

## First Fidelity Leasing Modaraba

### Annual Report 2001

#### CONTENTS

Company Information  
Notice of Meeting  
Operational Highlights  
Directors' Report  
Auditors' Report to the Certificate Holders  
Balance Sheet  
Profit and Loss Account  
Statement of Changes in Financial Position  
Notes to the Accounts  
Pattern of Certificate Holdings

#### COMPANY INFORMATION

##### Board of Directors

**Chairman** Mr. Javaid B. Sheikh

**Chief Executive** Mr. Wasim-UI-Haq Osmani

**Directors** Mr. Masood Akbar  
Mr. Arshad I. Khan

**Corporate Secretary** Mr. Imran Hameed

**Auditors** Riaz Ahmad & Company  
Chartered Accountants

**Legal Advisor** Cornelius, Lane & Mufti  
Advocates & Solicitors

**Bankers** Muslim Commercial Bank Limited  
Habib Bank A.G. Zurich  
Union Bank Limited  
PICIC Commercial Bank Limited  
Allied Bank of Pakistan Limited  
Al-Baraka Islamic Bank

**Modaraba Company** Fidelity Capital Management (Private)  
Limited (wholly owned subsidiary of  
Fidelity Investment Bank Limited)

**Principal Place of Business** 97-A, Aziz Avenue, Canal Bank,  
Lahore-54660

**Registrars** Hameed Majeed Associates  
H.M House, 7-Bank Square,  
The Mall, Lahore,

#### NOTICE OF ANNUAL REVIEW MEETING

Notice is hereby given that the Annual Review Meeting (ARM) of the certificate-holders of First Fidelity Leasing Modaraba will be held on Thursday, December 27, 2001 at 2:30 P.M. at 97-A, Aziz Avenue, Canal Bank, Lahore to:

1. Review the performance of the Modaraba during the year ended June 30, 2001.
2. Transact any other business with the permission of the Chairman.

**By Order of the Board**

Lahore  
Dated: November 28, 2001

**IMRAN HAMEED**  
**Company Secretary**

#### NOTES:

1. The certificate transfer Books of the Company will be closed from December 15, 2001 to

December 27, 2001 (both days inclusive). All certificate holders whose names are entered in the Register of Certificate holders on December 14, 2001 shall be entitled to attend the meeting.

2. Any Individual Beneficial Owner of the Central Depository Company, entitled to attend the Meeting must bring his/her National Identity Card with him/her to prove his/her identity. Representatives of corporate members should bring the usual documents required for such purpose.

## **DIRECTORS' REPORT**

The Directors are pleased to present the 10th Annual Report of the Modaraba together with the audited accounts and the auditors' report for the year ended June 30, 2001.

### **Overview**

The external donors conclusion that successive Pakistani Governments failure to abide by structural reforms is a norm, was an irritant for further restructuring of sovereign debts or new investment in the country. However by adopting strong fundamental structural reforms program against the populist approach of creating job opportunities and giving subsidies the current government was able to at least win the confidence of donor agencies. It was therefore able to get favourable rescheduling of sovereign debts under Paris Club and fresh inflow of assistance funds under stand-by facility from IMF. As a result government was successful in building US\$ 2.8 billion reserves by end of June 2001.

It has been another volatile year for both equities and bonds with markets not only digesting the effects of the economic slow down but also anticipating an eventual recovery. Stock market KSE 100 index moved from 1521 as at June 30, 2000 to 1366 as at June 30, 2001. The investment in government bonds which had become attractive because of lowering of discounts rates in the previous year gradually lost attraction as discount rates were again raised. Economic growth during the financial year 2001 is estimated to have decelerated to 2.6% against a target of 4.5%. The primary reason for the poor performance is stated to be the adverse effects of the drought and water shortage which caused serious damage to agricultural and to overall economic growth. However water shortage is an issue for this year, the actual problem is that Pakistan is suffering from low growth syndrome. Economic growth is directly influenced and correlated with savings and investment. The savings and investment statistics are showing decline. This reflects even lack of domestic investors confidence in government policies. Therefore for the next three to five years, Pakistan has to stay on the course, continue the reform path it has set for itself steadfastly. This hard struggle is the only sure way to bring back local and foreign investors confidence and reduce our vulnerabilities and dependence on IMF.

### **Company's Performance**

The Modaraba during the year earned a profit after tax of Rs 24.65 million as compared to Rs 26.42 million profit earned in the corresponding period last year. The reason for lower profit earned during the year is gradual decrease of mark-up rates on financing in competition with other financial institutions. The leased assets have increased from Rs 167.84 million to Rs 172.07 million registering a growth of 2.52 % over last year. Adequate provisions have been made in the accounts against doubtful lease rentals which stand at Rs 20.94 million. Similarly adequate provisions have been made against capital market portfolio which stands at Rs 5.78 million. The provision is more than enough to absorb any effects of permanent diminution in the value of investments.

### **Future Outlook**

As a result of September 11, 2001 events of terrorism in America, Pakistan being a front line state found itself at cross road of economic recovery or total failure. Fortunately by taking sensible decision of joining the coalition against terrorism, the government has averted the possibility of total failure. This at least has ensured continuation of existing structural reforms program already undertaken by the government. The reaction of US government to counter terrorism is so severe that at this stage it is very difficult to predict what will be the actual outcome of current plans of US and its allies. However after defeat of Talibans, if plans for institution of a broad based government in Kabul and development of Afghanistan materializes, Pakistan businesses tend to gain a lot by participating in the rehabilitation process.

The Modaraba focus will remain on small borrowers to take benefit of low percentage of default by these borrowers. The Modaraba experience in this category is very good and we intend to pursue this more aggressively in the year 2002. As referred to in note 14 to the accounts the chances of recovery on three large non-performing leases have improved. Adequate provisions have been made against these non-performing leases. Recovery of these amounts will provide for extra funds available for re-investment to earn extra profit which would further improve financial health of your Modaraba. Given the improvement in overall economy as envisaged by the government, we foresee a good future for the Modaraba. Your Modaraba is also endeavoring to obtain long term musharika finances from local financial institutions for the purposes of increasing its lease portfolio resulting in more profit distribution to certificate holders.

