

AL-GHAZI TRACTORS LTD

ANNUAL REPORT 1996-97

AGRICULTURE

(Million hectares)

Description	Pakistan	Punjab	Sindh	NWFP	Balochistan
LAND USE					
Total geographical area	79.609	20.625	14.091	10.174	34.719
Cultivable land	30.300	13.980	7.010	2.960	6.350
Cultivated area	21.460	12.140	5.730	1.920	1.670
Cropped area	22.150	15.550	3.740	2.020	0.840
Irrigated land	17.120	12.990	2.440	0.890	0.800
as % of cropped area	77%	84%	65%	44%	95%
Land dependent on rain	5.030	2.560	1.330	1.130	0.040
Forest area	3.440	0.470	0.590	1.290	1.090
	4%	2%	4%	13%	3%
FARM DISTRIBUTION 1990					
Average size of farm (Hec.)	3.8	3.7	4.3	2.2	9.5
Number of farms					
(Million Nos.) Total	5.071	2.957	0.802	1.069	0.243
Owner	69%	69%	50%	78%	81%
Owner-cum-tenant	12%	16%	8%	8%	5%
Tenant	19%	15%	42%	14%	14%
Area of farms Total	19.150	10.970	3.482	2.359	2.339
Owner	65%	62%	59%	73%	81%
Owner-cum-tenant	19%	24%	12%	15%	8%
Tenant	16%	14%	29%	12%	11%
Small Farms (Million Nos.)	4.726	2.755	0.750	1.034	0.187
	93%	93%	94%	97%	77%
Small Farms (Area)	11.568	6.998	2.232	1.657	0.681
	60%	64%	64%	70%	29%
Land use intensity (%)	87	95	83	87	54
Cropping intensity (%)	137	141	140	132	94
Farm machinery/Agro-industries/inputs (E)					
Tractors* 1994-95 (Nos)	304 992	*	*	*	*
Tubewells 1993-94 (Nos)	389 493	341 773	23050	8367	16303
Fertilizer plants 1994-95 (Nos)	12	6	4	2	*
Fertilizer use 1994-95 (Million nutrient tonnes)	2.183	1.557	0.452	0.142	0.032
Fertilizer use/hect. 1995 (Nutrient Kgs/hectare)	102	128	79	74	19
Water availability '95 at Farm gate (mill.acre-feet)	105.98	53.47	46.81	3.75	1.95
Kharif	68.03	33.68	31.07	2.22	1.06
Rabi	37.95	19.79	15.74	1.53	0.89
Storage capacity** 1992-93 (000 tonnes)					
Wheat	5 042	2 886	689	445	164
Rice	831	*	*	*	*

CONTENTS

Company Information
 Notice of Annual General Meeting
 Chairmans' Review
 Directors' Report
 Decade at a Glance
 Auditors' Report to the Members
 Balance Sheet
 Profit & Loss Account
 Cash Flow Statement
 Notes to the Accounts
 Pattern of Shareholdings

COMPANY PROFILE

DATE OF INCORPORATION: June 1983
DATE OF COMMENCEMENT OF OPERATIONS: September 1, 1983
DATE OF TAKE OVER BY AL-FUTTAIM December 8, 1991
START OF PRODUCTION AT DERA GHAZI KHAN PLANT:
 i) Auxiliary Plant. February 20, 1984.
 ii) Main Plant. April 1, 1985.
INSTALLED CAPACITY: 15,000 TRACTOR PER ANNUM IN SINGLE SHIFT.
TOTAL LAND AREA: APPROX. 100 ACRES.
EMPLOYEES: 536
OFFICES:
 Head Office. Karachi.
 Plant. Dera Ghazi Khan - 12 km from D.G. Khan City.
Marketing Centres: Lahore.
 Multan
 Peshawar.
 Islamabad.
 Sukkur.

FACILITIES AT THE STAFF COLONY

HOUSING 126 FAMILY HOMES AND BACHELOR QUARTERS FOR EXECUTIVES AND WORKERS.

POPULATION OF THE STAFF COLONY: APPROXIMATELY 500.

CHILDREN IN THE AGTL PRIMARY SCHOOL: 98

OTHER FACILITIES:
 - MOSQUE
 - HOSPITAL WITH AMBULANCE
 - AGTL PRIMARY SCHOOL FOR CHILDREN OF THE STAFF RESIDING IN THE COLONY.
 - RECREATION CENTRES FOR EXECUTIVES, WORKERS AND LADIES, WITH INDOOR GAMES, TV, VIDEOS, DISH

- ANTENNAS, AND OTHER FACILITIES,
- PLAY GROUNDS, PARKS, HORTICULTURE, AND JANITORIAL SERVICES.
- SCHOOL BUS FOR PICK AND DROP SERVICES TO SCHOOL AND COLLEGE GOING CHILDREN OF THE STAFF FOR D.G. KHAN CITY.
- PRIVATE ELECTRIC GENERATOR FOR UNINTERRUPTED POWER SUPPLY

- CLEAN WATER SUPPLY WITH UV FILTRES.
- TRANSPORT FACILITY FOR D.G. KHAN CITY & ADJOINING AREAS.

COMPANY INFORMATION

Board of Directors

KUNWAR IDRIS-CHAIRMAN
PARVEZ ALL - CHIEF EXECUTIVE
KEITH S. STACK
SHAH JALIL ALAM
HASAN IRSHAD
RAZI UR RAHMAN KHAN
NAZIR A. SHAIKH
MARIO CHESSA

Auditors

A.F. FERGUSON& CO.

Legal Advisors

SURRIDGE & BEECHENO

Tax Advisors

FORD, RHODES, ROBSON,
MORROW

Bankers

HABIB BANK LTD.
SOCIETE GENERALE
STANDARD CHARTERED BANK
UNION BANK LTD.

Company Secretary

SALEEM ADIL

OFFICES

KARACHI.

Registered Office-11th Floor, NIC Building, Abbasi Shaheed Road, Karachi 74400.
Telephone: (92.021) 5660881-5. Telefax: (92.021) 5869387.

DERA GHAZI KHAN

PLANT P.O. Box 38, Sakhi Sarwar Road, Dera Ghazi Khan.
Telephone: (92.0641) 63159, 63805,63750. Telefax: (92.0641) 62117.

