

Annual Report 1996

ASIAN STOCK FUND LTD.

302 Clifton Centre, Main Clifton Road, Clifton, Karachi - 75600
Pakistan. Ph: 5863561. Fax: (92-21) 5863562

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Ismail Abdul Shakoor.
Mr. Farooq Ismail.
Mr. Shabbir Ismail.
Mr. Zaigham Mehmood Rizvi.
Mr. Jamil Ahmed Siddiqi.
Ms. Farzana Ismail.
Mr. Iqbal Sumar.

CHIEF EXECUTIVE

Mr. Ismail Abdul Shakoor.

COMPANY SECRETARY

Mr. Jamil Ahmed Siddiqi.

MANAGEMENT COMPANY

Asian Capital Management (Pvt.) Limited.

BANKERS

Union Bank Limited.
Muslim Commercial Bank Limited.
National Bank of Pakistan.

AUDITORS

M/s. Yousuf Adil & Co.
Chartered Accountants.

LEGAL ADVISERS

M/s. Mohsin Tayebaly & Co.

REGISTERED OFFICE

302, Clifton Centre,
Khayaban-e-Roomi,
Main Clifton Road,
Karachi.

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Second Annual General Meeting of Asian Stocks Fund Limited will be held on Tuesday, 24th December, 1996 at 3.00 p.m. at Hotel Holiday-Inn Crown Plaza (formerly Taj Mahal Hotel) Karachi, to transact the following business:

To confirm the Minutes of the First Annual General Meeting held on 25th November, 1995.

To receive, consider and adopt the Audited Accounts together with the Directors' and Auditors' Report for the period ended 30th June, 1996.

To appoint Auditors of Company and to fix their remuneration. The present Auditors, Messrs Yousuf Adil & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.

To transact such other business as may be placed before the meeting with the permission of the Chair.

By order of the Board
Company Secretary

Karachi: 14th November, 1996.

Notes:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him/her at the meeting. Proxies must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting. A proxy must be a member.

2. The Share Transfer Books of the Company will remain closed from 16th December, 1996 to 23rd December, 1996 (Both days inclusive).

3. The shareholders are advised to notify Shares Department, Asian Stocks Fund Limited, 302 Clifton Centre, Main Clifton Road, Karachi, of any change in their addresses to ensure prompt delivery of mail. Any shares for transfer etc. should be lodged with the Shares Department, Asian Stocks Fund Limited.

DIRECTORS' REPORT

The Directors are pleased to present the Second Annual Report of the Fund to the shareholders, for the period ended June 30, 1996.

The period under review witnessed another year of continued depression in the capital market. The bearish trend is attributed to political instability, decline in industrial production, macro-economic imbalances and inefficiencies. The KSE index stood at 1703.06 points as on 30-06-1996 as against 1612.00 points the previous year. The market is in the continuous grip of the long recession. The index has been gradually sliding down, with small bands of oscillation. The main trading activity however remained confined to five high cap and liquid shares.

The relief package announced by the then Government for the textile industry could not be of much help to it. This sector, which once used to be trend setter on the stock market, continued to suffer because of various negative factors and textile share prices continued to decline. Similarly the cement sector remained depressed due to over supply and stiff competition whereas the synthetic sector had to compete with imports. The profitability of cement sector had also suffered due to impact of budget.

The performance of Mutual Funds also remained marred due to imposition of various kinds of taxes on this industry which defies the basic logic of neutrality between investment made by an individual and a Mutual Fund. Due to this problem, the profitability of Mutual Funds has suffered a set back. The Mutual Funds are currently being traded at substantial discounts to their Net Asset Values. The Mutual Funds Association of Pakistan has decided to make available to the investors on regular basis the Net Asset Values (NAV) of its members (Mutual Funds). We believe, the disclosure of Net Asset Values will help restore the confidence of investors in the Mutual Funds since the Net Asset Values are generally higher than the share prices being quoted on the Stock Exchanges. This development is likely to enhance the trading activity as well as appreciation in the values of shares of Mutual Funds.

The Management is pleased to mention that inspite of this continued bearish spell in the market, which started in the last quarter of 1994 and still persisting, the performance of your Fund has been much better than the market's performance. For instance your Fund came into existence in November, 1994 when the News-MCB composite index stood at 1000, while the same index as on June 30, 1996 stood at 500, thus showing a 50% diminution in the index based shares. During the same period, the NAV of your Fund has fallen by only 13.5% i.e. the NAV as on 30-06-1996 stood at Rs. 8.66 per share. The Management has been able to outperform the market due to judicious switching over of decisions and buying/selling opportunities in attractive scrips. The Management feels comfortable that its portfolio has now been turned into strong shares which contains promises of an upward trend once the market takes a positive turn. We hope that the next year will be a good year in the market.

