

CRESCENT LEASING CORPORATION LIMITED**Annual Reports 2002****Contents**

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Company Information**Board of Directors**

Mr. Aftab Ahmad Khan	5*	Chairman
Mr. Javed A. Callea	5*	Chief Executive
Mr. Feroz-ud-din A. Cass	4*	Director
Mr. Mahmood Ahmed	2*	Director
Mr. Nessar Ahmed	1*	Director
Mr. Raza Mirza	3*	Director
Mr. Rashid Ahmed	5*	Director
Mr. Saeed Jamal Tariq	3*	Director

Audit Committee

Mr. Feroz-ud-din A. Cass	Chairman
Mr. Raza Mirza	Member
Mr. Saeed Jamal Tariq	Member

Corporate Secretary

Mr. Asif Haider Mirza

Auditors

Husain Rahman
 Chartered Accountants

Legal Advisor

Cornelius Lane & Mufti	Advocates & Solicitors
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Credit Rating Agency

	Long Term	Short Term
JCR - VIS	A+	A1
PACRA	A	A1

Banks & Lending Institutions

Askari Commercial Bank Ltd.
 Bank of Khyber
 CDC Group PLC, UK
 Habib Bank Ltd.
 Muslim Commercial Bank
 National Discounting Services Ltd.
 Pak-Kuwait Investment Co. (Pvt) Ltd.
 Saudi Pak Industrial & Agricultural Investment Co. (Pvt.) Ltd.
 Swiss Development Agency
 Small Business Finance Corporation
 Union Bank Ltd.
 United Bank Ltd.

Head Office

B-801 & 802, 8th Floor, Lakson Square Bldg. # 3,
 Sarwar Shaheed Road, Karachi.
 Tel: 021-5661938, 48,58 Fax: 021-5661988
 UAN: 111-667788
 E-mail: crescent@super.net.pk
 cresleas@cyber.net.pk
 Website: www.creslease.com

Branch Offices

Lahore Suit No. F-7 (B) 1st Floor, Rehman Business Suites, 32-B-III, Gulberg-III, Lahore.

Tel: 042-5717415-6 Fax: 042-5717417 Mobile: 0300-8455710, E-mail: cresleas@nexlinx.net.pk

Islamabad Mezzanine Floor, 52-E, Dodhy Plaza, Jinnah Avenue, Blue Area, Islamabad
Tel: 051-2824866 Fax: 051-2271157, Mobile: 0303-7758022, E-mail: cresleas@isb.paknet.com.pk**Registered and share transfer office**2nd Floor, 131-A, E/1, Main Boulevard Gulberg-III, Lahore
Tel: 042-5712036, 5710759 Fax: 042-5712446, E-mail: tariqaleem@hotmail.com

* Number of board meeting attended during the year

• For a copy of this report write to our Head Office/Registered Office

Trend of key financial data

	2002	2001	2000	1999	1998	1997
RUPEES IN MILLIONS						
Balance Sheet						
Stock Holders Equity	413	381	338	308	295	255
Current Liability	763	490	383	384	230	153
Current Assets	817	546	491	530	387	320
Total Assets	1,678	1,138	975	1,008	827	711
Income Statement						
Lease Income	172	133	116	119	106	89
Total Revenue	261	194	174	172	155	97
Financial Expenses	134	115	109	115	92	48
Total Provisioning	42	11	10	9	8	-
Profit Before Taxation	56	46	34	31	41	37
Profit After Taxation	52	42	31	30	40	36
Financial Indicators						
Profit after tax ratio	20.00%	21.80%	17.70%	17.20%	26.00%	37.40%
Price earning ratio	2.71	3.27	3.63	3.8	3.3	3.52
Return on capital employed	23.60%	21.00%	17.80%	17.10%	26.80%	24.30%
Market value per share (Average price)	6.4	6.25	5.05	5.07	6	5.79
Debt Equity Ratio	75:25	67:33	65:35	69:31	64:36	64:36
Current Ratio	1.07	1.11	1.28	1.38	1.68	2.09
Times Interest Coverage ratio	1.42	1.4	1.31	1.27	1.45	1.78
Earning per share	2.36	1.91	1.39	1.33	1.82	1.64
Return on Equity	12.68%	11.10%	9.09%	9.60%	13.61%	14.27
Book value per share	18.65	18.92	19.62	17.84	19.69	17.01
Gross Lease Disbursements	747	508	333	332	276	244

**Statement of Value added and how distributed
Value Addition (RS. in million)**

	2002	2001
TOTAL	68	54
• Employees as remuneration	16	12
• Government as taxes	4	3
• Shareholders as dividends	33	15
• Retained within the Business	<u>15</u>	<u>24</u>

Notice of Fifteenth Annual General Meeting

Notice is hereby given that the 15th Annual General Meeting of the company will be held at 2nd Floor, 131 A-E/1, Main boulevard, Gulberg-III, Lahore on Monday, October 28, 2002 at 12:00 Noon to transact the following business:

ORDINARY BUSINESS

- To receive, consider and adopt the audited accounts of the company for the year ended June 30, 2002 together with Directors' and Auditors' Reports thereon.
- To approve the payment of Cash Dividend to the shareholders at the rate of Re.1 per share of Rs. 10/- each and the issue of Bonus Shares in proportion of one share for every twenty shares held i.e. 5% for the year ended June 30, 2002.
- To appoint auditors and fix their remuneration.

SPECIAL BUSINESS

- To consider and if deemed appropriate, approve alteration in the relevant clause of Articles of Association of the company to incorporate the change in the fee of Directors for attending the Board

Meeting.

A statement under section 160(1) (b) of the Companies Ordinance, 1984 and the draft of the resolution proposed to be considered by the shareholders at the Annual General Meeting of the company as required by section 164(1) of the Companies Ordinance, 1984 are enclosed.

By Order of the Board

Karachi
August 12th, 2002

Asif Haider Mirza
Corporate Secretary

Statement under section 160(1)(b) of the Companies Ordinance, 1984 in respect of Special Business and draft resolution.

Item No. 4 of Agenda- Alteration in Articles of Association (Revision in fee of Directors for attending the board meeting.)

Material facts concerning the special business to be transacted at Annual General meeting and the proposed special resolution related thereto are given below.

Material Facts

Approval of shareholders is required for amendment in the clause 109 of the Articles of Association which relates to the " Remuneration of Directors" in order to incorporate the revision in fee paid to Directors for attending the Board Meeting as recommended by the Board of Directors of the company. For this purpose, it is intended to propose the following resolution to be passed as special resolution:

Draft of the resolution.

"Resolved that, the following amendment in Articles of Association be and is hereby approved:

In Article 109 under the heading " Remuneration of Directors" after the word "exceed" at the end of the first line of the paragraph the words " Rs 500 and a " be replaced by the words " Rs 2,500 or any amount approved by the shareholders in their meeting from time to time."

Further resolved that the Company Secretary and the Chief Executive be authorized, either singly or jointly to do all acts, deeds, sign and execute all documents necessary in this regard.

The Directors are interested to the extent of the fee payable to them individually.

Notes:

1. Closure of share transfer books

The Members register will remain closed from 22nd October, 2002 to 28th October 2002 (both days inclusive). Transfers received in order at the Registered Office by the close of business hours on 21st October, 2002 will be treated in time for the entitlement of Bonus Shares and Cash Dividend.

2. Participation in general meeting

A member eligible to attend and vote at this meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the registered office not later than 48 hours before the time of holding the meeting.

3. Change in address

Shareholders are requested to notify the change of their addresses, if any, at our registered office.

1. CDC account holders will further have to follow the under mentioned guidelines as laid down in circular No. 1 dated 26th January, 2000 of the Securities and Exchange Commission of Pakistan for attending the meeting:

i) In case of individuals, the account holder or sub-account holder and /or the person whose securities are in group account; and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his original National Identity Card (NIC) or original passport at the time of attending the meeting. The shareholders registered on CDS are also required to bring their Participants I.D. Numbers and account numbers in CDS.

ii) In case of corporate entity, the Board of Directors resolution /power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) of the meeting.

Annual General Meeting

Your Directors have pleasure In presenting the Audited Accounts for the year ended June 30, 2002. The financial results of the company for the period under review are summarized as follows:

Financial Results

2002

2001

Revenue	261,399	193,633
Expenditure	163,106	137,484
Operating Profit before provisions	98,293	56,149
Provisions	42,169	10,538
Profit before taxation	56,124	45,611
Taxation	3,770	3,350
Profit after taxation	52,350	42,261
Un-appropriated Profit brought forward	5,879	6,259
Profit available for appropriation	58,229	48,521

Appropriations:

Transfer to:		
- reserve under NBF1 regulation	10,470	8,452
- reserves for deferred taxation	-	19,058
- reserves for issue of bonus shares	11,069	15,131
- proposed cash dividend @ 10% (2001: Nil)	22,138	-

Net profit for the year after charging all expenses, including allowance for potential lease losses and provisions amounted to Rs 52.350 million. This is higher by 19.27 percent than previous year profit of Rs 42.261 million.

DIVIDEND

The Board of Directors have recommended to declare a 10% cash dividend & 5% bonus shares for the year ended 30th June, 2002.

