

Modaraba Al-Mali

Annual Report 1998

Contents

Corporate Information
Directors' Report
Auditors' Report
Balance Sheet
Profit and Loss Account
Cash Flow Statement
Notes to the Accounts
Pattern of Certificate Holdings

Corporate Information

BOARD OF DIRECTORS

Mr. Syed Iradat Husain	Chairman
Mr. Maqbool Hussain	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. Zafar H. Naqvi
Mr. Ashfaq Ali Quettawala
Mr. S. Shakeel-ur-Rehman
Mr. S. Masood Akhter

AUDITORS

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

BANKERS

Muslim Commercial Bank Limited
Askari Bank Limited
Metropolitan 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 12th Report of Modaraba AI-Mali together with Audited Accounts for the year ended June 30,1998.

1. Operating Results:

The summarized results for the period under report are as under:

	(Rs. in "000")	
	1998	1997
* Totaloperating income	108,140	115,111

	=====	=====
* Net Profit before management fee & taxation	5,260	19,881
* Less: Management Fee	478	1,807
	-----	-----
* Less: Provision for taxation	4,782	18,074
	4,361	6,855
	-----	-----
* Net Profit for the year	421	11,219
* Add: Unappropriated profit b/f	37	2,016
	-----	-----
* Profit available for appropriation	458	13,325
* Appropriations:		
	-----	-----
- Statutory reserves	84	2,244
- Cash dividend Nil (1997: 6%)	-	10, 954
	84	13,198
	-----	-----
* Unappropriated profit carried forward	374	37
	=====	=====

2. Statutory Reserves

In compliance with SBP Prudential Regulations, Directors have decided to appropriate 20% of the year's profits to Statutory Reserves until it equals the Certificate Capital of the Modaraba.

3. Business Operations

The economic situation did not show any significant improvement. The leasing sector witnessed immense competition. However, we were able to negotiate new leases amounting to Rs. 119.59 million in 1997-98 as compared to Rs. 75.21 million during the year 1996-97. Inflationary trend continued to persist, but through effective cost control policies, the management was able to restrict the operating cost to previous year's level. Through strenuous recovery efforts, the Provision for doubtful debts was written back by Rs. 1.78 million. In view of the continuous decline in the prices of equity investments over an extended time frame, the management considered it prudent to make provisions for diminution in value of long term investments in order to reflect the long term trend. Provision of Rs. 18.29 million and Rs. 4.36 million were made against diminution in value of long term and short term investments respectively. As a result, profit after tax amounted to Rs. 0.42 million as compared to Rs. 11.22 million last year.

4. Future Prospects

With the favourable prospects of revival of I.M.F. assistance, the economic activity is expected to gain momentum. It is hoped that the pace of industrialization will, therefore, improve resulting in increase in leasing business. The tax exemption granted to the Modarabas through Finance Act 1998 will greatly facilitate in revival of the Modaraba sector. The pattern of recovery is encouraging and quantum of doubtful/classified debts is expected to remain within permissible limits. Accordingly, the management is confident of achieving profitable level of operations.

5. 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 1998-99.

6. Pattern of Certificate holding:

The pattern of certificate holding is attached.

7. 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: Dated 7th December, 1998

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet as at June 30, 1998 and the related profit and loss account and cash flow statement together with the notes to the accounts for the year ended June 30, 1998 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

Al-Mali as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Modaraba Companies and Modaraba Rules, 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 Modaraba 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 cash flow statement, 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, 1998 and the profit and the cash flows for the year ended on that date;

ii) zakat deductible at source under the Zakat and Ushr Ordinance, 1980, has been deducted by the modaraba and deposited in the Central Zakat Fund established under section 7 of that ordinance; and

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

Karachi: December 7, 1998.

Ford, Rhodes, Robson, Morrow
Chartered Accountants

BALANCE SHEET AS AT JUNE 30, 1998

	Note	June 30 1998 Rupees	June 30 1997 Rupees
CAPITAL AND RESERVES			
Certificate Capital			
Authorised			
20,000,000 (1997 - 20,000,000)			
Modaraba Certificates of Rs. 10/- each		200,000,000	200,000,000
		=====	=====
Issued, subscribed and paid-up	3	182,574,000	182,574,000
Capital Reserve			
Statutory reserve	4	14,455,639	14,371,305
Revenue Reserve			
Unappropriated profit		373,934	36,599
		-----	-----
		14,829,573	14,407,904
		-----	-----
		197,403,573	196,981,904
LONG TERM MORABAHA FINANCES	5	6,350,000	11,518,847
DEFERRED LIABILITY			
Customers' security deposits		23,257,207	20,210,560
CURRENT LIABILITIES			
Current maturity of morabaha finances	5	4,368,052	3,589,635
Current maturity of customers' security deposits		13,743,515	14,143,793
Creditors, accrued and other liabilities	6	12,624,888	5,682,882
Rentals received in advance		4,791,988	3,169,273
Provision for taxation		-	2,784,269
Unclaimed dividend		1,214,572	1,129,111
Proposed dividend		-	10,954,440
		-----	-----
		36,743,015	41,453,403
CONTINGENCIES	7	263,753,795	270,164,714
		=====	=====
TANGIBLE FIXED ASSETS	8		
Assets given on lease - net cost	8.10	203,366,058	172,921,146
Assets in own use - net cost	8.20	11,823,816	12,964,762
		-----	-----
		215,189,874	185,885,908
LONG TERM INVESTMENTS	9	5,066,267	23,393,733

DEFERRED EXPENDITURE	10	129,545	233,477
CURRENT ASSETS			
Short term musharaka finance - secured	11	5,940,000	15,358,000
Short term morabaha finances - secured	12	13,338,440	10,895,025
Short term investments	13	4,527,011	5,386,535
Lease rentals receivable	14	9,206,920	13,924,225
Advances, deposits, prepayments and other receivables	15	7,170,922	5,780,526
Cash and bank balances	16	3,184,816	9,307,285
		-----	-----
		43,368,109	60,651,596
		-----	-----
		263,753,795	270,164,714

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

Managing Director/ Chief Executive	Director	Director
---------------------------------------	----------	----------

PROFIT AND LOSS ACCOUNT
for the year ended June 30, 1998

	Note	June 30 1998 Rupees	June 30 1997 Rupees
Operating income	17	108,139,830	115,110,504
Operating costs	18	81,364,499	83,460,570
Profit distribution on borrowings	19	2,726,425	3,653,198
		-----	-----
		84,090,924	87,113,768
		-----	-----
		24,048,906	27,996,736
Other income	20	2,078,553	2,175,132
		-----	-----
		26,127,459	30,171,868
Less: Provision for doubtful/classified debts		(1,783,780)	9,769,293
Provision for diminution in value of short term investments		4,362,009	520,827
Provision for diminution in value of long term investments		18,288,119	-
Modaraba company's management fee		478,283	1,807,432
		-----	-----
		21,344,631	12,097,552
		-----	-----
Profit before taxation		4,782,828	18,074,316
Taxation - Current		4,000,000	6,000,000
- Prior years		361,159	855,100
		-----	-----
		4,361,159	6,855,100
		-----	-----
		421,669	11,219,216
Unappropriated profit brought forward		36,599	2,015,666
		-----	-----
Available for appropriation		458,268	13,234,882
Appropriations:			
Proposed dividend		-	10,954,440
Transfer to statutory reserve		84,334	2,243,843
		-----	-----
		84,334	13,198,283
		-----	-----
Balance carried forward		373,934	36,599
		=====	=====

The annexed notes form an integral part of these accounts.