LAHORE

MARKETING Center- 10 km Sheikhupura Road, Lahore.
Telephone: (92.042) 270081 272226,7924676-7. Telefax: (92.042) 272257.

ISLAMABAD

Flat No. 8 2nd Floor, Malik Complex, Shahrahe Quaid-e-Azam,
Blue Area, Sector F-7 & G-7, Islamabad.
Telephone: (92.051) 829895, 272866. Telefax: (92.051) 272377.

PESHAWAR

Suite No. 205 A, city Tower, University Road, Peshawar.
Telephone: (92.0521) 842315, 841823.

MULTAN

20 Industrial Estate, Multan.

Telephone: (92.061) 539557-9 Telefax: (92.061) 539241

SUKKAR

C/631/3, Minara Road, Sukkur

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Fourteenth Annual General Meeting of AI-Ghazi Tractors Limited will be held at Hotel Marriott, Karachi on Monday, December 15, 1997 at 11.00 a.m to transact the following business:

ORDINARY BUSINESS

1. To receive and consider the audited Accounts, the Director's report and the Auditor's report for the year ended June 30, 1997.
2. To declare the final cash dividend. (The Directors have recommended a final Dividend of 35% i.e. Rs. 1.75 per share issued, in addition to 15% i.e. Rs. 0.75% per share already paid as interim Dividend, making a total cash dividend of 50% i.e. Rs. 2.50 Per Share).
3. To appoint Auditors for the year ending June 30, 1998 and to fix their remuneration. The retiring Auditors M/s A.F. Ferguson & Co. being eligible offer themselves for reappointment.

SPECIAL BUSINESS

1. To approve issue of bonus shares and in this regard to pass the following special resolutions:

"RESOLVED THAT a sum of Rs. 8,110,780 out of the Free Reserves of the company be capitalised and applied to the issue of 1,622,156 Ordinary shares of Rs. 5/- each and allocated as fully paid up Bonus shares to the Members whose names appear in the register of the members at the close of business on November 30, 1997 in the proportion of one Share for every Ten existing shares held and that such new shares shall rank pari passu with the existing ordinary shares of the company but shall not be eligible for dividend in respect of the year ended June 30, 1997."

Further Resolved that in the event of any member holding shares which are not an exact multiple of Ten, the Directors be and are hereby authorised to sell in the stock market such fractional entitlement and to pay the proceeds of sale when realized to a charitable Institution."

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE 1984

1. The Directors consider it advisable to capitalise a sum of Rs. 8,110,780 which they have set aside in a special Reserve for issue of Bonus shares.

NOTES:

1. A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in his own right. Proxies, in order to be effective, must be received at the registered office of the Company duly stamped and signed not less than 48

hours before the time of the meeting.

2. The Share Transfer Books of the Company will remain closed from December 01, 1997 to December 15, 1997 (both days inclusive).

3. Members are requested to promptly communicate to the Company any change in their addresses.

CHAIRMAN'S REVIEW

I take pleasure in welcoming you to the Fourteenth Annual General Meeting of AI-Ghazi Tractors Ltd. and in presenting the Annual Report and Accounts of your Company for the year ended June 30, 1997.

SALES & PRODUCTION:

The year 1996-97 saw a large contraction in the tractor market from 14,419 units last year to a booking of merely 8,294. Whereas the ADBP loaning for booking of tractors for the whole industry was restricted to 7,206 units, the lowest in fifteen years, the cash market developed last year was also severely diminished by levy of Sales Tax coupled with farmers' inability to market the cotton crop profitably. However, with the help of 2,491 bookings, pending for delivery at the beginning of the year, your company was able to deliver 4,701 units during the year against 6,617 units sold last year. The market share, in terms of delivery, rose from 40.6% last year to 46.3%.

OPERATING RESULTS:

With austerity and primacy of efficiency, which are settled wisdom at AGTL, your company achieved growth both in profit and cash generation. Shortly after the privatization of the company, the net equity on June 30, 1992 was just Rs. 4.1 million. Subsequently, with a return to profits, the management, pursuing a sound policy of creating a strong foundation for growth of the company, has been reinvesting profits into the business. In five years the net equity of the Company has increased to Rs. 478.4 million at June 30, 1997. This has resulted in elimination of the financial charges which, in turn, has enhanced profitability. In addition the company has earned a handsome return on its surplus funds. The prudence of investing in in-house assembly of hydraulic lifts, steering gear, etc. has yielded substantial savings. Thus, with an impeccable record of maintaining a price freeze throughout the year in which all national economic indicators showed alarming trends and inflation ripped through the economy, your company with more efficiency, tight control and lower inventory recorded a pre-tax profit of Rs. 186.0 million, compared to Rs. 171.9 million last year.

CHANGES IN ACCOUNTING POLICIES:

In line with the international best practice, the company has changed the method of recording depreciation of operating fixed assets from the reducing balance method to the straight line method. This gives rise to a one-off increase in the charge for depreciation this year of Rs. 5.3 million.

Previously, no account has been taken of the effect of deferred tax credits. Effective this year, account will be taken for this item which would give rise to a one-off reduction in the tax charge of Rs. 15.7 million.

These changes in the company's accounts and the balance sheet will more accurately reflect its true state of affairs.

INVENTORY OF ASSETS:

The company's most important asset continues to be its human capital: the customers, the employees, the investors. Our real success lies in earning the long term loyalty of each of these groups. This human capital does not depreciate over time. The management works to ensure that all vendors, dealers, shareholders, employees and the principals share in the Company's growth and prosperity.

Management development and training continue to be a priority. Computerization and information systems are constantly re-engineered. With quality being our most enduring competitive edge, the company has embarked upon a systematic programme to obtain the ISO-9000 registration, with all its virtues. Despite the fact that the Company was once again awarded the Top Companies Award of the Karachi Stock Exchange for the year 1995, and the Management Association of Pakistan conferred the Corporate Excellence Certificate for demonstrating the Best Corporate Performance in the Engineering Sector during the year 1995, we consider acquisition of the ISO-9000 certification crucial for a more successful organization.

The company's 1997 calendar on Pakistan's Golden Jubilee won a Special Award from Pakistan National Council of Culture and Arts.