ECONOMIC SCENARIO

The occurrence of the September 11 and subsequent events along with the tension on our eastern borders overshadowed the year under review. The business climate thus remained subdued. The external sector, however, gained strength on account of higher remittances, favourable debt reprofiling and increased foreign inflows. The foreign exchange reserves thus exceeded six billion dollars for the first time. Weak investment demand on the other hand promoted a highly liquid market and declining interest rate regime. During the period under review, the leasing industry experienced

the start of consolidation phase largely driven by the regulatory requirement of enhanced capital base. The commercial banks, on the other hand aggressively, entered the leasing business, given the magnitude of their financial resource and the lack of leasing regulatory framework on them, this has created a un-level playing field in the leasing sector.

OPERATING RESULTS

Your company continued with its strategy of positioning itself in the emerging scenario of consolidations in the leasing industry. The marketing focus continued to be on entities and sectors with low risk profile, with emphasis on auto leasing and consumer leasing. New leases written during the period increased by 47 percent and were placed at Rs 747 million in comparison to Rs 508 million written in the previous period. The net investment in leases thus stood at Rs 1,290 million as on June 30, 2002 an increase of 34.6 percent over the previous year figure of Rs 958 million. Lease income during the period amounted to Rs 171.60 million compared with Rs 132.915 million of previous year showing an increase of 29.1 percent. Income from other business activities was placed at Rs 89.798 million significantly better than comparable figure of Rs 60.718 million for the previous year showing an increase of 47.9 percent. The increase in other income is largely reflective of the realization of the gain on sale of securities and dividends accruing on investments. Your company was thus able to post a net profit after taxation and provisions of Rs 52.350 million surpassing the previous year's figure by Rs 10.09 million or 19.22 percent.

The post tax earning per share is placed at Rs 2.36.

The business policy of your company continued to focus on market penetration with quality risks and better client service for a broader client base. SMEs, vehicle leasing and consumer finance continues to be the focus area where increased market penetration is targeted. Eight hundred and thirty five new contracts were added in consumer finance during the period.

The risk profile of your company remained at prudent levels. The average lease size (excluding consumer finance) is placed at Rs 1.840 million as against Rs 1.731 of last year. Exposure in a single industrial sector (textile) does not exceed 19.7 percent compared with 19.1 percent in textile sector last year. The remaining exposure is spread over twelve sectors of the economy.

Plant and machinery remained the major leased asset of the total portfolio at 69 percent followed by vehicles at 27 percent and remaining being in office and other equipment. Concerted efforts on follow-up and recovery were undertaken during the period particularly in the backdrop of weak business environment. The recovery position was thus held at 95 percent.

Your company made its maiden issue of TFCs amounting to Rs. 250 million during the period. The TFC assigned A+ rating by PACRA was well received and was over subscribed by Rs. 11.78 million.

In respect of resources, the company attracted Rs. 91.5 million more in its COI scheme than the previous year figure of Rs.157.28 million. It also broad based its financial relationship with premier financial institutions and raised Rs. 70 million in long-term finance and Rs. 636 million in short-term

finance to expand its operations.

The entity rating of your company is placed at A for long term and A1 for short term by PACRA. The rating assigned by JCR-VIS are A+ for long term and A1 for short term. These rating denote a low risk profile for the company.

The company recognizes the need for development of an efficient human resource base. To achieve this the company places emphasis on the important aspects of an efficient human resource base i.e. business environment compatible training, merit based reward system and interactive organizational structure. Out of 22 operational personnel 18 attended various training and seminars during the period. Leasing proposals having an unfavourable impact on environment were generally avoided during the period.

FUTURE OUTLOOK

The global fallout of the 9/11 event and the crisis in corporate America has hurt the investment sentiment and consumer confidence the world over. In our region this has been further hurt by the border tension resulting in weak business conditions for the current year. The year also being an election year, could result in reduced economic activity in the pre and post election period. Fiscal 2003 thus poses acute challenges for the business environment in general and for the financial sector in particular. The balance of payment position is likely to remain comfortable in the current year. The weak economy may however impact the government revenues which in turn would reduce development expenditure. The kick start of the economy is likely to remain doubtful, Sectorally, the demand for plant and machinery for leasing is likely to remain flat. Emphasis is likely to shift towards new products in consumer finance and on operating leases to benefit from better risk profiling available in these products. Demand for vehicle leasing is expected to stabilise as a sizeable base has been established and requisite employment growth in eligible consumers may not be available to sustain higher levels. Demand for consumer durables is likely to sustain given the trend of emerging life styles. Pricing of business risks would continue to be intensely competitive given the increasing competition from commercial banks. This would not only affect the margins but the credit risk as well. The windfall capital gains and dividend income is not likely to repeat itself in the current year.

Your company intends to continue with its strategy of market penetration. This is planned to be achieved through increased focus on quality financing in SME sector, auto leasing and consumer financing. To achieve the above objective the market reach of the company would be extended through opening of two more branches in Hyderabad and Gujranwala. The product of web based marketing launched last year lacked attraction; this is targeted to be addressed this year to make it more attractive.

CORPORATE GOVERNANCE

The board of directors of the company held five meetings (attendance is on page # 2) during the year to review operations discuss and formulate policy matters. The Board on a quarterly basis also reviewed the operational performance of the company. The Board considered and approved the business plan and budgets for the ensuing year. An Audit Committee was constituted during the period comprising of three non-executive directors. The Audit Committee held three meeting during the period under review. The Audit Guideline, Audit Manual and Audit Plan recommended by the Audit Committee were approved by the Board of Directors.

STATEMENTS

- a) The financial statements, prepared by the management of the listed company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- b) Proper books of account of the listed company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements except for the change stated in note 2.5.1(b) with which external auditors have concurred and accounting estimates are based on reasonable and prudent judgement.
- d) Applicable International Accounting Standards and relevant directives from the regulating bodies have followed and any departure therefrom if any has been adequately disclosed.
- e) The value of investments in provident & gratuity funds are Rs. 6.112 million and Rs. 1.072 million respectively.
- f) There was no trading in company shares by directors, chief executive, chief financial officer & company secretary and their spouses and minor children during the year.
- g) The system of internal control is sound in design and has been effectively implemented and monitored.
- h) There are no doubts upon the listed company's ability to continue as a going concern.
- i) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

TREND OF KEY OPERATING AND FINANCIAL DATA*

	2002	2001	2000	1999	1998	1997
Total Income	261	194	174	172	155	97
Profit after tax	52	42	31	29	40	36

Earning Per Share	2.36	1.91	1.39	1.33	1.82	1.64
Total Assets	1,678	1,138	975	1,008	835	711
Networth	413	381	338	308	295	255
Cash Dividend	10.00%	-	-	10.00%	-	15.00%
Stock Dividend	5.00%	10.00%	16.67%		15.00%	-
Total Payout	15.00%	10.00%	16.67%	10.00%	15.00%	15.00%

ACKNOWLEDGMENT

The Board acknowledges the support of the regulatory authorities, banks and lending institutions. IT Board also appreciates the dedication and hard work of the company personnel.

AUDITORS

The auditors Husain Rahman, Chartered Accountants retire and being eligible offer themselves for reappointment.

PATTERN OF SHAREHOLDING

The pattern of shareholding as on June 30, 2002 is annexed to this report.

On behalf of the Board

Review report to the members on statement of compliance with best practices of code of corporate governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Crescent Leasing Corporation Limited (the Company) to comply with the relevant Listing Regulations of the Karachi, Lahore and Islamabad Stock Exchanges where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance.

Chartered Accountants

Karachi.

Auditors' Report to the Members

We have audited the annexed balance sheet of Crescent Leasing Corporation Limited as at June 30, 2002 and the related profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statement. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

(i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

except for the change as stated in note 2.5.1(b) with which we concur:

(ii) the expenditure incurred during the year was for the purpose of the company's business; and

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2002 and of the profit, its cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Balance Sheet

ASSETS	Notes	2002 Rupees	2001 Rupees
OPERATING FIXED ASSETS	3	20,957,972	15,171,229
NET INVESTMENT IN LEASES AND INSTALMENT LOANS			
Instalment contract receivables		1,291,275,087	991,751,747
Add: Residual value		234,612,035	165,496,647
Gross instalment contract receivables		1,525,887,122	1,157,248,394
Less: Unearned finance income		235,763,601	198,753,881
Net investment	4	1,290,123,521	958,494,513
Less: Current maturity		441,538,638	376,917,718
Allowance for potential lease losses - General		39,278,750	24,041,688
- Specific		16,612,370	6,093,376
		497,429,758	407,052,782
		792,693,763	551,441,731
LONG-TERM INVESTMENTS	5	43,151,301	23,385,400
LONG TERM LOAN	6	2,101,701	—
LONG-TERM DEPOSITS, PREPAYMENTS AND DEFERRED COSTS	7	1,506,570	2,081,504
CURRENT ASSETS			
CURRENT MATURITY OF NET INVESTMENT	4	441,538,638	376,917,718
CURRENT MATURITY OF LONG TERM LOANS	6	212,032	—
SHORT-TERM FINANCES	8	835,630	2,254,911
SHORT-TERM INVESTMENTS	9	268,517,510	90,205,047
SHORT-TERM PLACEMENTS	10	37,862,169	16,000,000
ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLE	11	39,545,574	36,969,629
CASH AND BANK BALANCES	12	28,851,022	23,847,761
		817,362,575	546,195,066
		1,677,773,882	1,138,274,930