Managing Director/ Chief Executive	Director	Director
---------------------------------------	----------	----------

CASH FLOW STATEMENT
for the year ended June 30, 1998

	June 30 1998 Rupees	June 30 1997 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before management fee and taxation	5,261,111	19,881,748
Adjustments of non cash and other items		
Depreciation - Leased assets	66,420,654	68,773,711
- Owned assets	1,361,996	1,165,599
Amortisation of deferred expenditure	103,932	237,929
Provision for bad debts	(1,783,780)	9,759,293
Provision for long term investments	18,288,119	-
Provision for short term investments	4,362,009	520,827
Gain on disposal of leased/owned assets	(206,703)	(308,196)
Gain on investments	(6,473)	(28,634)
Financial charges	2,726,425	3,653,198
Dividend Income	(891,339)	(931,772)
	-----	-----
	95,635,951	102,733,703
Changes in working capital		
Decrease in trade and other receivables	17,262,515	10,737,830
(Increase) in short term investments	(3,502,485)	(527,399)
Increase/(Decrease) in trade payables	5,942,144	(2,426,786)
	-----	-----
	115,338,125	110,517,348
Financial charges paid	(2,844,257)	(4,340,896)
Income taxes paid	(9,364,679)	(11,392,072)
Management fee paid	(2,005,000)	(1,730,000)
Profit received from bank	1,304,339	832,265
	-----	-----
Net cash from operating activities	102,428,528	93,886,645
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of - Leased out assets	(119,590,822)	(75,211,239)
- Owned assets	(221,050)	(2,795,157)
Purchase of long term investments	(190,000)	(236,855)
Proceeds from sale of fixed assets - Leased out	22,931,959	10,239,163
- Owned	-	511,225
Proceeds from sale of long term investments	235,820	993,568
Dividend received	896,137	809,860
Customers' security deposits received - net	2,646,369	3,291,506
	-----	-----
Net cash used in investing activities	(93,291,587)	(62,397,929)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(4,390,430)	(5,373,150)
Dividend paid	(10,868,980)	(19,656,801)
	-----	-----
Net cash used in financing activities	(15,259,410)	(25,029,951)
	-----	-----
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(6,122,469)	6,458,765
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	9,307,285	2,848,520
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	3,184,816	9,307,285
	=====	=====

Managing Director/
Chief Executive

Director

Director

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 1998

1. LEGAL STATUS AND NATURE OF BUSINESS

Modaraba Al-Mali is a multipurpose, perpetual Modaraba formed under the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, and the rules framed thereunder and is managed by AI-Mal Corporation Limited. It is listed on the Karachi, Lahore and Islamabad Stock Exchanges. It is engaged in the business of leasing, morabaha and musharaka financing and other related business.

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 funded scheme for all its employees, who have completed minimum qualifying period of service. Contributions to the fund are based on actuarial valuation using the 'projected unit credit method'.

(c) Fixed assets

(i) Assets given out on lease and amortization

All lease transactions 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.

(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.

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

(iii) 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.

(h) Bad and doubtful debts

Debts considered doubtful are provided for.

	June 30 1998 Rupees	June 30 1997 Rupees
3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
13,569,000 (1997:13,569,000) Modaraba Certificates of Rs. 10/- each fully paid in cash	135,690,000	135,690,000
4,688,400 (1997: 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 Regulations for Non-Banking Financial Institutions.

5. LONG TERM MORABAHA FINANCES- Secured

Morabaha from financial institutions (note 5.1)	10,718,052	15,108,482
Less: Current maturities shown under current liabilities	4,368,052	3,589,635
	-----	-----
	6,350,000	11,51 8,847
	=====	=====

5.1 Morabahas from financial institutions

	Outstanding balance		Sale price Rupees	Purchase price Rupees	margin per annum %	Profit Repayment from	instalments
	1997 Rupees	1998 Rupees					
Loan A	6,387,892	4,973,922	10,505,725	7,000,000	20.00	August 1,1996	9 unequal half yearly
Loan B	8,720,590	5,744,130	14,659,664	10,000,000	20.50	October 1,1996	14 unequal quarterly
	15,108,482	10,718,052	25,165,389	17,000,000			

The morabaha sale prices are secured by hypothecation of certain leased assets and rentals receivable there against.

June 30	June 30
1998	1997
Rupees	Rupees

6. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors (note 6.1)	10,719,959	3,035,813
Accrued liabilities	199,014	284,597
Profit accrued on morabaha finance	414,493	532,325
Management fee payable	-	186,644
Others (note 6.2)	1,291,422	1,643,503
	12,624,888	5,682,882

6.1 These include Rs. 3,514,658 (1997: Rs.2,210,319) as 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 deposits is not permitted under the Islamic mode of financing and hence has not been 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

7.1 CONTINGENCIES

A suit has been filed against the Modaraba for Rs. 6.48 million (1997: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 Modaraba is of the opinion that it 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			ACCUMULATED AMORTIZATION			
	As at July 1, 1997	Additions/ (disposals) during the year	As at June 30, 1998	As at July 1, 1997	Charge/ (adjustment) for the year	As at June 30, 1998	Written down value as at June 30, 1998
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Plant and machinery	197,079,335	30,445,070 (61,369,496)	166,154,909	106,028,355	30,576,765 (52,014,347)	84,590,773	81,564,136
Motor vehicles	117,797,929	36,823,060 (38,647,092)	115,973,897	51,425,601	27,285,080 (29,620,401)	49,090,280	66,883,617
Furniture and fixtures	520,533	1,047,500 (520,532)	1,047,501	494,504	174,392 (494,505)	174,391	873,110
Office and computer equipment	37,254,498	51,012,892 (17,995,071)	70,272,319	22,993,019	7,868,409 (13,698,328)	17,163,100	53,109,219
Home appliances	1,537,329	262,300 (30,000)	1,769,629	326,999	516,008 (9,354)	833,653	935,976

	354,189,624	119,590,822	355,218,255	181,268,478	66,420,654	151,852,197	203,366,058
		(118,562,191)			(95,836,935)		
1997	354,227,536	75,211,239	354,189,624	177,519,642	68,773,711	181,268,478	172,921,146
		(75,249,151)			(65,024,875)		

8.2 Assets in own use

Description	Cost			ACCUMULATED DEPRECIATION				
	As at July 1, 1997	Additions/ (disposals) during the year	As at June 30, 1998	As at July 1, 1997	Charge/ (adjustment) for the year	As at June 30, 1998	Written down value as at June 30, 1998	Rate of Depre- ciation
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%
Office premises- Leasehold	8,455,677	--	8,455,677	281,856	422,784	704,640	7,751,037	5
Motor vehicles	2,591,172	121,000	2,712,172	1,024,857	392,087	1,416,944	1,295,228	20
Furniture and fixtures	2,456,178	6,800	2,462,978	395,493	245,099	640,592	1,822,386	10
Office equipment	1,359,641	27,100	1,386,741	415,603	202,760	618,363	768,378	10 to 25
Computer equipment	1,507,260	66,150	1,573,410	1,287,357	99,266	1,386,623	186,787	20
	16,369,928	221,050	16,590,978	3,405,166	1,361,996	4,767,162	11,823,816	
1997	5,134,824	12,107,700	16,369,928	2,894,247	1,165,599	3,405,166	12,964,762	
		(872,596)			(654,680)			