COLLABORATION WITH NEW HOLLAND:

The acquisition of the Ford Tractor business by the Fiat Group in 1995 provided new opportunities for the Company to update and widen its product range. In February, 1996, the Company achieved a major landmark by entering into an agreement with New Holland, our joint venture partners, for the manufacture of New Holland tractors of Model 5010, 4010 and 3010. It is intended to launch the new series during 1998.

AWAMI TRACTOR SCHEME:

The Awami Tractor Scheme, launched in 1994 by the previous government, created havoc in the domestic industry. The consequences of the scheme for the tractor and allied vending industry were disastrous.

The early assurance by the new government that a successor scheme would be based on the domestic industry were warmly welcomed. It is vital that this pledge is delivered, giving a much needed fillip to the local industry as well as enabling the product to be competitively priced. With 80% + local content, the impact on the national economy will be nothing but beneficial.

APPROPRIATIONS:

An interim dividend of 15% has already been paid. The Board is now pleased to recommend a final dividend of 35% making a total of 50%. Although the rate of dividend is the same as that of last year, the actual pay out will be more because of the 10% bonus share issue made last year.

In further pursuance of the policy of steadily enlarging the equity base, the Board is also pleased to recommend a bonus issue of one share for every ten shares held.

INDUSTRIAL RELATIONS:

The company, during the year, concluded an agreement with the CBA for a two year term expiring on June 30, 1997. A new agreement is now due for the next two years. The management continues to enjoy cordial relations with the workers aimed at enhancing productivity and profitability whilst maintaining exemplary working conditions.

FUTURE OUTLOOKS:

There is an upside to every downside. Hiatus in ADBP's loaning resulted in an alarming fall in the booking of tractors during 1996-97. The new government however recognizes that the tractor is the essential prime mover, the bulwark of agriculture. The 8th Five-Year Plan (1993-98) states that "mechanization has become necessary for intensifying production and increasing the speed of pre-harvest and post harvest farm operations". The plan recommends the induction of over 150,000 tractors. While announcing the package of agricultural reforms the Prime Minister promised a "green revolution" for the country. The government has recognized that for a quantum leap and to attain self-sufficiency in foodgrains there is an urgent need to increase farm power through mechanization, hence an unprecedented allocation of Rs. 30 billion for agriculture. The resolve of the government to patronize the local tractor industry by purchasing 30,000 tractors from domestic production would give a long overdue rebound both to industry and agriculture. There is thus renewed hope for the current year provided extra funds are made available to the ADBP for financing local tractors.

DIRECTORS:

Mr. Razi-ur Rahman Khan was nominated by National Investment Trust to represent them on AGTL's Board in place of Mr. A. K. M. Sayeed who resigned after serving 8 years. I take this opportunity to wish Mr. A. K. M. Sayeed well and to welcome Mr. Razi-ur Rahman Khan.

APPRECIATIONS:

I conclude by recording the Board's appreciation to the Government and the ADBP for their renewed support to the local tractor industry. I also acknowledge the continuing technological support provided by our principals, New Holland. The efforts of staff, management, dealers and vendors for their untiring efforts, also deserve commendation. Last, and most importantly, I thank the Fiat customers whose number is ever growing.

DIRECTORS' REPORT

The Directors of Al-Ghazi Tractors Limited are pleased to present their Annual Report together with the company's audited accounts for the year ended June 30, 1997.

	(Rs. '000)
Profit for the year before taxation	186,034
Less: Provision for taxation (Net)	52,073

Profit after taxation	133,961
Unappropriated profit brought forward	3,844

Profit available for appropriation	137,805
Less: Appropriations	
Dividend	
- Interim @ 15% already paid	12,166
- Final @ 35% now proposed	28,388
Transfer to Reserve for issue of bonus shares	8,111
Transfer to General Reserve	85,000

Unappropriated profit carried forward	4,140
	=====

1. With regard to auditors' observation relating to the change in accounting policies of the company pertaining to recording of deferred tax, depreciation of fixed assets and valuation of consumable stores, with which they concur kindly refer to notes 2.3, 2.5, 2.7 and 3 to the accounts which fully explain the position.

2. The pattern of share holdings is included in this Annual Report.

3. The retiring Auditors Messrs. A.F. Ferguson & Co., being eligible, offer themselves for re-appointment.

4. The Directors fully endorse the views expressed by Chairman in his review included in this report.

DECADE AT A GLANCE

Al-Ghazi Tractors Limited

1996-97	1995-96	1994-95	1993-94	1992-93	1991-92	1990-91	1989-90	1988-89	1987-88
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

VOLUME IN UNITS

Production

Model 480s	3,841	4,415	4,400	3,686	4,101	2,595	4,226	4,722	6,383	4,615
Model 640	1,098	2,202	2,015	1,861	2,081	732	1,438	1,885	1,787	1,917
Total Production	4,939	6,617	6,415	5,547	6,182	3,327	5,664	6,607	8,170	6,532

Sales:

- Industry	10,161	16,286	17,334	16,089	15,797	10,684	13,909	20,103	24,325	23,935
-AGTL	4,701	6,617	6,420	5,798	5,955	3,402	5,737	6,621	8,189	6,471
-AGTLs share %	46.27	40.63	37.04	36.04	37.70	31.84	41.25	32.94	33.66	27.04

Bookings:

-Industry	8,294	14,419	21,739	17,552	13,464	14,527	12,387	19,526	21,870	26,008
-AGTL	3,322	5,843	8,693	6,839	3,944	5,509	4,958	6,715	6,134	9,438
-AGTLs share %	40.10	40.50	40.00	39.00	29.30	37.90	40.00	34.40	28.00	36.30

Deletion Achieved

Model 480s	82%	82%	82%	82%	81%	81%	81%	79%	77%	71%
Model 640	74%	74%	74%	74%	74%	74%	71%	58%	56%	40%

