

MODARABA AL-MALI

ANNUAL REPORT 1997

CONTENTS

Corporate Information
Directors' Report
Auditors' Report
Balance Sheet
Profit and Loss Account
Cash Flow Statement
Notes to the Accounts
Pattern of Certificate Holdings

Corporate Information

BOARD OF DIRECTORS

Mr. Syed Iradat Husain	Chairman
Mr. Maqbool Hussain	Vice Chairman
Mr. Zafar H. Naqvi	Managing Director & Chief Executive
Mr. Nazir A. Shaikh	Director
Mr. Mohammad Kamil	Director
Mr. Ashraf Kalam	Director
Mr. Ahmad H.I. Dada	Director
Mr. Naushad Hussain	Director

COMPANY SECRETARY

Mr. D.V. Karia

MODARABA MANAGEMENT COMMITTEE

Mr. Zafar H. Naqvi
Mr. Ashfaq Ali Quettawala
Mr. S. Shakeel-ur-Rehman
Mr. S. Masood Akhter

AUDITORS

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

BANKERS

Muslim Commercial Bank Limited
Askari Bank Limited
Metropolitan Bank Limited

REGISTERED OFFICE

10th Floor, Progressive Square
Opposite Nursery, Sharea Faisal
Karachi.
Phones : 4547521-4
Fax : (92-21) 4547526

DIRECTORS' REPORT

The Board of Directors of Al-Mal Corporation Limited have pleasure in presenting the 11th Report of Modaraba Al-Mali together with Audited Accounts for the year ended June 30, 1997.

1. Operating Results:

Summarised results for the year under report are as under:

	(Rs. in "000")	
	1997	1996
* Total operating income	115,111	114,583
	=====	=====
* Net profit before management fee & taxation	19,881	26,008
* Less: Management fee	1,807	2,364
	-----	-----
	18,074	23,644
* Less: Provision for taxation	6,855	7,188
	-----	-----
* Net profit for the year	11,219	16,456
* Add: Unappropriated profit b/f	2,016	8,934
	-----	-----
* Profit available for appropriation	13,235	25,390
* Appropriations:		
	-----	-----
- Statutory Reserve	2,244	3,291
- Cash dividend 6% (1996: 11%)	10,954	20,083
	-----	-----
	13,198	23,374
	-----	-----
* Unappropriated profit carried forward	37	2,016
	=====	=====

2. Profit Distribution:

Directors take pleasure in announcing distribution of cash dividend @ 6% i.e. Rs.0.60/- per certificate.

3. Statutory Reserves:

In compliance with SBP Prudential Regulations, the Board of Directors has decided to appropriate 20% of the profits earned during the year towards Statutory Reserves until it equals the paid up capital of the Modaraba.

4. Business Operations:

Due to the introduction of tight fiscal measures, devaluation of the rupee and increase in overall operating expenses, the performance of almost all sectors of the economy remained depressed. Consequently further new capital investments were at a low level and also affected recovery of rentals because of the general slowdown in the level of business activity in the country. Excise duty on leasing imposed in the Budget for the financial year 1996-97 resulted in discouragement for the prospective lessees. Inflationary trend continued to persist, however through continuous efforts, the management was able to restrict the increase in operating costs to the minimum level. During the year, new leases amounting to Rs. 75.2 million were negotiated as compared to Rs. 84.8 million during the preceding year. We were able to earn pretax profit of Rs. 28.0 million for the year as compared to Rs. 30.5 million during the year ended June 30, 1996. An amount of Rs. 9.8 million had to be provided for bad and doubtful debts. This provision was made in compliance with the Prudential Regulations although the Court decisions in our favour have decreed for recovery of a substantial portion of the above amount.

Profit after tax amounted to Rs. 11.2 million i.e. Rs. 0.61 per certificate as compared to Rs. 0.90 last year.

5. Future Prospects

The business friendly policies introduced by the Government during the year were expected to improve the depressed economy. However, the recent political crises have again adversely affected the economic activity. It is expected that a period of continuity and stability would provide the right environment for leasing business

to improve. its performance and play significant role in the new creation of capital assets. Withdrawal of Central Excise Duty is also expected to provide impetus to the leasing sector.

The Modaraba will continue its efforts to increase its profitability within the parameters of prudent portfolio risk management. With the improvement in the recovery position, the management is optimistic of better performance in the future.

6. Auditors

The present auditors, Messrs. Ford, Rhodes, Robson, Morrow, Chartered Accountants, are due for retirement, and being eligible, offer themselves for re-appointment for the year ending June 1998.

7. Pattern of Certificate holding

The pattern of certificate holding is attached.

8. Acknowledgment

The Directors place on record their appreciation and thanks to certificate holders for their continued confidence in the Modaraba, to the authorities for their guidance and to all the Members of Management and staff for their dedication and hard work.

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet as at June 30, 1997 and the related profit and loss account and cash flow statement together with the notes to the accounts for the year ended June 30, 1997 of MODARABA AL-MALI which are modaraba company's (AI-Mal Corporation 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:

(a) in our opinion proper books of account have been kept by the modaraba company in respect of Modaraba Al-Mall as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Modaraba Companies and Modaraba Rules, 1981;

(b) in our opinion, the balance sheet and the profit and loss account have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Modaraba Companies and Modaraba Rules, 1981; and

(c) in our opinion and to the best of our information and according to the explanations given to us;

(i) the balance sheet and the related profit and loss account and cash flow statement, which are in agreement with the books of account, exhibit respectively a true and fair view of the state of the Modaraba's affairs as at June 30, 1997 and the profit and the cash flows for the year ended on that date;

(ii) Zakat deductible at source, under the Zakat & 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.

Karachi: December 8, 1997

Ford, Rhodes, Robson, Morrow
Chartered Accountants

BALANCE SHEET AS AT JUNE 30, 1997

	June 30	June 30
	1997	1996
Note	Rupees	Rupees
CAPITAL AND RESERVES		
Certificate capital		

Authorised			
20,000,000 (1996 · 20,000,000)			
Modaraba Certificates of Rs. 10/-each		200,000,000	200,000,000
		=====	=====
Issued, subscribed and paid up	3	182,574,000	182,574,000
Capital Reserve			
		-----	-----
Statutory reserve	4	14,371,305	12,127,462
Revenue reserve			
		-----	-----
Unappropriated profit		36,599	2,015,666
		14,407,904	14,143,128
		-----	-----
		196,981,904	196,717,128
LONG TERM MORABAHA, MUSHARAKA AND TERM FINANCES - Secured	5	11,518,847	16,194,401
DEFERRED LIABILITY			
Customers' security deposits		20,210,560	16,868,584
CURRENT LIABILITIES			
		-----	-----
Current maturity of morabaha, musharaka and term finances	5	3,589,635	4,287,231
Current maturity of customers' security deposits		14,143,793	14,194,263
Creditors, accrued and other liabilities	6	5,682,882	7,887,669
Rentals received in advance		3,169,273	1,968,890
Provision for taxation		2,784,269	7,321,241
Unclaimed dividend		1,129,111	702,772
Proposed dividend		10,954,440	20,083,140
		-----	-----
		41,453,403	56,445,206
CONTINGENCIES AND COMMITMENTS	7	-----	-----
		270,164,714	286,225,319
		=====	=====
TANGIBLE FIXED ASSETS			
Assets given on lease - net cost	8	172,921,146	176,707,894
Assets in own use - net cost	8.1	12,964,762	2,240,577
Capital Work-in-progress	8.2	-	9,312,543
		-----	-----
		185,885,908	188,261,014
LONG TERM INVESTMENTS [Market Value Rs.9.32 million (1996:11.78 million)]	9	23,393,733	24,121,812
DEFERRED EXPENDITURE	10	233,477	471,406
CURRENT ASSETS			
		-----	-----
Short term musharaka finances - secured	11	15,358,000	25,517,400
Short term morabaha finances - secured	12	10,895,025	15,234,909
Short term investments	13	5,386,535	5,379,963
Lease rentals receivable	14	13,924,225	19,405,193
Advances, deposits, prepayments and other receivables	15	5,780,526	4,985,102

Cash and bank balances	16	9,307,285	2,848,520
		-----	-----
		60,651,596	73,371,087
		-----	-----
		270,164,714	286,225,319
		=====	=====

The annexed notes form an integral part of these accounts.
The auditors' report is annexed hereto.