AUDITORS:

The present auditors, M/s. M. Yousuf Adil & Co., Chartered Accountants, are due for retirement and being eligible, offer themselves for reappointment for the financial year 1996-97.

For and on behalf of the Board.

Ismail A. Shakoor
Chief Executive

Karachi: 14th November 1996

PATTERN OF HOLDING OF SHARES HELD BY

THE SHAREHOLDERS

As At June 30, 1996

Serial Number	No. of Sharehold	Share Holding		Total Shares Held
		From	To	
1	1,997	101	500	998,500
2	71	501	1000	71,000
3	56	1001	5000	180,000
4	11	5001	10000	96,000
5	1	10001	15000	15,000
6	5	15001	20000	95,500
7	2	20001	25000	50,000
8	7	25001	30000	206,500
9	18	35001	40000	718,000
10	4	45001	50000	200,000
11	1	135001	140000	135,500
12	1	195001	200000	200,000
13	3	245001	250000	750,000
14	2	435001	440000	871,000

15	1	585001	590000	585,500
16	1	695001	700000	700,000
17	1	995001	1000000	1,000,000
18	1	1195001	1200000	1,200,000
19	1	1925001	1930000	1,927,500
-----				-----
		2,184		10,000,000
=====				=====

CATEGORIES OF SHAREHOLDERS

Categories of Shareholders	Shares		
	Number	Held	Percentage
Individuals	2172	2,630,500	26.30
Investment Companies	2	1,135,500	11.36
Joint Stock Companies	4	4,713,000	47.13
Financial Institutions	5	1,385,500	13.86
Modaraba Companies	1	135,500	1.35

	2184	10,000,000	100.00
=====			

AUDITORS' REPORT TO THE MEMBERS

We have examined the annexed balance sheet of Asian Stocks Fund Limited as at June 30, 1996 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 then ended. Our examination was made in accordance with the generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances and we state that we have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purpose of the 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, and Rule 16 of the Investment Companies and Investment Adviser's Rules, 1971;

(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 in accordance with the provisions of Investment Companies and Investment Adviser's Rule, 1971 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;

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

(iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the investment policy of the Company and Investment Companies and Investment Adviser's Rule, 1971; and

(iv) the company has not contravened the provisions of Rule 8 of the Investment Companies and Investment Adviser's Rules, 1971; and

(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 statement of changes in financial position (Cash Flow Statement) together with notes forming part thereof, give the information required by the Companies Ordinance, 1984 and Investment Companies and Investment Adviser's Rule, 1971 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, 1996 and of the loss and changes in the financial position for the year ended on that date;

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

M. YOUSUF ADIL & CO.,
CHARTERED ACCOUNTANTS

Karachi: 10th November, 1996

BALANCE SHEET

As At June 30, 1996

SHARE CAPITAL	Note	1996	1995
		Rupees	Rupees
Authorised			
10,000,000 Ordinary shares of Rs. 10/- each		100,000,000	100,000,000
=====			

Issued, subscribed and paid up 10,000,000 Ordinary shares of Rs. 10/- each fully paid in cash		100,000,000	100,000,000
Accumulated Loss		(13,418,889)	(13,090,949)
		-----	-----
		86,581,111	86,909,051
DEFERRED EXPENDITURE PAYABLE	3	2,767,981	3,578,121
CURRENT LIABILITIES			
Current maturity of deferred expenditure payable		810,140	472,582
Due to Investment Adviser - an associated undertaking	4	2,021,588	1,997,444
Accounts payable, accrued expenses and other liabilities	5	58,463	12,829,745
Taxation		185,560	123,560
		-----	-----
		3,075,751	15,423,331
		-----	-----
		92,424,843	105,910,503
		=====	=====
DEFERRED EXPENDITURE	6	2,767,981	3,578,121
CURRENT ASSETS			
Marketable securities	7	56,862,735	61,077,843
Accounts receivable - Considered good		17,988,528	3,801,000
Advance income tax		450,594	257,273
Profit / dividend receivable - Considered good		258,882	1,166,114
Bank balances:			
In current account		5,641	375
In special deposits account		14,090,482	36,029,777
		-----	-----
		89,656,862	102,332,382
		-----	-----
		92,424,843	105,910,503
		=====	=====

The annexed notes from 1 to 10 form an integral part of these accounts.

