

Modaraba Al-Mali

Annual Report 2000

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CORPORATE INFORMATION

BOARDS OF DIRECTORS

Mr. Syed Iradat Husain	Chairman
Mr. Maqbool Hussain	Managing Director & Vice Chairman
Mr. Mohammad Kamil	Director
Mr. Ashraf Kalam	Director
Mr. Ahmad H.I.Dada	Director
Mr. Imdad Ali	Director
Mr. Faisal Hussain	Director
Mr. Zafar H. Naqvi	Chief Executive

MANAGEMENT TEAM

Mr. Zafar H. Naqvi	Chief Executive
Mr. S. Shakeel-ur-Rehman	Chief Manager
Mr. S. Masood Akhter	Chief Manager
Mr. D.V. Karia	Chief Manager
Mr. Omair Jamal	Company Secretary

AUDITORS

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

BANKERS & FINANCERS

Muslim Commercial Bank Limited
Askari Commercial Bank Limited
Metropolitan Bank Limited
Allied Bank of Pakistan Limited
Pak-Libya Holding Co. (Pvt) Limited

REGISTERED OFFICE

10th Floor, Progressive Square
Opposite Nursery, Sharea Faisal
Karachi.
Phones: 4547521-5
Fax : (92-21) 4547526

DIRECTOR'S REPORT

The Board of Directors of Al-Mal Corporation Limited have pleasure in presenting the 14th Report of Modaraba Al-Mali together with Audited Accounts for the year ended June 30, 2000.

1. Operating Results:

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

(Rs. in "000")
2000 1999

Total Operating income	138,765	128,067
Net profit before management fee & taxation	33,127	32,989
Less: Management fee	3,313	2,999
	29,814	29,990
Less: Provision for Taxation	--	412
	29,814	29,578
Add: Unappropriated profit	1,215	374
Profit available for appropriation	31,029	29,952
Appropriation:		
-- Statutory reserves	2,981	5,916
-- Cash dividend @ 15% (1999: 12.5%)	27,386	22,821
	30,367	28,737
Unappropriated profit carried forward	662	1,215
Basic earnings per certificate	1.63	1.62

2. PROFIT DISTRIBUTION

Directors take pleasure in announcing distribution of cash dividend @15%, that is Rs. 1.50 per certificate.

3. STATUTORY RESERVES

In accordance with the Prudential Regulations for Modarabas issued by the Securities & Exchange Commission of Pakistan, your Directors have decided to appropriate 10% of the current year's profit to Statutory Reserves until it equals the Certificate capital of the Modaraba.

4. BUSINESS OPERATIONS

The operating results of your Modaraba was adversely affected by the rate war prevailing in financial market, particularly in the leasing sector. Despite a reasonable growth achieved in gross operating income, the net results could not register relative increase due to above reason. We concentrated on increasing volume of leasing business and could write new leases of Rs. 118.860 million as against Rs. 117.008 million during last year and were able to maintain the level of net profit at Rs. 29.814 million, almost similar to the last year's net profit amounting to Rs. 29.578 million.

Operating cost have registered corresponding increase due mainly to amortization of leased assets and salaries and allowances where adjustment was overdue. Other expenses were kept under regular control notwithstanding spiraling inflation and other factors beyond management control.

5. ADHERENCE TO SHARIA

It has been constant endeavour of your Directors to take all necessary steps for Sharia compliance. Pursuing policy guideline provided by the Religious Board, late payment charges on rentals recovered from the customers of the Modaraba are not taken to income but used for-charitable purpose only. Another step forward, your Directors had also decided that from 1st January, 1994 profit received on PLS bank accounts should also not be taken to income account until final ruling by the competent authority was issued, which now according to the decision of the Honorable Supreme Court of Pakistan (Shariat Appellate Bench) is un-Islamic. Hence your Board of Directors have decided that accumulated amount of Rs. 4,637,008/= is not to be recognised as income but used only for charitable purpose.

6. FUTURE PROSPECTS

Despite various measures taken by the Government to put the economy back on track, the overall aura of uncertainty and gloom is still there. In this scenario any substantial growth in operation is not expected. However, considering the fact that lease finance is one of the permissible modes of financing in Islam, your Directors see a favourable attention from the Government in the back drop of Islamization of economy required from year 2001. Your Directors believe that Modaraba's present trend of operating results will continue and efforts in all directions will be made to achieve quantitative and qualitative result to maintain existing level of earnings per share.

7. 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 2000-2001.

8. PATTERN OF CERTIFICATE HOLDING

The pattern of certificate holding is attached.

9. ACKNOWLEDGMENT

The Directors take this opportunity to extend their appreciation and thanks to Certificate holders for their trust in the Modaraba, to the authorities for their continued guidance and to all members of management and staff for their hard work and commitment.

On the behalf of the Board

**S. Iradat Husain
Chairman**

Karachi: Dated 17th November, 2000.

AUDITOR'S REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed Balance Sheet as at June 30, 2000 and the related Profit and Loss Account and the Cash Flow Statement together with the notes to the Accounts for the year ended June 30, 2000 of Modaraba Al-Mali which are modaraba company's (Al-Mal Corporation Limited) representation and we state that we have obtained all the information and explanation 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 the 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, 2000 and of the Profit and 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.