As at June 30, 2002

	Notes	2002 Rupees	2001 Rupees
SHARE CAPITAL AND RESERVES			
AUTHORISED CAPITAL			
30,000,000 (2001: 30,000,000) Ordinary shares ofRs. 10/- each		300,000,000	300,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
RESERVES	13	221,381,330	2,012,557,501
		188,707,655	179,479,953
		410,088,985	380,735,703
SURPLUS/DEFICIT ON REVALUATION OF SECURITIES	14	2,817,126	-
		412,906,111	380,735,703
DEFERRED INCOME	15	-	158,649
REDEEMABLE CAPITAL	16	290,065,979	133,108,575
LONG-TERM CERTIFICATES OF INVESTMENT	17	17,521,674	5,587,000
LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES	18	3,785,489	3,074,036
LONG-TERM DEPOSITS	19	190,699,671	125,549,698
CURRENT LIABILITIES			
CURRENT MATURITY OF LONG-TERM LIABILITIES	20	162,056,645	213,493,761
CURRENT MATURITY OF LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES	18	1,242,035	2,151,167
SHORT-TERM CERTIFICATES OF INVESTMENT	17	175,594,390	150,425,000
SHORT-TERM FINANCES	21	350,000,000	55,700,000

RUNNING FINANCES UNDER MARK-UP ARRANGEMENTS	22	20,425,605	36,348,323
CREDITORS, ACCRUED AND OTHER LIABILITIES	23	31,338,150	31,943,018
PROPOSED CASH DIVIDEND		22,138,133	-
		762,794,958	490,061,269
COMMITMENTS	24	1,677,773,882	1,138,274,930

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

Profit and Loss Account
For the year ended June 30, 2002

	Note	2002 Rupees	2001 Rupees
Income from lease operations		171,601,596	132,914,854
Income on investments	25	86,984,045	56,434,342
Other Income	26	2,813,536	4,283,699
		261,399,177	193,632,895
Financial charges	27	133,659,501	114,799,815
Administrative and operating expenses	28	29,446,307	22,683,833
		163,105,808	137,483,648
Operating profit before provisions		98,293,369	56,149,247
Allowance for potential lease losses - General		152,370,621	67,304,231
- Specific		10,518,994	1,530,660
Provision against Pakland TFC		15,588,000	-
Provision against Central Excise duty		886,461	-
Provision for doubtful finance		-	2,215,246
(Reversal)/Provision for diminution in value of investments		(61,623)	61,623
		42,168,894	10,537,952
Profit before taxation		56,124,475	45,611,295
Taxation	30	3,774,000	3,350,000
Profit after taxation		52,350,475	42,261,295
Unappropriated profit brought forward		5,878,797	6,259,269
Profit available for appropriation		58,229,272	48,520,564
Appropriations:			
Transfer to:			
- reserve under NBFIs rules		(10,470,095)	(8,452,259)
- reserve for deferred taxation		-	(19,058,183)
- reserve for issue of bonus shares		(11,069,067)	(15,131,325)
- proposed cash dividend @ 10% (2001: Nil)		(22,138,133)	-
		(43,677,295)	(42,641,767)
Unappropriated profit carried forward		-	5,878,797
Earnings per share - Basic	31	2.36	1.91
- Diluted		N/A	N/A

The annexed notes form an integral parts of these financial statement.

Cash Flow Statement

For the year ended June 30, 2002

	2002 Rupees	2001 Rupees
Cash flows from operating activities		
Profit before taxation	56,124,475	45,611,295
Adjustments for:		
Amortization of deferred income	(158,649)	(158,664)
Depreciation	3,806,554	2,913,729
Financial Charges	133,659,501	114,304,765
Allowance for potential lease losses	25,756,056	8,261,083
Provision against Pakland TFC	15,588,000	-
Provision against Central Excise Duty	886,461	-
(Reversal)/provision for diminution in value of investment	(61,623)	61,623
Provision for doubtful finance	-	2,215,246
Gain on sale of operating fixed assets	(168,848)	(22,900)
Operating profit before working capital changes	235,431,927	173,186,177
Increase in creditors, accrued and other liabilities	2,527,696	1,418,328
(Increase)/decrease in advances, deposits, prepayments and other receivables	(3,887,987)	9,899,307
Cash generated from operations	234,071,636	184,503,812
Income taxes paid	(3,348,419)	(2,483,956)
Financial charges paid	(136,015,535)	(104,362,293)
Net cash flows from operating activities	94,707,682	77,657,563
Cash flows from investing activities		

Increase in net investment in leases and instalment loans	(331,629,008)	(193,595,869)
Purchase of operating fixed assets	(7,423,412)	(677,452)
Proceeds from sale of operating fixed assets	553,981	206,300
(Purchase)/sale of long-term investments	(35,673,930)	8,882,736
(Purchase) /sale of short-term investments	(197,834,914)	4,330,005
Increase in long-term deposits, prepayments and deferred costs	(201,596)	(165,300)
Increase in long-term loan	(2,313,733)	-
Decrease in short-term finances	1,419,281	1,491,208
Net cash used in investing activities	(573,103,331)	(179,528,372)
Cash flows from financing activities		
Increase in redeemable capital	101,963,844	64,850,290
Increase in long-term deposits	68,681,417	17,963,379
Increase certificates of investment	37,129,064	81,812,000
Increase/(decrease) in short-term finances	294,300,000	(49,300,000)
Decrease in liabilities against assets subject to finance leases	(2,752,697)	(2,282,512)
Payment of dividend	-	(53,505)
Net cash flow from financing activities	499,321,628	112,989,652
Net increase in cash and cash equivalents	20,925,979	11,118,843
Cash and cash equivalents at the beginning of the year	(12,500,562)	(23,619,405)
Cash and cash equivalents at the end of the year (Note A)	8,425,417	(12,500,562)
Note A. Cash and cash equivalents at the end of the year		
Cash and bank balances	28,851,022	23,847,761
Running finances under mark-up arrangements	(20,425,605)	(36,348,323)
	8,425,417	(12,500,562)

**Statement Of Changes In Equity
For The Year Ended June 30, 2002**

	Reserve										
	Issued, subscribed and paid-up capital	Premium on issuance of right shares	Reserve for deferred taxation	Capital Reserve under NBFI's 'rules	Reserve for issue of proposed bonus shares	General reserve	Revenue Reserve for doubtful debts	Un appropriated profit	Total	Surplus/deficit on Revaluation of securities	Grand Total
	Rupees										
Balance as at June 30, 2000	172,500,000	4,994,250	33,031,751	38,896,826	28,755,750	43,800,000	10,236,562	6,259,269	165,974,408	-	338,474,408
Net profit for the year	-	-	-	-	-	-	-	42,261,295	42,261,295	-	42,261,295
Transfer from profit and loss account	-	-	19,058,183	8,452,259	-	-	-	(27,510,442)	-	-	-
Issue of bonus shares	28,755,750	-	-	-	(28,755,750)	-	-	-	(28,755,750)	-	-
Proposed Issue of bonus shares	-	(4,994,250)	-	-	20,125,575	'-	-	(15,131,325)	-	-	-
Balance as at June 30, 2001	201,255,750	-	52,089,934	47,349,085	20,125,575	43,800,000	10,236,562	5,878,797	179,479,953	-	380,735,703
Prior period adjustment to absorb fair value depreciation	-	-	-	-	-	-	-	(859,065)	(859,065)	-	(859,065)
Restated as at June 30, 2001	201,255,750	-	52,089,934	47,349,085	20,125,575	43,800,000	10,236,562	5,019,732	178,620,888	-	379,876,638
Net profit for the year	-	-	-	-	5	-	-	52,350,475	52,350,480	-	52,350,480
Issue of bonus shares	20,125,580	-	-	-	(20,125,580)	-	-	-	(20,125,580)	-	-
Transfer from profit and loss account	-	-	-	10,470,095	-	-	-	(10,470,095)	-	-	-
Increase in fair value of available for sale investments	-	-	-	-	-	-	-	-	-	2,817,126	2,817,126

Proposed issue of bonus shares	-	-	-	-	11,069,067	-	-	(11,069,067)	-	-	-
Proposed cash dividend	-	-	-	-	-	-	-	(22,138,133)	(22,138,133)	-	(22,138,133)
Balance as at June 30, 2002	221,381,330	-	52,089,934	57,819,180	11,069,067	43,800,000	10,236,562	13,692,912	188,707,655	2,817,126	412,906,111

Notes to the Financial Statements
For the year ended June 30, 2002

1. LEGAL STATUS AND NATURE OF BUSINESS

Crescent Leasing Corporation Limited (the company) is incorporated in Pakistan as a public limited company under Companies Ordinance 1984, on April 7, 1987. The company commenced commercial operations in August 1989, and is listed on all Stock Exchanges in Pakistan. Its prime business is leasing, and it is classified as a Non-Banking Financial Institution (NBFI) by the State Bank of Pakistan and is regulated by the Securities and Exchange Commission of Pakistan, under the Leasing Companies (Establishment & Regulation) Rules 2000.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These financial statements have been prepared in accordance with the requirements of Companies Ordinance 1984 and International Accounting Standards (IASs) as applicable in Pakistan.