PROFIT AND LOSS ACCOUNT

For The Year Ended June 30, 1996

		Dec. 13, 1994 to June 30, 1995	
	Note	1996 Rupees	1995 Rupees
Income			
Dividend		1,231,121	818,027
Return on deposits and certificates		1,019,354	3,134,141
Loss on dealing in securities	8	(66,465)	(3,893,043)
		-----	-----
		2,184,010	59,125
Expenditure			
Remuneration to Investment Adviser	(4.1)	1,766,961	1,773,654
Custodian charges		503,017	245,000
Amortization of deferred expenditure		810,140	472,582
Listing fees		32,500	-
Audit fees		25,000	15,000
Financial charges		376,200	226,601
Others		3,500	-
		-----	-----
		3,517,318	2,732,837
		-----	-----
Loss for the year		(1,333,308)	(2,673,712)

Reversal / (Provision) for diminution in value of marketable securities	1,067,368 (10,293,677)

Loss before taxation	(265,940) (12,967,389)
Provision for taxation	(62,000) (123,560)

Loss for the year after taxation	(327,940) (13,090,949)
Accumulated (loss) brought forward	(13,090,949) -

Accumulated (loss) carried forward	(13,418,889) (13,090,949)
	=====

The annexed notes from I to 10 form an integral part of these accounts.

STATEMENT OF CHANGES IN FINANCIAL POSITION

CASH FLOW STATEMENT

For The Year Ended June 30, 1996

	1996	1995
	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES		
(Loss) before taxation	(265,940)	(12,967,389)
Adjustment for items not involving movement of funds:		
Amortization of deferred expenditure	810,140	472,582
Provision for diminution in value of marketable securities	(1,067,368)	(10,293,677)
	-----	-----
	(257,228)	10,766,259
	-----	-----
Operating loss before working capital changes	(523,168)	(2,201,130)
EFFECT ON CASH FLOW DUE TO WORKING CAPITAL CHANGES		
(Increase) / decrease in current assets		
Marketable securities	5,282,476	(71,371,520)
Accounts receivable	(14,187,528)	(8,801,000)
Profit / Dividend receivable	907,232	(1,166,114)
	-----	-----
	(7,997,820)	(76,338,634)
	-----	-----
Increase / (decrease) in current liabilities		
Accounts payable, accrued and other liabilities	24,144	1,997,444
	(12,771,282)	(12,829,745)
	-----	-----
	(12,747,138)	(14,827,189)
	-----	-----
Cash used in operations	(21,268,126)	(63,712,575)
Taxes paid	(193,321)	(257,273)
	-----	-----
Net cash used in operating activities	(21,461,447)	(63,969,848)
	-----	-----
B. CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of Share Capital	-	100,000,000
Deferred liability repaid	(472,582)	-
	-----	-----
Net cash from financing activities	(472,582)	100,000,000
	=====	=====
Net (decrease)/increase in cash and cash equivalents	(21,934,029)	(36,030,152)
Cash and cash equivalents at the beginning of year	36,030,152	-
	-----	-----
Cash and cash equivalents at the end of the year	14,096,123	36,030,152
	=====	=====

NOTES TO THE ACCOUNTS

For The Year Ended June 30, 1996

1. STATUS AND NATURE OF BUSINESS

1.1 The Company was incorporated on June 13, 1994, as a Public Company Limited by shares under the Companies Ordinance, 1984 and has been registered as an Investment Company under the Investment Companies and Investment Adviser's Rules, 1971. The company is listed on Karachi, Lahore and Islamabad Stock Exchanges.

It is a closed end mutual fund with an object to invest its assets in securities.

1.2 The fund has been approved by Corporate Law Authority under the Investment Companies and Investment Adviser's Rules, 1971.

1.3 Asian Capital Management (Pvt.) Limited are the approved Investment Adviser and Union Bank Limited are the approved custodian of the company.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

2.2 Deferred Expenditure

These are amortized over a maximum period of five years from the year of deferrment.

2.3 Taxation

The charge for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any.

The company accounts for deferred taxation arising on major timing differences, if any, by using the liability method.

