEFERRED EXPENDITURE</b>	10	471,406	745,640
<b>CURRENT ASSETS</b>			
Short term musharaka finances	11	25,517,400	25,000,000
Short term morabaha finances	12	15,234,909	23,403,030
Marketable securities	13	5,379,963	5,588,245
Lease rentals receivable	14	19,405,193	16,915,891
Advances, deposits, prepayments and other receivables	15	4,985,102	5,938,502
Cash and bank balances	16	2,848,520	10,202,079
		-----	-----
		73,371,087	87,047,747
		-----	-----
		286,225,319	276,986,099
		=====	=====

The annexed notes form an integral part of these accounts.  
The auditors' report is annexed hereto.

**PROFIT AND LOSS ACCOUNT**  
**for the year ended June 30, 1996**

	Note	12 Months June, 1996 Rupees	6 Months June, 1995 Rupees
Operating income	17	114,583,236	59,419,504
Operating cost	18	82,247,275	40,188,388
Profit distribution on borrowings	19	1,806,091	805,955
		-----	-----
		84,053,366	40,994,343
Other income	20	2,399,749	703,034
		-----	-----
		32,929,619	19,128,195
Less: Provision for doubtful/classified debts		4,758,152	732,049
Provision for diminution in value of investments		2,163,068	2,664,488
Modaraba company's management fee		2,364,402	1,430,151
		-----	-----
		23,643,997	14,301,507
Provision for taxation- Current		5,300,000	3,500,000
- Prior years		1,887,973	--
		-----	-----
		7,187,973	3,500,000
Profit for the year/period		16,456,024	10,801,507
Unappropriated profit brought forward		8,933,992	292,786
		-----	-----
Available for appropriation		25,390,016	11,094,293
Appropriations:			
Proposed dividend Rs. 1.10 (1995: Nil) per certificate		20,083,140	--
Transfer to statutory reserve		3,291,210	2,160,301
		-----	-----



**2. SIGNIFICANT ACCOUNTING POLICIES**

(a) Overall valuation policy

These accounts have been prepared under the historical cost convention.

(b) Staff gratuity

The modaraba operates a gratuity scheme for all its employees. Provision is made annually out of profits to cover obligations under the scheme. After obtaining approval from the Commissioner Income Tax, the scheme is now being operated as a funded gratuity scheme.

(c) Fixed assets

(i) Assets given out on lease and amortization

All lease agreements are accounted for as operating leases.

Leased assets are stated at cost to the Modaraba less accumulated amortization.

Amortization is charged to income applying the annuity method whereby the amortizable value of assets is amortized over the lease period.

Gain or loss on disposal of assets is included in income currently.

(ii) Assets in own use and depreciation

Assets in own use are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of asset is written off over its estimated useful life. In respect of additions and disposals during the year depreciation is charged proportionately to the period of use.

Capital work-in-progress is stated at cost.

Gain or loss on disposal of assets is included in income currently.

(d) Deferred Expenditure

Deferred expenditure incurred in connection with the floatation of Modaraba and right/bonus issue are being written off over a period of five years from the date of incurrence.

(e) Investments

Short term investments are carried at lower of moving average cost and market value determined on aggregate portfolio basis. In case of long-term investments the effect of permanent diminution, if any, in the value of investments is charged to profit and loss account.

(f) Revenue recognition

(i) Lease rentals are recognised as income when due on a systematic basis over the lease period. Income pertaining to the periods falling between the due dates and the period end is recognised on an accrual basis.

(ii) Return on short term investments is recognised as income on an accrual basis.

(iii) Dividend income is recorded at the time of closure of share transfer books of the company declaring dividend.

(iv) Income from morabaha and musharaka transactions is recognised on accrual basis taking into account the duration of placement of funds and the estimated profit receivable.

(g) Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits available.

The modaraba accounts for deferred taxation on all significant timing differences using the liability method, excluding the tax effects of those timing differences which are not likely to reverse in the foreseeable future. As a measure of prudence deferred tax debits are not accounted for.

	June 30	June 30
	1996	1995
	Rupees	Rupees

**3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

13,569,000 (1995: 13,569,000) Modaraba Certificates

of Rs. 10/- each fully paid in cash

135,690,000 135,690,000

4,688,400 (1995: 4,688,400) Modaraba Certificates

of Rs. 10/- each fully paid bonus certificates

46,884,000 46,884,000

-----  
182,574,000 182,574,000

=====

#### 4. STATUTORY RESERVE

The statutory reserve represents profits set aside as required under the State Bank of Pakistan's prudential regulation for Non-Banking Financial Institutions.

#### 5. LONG TERM MUSHARAKA, MORABAHA AND TERM FINANCES

Musharaka with bank (see note (a) below)	833,304	2,811,098
Term finance from financial institution [see note (b) below]	2,648,328	4,887,638
Morabahas from financial institutions [see note (c) below]	17,000,000	--
	-----	-----
	20,481,632	7,698,736
Less: Current maturates shown under current liabilities	4,287,231	4,217,104
	-----	-----
	16,194,401	3,481,632
	=====	=====

(a) The Modaraba has entered into Musharaka agreements with a bank under which the bank has agreed to provide funding lines of Rs. 15 million (1995: Rs.15 million) for leasing business. The profit and loss is to be shared by the bank and Modaraba in an agreed ratio after adjusting for insurance and operating expenses. The principal amount and share of profit is repayable in quarterly installments from the dates when the funds are drawn. The investors have an option to convert 20% of their investment into Modaraba certificates at their break-up value under certain circumstances.

The facilities are secured by the Modaraba company guarantee, hypothecation of fixed assets and current and future rentals receivable.

(b) This represents term finance certificates (TFCs) facility of Rs. 10 million (1995: Rs.10 million) from a financial institution. The facility was utilized solely for disbursements against lease agreements executed by the Modaraba. The TFCs carry a profit rate of 17.5% and are being redeemed in eleven half yearly instalments which commenced from June 1, 1992.

The facility is secured by way of assignment of leases undertaken and hypothecation of fixed assets acquired by the Modaraba out of this facility.

The Modaraba has entered into morabaha (purchase and sale) financing agreements with two financial institutions, amounting to Rs. 17 million (1995: Nil). The morabaha sale price is repayable in unequal instalments by August 2000. The Morabaha sale price is secured by hypothecation of certain leased assets and rentals receivable their against.