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except for the revaluation of certain financial instruments.

2.3 Operating fixed assets and depreciation

(a) Owned assets

Fixed assets are stated at cost less depreciation to date. Depreciation is charged to income by applying reducing balance method. Full year's depreciation is charged on acquisitions during the year while no depreciation is charged on fixed assets disposed off during the year.

As per the company's policy, depreciation on assets given to employees is charged to income by applying the straight-line method. Depreciation on such additions is charged from the month in which the asset is put to use and on disposals in the month in which disposal is made.

Normal repairs and maintenance are charged to income as and when incurred. Subsequent to initial recognition, expenditure on fixed assets is capitalised only when the expenditure improves the condition of assets beyond its originally assessed standard of performance.

Gains and losses on disposal of fixed assets, if any, are included in income currently. However, gains on sale and leaseback transaction that results in a finance lease, is deferred and amortised over the lease term.

(b) Assets subject to finance leases

These are stated at the lower of present value of minimum lease payments and fair value of assets acquired on lease. Assets so acquired are depreciated over the shorter of the lease term or its useful life. Financial charges are allocated to accounting periods in a manner so as to produce a constant periodic rate of charge on the outstanding liability.

2.4 Deferred costs and amortisation

Deferred costs are written off during a period not exceeding five years commencing from the year when such costs are incurred.

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the company's balance sheet when the company has become a party to the contractual provisions of the instrument.

2.5.1 Investments

a) Initial measurement

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Subsequent measurement

Held-to-maturity

These are securities with fixed or determinable payments and fixed maturity that the company has the positive intent and ability to hold to maturity and are measured at amortised cost, less any impairment loss recognised to reflect irrecoverable amounts.

Held-for-trading

These are securities which are either acquired for generating a profit from short-term fluctuation in prices or dealer's margin, or are securities included in a portfolio in which a pattern of short-term profit taking exists.

Held-for-trading investments are measured at subsequent reporting dates at fair value. Unrealised gains and losses are included in the net profit or loss for the period.

Available-for-sale

These are investments that do not fall under held-for-trading or held-to-maturity.

Available-for-sale investments are measured at subsequent reporting dates at fair value. Unrealised gains and losses are recognised directly in equity, until the security is disposed off or is determined to be impaired.

b) During the year, the company has changed its policy for recording of repo and reverse repo transactions. Previously the securities sold subject to repurchase agreements (repo) were derecognised and securities purchased under agreement to resell (reverse repo) were recognised as securities in the financial statements. The difference between the sale and repurchase price was treated as mark-up/return earned and expensed.

From the current year, the securities sold subject to repurchase agreements (repo) are retained in the financial statements as investment and the counterparty liability is included in borrowings from financial institutions. Similarly the securities purchased under agreement to resell (reverse repo) are included in short-term placements. The difference between sale and repurchase price is treated as mark-up/return earned and expensed.

Had the policy not been revised the total assets and liabilities of the company would have been lowered by Rs. 200 million.

2.6 Taxation

(a) Current

Current tax is the expected tax payable on the taxable income for the year using tax rates prescribed by the tax law and after incorporating tax credits or adjustments available, if any.

(b) Deferred

Deferred tax is provided using the balance sheet liability method providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for taxation purposes.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available and credits can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.7 Foreign exchange transactions

Transactions in foreign currencies are accounted for in Pak rupees at the rate of exchange ruling on the date of transactions. Monetary assets and liabilities in foreign currencies are translated into rupees at the rate of exchange at the balance sheet date.

Net exchange differences arising due to hedging mechanism are accounted for as deferred revenues/costs as the case may be and are credited/amortised to income over the term of the underlying transactions or five years whichever is shorter.

2.8 Off-setting

A financial asset and a financial liability is off-set and the net amount reported in the balance sheet if the company has a legally enforceable right to set-off the recognised amounts and also intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.9 Employees' retirement benefits

The Company operates funded Gratuity Scheme for its permanent employees whose period of service is five years or more. Provision is made annually to cover obligation under the Scheme.

In addition, the Company operates a Provident Fund Scheme for its permanent employees. Equal monthly contributions are made to the Fund both by the company and the employees, at the rate of 10 percent of basic salary.

2.10 Revenue recognition

2.10.1 Finance lease and instalment loans

The Company follows the 'financing method' in accounting for recognition of lease and instalment loan income.

At the commencement of a lease, the total unearned lease income consists of the excess of aggregate lease contract receivables over the cost of the leased equipment. At the time a lease is executed, a portion of unearned lease income which approximates the initial cost directly associated with negotiating and consummating the lease plus an amount equal to the allowance for potential lease losses is taken into income. The remainder of the unearned lease income is taken into income over the term of the lease, applying the annuity method, so as to produce a systematic return on the net investment.

Front end fee and other lease related income is recognised as income when realised.

2.10.2 Deposits and securities

Return on deposits and securities are recognised on a time proportion basis.

2.10.3 Dividend income

Dividend income is recognised when the right to receive dividend has been established.

2.10.4 Capital gain

Capital gains or losses arising on sale of investments are taken to income in the period in which they arise.

2.11 Allowances for doubtful balances and potential lease losses

The allowances for doubtful balances and potential lease losses is maintained at a level, which in the judgment of management is sufficient to provide for and that is reasonably anticipated. The allowances would be increased by the provision charged to income and would be decreased by charge off, net of recoveries.

The recognition of annual charge / income of such amount is taken to the profit and loss account.

2.12 Cash and cash equivalents

Cash and cash equivalents comprises of cash on hand, demand deposits and short-term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3. OPERATING FIXED ASSETS

	Cost			Depreciation			Written down value as at June 30, 2002	Depreciation Rates % per annum
	As on July 1, 2001	Additions/ (deletions)	As at June 30, 2002	As on July 1, 2001	For the year/(on deletions)	As at June 30, 2002		
Rupees								
TANGIBLE								
Owned								
Office premises	12,133,827	4,881,510	17,015,337	3,326,459	684,444	4,010,903	13,004,434	5
Furniture and fixtures	1,360,573	377,633	1,738,206	914,389	225,429	1,139,818	598,388	15, 25 & 33.33
Motor vehicles	1,141,857	1,204,500 (196,500)	2,149,857	866,186	328,749 (160,442)	1,034,493	1,115,364	20, 25 & 33.33
Office equipment	2,641,819	959,769	3,601,588	1,907,580	484,637	2,392,217	1,209,371	15 & 33.33
	17,278,076	7,423,412 (196,500)	24,504,988	7,014,614	1,723,259 (160,442)	8,577,431	15,927,557	
Leased								
Furniture and fixtures	373,387	-	373,387	250,875	122,512	373,387		33.33
Motor vehicles	6,686,000	2,519,000 (1,990,000)	7,215,000	2,569,387	1,280,136 (1,640,925)	2,208,598	5,006,402	20, 25, & 33.33
Office equipment	2,842,608	36,018	2,878,626	2,173,966	680,647	2,854,613	24,013	33.33 & 50
	9,901,995	2,555,018 (1,990,000)	10,467,013	4,994,228	2,083,295 (1,640,925)	5,436,598	5,030,415	
2002	27,180,071	9,978,430 (2,186,500)	34,972,001 1	2,008,842	3,806,554 1 (1,801,367)	4,014,029	20,957,972	
2001	24,938,680	3,620,452 (1,379,061)	27,180,071 1	0,290,774	2,913,729 1 (1,195,661)	2,008,842	15,171,229	

3.1 The following assets were disposed off during the year :

Description	Cost	Written Down Value	Sale proceeds	Mode of Disposal	Particulars of Purchaser
RUPEES					
Motor vehicle	196,500	36,058	150,000	Insurance claim	EFU General Insurance, Karachi
Motor vehicle	277,000	65,095	86,560	Negotiation	Lt. CMDR (R) Mazaruddin, Karachi
Motor vehicle	313,000	143,980	177,421	Negotiation	Nighat Sajid,

Motor vehicle	1,400,000	140,000	140,000	Negotiation	Karachi Rao Hamad All Khan, Karachi
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4. NET INVESTMENT IN LEASES AND INSTALMENT LOANS

	2002			2001		
	Gross Instalment contract receivables	Unearned finance income	Net investment	Gross Instalment contract receivables	Unearned finance income	Net investment
	Rupees					
Not later than one year	569,748,657	128,210,019	441,538,638	487,542,869	110,625,151	376,917,718
Later than one year and not later than five years	956,138,465	107,553,582	848,584,883	648,607,267	80,420,264	568,187,003
Later than five years	-	-	-	21,098,258	7,708,466	13,389,792
Total 1	1,525,887,122	235,763,601	1,290,123,521	1,157,248,394	198,753,881	958,494,513

5. LONG-TERM INVESTMENTS

	2002 Rupees	2001 Rupees
Available for sale investments		
In associated undertakings (Note 5.2) Others (Note 5.3)	3,770,000	41,250,001
	8,078,301	19,260,400
	11,848,301	23,385,400
Held to maturity investment		
Proposed issue of Pakland Term Finance Certificates (Note 5.4)	31,303,000	-
	43,151,301	23,385,400