8.3 Details of disposal of assets given out on lease are stated in note 24 to the accounts.

9. LONG-TERM INVESTMENTS

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

	JUNE 30, 1998						
	No. of Shares/Certificate		June 30,	Average cost			Market
	June 30, 1997	June 30, 1998	1997 Cost	per share/ certificate	Cost	Cost	value
			Rupees	Rupees	Rupees	Rupees	Rupees
(a) ASSOCIATED UNDERTAKING							
Al-Mal Securities & Services Limited		229,500	229,500	2,182,820	9.5112	2,182,820	459,000
(b) ASSOCIATED MOBARABA							
Modaraba Al-Tijarah (Managed by Al-Mal Corporation Ltd.)		120,800	120,800	1,230,058	10.1825	1,230,058	132,880
(c) OTHERS							
MUTUAL FUNDS							
ICP State Enterprise Mutual Fund		28,500	28,500	824,506	35.5967	1,014,507	313,500
Twenty Second ICP Mutual Fund		25,000	25,000	650,750	26.0300	650,750	80,000
Twenty Fourth ICP Mutual Fund		49,800	49,800	498,000	10.0000	498,000	249,000
National Investment Trust (Units)		95,000	95,000	1,482,000	15.6000	1,482,000	641,250
MODARABAS							
Allied Bank Modaraba [Managed by Allied Management Services (Pvt.) Limited]		45,783	45,783	526,537	11.5007	526,537	270,120
First Grindlays Modaraba [Managed by Grindlays Services of Pakistan (Pvt.) Limited]		18,600	20,088	604,755	30.1053	604,755	220,968
First. UDL Modaraba [Managed by UDL Modaraba Management (Pvt.) Limited]		21,384	21,384	255,398	11.9434	255,398	47,045
LEASING COMPANIES							
Ibrahim Leasing Company Limited		25,000	25,000	447,208	17.8883	447,208	106,250
First Leasing Corporation Limited		11,500	11,500	395,394	34.3820	395,393	74,750

INSURANCE

Adamjee Insurance Company Limited	4,882	4,882	702,499	143.8958	702,499	234,336
Carried Forward			9,799,925		9,989,925	2,829,099
TEXTILE WEAVING						
Kohinoor Weaving Mills Limited	17,100	17,100	323,994	18.9470	323,994	201,780
SYNTHETIC AND RAYON						
Dhan Fibre Limited	45,500	45,500	656,608	14.4308	656,608	86,450
Gatron Industries Limited	11,700	11,700	742,008	63.4195	742,008	245,700
Ibrahim Fibre Limited	35,000	35,000	625,275	17.8650	625,275	169,750
SUGAR AND ALLIED INDUSTRIES						
Haseeb Waqas Sugar Mills Limited	16,000	16,000	209,581	13.0988	209,581	38,400
CEMENT						
Essa Cement Limited	15,950	17,545	611,038	34.8269	611,038	113,165
Maple Leaf Cement Factory	18,900	18,900	1,198,751	63.4260	1,198,751	60,480
FUEL AND ENERGY						
Kohinoor Power Company	24,150	24,150	1,238,900	51.3002	1,238,900	
AUTO AND ALLIED ENGINEERING						
Agri-Autos Industries Limited	698,486	698,486	5,645,915	8.0831	5,645,915	838,183
Gandhara Nissan Limited	32,500	32,500	1,133,330	34.87	1,133,330	154,375
VANASPATI AND ALLIED						
Kashmir Edible Oil Mills Limited	25,500	25,500	381,936	14.98	381,936	52,275
FOOD AND ALLIED						
Lever Brothers Pakistan Limited (Rs. 50)	260	-	229,347	-	-	-
PAPER AND BOARD						
Century Paper & Board Mills Limited	17,600	17,600	597,125	33.93	597,125	204,160
			-----		-----	-----
			23,393,733		23,354,386	5,066,267
Less: Provision for diminution in value of investments			-		18,288,119	-
			-----		-----	-----
			23,393,733		5,066,267	5,066,267
			=====		=====	=====
Aggregate market value as at June 30, 1997						9,321,931
						=====

	June 30 1998	June 30 1997
	Rupees	Rupees

10. DEFERRED EXPENDITURE

Expenditure on issue of right certificates	233,477	471,406
Less: Amortized during the year	103,932	237,929
	-----	-----
	129,545	233,477
	=====	=====

The above expenditure is carried forward as it confers benefit to future years.

11. SHORT-TERM MUSHARAKA FINANCE - Secured

Considered good

To an associated modaraba (note 11.1)	5,940,000	15,358,000
	=====	=====

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. 16 million (1997 - Rs 20 million) for trading activities. The profit and 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 the transactions.

12. SHORTTERM MORABAHA FINANCES- Secured

Considered good (note 12.1)	13,338,440	10,895,025
	=====	=====

12.1 The above represent sums receivable against Morabaha transactions i.e. sale of goods on a deferred payment basis at specified profit margins and are secured by personal guarantees of the directors,

equitable mortgage of property and hypothecation of stock.

13. SHORTTERM INVESTMENTS

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

	JUNE 30, 1998					
	No. of Shares/Certificate June 30, 1997	June 30, 1998	June 30, 1997 Cost Rupees	Average cost per share/ certificate Rupees	Cost Rupees	Market value Rupees
(a) ASSOCIATED UNDERTAKING						
AI-Mal Securities & Services Limited	500	1,500	2,915	5.40	8,095	3,000
(b) ASSOCIATED MODARABA						
Modaraba AI-Tijarah (Managed by AI-Mal Corporation Ltd.)	--	3,500	--	1.1857	4,150	3,850
(c) OTHERS						
MUTUAL FUNDS						
Golden Arrow S.S. Fund	5,000	49,500	15,750	1.4602	72,281	56,925
MODARABAS						
Long Term Venture Capital Modaraba (Rs. 5) [Managed by National Technology Development Corporation Limited]	55,050	95,550	473,446	6.63	633,471	133,770
First Mehran Modaraba [Managed by Technology Ventures (Pvt.) Limited]	18,012	18,012	214,980	11.94	214,980	45,030
First Habib Bank Modaraba [Managed by Habib Bank Financial Services (Pvt.) Limited]	10,000	10,000	71,050	7.11	71,050	58,000
First Equity Modaraba [Managed by Premier Financial Services (Pvt.) Limited]	17,000	17,000	130,710	7.69	130,710	72,250
LEASING COMPANIES						
Saudi Pak Leasing Co. (Standard Chartered Mercantile)	21,932	24,124	882,759	36.5926	882,759	241,240
Dadabhoy Leasing Company Limited	9,500	10,212	87,735	8.5914	87,735	12,765
Trust Leasing Corporation Limited	19,376	19,376	622,754	32.1405	622,754	62,003
National Development Leasing Corporation	5,000	5,250	56,150	8.9333	46,900	21,000
Paramount Leasing Ltd.	-	5,000	-	8.6300	43,150	30,000
Union Leasing Ltd.	-	7,000	-	3.3571	23,500	21,000
INVESTMENT COMPANIES/BANKS						
The Bank of Punjab Limited	4,485	4,933	278,861	56.5300	278,861	33,544
Faysal Bank Limited	-	15,000	-	28.5083	427,625	136,500
First Capital Securities Corporation Limited	5,000	5,500	98,150	17.8455	98,150	33,000
INSURANCE						
Commercial Union Assurance Company	10,000	10,000	135,200	13.5200	135,200	85,000
TEXTILE SPINNING						
Khurshid Spinning Mills Limited	13,000	13,000	95,312	7.3317	95,312	13,000
Crescent Spinning Mills Limited	10,500	10,500	138,195	13.1614	138,195	55,125
Taj Textile Mills Limited	10,000	10,500	143,781	13.6934	143,781	28,980
Friends Spinning Mills Limited	7,355	7,355	75,757	10.3001	75,757	7,355
Maqbool Textile Mills Limited	7,000	7,000	86,835	12.4050	86,835	34,300
Sail Textile Mills Limited	1,320	11,902	39,000	15.0760	179,435	117,830
Carried Forward			3,649,340		4,500,686	1,305,467
Brought forward			3,649,340		4,500,686	1,305,467
TEXTILE COMPOSITE						
(Colony) Sarhad Textile Mills Limited	25,014	25,014	369,077	14.7548	369,077	60,034
Nishat Mills Limited	10,000	23,489	367,000	52.7946	1,240,093	192,610
SYNTHETIC AND RAYON						
Tristar Polyester Limited	17,000	17,000	485,867	28.58	485,867	25,500
Polyron Limited	8,500	8,500	115,855	13.63	115,855	22,950