June 30	June 30
1996	1995
Rupees	Rupees

#### 6. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors (See Note 6.1 below)	5,114,493	3,026,846
Profit accrued on term finances	38,622	71,278
Profit accrued on musharaka finances	427,177	1,265,030
Profit accrued on morabaha finances	754,224	--
Management fee payable	109,212	354,810
Others (See Note 6.2 below)	1,443,941	1,065,015
	-----	-----
	7,887,669	5,782,979
	=====	=====

6.1 These include Rs. 1,378,054 (1995: 1,216,311) profit received on PLS bank deposits from January 1,1994 to the year end. The Modaraba is of the opinion that the profit received on PLS deposit are not permitted under the Islamic mode of financing hence, it is not recognised as income, pending clarification from Religious Board of the appropriate treatment of such profit.

6.2 This represents balance on certain recoveries from the customers of the Modaraba which according to the direction of the Religious Board are not to be taken to income but used for charitable purposes only.

#### 7. CONTINGENCIES & COMMITMENTS

##### 7.1 COMMITMENTS

Leasing contracts committed but not executed at the balance sheet date were Rs.534,675/- (1995: Rs. 6,139,700/-).

Commitments for capital expenditure not provided for amounted to Rs.268,699/-

##### 7.2 CONTINGENCIES

A suit has been filed against the Modaraba for Rs. 6.48 million being a claim for refund of security deposit

in respect of lease finance. The Modaraba is defending the claim as they have evidence of repayment of the security deposit. The legal advisors of the Modaraba are of the opinion that the Modaraba stands a fairly good chance of winning this case. Consequently no provision is considered necessary.

**8. TANGIBLE FIXED ASSETS**

**8.1 Assets given out on lease**

Description	Cost at the beginning of the year	Additions/ (disposals) during the year	Cost as at 30-6-1996	Accumulated amortization as at 30-6-1996	Written down value as at 30-6-1996	Amortization charged for the year
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Machinery	169,098,224	35,552,693	178,464,573	86,266,163	92,198,410	33,089,048
		(26,186,344)				
Vehicles	95,793,786	44,611,318	111,644,836	45,823,481	65,821,355	20,806,502
		(28,760,268)				
Furniture & Fixtures	4,881,412	--	2,590,109	2,046,856	543,253	795,483
		(2,291,303)				
Office Equipment/ Computers	67,247,192	4,022,280	60,885,340	43,347,455	17,537,885	14,779,063
		(10,384,132)				
Home Appliances	--	642,678	642,678	35,687	606,991	35,687
	337,020,614	84,828,969	354,227,536	177,519,642	176,707,894	69,505,783
		(67,622,047)				
1995	311,746,406	29,725,064	337,020,614	168,496,851	168,523,763	34,772,651
		(4,450,856)				

**8.2 Assets in own use**

Description	Cost at the beginning of the year	Additions/ (disposals) during the year	Cost as at 30-6-1996	Accumulated depreciation as at 30-6-1996	Written down value as at 30-6-1996	Depreciation charged/ (adjustment) for the year	Rate of depreciation
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%
Vehicles	1,493,911	1,163,262	2,331,623	1,084,289	1,247,334	396,428	20
		(325,550)				(210,714)	
Furniture & Fixtures	683,097	--	683,097	370,023	313,074	69,847	10
Equipment	590,494	4,950	595,444	262,557	332,887	110,213	10 to 25
Computers	1,383,660	141,000	1,524,660	1,177,378	347,282	254,591	20
	4,151,162	1,309,212	5,134,824	2,894,247	2,240,577	831,079	
		(325,550)				(210,714)	
1995	3,955,872	312,050	4,151,162	2,273,882	1,877,280	345,877	
		(116,760)				(75,068)	

**8.3 Disposal of assets given on lease**

Following leased assets were disposed off during the year:

Particulars	Cost of assets	Accumulated amortization	Book value	Sale proceeds	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees		
Vehicle	124,450	117,900	6,550	6,550	Negotiation	Digital Communication (Pvt) Ltd.



					301-302, Fayyaz Centre, S.M.C.H. Society, Karachi.
Vehicle	360,000	342,000	18,000	18,000	Negotiation Mr. Humayun Akhter, B-4 Khayaban-e-Shujaat, Defence Housing Authority, Karachi.
Vehicle	772,750	735,000	37,750	37,750	Negotiation Pakistan State Oil Dawood Centre, Moulvi Tamizuddin Khan Road, P.O.Box 3983 Karachi.
Vehicle	137,750	130,500	7,250	7,250	Negotiation Hi Tech Business Machines, Ground Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Vehicle	476,000	452,200	23,800	23,800	Negotiation I.F.I.C. Bank Ltd. 99, Beauford Building, I.I. Chundrigar Road, Karachi.
Vehicle	562,500	534,375	28,125	28,125	Negotiation Transpak (Pvt) Ltd. Qamar House, M. A. Jinnah Road P.O. Box 4844, Karachi.
Vehicle	1,043,100	988,200	54,900	54,900	Negotiation Muslim Insurance Co. Ltd. 3 Bank Square, Sharah-e-Quaid-e-Azam, Lahore.
Vehicle	308,000	292,750	15,250	15,250	Negotiation Karachi Tank Terminal (Pvt) Ltd. 63 Oil Installation area, Kemari, Karachi
Vehicle	157,000	149,000	8,000	8,000	Negotiation EMBA Corporation Computer Power Centre, Memon Arcade Shaheed-e-Millat Road, Karachi.
Vehicle	135,700	128,915	6,785	6,785	Negotiation Mehran Animal & Poultry Feeds, Prudential House, Hasan Ali Square, Off. I.I. Chundrigar Road, Karachi.
Vehicle	152,000	142,500	9,500	9,500	Negotiation Mehtab Industries Ltd. P.O. Box 85 Arifwala Raod, Sahiwal
Vehicle	165,900	155,150	10,750	10,750	Negotiation Zoramin (Pvt) Ltd. R-85, 15-A/4 Buffer Zone, Karachi.
Vehicle	416,100	394,200	21,900	21,900	Negotiation Crescent Investment Bank Ltd. 6th Floor, Sidco Centre, Karachi.
Vehicle	380,250	360,500	19,750	19,750	Negotiation Gharibsons (Pvt) Ltd. E-23 S.I.T.E. Karachi.
Vehicle	153,100	145,200	7,900	7,900	Negotiation Medicare Hospital, 23 Shaheed-e-Millat Road, Karachi.
Vehicle	567,000	538,650	28,350	28,350	Negotiation Siza Services (Pvt) Ltd. Lakson Square Building No.2 Satwar Shaheed Road, Karachi.
Vehicle	351,750	333,500	18,250	18,250	Negotiation TNT Sky Pak International, 1st Floor, Rukhsana Building, Shaheed-e-Millat Road, Karachi.
Vehicle	104,500	99,000	5,500	5,500	Negotiation Mehran International (Pvt) Ltd. Polka Annexe, Hotel Metropole, Club Road, Karachi.
Vehicle	694,000	659,850	34,150	34,150	Negotiation Portage Pharmaceuticals 41-R/6, Dr. Mahmood Hussain Road, P.E.C.H.S., Karachi.
Vehicle	142,600	126,600	16,000	16,000	Negotiation Farhun Enterprises, 7/7, Block C-1, Taj Complex, M. A. Jinnah Road, Karachi.