5.1 Breakup of fair value - Available-for-sale investments

	2002 Rupees
As at July 1, 2001	
- as originally stated (cost)	23,385,400
- prior period adjustment to absorb fair value depreciation	-1,622,320
Fair value as at July 1, 2001 (restated)	21,763,080
Disposed during the year	
Increase in fair value	-11,217,070
	1,302,291
Fair value as at June 30, 2002	11,848,301

5.2 In associated undertakings

	Note	Place of incorporation and operation	Principal activity	2002 Rupees	2001 Rupees
. Listed					
100,000(2001: 100,000) ordinary shares of Rs.10/- each of Trust Investment Bank Ltd. Holding 1 percent (2001: 1 percent) of the paid-up capital of the bank.	5.2.1	Pakistan	Investment Bank	645,000	1,000,000
• Unlisted					
312,500(2001: 312,500) ordinary shares of Rs. 10/- each of International Housing Finance Ltd. Holding 2.5 percent (2001: 2.5 percent) of the paid-up capital of the company.	5.2.2	Pakistan	Housing Finance	3,125,000	3,125,000
				3,770,000	4,125,000

5.2.1 Market value as at June 30, 2002 is Rs. 645,000 (2001: Rs. 1,300,000). ^H

5.2.2 The carrying value approximates the fair value. ^^1

5.2.3 Had these investments been accounted for using the equity method, the value of investment on R^B

the basis of latest available audited financial statements for the year ended June 30, 2001 of the B^B

investees and the effect on profit and loss account would have been as follows: R^B

2002
Value of

2002
Effect on

	investments under equity method Rupees	profit Rupees
Trust Investment Bank Ltd.	1,440,370	440,370
International Housing Finance Ltd.	3,549,573	424,573
	4,989,943	864,943

5.3 Others

2002	2001	Listed	2002 Rupees	2001 Rupees
	No. of ordinary shares of Rs. 10 each			
-		505,000 Pakistan Telecommunication Limited	-	10,987,070
699,420		719,420 Meezan Bank Limited	8,078,301	8,273,330
			8,078,301	19,260,400

5.3.1 Aggregate market value of these shares was Rs. 8.078 million (2001: Rs. 17.34 million).

5.4 Proposed issue of Pakland Term Finance Certificates

	Series A	Series B	Total
		Rupees	
Proposed issue of Pakland TFC	32,803,000	14,088,000	46,891,000
Provision against doubtful debt	(1,500,000)	(14,088,000)	(15,588,000)
	31,303,000	-	31,303,000

A scheme of proposals for the compromise of debts and rehabilitation of the operations of Pakland Cement Ltd. (PCL) has been agreed between PCL, sponsor shareholders of PCL, and its majority creditors under section 284, 285, 286 and 288 of the Companies Ordinance, 1984.

Under this scheme two series of TFCs namely series "A" and "B" are proposed to be issued.

The "A" series of TFCs contains principal portion of the amount agreed by PCL to be payable to creditors.

The "B" series of TFCs contains the component of profit/markup on the principal portion of the amount agreed by PCL to be payable to the creditors.

Accordingly the company has transferred its lease exposure in Pakland Cement Ltd. into the proposed TFCs issue. However for prudence the classification status of the company has been maintained which is reflected in this note and in 11.2

6. LONF TERM LOAN - Secured , Considered good

	2002 Rupees	2001 Rupees
Loan to executive (Note 6.1)	2,313,733	-
Less: Current maturity	212,032	-
	2,101,701	-
Recoverable after three years	1,645,009	-
Others	668,724	-

6.1 Loan to executive represents house loan in accordance with the house building facility for employees.

The loan is repayable in 120 monthly instalments and carries a variable mark-up rate based on State Bank of Pakistan (SBP) discount rate prevailing on the last day of a calendar year minus 5% with no floor and no ceiling. The loan is secured by equitable mortgage on the property by depositing the title documents of the property with the company.

Maximum amount due from executive at the end of any month during the year aggregate Rs. 2.52 million.

7. LONG-TERM DEPOSITS, PREPAYMENTS AND DEFERRED COSTS

	2002 Rupees	2001 Rupees
Long-term deposits	1,506,570	1,296,805
Prepayments	-	8,169
Deferred costs (Note 7.1)	-	776,530
	1,506,570	2,081,504

7.1 Deferred costs

	As on July 01, 2001	Addition/ (deletion)/ (Transfer)	As at June 30, 2002	Amortis; For the year	ition As at June 30, 2002	Unamortised Balance as at June 30, 2002
RUPEES						
Fund utilisation (Note 7.1.1)	27,380,582	-	27,380,582	-	-	-
Others	1,448,078	-	1,448,078	-	-	-
2002	28,828,660	-	28,828,660	776,530	-	-
2001	28,828,658	-	28,828,658	5,476,117	28,052,128	776,530

7.1.1 Fund utilisation represents expenses incidental to foreign currency finances, which were adjusted against possible recoveries or charged off as part of cost of borrowing.

8. SHORT-TERM FINANCES - Secured

	2002 Rupees	2001 Rupees
Considered Good		
Finance against certificates of investment (note 8.1)	385,633	432,357
Pro-note discounting facility (note 8.2)	449,997	1,130,331
Short term loan	-	692,223
	835,630	2,254,911
Considered Doubtful		
Short term loan (note 8.3)	4,430,491	4,430,491
Provision against doubtful debt	(4,430,491)	(4,430,491)
	835,630	2,254,911

8.1 This represents short-term loan facilities given to individuals secured by way of lien on Certificates of Investment issued by the company and carries mark-up at the rate of Rs. 0.44 and Rs. 0.48 per Rs. 1,000 per day respectively.

8.2 This represents short-term facilities given to firms against mortgage on properties and carries a mark-up at the rate of Rs. 0.66 per Rs. 1,000 per day respectively.

8.3 This represents short-term loan facility given to a company against first charge by way of hypothecation of stocks and carries mark-up at the rate of Rs. 0.62 per Rs. 1,000 per day.

9. SHORT-TERM INVESTMENTS

	2002 Rupees	2001 Rupees
Available-for-sale investments		
Term finance certificates (Note 9.1 & 9.2)	38,460,520	29,976,745
Shares (Note 9.3)	32,479,550	4,617,550
Mutual funds	6,200,000	-
Islamic Republic of Pakistan investment bonds	6,002,440	5,110,752
Wapda bonds	-	45,500,000
Pakistan investment bonds (Note 9.4)	185,375,000	5,000,000
	268,517,510	90,205,047

9.1 Breakup of fair value - Term finance certificates

	2002 Rupees
Available-for-sale investments	
As at July 1, 2001	
- as originally stated (cost)	29,976,745
- Prior period adjustment to absorb fair value appreciation	763,255
Fair value as at July 1, 2001 (restated)	30,740,000
Purchased during the year	18,213,255
Disposed during the year	(10,505,000)
Increase in fair value	12,265
Fair value as at June 30, 2002	38,460,520

9.2 Term Finance Certificates (TFCs) - Listed

	2002 Rupees Fair value	2001 Rupees Cost
Sitara Chemical Industries Limited 660 (2001 : Nil) Certificates of face value Rs. 5,000 each	3,300,000	-
Atlas Lease Limited Nil (2001 : 1000) Certificates of face value Rs. 5,000 each	-	4,999,000
National Development Leasing Corporation Ltd.		

150 (2001: 150) Certificates of face value Rs. 100,000 each ICI Pakistan Limited	14,988,000	15,587,520	14,994,000
150 (2001 : 5) Certificates of face value Rs. 100,000 each Sui Southern Gas Company Limited	14,997,000	14,997,000	83,745
Nil (2001 : 3,000) Certificates of face value Rs. 5,000 each and Nil (2001 : 50) Certificates of face value Rs. 100,000 each Paramount Leasing Limited	-	-	5,000,000
50 (2001 : 50) Certificates of face value Rs. 100,000 each	4,400,000	4,576,000	4,900,000
		38,460,520	29,976,745

9.2.1 The aggregate market value of TFCs Rs. 38.5 million (2001: Rs. 30.74 million) and carries expected profit ranging from Rs.0.33 to Rs.0.47 per Rs. 1,000 per day and is redeemable in semi annual instalments.

9.2.2 The above TFCs include an amount of Rs. 35,160,520 given as collateral.

	Cost	2002 Rupees Fair value	2001 Rupees Cost
9.3 Shares - Listed			
Southern Electric Power Co. Ltd. 50,000 (2001 : Nil) Shares of face value Rs. 10 each	535,603	520,000	-
Pakistan Telecommunication Co. Ltd. 60,000 (2001 : Nil) Shares of face value Rs. 10 each	917,107	1,029,000	-
The Hub Power Company Co. Ltd 105,000 (2001 : Nil) Shares of face value Rs. 10 each	2,475,776	2,436,000	-
Fauji Fertilizers Co. Ltd. 27,000 (2001 : Nil) Shares of face value Rs. 10 each	1,214,998	1,225,800	-
Pakistan State Oil Co. Ltd. 105,000 (2001 : Nil) Shares of face value Rs. 10 each	13,496,948	14,700,000	-
Kohinoor Energy Ltd. 126,000 (2001 : Nil) Shares of face value Rs. 10 each	1,802,919	1,701,000	-
Sui Northern Gas Pipeline Ltd. 40,000 (2001 : Nil) Shares of face value Rs. 10 each	550,146	552,000	-
Baluchistan Wheels Limited 3,000 (2001 : 3,000) Shares of face value Rs.10 each	77,385	63,300	77,385
Lever Brothers Pakistan Limited 5,000 (2001 : 5,500) Shares of face value Rs. 100 each	4,295,190	4,570,000	4,102,900
Shell Pakistan Limited 25,800 (2001 : 700) Shares of face value Rs. 100 each	5,626,488	5,682,450	170,078
Tri Pack Films Limited Nil (2001 : 10,000) Shares of face value Rs.10 each	-	-	328,810
		32,479,550	4,679,173
Less: Provision for diminution in value of Investments		-	(61,623)
		32,479,550	4,617,550

10. SHORT-TERM PLACEMENTS

	2002 Rupees	2001 Rupees
Held-to-maturity investment Placements and deposits (Note 10.1)	37,862,169	16,000,000

10.1 These represent short-term placements and deposits with different NBFIs and individuals and carry mark-up ranging from Rs. 0.33 to Rs. 0.52 per Rs. 1,000 per day.