2.4 Marketable Securities

These are valued at lower of moving average cost and market value on an aggregate portfolio basis.

2.5 Revenue Recognition

Sales and purchases of securities are recorded on the date of the execution of contract. Gains and losses on the sale of securities are accounted for in the year in which they arise.

Dividend income is recognised at the time of closure of share transfer books of the company declaring dividend and is recorded net off Zakat.

Return on bank deposits and certificates of investment is recognised on accrual basis.

3. DEFERRED EXPENDITURE PAYABLE

	1996	1995
	Rupees	Rupees
Opening Balance	4,050,703	-
Expenditure incurred during the year	-	4,050,703
	-----	-----
	4,050,703	4,050,703
Paid during the year	472,582	-
Payable within one year shown under current liabilities	810,140	472,582
	-----	-----
	(1,282,722)	(472,582)
	-----	-----
	2,767,981	3,578,121
	=====	=====

The expenditure incurred on the incorporation and floatation of Asian Stocks Fund Limited has been paid by the Asian Capital Management (Pvt.) Limited, the Investment Adviser. These expenses are to be repaid to Asian Capital Management (Pvt.) Limited over a period of five years in equal annual instalments. It is subject to interest at the rate of 10% per annum.

4. DUE TO INVESTMENT ADVISER

Two percent of net assets (4.1)	1,766,961	1,773,654
Interest / payable on deferred expenditure	365,689	223,790
	-----	-----
	2,132,650	1,997,444
Less: Due from Investment Adviser	(111,062)	-
	-----	-----

2,021,588 1,997,444
=====

4.1 The remuneration of the Investment Adviser is payable at the rate of 2% of the net assets of the company for the first five years of the investment company's existence and thereafter at the rate of 1% of the net assets of the company in terms of clause 11 (a) of the Investment Companies and Investment Adviser's Rules, 1971. The remuneration for the year has been determined as under.

	1996	1995
	Rupees	Rupees
ASSETS		
Deferred expenditure	2,767,981	3,578,121
Marketable securities	56,862,735	61,077,843
Accounts receivable	17,988,528	3,801,000
Advance income tax	450,594	257,273
Profit / dividend receivable	258,882	1,166,114
Receivable from Investment Adviser	111,062	-
Bank Balance	14,096,123	36,030,152
	-----	-----
	92,535,905	105,910,503
LIABILITIES		
Deferred expenditure payable	2,767,981	3,578,121
Current portion of deferred liability	810,140	472,582
Interest on deferred expenditure	365,689	223,790
Accounts payable, accrued and other liabilities	58,463	12,829,745
Taxation	185,560	123,560
	-----	-----
	(4,187,833)	(17,227,798)
	-----	-----
Net Assets	88,348,072	88,682,705
	-----	-----
2% of net assets	1,766,961	1,773,654
	=====	=====

5. ACCOUNTS PAYABLE, ACCRUED AND OTHER LIABILITIES

Accounts payable	1,943	12,793,093
Accrued expenses	25,000	15,000
Others	31,520	21,652
	-----	-----
	58,463	12,829,745
	=====	=====

6. DEFERRED EXPENDITURE

Preliminary expenses	621,642	621,642
Share issue expenses	3,429,061	3,429,061
	-----	-----
	4,050,703	4,050,703
Amortization		
Upto last year	472,582	-
During the year	810,140	472,582
	-----	-----
	(1,282,722)	(472,582)
	-----	-----
	2,767,981	3,578,121
	=====	=====

7. MARKETABLE SECURITIES

All the holdings are in fully paid ordinary shares / certificates of Rs. 10/- each, except where stated otherwise:

	No. of Shares		
Opening Balance	Purchase	Bonus	Sales

MUTUAL FUNDS

ICPS.E.M.F	24000	26,000	0	24000
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MODARABAS

L.T.V. Capital Modaraba (Rs. 5/-)	25700	360,000	0	385700
1st Equity Modaraba	62500	0	0	0
1st Grindlays Modaraba	6000	0	0	6000
B.R.R. Capital Modaraba	3000	0	0	3000
B.R.R. 2nd Modaraba	26300	0	0	8000
Equity International Modaraba	125000	0	0	0
First Interfund Modaraba	130500	29,500	0	0
First Fidelity Leasing Modaraba	32700	7,300	0	0
Trust Modaraba	0	200,000	0	0