Vehicle	159,600	151,200	8,400	8,400	Negotiation	Crescent Investment Bank Ltd. 6th Floor, Sidco Centre, Karachi.
Vehicle	95,000	90,000	5,000	5,000	Negotiation	JAC Computers, 11th Floor, Sidco Centre, Karachi.
		<b>Accumulated</b>				
	<b>Cost</b>	<b>amortiza-</b>	<b>Book</b>	<b>Sale</b>	<b>Mode of</b>	<b>Particulars of purchasers</b>
<b>Particulars</b>	<b>of assets</b>	<b>tion</b>	<b>value</b>	<b>proceeds</b>	<b>disposal</b>	
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>		
Vehicle	228,250	216,500	11,750	11,750	Negotiation	Electro Industries (Pvt) Ltd. 1st Floor, International Market, Marston Road, Karachi.
Vehicle	1,188,750	1,109,500	79,250	79,250	Negotiation	Shehzada Security C-36/1, Defence Commercial Market, D.H.A., Karachi.
Vehicle	617,640	580,440	37,200	37,200	Negotiation	Printpac (Pvt) Ltd. 8th Floor, Sh. Sultan Trust Building Road, Karachi.
Vehicle	280,000	266,000	14,000	14,000	Negotiation	Baluchistan Concrete & Blocks Ltd. B-16, Block 16, University Road, Karachi.
Vehicle	142,750	135,500	7,250	7,250	Negotiation	JAC Computers 11th Floor, Sidco Centre, Karachi.
Vehicle	486,200	457,600	28,600	28,600	Negotiation	Habib Jute Mills Ltd. Rehman Plaza, 4th Floor, Fatima Jinnah Road, Karachi.
Vehicle	570,490	540,990	29,500	29,500	Negotiation	Perfect Motors 10, Chandni Chowk, Sabzi Mandi, Karachi
Vehicle	165,000	157,000	8,000	8,000	Negotiation	Mehtab Industries Ltd. P.O. Box 85, Arifwala Road, Sahiwal, Punjab.
Vehicle	138,000	126,500	11,500	11,500	Negotiation	Anjum Asim Shahid & Co. 4th Floor, Dodhy Plaza, 52-E, Jinnah Avenue Blue Area, Islamabad
Vehicle	390,000	370,000	20,000	20,000	Negotiation	Portage Pharmaceutical 41-R/6, Dr. Mahmood Hussain Road, P.E.C.H.S. Karachi.
Vehicle	110,705	104,180	6,525	6,525	Negotiation	Salam Sons 301, Usmania Colony, Nazimabad, Karachi.
Vehicle	907,500	860,000	47,500	47,500	Negotiation	TNT Sky Pak International 1st Floor, Rukhsana Building, Shaheed-e-Millat Road, Karachi.
Vehicle	407,424	386,274	21,150	21,150	Negotiation	Falcon Developers Falcon Arcade, BC-3, Block 7, Clifton Karachi.
Vehicle	424,900	402,800	22,100	22,100	Negotiation	Prime Insurance Co. 201 Faiyaz Centre, P.O. Box 1390, Main Shahrah-e-Faisal, Karachi.
Vehicle	180,750	171,500	9,250	9,250	Negotiation	Printpac (Pvt) Ltd. 8th Floor, Sh. Sultan Trust Building Road, Karachi
Vehicle	466,735	442,170	24,565	24,565	Negotiation	Mehran International (Pvt) Ltd. Polka Annexe, Hotel Metropole, Club Road, Karachi.
Vehicle	784,000	743,000	41,000	41,000	Negotiation	Habib Jute Mills Ltd. Rehman Plaza, 4th Floor, Fatima Jinnah Road, Karachi.

Vehicle	370,000	351,500	18,500	18,500	Negotiation	Mehtab Industries Ltd. P.O. Box 95, Arifwala Road, Sahiwal, Punjab.
Vehicle	550,000	523,000	27,000	27,000	Negotiation	First UDL Modaraba 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi.
Vehicle	185,450	175,425	10,025	10,025	Negotiation	B.K. Saddam 204, Falcon Centre, Block 7, Clifton, Karachi.
Vehicle	305,000	286,250	18,750	18,750	Negotiation	Prepac (Pvt) Ltd. 2nd Floor, Kasim Court Block 5, Clifton, Karachi.
Vehicle	798,250	756,500	41,750	41,750	Negotiation	Prudential Discount & Guarantee House Ltd. Prudential P.O. Box 1335, I.I. Chundrigar Road Karachi.
Vehicle	233,000	221,000	12,000	12,000	Negotiation	S.G. Associates 13-C, Zamzama Commercial Area, Phase V, D.H.A. Karachi.

Particulars	Cost	Accumulated	Book	Sale	Mode of	Particulars of purchasers
	of assets	amortiza- tion	value	proceeds	disposal	
	Rupees	Rupees	Rupees	Rupees		
Vehicle	153,200	145,400	7,800	7,800	Negotiation	Ledler Fashions (Pvt) Ltd. 13-C, Zamzama Commercial Area, Phase V, D.H.A. Karachi.
Vehicle	195,000	185,000	10,000	10,000	Negotiation	Afzal Industries 23 Rafahi Markaz, Ram Bharti Street, Jodia Bazar, Karachi.
Vehicle	157,110	142,760	14,350	14,350	Negotiation	Mustafa Corporation All Bhoj Building, Jinnah Road, Quetta.
Vehicle	364,100	327,690	36,410	36,410	Negotiation	Globe Merchandisers (Pvt) Ltd. Ground Floor, Sh. Sultan Trust Block No.10, 25 Civil Lines, Karachi.
Vehicle	183,500	165,650	17,850	17,850	Negotiation	Electronic Office Products 305, Clifton Centre, Clifton, Karachi.
Vehicle	295,000	280,250	14,750	14,750	Negotiation	Dr. Mervyn M. Hosein Hotel Excelsior Building, M.R. Keyani Road, Karachi.
Vehicle	336,700	312,650	24,050	24,050	Negotiation	Zeekhan Associates (Pvt) Ltd. 38/A-2, Gulberg-3, A:BM 217, Lahore.
Vehicle	523,750	497,500	26,250	26,250	Negotiation	Printpac (Pvt) Ltd. 8th Floor, Sh. Sultan Trust Building Road, Karachi.
Vehicle	341,917	324,144	17,773	17,773	Negotiation	Kashif (Pvt) Ltd. 16th Floor, Kashif Centre, Shahrah-e-Faisal Karachi.
Vehicle	203,750	150,230	53,520	53,520	Negotiation	Dr. Inam-ur-Rehman J-47, 10th Gizri Street, D.H.A., Karachi.
Vehicle	335,000	302,500	32,500	32,500	Negotiation	Hafeez Industries 4/103 Sector 21, Korangi Industrial Area, Karachi.
Vehicle	128,750	120,500	8,250	8,250	Negotiation	Salam Enterprises (Pvt) Ltd. 2nd Floor, Kassam Centre, Bc-9, Block V, Clifton Karachi.
Vehicle	320,000	288,500	31,500	31,500	Negotiation	Iftikhar Clinic

S-4, K-Area Market Korangi, Karachi.