Dewan Salman Fibre Limited	11,180	18,562	724,400	48.17	894,150	259,868
Dhan Fibre Limited	15,000	45,000	96,950	5.77	259,550	85,500
SUGAR AND ALLIED INDUSTRIES						
AI-Asif Sugar Mills Limited	200	200	2,451	12.2550	2,451	300
Deewan Sugar Mills Limited	15,840	15,840	1,034,653	65.3190	1,034,653	300,960
Haseeb Waqas Sugar Mills Ltd.	-	18,500	-	4.0486	74,899	44,400
CEMENT						
Punjab Building Products Limited (Rs.5)	24,000	24,000	239,126	9.9636	239,126	15,600
Cherat Cement Company Limited	4,750	14,750	317,499	35.3559	521,500	147,500
Pakistan Slag. Cement Industries Limited	5,000	5,000	181,375	36.2750	181,375	16,750
Lucky Cement Limited	26,000	26,000	593,600	22.8308	593,600	101,400
D.G.Khan Cement Company Limited	5,000	30,000	151,000	16.7917	503,750	139,500
Fauji Cement Factory Limited	5,000	15,000	51,775	9.4800	142,200	60,750
Pakland Cement Ltd.	-	10,000	-	9.9050	99,050	42,000
Dandot Cement Company Limited	-	9,000	-	5.8056	52,250	11,250
FUEL AND ENERGY						
Nishat Tek Limited	25,022	-	873,093	-	-	-
Tristar Power Limited	22,500	22,500	763,827	33.9479	763,827	40,500
Ibrahim Energy Limited	2,500	2,500	91,600	36.6400	91,600	18,125
Sui Southern Gas Company Limited	-	4,025	-	25.2609	101,675	36,627
Sitara Energy Limited	22,500	22,500	729,250	32.4111	729,250	270,000
Kohinoor Energy Limited	10,000	10,000	207,000	20.7000	207,000	50,000
Genertech (Pak) Power Company	2,000	2,000	36,260	18.1300	36,260	10,000
Japan Power Limited	-	5,000	-	10.3800	51,900	24,250
Hub Power Company Limited	-	14,000	-	41.8357	585,700	191,800
AUTO AND ALLIED ENGINEERING						
Indus Motor Company Limited	-	10,000	-	14.2325	142,325	80,000
CHEMICAL AND PHARMACEUTICAL						
Sardar Chemical Industries Limited	5,000	5,000	69,885	13.9770	69,885	10,250
ICI Pakistan Limited	15,000	20,000	386,266	29.4450	588,900	239,000
FFC - Jordan Company Limited	25,000	5,000	450,667	24.0000	120,000	65,750
Carried Forward			11,987,816		14,798,454	3,868,641
Brought forward			11,987,816		14,798,454	3,868,641
CABLE AND ELECTRICAL GOODS						
Auvitronics Limited (Rs. 5)	4,400	-	43,360	-	-	-
TRANSPORT AND COMMUNICATIONS						
Pakistan National Shipping Corporation	21,900	21,900	228,441	10.4311	228,441	72,270
P.T.C.L. "A"	5,000	29,500	171,250	29.1968	861,307	483,800
P.I.A.C. (A)	-	5,000	-	9.0300	45,150	17,500
PAPER AND BOARD						
Century Paper & Board Mills Limited	5,000	5,000	146,000	29.20	146,000	58,000
MISCELLANEOUS						
Arpak International Investment Limited	6,700	6,700	68,753	10.26	68,753	26,800
			-----		-----	-----
			12,645,620		16,148,105	4,527,011
Less - Provision for diminution in value of investments			7,259,085		11,621,094	-
			-----		-----	-----
			5,386,535		4,527,011	4,527,011
			=====		=====	=====

June 30 **June 30**

1998

1997

Rupees

Rupees

14. LEASE RENTALS RECEIVABLES- Secured

Considered good	9,206,920	13,924,225
Considered doubtful	16,029,915	17,990,836
	-----	-----
Lease rentals receivable (note 14.1)	25,236,835	31,915,061
Less: Provision for classified debt	(16,029,915)	(17,990,836)
	-----	-----
	9,206,920	13,924,225
	=====	=====

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.

15. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances and deposits	41,850	305,650
Prepayments	1,776,378	2,782,675
Expenses recoverable from lessees	1,473,230	1,302,165
Less: Provision for bad debts	518,702	341,561
	-----	-----
	954,528	960,604
Dividend receivable	130,714	135,512
Less: Provision for bad debts	7,350	7,350
	-----	-----
	123,364	128,162
Advance Income tax	2,219,251	--
Profit accrued on morabaha finance	468,282	818,588
Receivable from brokers against sale of shares associated undertakings	-	122,000
others	-	137,025
Receivable from management company	1,340,073	--
Other receivables	247,196	525,822
	-----	-----
	7,170,922	5,780,526
	=====	=====

16. CASH AND BANK BALANCES

At banks

In PLS accounts	2,500,233	8,161,155
In current accounts	433,663	887,050
State Bank of Pakistan deposit account (note 16.1)	225,000	225,000
	-----	-----
	3,158,896	9,273,205
Security stationary in hand	25,920	34,080
	-----	-----
	3,184,816	9,307,285
	=====	=====

16.1 The amount is deposited with State Bank of Pakistan as required under the provision of the SBP's rules for Non-Banking Financial Institutions to maintain liquidity against certain liabilities.