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2002	2001
	Rupees	Rupees
Advances - Considered good		
-to staff (Note 11.1)	646,566	298,772
- against expenses	1,522,157	88,526
- against leases	6,539,217	1,009,130
- others	4,250	4,250
Taxation-net of provision	19,667,238	20,092,819
Prepayments	597,747	361,863
Mark-up due on certificates/securities	7,534,368	12,736,095
Interest receivable on Pakland TFC (Note 11.2)	-	-
Central Excise duty receivable (Note 11.3)	-	887,011
Other receivables	3,034,031	1,491,163
	39,545,574	36,969,629

11.1 Aggregate amount due from the executives Rs. 0.486 million (2001: Rs. 0.229 million). Maximum amount due from executives at the end of any month during the year aggregated Rs. 0.522 million (2001: Rs. 0.299 million).

11.2 Interest receivable on Pakland TFC

	2002	2001
	Rupees	Rupees
Interest receivable	7,851,151	-
Less: Income suspended	(7,851,151)	-
	-	-
11.3 Central Excise duty receivable		
Central Excise duty receivable	886,461	887,011
Less: Provision against Central Excise duty	(886,461)	-
	-	887,011

12. CASH AND BANK BALANCES

	2002	2001
	Rupees	Rupees
Cash in hand	7,711	28,672
Cash with banks in:		
- current accounts (Note 12.1)	4,393,313	3,654,333
- net foreign currency (Note 12.2)	24,449,998	20,164,756
	28,851,022	23,847,761

12.1 This includes Rs. 0.2 million (2001: Rs. 0.2 million) in current account maintained with the State Bank of Pakistan.

12.2 Net foreign currency

	2002	2001
	Rupees	Rupees
Foreign currency fixed deposit receipts		
	46,606,669	116,824,061
Less: Credit facility availed (Note 12.3)	22,166,671	96,659,305
	24,439,998	20,164,756
Other foreign currency fixed deposit receipts	10,000	-
	24,449,998	20,164,756

The foreign currency deposits were created as hedge against exchange risk associated with foreign currency borrowings. For foreign currency loans not covered through the State Bank of Pakistan exchange risk coverage scheme, the company has adopted an alternative method to hedge exchange risk associated with its foreign currency borrowings which has also been recognized by the State Bank of Pakistan. This involves purchasing foreign currency from the secondary market, placing the foreign currency on deposits and obtaining credit facilities against these deposits in local currency on a matching basis.

The details of hedge transactions are as follows:

Long-term foreign currency borrowings hedged by long-term deposits are as follows:

2002

2001

	Rupees	£	Rupees	£
Loan from CDC	38,583,364	416,667	112,500,000	1,250,000
Foreign Currency Deposits				
- Pak Kuwait Inv. Co.	26,756,160	291,666	78,662,500	875,000!
-ABL	19,850,509	216,389	38,161,561	424,489
	46,606,669	508,055	116,824,061	1,299,489
	(8,023,305)	(91,388)	(4,324,061)	(49,489)

12.3 Credit facilities amounting to Rs. 225 million (2001: 345 million) have been availed against security of the foreign currency deposits and have been offset in accordance with the policy stated in Note 2.8. The rate of mark-up on credit facilities is 0.38 (2001: 0.37 to 0.45) per Rs. 1,000 per day, while the rate of interest on foreign currency deposits ranges from 0.21 to 0.26 per Rs. 1,000 per day. Maturity of credit facility and foreign currency deposits are upto November 2002.

13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

	2002 Rupees	2001 Rupees
15,000,000 (2001 : 15,000,000) ordinary shares of Rs. 10 each fully paid in cash	150,000,000	150,000,000
7,138,133 (2001 : 5,125,575) ordinary shares of Rs. 10 each issued as fully paid bonus shares	71,381,330	51,255,750
	221,381,330	201,255,750
, SURPLUS/DEFICIT ON REVALUATION OF SECURITIES		
Government Securities	1,737,900	-
Quoted Shares	866,961	-
Other Securities	212,265	-
	2,817,126	-
, DEFERRED INCOME		
Opening balance	158,649	317,313
Less: Amortisation for the year	158,649	158,664
Closing balance	-	158,649

15.1 This represents gain on sale and leaseback transaction that resulted in a finance lease.

16. REDEEMABLE CAPITAL - Secured (Non-participatory)

Term Finance Certificates (Note 16.1)	261,732,643	-
Long term finance utilised under mark up arrangement (Note 16.2)	28,333,336	133,108,575
	290,065,979	133,108,575

16.1 These represent listed Term Finance Certificates (TFCs) issued by the company. Profit on these TFCs is payable on semi annual basis at a Base Rate + 200 bps (with a floor of 14.5% and cap of 18.0%). Base Rate is defined as the cut-off yield on the last successful State Bank of Pakistan (SBP) auction of five year Pakistan Investment Bond (PIB). The Base Rate will be set on the last working day before the issue date for the TFC due on the first redemption date and subsequently on the last working day at the beginning of each semi annual period for the profit due at the end of that semi annual period. The tenor is five years inclusive of one year grace period. TFCs are redeemable in ten semi annual instalments. These are secured by way of charge on leased assets and its related lease receivables.

16.2 Long term finances utilised under interest/mark-up arrangements

Name of lending institution	Commencement of repayment	Mode of repayment	2002 Rupees	2001 Rupees
CDC Group PLC, UK	May 1997	12 equal semi annual instalments	38,583,364	112,500,000
Commercial Bank	April 2001	4 equal semi annual instalments	25,000,000	75,000,000
Commercial Bank	May 2001	6 equal semi annual instalments	25,000,000	41,645,833
Commercial Bank	January 2002	12 equal quarterly instalments	33,333,335	-
Commercial Bank	February 2000	8 equal quarterly instalments	-	49,499,998
Investment Company	October 1998	12 equal quarterly instalment	-	2,669,076
Investment Company	January 2002	4 equal quarterly instalments	15,000,000	-
Discounting House	September 2001	6 quarterly instalments	9,629,409	25,000,000
			146,546,108	306,314,907

Less: Current maturity (Note 20)	118,212,772	173,206,332
	28,333,336	133,108,575

The finance from CDC Group PLC, UK, an associated undertaking represents foreign currency loan amounting to Pounds Sterling 5 million. The rate of interest is 11.5% per annum. The other finances are in local currency and carry mark-up ranges from 0.40 to 0.45 per thousand per day. These finances are secured by joint pari-passu charge on all present and future assets of the company.

17. CERTIFICATES OF INVESTMENT

Certificates of investment issued:	2002	2001
	Rupees	Rupees
- for one year and more	17,646,674	5,687,000
Less: current maturity (Note 20)	125,000	100,000
	17,521,674	5,587,000
- for less than one year	175,594,390	150,425,000

The company has a scheme of registered Certificates of Investment (COIs) for resource mobilisation as per permission from the Securities and Exchange Commission of Pakistan. The term of these COIs ranges from three months to five years and return on these Certificates ranges from 8% to 19% (2001: 12.25% to 19%).

18. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASES

The company has entered into lease agreements with leasing companies for financing to acquire motor vehicles, furniture and fixture and office equipment. Payments under these agreements include finance charges ranging from 17.25% to 20.07% per annum, which are used as discounting factors and are payable in monthly installments.

The lessee can exercise the purchase option by adjusting the security deposit at the expiry of the lease period. The future payments due are as follows:

	2002			2001		
	Minimum lease payment	Financial charges allocated to future periods	Present value of minimum lease payments	Minimum lease payment	Financial charges allocated to future periods	Present value of minimum lease payments
RUPEES						
Not later than one year	1,820,460	578,425	1,242,035	3,192,985	1,041,818	2,151,167
Later than one year and not later than five years	4,530,976	745,487	3,785,489	3,115,448	41,412	3,074,036
Later than five years	-	-	-	-	-	-
Total	6,351,436	1,323,912	5,027,524	6,308,433	1,083,230	5,225,203

19. LONG-TERM DEPOSITS

Security deposits on leases and instalment loans (Note 19.1)	2002	2001
	Rupees	Rupees
	234,418,544	165,737,127
Less: Current maturity (Note 20)	43,718,873	40,187,429
	190,699,671	125,549,698

19.1 These represent interest free security deposits received under lease contracts and are repayable/adjustable at the expiry/termination of the respective leases.