VALUE IN RS. 000

Sale Revenue	1,717,094	2,264,748	2,029,937	1,749,255	1,700,645	869,590	1,376,778	1,369,485	1,417,737	1,042,293
Gross Margin	254,487	225,422	298,948	275,135	196,194	25,678	82,541	111,404	97,144	88,063
Profit/(Loss) before tax	186,034	171,893	259,859	166,191	102,521	(77,009)	9,065	6,278	18,594	17,420
Income tax paid	52,073	64,292	87,069	70,000	82,500	5,282	6,949	-	-	-
Profit/(Loss) after tax	133,961	107,601	172,790	96,191	90,021	(82,291)	2,116	6,278	17,949	17,420
Capital Expenditure	13,477	25,528	9,050	17,919	5,551	5,122	1,195	4,345	4,733	4,540
Dividend										
-Cash	40,554	36,867	28,359	13,613	6,188	-	-	6,187	10,313	8,250
-Percentage	50.00%	50.00%	50.00%	30.00%	15.00%			15.00%	25.00%	20.00%
-Stock	8,111	7,373	17,016	11,343	4,125	-	-	6,187	10,313	8,250
-Percentage	10.00%	10.00%	30.00%	25.00%	10.00%			15.00%	25.00%	20.00%
Earning/(loss) per share	8.26	7.30	15.23	10.60	10.91	(9.97)	0.26	0.76	2.18	2.11

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of Al-Ghazi Tractors Limited as at June 30, 1997 and the related profit and loss account and cash flow statement, 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 and, after due verification thereof, we report that:

(a) in our opinion, proper books of account 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 account and are further in accordance with accounting policies consistently applied except for changes as stated in notes 2.3, 2.5 and 2.7 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 and the cash flow statement, together with the notes forming part thereof, 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, 1997 and of the profit and the cash flows for the year then ended; and

(d) in our opinion Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

A.F. Ferguson & Co.
Chartered Accountants

Karachi: Oct 16, 1997

BALANCE SHEET AS AT JUNE 30, 1997

	Note	1997 (Rupees '000)	1996
SHARE CAPITAL AND RESERVES			
Share capital			
Authorised			
40,000,000 (1996: 20,000,000) ordinary shares of Rs 5 each		200,000	100,000
		=====	=====
Issued, subscribed and paid-up	4	81,108	73,735
Reserves	5	393,111	307,373
Unappropriated profit		4,140	3,844
		-----	-----
		478,359	384,952

LIABILITY AGAINST ASSETS SUBJECT TO FINANCE LEASES			
	6	-	995
PROVISION FOR GRATUITY		29,150	22,549
CURRENT LIABILITIES			
Current maturity of liability against assets subject to finance leases	6	839	2,927
Creditors, accrued and other liabilities	7	347,140	566,615
Taxation	8	5,435	
Dividend	9	41,013	37,171
		-----	-----
		394,427	606,713
CONTINGENT LIABILITY AND COMMITMENTS	10	-----	-----
		901,936	1,015,209
		=====	=====

	Note	1997	1996
		(Rupees '000)	
FIXED ASSETS			
Operating fixed assets	11	84,403	88,522
LONG-TERM LOANS AND ADVANCES	12	765	1,043
LONG-TERM DEPOSITS		575	1,013
DEFERRED TAXATION	13	15,702	-
CURRENT ASSETS			
Spares and loose tools	14	3,947	3,548
Stock-in-trade	15	448,646	277,252
Trade debts	16	2,234	3,460
Loans and advances	17	17,931	19,806
Shod-term dep':	18	5,353	9,754
Other receivables	19	7,841	10,557
Taxation		-	1,980
Shod-term investments - at cost	20	20,000	20,000
Cash and bank balances	21	294,539	578,274
		-----	-----
		800,491	924,631
		-----	-----
		901,936	1,015,209
		=====	=====

The annexed notes form an integral pad of these accounts.

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 1997**

	Note	1997	1996
		(Rupees '000)	
Sales	22	1,717,094	2,264,748
Cost of goods sold	23	1,462,607	2,039,326

Gross profit		254,487	225,422
Administration and general expenses	24	30,503	28,141
Selling and distribution expenses	25	32,711	29,711
Financial charges	26	3,438	7,674
		66,652	65,526
Operating profit		187,835	159,896
Other income	27	11,926	24,774
		199,761	184,670
Workers' profits participation fund		10,006	9,269
Workers' welfare fund		3,721	3,508
		13,727	12,777
Profit before taxation		186,034	171,893
Taxation - current		67,000	63,500
- prior year		775	792
- deferred		(15,702)	-
		52,073	64,292
Profit after taxation		133,961	107,601
Unappropriated profit brought forward		3,844	1,220
		137,805	108,821
Appropriations			
Transfer to general reserve		85,000	60,000
Reserve for issue of bonus shares		8,111	7,373
Tax thereon		-	737
		8,111	8,110
Interim dividend @ 15% (1996: 15%)		12,166	11,060
Proposed final dividend @ 35% (1996: 35%)		28,388	25,807
		133,665	104,977
		4,140	3,844
		=====	=====

The annexed notes form an integral part of these accounts.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 1997**

1997 1996

(Rupees '000)

CASH FLOW FROM OPERATING ACTIVITIES

Cash (used in) / generated from operations	32	(180,434)	401,502
Financial expenses paid		(2,165)	(1,325)
Taxes paid		(60,360)	(114,342)
Payment of gratuity		(665)	(1,001)

Net cash (out flow)/inflow from operating activities		(243,624)	284,834
--	--	-----------	---------

CASH FLOW FROM INVESTING ACTIVITIES

Fixed capital expenditure		(13,477)	(22,411)
Sale proceeds of fixed assets		3,644	1,425
Return/profit received		8,801	12,607
Decrease in long term loans, advances and deposits		716	194

Net cash outflow from investing activities		(316)	(8,185)
--	--	-------	---------

CASH OUTFLOW FROM FINANCING ACTIVITIES

Payment of liability against finance leases		(3,083)	(3,103)
Repayment of long-term loan		-	(2,863)
Dividend paid		(36,712)	(28,252)

Net (decrease) /increase in cash and cash equivalents		(283,735)	242,431
--	--	-----------	---------

Cash and cash equivalents at the beginning of the year		578,274	335,843
---	--	---------	---------

Cash and cash equivalents at the end of the year		294,539	578,274
---	--	---------	---------

=====	=====	=====	=====
-------	-------	-------	-------

The annexed notes form an integral part of these accounts.

NOTES TO THE ACCOUNTS**FOR THE YEAR ENDED JUNE 30, 1997****1. THE COMPANY AND ITS OPERATIONS**

AI-Ghazi Tractors Limited is a public company quoted on Karachi and Lahore stock exchanges. The Company is engaged in the manufacture and sale of agricultural tractors, implements and spare parts.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Accounting convention**

These accounts have been prepared under the historical cost convention.