### **Appropriation**

The Board has made the following appropriations:

	<i><b>Rupees</b></i>
Net profit after taxation for the year	24,652,987
Un-appropriated profit brought forward	1,313,698
	-----
Profit available for appropriation	25,966,685
	-----
Transfer to statutory reserve	2,465,299
Profit Distribution @ 10%	20,633,399
	-----
	23,098,698
	-----
Un-appropriated profit carried forward	2,867,987
	=====
Earnings per certificate	Rs 1.19

#### **Declaration of Profit Distribution**

The Directors are pleased to announce a final profit distribution @ 10% i.e. Rs 1.0 per certificate for the year ended June 30, 2001. The Certificate Transfer Books of the Modaraba will remain closed from December 15, 2001 to December 27, 2001 (both days inclusive) for determination of dividend entitlement.

#### **Auditors**

The present auditors Messrs. Riaz Ahmad & Co., Chartered Accountants, retire and being eligible, have offered themselves for re-appointment for the year ending June 30, 2002. Subject to approval by the Registrar of Modaraba Companies & Modarabas, their appointment has been confirmed by the Board.

#### **Certificate holding Pattern**

A statement reflecting the pattern of certificate holding is attached to the Annual Report.

#### **Acknowledgement**

In the end, I conclude by reaffirming Management's commitment to a prudent approach based on high standards of professional ethics and moral integrity with a vote of thanks to all the staff members of the Modaraba for their commitment and dedication. On behalf of the Board of Directors, I wish to thank Securities and Exchange Commission of Pakistan for their guidance and support, and to our valuable clients for reposing trust and confidence in your Modaraba.

**For and on behalf of the  
Board of Directors**

Lahore  
November 28, 2001

**JAVOID B. SHEIKH  
Chairman**

### **AUDITORS' REPORT TO THE CERTIFICATE HOLDERS**

We have audited the annexed Balance Sheet as at 30 June 2001 and the related Profit and Loss Account and Statement of Changes in Financial Position (Cash Flow Statement) together with the Notes to the Accounts for the year ended 30 June 2001 of **FIRST FIDELITY LEASING MODARABA** which are modaraba company's (Fidelity Capital Management [Private] Limited) representation and we state that we have obtained all the information and explanations which we required and, after due verification thereof, we report that:

- (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 Statement of Changes in Financial Position (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 30 June 2001 and the Profit and the Changes in the Financial Position 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.

Without qualifying our opinion, we draw attention on the disclosures made in notes No.14.3 and No.14.4 to the accounts. The ultimate realization of modaraba's lease receivables stated in the aforesaid notes are dependent upon the sanction of the lessees' scheme of arrangements by the Honourable High Court of Sindh and issuance of "No Objection Certificate" by the Government of Punjab.

LAHORE  
Dated: November 29, 2001

**RIAZ AHMAD & COMPANY**  
**Chartered Accountants**

## BALANCE SHEET AS AT JUNE 30, 2001

	<i>Note</i>	<i>2001 Rupees</i>	<i>2000 Rupees</i>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Authorized capital</b>			
30,000,000 Modaraba Certificates of Rupees 10 each		300,000,000	300,000,000
		=====	=====
<b>Issued, subscribed and paid up capital</b>	3	206,333,990	206,333,990
<b>Reserves and surplus</b>			
Capital reserve	4	27,830,883	25,365,584
Revenue reserve		7,867,987	6,313,698
		-----	-----
		242,032,860	238,013,272
<b>NON-CURRENT LIABILITIES</b>			
Finance under morabaha arrangements	5	19,914,351	30,464,222
Long term deposits	6	22,969,989	22,542,627
		-----	-----
		42,884,340	53,006,849
<b>CURRENT LIABILITIES</b>			
Current portion of long term finance and deposits	7	17,842,331	8,406,461
Finance under musharika arrangement	8	105,600,784	31,700,000
Accrued and other liabilities	9	9,106,679	7,918,072
Profit distribution		20,633,399	22,696,739
		-----	-----
		153,183,193	70,721,272
<b>CONTINGENCIES AND COMMITMENTS</b>			
		--	--
		-----	-----
		438,100,393	361,741,393
		=====	=====

The annexed notes form an integral part of these accounts.

**JAVAID B. SHEIKH**  
**Chairman**  
**Fidelity Capital Management**  
**(Private) Limited**

**WASIM-UL-HAQ OSMANI**  
**Chief Executive**  
**Fidelity Capital Management**  
**(Private) Limited**

## ASSETS

<b>NON-CURRENT ASSETS</b>			
Tangible fixed assets	10	174,546,734	169,556,700
Investments	11	42,425,322	41,825,867
		-----	-----
		216,972,056	211,382,567
<b>CURRENT ASSETS</b>			
Finances under morabaha arrangements	12	30,500,000	68,500,000
Finances under musharika arrangements	13	90,000,000	--
Advances, deposits, prepayments and other receivables	14	70,456,912	53,961,581
Cash and bank balances	15	30,171,425	27,897,245
		-----	-----
		221,128,337	150,358,826
		-----	-----
		438,100,393	361,741,393
		=====	=====

**ARSHAD I. KHAN**  
**Director**  
**Fidelity Capital Management**  
**(Private) Limited**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED JUNE 30, 2001**

	<i>Note</i>	<i>2001</i> <i>Rupees</i>	<i>2000</i> <i>Rupees</i>
<b>REVENUES</b>			
Lease rental s		119,116,642	67,225,009
Profit on morabaha finances		6,482,925	13,487,731
Other income	16	11,938,335	5,903,112
		-----	-----
		137,537,902	86,615,852
<b>OPERATING COST</b>			
Depreciation on assets leased out	10.1	91,795,415	41,688,758
Administrative and general expenses	17	6,201,363	5,814,272
Financial and other charges	18	12,422,838	10,049,620
		-----	-----
		110,419,616	57,552,650
		-----	-----
		27,118,286	29,063,202
<b>MODARABA COMPANY'S MANAGEMENT FEE</b>		2,465,299	2,642,109
		-----	-----
<b>PROFIT BEFORE TAXATION</b>		24,652,987	26,421,093
<b>PROVISION FOR TAXATION</b>	19	--	215,165
		-----	-----
<b>PROFIT AFTER TAXATION</b>		24,652,987	26,205,928
<b>UNAPPROPRIATED PROFIT BROUGHT FORWARD</b>		1,313,698	425,102
		-----	-----
<b>PROFIT AVAILABLE FOR APPROPRIATION</b>		25,966,685	26,631,030
<b>APPROPRIATIONS</b>			
Transferred to statutory reserve		24,652,991	2,620,593
Profit distribution @ 10% (2000: 11%)		20,633,399	22,696,739
		-----	-----
		23,098,698	25,317,332
		-----	-----
<b>UNAPPROPRIATED PROFIT CARRIED FORWARD</b>		2,867,987	1,313,698
		=====	=====
<b>EARNINGS PER CERTIFICATE - BASIC</b>	21	1.19	1.27
		=====	=====

The annexed notes form an integral part of these accounts.