**Ford, Rhodes, Robson, Morrow
Chartered Accountants**

Karachi: 27th November, 2000

BALANCE SHEET AS AT JUNE 30, 2000

	<i>Note</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
ASSETS			
NON-CURRENT ASSETS			
Fixed assets - Tangible	3		
Assets given on lease	3.1	240,877,873	225,469,455
Assets in own use	3.2	10,018,366	10,508,663
		-----	-----
		250,896,239	235,978,118
Long term investments	4	6,885,986	6,631,599
Long term morabaha finances	5	4,646,246	--
Long term deposit		300,000	300,000
Deferred expenditure	6	--	25,613
		-----	-----

		262,728,471	242,935,330
CURRENT ASSETS			
Current maturity of long term morabaha finances	5	6,040,550	--
Short term musharaka finance		--	7,079,532
Short term morabaha finances	7	5,771,242	11,040,108
Short term investments	8	12,479,509	5,013,195
Lease rentals receivable	9	6,784,182	7,317,482
Advances, prepayments and other receivables	10	4,975,457	6,356,988
Cash and bank balances	11	7,882,634	11,766,802
		-----	-----
		43,933,574	48,574,107
		-----	-----
TOTAL ASSETS		306,662,045	291,509,437
		=====	=====
EQUITY AND LIABILITIES			
CAPITAL AND RESERVES			
Certificate capital			
Authorised - 20,000,000 (1999: 20,000,000)			
Modaraba Certificates of Rs.10/- each		200,000,000	200,000,000
		=====	=====
Issued, subscribed and paid-up	12	182,574,000	182,574,000
Reserves			
Capital reserve			
Statutory reserves	13	23,352,781	20,371,319
Revenue reserve			
Unappropriated profit		661,964	1,214,903
		-----	-----
		24,014,745	21,586,222
		-----	-----
		206,588,745	204,160,222
NON-CURRENT LIABILITIES			
Long term morabaha finances	15	6,250,000	1,192,826
Deferred liability	16	27,457,943	28,442,256
		-----	-----
		33,707,943	29,635,082
CURRENT LIABILITIES			
Current maturity of morabaha finances	15	3,692,826	4,179,159
Current maturity of deferred liability	16	18,427,152	15,131,143
Creditors, accrued and other liabilities	17	8,315,476	9,714,749
Rentals received in advance		6,624,457	4,706,383
Unclaimed dividend		1,919,346	1,160,949
Proposed dividend		27,386,100	22,821,750
		-----	-----
		66,365,357	57,714,133
		-----	-----
CONTINGENCIES	18		
TOTAL EQUITY AND LIABILITIES		306,662,045	291,509,437
		=====	=====

The annexed notes form an integral part of these accounts.

Zafar H. Naqvi
Chief Executive

Maqbool Hussain
Managing Director

S. Iradat Husain
Chairman

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2000

<i>Note</i>	<i>2000</i>	<i>1999</i>
	<i>Rupees</i>	<i>Rupees</i>

Operating income	19	138,765,330	128,066,933
Operating costs	20	104,707,861	95,418,931
Profit distribution on borrowings	21	1,763,739	1,733,967
		-----	-----
		106,471,600	97,152,898
		-----	-----
Other income	22	32,293,730	30,914,035
		905,776	921,558
		-----	-----
Provisions made/(written back)	23	33,199,506	31,835,593
		72,147	(1,153,752)
		-----	-----
Modaraba company's management fee		33,127,359	32,989,345
		(3,312,736)	(2,999,031)
		-----	-----
Profit before taxation		29,814,623	29,990,314
Taxation - Prior years	24	--	(411,915)
		-----	-----
Profit after taxation		29,814,623	29,578,399
Unappropriated profit brought forward		1,214,903	373,934
Available for appropriation		31,029,526	29,952,333
Appropriations			
Proposed dividend @ 15% (1999: 12.5%)		(27,386,100)	(22,821,750)
Transfer to statutory reserve @ 10% (1999: 20%)		(2,981,462)	(5,915,680)
		-----	-----
		(30,367,562)	(28,737,430)
		-----	-----
Balance carried forward		661,964	1,214,903
		=====	=====
Basic earning per certificate	25	1.63	1.62
		=====	=====

The annexed notes form an integral part of these accounts.

Zafar H. Naqvi
Chief Executive

Maqbool Hussain
Managing Director

S. Iradat Husain
Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2000

	<i>Note</i>	<i>2000</i> <i>Rupees</i>	<i>1999</i> <i>Rupees</i>
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Profit before management fee and taxation		33,127,359	32,989,345
Adjustment of non-cash and other items	26	89,339,818	82,319,948
		-----	-----
		122,467,177	115,309,293
Changes in working capital			
Decrease/(Increase) in trade and other receivables		9,651,087	(380,128)
(Increase) / Decrease in short term investments		(7,045,020)	508,568
Increase / (Decrease) in trade payables		78,908	(3,699,555)
		-----	-----
		125,152,152	111,738,178
Profit distribution on borrowings paid		(1,717,502)	(1,876,544)
Income taxes refund/(paid)		1,689,022	(347,756)
Management fee paid - net		(3,365,000)	(1,489,000)
Profit received from bank		445,920	676,430
		-----	-----
Net cash from operating activities		122,204,592	108,701,308
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets - Leased out		(118,859,902)	(117,008,237)
- Owned		(843,222)	(95,174)

Proceeds from sale of fixed assets - Leased out	15,977,541	14,199,826
- Owned	541,000	374,500
Disbursement of long term morabaha finance - net	(10,686,796)	--
Proceeds from sale of long term investments	2,267,671	540,350
Dividend received	695,764	696,426
Customers' security deposits received - net	2,311,696	6,572,677
	-----	-----
Net cash used in investing activities	(108,596,248)	(94,719,632)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term morabaha borrowings	4,570,841	(5,346,067)
Dividend paid	(22,063,353)	(53,623)
	-----	-----
Net cash used in financing activities	(17,492,512)	(5,399,690)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(3,884,168)	8,581,986
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11,766,802	3,184,816
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	-----	-----
	11	7,882,634
	=====	=====

The annexed notes form an integral part of these accounts.

Zafar H. Naqvi
Chief Executive

Maqbool Hussain
Managing Director

S. Iradat Husain
Chairman

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2000

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Accounting Convention

These accounts have been prepared under the historical cost convention.