17. OPERATING INCOME

Leasing Income	105,658,575	108,747,220
Morabaha finance profit	2,486,433	2,675,260
(Loss)/profit on sale of investments	(5,178)	97,914
Musharaka finance profit from associated undertaking	-	3,590,110
	-----	-----
	108,139,830	115,110,504
	=====	=====

June 30	June 30
1998	1997
Rupees	Rupees

18. OPERATING COST

Salaries and allowances (note 23)	4,240,731	4,125,177
Amortization of leased assets	66,420,654	68,773,711
Depreciation on assets in own use	1,361,996	1,165,599
Insurance	4,897,018	5,478,253
Subscription	165,250	135,183
Legal and professional charges	1,170,011	558,966
Amortization of deferred expenditure	103,932	237,929
Printing and stationery	235,044	289,074
Electricity	530,171	341,692
Telephone	203,744	169,820
Postage	35,592	47,870
Advertising	42,416	47,601
Travelling expenses	-	10,473
Auditors' remuneration - (note 18.1)	76,872	180,122
Repair and maintenance	581,296	630,433
Fuel and conveyance	277,368	252,303
Rent, rates and taxes	172,029	161,687

Registrar services (note 21)	540,000	510,000
Miscellaneous expenses	310,375	344,677
	-----	-----
	81,364,499	83,460,570
	=====	=====
18.1 Auditors' remuneration		
Statutory audit	70,000	55,000
Special audits	-	95,000
Out-of-pocket expenses	6,872	14,622
Central excise duty	-	15,500
	-----	-----
	76,872	180,122
	=====	=====

19. PROFIT DISTRIBUTION ON BORROWINGS

Morabaha finance	2,726,425	3,197,242
Musharaka finance	-	142,123
Term finance	-	313,833
	-----	-----
	2,726,425	3,653,198
	=====	=====

20. OTHER INCOME

Gain on disposal of asset in own use	-	293,309
Gain on disposal of assets given on lease	206,703	14,887
Dividend income	891,339	931,772
Others	980,511	935,164
	-----	-----
	2,078,553	2,175,132
	=====	=====

June 30	June 30
1998	1997
Rupees	Rupees

21. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Charges for registrar services	540,000	510,000
Brokerage expenses (note 21.1)	17,107	16,670
Reimbursement of salaries & perquisites (note 21.2)	100,735	103,447
Disbursements against musharaka with associated modaraba	2,110,000	7,458,000
Receipts against musharaka with associated modaraba	11,528,000	21,572,206
Management fee paid	2,005,000	1,730,000
Dividend paid	1,497,820	2,752,934
Received on account of services rendered	140,400	127,800

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

21.2 The amount paid to Al-Mal Corporation Ltd. for Modaraba Al-Mali's share of salaries of group internal auditor.

21.3 Maximum amount due from associated undertakings at the end of any month during the year was Rs. 15,451,693 (1997: Rs. 27,103,534).

22. RENTALS RECEIVABLE WITHIN ONE YEAR

Rentals receivable in subsequent financial year i.e.
June 30, 1999 amount to approximately Rs. 104.522 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	
	June 1998 Rupees	June 1997 Rupees	June 1998 Rupees	June 1997 Rupees
Salaries	1,206,690	1,209,207	1,130,060	1,104,606
Retirement benefits	202,591	191,077	210,563	167,053
House rent	542,977	542,596	502,917	496,823
Conveyance and other allowances	235,046	229,466	209,887	184,349
	-----	-----	-----	-----
	2,187,304	2,172,346	2,053,427	1,952,831

	=====	=====	=====	=====
Number of persons at the end of the year	5	4	22	23

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

25. DISPOSAL OF ASSETS GIVEN ON LEASE

Particulars	Cost of assets	Accumulated amortization	Book value	Sale proceeds	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees		
Equipment	123,500	117,000	6,500	6,500	Lease expiry	Jameel Motors Pvt Ltd. 89-A, Block # 2 P.E.C.H.S Karachi.
Equipment	114,000	108,000	6,000	6,000	Lease expiry	Karachi Ghee Mills 45, Naz Chamber, Shahra-e-Liaquat, Keamari, Karachi.
Equipment	300,000	270,000	30,000	30,000	Lease expiry	Liaquatabad Medical Complex 4/397, Ibn-e-Sena Road, Karachi.
Equipment	233,410	210,070	23,340	23,340	Lease expiry	Atco Laboratories Pvt Ltd. B-18-C, S.I.T.E Karachi.
Equipment	139,500	124,000	15,500	15,500	Lease expiry	Darul Shifa Hospital B-11, H-22 Masom Road, Keamari, Karachi.
Equipment	478,730	430,855	47,875	47,875	Lease expiry	Constellation Management Co. 9th Floor, 901 Uni Centre, I.I. Chundrigar Road Karachi.
Equipment	2,862,000	2,575,800	286,200	286,200	Lease expiry	Mehran International (Pvt.) Ltd., Polka Annexe, Hotel Metropole, Club Road Karachi.
Equipment	1,417,750	1,275,975	141,775	141,775	Lease expiry	Mehran International (Pvt.) Ltd., Polka Annexe, Hotel Metropole, Club Road Karachi.
Equipment	187,020	168,320	18,700	18,700	Lease expiry	Anjum Asim Shahid & Co. 1st Floor Eden Center, 43, Jail Road, Karachi.
Equipment	69,000	55,200	13,800	13,800	Lease expiry	Mr. Sadruddin 149--R, Asif Nagar Dastagir, F.B.Area Karachi.
Equipment	179,591	161,632	17,959	17,959	Lease expiry	Mervyn M. Hussain Hotel Excelsior Building, Karachi.
Equipment	95,385	76,305	19,080	19,080	Lease expiry	Mirza Anwar Hussain F-8,Bab -e- Rehmat Apartment Block 13-B, Gulshan-e-lqbal, Karachi.
Equipment	689,000	620,100	68,900	68,900	Lease expiry	Mehran International (Pvt.) Ltd. Polka Annexe, Hotel Metropole, Club Road Karachi.
Equipment	1,835,000	1,651,500	183,500	183,500	Lease expiry	Golden Harvest Foods (Pvt.) Ltd. Plot # 33 Sector-24, Korangi Industrial Area, Karachi.
Equipment	2,500,000	2,250,000	250,000	250,000	Lease expiry	M & J Engineering Pvt Ltd. C-39, Block 6, P.E.C.H.S., Karachi.
Equipment	85,000	76,500	8,500	8,500	Lease expiry	Mervyn M. Hussain Hotel Excelsior Building, Karachi.
Equipment	128,225	115,402	12,823	12,823	Lease expiry	Management Services Pvt Ltd. 708-A, Kashif Center, Shahra-e-Faisal, Karachi.
Equipment	100,000	90,000	10,000	10,000	Lease expiry	Superior Security Guards (Pvt.) Ltd. SSG House 146/F, Block 2, P.E.C.H.S Karachi.
Equipment	68,000	61,200	6,800	6,800	Lease expiry	Perfect Motors 10,Chandni Chowk, Sabzi Mandi, Karachi.
Equipment	699,700	633,230	66,470	66,470	Lease expiry	Omega (Pvt.) Ltd. 3-Hoshang Road, Karachi.