**JAVOID B. SHEIKH**  
**Chairman**  
**Fidelity Capital Management**  
**(Private) Limited**

**WASIM-UL-HAQ OSMANI**  
**Chief Executive**  
**Fidelity Capital Management**  
**(Private) Limited**

**ARSHAD I. KHAN**  
**Director**  
**Fidelity Capital Management**  
**(Private) Limited**

**STATEMENT OF CHANGES IN FINANCIAL POSITION**  
**(CASH FLOW STATEMENT)**  
**FOR THE YEAR ENDED JUNE 30, 2001**

	<i>2001</i> <i>Rupees</i>	<i>2000</i> <i>Rupees</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash generated from operations	29,526,993	(17,452,672)
Lease rentals	93,549,867	49,100,089
Profit paid on morabaha/musharika finances	(10,768,405)	(8,066,831)
Profit received on morabaha/musharika finances	6,516,424	12,518,423
Income tax paid	681,793	(24,734)
	-----	-----
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	119,506,672	36,074,275
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	2,967,629	2,789,312

Sale proceeds from sale of share certificates	(371,015)	1,615,734
Lessees security deposits	8,975,394	8,590,423
Sale proceeds of leased assets sold	7,517,364	4,242,255
Sale proceeds of own assets sold	490,000	--
Fixed assets acquired - Own use	(1,808,079)	(1,640,500)
Fixed assets - Leased out	(103,537,418)	(80,238,668)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>(85,766,125)</b>	<b>(64,641,444)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Finances under morabaha arrangement - Repaid	(9,662,033)	(6,379,064)
Finances under morabaha arrangement - Obtained	--	24,286,768
Dividend paid	(21,804,334)	(19,968,150)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>(31,466,367)</b>	<b>(2,060,446)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENT</b>	<b>2,274,180</b>	<b>(30,627,615)</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE YEAR</b>	<b>27,897,245</b>	<b>58,524,860</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE YEAR</b>	<b>30,171,425</b>	<b>27,897,245</b>

**JAVAID B. SHEIKH**  
Chairman  
Fidelity Capital Management  
(Private) Limited

**WASIM-UL-HAQ OSMANI**  
Chief Executive  
Fidelity Capital Management  
(Private) Limited

**ARSHAD I. KHAN**  
Director  
Fidelity Capital Management  
(Private) Limited

**STATEMENT OF CHANGES IN FINANCIAL POSITION  
(CASH FLOW STATEMENT)  
FOR THE YEAR ENDED JUNE 30, 2001**

	<b>2001</b>	<b>2000</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>CASH GENERATED FROM OPERATIONS</b>		
Profit before taxation	24,652,987	26,421,093
Adjustment for non-cash charges and other items:		
Provision for diminution in the value of investments, doubtful lease rentals and other receivable	625,608	(6,434,267)
Depreciation	92,418,899	42,111,580
Profit paid on morabaha finances	11,616,917	8,873,155
Dividend income	(2,967,629)	(2,789,312)
Profit on morabaha/musharika finances	(6,482,925)	(13,487,731)
Gain on sale of fixed assets	(70,800)	--
Gain on sale of share/certificates	(246,992)	--
Lease rentals	(119,116,642)	(67,225,009)
Working capital changes	29,097,570	(4,922,181)
	<b>29,526,993</b>	<b>(17,452,672)</b>
<b>WORKING CAPITAL CHANGES</b>		
<b>(Increase)/decrease in operating assets</b>		
Finances under Musharika finances	(90,000,000)	--
Finances under Morabaha finances	38,000,000	(31,881,991)
Advances, deposits, prepayments & other receivables	77,490,961	(8,415,396)
	<b>(44,250,904)</b>	<b>(40,297,387)</b>
<b>Increase/(decrease) in operating liabilities</b>		
Musharika finances	73,900,784	31,700,000
Accrued and other liabilities	(552,310)	3,675,206
	<b>73,348,474</b>	<b>35,375,206</b>
	<b>29,097,570</b>	<b>(4,922,181)</b>

**JAVAID B. SHEIKH**  
Chairman  
Fidelity Capital Management  
(Private) Limited

**WASIM-UL-HAQ OSMANI**  
Chief Executive  
Fidelity Capital Management  
(Private) Limited

**ARSHAD I. KHAN**  
Director  
Fidelity Capital Management  
(Private) Limited

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2001

### 1. LEGAL STATUS AND NATURE OF BUSINESS

First Fidelity Leasing Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder and is managed by Fidelity Capital Management (Private) Limited. The Modaraba commenced its business operations from 05 December, 1991. It is listed on all the stock exchanges in Pakistan.

The Modaraba is a perpetual, multi-purpose and multi-dimensional and is primarily engaged in the business of leasing, musharika and morabaha financing, investment in marketable securities and other related business.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting convention

These accounts have been prepared under the historical cost convention.

#### 2.2 Tangible fixed assets

##### 2.2.1 Assets in own use and depreciation

Operating fixed assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying the reducing balance method whereby the cost of an asset is written off over its estimated useful life. Full year's depreciation is charged on additions while no depreciation is charged on assets disposed off during the year.

Maintenance and normal repairs are charged to income as and when incurred. Gain/loss on disposal of fixed assets are included in income currently.

##### 2.2.2 Assets given on lease and depreciation

Leased assets are stated at cost less accumulated depreciation. Depreciation is charged to income applying annuity method whereby the cost of an asset less salvage value is written off over its lease period. In respect of additions and disposals during the year, depreciation is charged proportionately to the period of the leases.

#### 2.3 Accounts receivables

Provision for doubtful receivables is made/adjusted after a review of the outstanding portfolio at year end on the basis of Prudential Regulations for Modarabas and management's own judgement.

#### 2.4 Investments

Long term investments are stated at cost. Full provision is made against permanent diminution in the value of investments. Short term investments are stated at lower of cost and market value determined on aggregate portfolio basis.