LEASING COMPANIES

Union Leasing Ltd.	45000	16,900	0	0
Pakistan Industrial Leasing Corp. Ltd.	20000	0	0	20000
First Leasing Corp. Ltd.	11000	0	0	11000
Askari Leasing Ltd.	23500	23,500	0	47000
English Leasing Ltd.	500	0	0	500
National Development Leasing Corp. Ltd.	100000	0	0	100000
Standard Chartered Leasing Ltd.	0	59,800	6260	28500
Network Leasing Ltd.	0	10,000	0	0
Paramount Leasing Ltd.	0	326,000	0	163000

INVESTMENT COMPANIES & BANKS

Crescent Inv. Bank Ltd.	55000	30,000	0	85000
Soneri Bank Ltd.	17250	11,850	0	29100
Al Faysal Inv. Bank Ltd.	23000	28,000	0	51000
Askari Commercial Bank Ltd.	31500	5,000	0	36500
Al Towfeek Inv. Bank Ltd.	5000	4,000	0	9000
Bank Al Habib Ltd.	15000	0	0	15000
Fidelity Investment Bank Ltd.	50000	13,000	0	63000
Union Bank Ltd.	20000	0	0	20000
Metropolitan Bank Ltd.	20000	0	0	20000
First International Inv. Bank Ltd.	125000	0	0	125000
Faysal Commercial Bank Limited	0	1,222,000	20000	1242000
Javed Omer Vohra & Co. Ltd.	0	90,000	0	90000

INSURANCE

Adamjee Insurance Company Ltd.	12500	53,000	0	65500
Pakistan Insurance Corporation Ltd.	0	10,240	0	0
American Life Insurance Ltd.	0	166,000	0	166000

	Balance As at June 30, 1996			% In Relation To		
	No. of	At Cost	Market	Own net	Investee Company's	
	shares		value	assets	Paid up	No. of
		Rupees	Rupees		Capital	shares

MUTUAL FUNDS

ICPS.E.M.F	26,000	1,883,100	1,872,000	2.13	0.67	0.09
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MODARABAS

L.T.V. Capital Modaraba (Rs. 5/-)	-	-	-	-	-	-
1st Equity Modaraba	62500	568,750	225,000	0.64	0.21	0.23
1st Grindlays Modaraba	-	-	-	-	-	-
B.R.R. Capital Modaraba	-	-	-	-	-	-
B.R.R. 2nd Modaraba	18,300	173,225	95,160	0.19	0.11	0.12
Equity International Modaraba	125,000	932,500	562,500	1.05	0.62	0.83
First Interfund Modaraba	160,000	1,692,400	400,000	1.91	2.11	1.99
First Fidelity Leasing Modaraba	40,000	557,885	110,000	0.63	0.26	0.19
Trust Modaraba	200,000	1,606,000	1,200,000	1.81	0.58	0.73

LEASING COMPANIES

Union Leasing Ltd.	61,900	1,254,297	402,350	1.41	0.83	0.41
Pakistan Industrial Leasing Corp. Ltd.	-	-	-	-	-	-
First Leasing Corp. Ltd.	-	-	-	-	-	-
Askari Leasing Ltd.	-	-	-	-	-	-
English Leasing Ltd.	-	-	-	-	-	-
National Development Leasing Corp. Ltd.	-	-	-	-	-	-
Standard Chartered Leasing Ltd.	37,560	1,295.14	807,540	1.46	0.95	0.20

Network Leasing Ltd.	10,000	85,000	62,500	0.09	0.08	0.10
Paramount Leasing Ltd.	163,000	2,031,585	1,141,000	2.29	0.81	0.65

INVESTMENT COMPANIES & BANKS

Crescent Inv. Bank Ltd.	-	-	-	-	-	-
Soneri Bank Ltd.	-	-	-	-	-	-
Al Faysal Inv. Bank Ltd.	-	-	-	-	-	-
Askari Commercial Bank Ltd.	-	-	-	-	-	-
Al Towfeek Inv. Bank Ltd.	-	-	-	-	-	-
Bank Al Habib Ltd.	-	-	-	-	-	-
Fidelity Investment Bank Ltd.	-	-	-	-	-	-
Union Bank Ltd.	-	-	-	-	-	-
Metropolitan Bank Ltd.	-	-	-	-	-	-
First International Inv. Bank Ltd.	-	-	-	-	-	-
Faysal Commercial Bank Limited	-	-	-	-	-	-
Javed Omer Vohra & Co. Ltd.	-	-	-	-	-	-