Vehicle	183,000	164,700	18,300	18,300	Negotiation	Sona Soap Factory Highway Road, Dahaerki District, Sukkur.
Vehicle	329,440	296,496	32,944	32,944	Negotiation	Taqees (Pvt) Ltd. 3rd Floor, Panorama Centre, Fatima Jinnah Road, Karachi.
Vehicle	335,372	218,919	116,453	116,453	Negotiation	Mr. Sheikh Suleman 9 Sassi Boat View, Clifton, Karachi.
Vehicle	472,840	446,240	26,600	26,600	Negotiation	Aero Travels Qusre Zainab, Club Road, Karachi.
Vehicle	648,700	462,146	186,554	186,554	Negotiation	Mr. Tariq A. Qaiser 7-G, Block 6, P.E.C.H.S., Karachi.
Vehicle	230,000	184,963	45,037	45,037	Negotiation	Gharibsons Wood Products Ltd. E-23, S.I.T.E., Karachi.
Vehicle	162,000	145,800	16,200	16,200	Negotiation	Pak Water Bottlers Plot 91, Sector 15, Korangi Industrial Area, Karachi.
Vehicle	162,000	113,183	48,817	48,817	Negotiation	Pak Water Bottlers Plot 91, Sector 15, Korangi Industrial Area, Karachi.
Vehicle	268,000	241,200	26,800	26,800	Negotiation	Pak Water Bottlers Plot 91, Sector 15, Korangi Industrial Area, Karachi.
Vehicle	258,300	226,012	32,288	32,288	Negotiation	Orient Insurance Co. Ltd. 2nd Floor, Dean Arcade, Clifton, Karachi.
Vehicle	367,500	289,020	78,480	78,480	Negotiation	Associated Instrument Distributors Ltd.. Room 8, 5th Floor, Rimpa Plaza, M.A. Jinnah Raod, Karachi.
Vehicle	2,000,000	1,667,763	332,237	332,237	Negotiation	Brookes Pharmaceutical Lab. (Pvt) Ltd. 85/15 Korangi Industrial Area, Karachi.
		<b>Accumulated</b>				
<b>Particulars</b>	<b>Cost</b>	<b>amortiza-</b>	<b>Book</b>	<b>Sale</b>	<b>Mode of</b>	<b>Particulars of purchasers</b>
	<b>of assets</b>	<b>tion</b>	<b>value</b>	<b>proceeds</b>	<b>disposal</b>	
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>		
Vehicle	395,000	213,281	181,719	181,719	Negotiation	Crystal Trading Co. 55/1 Street No. 16, D.H.A. Karachi.
Vehicle	406,750	106,359	300,391	300,391	Negotiation	Omega (Pvt) Ltd. 3 Hoshang Road, Karachi.
Vehicle	220,000	53,593	166,407	166,407	Negotiation	Omega (Pvt) Ltd 3 Hoshang Road, Karachi.
Vehicle	198,745	64,170	134,575	134,575	Negotiation	Gulf Edible Oils (Pvt) Ltd. 134 Sector 15, Korangi Industrial Area, Karachi.
Vehicle	215,000	15,616	199,384	199,384	Negotiation	Domestic Appliances F-57 Hub River Road, Hub.
Vehicle	280,000	30,150	249,850	249,850	Negotiation	Allied Enterprises A-41 Block 13-D, Gulshan-e-lqbal, Karachi.
Vehicle	700,000	66,290	633,710	633,710	Negotiation	Mr. Sarvvar All SF-1, Building No. 61, Sea View, Clifton, Karachi.
Equipment	351,500	333,000	18,500	18,500	Negotiation	Hi Tach Business Machines Ground Floor, Kashif Centre,

Sahrah-e-Faisal, Karachi.					
Particulars	Cost of assets Rupees	Accumulated amortiza- tion Rupees	Book value Rupees	Sale proceeds Rupees	Mode of disposal Particulars of purchasers
Equipment	855,000	810,000	45,000	45,000	Negotiation Faiz-e-Aam Hospital 2 Teacher Society, Shaheed-e-Millat Road, Karachi.
Equipment	472,842	425,558	47,284	47,284	Negotiation Medicare Hospital 23, Shaheed-e-Millat Road, Karachi.
Equipment	54,150	51,300	2,850	2,850	Negotiation Techno Pack Industry (Pvt) Ltd. A2/2, 3rd Floor, Dada Bhoj Centre, Karachi.
Equipment	43,700	41,400	2,300	2,300	Negotiation Book Ocean Near Bilawal House Clifton, Karachi.
Equipment	44,100	41,650	2,450	2,450	Negotiation Falcon Developers Falcon Arcade, BC-3, Block 7, Clifton, Karachi.
Equipment	60,300	56,950	3,350	3,350	Negotiation Falcon Developers Falcon Arcade, BC-3, Block 7, Clifton, Karachi.
Equipment	208,500	194,600	13,900	13,900	Negotiation JAC Computers 11th Floor, Sidco Centre, Karachi.
Equipment	190,000	180,500	9,500	9,500	Negotiation Anjum Clinic SB-30, Sector 11-H. Nagin Chowrangi, Behind KDA Flat, N. Karachi.
Equipment	380,000	360,000	20,000	20,000	Negotiation Munir X-Rays Near Police Ground, Saddar, Hyderabad.
Equipment	641,250	607,500	33,750	33,750	Negotiation National Ultrasound Centre Rehman Plaza, Behind Prince Cinema, Karachi.
Equipment	90,250	85,500	4,750	4,750	Negotiation Zoramin (Pvt) Ltd. R-85, 15-A/4, Buffer Zone, Karachi.
Equipment	2,444,350	2,315,700	128,650	128,650	Negotiation Karachi National Hospital (Pvt) Ltd. 239, J.M.2, Amil Colony, M.A. Jinnah Raod, Opp. Mazar-e-Quaid, Karachi.
Equipment	742,220	705,109	37,111	37,111	Negotiation Khalid Majeed Hussain Rehman 1st Floor, Modern Motors, Beaumont Road, P.O. Box 4335, Karachi.
Equipment	783,750	742,500	41,250	41,250	Negotiation Digital Communication (Pvt) Ltd. 301-302, Fayyaz Centre, S.M.C.H. Society. Karachi.
Equipment	108,300	102,600	5,700	5,700	Negotiation Remedial Centre D-9 Block I, North Nazimabad, Karachi.
Equipment	1,500,000	1,425,000	75,000	75,000	Negotiation Mushko Electronics 2nd Floor, Usman Chambers, Abdullah Haroon Road, Karachi.
Equipment	152,000	136,000	16,000	16,000	Negotiation Dr. Ziauddin Hospital Street 16, Block-B, North Nazimabad, Karachi.
Equipment	30,000	28,500	1,500	1,500	Negotiation Mr. Shahab Aziz Bachani Rimpa Twin Star Flat No.5/1, Karachi.