PROFIT AND LOSS ACCOUNT
for the year ended June 30, 1997

	Note	June 30, 1997 Rupees	June 30, 1996 Rupees
Operating income	17	115,110,504	114,583,236
		-----	-----
Operating costs	18	83,460,570	82,247,275
Profit distribution on borrowings	19	3,653,198	1,806,091
		-----	-----
		87,113,768	84,053,366
		-----	-----
		27,996,736	30,529,870
Other income	20	2,175,132	2,399,749
		-----	-----
		30,171,868	32,929,619
		-----	-----
Less - Provision for doubtful/classified debts		9,769,293	4,758,152
Provision for diminution in value of investments		520,827	2,163,068
Modaraba company's management fee		1,807,432	2,364,402
		12,097,552	9,285,622
		-----	-----
		18,074,316	23,643,997
		-----	-----
Provision for taxation- Current		6,000,000	5,300,000
- Prior years		855,100	1,887,973
		-----	-----
		6,855,100	7,187,973
		-----	-----
Profit after tax		11,219,216	16,456,024
Unappropriated profit brought forward		2,015,666	8,933,992
		-----	-----
Available for appropriation		13,234,882	25,390,016
Appropriations		-----	-----
Proposed dividend Rs. 0.60 (1996:1.10) per certificate		10,954,440	20,083,140
Transfer to statutory reserve		2,243,843	3,291,210
		-----	-----
		13,198,283	23,374,350
		-----	-----
Balance carried forward		36,599	2,015,666
		=====	=====

The annexed notes form an integral part of these accounts.

CASH FLOW STATEMENT

for the year ended June 30, 1997

	June 30, 1997 Rupees	June 30, 1996 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit before management fee and taxation	19,881,748	26,008,399
Adjustment for non cash items and other items		
Depreciation - Leased assets	68,773,711	69,505,783
- Own assets	1,165,599	831,079
Amortisation of deferred expenditure	237,929	274,234
Provision for gratuity/(written back)	-	(390,949)
Provision for doubtful debts	9,769,293	4,758,152
Provision for diminution in value of investments	520,827	2,163,068
Gain on disposal of leased/own assets	(308,196)	(143,164)
Loss/(gain) on investments	(28,634)	35,815
Financial charges	3,653,198	1,806,091
Dividend income	(931,772)	(557,993)
	-----	-----
	102,733,703	104,290,515
Changes in working capital		
Decrease in trade and other receivables	10,737,830	774,130
(Increase) in short term investments	(527,399)	(1,954,786)
Increase/(decrease) in trade payables	(2,426,786)	2,315,554
	-----	-----
Cash generated from operations	110,517,348	105,425,413
Financial charges paid	(4,340,896)	(1,922,376)
Income taxes paid	(11,392,072)	(3,113,016)
Management fee paid	(1,730,000)	(2,610,000)
Profit received from bank	832,265	597,023
	-----	-----
Net cash from operating activities	93,886,645	98,377,044
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of - Leased assets	(752,112,399)	(84,828,969)
- Own assets	(2,795,157)	(10,621,755)
Purchase of long term investments	(236,855)	(5,620,453)
Proceeds from sale of fixed assets - Leased	10,239,163	7,139,055
- Own	511,225	258,000
Proceeds from sale of long term investments	993,568	254,495
Dividend received	809,860	705,250
Customers' security deposits received - net	3,291,506	1,446,855
	-----	-----
Net cash used in investing activities	(62,397,929)	(91,267,522)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(5,373,150)	(4,217,104)
Proceeds from long-term borrowings	-	17,000,000
Dividend paid	(19,656,801)	(27,245,977)
	-----	-----
Net cash used in financing activities	(25,029,951)	(14,463,081)
	-----	-----

NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	6,458,765	(7,353,559)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	2,848,520	10,202,079
	-----	-----
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	9,307,285	2,848,520
	=====	=====

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 1997

1. LEGAL STATUS AND NATURE OF BUSINESS

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Overall valuation policy

These accounts have been prepared under the historical cost convention.

(b) Fixed assets

(i) Assets given out on lease and amortization

All lease agreements are accounted for as operating leases.

Leased assets are stated at cost to the Modaraba less accumulated amortization.

Amortization is charged to income applying the annuity method whereby the amortizable value of assets is amortized over the lease period.

(ii) Assets in own use and depreciation

Assets in own use are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of asset is written off over its estimated useful life. In respect of additions and disposals during the year depreciation is charged proportionately to the period of use. Capital work-in-progress is stated at cost.

(iii) Gain or loss on disposal of assets is included in income currently.

(c) Deferred Expenditure

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

(d) Investments

Short term investments are carried at lower of moving average cost and market value determined on aggregate portfolio basis. In case of long-term investments the effect of permanent diminution, if any, in the value of investments is charged to profit and loss account.

(e) Taxation

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits available.

The modaraba accounts for deferred taxation on all significant timing differences using the liability method, excluding the tax effects of those timing differences which are not likely to reverse in the foreseeable future.

As a measure of prudence deferred tax debits are not accounted for.

(f) Revenue recognition

(i) Lease rentals are recognised as income when due on a systematic basis over the lease period. Income pertaining to the periods falling between the due dates and the period end is recognised on an accrual basis.

(ii) Dividend income from quoted companies is recorded at the time of closure of share transfer books of the company declaring dividend.

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

(g) Staff gratuity

The modaraba operates a funded scheme for all its employees, who have completed minimum qualifying period of service. Contributions to the fund are raised on actuarial evaluation using the "projected unit credit method".

June 30	June 30
1997	1996
Rupees	Rupees

3. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

13,569,000 (1996: 13,569,000) Modaraba Certificates of Rs. 10/- each fully paid in cash	135,690,000	135,690,000
4,688,400 (1996: 4,688,400) Modaraba Certificates of Rs. 10/- each fully paid bonus certificates	46,884,000	46,884,000
	-----	-----
	182,574,000	182,574,000
	=====	=====

4. STATUTORY RESERVE

The statutory reserve represents profits set aside as required under the State Bank of Pakistan's prudential regulation for Non-Banking Financial Institutions.