20. CURRENT MATURITY OF LONG-TERM LIABILITIES

Long-term finances (Note 16)	2002	2001
	Rupees	Rupees
	118,212,772	173,206,332
Certificates of investment issued for one year and more (Note 17)	125,000	100,000
Long-term deposits (Note 19)	43,718,873	40,187,429
	162,056,645	213,493,761

21. SHORT-TERM FINANCES

Secured	2002	2001
	Rupees	Rupees
From commercial banks (Note 21.1)	75,000,000	-
From investment company (Note 21.2)	125,000,000	-

Unsecured		
From commercial banks (Note 21.3)	75,000,000	25,000,000
From an investment bank (Note 21.4)	35,000,000	25,000,000
Others (Note 21.5)	40,000,000	5,700,000
	350,000,000	55,700,000

22. RUNNING FINANCES UNDER MARK-UP ARRANGEMENTS - Secured

Running finance facilities available to the company aggregating to Rs. 50 million (2001: Rs. 80 million) on a yearly renewal basis at mark-up ranging between Rs. 0.34 and Rs. 0.36 (2001: Rs. 0.44 and Rs. 0.49) per Rs. 1,000 per day. These finances are secured by way of joint pari-passu charge on all present and future assets of the company.

23. CREDITORS, ACCRUED AND OTHER LIABILITIES

	2002	2001
	Rupees	Rupees
Advance lease rentals	4,423,274	4,896,320
Accrued liabilities	5,931,357	3,071,519
Mark-up payable on secured finances	4,792,594	7,869,790
Mark-up payable on unsecured finances	12,596,067	12,651,435
Unclaimed dividend	21,521	21,521
Other liabilities	3,573,337	3,432,433
	31,338,150	31,943,018

24. COMMITMENTS

24.1 Lease letter of comforts issued at the balance sheet date amounting to Rs. 21.3 million (2001: Rs. 28 million).

24.2 Commentment in respect of REPO transaction :

	2002	2001
	Rupees	Rupees
Sale and repurchase agreements	200,000,000	100,000,000

24.3 Underwriting commitment of Rs. 12.5 million (2001: Rs. 5 million)

24.4 Commitment to purchase TFCs amount to Rs. 8 million (2001: Rs. Nil)

24.5 Commitment to sale TFCs amount to Rs. 15 million (2001: Rs. Nil)

25. INCOME ON INVESTMENTS

	2002	2001
	Rupees	Rupees
Return on foreign currency deposits	6,503,322	12,498,956
Return on short term placement and deposits	10,818,257	18,188,230
Return on Government securities and TFCs	29,515,742	14,727,598
Gain on sale of listed securities	29,997,193	5,250,294
Dividend income	10,149,531	1,603,630
Gain on sale of US \$ bonds	-	4,165,634
	86,984,045	56,434,342

26. OTHER INCOME

	2002	2001
	Rupees	Rupees
Exchange gain	1,957,032	3,722,215
Fee, commission and others	529,007	379,920
Gain on sale of operating fixed assets	168,848	22,900
Amortisation of deferred income	158,649	158,664
	2,813,536	4,283,699

27. FINANCIAL CHARGES

Mark-up on:		
- long-term finances	68,776,522	62,838,809
- short-term finances	36,984,606	32,237,594
- discounting facility	2,737,195	270,445
- running finances under mark-up arrangements	3,099,029	3,489,300
- long-term COIs	1,562,546	1,170,607
- short-term COIs	18,642,828	12,633,644
Finance charges on liabilities against assets subject to finance leases	739,755	864,612
Bank and other charges	1,117,020	1,294,804

	133,659,501	114,799,815
28. ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries & allowances including retirement benefits and directors' remuneration (Note 28.1 & 29)	16,481,870	12,137,280
Staff training	124,550	79,500
Rent, rates and taxes	414,761	577,957
Travelling, conveyance and entertainment	573,149	390,562
Vehicle running	1,173,969	940,953
Utilities	557,361	520,358
Telephone and fax	678,283	590,926
Insurance	699,911	798,780
Fees, subscriptions and periodicals	1,054,022	639,550
Printing and stationery	552,538	448,235
Postage, stamps and telegrams	289,536	215,110
Legal and professional charges (Note 28.2)	938,384	1,275,859
Auditors' remuneration (Note 28.3)	192,000	244,500
Repairs and maintenance	989,397	743,072
Depreciation	3,806,554	2,913,729
Advertisements	664,022	167,462
Donation	256,000	-
	29,446,307	22,683,833

28.1 Salaries and allowances include Rs. 1,311,529 (2001: Rs. 869,104) in respect of staff retirement benefits.

28.2 Legal and professional charges

	2002	2001
	Rupees	Rupees
Corporate services	148,263	300,000
Taxation services	79,050	41,249
Legal charges	585,486	731,212
Others	125,585	203,398
	938,384	1,275,859
28.3 Auditors' remuneration		
Statutory audit fee	85,000	65,000
Special audit fee	-	30,000
Taxation charges	97,000	146,500
Out-of-pocket expenses	10,000	3,000
	192,000	244,500

29. REMUNERATION OF CHIEF EXECUTIVE AND OTHER EXECUTIVES

	2002		2001			
	Chief Executive	Executives	Chief Executive	Executives		
	Total	Total	Total	Total	Total	
RUPEES						
Managerial Remuneration	1,950,000	3,785,526	5,735,526	2,034,400	2,938,334	4,972,734
Housing and utilities	1,365,000	1,991,695	3,356,695	944,000	1,469,167	2,413,167
Medical and other expenses	296,004	315,334	611,338	225,362	586,144	811,506
Company's contribution to provident fund	195,000	378,553	571,711	186,000	283,291	469,291
Company's Contribution to pension scheme of an associated undertaking	341,000	-	341,000	476,000	-	476,000
Leave fare assistance	-	279,683	279,683	-	272,210	272,210
Gratuity	-	305,643	305,643	-	196,476	196,476
Total	4,147,004	7,056,434	1,203,438	3,865,762	5,745,622	9,611,384
Number of persons	1	17	18	1	12	13

The Chief Executive, Chairman and executives have been provided with free use of company cars. Directors were paid Rs. 9,000 (2001: Rs. 8,000) for attending board meetings during the year.

30. TAXATION

	2002	2001
	Rupees	Rupees
Current		
For the year (Note 30.1)	3,774,000	3,350,000

30.1 This represents the provision for taxation based on taxable income.

30.2 Deferred taxation arising due to the temporary differences between the carrying amount of assets

and liabilities for financial reporting purposes and amount used for taxation purposes computed under liability method is estimated at Rs. 42 million (2001: Rs. 52 million).

31. EARNINGS PER SHARE - Basic and Diluted

	2002	2001
	Rupees	Rupees
Earnings per share - Basic		
Profit after taxation	52,350,475	42,261,295
	No. of Shares	No. of Shares
Weighted average number of shares. (Note 31.1)	22,138,133	22,138,133
Earnings per share - Basic	2	2
Earnings per share - Diluted	N/A	N/A
1.1 Number of shares at the beginning of the year	20,125,575	20,125,575
Bonus shares issued during the year	2,012,558	-
Adjustments for proposed issue of bonus shares	-	2,012,558
Weighted average number of shares	22,138,133	22,138,133

32. RISKS RELATED TO FINANCIAL INSTRUMENTS

32.1 Risk Management

32.1.1 Credit Risk And Concentration Of Credit Risk

Credit risk is the risk that one party to the financial instruments will fail to discharge an obligation causing the other party to incur a financial loss. Policies and procedures have been established by the company with the objective of protecting against unacceptable credit losses, including, review and assessment of credit worthiness of counter parties, credit approvals, establishing and monitoring limits of credit exposure, limiting transactions with specific counter-parties, obtaining collateral and guarantee requirements.

Further, the counter party credit risk is mitigated through the internal guidelines, Non-Banking Financial Institutions (NBFIs') rules and leasing rules.

Concentration of credit risk may arise from exposures to a single debtor. The company manages concentration of credit risk through diversification of activities among individuals, groups and industry segment. For this purpose the company has established the policies for credit exposure in addition to the NBFIs' rules and leasing rules.

32.1.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments.

The company matches availability of liquid funds before committing for liabilities and also on timely basis an analysis of liquid funds with maturities of liabilities due is performed.

32.1.3 Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. The risk is minimised through investing in an appropriate mix of high and low risk securities and other portfolio diversification techniques.

32.1.4 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate as a result of changes in foreign exchange rates.

The company borrows funds from International lending agency in foreign currency, which is repayable in the same currency. The risk for financial liabilities is hedged through maintaining foreign deposits accounts with the financial institutions.

32.1.5 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This includes, exposure to interest rate price risk, such as monetary financial assets and financial liabilities with a fixed interest rate; exposure to interest rate cash flow risk, such as monetary financial assets and financial liabilities with a floating interest rate that is reset as market rates change; and not exposed to interest rate risk, such as some investment in equity securities.

Changes in interest rates or in the relationships between short and long-term interest rates can affect the rates charged on interest earning assets differently than the rates paid on interest bearing liabilities. This can result in an increase in interest expense relative to finance income or vice versa. The company manages the overall risk by matching its long-term assets with long-term loan and ensuring that loan rates are locked in below lease rates.