Equipment	63,000	59,850	3,150	3,150	Negotiation	Mr. Jehangir Alam R-342, Block 7, D-2, North Karachi.
Equipment	174,500	157,050	17,450	17,450	Negotiation	Agha Faqir Mohammad 712, Uni Shopping Centre, Abdullah Haroon Road, Karachi.
Equipment	554,400	498,960	55,440	55,440	Negotiation	Pak Water Bottlers Plot 91, Sector 15, Korangi Industrial Area, Karachi.
Equipment	90,020	52,453	37,567	37,567	Negotiation	Nisar-u-I-Haq & Co. 5 Rimpa Plaza, M.A. Jinnah Road, Karachi.
Equipment	350,000	169,118	180,882	180,882	Negotiation	Najam Enterprises 428 Mashriq Centre, Sir Shah Suleman Road Karachi.
Furniture	327,197	310,837	16,360	16,360	Negotiation	I.F.I.C. Bank Ltd. 99 Beaufort Building, I.I. Chundrigar Road, Karachi.
Furniture	1,964,106	1,865,901	98,205	98,205	Negotiation	I.F.I.C. Bank Ltd. 99 Beaufort Building, I.I. Chundrigar Road, Karachi.
Machinery	1,741,639	1,641,639	100,000	100,000	Negotiation	Milsons Steel Industries B-22 S.I.T.E., Karachi.
Machinery	1,757,689	1,675,689	100,000	100,000	Negotiation	Milsons Steel Industries B-22 S.I.T.E., Karachi.
Machinery	2,850,000	2,700,000	150,000	150,000	Negotiation	Saigul Ghee Mills Ltd. F-100 S.I.T.E., Karachi.
Machinery	408,025	386,550	21,475	21,475	Negotiation	Crecent Jute Products Ltd. 5th Floor, P.A.^F. Building, 7-D Kashmir Road, Lahore.
Machinery	1,570,460	1,478,080	92,380	92,380	Negotiation	Faiz-e-Aam Hospital 2 Teachers Society, Shaheed-e-Millat Road, Karachi.
Machinery	1,190,000	1,120,000	70,000	70,000	Negotiation	Dr. Ziauddin Hospital Street 16, Block B, North Nazimabad, Karachi.
Machinery	3,752,211	3,564,600	187,611	187,611	Negotiation	Digital Communication (Pvt) Ltd. 301-302, Fayyaz Centre, S.M.C.H. Society, Karachi.
Machinery	238,120	225,720	12,400	12,400	Negotiation	City Hospital Malir (Pvt) Ltd. 45-A/423, Kalaboard, Karachi.
Machinery	337,500	318,750	18,750	18,750	Negotiation	B.K. Sadan 204 Falcon Centre, Block 7, Clifton, Karachi.
Machinery	6,900,000	6,210,000	690,000	690,000	Negotiation	Pakistan Security Printing Corporation 116, Sidco Avenue Centre, Karachi.
Machinery	650,000	617,500	32,500	32,500	Negotiation	Ashrafi Enterprises D-108 Block 5, F.B. Area, Karachi.
Machinery	297,350	281,700	15,650	15,650	Negotiation	Ledler Fashions (Pvt) Ltd. 13-C, Zamzama Commercial Area, Phase V, D.H.A. Karachi.
Machinery	288,000	256,000	32,000	32,000	Negotiation	Gabol Motors Works B-2/2 Columbus Square, Main Clifton Road, Karachi.
Machinery	651,000	558,000	93,000	93,000	Negotiation	Knitex Pak Industries (Pvt) Ltd. Suite No. 3-D, 4th Floor, Arkay Square,

Shahrah-e-Liaquat, Karachi.

Machinery	324,000	291,600	32,400	32,400	Negotiation	Ledler Fashions (Pvt) Ltd. 13-C, Zamzama Commercial Area, Phase V, D.H.A. Karachi.
Machinery	413,000	383,500	29,500	29,500	Negotiation	Women Clinic Huma Plaza, 2-E Blue Area, F-6/G-6, Islamabad.
Machinery	291,850	262,665	29,185	29,185	Negotiation	Cotton & Cotton 44-B, Commercial Area, D.H.A. Karachi.

Particulars	Cost	Accumulated	Book	Sale	Mode of	Particulars of purchasers
	of assets Rupees	amortiza- tion Rupees	value Rupees	proceeds Rupees	disposal	
Machinery	332,500	315,000	17,500	17,500	Negotiation	MNA Apparel (Pvt) Ltd. 37-C, 24th Commercial Area, D.H.A. Karachi.
Machinery	848,000	763,200	84,800	84,800	Negotiation	Pak Water Bottlers Plot 91, Sector 15, Korangi Industrial Area, Karachi.
Machinery	975,000	926,250	48,750	48,750	Negotiation	Mehran Bottlers (Pvt) Ltd. C-54, S.I.T.E. Karachi.
Machinery	370,000	67,514	302,486	302,486	Negotiation	La Roma 1/19 & 23, 1st Floor, Glamour One, Tariq Road, Karachi.
	67,622,047	60,482,987	7,139,060	7,139,060		
30-6-1995	4,450,856	1,332,019	3,118,837	3,118,837		

#### 8.4 Disposal of Assets in own use

Following assets were disposed off during the year:

Partic- ulars	Cost of assets Rupees	Accumulated depreciation Rupees	Book value Rupees	Sale proceeds Rupees	Mode of disposal	Particulars of purchasers
M. Cycle	24,500	24,499	1	8,000	Negotiation	Mr. Zulfiqar Ali
M. Vehicle	301,050	186,215	114,835	250,000	Ins. Claim	Adamjee Insurance Co. Ltd. Saddar Br. Zaibunnisa St., Karachi
	325,550	210,714	114,836	258,000		

8.5 This represents advances given against acquisition of new office premises and includes certain amount of expenses incurred on it.