(b) Employee Benefits

(i) Staff gratuity

The Modaraba participates in an approved group funded gratuity scheme for all its employees, who have completed minimum qualifying period of service. Contribution to the fund have been made on the basis of actuarial recommendation at the rate of 8.33% per annum of basic salaries. The actuarial valuation is normally carried out once in every three years. The latest valuation was carried out as at June 30, 1999. The fair value of the scheme's assets and liabilities of past services of the employees relating to the Modaraba at the latest valuation date were Rs. 0.643 million and Rs. 0.997 million respectively. The projected unit credit method using the following significant assumptions is used for the valuation of the scheme.

- Expected long term rate of increase in salary level 12 percent per annum.
- Expected long term rate of interest 12 percent per annum.
- Discount rate used to determine the actuarial present value is 12 percent per annum.

(ii) Staff Provident Fund

The Modaraba contributes to an approved group provident fund scheme covering all its employees who are eligible under the scheme. Equal monthly contribution are made by the Modaraba and the employees to the fund.

(c) Fixed assets

(i) Assets given 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, which is considered to be the estimated useful life of the assets.

(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 an asset is written off over its estimated useful life. In respect of additions and disposals during the year, depreciation is charged proportionately for the period of use.

Maintenance and normal repairs are charged to income as and when incurred.

(iii) Gain or loss on disposal

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

(d) Deferred expenditure

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

(e) Investments

Long term investments are stated at cost. Provision is made for decline other than temporary, if any, in the value of these investments. Short term investments are carried at lower of moving average cost and market value determined on an aggregate portfolio basis.

(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 is recorded at the time of closure of share transfer books of the company declaring dividend.

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

(g) Taxation

The Finance Act, 1998 has exempted the income of non-trading modaraba from tax, provided that 90% of their profits are distributed to the certificate holders.

Therefore, no provision with respect to current and deferred taxation has been made in the accounts.

(h) Bad and doubtful debts

Debts considered doubtful are provided for.

3. FIXED ASSETS - TANGIBLE**3.1 Assets given on lease**

Description	COST		AMORTIZATION				Book value as at June 30, 2000 Rupees
	As at July 1, 1999 Rupees	Additions/ (disposals) Rupees	As at June 30, 2000 Rupees	As at July 1, 1999 Rupees	Charge (adjustment) for the year Rupees	As at June 30, 2000 Rupees	
Plant and machinery	196,727,315	17,764,900 (57,345,780)	157,146,435	93,378,925	34,929,752 (51,250,801)	77,057,876	80,088,559
Motor vehicles	120,965,632	60,081,042 (39,534,833)	141,511,841	53,193,189	29,357,881 (31,268,567)	51,282,503	90,229,338
Furniture and fixtures	1,047,501	-- (1,047,501)	--	463,722	269,411 (733,133)	--	--

Office and computer equipment	82,479,172	41,013,960 (9,495,522)	113,997,610	29,028,603	22,652,530 (8,212,898)	43,468,235	70,529,375
Home appliances	1,222,354	-- (960,054)	262,300	908,080	264,369 (940,750)	231,699	30,601
	402,441,974	118,859,902 (108,383,690)	412,918,186	176,972,519	87,473,943 (92,406,149)	172,040,313	240,877,873
1999	355,218,255	117,008,237 (69,784,518)	402,441,974	151,852,197	80,705,014 (55,584,692)	176,972,519	225,469,455

3.2 Assets in own use

Description	COST			DEPRECIATION			Book value as at June 30, 2000	Rate of Depreciation
	As at July 1, 1999 Rupees	Additions/ (disposals) Rupees	As at June 30, 2000 Rupees	As at July 1, 1999 Rupees	Charge / (adjustment) for the year Rupees	As at June 30, 2000 Rupees		
Office premises lease hold	8,455,677	--	8,455,677	1,127,424	422,784	1,550,208	6,905,469	5
Motor vehicles	2,088,872	535,922 (726,602)	1,898,192	1,247,335	339,271 (608,441)	978,165	920,027	20
Furniture and fixtures	2,465,478	--	2,465,478	885,245	242,850	1,128,095	1,337,383	10
Office equipment	1,424,141	40,500	1,464,641	818,691	114,810	933,501	531,140	10 to 25
Computers	1,440,834	266,800	1,707,634	1,287,644	95,643	1,383,287	324,347	20
	15,875,002	843,222 (726,602)	15,991,622	5,366,339	1,215,358 (608,441)	5,973,256	10,018,366	
1999	16,590,978	95,174 (811,150)	15,875,002	4,767,162	1,346,848 (747,671)	5,366,339	10,508,663	

3.3 Details of disposal of assets in own use are as under:

Particulars	Cost of assets Rupees	Accumulated depreciation Rupees	Book value Rupees	Sale proceeds Rupees	(Loss)/Gain on Disposal Rupees	Mode of disposal	Particular of purchasers
Vehicle	275,107	224,670	50,437	180,000	129,563	Negotiation	Itehad Motors, Madina Baa Apartment, Show Room No. 13, 55 Muslimabad, M.A. Jinnah Road, Karachi.
Vehicle	451,495	383,771	67,724	361,000	293,276	Leased out	Bit Brain Technology, Ground Floor, Aamir Chamber, 13-A, Gulshan-e-Iqbal, Karachi.
	726,602	608,441	118,161	541,000	422,839		
1999	811,150	747,671	63,479	374,500	311,021		

4. LONG TERM INVESTMENTS

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

	No. of shares/certificates/units		June 30, 1999 Cost Rupees	Average cost per share/ certificate/ Unit Rupees	June 30, 2000	
	June 30, 1999	June 30, 2000			Cost Rupees	Market Value Rupees
(a) ASSOCIATED UNDERTAKING						
Al-Mal Securities & Services Limit	229,500	229,500	2,182,820	9.51	2,182,820	573,750

(b) ASSOCIATED MODARABA

Modaraba Al-Tijarah (Managed by Al-Mal Corporation Limited)	120,800	120,800	1,230,058	10.18	1,230,058	120,800
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(c) OTHERS**MUTUAL FUNDS**