5. LONG TERM MORABAHA, MUSHARAKA AND TERM FINANCES - Secured

Morabahas from financial institutions (note 5.1)	15,108,482	17,000,000
Musharaka with bank	-	833,304
Term finance from financial institution	-	2,648,328
	-----	-----
	15,108,482	20,481,632
Less: Current maturities shown under current liabilities	3,589,635	4,287,231
	-----	-----
	11,518,847	16,194,401

5.1 Morabahas from financial institutions

	Outstanding balance			Purchase price Rupees	Profit margin per annum %	Repayment from	Installments
	1996 Rupees	1997 Rupees	Sale price Rupees				
Loan 'A'	7,000,000	6,387,892	10,505,725	7,000,000	20.00	August 1 1996	9 unequal half yearly
Loan 'B'	10,000,000	8,720,590	14,659,664	10,000,000	20.50	October 1	14 unequal

1996 quarterly

-----	-----	-----	-----	-----	-----	-----
	17,000,000	15,108,482	25,165,389	17,000,000		
-----	-----	-----	-----	-----	-----	-----

The morabaha sale price are secured by hypothecation of certain leased assets and rentals receivable thereagainst.

	June 30 1997 Rupees	June 30 1996 Rupees
6. CREDITORS, ACCRUED AND OTHER LIABILITIES		
Creditors (Note 6.1)	3,035,813	5,007,884
Accrued liabilities	284,597	106,609
Profit accrued on term finances	-	38,622
Profit accrued on musharaka finances	-	427,177
Profit accrued on morabaha finance	532,325	754,224
Management fee payable	186,644	109,212
Others (Note 6.2)	1,643,503	1,443,941
	-----	-----
	5,682,882	7,887,669
	=====	=====

6.1 These include Rs. 2,210,319 (1996: 1,378,054) as profit received on PLS bank deposits from January 1, 1994 to the year end. The Modaraba is of the opinion that the profit received on PLS deposit are not permitted under the Islamic mode of financing and hence, has not been recognised as income, pending clarification from Religious Board of the appropriate treatment of such profit.

6.2 This represents balance on certain recoveries from the customers of the Modaraba which according to the direction of the Religious Board are not to be taken to income but used for charitable purposes only.

7. CONTINGENCIES & COMMITMENTS

7.1 CONTINGENCIES

A suit has been filed against the Modaraba for Rs. 6.48 million (1996: 6.48 million) being a claim for refund of security deposit in respect of lease finance. The Modaraba is defending the claim as they have evidence of repayment of the security deposit. The Modaraba is of the opinion that it stands a fairly good chance of winning this case. Consequently no provision is considered necessary.

7.2 COMMITMENTS

Commitments for capital expenditure at the balance sheet date were Rs. Nil (1996: Rs. 534,675).

8. TANGIBLE FIXED ASSETS

8.1 Assets given out on lease

Description	C O S T			ACCUMULATED AMORTIZATION			
	As at June 30, 1996	Additions/ (disposals) during the year	As at June 30, 1997	As at June 30 1996	Charge/ (adjustment) for the year	As at June 30, 1997	Written down value as at June 30, 1997
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Plant &	178,464,573	34,281,005	197,079,335	86,266,163	33,723,129	106,028,355	91,050,980

Machinery		(15,666,243)			(13,960,937)		
Motor Vehicles	111,644,836	31,264,595	117,797,929	45,823,481	25,563,257	51,425,601	66,372,328
		(25,111,502)			(19,961,137)		
Furniture & Fixtures	2,590,109	-	520,533	2,046,856	396,801	494,504	26,029
		(2,069,576)			(1,949,153)		
Office and Computer Equipment	60,885,340	8,758,064	37,254,498	43,347,455	8,796,683	22,993,019	14,261,479
		(32,388,906)			(29,151,119)		
Home Appliances	642,678	907,575	1,537,329	35,687	293,841	326,999	1,210,330
		(12,924)			(2,529)		
	354,227,536	75,211,239	354,189,624	177,519,642	68,773,711	181,268,478	172,921,146
	(75,249,151)				(65,024,875)		
1996	337,020,614	84,828,969	354,227,536	168,496,846	69,505,783	176,707,894	
	(67,622,047)			(60,482,987)			

8.2 Assets in own use

Description	C O S T		As at June 30, 1997	As at June 30, 1996	Charge/ (adjustment) for the year	ACCUMULATED DEPRECIATION		Rate of depreciation
	As at June 30, 1996	Additions/ (disposals) during the year				As at June 30, 1997	Written down value as at June 30, 1997	
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	%
Office premises - Leasehold	-	8,455,677	8,455,677	-	281,856	281,856	8,173,821	5
Motor Vehicles	2,331,623	810,200	2,591,172	1,084,289	377,109	1,024,857	1,566,315	20
		(550,651)			(436,541)			
Furniture and fixtures	683,097	2,037,526	2,456,178	370,023	186,110	395,493	2,060,685	10
		(264,445)			(160,640)			
Office Equipment	595,444	764,197	1,359,641	262,557	153,046	415,603	944,038	10 to 25
Computer Equip.	1,524,660	40,100	1,507,260	1,177,378	167,478	1,287,357	219,903	20
		(57,500)			(57,499)			
	5,134,824	12,107,700	16,369,928	2,894,247	1,165,599	3,405,166	12,964,762	
		(872,596)			(654,680)			
1996	4,151,162	1,309,212	5,134,824	2,273,882	831,079	2,894,247	2,240,577	
		(325,550)			(210,714)			

8.3 Details are stated in notes 25 & 26 to the accounts.

9. LONG TERM INVESTMENTS

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

JUNE 30, 1997
Average cost

	June 30 1996	June 30 1997	June 30, 1996 Cost Rupees	per share/ certificate Rupees		Cost Rupees	Market value Rupees
(a) ASSOCIATED UNDERTAKING							
AI-Mal Securities & Services Ltd.		209,500	229,500	2,021,830	9.5112	2,182,820	940,950
(b) ASSOCIATED MODARABA							
Modaraba AI-Tijarah [Managed by AI-Mal Corporation Ltd.]		84,800	120,800	1,154,193	10.1825	1,230,058	241,600
(c) OTHERS							
MUTUAL FUNDS							
ICP State Enterprise Mutual Fund		9,500	28,500	824,506	28.9300	824,506	612,750
Twenty Second ICP Mutual Fund		25,000	25,000	650,750	26.0300	650,750	175,000
Twenty Fourth ICP Mutual Fund		49,800	49,800	498,000	10.0000	498,000	224,100
National Investment Trust (Units)		96,155	95,000	1,482,000	15.6000	1,482,000	1,301,500
MODARABAS							
Allied Bank Modaraba [Managed by Allied Management Services (Pvt) Ltd.]		45,783	45,783	526,537	11.5007	526,537	315,903
First Grindlays Modaraba [Managed by Grindlays Services of Pakistan (Pvt) Ltd.]		18,600	18,600	604,755	32.5137	604,755	213,900
First UDL Modaraba [Managed by UDL Modaraba Management (Pvt) Ltd.]		21,384	21,384	255,398	11.9434	255,398	74,844
LEASING COMPANIES							
Ibrahim Leasing Company Ltd.		25,000	25,000	447,208	17.8883	447,208	143,750
First Leasing Corporation Ltd.		11,500	11,500	395,394	34.3821	395,394	97,750
INSURANCE							
Adamji Insurance Company Ltd.		3,906	4,882	702,500	143.8958	702,499	446,703
TEXTILE WEAVING							
Adamjee Weaving Mills Ltd.		17,100	17,100	323,994	18.947	323,994	175,275
SYNTHETIC & RAYON							
Dhan Fibre Ltd,	45,500	45,500	656,608	14.4309	656,608	218,400	
Gatron (Industries) Ltd.	11,700	11,700	742,008	63.4195	742,008	353,925	
Ibrahim Fibres Ltd.	35,000	35,000	625,275	17.865	625,275	288,750	
SUGAR & ALLIED INDUSTRIES							
Haseeb Waqas Sugar Mills Ltd.	16,000	16,000	209,581	13.0988	209,581	84,000	
CEMENT							
Essa Cement Industries Ltd.	14,500	15,950	611,038	38.3096	611,038	156,310	
Maple Leaf Cement Ltd.	18,900	18,900	1,198,751	63.426	1,198,751	160,650	