#### 9. LONG TERM INVESTMENTS

Unless stated otherwise the holdings are in quoted ordinary certificates/shares of Rs.10/- each.

	No. of Shares/Certificates		Average cost per share/ certificate Rupees	Cost Rupees	Market value Rupees
	June 30 1995	June 30 1996			
(a) ASSOCIATED UNDERTAKING					
AI-Mal Securities & Services Ltd.	153,500	209,500	9,6507	2,021,830	1,204,625
(b) ASSOCIATED MODARABA					
Modaraba AI-Tijarah	82,300	84,800	13.611,1	54,193	296,800

[Managed by AI-Mal Corporation  
Ltd.]

#### (c) OTHERS

**MUTUAL FUNDS**

ICP State Enterprise Mutual Fund	9,500	9,500	86.79	824,506	712,500
Twenty Second ICP Mutual Fund	25,000	25,000	26.03	650,750	223,750
National Investment Trust (Units)	96,155	96,155	15.60	1,500,018	1,423,094
Twenty Fourth ICP Mutual Fund	49,800	49,800	10.00	498,000	286,350

**MODARABAS**

First Allied Bank Modaraba [Managed by Allied Management Services (Pvt) Ltd.]	45,783	45,783	11.50	526,537	240,361
First Grindlays Modaraba [Managed by Grindlays Services of Pakistan (Pvt) Ltd.]	18,600	18,600	32.51	604,755	176,700
First UDL Modaraba [Managed by UDL Modaraba Management (Pvt) Ltd.]	21,384	21,384	11.94	255,398	112,266

**LEASING COMPANIES**

Ibrahim Leasing Ltd.	25,000	25,000	17.89	447,208	81,250
First Leasing Corporation Ltd.	11,500	11,500	22.19	255,197	126,500
Right Entitlement	--	11,500	12.19	140,197	2,300

**INSURANCE**

Adamji Insurance Company Ltd.	3,125	3,906	179.85	702,500	539,028
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**TEXTILE WEAVING**

Kohinoor Weaving Mills Ltd.	17,100	17,100	18.95	323,994	85,500
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**SYNTHETIC & RAYON**

Dhan Fibre Ltd.	54,000	45,500	14.43	656,608	282,100
Gatron (Industries) Ltd.	11,700	11,700	63.42	742,008	491,400
Ibrahim Fibres Ltd.	35,000	35,000	17.87	625,275	227,500

**SUGAR & ALLIED INDUSTRIES**

Haseeb Waqas Sugar Mills Ltd.	16,000	16,000	13.10	209,581	53,280
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**CEMENT**

Essa Cement Industries Ltd.	7,250	14,500	42.14	611,038	188,500
Maple Leaf Cement Ltd.	16,800	18,900	63.43	1,198,751	236,250

**FUEL & ENERGY**

Sui Southern Gas Company Ltd.	18,000	20,700	38.12	788,999	667,575
Kohinoor Power Company Ltd.	20,125	24,150	51.30	1,238,900	301,875

**AUTO & ALLIED ENGINEERING**

Agri Auto Industrie	698,486	8.08	5,645,915	.2,444,701	
Gandhara	32,500	32,500	34.87	1,133,330	406,250

No. of Shares/Certificates

June 30 1995	June 30 1996	Average cost per share/ certificate Rupees	Cost Rupees	Market value Rupees
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**VANASPATI & ALLIED**

Kashmir Edible Oil Mills Ltd.	25,500	25,500	14.98	381,936	40,800
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**FOOD & ALLIED**

Lever Brothers Pakistan Ltd. (Rs. 50)	260	260	882.10	229,347	196,300
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**PAPER & BOARD**

Century Paper & Board Mills Ltd.	16,000	16,000	37.32	597,125	540,000
Cherat Papersack Ltd.	5,000	4,000	35.58	142,333	172,000
Right Entitlement	--	1,000	15.58	15,583	23,000

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24,121,812 11,782,555  
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Total June 30, 1995 18,791,669 11,195,810



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	June 30 1996	June 30 1995
	Rupees	Rupees

**10. DEFERRED EXPENDITURE**

Expenditure on issue of right/  
bonus certificates and increase  
in authorised capital

745,640	922,854
274,234	177,214

Less: Amortized during the year

471,406	745,640
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The above expenditure is carried forward as it confers the benefit of the same to the future years.

**11. SHORT TERM MUSHARAKA FINANCES - Secured.**

From associated Modaraba (See Note 11.1 below),

25,517,400	25,000,000
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11.1 The Modaraba has entered into a musharaka agreement with Modaraba AI-Tijarah, an associated modaraba, for providing funding to a maximum limit of Rs. 28 million for trading activities. The profit & loss is shared by both modarabas in an agreed ratio after adjusting all incidental costs. This is secured by hypothecation of stock-in-trade. The principal amount and profit is repayable in a lump sum after completion of transaction.

**12. SHORT TERM MORABAHA FINANCES - Secured**

Considered good

15,234,909	23,403,030
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The above represent sums receivable against Morabaha transactions i.e. sale of goods on a deferred payment basis at a specified profit margin and is secured by personal guarantees of the directors, equitable modgage of property and hypothecation of stock.

**13. MARKETABLE SECURITIES**

Unless stated otherwise the holdings are in quoted ordinary shares/certificates of Rs.10/- each.

	No. of Shares/Certificates		Average cost per share/ certificate Rupees	Cost Rupees	Market value Rupees
	June 30 1995	June 30 1996			
<b>MODARABAS</b>					
L.T.V. Capital Modaraba (Rs.5/-) (Managed by National Technology Development Corporation Ltd.)	45,050	45,050	9.4017	423,546	209,483
First Mehran Modaraba [Managed by Technology Ventures (Pvt) Ltd.]	18,012	18,012	11.9354	214,980	31,521
First Grindlays Modaraba [Managed by Grindlays Services of Pakistan (Pvt) Ltd.]	5,000	5,000	12.3800	61,900	47,500
<b>LEASING COMPANIES</b>					
Standard Chartered Mercantile Leasing Company	16,450	19,740	44.7193	882,759	449,085
Dadabhoj Leasing Company Ltd. Trust Leasing Corporation Ltd.	9,500 18,300	9,500 19,376	9.2353 32.1405	87,735 622,754	23,750 125,944
<b>INVESTMENT COMPANIES/BANKS</b>					
Bank of Punjab Ltd. Faisal Bank Ltd. First Capital Securities Corporation Ltd.	3,000 26,500 -	3,900 11,750 5,000	71.5028 28.55 19.6300	278,861 335,500 98,150	76,050 373,063 45,000
<b>TEXTILE SPINNING</b>					
Khursheed Spinning Mills Ltd. Crescent Spinning Mills Ltd. Taj Textile Mills Ltd.	13,000 10,500 10,000	13,000 10,500 10,000	7.33 13.16 14.38	95,312 138,195 143,781	24,700 63,000 37,500