Equipment	188,000	169,200	18,800	18,800	Lease expiry	Atco Laboratories (Pvt.) Ltd. B-18, S.I.T.E., Karachi.
Equipment	700,000	595,000	105,000	105,000	Lease expiry	Ace Advance Information Management Service 33-D, M.Ali Housing Society, Karachi.
Equipment	200,000	180,000	20,000	20,000	Lease expiry	Continental Chemicals (Pvt.) Ltd. 20 Shalimar Center, Tariq Road, Karachi.
Equipment	500,000	450,000	50,000	50,000	Lease expiry	Mab Interface (Pvt.) Ltd. Mab House, 24-C, South Park Avenue Phase II, D.H.A Karachi.
Equipment	686,750	399,322	287,428	303,814	Termination	Hydro Sealers Associates Lari Building, 34-F Commercial Area, Mohd. All Society, Karachi.
Equipment	344,000	208,305	135,695	165,055	Termination	Hydro Sealers Associates Lari Building, 34-F Commercial Area, Moammad All Society, Karachi.
Equipment	305,760	167,350	138,410	150,120	Termination	Hydro Sealers Associates Lari Building, 34-F Commercial Area Moammad All Society, Karachi.
Equipment	110,750	8,099	102,651	102,651	Termination	Zubair Ahmed Khan C-19, Block 13 D-1, Gulshan-e-lqbal, Karachi.
Equipment	80,000	17,133	62,867	62,867	Termination	Karoran Medical Store S-4, K Area Market, Korangi, Karachi.
Equipment	2,425,000	416,684	2,008,316	2,027,580	Termination	NetworkTelevision Marketing Pvt Ltd. 43/15 F, Block-6, P.E.C.H.S., Karachi.
Equipment	150,000	16,145	133,855	134,720	Ins. claim	Adamjee Insurance Co., Saddar Branch, Zaibunissa Street, Karachi.
	-----	-----	-----	-----		
	17,995,071	13,698,327	4,296,744	4,374,329		
	-----	-----	-----	-----		
Furniture	520,532	494,505	26,027	26,027	Lease expiry	I.EI.C. Bank 99-Beaufort Building, I.I.Chundrigar Road, Karachi.
	-----	-----	-----	-----		
Home Appliance	30,000	9,354	20,646	20,646	Termination	Zubair Ahmed Khan C-19,Block 13 D-1 Gulshan-e-lqbal Karachi.
	-----	-----	-----	-----		
Particulars	Cost of assets	Accumulated amortization	Book value	Sale proceeds	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees		
Machinery	760,000	720,000	40,000	40,000	Lease expiry	M & J Fabricators Pvt Ltd. 39-C,Block-6, P.E.C.H.Society, Karachi.
Machinery	228,000	216,000	12,000	12,000	Lease expiry	M & J Fabricators Pvt Ltd. 39-C, Block-6, P.E.C.H.Society, Karachi.
Machinery	143,500	134,750	8,750	8,750	Lease expiry	Sind Diagnostic Service C/O, OMA Medical Center, Liari kamila, Bus Stop, Kemari, Karachi.
Machinery	108,000	101,250	6,750	6,750	Lease expiry	Saeed Medical Centre Mohammad Ali Alvi Road, 'Karachi.
Machinery	1,800,000	1,710,000	90,000	90,000	Lease expiry	Kohinoor Textile Mills Ltd., 42, Lawrence Road, Lahore.
Machinery	1,121,250	1,009,125	112,125	112,125	Lease expiry	Omega Hoseiry 2-B-C State Life Building,

Machinery	1,007,000	954,000	53,000	53,000	Lease expiry	Karachi. Subrang Industries Ltd., Plot # 19-20 Sector-28, Korangi Industrial Area, Karachi.
Machinery	5,320,000	5,040,000	280,000	280,000	Lease expiry	Omega Hoseiry 2,B-C State Life Building, Karachi.
Machinery	4,800,000	4,560,000	240,000	240,000	Lease expiry	Land Mark Spinning Mill 1st Floor, Cotton Exchange Building, I.I.Chundrigar Road, Karachi.
Machinery	168,000	157,500	10,500	10,500	Lease expiry	S, ind Diagnostic Service Mohammad Ali Alvi Road, Karachi.
Machinery	420,658	371,158	49,500	49,500	Lease expiry	Merin (Pvt.) Ltd. Dada Chambers, M.A.Jinnah Road, Karachi.
Machinery	640,000	576,000	64,000	64,000	Lease expiry	Habib Oil Mills Ltd. D-38,S.I.T.E. Karachi.
Machinery	1,733,798	1,560,418	173,380	173,380	Lease expiry	Saphire Fibre Ltd.. I.I.Chundrigar Road, Karachi.
Machinery	6,272,608	5,645,347	627,261	627,261	Lease expiry	Kohinoor Textile Mills Ltd., 42,Lawrence Road, Lahore.
Machinery	6,500,000	4,755,377	1,744,623	1,744,623	Termination	First Providence Modaraba 1st Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road, Karachi.
Machinery	744,625	670,162	74,463	74,463	Lease expiry	Habib Oil Mills Ltd. D-38,S.I.T.E. Karachi.
Machinery	7,271,957	6,545,187	726,770	726,770	Lease expiry	Paramount Hoseiry Mills, Plot # 19-20 Sector-28, Korangi Industrial Area, Karachi.
Machinery	650,000	585,000	65,000	65,000	Lease expiry	Golden Harvest Foods (Pvt.) Ltd., Plot # 33 Sector-24, Korangi Industrial Area, Karachi.
Machinery	656,000	590,400	65,600	65,600	Lease expiry	Pak Water Bottlers Pvt Ltd. Korangi Industrial Area, Karachi.
Machinery	144,000	129,600	14,400	14,400	Lease expiry	Trillium Pakistan (Pvt) Ltd., 21-Club Plaza Rawalpindi Cantt, Rawalpindi
Machinery	800,000	720,000	80,000	80,000	Lease expiry	Gulf Edible Oils (Pvt.) Ltd., 134 Sector- 15, Korangi Industrial Area, Karachi.
Machinery	930,000	837,000	93,000	93,000	Lease expiry	Gulf Edible Oils (Pvt.) Ltd., 134 Sector-15, Korangi Industrial Area, Karachi.
Machinery	10,024,000	9,021,600	1,002,400	1,002,400	Lease expiry	Hussain Bleaching & Dying Co. Plot # 33,Sector 24, Korangi Industrial Area, Karachi.
Machinery	400,000	360,000	40,000	40,000	Lease expiry	Hussain Bleaching & Dying Co. Plot # 33,Sector 24. Korangi Industrial Area, Karachi.
Machinery	6,800,000	3,310,983	3,489,017	3,489,017	Termination	Thermax Pakistan (Pvt.) Ltd., Plot # 162,Sector 24, Korangi Industrial Area, Karachi.
Machinery	200,000	180,000	20,000	20,000	Lease expiry	Larr Sugar Mills Ltd., 16-E Block 6,P.E.C.H.S Karachi.
Machinery	1,726,100	1,553,490	172,610	172,610	Lease expiry	Allied Batteries (Pvt.) Ltd., B-18 S.I.T.E Karachi.
	61,369,496	52,014,347	9,355,149	9,355,149		
Vehicle	312,000	295,750	16,250	16,250	Lease expiry	Habib Oil Mills Ltd. D-38, S.I.T.E, Karachi.
Vehicle	475,000	450,000	25,000	25,000	Lease expiry	M & J Fabricators Pvt Ltd. 39-C,Block-6, P.E.C.H.Society,