ICP State Enterprise Mutual Fund	28,500	28,500	1,014,507	35.60	1,014,507	461,701
Twenty Second ICP Mutual Fund	25,000	25,000	650,750	26.03	650,750	77,500
Twenty Fourth ICP Mutual Fund	49,800	49,800	498,000	10.00	498,000	94,620
National Investment Trust	95,000	95,000	1,482,000	15.60	1,482,000	1,007,000

MODARABAS

First Allied Bank Modaraba (Managed by Allied Management Services (Private) Limited/	45,783	45,783	526,537	11.50	526,537	260,964
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First Grindlays Modaraba (Managed by Grindlays Services of Pakistan (Private) Limited)	20,088	20,088	604,755	30.11	604,755	292,281
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First UDL Modaraba (Managed by UDL Modaraba Management (Private) Limited)	21,384	21,384	255,398	11.94	255,398	72,706
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LEASING COMPANIES

Ibrahim Leasing Company Limited	25,000	25,000	447,208	17.89	447,208	120,000
First Leasing Corporation Limited	11,500	11,500	395,393	34.38	395,393	31,625

INSURANCE

Adamjee Insurance Company Limi	6,712	233	702,499	95.23	22,189	14,353
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TEXTILE WEAVING

Kohinoor Weaving Mills Limited	17,100	125	323,994	15.16	1,895	4,938
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SYNTHETIC AND RAYON

Dhan Fibres Limited	45,500	6,500	656,608	14.43	93,800	69,225
Gatron Industries Limited	11,700	11,700	742,008	63.42	742,008	198,315
Ibrahim Fibres Limited	35,000	2,000	625,275	17.87	35,735	28,900

SUGAR AND ALLIED INDUSTRIES

Haseeb Wages Sugar Mills Limite	16,000	16,000	209,581	13.10	209,581	28,000
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CEMENT

Essa Cement Limited	17,545	19,299	611,038	31.66	611,038	192,990
Maple Leaf Cement Limited	18,900	18,900	1,198,751	63.43	1,198,751	94,500

Carried Forward			14,357,180		12,202,423	3,744,168
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Brought Forward			14,357,180		12,202,423	3,744,168
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FUEL AND ENERGY

Kohinoor Power Company	24,150	24,150	1,238,900	51.30	1,238,900	120,750
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AUTO AND ALLIED ENGINEERING

Agri-Auto Industries Limited (Rs.	698,486	693,486	5,645,915	8.08	5,605,500	2,704,600
Gandhara Nissan Limited	2,500	2,500	87,180	34.87	87,180	8,876

VANASPATI AND ALLIED

Kashmir Edible Oil Mills Limited	25,500	25,500	381,936	14.98	381,936	71,400
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PAPER AND BOARD

Century Paper & Board Mills Limit	19,360	19,360	597,125	30.84	597,125	236,192
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Provision for diminution in value of investment			22,308,236 (15,676,637)		20,113,064 (13,227,078)	6,885,986
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	6,631,599	6,885,986	6,885,986
Aggregate market value as at June 30, 1999			6,631,599

	<i>Note</i>	2000 <i>Rupees</i>	1999 <i>Rupees</i>
5. LONG TERM MORABAHA FINANCES - Secured			
Long term morabaha finances		10,686,796	--
Current maturities shown under current liabilities		(6,040,550)	--
		4,646,246	--
6. DEFERRED EXPENDITURE			
Expenditure on issue of right certificates		519,643	519,643
Amortization to date		(519,643)	(494,030)
		--	25,613

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

7. SHORT TERM MORABAHA FINANCES - Secured			
Considered good	7.1	5,771,242	11,040,108
Considered doubtful		725,825	465,688
	7.2	6,497,067	11,505,796
Provision for doubtful debts		(725,825)	(465,688)
		5,771,242	11,040,108

7.1 The above represents sums receivable against morabaha transactions i.e. sale of goods on a deferred payment basis at a specified profit margin ranging from 21% to 27% (1999: 23% to 27%) per annum. The facilities are secured by personal guarantees of the directors, equitable mortgage of property and hypothecation of stock.

7.2 The above amount is considered to be fully receivable. However, in accordance with the SECP's prudential regulation for modarabas, the modaraba has made the required provision against overdue installments.

8. SHORT TERM INVESTMENTS

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

	<i>No. of shares/certificates/units</i>		<i>June 30, 1999</i> <i>Cost</i> <i>Rupees</i>	<i>Average cost</i> <i>per share/</i> <i>certificate/</i> <i>Unit</i> <i>Rupees</i>	<i>June 30, 2000</i>	
	<i>June 30, 1999</i>	<i>June 30, 2000</i>			<i>Cost</i> <i>Rupees</i>	<i>Value</i> <i>Rupees</i>
(a) ASSOCIATED UNDERTAKING						
Al-Mal Securities & Services Limit	1,500	45,000	8,095	3.48	156,576	112,500
(b) ASSOCIATED MODARABA						
Modaraba Al-Tijarah (Managed by Al-Mal Corporation Limited)	25,500	26,500	25,925	1.04	27,605	26,500
OTHERS						
MUTUAL FUNDS						
Golden Arrow S.S. Fund (Rs. 5)	17,000	--	24,174	--	--	--
ICP State Enterprise Mutual Fund	1,000	--	10,824	--	--	--

MODARABAS

L.T.V. Capital Modaraba (Rs. 5) (Managed by National Technology Development Corporation Limited)	95,550	95,550	633,471	6.63	633,471	124,215
First Mehran Modaraba [Managed by Technology Ventures (Private) Limited]	18,012	18,012	214,980	11.94	214,980	18,012
First Habib Bank Modaraba [Managed by Habib Bank Financial Services (Private) Limite	10,000	--	71,050	--	--	--
First Equity Modaraba [Managed by Premier Financial Services (Private) Limite	17,000	30,500	130,710	7.38	225,088	178,425
First Allied Bank Modaraba [Managed by Allied Management Services (Private) Limited]	500	--	3,032	--	--	--