INSURANCE

Adamjee Insurance Company Ltd.	-	-	-	-	-	-
Pakistan Insurance Corporation Ltd.	10,240	4,621,270	5,263.36	5.23	9.24	0.20
American Life Insurance Ltd.	-	-	-	-	-	-

No. of Shares

Opening Purchase Bonus Sales
Balance

TEXTILE SPINNING

Gadoon Textile Mills Ltd.	31250	30,500	0	61750
Ellcot Spinning Mills Ltd.	0	83,900	0	0
Glamour Textile Mills Ltd.	0	24,800	0	0
Sapphire Fibre	0	102.00	0	102000

TEXTILE WEAVING

Sand Industries Ltd.	4600	6,700	0	0
Saif Textile Mills Ltd.	0	50,000	0	50000

TEXTILE COMPOSITE

Crescent Textile Mills Ltd.	0	27,000	1350	22000
M. Farooq Textile Mills Ltd.	0	25,000	0	0
Nishat Mills Ltd.	0	32,700	0	32700
Gul Ahmed Textile Ltd.	0	50,000	3845	53845

SYNTHETIC & RAYON

Pakistan Synthetics Ltd.	75000	13,000	0	88000
Dewan Salman Fibres Ltd.	0	127,500	3600	131100

SUGAR AND ALLIED

Ansari Sugar Mills Ltd.	18000	8,700	0	0
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TOBACCO

Pakistan Tobacco Ltd.	0	50,000	0	0
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CEMENT

Fecto Cement Ltd.	8500	2,000	0	10500
D.G.Khan Cement Ltd.	40000	290,000	0	330000
Cherat Cement Ltd.	100000	40,000	20000	160000
Pakland Cement Ltd.	52500	0	0	52500
Pioneer Cement Ltd.	0	100,000	0	100000
Lucky Cement Ltd.	0	755,000	0	755000
Maple Leaf Cement Ltd.	0	177,000	9562	186562

FUEL AND ENERGY

Sui Northern Gas Pipeline Ltd.	120000	56,000	0	176000
Kohinoor Power Company Ltd.	43600	0	0	43600
Nishat Tek Ltd.	11000	11,400	0	122400
K.E.S.C. Ltd.	2000	0	0	2000
Sui Southern Gas Pipeline Ltd.	50000	67,000	0	117000
Shell Pakistan Ltd.	35000	87,800	0	122800
Elahi Electric Ltd.	0	451,200	0	0
Ibrdhim Energy Ltd.	0	20,000	5000	22500
Maple Leaf Electric Ltd.	0	50,000	0	0
Pak Refinery Ltd.	0	20,000	0	0

Pakistan State Oil Ltd.	6500	39,600	0	22500
Sitara Energy Ltd.	0	302,500	0	302500
National Refinery Ltd.	0	70,000	0	70000
Hub Power Company Ltd.	0	675,000	0	675000
Pak Oilfields Ltd.	0	1,700	0	1700
Genertech (Pak) Ltd.	0	10,500	0	10500