33. RISK ANALYSIS**33.1 Credit Risk**

An analysis of company's credit risk exposure as at June 30, 2002 is as follows:

	2002	%	2001	%
	Rupees		Rupees	
Textiles	253,523,862	19.7	182,547,407	19.05
Synthetic, Garments and others	99,509,642	7.71	90,078,138	9.4
Food, Tobacco and Beverage	73,246,863	5.68	69,302,319	7.23
Transport and Communication	111,238,892	8.62	85,120,734	8.88
Chemical, Pharmaceuticals and Fertilizers	79,443,802	6.16	56,753,483	5.92
Steel Engineering and Automobiles	76,870,085	5.96	83,527,553	8.71
Cement	44,143,553	3.42	32,754,088	3.42
Financial	54,287,736	4.21	50,405,785	5.26
Energy, Oil and Gas	32,391,993	2.51	49,681,564	5.18
Sugar and Allied	34,732,436	2.69	26,024,016	2.72
Paper and Board	33,956,515	2.63	17,151,527	1.79
Healthcare	49,091,541	3.81	34,897,995	3.64
Glass and Ceramics	-	-	20,540,324	2.14
*Miscellaneous	347,686,601	26.9	159,709,580	16.66
	1,290,123,521	100	958,494,513	100

*Sectors below 2.5 percent have been clubbed and shown as miscellaneous.

In addition, the company has placed certain funds with other NBFIs and has invested certain funds in federal investment bonds and TFCS.

33.2 Interest Rate Risk Exposure

The information about the company's exposure to interest rate risk as at June 30, 2002 based on contractual refinancing or maturity dates whichever is earlier is as follows:

	Interest bearing			Non- Interest bearing Total	
	Less than one month	One month to one year	Over one year		
Financial Assets	RUPEES				
Net investment in leases	84,977,330	356,561,308	848,584,883	-	1,290,123,521
Long-term investments	-	-	31,303,000	11,848,301	43,151,301
Long-term loan	17,274	194,758	2,101,701	-	2,313,733
Long-term deposits	-	-	-	1,506,570	1,506,570
Short-term finances	4,430,491	835,630	-	-	5,266,121
Short-term Investments	-	-	229,837,960	38,679,550	268,517,510
Short-term placements	12,762,169	25,100,000	-	-	37,862,169
Advances and other receivables	6,539,217	-	-	12,741,372	19,280,589
Cash and bank balances	-	24,449,998	-	4,401,024	28,851,022
2002	108,726,481	407,141,694	1,111,827,544	69,176,817	1,696,872,536
2001	143,259,891	357,162,986	601,741,551	34,981,846	1,137,146,274
Financial Liabilities					
Redeemable capital	10,833,335	160,789,197	236,656,222	-	408,278,754
Certificates of investment	50,100,000	125,594,390	17,546,674	-	193,241,064
Liabilities against assets subject to finance leases	-	1,242,035	3,785,489	-	5,027,524
Long-term deposits	-	-	-	234,418,544	234,418,544
Short-term finances	215,000,000	135,000,000	-	-	350,000,000
Running finances under mark-up Arrangement	-	20,425,605	-	-	20,425,605
Creditors, accrued and other liabilities	-	-	-	31,338,150	31,338,150
2002	275,933,335	443,051,227	257,988,385	265,756,694	1,242,729,641
2001	104,369,076	347,483,133	107,844,611	197,816,435	757,513,255
On balance sheet gap					
2002	(167,206,854)	(35,909,533)	853,839,159	(196,579,877)	
2001	38,890,815	9,679,853	493,896,940	(162,834,589)	
Cumulative interest rate Sensitivity gap (a)					
2002	(167,206,854)	(203,116,387)	650,722,772		

2001 38,890,815 48,570,668 542,467,608

Rs. 200 million out of this gap represents repo facilities obtained against corresponding assets included in short-term investments and reflected in assets maturing over one year.

(a) The effective interest rates for financial assets and financial liabilities are as follows.

	2002 %	2001 %
Financial Assets		
Net investment in finance leases	15.00 to 26.50	16.00 to 26.50
Long-term investments	16	5.00 to 16.00
Short-term finances	16.00 to 24.00	16.00 to 24.00
Short-term investments		
- Wapda bonds	—	15
- Pakistan investment bonds	11 to 12	14
- Term finance certificates	12 to 17	14.50 to 18.70
- Placement and deposits	12 to 19	13.50 to 19.50
- Islamic republic of Pakistan investment bonds	10	10
Cash and bank balances	6.50 to 8.50	6.50 to 8.50
Financial Liabilities		
Redeemable capital	11.50 to 16.50	11.50 to 18.00
Certificates of investment	8.00 to 19.00	12.25 to 19.00
Liabilities against assets subject to finance leases	17.25 to 20.07	17.25 to 20.07
Short-term finances	8 to 19	12.25 to 17.05
Running finances under mark-up arrangement	12.5	16.00 to 18.00

34. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount at which an asset could be exchanged or liability settled between knowledgeable willing parties in an arm's length transaction. The carrying value of financial assets and liabilities approximates their fair values as reflected in respective notes to accounts

35. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

	2002 Rupees	2001 Rupees
Placements and deposits	130,034,650	107,500,000
Finance given under repo arrangements	254,725,000	-
Finance obtained under repo arrangement	-	162,018,000
Mark-up on short term finances obtained	-	460,505
Interest paid on long term finance	10,406,207	18,708,845
Lease rental paid	99,114	594,684
Mark-up received	3,899,754	3,702,625
Dividend received	-	50,000

36. MAN POWER

The total number of employees as at June 30, 2002 was 39 (2001: 24).

37. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorised for issue on 12th August 2002.

38. CORRESPONDING FIGURES

Corresponding figures have been re-arranged and re-grouped wherever necessary for the purpose of comparison.

Form 34

Pattern of Shareholding as at June 30, 2002

No. of Shareholders	From	Shareholding	To	Total Shares Held
36	1	-	100	1,628
74	101	-	500	21,727
57	501	-	1,000	41,204
145	1,001	-	5,000	314,792
19	5,001	-	10,000	127,612
22	10,001	-	15,000	282,122
11	15,001	-	20,000	187,262
2	20,001	-	25,000	43,684
1	25,001	-	30,000	25,975
2	30,001	-	35,000	63,681
10	35,001	-	40,000	360,403

1	40,001	-	45,000	42,050
1	45,001	-	50,000	45,102
4	55,001	-	60,000	229,794
2	60,001	-	75,000	147,748
2	75,001	-	80,000	152,462
2	80,001	-	90,000	174,742
1	90,001	-	95,000	90,200
1	95,001	-	115,000	110,157
1	115,001	-	145,000	144,043
1	145,001	-	200,000	200,000
1	200,001	-	330,000	330,000
1	330,001	-	385,000	381,326
1	485,001	-	410,000	406,803
1	410,001	-	440,000	438,900
1	440,001	-	1,500,000	1,500,000
1	1,500,001	-	1,840,000	1,839,087
1	1,840,001	-	3,040,000	3,038,029
1	3,040,001	-	3,455,000	3,453,541
1	3,455,001	-	3,520,000	3,516,433
1	3,520,001	-	4,430,000	4,427,626
405 Total				22,138,133

1. Categories Of Shareholder

Category Wise
No of Shareholders Shares Held Percentage

1.1 Directors, Chief Executive Officer

and Their Spouse

Chief Executive Officer

Javed A. Callea

Directors

Aftab Ahmad Khan

Feroz-ud-din A. Cassim

M. Raza Mirza (Nominee CDC Group PLC)

Mahmood Ahmed

Nessar Ahmed

Rashid Ahmed

Saeed Jamal Tariq

-	-
1,475	0.007
14,116	0.064
641	0.003
737	0.003
641	0.003
641	0.003
7	0.082
18,251	

1.2 Associated Companies, Undertaking & Related Parties

Crescent Investment Bank Limited

Al-Towfeek Investment Bank Limited

Shakarganj Mills Limited

Javed Omer Vohra & Company Limited

Crescent Steel & Allied Products Ltd.

First Crescent Modaraba (FCM)

First Equity Modaraba

Crescent Business Management (Pvt) Ltd.

3,456,011	15.611
200,000	0.903
3,051,229	13.783
17,052	0.077
820,226	3.705
5,016,763	22.661
112,777	0.509
5,600	0.025
18	57.275
12,679,658	

1.3 NIT & ICP (Name wise Detail)

National Bank of Pakistan, Trustee Deptt.

Investment Corporation of Pakistan (Sh)

Investment Corporation of Pakistan

1,839,087	8.307
15,258	0.069
33,666	0.152
4	8.528
1,888,011	

1.4 Banks, DFI's, NBFIs**1.5 Insurance Companies****1.6 Modaraba and Mutual Funds****1.7 Other Companies****1.8 Non Resident**

CDC Group PLC.

4,427,626 20**1.9 General Public**

Local

341 1,712 7.742

Grand Total**405 22,138,133 100****Shareholders More Than 10%**

CDC Group PLC

First Crescent Modaraba

Crescent Investment Bank Limited

Shakarganj Mills Limited

4,427,626	20
5,016,763	22.661
3,456,011	15.611
3,051,229	13.783
15,951,629	72.055