#### 2.5 Employees' retirement benefits

The modaraba operates a recognized provident fund for employees. Equal monthly contributions are made to the fund both by the modaraba and the employees at the rate of 10% of the basic salary.

#### 2.6 Revenue recognition

Lease rentals are recognized as income when due on a systematic basis over the lease period. Profit on Morabaha and Musharika finances is recognized on accrual basis calculated Profit or loss on sale of investments is accounted for in the year in which it arises on the number of days funds were utilized. Dividend income is recognized when the right to receive is determined. Profit on bank deposit is recognized on time proportion basis taking into account period of deposit and rate of return applicable thereon.

#### 2.7 Taxation

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits receivable. The Modaraba accounts for deferred taxation on all major timing differences, using the liability method. After amendment in clause 102-E of Second Schedule of Part-I of the Income Tax Ordinance, 1979 made through Finance Act, 1998, the modaraba considers itself exempt from income tax application as it distribute 90 percent of its profit to the certificate holders. Therefore, no provision for taxation is required.

### 3. ISSUED, SUBSCRIBED AND PAID UP CAPITAL

	<i>2001</i> <i>Rupees</i>	<i>2000</i> <i>Rupees</i>
16,656,491 modaraba certificates of Rupees 10 each		
fully paid up in cash	166,564,910	166,564,910

3,976,908 modaraba certificates of Rupees 10 each issued as fully paid bonus certificates	39,769,080	39,769,080
	-----	-----
	206,333,990	206,333,990
	=====	=====

3.1 3,313,114 (2000: 2,877,614) certificates are held by the management company.

#### 4. CAPITAL RESERVE

This represents the statutory reserve created to comply Prudential Regulations for Modarabas.

#### 5. FINANCE UNDER MORABAHA ARRANGEMENT

Morabaha finance (Note 5.1)	28,874,835	38,536,868
Less: Current portion (Note 7)	8,960,484	8,072,646
	-----	-----
	19,914,351	30,464,222
	=====	=====

5.1 This represents finance obtained from Muslim Commercial Bank Limited under morabaha arrangement whereby purchase price of morabaha goods will be paid in equal quarterly installments over a period of five years on a specified profit margin of 18% per annum. The finance is secured by hypothecation of specific leased assets.

#### 6. LONG TERM DEPOSITS

Lessees security deposits (Note 6.1)	31,851,836	22,876,442
Less: Current portion (Note 7)	8,881,847	333,815
	-----	-----
	22,969,989	22,542,627
	=====	=====

6.1 These represent the interest free security deposits (lease key money) received against lease contracts and are repayable/adjustable at the expiry/termination of the respective lease.

#### 7. CURRENT PORTION OF LONG TERM FINANCE AND DEPOSITS

Finance under morabaha arrangement (Note 5)	8,960,484	8,072,646
Long term deposits (Note 6)	8,881,847	333,815
	-----	-----
	17,842,331	8,406,461
	=====	=====

#### 8. FINANCE UNDER MUSHARIKA ARRANGEMENT

These represent the finances obtained from financial institutions and individuals under musharika arrangements on profit and loss sharing basis and are unsecured. The estimated share of profit payable on these finances ranges between Rupees 0.411 to Rupees 0.438 per thousand rupees per day.

#### 9. ACCRUED AND OTHER LIABILITIES

Profit accrued on:

Morabaha finance obtained	413,261	540,344
Musharika finance obtained	1,433,291	457,696
Lease rentals received in advance	782,405	423,057
Management fee payable	2,465,299	2,642,109
Accrued and other payables	564,911	1,299,759
Unclaimed profit	3,447,512	2,555,107
	-----	-----
	9,106,679	7,918,072
	=====	=====

#### 10. TANGIBLE FIXED ASSETS

Assets leased out (Note 10.1)	172,071,680	167,847,041
Assets in own use (Note 10.3)	2,475,054	1,709,659
	-----	-----
	174,546,734	169,556,700
	=====	=====

#### 10.1 Assets Leased Out

Description	Cost		Accumulated Depreciation		Book value as at 30 June 2001	Depreciation charge for the year
	As at 01 July 2000	Additions/ (Deletions)	As at 30 June 2001	As at 01 July 2000		

Plant and machinery	160,625,568	65,896,000	226,521,568	60,997,953	--	134,389,335	92,132,233	73,391,382
Vehicles	78,390,347	28,139,412 (10,632,725)	95,897,034	15,027,706	(3,746,728)	26,893,617	69,003,417	15,612,639
Office equipments	4,937,040	8,688,186 (2,185,600)	11,439,626	2,261,914	(1,829,412)	2,050,857	9,388,769	1,618,355
Household equipments	3,667,736	813,820 (1,137,350)	3,344,206	1,486,077	(862,171)	1,796,945	1,547,261	1,173,039
2001 Rupees	247,620,691	103,537,418 (13,955,675)	337,202,434	79,773,650	(6,438,311)	165,130,754	172,071,680	91,795,415
2000 Rupees	192,393,443	80,238,668 (25,011,420)	247,620,691	58,854,057	(20,769,165)	79,773,650	167,847,041	41,688,758

10.2 Deletions represent the assets disposed of through negotiation after expiry/termination of leases. However, in view of large number of disposal, detail of each disposal has not been give.

### 10.3 Assets in Own Use

Description	Cost		Accumulated Depreciation			Book value as at 30 June 2001	Depreciation		
	As at 01 July 2000	Additions/ (Deletions)	As at 30 June 2001	As at 01 July 2000	Adjustment As at 30 June 2001		Charge for the year	Rate %	
Vehicles	2,036,300	1,741,079 (571,000)	3,206,379	470,588	(151,800)	896,306	2,310,073	577,518	20
Computer and other office equipments	255,648	67,000	322,648	216,043	--	251,575	71,073	35,532	33.33
Furniture and fixtures	165,000	--	165,000	60,658	--	71,092	93,908	10,434	10
2001 Rupees	2,456,948	1,808,079 (571,000)	3,694,027	747,289	(151,800)	1,218,973	2,475,054	623,484	
2000 Rupees	816,448	1,640,500	2,456,948	324,469	--	747,289	1,709,659	422,821	

### 10.4 Disposal of Operating Assets in Own Use

Detail of assets in own use disposed off during the year is as follows

Description	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Mode of disposal
<b>Rupees</b>					
<b>VEHICLES</b>					
Suzuki Mehran	235,000	84,600	150,400	190,000	Negotiation Messrs Al-Macca Motors, 2-A, Al-Madina Road, Township, Lahore.
Suzuki Mehran	336,000	67,200	268,800	300,000	Insurance Claim New Jubilee Insurance Company 2nd Floor, Duty Free Shop, Montgomery Road, Lahore.