2.2 Staff retirement benefits**(i) Staff gratuity**

The Company operates an unfunded gratuity scheme for all employees. Accrual is made annually to cover the period of service completed by the employees. However, gratuity is payable only on

completion of the prescribed qualifying period of service.

(ii) Provident fund

The Company operates a recognised provident fund scheme for its employees. Equal monthly contributions are made, both by the company and the employees, to the fund at the rate of 10% of basic salary.

2.3 Taxation

Provision for current taxation is based on taxable income at the applicable rates of taxation. The Company accounts for deferred taxation using liability method on all significant timing differences. Effective from the current year the company has decided to recognise deferred tax debit balance in the accounts. The recognition of deferred tax debit balance in the accounts would equate the tax charge on an annual basis. The effect of this change in accounting policy is given in note 3.

2.4 Warranties

Warranty expenses are recorded as and when claims are received.

2.5 Fixed assets and depreciation

Operating fixed assets are stated at cost less accumulated depreciation except freehold land and capital work-in-progress which are stated at cost.

From this year the company has changed the method of depreciation from reducing balance to straight line. The company has reassessed the remaining useful lives of its operating assets and considers that the net book values of its operating assets as at July 1, 1996 will be more appropriately written off over the remaining period of the useful lives under the straight line method. The effect of this change in accounting policy is given in note 3.

Leasehold land is amortized over the period of the lease. Depreciation on other assets is charged to income applying the straight line method. Full year's depreciation is charged in the year of acquisition and no depreciation is charged in the year of disposal.

Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalised and the assets so replaced. If any, are retired.

The company accounts for fixed assets acquired under finance leases by recording the asset and the related liability. These amounts are determined on the basis of discounted value of minimum lease payments. Financial charges are allocated to the accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged to income applying the straight line method.

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

2.6 Spares and loose tools

These are valued at the average cost. Items in transit are valued at invoice value plus other charges thereon.

2.7 Stock-in-trade

These are valued at lower of cost and net realisable value. Cost is determined on moving average method except for completely Knocked down (CKD) components and stock-in-transit.

Cost of CKD components is determined on first-in-first-out method. Cost of stock-in-transit comprises of invoice value plus other charges incurred thereon.

Cost of finished goods includes prime cost and appropriate portion of manufacturing expenses.

The trading stock of spare parts is valued on average cost basis.

Until last year cost of consumable stores was determined on the first-in-first-out method but from this year the company has adopted the moving average method. This change would simplify the procedures for determining consumption and valuation of inventory. The effect of this change in accounting policy is given in note 3.

Net realizable value signifies the estimated selling price in the ordinary course of business less cost necessarily to be incurred in order to make the sale.

	888	4,382
Less: Finance charge not due	49	460
	839	3,922
Less: Current maturity shown under current liabilities	839	2,927
	-	995
	=====	=====

This represents finance leases entered into with a leasing company for vehicles. The balance of liability is payable by April 1998 in quarterly installments.

Quarterly lease payments include finance charge of 23.40% per annum, which is used as discounting factor.

7. CREDITORS, ACCRUED AND OTHER LIABILITIES

	1997	1996
	(Rupees '000)	
Creditors	51,664	94,271
Bills payable	152,648	239,347
Sales tax payable	17,734	-
Accrued liabilities	55,658	55,272
Royalty	32,598	40,162
Mark up on running finance	9	-
Customers' credit balances	4,721	109,264
Deposits - others	6,443	5,522
Warranties	4,937	4,782
Workers' profits participation fund - note 7.1	11,096	10,341
Workers' welfare fund	3,721	3,508
Others	5,911	4,146
	-----	-----
	347,140	566,615
	=====	=====

7.1 Workers' profits participation fund

At the beginning of the year	10,341	15,050
Allocation for the year	10,006	9,269
	-----	-----
	20,347	24,319

Add: Interest on fund utilised in Company's business

	368	718
	-----	-----
	20,715	25,037

Less: Amount paid to:

The Trustees of the Fund	1,682	2,133
Deposited with the Government	7,937	12,563
	-----	-----
	9,619	14,696
	-----	-----
	11,096	10,341
	=====	=====

8. TAXATION

The income tax department has filed an appeal with the Lahore High Court against the order of the Income Tax Appellate Tribunal allowing the company a tax holiday period of 5 years which expired on March 31, 1990. Pending the decision of the High court in this matter the department has finalised the assessments up to assessment year 1996-97 (accounting year ended June 30, 1996) on the basis of Tribunal's findings.

The Commissioner of Income tax (CIT) has reopened the assessments for the assessment years 1991 - 92 through 1994-95 (accounting years ended June 30, 1991 through 1994) raising additional tax demands aggregating Rs 3.34 million by disallowing the tax on royalty paid by the company for these years. Appeals filed by the company against the orders of CIT are pending with the Income Tax Appellate Tribunal for these years. On the similar issue in deciding the appeals for assessment year 1995-96 and 1996-97 (accounting years ended June 30, 1995 and 1996) the Commissioner of Income Tax (Appeals) has deleted the tax demand of Rs. 2.16 million raised by the tax officer.

As the management is confident that ultimate decision will be in company's favour, no provision has been made in these accounts in respect of the additional tax liability of Rs 3.34 million.

9. DIVIDEND

	1997	1996
	(Rupees '000)	
Dividend payable	12,166	11,060
Proposed dividend	28,388	25,807
Unclaimed dividend	459	304
	-----	-----
	41,013	37,171
	=====	=====

10. CONTINGENT LIABILITY AND COMMITMENTS

10.1 Contingent liability

Post-dated cheques to Collector of Customs as a security against the concessional rate of duty amounted to Rs 74.98 million (1996: Rs 6.48 million).

10.2 Commitments

Commitments for capital expenditure outstanding at June 30, 1997 amounted to approximately Rs 3.94 million (1996: Rs 257 thousand).