Friends Spinning Mills Ltd.	8,250	6,355	11.07	70,377	38,130
Maqbool Textile Mills Ltd.	7,000	7,000	12.41	86,835	31,500
Gadcon Textile Mills Ltd.	--	2,000	42.80	85,600	62,000
Saif Textile Mills Ltd.	--	1,100	29.77	32,746	15,125
Right Entitlement	--	220	28.43	6,254	2,805

	No. of Shares/Certificates		Average cost per share/ certificate Rupees	Cost Rupees	Market value Rupees
	June 30 1995	June 30 1996			

**TEXTILE COMPOSITE**

(Colony) Sarhad Textile Mills Ltd.	25,014	25,014	14.75	369,077	87,549
Nishat Mills Ltd.	--	10,000	33.87	338,696	140,000
Right Entitlement	--	1,500	18.87	28,304	300

**SYNTHETIC & RAYON**

Tristar Polyester Ltd.	17,000	17,000	28.58	485,867	74,800
Ployron Ltd.	8,500	8,500	13.63	115,855	42,500
Dewan Salman Fibre Ltd.	2,650	6,180	85.99	531,400	259,560
Dhan Fibre Ltd.	10,000	2,500	10.13	25,325	15,500
Pakistan Synthetics Ltd.	1,000	--	--	--	--

**SUGAR & ALLIED INDUSTRIES**

AI-Asif Sugar Mills Ltd.	200	200	12.26	2,451	330
Dewan Sugar Mills Ltd.	15,840	15,840	65.32	1,034,653	396,000

**CEMENT**

Punjab Building Products Ltd. (Rs.5/-)	24,000	24,000	9.96	239,126	36,000
Cherat Cement Company Ltd.	1,800	4,750	66.84	317,500	130,625
Pak Slag Cement Industries Ltd.	5,000	5,000	36.28	181,375	31,250
Mustehkam Cement Ltd.	2,100	--	--	--	--
Lucky Cement Ltd.	2,500	26,000	22.83	593,600	416,000
D.G. Khan Cement Company Ltd.	--	5,000	30.20	151,000	70,000

**FUEL & ENERGY**

Nishat Tek Ltd.	25,022	25,022	34.89	873,093	331,542
Tristar Power Ltd.	13,500	22,500	33.92	763,104	117,401
Ibrahim Energy Ltd.	--	2,500	36.64	91,600	21,125
Sui Southern Gas Company Ltd.	--	10,000	35.95	359,500	322,500
Sitara Energy Ltd.	--	22,500	32.41	729,250	579,375
Kohinoor Genertic Ltd.	--	5,000	13.13	65,650	47,500

**AUTO & ALLIED ENGINEERING**

Baluchistan Wheels Ltd.	12,375	14,875	29.13	433,246	178,500
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**CHEMICAL & PHARMACEUTICAL**

FFC - Jordan Fertilizer Company Ltd.	2,400	7,500	15.36	115,175	119,250
Sardar Chemical Industries Ltd.	3,500	5,000	13.98	69,885	17,500

	No. of Shares/Certificates		Average cost per share/ certificate Rupees	Cost Rupees	Market value Rupees
	June 30 1995	June 30 1996			

**CABLE & ELECTRICAL GOODS**

AuVitronics Ltd. (Rs. 5/-)	4,400	4,400	9.85	43,360	8,800
----------------------------	-------	-------	------	--------	-------

**TRANSPORT & COMMUNICATION**

Pakistan National Shipping Cor	21,900	21,900	10.43	228,441	82,125
PTC Voucher	--	2,500	40.30	100,750	99,750

**MISCELLANEOUS**

Arpak International Investment	6,700	6,700	10.26	68,753	21,775
Tripack Films Ltd.	--	5,000	19.38	96,900	76,250

-----  
12,118,221 5,379,963

Less: Provision for diminution in value of investments

6,738,258 --

	5,379,963	5,379,963
=====		
Total June 30, 1995	10,163,435	5,588,245
Less: Provision for diminution in value of investments	4,575,190	--
	5,588,245	5,588,245
=====		
	June 30	June 30
	1996	1995
	Rupees	Rupees
<b>14. LEASE RENTALS RECEIVABLES-Secured</b>		
Considered Good (14.1)	25,359,791	20,013,568
Considered doubtful	2,276,075	714,625
	27,635,866	20,728,193
Lease rentals receivable		
Provision for doubtful/classified debts (14.2)	(8,230,673)	(3,812,302)
	19,405,193	16,915,891
=====		

14.1 The above amount is considered to be fully receivable but in accordance with the SBP's Prudential Regulations, the modaraba has made the required provision against overdue rentals. However, strenuous efforts including legal steps are being taken for early recovery.

14.2 Provision on the above is calculated as follows:

2% on Rs. 2,508,950 (1995: Rs. 3,324,550)		
outstanding for 180 days or more	50,179	66,491
25% on Rs. 3,395,412 (1995: Rs. 7,589,604)		
outstanding for 1 year or more	848,853	1,897,401
50% on Rs. 10,111,132 (1995: Rs. 2,267,570)		
outstanding for 2 years or more	5,055,566	1,133,785
100% on Rs. 2,276,075 (1995: Rs. 714,625)		
outstanding for 3 years or more	2,276,075	714,625
	8,230,673	3,812,302
=====		

#### 15. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances and deposits	207,108	334,350
Prepayments	1,932,759	1,324,411
	2,139,867	1,658,761
Expenses recoverable from lessees	1,319,243	2,005,245
Less : Provision for bad debts	339,781	-
	979,462	2,005,245
Dividend receivable	13,600	160,857
Profit on PLS bank account	--	435,280
Profit accrued on Morabaha finance	1,492,832	922,592
Receivable from brokers against sale of shares	65,591	125,148
Other receivables	293,750	630,619
	4,985,102	5,938,502
=====		

#### 16. CASH AND BANK BALANCES

At Banks		
On PLS accounts	1,810,666	4,521,511
On current accounts	1,011,584	5,638,978
	2,822,250	10,160,489
Security stationary in hand	26,270	41,590
	2,848,520	10,202,079
=====		

#### 17. OPERATING INCOME

Leasing income	107,648,699	56,595,031
Morabaha finance profit	2,582,699	1,095,706
Profit/(Loss) on sale of investments	34,438	(147,448)
Musharaka finance profit		