FUEL & ENERGY

Sui Southern Gas Company Ltd.	20,700	-	788,999	-	-	-
Kohinoor Power Company Ltd.	24,150	24,150	1,238,900	51.3002	1,238,900	187,162

AUTO & ALLIED ENGINEERING

Agri Auto Industries Limited	698,486	698,486	5,645,915	8.0831	5,645,915	2,025,609
Gandhara Nissan Limited	32,500	32,500	1,133,330	34.8717	1,133,330	331,500

VANASPATI 8, ALLIED

Kashmir Edible Oil Mills Ltd.	25,500	25,500	381,936	14.9779	381,936	40,800
-------------------------------	--------	--------	---------	---------	---------	--------

FOOD & ALLIED

Lever Brothers Pakistan Ltd. (Rs. 50)	260	260	229,347	882.1038	229,347	202,800
---------------------------------------	-----	-----	---------	----------	---------	---------

PAPER & BOARD

Century Paper & Board Mills Ltd.	16,000	17,600	597,125	33.9276	597,125	308,000
Cherat Papersack Ltd.	5,000	-	157,916	-	-	-

-----	-----	-----
24,121,812	23,393,733	9,321,931
=====	=====	=====
		11,782,555
		=====

Aggregate market value as at June 30, 1996

June 30	June 30
1997	1996
Rupees	Rupees

10. DEFERRED EXPENDITURE

Expenditure on issue of right certificates	471,406	745,640
Less: Amortized during the year	237,929	274,234
	-----	-----
	233,477	471,406
	=====	=====

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

11. SHORT TERM MUSHARAKA FINANCES - Secured

Considered good		
From associated Modaraba (Note 11.1)	15,358,000	25,517,400
	=====	=====

11.1 The Modaraba has entered into a musharaka agreement with Modaraba AI-Tijarah, an associated modaraba, for providing funding to a maximum limit of Rs. 20 million (1996 · Rs. 28 million) for trading activities. The profit & loss is shared by both modarabas in an agreed ratio after adjusting all incidental costs. This is secured by hypothecation of stock-in-trade. The principal amount and profit is repayable in a lump sum after completion of the transactions.

12. SHORT TERM MORABAHA FINANCES - Secured

Considered good (Note 12.1)	10,895,025	15,234,909
	=====	=====

12.1 The above represent sums receivable against Morabaha transactions i.e. sale of goods on a deferred payment basis at specified profit margins and are secured by personal guarantees of the directors, equitable mortgage of properties and hypothecation of stock.

13. SHORT TERM INVESTMENTS

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

	No. of Shares/Certificates		June 30, 1996 Cost Rupees	Average cost per share/ certificate Rupees	JUNE 30, 1997	
	June 30 1996	June 30 1997			Cost Rupees	Market value Rupees
(a) ASSOCIATED UNDERTAKING						
AL-Mal Securities & Services Ltd	-	500		-5.8300	2,915	2,050
(b) OTHERS						
MUTUAL FUNDS						
Golden Arrow S.S. Fund	-	500		-3,1500	15,750	17,500
MODARABAS						
L.T.V. Capital Modaraba (Rs.5/-) (Managed by National Technology Development Corporation Ltd.)	45,050	55,050	423,546	8.6003	473,446	209,190
First Mehran Modaraba [Managed by Technology Ventures (Pvt) Ltd.]	18,012	18,012	214,980	11.9354	214,980	50,434
First Habib Bank Modaraba [Managed by Habib Bank Financial Services (Pvt) Limited]	-	10,000	-	7.105	71,050	56,500
First Equity Modaraba [Managed by Premier Financial Services (Pvt) Limited]	-	17,000	-	7.6888	130,710	68,000
First Grindlays Modaraba [Managed by Grindlays Services of Pakistan (Pvt) Ltd.]	5,000	-	61,900	-	-	-
LEASING COMPANIES						
Standard Chartered Mercantile Leasing Company Limited	19,740	21,932	882,759	40.2498	882,759	392,583
Dadabhoy Leasing Company Ltd.	9,500	9,500	87,735	9.2353	87,735	24,700
Trust Leasing Corporation Ltd.	19,376	19,376	622,754	32.1405	622,754	135,632
National Development Leasing Corp.	-	5,000	-	11.2300	56,150	45,000
INVESTMENT COMPANIES/BANKS						
The Bank of Punjab Ltd.	3,900	4,485	278,861	62.1764	278,861	101,361
Faysal Bank Ltd.	11,750	-	335,500	-	-	-
First Capital Securities Corpn Ltd.	5,000	5,000	98,150	19.6300	98,150	47,000
INSURANCE						
Commercial Union Assurance Company	-	10,000	-	13.5200	135,200	112,500
TEXTILE SPINNING						
Khurshed Spinning Mills Ltd.	13,000	13,000	95,312	7.3317	95,312	26,000
Crescent Spinning Mills Ltd.	10,500	10,500	138,195	13.1614	138,195	73,500
Taj Textile Mills Ltd.	10,000	10,000	143,781	14.3781	143,781	55,000
Friends Spinning Mills Ltd.	6,355	7,355	70,377	10.3001	75,757	29,420
Maqbool Textile Mills Ltd.	7,000	7,000	86,835	12.4050	86,835	42,000
Gadoon Textile Mills Ltd.	2,000	-	85,600			