	2001		2000	
	Cost Rupees	Market Value Rupees	Cost Rupees	Market Value Rupees
<b>11. INVESTMENTS</b>				
Shares/certificates of listed companies/fund (Note 11.1)	45,714,416	25,977,589	47,596,409	30,124,748
Less: Provision for the diminution in the value of investments	5,789,094	--	5,770,542	--
	39,925,322	25,977,589	41,825,867	30,124,748
Shares of unquoted company (Note 11.2)	2,500,000	--	--	--
	42,425,322	25,977,589	30,124,748	41,825,867

### 11.1 Shares/Certificates of Listed Companies/Funds

	2001		Average Cost Per Share Rupees	2000	
	Cost Rupees	Market Value Rupees		Cost Rupees	Market Value Rupees
<b>D.G. Khan Cement Company Limited</b>					
187,000 (2000: 187,000) fully paid ordinary shares of Rupees 10 each	6,068,515	1,065,900	32.45	6,068,515	1,514,700
<b>Muslim Commercial Bank Limited</b>					
548,080 (2000: 465,500) fully paid ordinary shares of Rupees 10 each	14,034,154	13,345,748	25.61	15,865,204	14,337,400
<b>First Leasing Corporation Limited</b>					
Nil (2000: 9,500) fully paid ordinary shares of Rupees 10 each	--	--	0	160,173	25,650
<b>Maple Leaf Electric Company Limited</b>					
Nil (2000: 1,300,000) fully paid ordinary shares of Rupees 10 each	--	--	15.38	20,000,000	10,400,000
<b>Maple Leaf Cement Factory Limited</b>					
646,100 (2000: Nil) fully paid ordinary shares of Rs. 10 each	9,940,000	2,875,145	15.38	--	--
<b>Kohinoor Textile Mills Limited</b>					
653,900 (2000: Nil) fully paid ordinary shares of Rs. 10 each	10,060,000	4,250,350	15.38	--	--
<b>Fauji Fertilizer Company Limited</b>					
30,000 (2000: 30,000) fully paid ordinary shares of Rupees 10 each	1,715,121	1,068,000	57.17	1,715,121	1,180,500
<b>Ibrahim Fibres Limited</b>					
95,000 (2000: 170,000) fully paid ordinary shares of Rupees 10 each	1,506,660	1,377,500	15.86	3,487,430	2,448,000
<b>Pakistan Telecommunication Company Ltd</b>					
100,000 (2000: Nil) fully paid ordinary shares of Rupees 10 each	2,090,000	1,795,000	20.90	--	--
<b>National Investment Trust</b>					
20,613 (2000: 20,613) units of Rs. 1	299,966	199,946	14.55	299,966	218,498
	-----	-----		-----	-----
	45,714,416	25,977,589		47,596,409	30,124,748
	=====	=====		=====	=====

**11.2 Shares of unquoted company****Xcess Dot corn (Private) Limited**

100,000 (2000: Nil) fully paid ordinary shares of Rupees 10 each  
Breakup value Rs. 10 per share as per unaudited accounts of 30 June 2001.

	2,500,000	--	25.00	--	--
--	-----------	----	-------	----	----

**12. FINANCES UNDER MORABAHAARRANGEMENTS**

These represent finances provided under morabaha arrangements at profit margin ranging from 18.50 to 19 percent per annum. These finances are secured by pledge of shares of listed companies, bank guarantee, personal guarantees of directors, hypothecation of inventories and demand promissory notes.

**13. FINANCES UNDER MUSHARIKAARRANGEMENTS**

These represent the amounts invested in NBFIs under musharika arrangements on profit and loss sharing basis. Expected rate of profit is ranging between Rupees 0.452 to 0.575 per Rupees thousand per day.

	2001 Rupees	2000 Rupees
<b>14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advances to employees-Considered good (Note 14.1)	764,880	729,206
Security deposit	300,000	300,000
Short term prepayments	164,606	140,231
Lease rentals receivable (Note 14.2)	67,340,109	42,380,390
Due from stock broker	--	8,041,460

Profit on morabaha finances	1,156,197	1,337,780
Profit on musharika finances	148,083	--
Profit accrued on bank deposits	45,332	6,369
Income tax refundable	82,323	764,116
Dividend receivable	433,691	180,000
Miscellaneous receivables - Considered good	21,691	82,029
	-----	-----
	70,456,912	53,961,581
	=====	=====

14.1 The maximum aggregate amount due from staff at the end of any month during the period was Rupees 921,549 (2000: Rs. 835,452).

#### 14.2 Lease Rentals Receivable

Due from lessees	88,288,536	62,721,761
Less: Provision for doubtful receivables	20,948,427	20,341,371
	-----	-----
	67,340,109	42,380,390
	=====	=====

#### 14.3 Exposure in Pakland Cement Limited (PCL) and Saadi Cement Limited (SCL)

Lease receivables include amounts due from PCL & SCL against leases written by the modaraba in 1996 & 1998 respectively. Details of these leases are as follows:

	<i>PCL</i>	<i>SCL</i>	<i>Total</i>
	<i>Rs (in million)</i>		
Lease receivable	29.24	16.68	45.92
Provision held upto June 30, 2000	(14.662)	(6.286)	(20.948)
Income suspended	(7.960)	(4.547)	(12.507)
	-----	-----	-----
	6.62	5.85	12.47
	=====	=====	=====

As above facilities had become irregular, the modaraba had filed legal suits against PCL and SCL and its directors for recovery. However, compromise arrangements for the restructuring of the debts of PCL and SCL have been negotiated with the major creditors and sponsor shareholders of PCL and SCL under section 284 of the Companies Ordinance, 1984. The schemes of arrangements were approved by more than three fourth of the value of total liabilities and financial obligations of PCL and SCL due as on 31 December 2000 as required under aforesaid section 284 in the meetings of creditors held on 04 September 2001. In accordance with the schemes, PCL and SCL will issue Term Finance Certificates (TFCs) favouring modaraba valuing Rupees 29.239 million & 16.681 million respectively carrying profit at the rate of 16% per annum effective 01 January 2001. The schemes were submitted in the Honourable High Court of Sindh for sanction which are still pending. The modaraba intends to reclassify the exposure as an investment, after the same has been sanctioned by the Honourable High Court of Sindh. As a matter of prudence, income suspended and provisions for doubtful receivable have been carried as advised by the Securities & Exchange Commission of Pakistan vide letter No. SC/LES/ED(SC)153312001 dated October 12, 2001. The said provision will be reversed over a period of time only and in accordance with the actual recovery / repayment of investment in TFCs. Salient features of this scheme of arrangement are as follows:

- Grant of additional finance of Rupees 150 million to PCL by the creditors for optimization and fuel substitution of a production line of PCL (modaraba's share against which is expected to be Rupees 0.65 million approximately).