From associated undertakings	4,317,400	616,975
From others	-	1,259,240

-----  
4,317,400 1,876,215  
-----

114,583,236 59,419,504  
=====

June 30      June 30  
1996          1995  
Rupees        Rupees

**18. OPERATING COST**

Salaries and allowances	4,234,328	1,559,727
Amortization of leased assets	69,505,783	34,772,651
Depreciation on assets in own use	831,079	345,877
Insurance	4,509,481	1,935,961
Subscription	67,873	133,705
Legal and professional charges	570,822	226,800
Amortization of deferred expenditure	274,234	177,214
Printing and Stationary	204,192	93,349
Electricity	187,769	38,177
Telephone	140,816	108,578
Postage	55,719	49,660
Advertising	58,543	5,000
Travelling expenses	13,970	27,859
Auditors' remuneration		

Audit Fee	50,000	40,000
Out-of-pocket expenses	12,285	5,066

62,285 45,066

Repair and maintenance	250,481	63,008
Fuel and conveyance	234,541	75,861
Rent, rates and taxes	217,478	100,703
Registrar services	480,000	240,000
Miscellaneous expenses	347,881	189,192

-----  
82,247,275 40,188,388  
=====

**19. PROFIT DISTRIBUTION ON BORROWINGS**

Profit on long term musharaka and term finances	1,806,091	805,955
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=====

**20. OTHER INCOME**

Gain on disposal of assets in own use	143,164	8,000
Dividend income	557,993	190,932
Underwriting fee	169,287	-
Consultancy charges	735,140	295,946
Others	794,165	208,156

-----  
2,399,749 703,034  
=====

June 30      June 30  
1996          1995  
Rupees        Rupees

**21. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS**

Charges for register services	480,000	240,000
Brokerages expense (Note 21.1)	54,900	98,200
Reimbursement of salaries & perquisites	528,443	153,000
Musharaka investments	9,605,000	53,145,000

21.1 On sales and purchases of investments through AI-Mal Securities and Services Limited which is a corporate member of Karachi Stock Exchange.

21.2 Maximum amount due from associated undertakings at the end of any month during the year was Rs.25,517,400 (1995: Rs. 27,483,067)

**22. RENTALS RECEIVABLE WITHIN ONE YEAR**

Rental receivable in subsequent financial year i.e. June 30, 1997 amounts to approximately Rs.91.408 million

**23. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES**

The aggregate amount charged in the accounts for remuneration, including all benefits, to officers and other employees of the Modaraba were as follows:

	OFFICERS		OTHER EMPLOYEES	
	12 Months	6 Months	12 Months	6 Months
	June, 1996	June, 1995	June, 1996	June, 1995
	Rupees	Rupees	Rupees	Rupees
Salaries	951,095	441,837	1,264,472	379,112
Retirements Benefits	234,997	66,946	198,713	61,495
House Rent	422,218	231,600	549,494	189,631
Conveyance & Other allowances	271,473	118,590	341,866	70,516
	-----	-----	-----	-----
	1,879,783	858,973	2,354,545	700,754
	=====	=====	=====	=====

The officers are also provided with free use of cars maintained by the Modaraba.

**24. DEFERRED TAXATION**

Deferred taxation arising due to timing differences computed under the liability method is estimated at Rs.4.76 million credit (1995: Rs. 3.21 million debit) of which Rs.7.97 million credit (1995: Rs. 5.07 million debit) is in respect of the current period. The liability for deferred taxation is not likely to reverse in the foreseeable future and accordingly, no provision for deferred taxation has been made in the accounts.

**25. GENERAL**

(a) Previous period's figures have been rearranged, wherever necessary, for the purpose of comparison.

(b) Figures have been rounded off to the nearest rupee.

**Pattern of Certificate Holding as at June 30, 1996**

No. of Certificates	Holding	Certificate Holdings		Total Certificates Held
	From	1	to	
335	"	1	to	100 Cedificates 16,147
508	"	101	to	500 " 145,647
533	"	501	to	1000 " 406,482
1156	"	1001	to	5000 " 2,554,607
272	"	5001	to	10000 " 1,877,687
85	"	10001	to	15000 " 1,031,118
34	"	15001	to	20000 " 570,704
27	"	20001	to	25000 " 599,440
17	"	25001	to	30000 " 448,483
12	"	30001	to	35000 " 395,072
10	"	35001	to	40000 " 377,412
7	"	40001	to	45000 " 297,948
7	"	45001	to	50000 " 329,491
6	"	50001	to	60000 " 335,347
7	"	60001	to	70000 " 461,174
3	"	70001	to	80000 " 218,522
3	"	80001	to	90000 " 248,915
1	"	90001	to	100000 " 99,085
9	"	100001	to	125000 " 1,052,940
1	"	150001	to	200000 " 159,407
1	"	200001	to	250000 " 217,302
2	"	250001	to	300000 " 560,668
1	"	300001	to	350000 " 336,520
1	"	400001	to	450000 " 433,99
1	"	450001	to	500000 " 488,083
1	"	500001	to	600000 " 562,852
1	"	700001	to	800000 " 760,725
1	"	1000001	to	1500000 " 1,412,377
1	"	1500001	to	2000000 " 1,859,255
-----				-----
3043				18,257,400
=====				=====

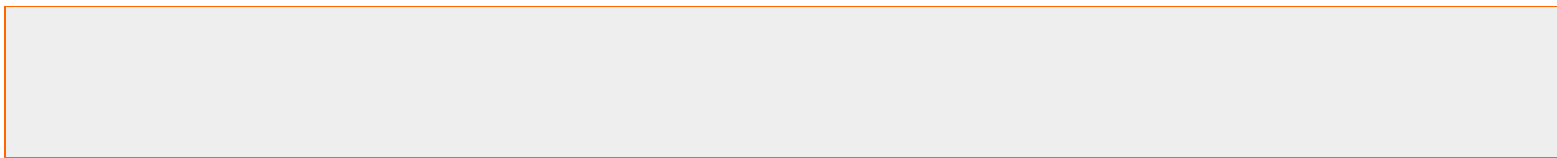
**Categories of Certificate Holders as at June 30,1996**

Categories of Certificate Holders	Number	Certificates Held	Percentage
-----------------------------------	--------	-------------------	------------

INDIVIDUALS	2990	11,461,883	62.78
INSURANCE COMPANIES	4	1,457,054	7.98
JOINT STOCK COMPANIES	8	180,123	0.99
FINANCIAL INSTITUTIONS	11	1,565,520	8.57
INVESTMENT COMPANIES	12	937,791	5.14
MODARABA COMPANIES	11	2,404,703	13.17
OTHERS	7	250,326	1.37
	-----	-----	-----
	3043	18,257,400	100.00
	=====	=====	=====



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