Saif Textile Mills Ltd.	1,320	1,320	39,000	29.5455	39,000	20,790
TEXTILE COMPOSITE						
(Colony) Sarhad Textile Mills Ltd.	25,014	25,014	369,077	14.7548	369,077	68,788
Nishat Mills Ltd.	10,000	10,000	367,000	36.7000	367,000	202,500
SYNTHETIC & RAYON						
Tristar Polyester Ltd.	17,000	17,000	485,867	28.5804	485,867	56,950
Polyron Ltd.	8,500	8,500	115,855	13.6300	115,855	25,500
Dewan Salman Fibre Ltd.	6,180	11,180	531,400	64.7943	724,400	394,654
Dhan Fibre Ltd'.	2,500	15,000	25,325	6.4633	96,950	72,000
SUGAR & ALLIED INDUSTRIES						
AI-Asif Sugar Mills Ltd.	200	200	2,451	12.255	2,451	200
Dewan Sugar Mills Ltd.	15,840	15,840	1,034,653	65.319	1,034,653	427,~80
CEMENT						
Punjab Building Products Ltd. (Rs.5/-)	24,000	24,000	239,126	9.9636	239,126	28,800
Cherat Cement Company Ltd.	4,750	4,750	317,500	66.8419	317,499	98,562
Pakistan Slag Cement Industries Ltd.	5,000	5,000	181,375	36.275	181,375	18,500
Lucky Cement Ltd.	26,000	26,000	593,600	22.8308	593,600	204,100
D.G. Khan Cement Company Ltd.	5,000	5,000	151,000	30.2000	151,000	62,250
Fauji Cement Factory Limited	--	5,000	--	10.355	51,775	39,250
FUEL & ENERGY						
Nishat Tek Ltd.	25,022	25,022	873,093	34.893	873,093	262,731
Tristar Power Ltd.	22,500	22,500	763,104	33.9479	763,827	120,375
Ibrahim Energy Ltd.	2,500	2,500	91,600	36.6400	91,600	27,500
Sui Southern Gas Company Ltd.	10,000	--	359,500	--	-	-
Sitara Energy Ltd.	22,500	22,500	729,250	32.4111	729,250	492,750
Kohinoor Genertic Ltd.	5,000	10,000	65,650	20.7000	207,000	120,000
Genertech (Pak) Power Company Ltd.	--	2,000	--	18.1300	36,260	20,700
AUTO & ALLIED ENGINEERING						
Baluchistan Wheels Ltd.	14,875	--	433,246	--	--	--
CHEMICAL & PHARMACEUTICAL						
Fauji Fertilizer Company Ltd.	7,500	-	115,175	-	-	-
Sardar Chemical Industries Ltd.	5,000	5,000	69,885	13.9770	69,885	22,750
ICI Pakistan Limited	-	15,000	-	25.7511	386,266	363,000
FFC - Jordan Co. Limited	-	25,000	-	18.0267	450,667	385,000
CABLE & ELECTRICAL GOODS						
AuVitronics Ltd. (Rs. 5/-)	4,400	4,400	43,360	9.8545	43,360	13,200
TRANSPORT & COMMUNICATION						
Pakistan National Shipping Corporation	21,900	21,900	228,441	10.4311	228,441	74,460
PTC Vouchers	2,500	5,000	100,750	34.2500	171,250	152,500
PAPER AND BOARD						
Century Paper & Board Mills Limited	-	5,000	-	29.2000	146,000	87,500
MISCELLANEOUS						
Arpak International Investments Ltd.	6,700	6,700	68,753	10.2616	68,753	35,175
Tripack Films Ltd.	5,000	-	96,900	-	-	-
			-----		-----	-----

	12,118,221	12,645,620	5,386,535
--	------------	------------	-----------

Less: Provision for diminution in value of investments	6,738,258	7,259,085	-
	-----	-----	-----
	5,379,963	5,386,535	5,386,535
	=====	=====	=====

June 30	June 30
1997	1996
Rupees	Rupees

14. LEASE RENTALS RECEIVABLE - Secured

Considered Good	13,924,225	19,405,193
Considered doubtful	17,990,836	8,230,673
	-----	-----
Lease rentals receivable (Note 14.1)	31,915,061	27,635,866
Less: Provision for classified debts	(17,990,836)	(8,230,673)
	-----	-----
	13,924,225	19,405,193
	=====	=====

14.1 The above amount is considered to be fully receivable but in accordance with the SBP's Prudential Regulations, the modaraba has made the required provision against overdue rentals. However, strenuous efforts including legal steps are being taken for early recovery.

June 30	June 30
1997	1996
Rupees	Rupees

15. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances and deposits	305,650	207,108
Prepayments	2,782,675	1,932,759
	-----	-----
Expenses recoverable from lessees	1,302,165	1,319,243
Less: Provision for bad debts	341,561	339,781
	-----	-----
	960,604	979,462
	-----	-----
Dividend receivable	135,512	13,600
Less · Provision for bad debts	7,350	-
	-----	-----
	128,162	13,600
Profit accrued on morabaha finance	818,588	1,492,832
Receivable from brokers against sale of shares		
- associated undertaking	122,000	44,700
- others	137,025	20,891
Other receivables	525,822	293,750
	-----	-----
	5,780,526	4,985,102
	=====	=====

16. CASH AND BANK BALANCES

At Banks		
In PLS accounts	8,161,155	1,810,666
In current accounts	887,050	846,584
State Bank of Pakistan deposit account (Note 16.1)	225,000	165,000
	-----	-----

	9,273,205	2,822.25
Security stationary in hand	34,080	26,270
	-----	-----
	9,307,285	2,848,520
	=====	=====

16.1 The amount is deposited with State Bank of Pakistan as required under the provision of the SBP's rules for Non-Banking Financial Institutions to maintain liquidity against certain liabilities.

17. OPERATING INCOME

Leasing income	108,747,220	107,648,699
Morabaha finance profit	2,675,260	2,582,699
Profit on sale of investments	97,914	34,438
Musharaka finance profit from associated undertaking	3,590,110	4,317,400
	-----	-----
	115,110,504	114,583,236
	=====	=====

18. OPERATING COST

Salaries and allowances (Note 23)	4,125,177	4,234,328
Amortization of leased assets	68,773,711	69,505,783
Depreciation on assets in own use	1,165,599	831,079
Insurance	5,478,253	4,509,481
Subscription	135,183	67,873
Legal and professional charges	558,966	570,822
Amortization of deferred expenditure	237,929	274,234
Printing and Stationary	289,074	204,192
Electricity	341,692	187,769
Telephone	169,820	140,816
Postage	47,870	55 719
Advertising	47,601	58 543
Travelling expenses	10,473	13 970
Auditors' remuneration(Note 18.1)	180,122	62 285
Repair and maintenance	630,433	345 859
Fuel and conveyance	252,303	234 541
Rent, rates and taxes	161,687	122 100
Registrar services (Note 21.1)	510,000	480 000
Miscellaneous expenses	344,677	347 881
	-----	-----
	83,460,570	82,247,275
	=====	=====

18.1 Auditors' Remuneration

Statutory audit	55,000	50,000
Special audits	95,000	-
Out-of-pocket expenses	14,622	7,285
Central excise duty	15,500	5,000
	-----	-----
	180,122	62,285
	=====	=====

19. PROFIT DISTRIBUTION ON BORROWINGS

Morabaha finance	3,197,242	802,230
Musharaka finance	142,123	275,043
Term finance	313,833	728,818
	-----	-----
	3,653,198	1,806,091

=====

20. OTHER INCOME

Gain on disposal of assets in own use	293,309	143,164
Gain on disposal of assets given on lease	14,887	-
Dividend income	192,902	31,408
- modarabas		
- others	738,870	526,585
Underwriting fee	-	169,287
Others	935,164	1,529,305
	-----	-----
	2,175,132	2,399,749
	=====	=====

21. TRANSACTIONS WITH ASSOCIATED UNDERTAKINGS

Charges for registrar services	510,000	480,000
Brokerage expense (note 21.1)	16,670	54,900
Reimbursement of salaries & perquisites (note 21.2)	103,447	528,443
Disbursements against musharaka with associated modaraba	7,458,000	9,605,000
Receipts against musharaka with associated modaraba	21,572,206	13,405,829
Management fee paid	1,730,000	2,610,000
Dividend paid	2,752,934	-
Received on account of services rendered	127,800	-

21.1 These represent sales and purchases of investments through Al-Mal Securities and Services Limited which is a corporate member of Karachi Stock Exchange.