LEASING COMPANIES

Saudi Pak Leasing Company Limit	24,124	24,124	882,759	36.59	882,759	168,868
Dadabhoj Leasing Company Limit	10,212	10,212	87,735	8.59	87,735	32,678
Trust Leasing Corporation Limited	19,376	19,376	622,754	32.14	622,754	95,911
National Development Leasing Co	5,250	5,250	46,900	8.93	46,900	25,200
Paramount Leasing Limited	5,000	7,500	43,150	8.08	60,575	38,625
Union Leasing Limited	200	200	539	2.70	539	560

INVESTMENT COMPANIES/BANKS

The Bank of Punjab Limited	5,426	--	278,861	--	--	--
Faisal Bank Limited	15,000	15,000	427,625	28.51	427,625	138,750
First Capital Securities Corporatio	6,187	187	98,150	15.87	2,967	1,328

INSURANCE

Commercial Union Life Assurance Company Ltd.	10,000	10,000	135,200	13.21	132,120	70,000
Carried Forward			3,745,934		3,521,694	1,031,572
Brought Forward			3,745,934		3,521,694	1,031,572

TEXTILE SPINNING

Khurshid Spinning Mills Limited	13,000	13,000	95,312	7.33	95,312	32,500
Crescent Spinning Mills Limited	10,500	10,500	138,195	13.16	138,195	44,100
Sahrish Spinning Mills Limited (Formerly Friends Spinning Mills Limited)	7,355	7,355	75,757	10.30	75,757	7,355
Maqbool Textile Mills Limited	7,000	--	86,835	--	--	--
Saif Textile Mills Limited	11,902	402	179,435	16.23	6,523	5,789

TEXTILE COMPOSITE

Taj Textile Mills Limited	10,500	10,500	143,781	13.69	143,781	49,875
(Colony) Sarhad Textile Mills Limit	25,014	25,014	369,077	14.75	369,077	50,028
Nishat Mills Limited	23,489	23,489	1,240,093	52.79	1,240,093	547,294

SYNTHETIC & RAYON

Tristar Polyester Limited	17,000	17,000	485,867	28.58	485,867	17,000
Polyron Limited	8,500	8,500	115,855	13.63	115,855	23,375
Dewan Salman Fibre Limited	21,346	208	894,150	23.35	4,856	5,980
Dhan Fibres Limited	45,000	--	259,550	--	--	--
Ibrahim Fibres Limited	--	5,000	--	18.88	94,412	72,250

SUGAR & ALLIED INDUSTRIES

Al-Asif Sugar Mills Limited	200	200	2,451	12.26	2,451	230
Dewan Sugar Mills Limited	17,424	19,165	1,034,653	53.99	1,034,653	287,475
Haseeb Waqas Sugar Mills Limite	18,500	500	74,899	2.91	1,453	875

CEMENT

Punjab Building Products Limited (24,000	24,000	239,126	9.96	239,126	--
Cherat Cement Company Limited	14,750	14,750	521,500	35.36	521,500	317,125
Pakistan Slag Cement Industries Li	5,000	5,000	181,375	36.28	181,375	15,000
Lucky Cement Limited	26,000	26,000	593,600	22.83	593,600	231,400
D.G. Khan Cement Company Limit	30,000	25,000	503,750	16.54	413,530	205,000
Fauji Cement Limited	15,000	13,000	142,200	9.48	123,240	48,750
Pakland Cement Limited	10,000	10,000	99,050	9.91	99,050	55,000
Dandot Cement Company Limited	9,000	--	52,250	--	--	--
Chakwal Cement Company Limited	--	191,000	--	2.28	434,929	334,250

FUELAND ENERGY

Tristar Power Limited	22,500	22,500	763,827	33.95	763,827	38,250
Ibrahim Energy Limited	2,500	2,500	91,600	36.64	91,600	31,000
Sui Southern Gas Company Limite	4,427	91	101,675	13.65	1,242	1,488
Sitara Energy Limited	21,500	--	687,557	--	--	--
Kohinoor Energy Limited	10,000	10,000	207,000	20.70	207,000	127,000
Genertech (Pak) Power Company	2,000	2,000	36,260	18.13	36,260	16,800
Japan Power Generation Limited	64,000	--	289,492	--	--	--
Hub Power Company Limited	14,000	14,000	585,700	41.84	585,700	205,800
Mari Gas Company Limited	--	1,500	--	20.89	31,338	27,000
Southern Electric	--	5,000	--	8.19	40,967	40,500
Pakistan State Oil Company Limite	--	1,400	--	164.20	229,876	227,150

Carried Forward			14,037,806		11,924,139	4,097,211
-----------------	--	--	------------	--	------------	-----------

Brought Forward			14,037,806		11,924,139	4,097,211
-----------------	--	--	------------	--	------------	-----------

AUTO AND ALLIED ENGINEERING

Agri Auto Industries Limited (Rs.	--	10,000	--	5.19	51,930	39,000
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CHEMICAL & PHARMACEUTICAL

Sardar Chemical Industries Limited	5,000	5,000	69,885	13.98	69,885	19,500
ICI Pakistan Limited	20,000	239,500	588,900	14.77	3,537,500	3,628,425
FFC-Jordan Fertilizer Limited	5,000	15,500	120,000	17.32	268,390	141,050
Fauji Fertilizer Company Limited	4,000	8,000	219,200	56.94	455,550	317,600
Engro Chemicals	--	68,500	--	85.63	5,933,969	4,082,598

TRANSPORT & COMMUNICATION

Pakistan National Shipping Corpor	21,900	21,900	228,441	10.43	228,441	60,225
Pakistan Telecommunication Corporation Limited "A"	7,500	--	160,552	--	--	--

PAPER & BOARD

Century Paper & Board Mills Limit	5,500	5,500	146,000	26.55	146,000	67,100
-----------------------------------	-------	-------	---------	-------	---------	--------

MISCELLANEOUS

Arpak International Investment Li	6,700	6,700	68,753	10.26	68,753	26,800
-----------------------------------	-------	-------	--------	-------	--------	--------