11. FIXED ASSETS

(a) The following is a statement of operating fixed assets:

Cost as at July 1, 1996	Addi- tions/ *trans- fers/ (dele- tions)	Cost as at June 30, 1997	Accumu- lated depre- ciation as at July 1, 1996	Depre- ciation for the year/on *trans- fers/on (dele- tions)	Accumu- lated depre- ciation as at June 30, 1997	Written down value as at June 30 1997	Rate of depre- cia- tion %
----------------------------------	---	-----------------------------------	---	---	--	---	---

(Rupees '000)

Freehold land	3,854	-	3,854	-	-	-	3,854	-
Leasehold land	831	-	831	97	9	106	725	-
Factory buildings on freehold land	30,775	323	31,098	18,792	777	19,569	11,529	2.5
Other buildings on freehold land -	25,038	12	25,050	8,680	626	9,306	15,744	2.5
on leasehold land	5,228	-	5,228	876	131	1,007	4,221	2.5
Plant and machinery	46,138	3,437	49,575	29,506	4,957	34,463	15,112	10
Furniture, fixtures and equipments	16,358	3,692 (1,074)	18,976	6,695	2,388 (713)	8,370	10,606	10-33
Vehicles	13,725	4,502 *7,338 (711)	24,854	4,225	4,971 *3,383 (336)	12,243	12,611	20
Electrical installations	11,083	411 (258)	11,236	6,149	1,124 (181)	7,092	4,144	10
Factory equipment and tools	9,933	1,100	11,033	5,161	1,103	6,264	4,769	10
Assets held under finance leases - vehicles	10,823	- *(7,338)	3,485	5,083	697 *(3,383)	2,397	1,088	20
1997	173,786	13,477 (2,043)	185,220	85,264	16,783 (1,230)	100,817	84,403	
1996	149,108	25,528 (850)	173,786	74,970	10,767 (473)	85,264	88,522	

An independent professional valuation of land and buildings carried out in April 1995 revealed an aggregate value of Rs 134.82 million. The surplus of Rs 102.79 million over the written down value as at June 30, 1995 has not been considered in these accounts.

(b) Following are the details of fixed assets disposed of:

	Cost	Accumu- lated depre- ciation (Rupees '000)	Book value	Sale pro- ceeds	Mode of sale	Particulars of purchaser
VEHICLES						
Car	15	3	12	62	Company Policy	Mr. Maqsood A. Khan Executive

	15	3	12	63	-do-	Mr. Shahid Ikram Ex-Executive
	16	3	13	63	-do-	Mr. A. K. Baloch Executive
	64	23	41	211	-do-	Mr. M. Zafar Malick Executive
	170	100	70	70	-do-	Mr. Nawaz Rana Ex-Executive
	60	12	48	244	-do-	Mr. Zain A. Naqvi Executive
	60	12	48	244	-do-	Mr. Saleem Adil Executive
	64	23	41	310	Tender	Mr. S.M. Siddiqui C-361, Block-6 F. B. Area, Karachi
Car 4WD	24	14	10	71	Company Policy	Mr. Ejaz Ali Executive
	15	10	5	153	Tender	Mr. Hakim Khan 68 Block A, Sher Shah Karachi
	18	12	6	154	-do-	-do-
	19	15	4	168	-do-	-do-
	18	11	7	208	-do-	Mr. Muhammad Akbar Khan 63/F Jahangir West Karachi-5
	19	15	4	186	-do-	Mr. Shaukat Ali C/o All Motors Qazi Abdul Qayoom Road Gari Khata, Hyderabad
	18	11	7	188	-do-	-do-
	19	11	8	176	-do-	Mr. Mohammad Altaf C/o Auto Excele Ponawala Tower Islamia College Road Karachi
	19	15	4	178	-do-	Mr. Iqbal Ahmad Mirajkar C-15 Shangrila Apartments 20, Dr. Ziauddin Ahmed Road, Civil Lines, Karachi
	Cost	Accumu- lated depre- ciation (Rupees '000)	Book value	Sale pro- ceeds	Mode of sale	Particulars of purchaser
Van	18	4	14	161	Tender	Mr. Kausar All Shah 26-D, UBL Flats, Garden East Nishtar Road, Karachi.
Pickup	12	2	10	116	-do-	Mr. Mohammad Ramzan Flat No.1, Abdullah Manzil Walli Road, Soldier Bazar Karachi.
Motor Cycle	24	19	5	37	-do-	Qazi Muhammad Aijazuddin House No. 325, Area 37/C

Street No. 22, Landhi No. 3
 Karachi.
 Mr. Abu Bakar
 C/o Rasool Bux Cycle
 Workers, Chakiwara
 Saeedabad, Karachi.

24 18 6 36 -do-

**FURNITURE,
 FIXTURES AND
 EQUIPMENTS**

Furniture	92	23	69	81	Company Policy	Mr. Shahid Ikram Ex-Executive
	113	113	-	11	-do-	Mr. Saleem Adil Executive
	42	11	31	36	-do-	Mr. Masroor Bukhari Ex-Executive
	114	114	-	11	-do-	Mr. M. Zafar Malick Executive
	113	113	-	11	-do-	Mr. Zain A. Naqvi Executive
	158	158	-	16	-do-	Mr. Parvez All Chief Executive
	92	6	86	86	-do-	Mr. Nawaz Rana Ex- Executive
	92	32	60	60	-do-	Mr. Abid Hassan Executive
	92	32	60	60	-do-	Mr. Malik Dost Mohammad Executive

**ELECTRICAL
 INSTALLATIONS**

Refrigerator	12	7	5	7	-do-	Mr. Munir Ahmed Employee
	-----	-----	-----	-----		
	1,631	945	686	3,478		
Items having written down value below Rs. 5,000 each	412	285	127	166		
	-----	-----	-----	-----		
	2,043	1,230	813	3,644		
	=====	=====	=====	=====		

12. LONG-TERM LOANS AND ADVANCES - considered good

1997 1996
(Rupees '000)

Loans to		
- Executives	66	72
- Employees	699	573
	-----	-----
	765	645
Advances to	-----	-----
- Chief executive	-	216

- Executives	-	182
	-----	-----
	-	398
	-----	-----
	765	1,043
	=====	=====

The loans under the schemes have been provided to the executives and employees of the Company to facilitate purchase of vehicles and domestic appliances and are repayable over a period of eighteen months to five years.

The motor vehicle loans, repayable over a period of five years, are secured by joint registration of vehicles in the name of employee and the company. The loans repayable over a period of eighteen months to three years are secured against provident fund account balances.

Aggregate amount outstanding for period exceeding three years is Rs 22 thousand (1996: Rs 151 thousand).