21.2 The amount paid to AI-Mal Corporation for Modaraba AI-Mali's share of salaries of group internal auditor.

21.3 Maximum amount due from associated undertakings at the end of any month during the year was Rs. 27,103,534 (1996: Rs. 25,517,400)

22. RENTALS RECEIVABLE WITHIN ONE YEAR

Rental receivable in subsequent financial year i.e. June 30, 1998 amounts to approximately Rs.90.907 million

23. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

The aggregate amount charged in the accounts for remuneration, including all benefits, to officers and other employees of the Modaraba were as follows:

	OFFICERS		OTHER EMPLOYEES	
	June, 1997	June, 1996	June, 1997	June, 1996
	Rupees	Rupees	Rupees	Rupees
Salaries	1,209,207	951,095	1,104,606	1,264,472
Retirements benefits	191,077	234,997	167,053	198,713
House rent	542,596	422,218	496,823	549,494
Conveyance & other allowances	229,466	271,473	184,349	341,866
	2,172,346	1,879,783	1,952,831	2,354,545
Number of persons	-----	-----	-----	-----
at the end of the year	4	4	25	23

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

24. DEFERRED TAXATION

Deferred taxation arising due to timing differences computed under the liability method is estimated at Rs. 6.99 million (1996: Rs. 4.76 million credit) of which Rs. 2.23 million credit (1996: Rs. 7.97 million credit) is in respect of the current period. The liability for deferred taxation is not likely to reverse in the foreseeable future and accordingly, no provision for deferred taxation has been made in the accounts.

25. DISPOSAL OF ASSETS GIVEN ON LEASE

Following leased assets were disposed off during the year:

Particulars	Cost of assets	Accumulated amortization	Book value	Sale Proceeds	Gain/loss on Disposals	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees	Rupees		
Motor Vehicle	408,000	384,000	24,000	24,000	--	Lease expired	Imtiaz Sathi R-59, 9th Street Phase V, D.H.A., Karachi.
Motor Vehicle	1,095,000	1,040,250	54,750	54,750	--	Lease expired	Premier Hosiery Haji Adam Chamber, 3rd Floor, Altaf Hussain Road, Karachi.
Motor Vehicle	372,000	353,400	18,600	18,600	--	Lease expired	Multi Paper Products Company S.F. Unit No. 24, Hub River Road, Karachi.
Motor Vehicle	750,000	712,800	37,200	37,200	--	Lease expired	Karachi Ghee Mills 45, Naz Chamber, Shahra-e-Liaquat, Karachi.
Motor Vehicle	28,500	27,000	1,500	1,500	--	Lease expired	Jameel Motors (Pvt) Ltd. 89-A, Block No. 2, P.E.C.H.S., Karachi.
Motor Vehicle	432,500	408,750	23,750	23,750	--	Lease expired	Mrs. Habiba Habib 48/2, 21st Street, Khayaban-e- Tanzeem, D.H.A. Karachi.
Motor Vehicle	538,900	510,800	28,100	28,100	--	Lease expired	Aamir Enterprises 411,419, Uni Plaza, Karachi.
Motor Vehicle	406,850	385,700	21,150	21,150	--	Lease expired	Fayaz Associates 10th Floor, Farid Chamber, Abdullah Haroon Road, Karachi.
Motor Vehicle	235,500	223,975	11,525	11,525	--	Lease expired	Premier Hosiery Haji Adam Chamber, 3rd Floor, Altaf Hussain Road, Karachi..
Motor Vehicle	195,000	185,000	10,000	10,000	--	Lease expired	Qualitron Trading 102, Shahkar Arcade, Tariq Road, Karachi.
Motor Vehicle	289,000	271,250	17,750	17,750	--	Lease expired	Shehzada Securities C-36/1, Defence Comm. Market D.H.A., Karachi.
Motor Vehicle	1,100,000	1,045,000	55,000	55,000	--	Lease expired	Shirazi Trading Co. 2rid Floor, Nadir House, I.I. Chundrigar Road, Karachi.
Motor Vehicle	251,786	239,197	12,589	12,589	--	Lease expired	Premier Hosiery Haji Adam Chamber, 3rd Floor, Altaf Hussain Road, Karachi.
Motor Vehicle	319,000	287,100	31,900	31,900	--	Lease expired	Domestic Appliances F-75, Hub River Road, S.I.T.E., Karachi.
Motor Vehicle	253,425	240,350	13,075	13,075	--	Lease expired	Muslim Insurance Co. Ltd. 3, Bank Square, Shahrae Quaid-e-Azam, Lahore.
Motor Vehicle	1,860,053	1,762,192	97,861	97,861	--	Lease expired	Mehran International (Pvt) Ltd. Polka Annexe, Hotel Metropole,

Motor Vehicle	552,317	522,188	30,129	30,129	--	Lease expired	Karachi. M. Illahi Associates 239, Staff Lines, Fatima Jinnah Road Karachi.
Motor Vehicle	307,580	290,770	16,810	16,810	--	Lease expired	M Illahi Associates 239, Staff Lines, Fatima Jinnah Road Karachi.
Motor Vehicle	143,500	129,150	14,350	14,350	--	Lease expired	Hitech Business Machine 1st Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Motor Vehicle	802,750	760,500	42,250	42,250	--	Lease expired	Mehran International (Pvt) Ltd. Polka Annexe, Hotel Metropole, Karachi.
Motor Vehicle	138,700	131,400	7,300	7,300	--	Lease expired	Kashif (Pvt) Ltd 16th Floor, Kashif Centre, Karachi.

Particulars	Cost of assets	Accumulated amortization	Book value	Sale Proceeds	Gain/loss on Disposals	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees	Rupees		
Motor Vehicle	685,000	616,500	68,500	68,500	--	Lease expired	Pak Polymer (Pvt) Ltd. B-12/A, Estate Avenue, S.I.T.E., Karachi.
Motor Vehicle	627,500	565,250	62,250	62,250	--	Lease expired	Mehran International (Pvt) Ltd. Ploka Annexe, Hotel Metropole, Karachi.
Motor Vehicle	615,000	493,000	122,000	122,000	--	Lease expired	Shehzer Garments B-282, Sector 35-A, Zaman Town, Korangi, Karachi.
Motor Vehicle	185,000	167,000	18,000	18,000	--	Lease expired	Salam Enterprises (Pvt) Ltd. 2rid Floor, Kassam Court, BC-9, Block 5, Clifton, Karachi.
Motor Vehicle	607,000	546,800	60,200	60,200	--	Lease expired	Mirza Sugar Mills Ltd. 10th Floor, Lakson Square, Building No. 1, Sarwar Shaheed Road, Karachi.
Motor Vehicle	369,500	333,050	36,450	36,450	--	Lease expired	Sabzali & Co. Room No. 348/A~ 3rd Floor, Bhayani Shopping Centre, North Nazimabad, Karachi.
Motor Vehicle	209,200	188,780	20,420	20,420	--	Lease expired	Golden Harvest Foods (Pvt) Ltd. 33, Sector 24, Korangi, Karachi.
Motor Vehicle	333,500	300,650	32,850	32,850	--	Lease expired	Modernweigh Bridge D-175, Shershah Road, S.I.T.E. Karachi.
Motor Vehicle	182,435	164,691	17,744	17,744	--	Lease expired	Marco rice Processing (Pvt) Ltd. 9, Farid Chambers, Abdullah Haroon Road, Karachi.
Motor Vehicle	232,500	200,000	32,500	32,500	--	Lease expired	Acre Travels Qasr-e-Zainab, Club Road, Karachi.
Motor Vehicle	852,000	766,800	85,200	85,200	--	Lease expired	Imaging System & Supplies (Pvt) Ltd 16th Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Motor Vehicle	355,000	320,000	35,000	35,000	--	Lease expired	Kamran Medical Store S-4, K Area Market, Korangi, Karachi