	Balance As at June 30, 1996			% In Relation To		
	No. of shares	At Cost	Market value	Own net assets	Investee Paid up Capital	Company's No. of shares
		Rupees	Rupees			
TEXTILE SPINNING						
Gadoon Textile Mills Ltd.	-	-	-	-	-	-
Ellcot Spinning Mills Ltd.	83,900	1,162,015	251,700	1.31	1.32	0.95
Glamour Textile Mills Ltd.	24,800	424,080	434,000	0.47	0.36	0.21
Sapphire Fibre	-	-	-	-	-	-
TEXTILE WEAVING						
Sand Industries Ltd.	11,300	1,043,525	971,800	1.18	2.60	0.28
Saif Textile Mills Ltd.	-	-	-	-	-	-
TEXTILE COMPOSITE						
Crescent Textile Mills Ltd.	6,350	117,300	95,250	0.13	0.03	0.01
M. Farooq Textile Mills Ltd.	25,000	452,500	300,000	51	0.23	0.13
Nishat Mills Ltd.	-	-	-	-	-	-
Gul Ahmed Textile Ltd.	-	-	-	-	-	-
SYNTHETIC & RAYON						
Pakistan Synthetics Ltd.	-	-	-	-	-	-
Dewan Salman Fibres Ltd.	-	-	-	-	-	-
SUGAR AND ALLIED						
Ansari Sugar Mills Ltd.	26,700	298,320	140,175	0.33	0.14	0.12
TOBACCO						
Pakistan Tobacco Ltd.	50,000	1,736,250	1,800,000	1.96	0.54	0.15
CEMENT						
Fecto Cement Ltd.	-	-	-	-	-	-
D.G.Khan Cement Ltd.	-	-	-	-	-	-
Cherat Cement Ltd.	-	-	-	-	-	-
Pakland Cement Ltd.	-	-	-	-	-	-
Pioneer Cement Ltd.	-	-	-	-	-	-
Lucky Cement Ltd.	-	-	-	-	-	-
Maple Leaf Cement Ltd.	-	-	-	-	-	-
FUEL AND ENERGY						
Sui Northern Gas Pipeline Ltd.	-	-	-	-	-	-
Kohinoor Power Company Ltd.	-	-	-	-	-	-
Nishat Tek Ltd.	-	-	-	-	-	-
K.E.S.C. Ltd.	-	-	-	-	-	-
Sui Southern Gas Pipeline Ltd.	-	-	-	-	-	-
Shell Pakistan Ltd.	-	-	-	-	-	-
Elahi Electric Ltd.	451,200	5,496,620	2,820,000	0.22	1.52	1.25
Ibrdhim Energy Ltd.	2,500	60,475	21,250	0.06	0.04	0.02
Maple Leaf Electric Ltd.	50,000	1,505,000	462,500	1.70	0.37	0.12
Pak Refinery Ltd.	20,000	1,602,000	1,660,000	1.81	1.06	0.13
Pakistan State Oil Ltd.	23,600	8,992,060	9,912,000	10.17	1.41	37
Sitara Energy Ltd.	-	-	-	-	-	-
National Refinery Ltd.	-	-	-	-	-	-
Hub Power Company Ltd.	-	-	-	-	-	-
Pak Oilfields Ltd.	-	-	-	-	-	-
Genertech (Pak) Ltd.	-	-	-	-	-	-

No. of Shares			
Opening Balance	Purchase	Bonus	Sales

ENGINEERING

Crescent Steel & Allied Product	11500	23,500	0	12500
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TRANSPORT & COMMUNICATION

P.T.C. Vouchers (Rs. 100/-)	0	2,403,000	0	2,403,000
Pakistan International Airlines	0	100,000	0	100,000

AUTO AND ALLIED

Honda Atlas Cars Limited.	25000	327,600	0	352600
Pak Suzuki Motors Limited	25000	40,000	0	65000
Hino Pak Motors Ltd.	0	16,500	0	0
Indus Motors Ltd.	0	87,000	0	87,000

CHEMICAL AND PHARMACEUTICAL

Highnoon Laboratories Ltd.	0	37,500	0	0
F.F.C. Jordan	300,000	300,000	0	300000
Fauji Fertilizer Ltd.	500	183,800	0	184300
Reckitt & Colman Ltd.	0	30,000	1200	8000
Sitara Chemicals Ltd.	0	27,700	0	20500
Smith Kline & French Ltd.	0	10,000	0	0
Wyeth Laboratories Ltd.	0	14,000	0	0
I.C.I. Pakistan Ltd.	0	330,500	0	280500
Engro Chemical	0	16,000	1200	17200

CABLES & ELECTRICAL GOODS

P.E.L. Appliances Ltd.	0	3,000	600	0
Pak Elektron Ltd.	0	113,200	9290	111500
Siemens Engg. Ltd.	0	6,500	0	0

PAPER AND BOARD

Cherat Papersack Ltd.	0	50,000	0	0
Century Paper Ltd.	25000	274,400	0	256000

VANASPATTI & ALLIED

Sarhad Ghee Ltd.	0	30,000	0	0
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FOOD & ALLIED

Lever Brothers (Rs. 50/-)	1000	1,960	0	2960
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GLASS & CERAMICS

Shabbir Tiles Ltd.	0	139,800	0	0
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MISCELLANEOUS

Tripack Films Ltd.	0	156,000	0	156000
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	Balance As at June 30, 1996			% In Relation To		
	No. of shares	At Cost	Market value	Own net assets	Investee Company's Paid up Capital	No. of shares
		Rupees	Rupees			

ENGINEERING

Crescent Steel & Allied Product	22,500	1,099,750	1,057,500	1.24	0.72	0.14
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TRANSPORT & COMMUNICATION