The maximum amount of loans and advances to chief executive and executives of the Company at the end of any month during the year was Rs 0.51 million and Rs. 0.82 million respectively (1996: Rs 0.65 million and Rs 1.01 million respectively).

13. DEFERRED TAXATION

1997
(Rupees '000)

Debit balances arising on account of provisions made for:

Staff gratuity	8,745
Royalty	8,353
Other receivables	167

	17,265

Credit balance arising due to accelerated tax depreciation allowances

	1,563

	15,702
	=====

14. SPARES AND LOOSE TOOLS

1997 **1996**
(Rupees '000)

Spares	3,787	3,281
Loose tools	160	267
	-----	-----
	3,947	3,548
	=====	=====

15. STOCK-IN-TRADE

1997 **1996**
(Rupees '000)

Raw materials and components - including in transit Rs 50.28 million (1996: Rs 82.63 million)	345,734	271,645
Finished goods - tractors	96,356	320
Trading stock - spare parts and implements	6,556	5,287

-----	-----
448,646	277,252
=====	=====

Raw materials, components and finished goods include stock amounting to Rs 7.97 million (1996: Rs. 17.75 million) lying with suppliers and dealers.

16. TRADE DEBTS - considered good

Secured	624	964
Unsecured		
	1,610	2,496
	-----	-----
	2,234	3,460
	=====	=====

17. LOANS AND ADVANCES

Considered good		
Chief executive	448	504
Executives	1,858	1,759
Employees	3,599	3,456
Suppliers for goods and services	12,026	14,087
Considered doubtful	555	555
	-----	-----
	18,486	20,361
Less: Provision there against	555	555
	-----	-----
	17,931	19,806
	=====	=====

The maximum amount due from the chief executive and executives of the Company at the end of any month during the year was Rs 0.49 million and Rs 1.79 million respectively (1996: Rs 0.88 million and Rs 2.24 million respectively).

18. SHORT-TERM DEPOSITS AND PREPAYMENTS

Deposits	348	781
Prepayments	5,005	8,973
	-----	-----
	5,353	9,754
	=====	=====

1996	1997
(Rupees '000)	

19. OTHER RECEIVABLES

Octroi receivable	3,178	3,175
Accrued mark-up	1,375	3,469
Claims receivable	3,150	3,611
Others	138	302
	-----	-----
	7,841	10,557
	=====	=====

20. SHORT TERM INVESTMENTS

The company has invested in certificates of investment with a leasing company.

21. CASH AND BANK BALANCES

With banks and financial institutions		
- on current accounts including collection accounts Rs 111.97 million (1996: Rs 218.72 million)	113,182	234,193
- on deposit accounts	156,933	164,722
In hand		
- demand drafts	24,222	178,882
- cash	202	42
In transit	-	435
	-----	-----
	294,539	578,274
	=====	=====

22. SALES

Manufactured goods	1,713,023	2,267,709
Less: Commission	14,212	19,460
	-----	-----
	1,698,811	2,248,249
Trading goods	18,283	16,499
	-----	-----
	1,717,094	2,264,748
	=====	=====

23. COST OF GOODS SOLD

	1997	1996
	(Rupees '000)	
Manufactured goods		
Raw materials and components consumed	1,405,717	1,884,502
Salaries, wages and benefits- note 23.1	56,317	50,899
Royalty	27,844	35,980
Stores and supplies	21,678	26,139
Insurance	1,248	1,254
Depreciation	10,960	6,572
Lease rentals	-	137
Fuel, power and electricity	7,098	6,666
Travelling, vehicle running and entertainment	3,886	3,863
Repairs and maintenance	3,915	4,396
Rent, rates and taxes	1,263	1,200
Communication	1,607	1,489
Printing and stationary	633	682
Legal and professional charges	129	187
Other - note 23.2	1,690	1,826
	-----	-----
Cost of goods manufactured	1,543,985	2,025,792
Opening stock of finished goods	320	563
Closing stock of finished goods	(96,356)	(320)
	-----	-----
	1,447,949	2,026,035
Trading goods	-----	-----
Opening stock	5,287	8,601
Purchases	13,222	9,772
Internal receipts	2,705	205
	-----	-----

	21,214	18,578
Closing stock	(6,556)	(5,287)
	-----	-----
	14,658	13,291
	-----	-----
	1,462,607	2,039,326
	=====	=====

23.1 Salaries and wages include Rs 6.11 million (1996: Rs 3.66 million) in respect of staff retirement benefits.

~:~

23.2 Donations Rs 10 thousand (1996: Rs 14 thousand) are included under "other expenses". None of the directors or their spouses had any interest in the donee.

24. ADMINISTRATION AND GENERAL EXPENSES

1997 1996
(Rupees '000)

Salaries, wages and benefits-note 24.1	17,277	15,135
Travelling, vehicle running and entertainment	3,707	3,360
Rent, rates and taxes	1,849	1,565
Repairs and maintenance	396	1,038
Electricity	170	150
Communication	1,420	1,605
Printing and stationery	871	1,251
Auditors' remuneration - note 24.2	415	260
Legal and professional charges	225	234
Depreciation	2,916	1,772
Lease rentals	-	663
Provision for doubtful receivables	-	376
Insurance	34	22
Other	1,223	710
	-----	-----
	30,503	28,141
	=====	=====

24.1 Salaries and wages include Rs 1.74 million (1996: Rs 1.04 million) in respect of staff retirement benefits.

24.2 Auditors' remuneration

Audit fee	250	200
Advisory services, free reserves, export of bonus shares and certification of dividend and royalty remittances	101	22
Out of pocket expenses	29	22
Central and provincial excise duty	35	16
	-----	-----
	415	260
	=====	=====

25. SELLING AND DISTRIBUTION EXPENSES

Salaries, wages and benefits - note 25.1	17,280	15,746
Travelling and vehicle running	3,453	3,110
Rent, rates and taxes	478	304

Repairs and maintenance	228	586
Electricity	520	426
Communication	2,620	2,025
Printing and stationery	502	709
Free after sales service	1,061	1,164
Publicity	1,677	779
Warranty	284	160
Freight outward	188	360
Depreciation	2,907	2,423
Lease rentals	-	24
Entertainment	278	288
Insurance	106	96
Dealers' convention	795	1,261
Other	344	250
	-----	-----
	32,711	29,711
	=====	=====

Salaries and wages include Rs 1.81 million (1996: Rs 0.89 million) in respect of staff retirement benefits.