Motor Vehicle	520,000	343,313	176,687	176,687	--	Termination	Jacqwards (Pvt) Ltd. New Block-3,Hockey Stadium, Liaquat Baracks, Karachi.
Motor Vehicle	430,641	300,004	130,637	130,637	--	Termination	All Associates B-102, Block N, North Nazimabad, Karachi.
Motor Vehicle	385,000	347,000	38,000	38,000	--	Lease expired	Technech Company 21-B, Sindhi Muslim Housing Society Karachi.
Motor Vehicle	684,140	513,105	171,035	171,035	--	Lease expired	International Cargo Handling Co. 71, Al-Badar, Kokan Muslim Housing Society, Hyder All Road, Karachi.
Motor Vehicle	1,435,000	1,293,000	142,000	142,000	--	Lease expired	Hitech Business Machine 1st Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Motor Vehicle	328,000	296,200	31,800	31,800	--	Lease expired	Arco Laboratories B/18, S.I.T.E., Karachi.
Motor Vehicle	132,000	119,000	13,000	13,000	--	Lease expired	Technopak Industries A-2/2, 3rd Floor, Dada Bhai Centre, Shahra-e-Faisal, Karachi.
Motor Vehicle	667,300	509,126	158,174	158,174	--	Lease expired	Sarhad Ghee Mills Ltd. 16th Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Motor Vehicle	250,000	237,500	12,500	12,500	--	Lease expired	Gharibsons (Pvt) Ltd. E/23, S.I.T.E., Karachi
Motor Vehicle	250,000	237,500	12,500	12,500	--	Lease expired	Gharibsons Wood Products E/23, S.I.T.E., Karachi.
Motor Vehicle	385,000	191,704	193,296	193,296	--	Termination	Qaiser Rashid Shaikh

Particulars	Cost of assets	Accumulated amortization	Book value	Sale Proceeds	Gain/loss on Disposals	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees	Rupees		
Motor Vehicle	203,000	101,442	101,558	101,558	--	Termination	Ace Advance Info. Management D-43, KDA Scheme No.1, Meran Mohammed Shah Road. Karachi
Motor Vehicle	325,000	221,584	103,416	103,416	--	Termination	Afzal Industries Room 28, Rifahi Markaz, Jodia Bazar, Karachi.
Motor Vehicle	738,250	150,839	587,411	587,411	--	Termination	Queen Polyesters 101,Uni Plaza, I.I. Chundrigar Road, Karachi.
Motor Vehicle	315,000	144,321	170,679	170,679	--	Termination	Jiwani Brothers 909, Gul Towers, I.I Chundrigar Road, Karachi.
Motor Vehicle	398,160	44,346	353,814	353,814	--	Termination	Hitech Business Machine 1st Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Motor Vehicle	650,000	112,598	537,402	537,402	--	Termination	Allied Distributors 304, Business Arcade, University Road, Karachi.
Motor Vehicle	325,000	89,532	235,468	235,468	--	Termination	Akhai Agencies 304, Business Arcade, University Road, Karachi.
Motor Vehicle	343,030	55,585	287,445	289,438	1,993	Termination	M L. Shahani

Motor Vehicle	612,985	80,145	532,840	532,840	--	Termination	51-D/1, Block 6, Nursery Market, P.E.C.H.S., Karachi.
Computer Equipment	485,317	459,774	25,543	25,543	--	Lease expired	Sarwar All SF-1, Bedg. 61, Sea View Clifton, Karachi.
Computer Equipment	68,342	64,742	3,600	3,600	--	Lease expired	MAB Interface (Pvt) Ltd. MAB House, Pak Avenue, Phase 2, D.H.A., Karachi.
Computer Equipment	2,185,000	2,070,000	115,000	115,000	--	Lease expired	Hitech Business Machine 1st Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Computer Equipment	21,600	20,250	1,350	1,350	--	Lease expired	MAB Interface (Pvt) Ltd MAB House, Pak Avenue, Phase 2, D.H.A., Karachi.
Computer Equipment	696,000	626,400	69,600	69,600	--	Lease expired	Shehzada Securities C-36/1, Defence Comm. Market, DHA., Karachi.
Computer Equipment	2,610,120	2,479,614	130,506	130,506	--	Lease expired	Hitech Business Machine 1st Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Computer Equipment	13,061,077	11,754,969	1,306,108	1,306,108	--	Lease expired	Zelin (Pvt) Ltd. Habib Bank Building, Abdullah Haroon Road, Karachi.
Computer Equipment	2,770,200	2,624,400	145,800	145,800	--	Lease expired	Pakland Cement Trade Centre, A-14, Block No. 7/8 M.A.C.H.S., Karachi.
Computer Equipment	3,000,000	2,850,000	150,000	150,000	--	Lease expired	Mehran International (Pvt) Ltd. Polka Annexe, Hotel Metropole, Karachi.
Computer Equipment	130,000	117,000	13,000	13,000	--	Lease expired	R.R. Apparel (Pvt) Ltd. Haji Adam Chamber, 3rd Floor, Altar Hussain Road, Karachi.
Computer Equipment	50,000	45,000	5,000	5,000	--	Lease expired	Anjum Clinic SB-30, Sector 1 l-H, Nagan Chowrangi, Nodh Karachi.
Computer Equipment	1,330,000	1,190,000	140,000	140,000	--	Lease expired	Diagnostic Services 90-A, Depot Lines, Karachi.
Computer Equipment	2,498,000	2,248,200	249,800	249,800	--	Lease expired	Falcon Developers (Pvt) Ltd. BC-3, Block 7, Clifton, Karachi.
Computer Equipment	1,487,500	1,312,500	175,000	175,000	--	Lease expired	JDW Sugar Mills Ltd. 32 M, Gulberg II, Industrial Area, Lahore.
							Premier Hosiery Haji Adam Chamber, 3rd Floor, Altar Hussain Road, Karachi
Particulars	Cost of assets	Accumulated amortization	Book value	Sale Proceeds	Gain/loss on Disposals	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees	Rupees		
Computer Equipment	500,000	447,777	52,223	52,223	--	Lease expired	Zeiin (Pvt) Ltd. Habib Bank Building, Abdullah Haroon Road, Karachi.
Computer Equipment	148,250	133,425	14,825	14,825	--	Lease expired	Marine Consultants Old Rail Brothers Building,