P.T.C. Vouchers (Rs. 100/-)	-	-	-	-	-	-
Pakistan International Airlines	-	-	-	-	-	-

AUTO AND ALLIED

Honda Atlas Cars Limited.	-	-	-	-	-	-
Pak Suzuki Motors Limited	-	-	-	-	-	-
Hino Pak Motors Ltd.	16,500	1,003,150	981,750	1.13	0.97	0.15
Indus Motors Ltd.	-	-	-	-	-	-

CHEMICAL AND PHARMACEUTICAL

Highnoon Laboratories Ltd.	37,500	1,316,250	1,068,750	1.48	1.99	0.56
F.F.C. Jordan	300,000	4,800,000	4,575,000	5.43	0.15	0.09
Fauji Fertilizer Ltd.	-	-	-	-	-	-
Reckitt & Colman Ltd.	23,200	2,312,543	2,598,400	2.61	1.18	0.11
Sitara Chemicals Ltd.	7,200	451,080	352,800	0.51	0.30	0.04
Smith Kline & French Ltd.	10,000	1,251,000	1,260,000	1.41	2.78	0.22
Wyeth Laboratories Ltd.	14,000	2,845,500	2,940,000	3.22	8.13	0.40
I.C.I. Pakistan Ltd.	50,000	2,837,500	2,650,000	3.21	0.15	0.02
Engro Chemical	-	-	-	-	-	-

CABLES & ELECTRICAL GOODS

P.E.L. Appliances Ltd.	3,600	300,750	269,100	0.34	0.51	0.06
Pak Elektron Ltd.	10,990	299,830	351,680	0.33	0.16	0.05
Siemens Engg. Ltd.	6,500	1,658,150	1,755,000	1.87	2.11	0.08

PAPER AND BOARD

Cherat Papersack Ltd.	50,000	1,715,000	2,150,000	1.94	5.04	1.47
Century Paper Ltd.	43,400	1,708,370	1,464,750	1.93	0.65	0.16

VANASPATTI & ALLIED

Sarhad Ghee Ltd.	30,000	483,900	225,000	0.54	1.83	1.13
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FOOD & ALLIED

Lever Brothers (Rs. 50/-)	-	-	-	-	-	-
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GLASS & CERAMICS

Shabbir Tiles Ltd.	139,800	2,414,974	2,152,920	2.73	442	2.56
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MISCELLANEOUS

Tripack Films Ltd.	-	-	-	-	-	-
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At Cost 66,089,044 56,862,735

Less: Provision for diminution in value of marketable securities

Opening balance	(10,293,677)	-
Reversed during the year	1,067,368	-
	(9,226,309)	-
	-----	-----
	1996 56,862,735	56,862,735
	=====	=====
	1995 71,371,520	61,077,843
	=====	=====

8. LOSS ON DEALING IN SECURITIES

	1996	1995
	Rupees	Rupees
Sales	386,297,395	74,909,320
Opening Stock	71,371,520	-
Purchases	380,912,851	50,018,687
Stamp and duties	168,525	155,196
	-----	-----
	452,452,904	50,173,883
Less: Closing Stock	(66,089,044)	(71,371,520)
	-----	-----
Cost of sales	386,363,860	78,802,363
	-----	-----
	(66,465)	(3,893,043)
	=====	=====

9. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Remuneration to Investment Adviser	1,766,961	1,773,654
Deferred expenditure paid / reimbursed	472,582	4,050,703
Interest on deferred expenditure	365,689	223,790

10. GENERAL

Figures have been rounded off to the nearest Rupee.

Previous year' s figures have been re-arranged wherever necessary for the purpose of comparison.

STATEMENT OF INCOME AND EXPENDITURE IN RELATION TO THE INVESTMENT COMPANY

For the Year Ended June 30, 1996

	1996	1995
	Rupees	Rupees
INCOME		
Remuneration from Asian Stocks Fund Limited	1,766,961	1,773,654
Interest on Deferred Expenditure	365,689	223,790
	-----	-----

2,132,650 1,997,444

OPERATING EXPENSES

Salaries, Wages & Other Benefits	1,321,483	246,750
Travelling & Conveyance	21,100	42,773
Rent & Electricity	205,535	-
Legal & Professional Charges	296,550	-
Postage & Telephone	239,836	21,098
Printing & Advertisement	198,062	30,831
Others	54,095	-
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	2,436,661	341,452

 (304,011) 1,655,992
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