			15,639,537		22,684,557	12,479,509
Provision for diminution in value of investments			(10,626,342)		(10,205,048)	--

			5,013,195		12,479,509	12,479,509
--	--	--	-----------	--	------------	------------

Aggregate market value as at June 30, 1999						5,013,195
--	--	--	--	--	--	-----------

<i>Note</i>	<i>2000</i>	<i>1999</i>
	<i>Rupees</i>	<i>Rupees</i>

9. LEASE RENTALS RECEIVABLE - Secured

Considered good		6,784,182	7,317,482
Considered doubtful		19,852,336	17,620,091

	9.1	26,636,518	24,937,573
Provision for doubtful debts		(19,852,336)	(17,620,091)

		6,784,182	7,317,482
--	--	-----------	-----------

=====

9.1 The above amount is considered to be fully receivable. However, in accordance with SECP's Prudential Regulations for Modarabas, the Modaraba has made the required provision against overdue rentals.

10. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

Advances and deposits	243,464	123,100
Advance income tax	466,070	2,155,092
Prepayments	2,216,698	1,624,747
Other receivables		
Expenses recoverable from lessees	3,170,249	2,997,921
Provision for bad debts	(1,365,938)	(915,320)
	-----	-----
	1,804,311	2,082,601
Dividend receivable	65,008	45,128
Provision for bad debts	(7,350)	(7,350)
	-----	-----
	57,658	37,778
Profit accrued on morabaha finances	187,256	188,815
Other	--	144,855
	-----	-----
	2,049,225	2,454,049
	-----	-----
	4,975,457	6,356,988
	=====	=====

11. CASH AND BANK BALANCES

At banks		
- in PLS accounts	4,242,664	8,054,551
- in current accounts	3,424,720	3,465,391
- with State Bank of Pakistan	200,270	225,000
	-----	-----
	7,867,654	11,744,942
Security stationery in hand	14,980	21,860
	-----	-----
	7,882,634	11,766,802
	=====	=====

12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

13,569,000 (1999: 13,569,000) Modaraba Certificates of Rs. 10 each fully paid in cash	135,690,000	135,690,000
4,688,400 (1999: 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
	=====	=====

13. STATUTORY RESERVE

Balance at the beginning of the year	20,371,319	14,455,639
Transfer from profit and loss appropriation account	2,981,462	5,915,680
	-----	-----
	23,352,781	20,371,319
	=====	=====

14. STATEMENT OF CHANGES IN EQUITY

	<i>Issued, subscribed and paid-up capital</i>	<i>Capital reserve Statutory reserve</i>	<i>Revenue reserve Unappropriated profit</i>	<i>Total</i>
<i>Rupees</i>				
Balance as at July 1, 1998	182,574,000	14,455,639	373,934	197,403,573

Net profit for the year	--	--	29,578,399	29,578,399
Final dividend	--	--	(22,821,750)	(22,821,750)
Transferred during the year	--	5,915,680	(5,915,680)	--
	-----	-----	-----	-----
Balance as at June 30, 1999	182,574,000	20,371,319	1,214,903	204,160,222
Net profit for the year	--	--	29,814,623	29,814,623
Final dividend	--	--	(27,386,100)	(27,386,100)
Transferred during the year	--	2,981,462	(2,981,462)	--
	-----	-----	-----	-----
Balance as at June 30, 2000	182,574,000	23,352,781	661,964	206,588,745
	=====	=====	=====	=====

15. LONG TERM MORABAHA FINANCES - Secured

Morabaha from financial institutions	15.1	9,942,826	5,371,985
Current maturities shown under current liabilities		(3,692,826)	(4,179,159)
		-----	-----
		6,250,000	1,192,826
		=====	=====

15.1 Morabaha from financial institutions

	<i>Outstanding Balance</i>		<i>Sales Price</i>	<i>Purchase Price</i>	<i>Profit margin per annum %</i>	<i>Repayment from</i>	<i>Installments</i>
	<i>1999 Rupees</i>	<i>2000 Rupees</i>					
Morabaha A	3,263,019	1,192,826	10,505,725	7,000,000	20.00	August 1, 1996	9 unequal half yearly
Morabaha 13	2,108,966	--	14,659,664	10,000,000	20.50	October 1, 1996	14 unequal quarterly
Morabaha C	--	8,750,000	14,500,000	10,000,000	20.00	February 15, 2000	16 unequal quarterly
	-----	-----	-----	-----			
	5,371,985	9,942,826	39,665,389	27,000,000			
	=====	=====	=====	=====			

The morabaha sale prices are secured by hypothecation of certain leased assets, rentals receivable thereagainst and promissory notes.

	<i>Note</i>	<i>2000 Rupees</i>	<i>1999 Rupees</i>
		45,885,095	43,573,399
Customers' security deposits		(18,427,152)	(15,131,143)
Current maturities shown under current liabilities		-----	-----
		27,457,943	28,442,256
		=====	=====

17. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		2,092,312	4,358,360
Accrued liabilities		248,248	117,389
Profit accrued on morabaha finance		318,153	271,916
Management fee payable		117,694	169,958
Other	17.1	5,539,069	4,797,126
		-----	-----
		8,315,476	9,714,749
		=====	=====

17.1 This includes late payment charges of Rs.902,061 (1999: Rs. 606,038) on rentals recovered from the customers of the Modaraba which according to the Religious Board are not to be taken to income but used for charitable purpose only. It also includes Rs. 4,637,008 (1999: Rs.4,191,088) being profit received on PLS bank accounts from January 1, 1994 to the year end, which according to the decision of the honorable Supreme Court is un-Islamic. Hence the Board of Directors has decided that this amount is not to be recognized as income but used only for charitable purpose.

18. CONTINGENCIES

A suit has been filed against the Modaraba for Rs.6.48 million (1999: 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.