Computer Equipment	485,000	436,500	48,500	48,500	--	Lease expired	Taipur Road, Karachi
Computer Equipment	108,000	75,128	32,872	45,766	12,894	Termination	Arco Laboratories B/18, S.I.T.E., Karachi.
Computer Equipment	650,000	96,440	553,560	553,560	--	Termination	Modern Weighbridge D-175, S.I.T.E., Karachi
Computer Equipment	104,500	99,000	5,500	5,500	--	Lease expired	Khalid Altaf AI-Javaria Clinic, AI-Asad Plaza, F-10 Markaz, Islamabad.
Plant & Machinery	1,100,000	990,000	110,000	110,000	--	Lease expired	Karachi Type Foundaries (Pvt) Ltd. F-17, S.I.T.E., Karachi.
Plant & Machinery	1,200,000	1,020,000	180,000	180,000	--	Lease expired	Murtaza Flour Mills 9th Floor, Mohammadi House I.I. Chundrigar Road, Karachi.
Plant & Machinery	5,091,543	4,823,567	267,976	267,976	--	Lease expired	B.S. Magnetic LA-1/8, Block No.22, F.B.Area, Karachi.
Plant & Machinery	1,600,000	1,520,000	80,000	80,000	--	Lease expired	Mehran International (Pvt) Ltd. Polka Annexe, Hotel Metropole, Karachi.
Plant & Machinery	994,700	944,965	49,735	49,735	--	Lease expired	Premier Hosiery Haji Adam Chamber, 3rd Floor, Altar Hussain Road, Karachi.
Plant & Machinery	1,200,000	1,080,000	120,000	120,000	--	Lease expired	Zelin (Pvt) Ltd. Habib Bank Building, Abdullah Haroon Road, Karachi.
Plant & Machinery	750,000	675,000	75,000	75,000	--	Lease expired	Atco Fertilizer & Chemical (Pvt) Ltd. E-18, S.I.T.E., Karachi.
Plant & Machinery	1,350,000	1,215,000	135,000	135,000	--	Lease expired	Premier Hosiery Hajio Adam Chamber, 3rd Floor, Altar Hussain Road, Karachi.
Plant & Machinery	1,000,000	900,000	100,000	100,000	--	Lease expired	Techno Pack Industries A-2/2, 3rd Floor, Dadabhoi Centre, Shahra-e-Faisat, Karachi.
Plant & Machinery	1,300,000	720,405	579,595	579,595	--	Termination	Techno Pack Industries A-2/2, 3rd Floor, Dadabhoi Centre, Shahra-e-Faisal, Karachi.
Plant & Machinery	80,000	72,000	8,000	8,000	--	Lease expired	Ali's Knitwear 36-E, Commercial Street, Phase 1, D.H.A., Karachi.
Furniture	1,876,059	1,782,256	93,803	93,803	--	Lease expired	Golden Harvest Foods (Pvt) Ltd. 33, Sector 24, Korangi, Karachi.
Furniture	49,400	46,800	2,600	2,600	--	Lease expired	Soneri Bank Ltd. 1st Floor, Gul Tower, I.I. Chundrigar Road, Karachi.
Furniture	144,117	120,097	24,020	24,020	--	Lease expired	Kharal & Associates 11/12, Ark Square, New Challi, Shahra-e-Liaquat, Karachi
Home Appliances	12,924	2,529	10,395	10,395	--	Termination	Dr. Saleem Ahmed B.S. Magnetic (Pvt) Ltd. LA-1/8, Block No. 22, F.B. Area, Karachi.

	75,249,151	65,024,875	10,224,276	10,239,163	14,887					
June 30 1996	67,622,047	60,482,987	7,139,060	7,139,060	--					

26. DISPOSAL OF ASSETS IN OWN USE

Following assets were disposed off during the year:

Particulars	Cost of assets	Accumulated amortization	Book value	Sale Proceeds	Gain/loss on Disposals	Mode of disposal	Particulars of purchasers
	Rupees	Rupees	Rupees	Rupees	Rupees		
Furniture & Fixture	29,000	15,255	13,745	13,850	105	Negotiation	Fayyaz Associates 609, Kashif Centre, Karachi.
Furniture & Fixture	14,400	9,240	5,160	7,000	1,840	Negotiation	Kamal International 52/1, 20th Street, Khayaban-e-Badban, Phase V, D.H.A. Karachi.
Furniture & Fixture	26,054	15,755	10,299	6,275	(4,024)	Negotiation	Nadeem Farooqui Flat No. 5, 2/9/5, Union Insurance Market, Shaheed-e-Millat Road, Karachi.
Furniture & Fixture	78,818	51,187	27,631	49,000	21,369	Negotiation	Matloob 5th Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Furniture & Fixture	4,800	3,080	1,720	1,500	(220)	Negotiation	Tanveer Sultan 310, Memon Plaza, Carry Road, Near Civil Hospital, Karachi.
Furniture & Fixture	2,575	1,115	1,460	1,950	490	Negotiation	Saleem Electronics Shop No. 9, Mustafa Centre, Abdullah Haroon Road, Karachi.
Furniture & Fixture	34,187	19,241	14,946	19,350	4,404	Negotiation	Shamsi Builders 8th Floor, Kashif Centre, Shahra-e-Faisal, Karachi.
Furniture & Fixture	3,150	2,021	1,129	1,800	671	Negotiation	Yousuf Sons 21, Siddiq Wahab Road, Timber Market, Karachi.
Furniture & Fixture	71,461	43,746	27,715	-	(27,715)	Written off.--	
Motor Vehicle	310,491	246,788	63,703	250,000	186,297	Ins. Claim	Adamjee Insurance Co. Ltd. Saddar Br., Zaibunnisa Street, Karachi.
Motor Vehicle	58,160	7,754	50,406	56,500	6,094	Ins. Claim	Adamjee Insurance Co. Ltd.. Saddar Br., Zaibunnisa Street, Karachi.
Motor Vehicle	182,000	181,999	1	100,000	99,999	Negotiation	Muhammed Ijaz A-30, Block No. 5, Gulshan-e-Iqbal, Karachi.
Computer Equipment	57,500	57,499	1	4,000	3,999	Negotiation	Asad Agha 313, Sunny Plaza, Hasrat Mohani Road, Karachi.
	872,596	654,680	217,916	511,225	293,309		
1996	325,550	210,714	114,836	258,000	143,164		

27. GENERAL

- (a) Previous year's figures have been rearranged, wherever necessary, for the purpose of comparison.
- (b) Figures have been rounded off to the nearest rupee.

Pattern of Certificate Holding as at June 30, 1997

No. of Certificates	Certificate Holding	Total Certificates Held
360	Holding Fro 1 to 100	Certificates 17,640
552	" 101 to 500	" 158,347
526	" 501 to 1000	" 405,774
1165	" 1001 to 5000	" 2,621 188
260	" 5001 to 10000	" 1,808 812
90	" 10001 to 15000	" 1,090 451
39	" 15001 to 20000	" 671.92
26	" 20001 to 25000	" 573 641
14	" 25001 to 30000	" 366 081
16	" 30001 to 35000	" 517 012
10	" 35001 to 40000	" 377 395
7	" 40001 to 45000	" 297 824
6	" 45001 to 50000	" 281 287
6	" 50001 to 60000	" 334 556
7	" 60001 to 70000	" 459,511
2	" 70001 to 80000	" 144,747
3	" 80001 to 90000	" 248,915
1	" 90001 to 100000	" 99,085
9	" 100001 to 125000	" 11,052,940
3	" 150001 to 200000	" 477,188
1	" 200001 to 250000	" 236,302
2	" 250001 to 300000	" 533,688
1	" 300001 to 350000	" 336,520
2	" 500001 to 600000	" 1,092,487
1	" 700001 to 800000	" 782,460
1	" 1000001 to 1500000	" 1,412,377
1	" 1500001 to 2000000	" 1,859,255
-----		-----
3111		18,257,400
=====		=====

Categories of Certificate Holders as at June 30, 1997

Categories of Certificate Holders	Number	Certificates Held	Percentage
INDIVIDUALS	3059	11,832 033	64.81
INSURANCE COMPANIES	4	1,457 054	7.98
JOINT STOCK COMPANIES	5	87 628	0.48
FINANCIAL INSTITUTIONS	11	1,1 54 720	6.32
INVESTMENT COMPANIES	13	985 526	5.40
MODARABA COMPANIES	11	2,490 073	13.64
OTHERS	8	250 366	1.37
-----		-----	
	3111	18,257,400	100.00
=====		=====	=====