Vehicle	247,000	234,000	13,000	13,000	Lease expiry	Karachi. M & J Fabricators Pvt Ltd. 39-C,Block-6, P.E.C.H.Society, Karachi.
Vehicle	335,000	318,500	16,500	16,500	Lease expiry	Karachi Tank Terminal 63, Oil Installation Area, Kemari, Karachi.
Vehicle	309,000	293,000	16,000	16,000	Lease expiry	Habib Oil Mills Ltd. D-38, S.I.T.E, Karachi.
Vehicle	332,500	315,000	17,500	17,500	Lease expiry	Kompass Pakistan, 403, AI- Fareed Center, Karachi.
Vehicle	765,000	725,000	40,000	40,000	Lease expiry	Merin (Pvt.) Ltd., Dada Chambers, M.A.Jinnah Road, Karachi.
Vehicle	297,125	281,750	15,375	15,375	Lease expiry	Gulf International (Pvt) Ltd., Plot #134, Sector 15, Korangi Industrial Area, Karachi.
Vehicle	59,850	56,700	3,150	3,150	Lease expiry	M & J Fabricators Pvt Ltd. 39-C,Block-6, P.E.C.H.Society, Karachi.
Vehicle	151,640	137,540	14,100	14,100	Lease expiry	M & J Fabricators Pvt Ltd. 39-C,Block-6, P.E.C.H.Society, Karachi.
Vehicle	280,000	252,500	27,500	27,500	Lease expiry	Subrang Industries Ltd., Plot # 19-20 Sector-28, Korangi Industrial Area, Karachi.
Vehicle	202,625	179,375	23,250	23,250	Lease expiry	Merin (Pvt.) Ltd., Dada Chambers, M.A.Jinnah Road, Karachi.
Vehicle	702,000	663,000	39,000	39,000	Lease expiry	Naveed Brothers 147 Cavalary Ground Extension, Cantt, Karachi.
Vehicle	465,000	418,500	46,500	46,500	Lease expiry	Habib Oil Mills Ltd. D-38, S.I.T.E, Karachi.
Vehicle	328,000	296,200	31,800	31,800	Lease expiry	AI- Mujjadid Construction CO. Salim Centre,Block 6, Gulshan-e-Iqbal, Karachi.
Vehicle	775,000	697,500	77,500	77,500	Lease expiry	Central Distributors Pvt Ltd. D-38, S.I.T.E., Karachi.
Vehicle	385,000	269,500	115,500	115,500	Lease expiry	Silver Textile Factory CA 266 Shah Baig Gabol Town, Block 22 F.B.Area, Karachi.
Vehicle	300,000	270,000	30,000	30,000	Lease expiry	Aziz Associates 1/7-B Mohammad All Housing, Society, Karachi.
Vehicle	329,000	296,600	32,400	32,400	Lease expiry	Paragon Construction Pvt Ltd. 503, Windsong Palace Block 7/8, P.E.C.H.S, Karachi.
Vehicle	249,300	214,400	34,900	34,900	Lease expiry	Raja Qureshi 4th Floor, Kashif Centre, Karachi.
Vehicle	367,000	330,800	36,200	36,200	Lease expiry	Gulf Edible,Oils (Pvt.) Ltd., 134 Sector- 15, Korangi Industrial Area, Karachi.
Vehicle	260,000	230,000	30,000	30,000	Lease expiry	Merin (Pvt.) Ltd., Dada Chambers, M.A.Jinnah Road, Karachi.
Vehicle	560,000	532,000	28,000	28,000	Lease expiry	Mab Interface (Pvt.) Ltd., Mab House, Park Avenue, D.H.A., Karachi.
Vehicle	481,900	433,710	48,190	48,190	Lease expiry	Perfect Motors 10,Chandni Chowk, Sabzi Mandi, Karachi.
Vehicle	305,000	275,000	30,000	30,000	Lease expiry	Aziz Associates 1/7-B Mohdammad All Housing Society, Karachi.
Vehicle	238,333	215,000	23,333	23,333	Lease expiry	S. Shoaib A. Naqvi 36/1,28th Street Phase V, D.H.A., Karachi.
Vehicle	176,000	158,900	17,100	17,100	Lease expiry	Emba Corporation (Pvt.) Ltd., Computer Power Centre,

Vehicle	200,000	170,000	30,000	30,000	Lease expiry	Memon Masjid, Shaheed-e-Millat Road, Karachi. Mustafa Corporation Ali Bhoy Building, Jinnah Road, Karachi.
Vehicle	540,000	490,000	50,000	50,000	Lease expiry	Superior Security Guards (Pvt.) Ltd., SSG House,146/F, Block 2, P.E.C.H.S Karachi.
Vehicle	263,000	237,200	25,800	25,800	Lease expiry	Emba Corporation (Pvt.) Ltd., Computer Power Centre, Memon Masjid, Shaheed-e-Millat Road, Karachi.
Vehicle	362,650	327,650	35,000	35,000	Lease expiry	Superspun Cotton Textiles Ltd. Hajra Mansion-17, Zaibunnissa Street, Karachi.
Vehicle	390,000	351,500	38,500	38,500	Lease expiry	International Office Suppliers Panorama Center, Saddar, Karachi.
Vehicle	970,000	873,000	97,000	97,000	Lease expiry	Domestic Appliances (Pvt) Ltd., F/75, Hub River Road, S.I.T.E., Karachi.
Vehicle	675,000	608,000	67,000	67,000	Lease expiry	Perfect Motors 10,Chandni Chowk, Sabzi Mandi, Karachi.
Vehicle	210,000	189,500	20,500	20,500	Lease expiry	Atco Laboratories (Pvt) Ltd. B-18, S.I.T.E., Karachi.
Vehicle	372,000	335,300	36,700	36,700	Lease expiry	Mrs. Zeenat S. Abdullah 23-A, Khyaban-e-Tanzeem, D.H.A. Karachi.
Vehicle	650,300	588,770	61,530	61,530	Lease expiry	Atco Laboratories (Pvt) Ltd. B-18, S.I.T.E., Karachi.
Vehicle	251,600	226,435	25,165	25,165	Lease expiry	Imaging System & Supplies 16th Floor, Shahra-e-Faisal, Karachi.
Vehicle	862,500	776,850	85,650	85,650	Lease expiry	Atco Laboratories (Pvt) Ltd. B-18, S.I.T.E., Karachi.
Vehicle	203,000	183,000	20,000	20,000	Lease expiry	Ace Advance Information Management Service, D-43, KDA Schme # 1, Miran Mohammad Shah Road, Karachi.
Vehicle	789,600	714,215	75,385	75,385	Lease expiry	Mercantile Industries Pvt Ltd. B-18, S.I.T.E., Karachi.
Vehicle	419,300	379,300	40,000	40,000	Lease expiry	Mercantile Industries Pvt Ltd. B-18, S.I.T.E., Karachi.
Vehicle	402,000	362,000	40,000	40,000	Lease expiry	Haider Mota & Co. 305, Kashif Centre, Shahra-e-Faisal, Karachi.
Vehicle	513,280	462,952	50,328	50,328	Lease expiry	Paragon Construction Pvt Ltd. 503, Windsong Place, Block 7/8, RE.C.H.S., Karachi.
Vehicle	815,000	734,500	80,500	80,500	Lease expiry	Perfect Motors 10,Chandni Chowk, Sabzi Mandi, Karachi.
Vehicle	328,493	297,518	30,975	30,975	Lease expiry	Mercantile Industries Pvt Ltd. B-18, S.I.T.E., Karachi.
Vehicle	1,400,000	1,260,000	140,000	140,000	Lease expiry	Superior Security Guards (Pvt.) Ltd. SSG House,146/F, Block 2, RE.C.H.S., Karachi.
Vehicle	334,000	301,700	32,300	32,300	Lease expiry	Information Technologies 401 Windsor Palace, 4th Floor., RE.C.H.S, Karachi.
Vehicle	230,040	207,540	22,500	22,500	Lease expiry	Associated Instrument Distributors Ltd., Room # 8, Rimpa Plaza, M.A.Jinnah Road, Karachi.