- Provision of additional securities and pooling of securities available with the creditors to be shared amongst all the creditors on a pari passu basis.

- Suspension of legal proceedings by the creditors against PCL and SCL pending issuance of TFCs.

- Constitution of an executive committee for the monitoring of the financial and operational affairs of PCL and SCL during the subsistence of the restructured liabilities of TFCs.

- Achievement of certain defined milestones by PCL and SCL.

#### 14.4 KOHINOOR INDUSTRIES LIMITED (KIL)

For the purposes of repaying its debts, the KIL entered into an agreement with financial institutions whereby it offered its surplus factory land at Faisalabad for sale and distribution amongst its creditors including the Modaraba. The factory land was initially sold by the Provincial Government to KIL after acquiring these under Land Acquisition

Act, 1894. Under section 43-A of the Act, the land in question can be sold only with the prior sanction of respective Provincial Government. The approval of the Provincial Government is expected soon. According to the agreement, the KIL liability towards modaraba amounts to Rupees 81.35 million. The liability is to be adjusted by proportionate sale proceeds of land due to Modaraba, the unadjusted balance after disposal of land will be sustainable loan on KIL in due course of business. As a matter of prudence, balance of Rupees 27.66 million over and above the modaraba receivable amount of Rupees 53.69 million has not been recognized as income. The management feels that the sale proceeds of land would at least cover the receivable balance.

	<b>2001</b>	<b>2000</b>
	<b>Rupees</b>	<b>Rupees</b>
<b>15. CASH AND BANK BALANCES</b>		
Cash in hand	267,903	490,351
Balance with banks:		
PLS-Saving accounts	29,903,522	27,206,894
Current accounts	--	200,000
	-----	-----
	29,903,522	27,406,894
	-----	-----
	30,171,425	27,897,245
	=====	=====

#### 16. OTHER INCOME

Profit on bank deposits	8,172,111	2,544,027
Dividend income	2,967,629	2,789,312
Fees, commission and other charges	421,801	529,387
Profit on advances to employees	59,002	40,386
Gain on sale of shares/certificates	246,992	--
Gain on sale of fixed assets	70,800	--
	-----	-----
	11,938,335	5,903,112
	=====	=====

#### 17. ADMINISTRATIVE AND GENERAL EXPENSES

Salaries and other benefits	(Note-17.1)	3,866,318	3,309,688
Legal and professional		382,938	754,765
Printing and stationery		377,919	392,601
Travelling and vehicles' running		148,671	95,413
Insurance		25,033	40,536
Fee and subscription		500,425	502,807
Auditors' remuneration	(Note-17.2)	64,380	59,380
Advertisement		41,800	11,400
Zakat		116,775	118,177
Depreciation on assets in own use	(Note-10.3)	623,484	422,821
Miscellaneous		53,620	106,684
		-----	-----
		6,201,363	5,814,272
		=====	=====

17.1 The aggregate amount charged in the accounts for the year for remuneration, including certain benefits to the officers/employees of Modaraba is as under:

Remuneration	2,054,708	2,174,007
House rent	205,476	408,901
Other allowances and perquisites	1,606,134	726,780
	-----	-----
	3,866,318	3,309,688
	=====	=====

17.2 In addition, modaraba has also provided facility of vehicles to its two officers.

#### 17.3 Auditors' Remuneration

Audit fee	60,000	50,000
Out of pocket expenses	4,380	9,380
	-----	-----
	64,380	59,380
	=====	=====

17.4 Number of employees at the year's end	Number	Number
	10	10
	=====	=====

17.5 Office space, utilities and related expenditures have been borne by the management

**18. FINANCIAL AND OTHER CHARGES****Financial**

Profit on morabaha finance		11,616,917	8,873,154
Bank charges, duties and commission		9,430	44,136
		-----	-----
		11,626,347	8,917,290
<b>Others</b>			
Recovery charges	(Note-18.1)	93,894	--
Loss on sale of investments		--	7,542,862
Provision for diminution in the value of investments -(Reversed)		18,552	(7,516,304)
Penalties levied by Excise and Taxation Department		--	20,433
Provision for doubtful lease receivables	(Note-23.1)	607,056	1,082,039
Donations	(Note-18.2)	5,500	3,300
Commission and Brokerage		71,489	--
		-----	-----
		12,422,838	10,049,620
		=====	=====

18.1 Recovery charges paid to National Accountability Bureau for recovery of loan default.

18.2 None of directors or their spouses have any interest in the donees fund.

**19. PROVISION FOR TAXATION**

<b>Current year</b>	(Note-19.1)	--	--
<b>Prior years</b>		--	215,165
		-----	-----
		--	215,165
		=====	=====

19.1 After amendment in clause 102E of 2nd Schedule of Part-I of Income Tax Ordinance, 1979 made through Finance Act, 1998, the Modaraba considers itself exempt from income tax application as it distributes 90 percent of its profits to certificate holders.