1996 1996
(Rupees '000)

26. FINANCIAL CHARGES

Interest		
on long-term loan	-	193
on workers' profits participation fund	368	718
Mark-up on running finance	1,763	31
Interest on provident fund	53	147
Bank charges, commission and excise duty on borrowings	843	992
Exchange loss	-	4,492
Finance lease charges	411	1,101
	-----	-----
	3,438	7,674
	=====	=====

27. OTHER INCOME

Return on deposits	4,750	10,183
Return on certificates of investment	1,134	2,034
Interest on vendors' loans	823	993
Trading discount received	68	425
Liabilities no longer payable written back	819	7,929
Provision for bad debts written back	4	896
Scrap sales	1,239	1,230
Profit on sale of fixed assets	2,831	1,048
Exchange gain	228	-
Sundries	30	36
	-----	-----
	11,926	24,774
	=====	=====

28. REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	Chief Executive		Directors		Executives		Total	
	1997	1996	1997	1996	1997	1996	1997	1996
	(Rupees '000)							
Managerial remuneration	1,444	1,140	162	833	10,253	7,729	11,859	9,702
Rent	371	297	-	123	2,640	2,037	3,011	2,457
Utilities	83	51	-	14	590	334	673	399
Retirement benefits	237	161	-	25	1,780	1,027	2,017	1,213
Medical expenses	34	37	-	22	466	330	500	389
Leave. passage	77	60	-	-	551	353	628	413
Vehicle running	-	-	-	-	343	80	343	80
Other expense	11	9	15	20	26	28	52	57
	-----	-----	-----	-----	-----	-----	-----	-----
	2,257	1,755	177	1,037	16,649	11,918	19,083	14,710
	=====	=====	=====	=====	=====	=====	=====	=====
Number of persons	1	1	1	2	36	27	38	30
	=====	=====	=====	=====	=====	=====	=====	=====

The chief executive, director and certain executives are also provided with free use of the company maintained cars.

29. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

The aggregate amount of the company's purchases from associated under-takings of goods and services during the year amounted to Rs 25.18 million (1996: Rs 81.62 million).

30. FINANCING ARRANGEMENTS

The facilities for running finance available from various banks amounted to Rs 310 million (1996: Rs. 380 million). The rates of mark-up range between Re 0.47 to Re 0.48 per Rs 1,000 per day.

The arrangements are secured by joint hypothecation of stock-in-trade, spares and book debts.

The facilities for opening letters of credit and guarantees amounted to Rs 580 million (1996: Rs 425 million) of which Rs 387.62 million (1996: Rs 116.69 million) remained unutilised as at June 30, 1997.

31. PLANT CAPACITY AND PRODUCTION

	1997	1996
	Units	Units
Plant capacity	15,000	15,000
Actual production	4,939	6,617

The production during the year was sufficient to meet the orders.

32. CASH FLOW FROM OPERATING ACTIVITIES

1997 1996
(Rupees '000)

Profit before taxation	186,034	171,893
Add/(less) adjustment for non-cash charges and other items		
Depreciation	16,783	10,767
Profit on sale of fixed assets	(2,831)	(1,048)
Provision for gratuity	7,266	3,399
Financial expenses	2,174	1,325
Return / Profit earned	(6,707)	(13,210)
	-----	-----
Profit before working capital changes	202,719	173,126

EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES

(Increase) / Decrease in current assets

Spares and loose tools	(399)	(230)
Stock in trade	(171,394)	(8,969)
Trade debts	1,226	107
Loans and advances	1,875	(568)
Trade deposits and short-term prepayments	4,401	(707)
Other receivable	622	1,236
Shod term investments	-	(10,000)
	-----	-----

(Decrease) / Increase in current liabilities

Creditors, accrued and other liabilities	(163,669)	(19,131)
	-----	-----
Cash (used in) / generated from operations	(180,434)	401,502
	=====	=====

33. CORRESPONDING FIGURES

Previous year's figures have been rearranged, wherever necessary, for the purposes of comparison.

PATTERN OF SHAREHOLDINGS AS AT JUNE 30, 1997

Number of Share holders	Size of Shareholding Rs. 5 each		Total Shares held
398	from	1 to 100	Shares 16,302
339	from	101 to 500	Shares 77,254
304	from	501 to 1,000	Shares 192,669
213	from	1,001 to 5,000	Shares 460,794
33	from	5,001 to 10,000	Shares 241,773
14	from	10,001 to 15,000	Shares 172,896
4	from	15,001 to 20,000	Shares 74,398
4	from	20,001 to 25,000	Shares 91,719
3	from	25,001 to 30,000	Shares 85,043
1	from	30,001 to 35,000	Shares 33,000
4	from	35,001 to 40,000	Shares 145,750
1	from	40,001 to 45,000	Shares 42,900
1	from	45,001 to 50,000	Shares 48,763

1	from	50,001	to	55,000	Shares	51,150
1	from	55,001	to	60,000	Shares	57,268
1	from	60,001	to	65,000	Shares	62,733
1	from	90,001	to	95,000	Shares	90,178
1	from	110,001	to	115,000	Shares	114,103
1	from	135,001	to	140,000	Shares	137,500
1	from	155,001	to	160,000	Shares	157,102
1	from	170,001	to	175,000	Shares	171,600
1	from	275,001	to	280,000	Shares	277,632
1	from	810,001	to	815,000	Shares	811,075
1	from	1,025,001	to	1,030,000	Shares	1,029,627
1	from	4,115,001	to	4,120,000	Shares	4,116,415
1	from	7,460,001	to	7,465,000	Shares	7,461,918
-----						-----
1332						16,221,562
=====	=====	=====	=====	=====	=====	=====

Categories of Shareholders

Number of Shareholders

	Number of Shareholders	Shares held	Percentage
Individuals	1296	1,665,291	10.26
Investment Companies	15	4,575,496	28.21
Insurance Companies	4	1,391,329	8.58
Joint Stock Companies	3	313	0.00
Financial Institutions	4	103,608	0.64
Modaraba Companies	3	12,289	0.08
Foreign Investors	7	8,473,236	52.23
-----			-----
TOTAL	1,332	16,221,562	100.00
=====			=====