Vehicle	1,250,000	1,125,000	125,000	125,000	Lease expiry	Perfect Motors 10,Chandni Chowk, Sabzi Mandi, Karachi.
Vehicle	710,000	640,000	70,000	70,000	Lease expiry	Continental Chemical Co. (Pvt.) Ltd., 20 Shalimar Center, Tariq Road, Karachi.
Vehicle	224,000	150,696	73,304	73,304	Lease expiry	Baluchistan Lubricants 303 Kassam Court, BC-9, Clifton, Karachi.
Vehicle	854,000	769,000	85,000	85,000	Lease expiry	Perfect Motors 10,Chandni Chowk, Sabzi Mahdi, Karachi.
Vehicle	948,435	854,591	93,844	93,844	Lease expiry	Larr Sugar Mills Ltd., E-16, Block - 6, RE.C.H.S., Karachi.
Vehicle	738,250	598,250	140,000	140,000	Lease expiry	Aviation Catering Services Stadium lane Khyaban-e-Shamsheer, Phase V D.H.A Karachi.
Vehicle	255,000	230,000	25,000	25,000	Lease expiry	Sticker House, Shop #30, Hassan Ali Afandi Road, Karachi.
Vehicle	255,000	230,000	25,000	25,000	Lease expiry	Continental Chemical Co. (Pvt.) Ltd., 20 Shallmar Center, Tariq Road, Karachi.
Vehicle	317,000	287,000	30,000	30,000	Lease expiry	Amalgamated Textile Mills Ltd., CL 9/10/1, Dr. Ziauddin Ahmed Road Karachi.
Vehicle	255,000	230,000	25,000	25,000	Lease expiry	A.H. Traders Bhangari Street, Juna Market, Karachi.
Vehicle	500,000	450,000	50,000	50,000	Lease expiry	Contentental Chemicals (Pvt.) Ltd., 20 Shalimar Center, Tariq Road, Karachi.
Vehicle	227,650	204,885	22,765	22,765	Lease expiry	Agha Faqir Mohammad 712-Uni Shopping Centre, Abdullah Haroon Road, Karachi.
Vehicle	350,000	315,000	35,000	35,000	Lease expiry	Larr Sugar Mills Ltd., E-16, Block - 6, RE.C.H.S., Karachi.
Vehicle	307,250	278,250	29,000	29,000	Lease expiry	International Office Suppliers Panorama Centre, Saddar, Karachi.
Vehicle	334,400	302,830	31,570	31,570	Lease expiry	Data Universal (Pvt.) Ltd., Suit A-5,D-9, Bath Island, P.O. Box# 10448, Karachi.
Vehicle	335,650	304,080	31,570	31,570	Lease expiry	Data Universal (Pvt.) Ltd., Suit A-5,D-9, Bath Island, P.O. Box# 10448, Karachi.
Vehicle	698,974	629,077	69,897	69,897	Lease expiry	Larr Sugar Mills Ltd., E-16, Block - 6, P.E.C.H.S., Karachi.
Vehicle	341,100	219,274	121,826	136,226	Termination	Bhombal & Co., Room #39, 40 Old Ralli Bros. Building, Karachi.
Vehicle	616,750	240,303	376,447	378,447	Termination	Ashraf Car Service Hotel Holyday- inn Crown Plaza, Karachi.
Vehicle	379,820	253,433	126,387	139,637	Termination	Mr. Raja Querashi 4th Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Vehicle	1,194,480	477,872	716,608	736,924	Termination	HiTech Business Machine 1st Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Vehicle	715,000	355,337	359,663	359,663	Termination	AI -Taj Ghee Industries (Pvt.) Ltd. Cement Factory Road, Rohri, Sukkur.
Vehicle	325,000	112,223	212,777	212,777	Termination	Akhai Pharmaceuticals 304-Business Arcade, University Road, Karachi.
Vehicle	748,000	205,325	542,675	542,675	Termination	U.S. Enterprises Mushrique Center, Sir Shah Suleman Road,

Vehicle	571,000	172,840	398,160	398,767 Termination	Karachi. HiTech Business Machine, Ground Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Vehicle	505,000	82,664	422,336	422,336 Termination	Orient Insurance Co. Ltd. 2nd Floor, Dean Arcade, Karachi.
Vehicle	779,487	252,569	526,918	526,918 Termination	Orient Insurance Co. Ltd. 2rid Floor, Dean Arcade, Karachi.
Vehicle	357,000	110,904	246,096	246,096 Termination	Atco Laboratories (Pvt.) Ltd', B-18, S.I.T.E., Karachi.
Vehicle	339,500	84,285	255,215	259,315 Termination	Shezada Security Services C-36/1 Defence Commercial Market, Karachi.
Vehicle	59,200	21,017	38,183	40,703 Ins. claim	Adamjee Insurance Co., Saddar Br., Zaibunissa Street, Karachi.
Vehicle	600,110	161,671	438,439	451,439 Termination	Superior Builders 3rd Floor Jan Center, S8-10 Block 8-C, Gulshan-e - Iqbal, Karachi.
Vehicle	63,000	8,151	54,849	54,849 Termination	A.A. Video A-5, Block-7 Gulshan-e -Iqbal, Karachi.
Vehicle	683,000	144,513	538,487	548,487 Termination	Blazon (Pvt.) Ltd., 51-D Coommercial Area A, Phase II, D.H.A. Karachi.
Vehicle	683,000	174,282	508,718	557,643 Termination	Blazon (Pvt.) Ltd., 51-D Coommercial Area A, Phase II, D.H.A. Karachi.
Vehicle	256,000	27,925	228,075	228,075 Ins. claim	Adamjee Insurance Co., Saddar Br., Zaibunissa Street, Karachi.
	-----	-----	-----	-----	
	38,647,092	29,620,402	9,026,690	9,155,808	
	-----	-----	-----	-----	
	118,562,191	95,836,935	22,725,256	22,931,959	
	-----	-----	-----	-----	
June 30, 1997	75,249,151 =====	65,024,875 =====	10,224,276 =====	10,239,163 =====	

27. GENERAL

- (a) Previous year's figures have been rearranged, wherever necessary, for the purpose of comparison.
 (b) Figures have been rounded off to the nearest rupee.

Managing Director/ **Director** **Director**
Chief Executive

Pattern of Certificate Holdings as at June 30, 1998

No. of Certificates	Certificate Holdings		Total Certificates Held
372 Holding from	1	to	100Certificates 18520
568 "	101	to	500 " 165467
534 "	501	to	1000 " 415798
1160 "	1000	to	5000 " 2592145
256 "	5001	to	10000 " 1800242
89 "	10001	to	15000 " 1073847
40 "	15001	to	20000 " 683164
31 "	20001	to	25000 " 690615
14 "	25001	to	30000 " 376175
14 "	30001	to	35000 " 454574
11 "	35000	to	40000 " 413405
7 "	40001	to	45000 " 297724
6 "	45001	to	50000 " 284884
7 "	50001	to	60000 " 387888
6 "	60001	to	70000 " 399339
2 "	70001	to	80000 " 144747
4 "	80001	to	90000 " 332915
1 "	90000	to	100000 " 99085
9 "	100001	to	125000 " 1052940

2	"	150001	to	200000	"	319436
1	"	200001	to	250000	"	236302
2	"	250001	to	300000	"	554788
1	"	300001	to	350000	"	336520
2	"	500001	to	600000	"	1073387
1	"	700001	to	600000	"	782460
1	"	1000001	to	1500000	"	1412377
1	"	1500001	to	2000000	"	1858655
-----						-----
3142						18257400
=====						=====

Categories of Certificate Holders as at June 30, 1998

Categories of Certificate Holders	Number	Certificates Held	Percentage
INDIVIDUAL	3091	12001713	65.74
INSURANCE COMPANY	4	1451554	7.95
JOINT STOCK COMPANY	5	88628	0.49
FINANCIAL INSTITUTION	11	1006720	5.51
INVESTMENT COMPANY	12	980746	5.37
MODARABA COMPANY	11	2477673	13.57
OTHERS	8	250366	1.37
-----			-----
3142			18257400
=====			=====