**20. LEASE RENTALS RECEIVABLE**

Aggregate amount of lease rentals receivable on the basis of lease agreements executed upto 30 June 2001 and as per revised terms and conditions, approximate to Rupees 196.831 million (2000: Rupees 201.773 million). The amount of future rentals and periods during which they fall due are:

	<b>2001</b>	<b>2000</b>
	<b>Rupees</b>	<b>Rupees</b>
Within one year	91,634,740	74,636,683
One year to five years	105,196,583	127,136,025

**21. EARNINGS PER CERTIFICATE- BASIC**

There is no dilutive effect on the basic earnings per share of the modaraba, which is based on:

		<b>2001</b>	<b>2000</b>
Profit after taxation	Rupees	24,652,987	26,205,928
Number of ordinary certificates		20,633,399	20,633,399
Earnings per certificates	Rupees	1.19	1.27

**22. STATEMENT OF CHANGES IN EQUITY**

	<b>Certificate Capital</b>	<b>Capital Reserve (Note 4)</b>	<b>General Reserve</b>	<b>Revenue Reserves Unappropriated Profit</b>	<b>Sub-Total</b>	<b>Total</b>
	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Balance as at 01 June 1999	206,333,990	22,744,991	5,000,000	425,102	5,425,102	234,504,083
Net profit for the year	--	--	--	26,205,928	26,205,928	26,205,928
Transferred during the year	--	2,620,593	--	(2,620,593)	(2,620,593)	--
Final dividend	--	--	--	(22,696,739)	(22,696,739)	(22,696,739)
	-----	-----	-----	-----	-----	-----
Balance as at 30 June 2000	206,333,990	25,365,584	5,000,000	1,313,698	6,313,698	238,013,272
Net profit for the year	--	--	--	24,652,987	24,652,987	24,652,987
Transferred during the year	--	2,465,299	--	(2,465,299)	(2,465,299)	--
Profit distribution	--	--	--	(20,633,399)	(20,633,399)	(20,633,399)
	-----	-----	-----	-----	-----	-----
<b>Balance as at 30 June 2001</b>	<b>206,333,990</b>	<b>27,830,883</b>	<b>5,000,000</b>	<b>2,867,987</b>	<b>7,867,987</b>	<b>242,032,860</b>
	=====	=====	=====	=====	=====	=====

**23. MATURITIES OF ASSETS AND LIABILITIES**

	<i>Total</i>	<i>Upto One</i>	<i>Over One</i>	<i>Over One</i>	<i>Over Five</i>
		<i>Month</i>	<i>Month to</i>	<i>Year to</i>	<i>Years</i>
	<i>Rupees</i>	<i>Rupees</i>	<i>One Year</i>	<i>Five Years</i>	<i>Rupees</i>
			<i>Rupees</i>	<i>Rupees</i>	
<b>ASSETS</b>					
Cash and bank balances	30,171,425	30,171,425	--	--	--
Investments in shares	42,425,322	--	--	42,425,322	--
Morabaha advances	30,500,000	--	30,500,000	--	--
Musharika advances	90,000,000	10,000,000	80,000,000	--	--
Advances, deposits, prepayments and other receivables	70,456,913	752,940	12,148,086	50,134,710	7,421,177
Net investment in leases	172,071,680	575,258	26,486,366	133,808,988	11,201,068
Operating fixed assets	2,475,054	--	--	2,475,054	--
	-----	-----	-----	-----	-----
	438,100,394	41,499,623	149,134,452	228,844,074	18,622,245
<b>LIABILITIES</b>					
Finance under musharika arrangem	105,600,784	--	105,600,784	--	--
Finance under morabaha arrangem	28,874,835	962,101	7,998,383	19,914,351	--
Long term deposits/lease key mon	31,851,836	103,150	8,778,697	21,969,989	1,000,000
Other liabilities	29,740,079	782,406	25,510,161	3,447,512	--
	-----	-----	-----	-----	-----
	196,067,534	1,847,657	147,888,025	45,331,852	1,000,000
	=====	=====	=====	=====	=====
Net balance	242,032,860	39,651,966	1,246,427	183,512,222	17,622,245
	=====	=====	=====	=====	=====
Certificate-holders' equity	242,032,860				
	=====				

**2001**  
**Rupees**

**2000**  
**Rupees**

**23.1 Statement of particulars of provision against non-performing advances**

Lease rentals receivable		
Opening balance	20,341,371	19,909,332
	-----	-----
Charge for the year	607,056	432,039
Reversals	--	--
	-----	-----
Net change for the year	607,056	432,039
	-----	-----
Closing balance	20,948,427	20,341,371
	=====	=====

**24. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****24.1 Profit Rate Risk Exposure**

The Modaraba's exposure to profit rate risk and effective rates on its financial assets and financial liabilities are summarised as follows:

	<b>2001</b>			<b>Non-Profit Bearing</b>
	<b>Financial Instruments</b>	<b>Profit Bearing</b>		
		<b>Within One Year</b>	<b>One Year to Five Years</b>	
		<b>Rupees</b>		
<b>ASSETS</b>				
Finances under morabaha arrange	30,500,000	30,500,000	--	--
Finances under musharika arrange	90,000,000	90,000,000	--	--
Investments	42,425,322	--	--	42,425,322
Advances, deposits and other rec	69,776,293	764,880	--	69,011,413
Cash and bank balances	30,171,425	29,903,522	--	267,903
	-----	-----	-----	-----
	262,873,040	151,168,402	--	111,704,638
	=====	=====	=====	=====
<b>LIABILITIES</b>				
Finance under morabaha arrangem	28,874,835	8,960,484	19,914,351	--
Security deposits	31,851,836	--	--	31,851,836
Finance under musharika arrangem	105,600,784	105,600,784	--	--
Accrued and other liabilities	5,659,167	--	--	5,659,167

	171,986,622	114,561,268	19,914,351	37,511,003
Total profit rate sensitivity gap	90,886,418	36,607,134	(19,914,351)	74,193,635
Cumulative profit rate sensitivity g	--	36,607,134	16,692,783	90,886,418

#### 24.2 Effective Profit Rates

##### Financial Assets

Advances to employees	7 per cent per annum
Finances under morabaha arrangements	18 to 19 per cent per annum
Bank balances	5 to 14 per cent per annum
Musharika advances	16.5 to 21 per cent per annum

##### Financial liabilities

Finances under morabaha arrangements	18 per cent per annum
Musharika borrowing	15-16 per cent per annum

24.3 The Modaraba's exposure to profit rate risk and effective rates on its financial assets and financial assets and financial liabilities are summarized as follows:

	Financial Instruments	2000 Profit Bearing		Non- Profit Bearing
		Within One Year Rupees	One Year to Five Years	
<b>ASSETS</b>				
Finances under morabaha arrange	68,500,000	68,500,000	--	--
Investments	41,825,867	--	--	41,825,867
Advances, deposits and other rec	52,877,234	729,206	--	52,148,028
Cash and bank balances	27,897,245	27,206,894	--	690,351
	191,100,346	96,436,100	--	94,664,246
<b>LIABILITIES</b>				
Finance under morabaha arrangem	38,536,868	8,072,646	30,464,222	--
Security deposits	22,876,442	--	--	22,876,442
Finance under musharika arrangem	31,700,000	31,700,000	--	--
Accrued and other liabilities	5,362,965	--	--	5,362,965
	98,476,275	39,772,646	30,464,222	28,239,407
Total profit rate sensitivity gap	92,624,071	56,663,454	(30,464,222)	66,424,839
Cumulative profit rate sensitivity g	--	56,663,454	26,199,232	92,624,071