19. OPERATING INCOME

Lease rentals		135,822,325	124,086,801
Profit on Morabaha finances		2,403,684	2,794,125
Profit on Musharaka finance from an associated undertaking		--	1,139,532
(Loss) on sale of investments		(176,323)	(564,365)
Dividend income		715,644	610,840
		-----	-----
		138,765,330	128,066,933
		=====	=====

20. OPERATING COSTS

Salaries and allowances	29	6,566,309	4,743,556
Amortization of leased assets		87,473,943	80,705,014
Depreciation on assets in own use		1,215,358	1,346,848
Insurance		4,783,518	4,330,211
Subscription		212,904	171,526
Legal and professional charges		678,896	505,814
Amortization of deferred expenditure		25,613	103,932
Printing and stationery		245,336	240,040
Electricity		506,503	379,703
Telephone		249,737	222,793
Postage		73,160	29,286
Advertising		64,736	243,868
Auditors remuneration	20.1	119,569	87,945
Repairs & maintenance		612,358	598,811
Fuel and conveyance		469,024	344,158
Rent, rates and taxes		241,375	523,124
Registrar services		600,000	600,000
Miscellaneous expenses		569,522	242,302
		-----	-----
		104,707,861	95,418,931
		=====	=====

20.1. Auditors' remuneration

Statutory audit		100,000	80,000
Advisory services		10,000	--
Out of pocket expenses		9,569	7,945
		-----	-----
		119,569	87,945
		=====	=====

21. PROFIT DISTRIBUTION ON BORROWINGS

Profit on long term Morabaha finance		1,763,739	1,680,460
Profit on short term Musharaka finance		--	53,507
		-----	-----
		1,763,739	1,733,967
		=====	=====

22. OTHER INCOME

Gain on disposal of assets in own use		422,839	311,021
Others		482,937	610,537
		-----	-----
		905,776	921,558
		=====	=====

23. PROVISIONS MADE / (WRITTEN BACK)

Provision written back for diminution in value of short term investments		(421,294)	(994,752)
Provision written back for diminution in value of long term investments		(2,449,559)	(2,611,482)
Provision for short term morabaha finance		260,137	465,688

Provision for lease rental receivables	2,232,245	1,590,176
Provision for expenses recoverable from lessees	450,618	396,618
	-----	-----
	72,147	(1,153,752)
	=====	=====

24. TAXATION

The Modaraba's income tax assessments upto assessment years 1999-2000 corresponding to income year June 30, 1999 have been finalised.

The Finance Act, 1998 has exempted the income of non-trading modaraba from tax, provided that 90% of their profits are distributed to the certificate holders. Therefore, no provision with respect to current and deferred taxation has been made in the accounts.

25. EARNINGS PER CERTIFICATE

Earnings per certificate is calculated by dividing the net profit for the year by the number of certificate outstanding during the year as follows:

Profit after tax for the year	29,814,623	29,578,399
	=====	=====
Weighted average number of certificates outstanding during the year	18,257,400	18,257,400
	=====	=====
Earning per certificate	1.63	1.62
	=====	=====

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instruments which would have an impact on earnings per certificate when exercised.

26. ADJUSTMENTS OF NON CASH AND OTHER ITEMS

Depreciation - Leased assets	87,473,943	80,705,014
- Owned assets	1,215,358	1,346,848
Amortization of deferred expenditure	25,613	103,932
Provision for bad debts	2,943,000	2,452,482
Provision for short term investments	(421,294)	(994,752)
Provision for long term investments	(2,449,559)	(2,611,482)
Gain on disposal of owned assets	(422,839)	(311,021)
(Gain) / Loss on sale of long term investments	(72,499)	505,800
Profit distribution on borrowings	1,763,739	1,733,967
Dividend income	(715,644)	(610,840)
	-----	-----
	89,339,818	82,319,948
	=====	=====

27. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Charges for registrar services		600,000	600,000
Brokerage expenses	27.1	599,277	13,005
Reimbursement of salaries and perquisites	27.2	93,354	79,432
Disbursements against musharaka with associated modaraba		--	2,100,000
Receipts against musharaka with associated modaraba		7,079,532	2,100,000
Profit on musharaka finance		--	1,139,532
Management fee paid-net		3,365,000	1,489,000
Dividend paid		3,256,584	
Received on account of services rendered		211,239	56,100
Payment for charity and donations	27.3	--	945,000

27.1 These represent commission on sales and purchase of investments through Al-Mal Securities and Services Limited which is a corporate member of Karachi Stock Exchange.

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

27.3 The amount paid to Al-Mal Charitable Trust as charity and donations from late payment charges recovered.

27.4 Maximum amount due from associated undertakings at the end of any month during the year

was Rs.7,079,532 (1999: Rs.7,079,532).

27.5 The transactions with the associated undertakings are in the normal course of business at contracted rates and terms determined in accordance with market rates.

28. RENTALS RECEIVABLE WITHIN ONE YEAR

Rentals receivable in the subsequent financial year i.e. June 30, 2001 would amount to approximately Rs. 126.42 million (June 30, 2000 Rs. 114.022 million).

29. 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:

	<i>Officers</i>		<i>Other Employees</i>		<i>Total</i>	
	<i>June 2000</i> <i>Rupees</i>	<i>June 1999</i> <i>Rupees</i>	<i>June 2000</i> <i>Rupees</i>	<i>June 1999</i> <i>Rupees</i>	<i>June 2000</i> <i>Rupees</i>	<i>June 1999</i> <i>Rupees</i>
Salaries	2,307,464	1,591,124	1,069,150	1,104,523	3,376,614	2,695,647
Retirement benefits	570,679	265,911	266,424	166,664	837,103	432,575
House rent allowance	735,036	715,978	481,997	466,191	1,217,033	1,182,169
Conveyance and other allowances	917,614	298,906	217,945	134,259	1,135,559	433,165
	-----	-----	-----	-----	-----	-----
	4,530,793	2,871,919	2,035,516	1,871,637	6,566,309	4,743,556
	=====	=====	=====	=====	=====	=====
Number of persons at the end of the year	7	6	24	22	31	28
	=====	=====	=====	=====	=====	=====

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

30. MARK-UP RATE RISK

As most financial instruments of the Modaraba are on a predetermined profit and loss sharing basis rather than being exposed to mark-up, the Modaraba is not considered exposed to material mark-up rate risk.

31. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. Whereas, the Modaraba prepares its financial statement under the historical cost convention, therefore, differences may arise between book value and the fair estimates. The estimated fair value of all balance sheet financial instruments are not significantly different from their book value.

32. CREDIT RISK AND CONCENTRATION OF CREDIT

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the credit worthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the Modaraba performance to developments affecting a particular industry or geographic location.

The Modaraba seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate. Concentration of credit risk on assets leased out, morabaha financing and musharaka financing with parties are indicated in the following table by the percentage of total balance receivable from these parties in the specified industries/sectors.

<i>Industry sector</i>	<i>June 30, 2000</i>				
	<i>Lease rentals</i> <i>receivable</i> <i>Rupees</i>	<i>Morabaha</i> <i>finances</i> <i>Rupees</i>	<i>Musharaka</i> <i>finances</i> <i>Rupees</i>	<i>Total</i> <i>Rupees</i>	<i>Total</i> <i>%</i>

Distributors, Wholesellers and Retailers	555,078	8,422,621	--	8,977,699	38.62
Food, Tobacco and Beverages	2,378,928	5,000,000	--	7,378,928	31.75
Textile and Garments	1,907,048	320,117	--	2,227,165	9.58
Steel, Engineering and Autos	337,850	1,200,000	--	1,537,850	6.62
Hotels	1,298,400	--	--	1,298,400	5.59
Miscellaneous	57,180	919,996	--	977,176	4.20
Chemical, Fertilizer and Pharma	--	595,304	--	595,304	2.56
Construction	155,298	--	--	155,298	0.67
Transport and Communications	94,400	--	--	94,400	0.41
	6,784,182	16,458,038	--	23,242,220	100.00

June 30, 1999

<i>Industry sector</i>	<i>Lease rentals receivable Rupees</i>	<i>Morabaha finances Rupees</i>	<i>Musharaka finances Rupees</i>	<i>Total Rupees</i>	<i>Total %</i>
Distributors, Wholesellers and Retailers	985,062	6,241,190	--	7,226,252	28.41
Financial Institutions	--	--	7,079,532	7,079,532	27.83
Food, Tobacco and Beverages	2,752,232	2,431,050	--	5,183,282	20.38
Transport and Communications	1,441,709	--	--	1,441,709	5.67
Chemicals, Fertilizer and Pharma	--	1,429,893	--	1,429,893	5.62
Textile and Garments	47,817	837,700	--	885,517	3.48
Glass, Ceramics and Plastics	603,748	--	--	603,748	2.37
Hotels	462,338	--	--	462,338	1.82
Steel Engineering and Autos	397,312	--	--	397,312	1.56
Construction	255,935	--	--	255,935	1.01
Printers and Publishers	154,005	--	--	154,005	0.61
Security Services	22,890	--	--	22,890	0.09
Miscellaneous	194,434	100,275	--	294,709	1.15
	7,317,482	11,040,108	7,079,532	25,437,122	100.00

33. 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.

Zafar H. Naqvi
Chief Executive

Maqbool Hussain
Managing Director

S. Iradat Husain
Chairman

PATTERN OF CERTIFICATE HOLDINGS AS AT JUNE 30, 2000

<i>Number of Certificate Holders</i>	<i>Certificate Holding</i>		<i>Total Certificates Held</i>
	<i>From</i>	<i>To</i>	
415	1	100	21263
607	101	500	174121
451	501	1000	348098
863	1001	5000	1865616
171	5001	10000	1186337
63	10001	15000	762941
27	15001	20000	450138
20	20001	25000	437051

13	25001	30000	348200
11	30001	35000	355858
6	35001	40000	224712
6	40001	45000	254336
3	45001	50000	141294
4	50001	60000	223216
2	60001	70000	130392
2	70001	80000	144747
1	80001	90000	83424
1	90001	100000	99085
9	100001	125000	1052940
2	150001	200000	318949
2	200001	250000	451633
1	300001	350000	315822
1	400001	450000	431790
1	1000001	1500000	1412377
1	1500001	2000000	1856255
1	2500001	10000000	5166805

2684
=====-----
18257400
=====**Categories of
Certificate Holders**

	Number	Certificates held	Percentage
INDIVIDUALS	2645	8480118	46.45
INSURANCE COMPANIES	4	1447954	7.93
JOINT STOCK COMPANIES	4	5226171	28.62
FINANCIAL INSTITUTIONS	9	379444	2.08
INVESTMENT COMPANIES	8	369,729	2.03
MODARABA COMPANIES	8	2309125	12.65
OTHERS	6	44859	0.24
	-----	-----	-----
	2684	18257400	100.00
	=====	=====	=====

NOTICE OF 1ST ANNUAL REVIEW MEETING

NOTICE IS HEREBY GIVEN THAT THE 1st Annual Review Meeting of Certificate holders of Modaraba Al-Mali will be held at Dr. Abdul Qadeer Khan Auditorium, Haji Abdullah Haroon Muslim Gymkhana, Aiwan-e-Sadar Road, Behind Shaheen Complex, Karachi on 20th December, 2000 (Wednesday) at 10:00 A.M. sharp to transact the following business:

AGENDA

1. To review performance of Modaraba Al-Mali during the year ended 30th June, 2000.
2. To transact any other business with the permission of Chair.

Place: Karachi

Dated: 17th November, 2000

Omar Jamal
Company Secretary**NOTE:**

1. CDC certificate holders desiring to attend the meeting are requested to bring their original National Identity Cards, Account and Participant's ID numbers, for identification purpose.
2. Certificate holders are requested to notify any change in their addresses immediately.