#### 24.4 Effective Profit Rates

##### Financial assets

Finances under morabaha arrangements	15.25 - 21 percent per annum
Bank balances	7 - 14 percent per annum

##### Financial liabilities

Finances under morabaha arrangements	18 percent per annum
Finances under musharika arrangements	17 percent per annum

#### 24.5 Fair Value of Financial Assets and Liabilities

The carrying value of financial assets and liabilities approximates their fair values as reflected in the financial statements except for investment stated in note No. 11 at cost less provision for diminution in value.

#### 24.6 Credit Risk Exposure

The Modarabas credit risk exposure is not much different from that shown in annual accounts. The management has developed such procedures to efficiently monitor the credit risk exposure through initial credit approvals, monitoring of clients credit exposures and limits, adopting a prudent approach for collateral policy and conservative estimates of provisions for doubtful receivables.

The Modaraba avoids undue concentration of credit risk through diversification of its lendings to different sectors of the economy. Sector-wise break-up of lease portfolio

and morabaha finances is as follows:

	<i>Lease Rentals Receivable</i>	<i>Morabaha Finance</i>	<i>2001 Musharika Finance Rupees</i>	<i>Total</i>	<i>Percentage</i>
Cement	7,486,315	--	--	7,486,315	2.55
Energy, Oil and Gas	17,618,208	10,000,000	38,470,000	66,088,208	22.58
Engineering and Electrical	6,990,843	--	--	6,990,843	2.39
Transport and Communications	2,406,644	--	--	2,406,644	0.82
Textiles	48,342,265	20,500,000	--	68,842,265	23.53
Banks and Financial Institutions	29,881,267	--	51,530,000	81,411,267	27.83
Education	1,424,980	--	--	1,424,980	0.49
Chemicals	13,186,689	--	--	13,186,689	4.50
Garments	6,723,693	--	--	6,723,693	2.30
Legal and Professional	1,323,386	--	--	1,323,386	0.45
Food and beverages	9,253,679	--	--	9,253,679	3.16
Computers and IT Services	3,835,542	--	--	3,835,542	1.31
Individuals	23,598,169	--	--	23,598,169	8.06
	172,071,680	30,500,000	90,000,000	292,571,380	100.00

	<i>Lease Rentals Receivable</i>	<i>Morabaha Finance</i>	<i>2000 Musharika Finance Rupees</i>	<i>Total</i>	<i>Percentage</i>
Cement	15,374,418	38,000,000	--	53,374,418	22.58
Energy, Oil and Gas	16,287,209	10,000,000	--	26,287,209	11.12
Engineering and Electrical	3,532,496	--	--	3,532,496	1.49
Transport and Communications	4,515,555	--	--	4,515,555	1.91
Textiles	46,713,578	20,500,000	--	67,213,578	28.44
Banks and Financial Institutions	39,189,726	--	--	39,189,726	16.58
Education	2,505,167	--	--	2,505,167	1.06
Chemicals	15,601,177	--	--	15,601,177	6.60
Garments	7,000,506	--	--	7,000,506	2.96
Legal and Professional	2,509,710	--	--	2,509,710	1.06
Individuals	14,617,499	--	--	14,617,499	6.18
	167,847,041	68,500,000	--	236,347,041	100.00

24.7 All the credit risk exposures is on private sector and there is no exposure on Government/ public sector.

## 25. CORRESPONDING FIGURES

Previous years figures have been re-arranged, wherever necessary for the purpose of comparison.

<b>JAVAID B. SHEIKH</b>	<b>WASIM-UL-HAQ OSMANI</b>	<b>ARSHAD I. KHAN</b>
<b>Chairman</b>	<b>Chief Executive</b>	<b>Director</b>
<b>Fidelity Capital Management (Private) Limited</b>	<b>Fidelity Capital Management (Private) Limited</b>	<b>Fidelity Capital Management (Private) Limited</b>

## PATTERN OF CERTIFICATE HOLDERS

<i>Number of Certificate Holders</i>	<i>From Certificate</i>	<i>To Certificate</i>	<i>Total Certificate Held</i>
955	1	100	69,558
1,176	101	500	326,421
1,108	501	1,000	882,691
1,719	1,001	5,000	3,482,153
232	5,001	10,000	1,668,823
80	10,001	15,000	964,584
38	15,001	20,000	686,285
28	20,001	25,000	610,086
16	25,001	30,000	434,944
11	30,001	35,000	363,239

10	35,001	40,000	363,417
8	40,001	45,000	337,590
6	45,001	50,000	282,243
2	50,001	55,000	106,559
1	55,001	60,000	55,380
2	60,001	65,000	124,650
3	65,001	70,000	202,919
2	70,001	85,000	144,658
1	85,001	90,000	88,100
1	90,001	95,000	94,600
4	95,001	100,000	3,901
1	100,001	105,000	101,090
3	105,001	155,000	412,890
1	155,001	160,000	158,322
6	160,001	440,000	1,562,289
1	440,001	445,000	444,186
0	445,001	875,000	--
1	875,001	880,000	875,431
2	880,001	2,095,000	3,303,114
1	2,095,001	2,100,000	2,097,000
-----			
5,419	TOTAL		20,633,399
=====			

### CATEGORIES OF CERTIFICATE HOLDERS

<i>Description</i>	<i>Number of Certificate holders</i>	<i>Certificate Held</i>	<i>Percentage of T. Capital</i>
Individuals	5,355	12,708,882	61.61
Investment Companies	9	75,734	0.36
Insurance Companies	3	1,038,253	5.03
Joint Stock Companies	34	783,211	3.80
Financial Institutions	12	2,621,945	12.70
Modaraba Companies	4	89,060	0.43
Foreign Investors	1	3,200	0.02
Modaraba Management Company	1	3,313,114	16.06
-----			
<b>TOTAL</b>	<b>5,419</b>	<b>20,633,399</b>	<b>100.00</b>
=====			