

**IBRAHIM
ENERGY
LIMITED**

**Annual
Report
1997**

**Conte
nt**

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**Company
information**

**Chief
Executiv
e**

Sheikh
Mukhtar
Ahmed

**Direc
tors**

Sheikh
Mohammed
Yaseen
Mr. Mohammed
Naeem Mukhtar

Mr. Mohammad
Waseem
Mukhtar
Mr. Atif
Yaseen
Mrs.
Iqbal
Begum
Mrs.
Ghazala
Naeem

**Secre
tary**

S.M.
Hasnain
Rizvi

**Audit
ors**

F.R.
Merchant
& Co.,
Chartered
Accountants,
Karachi.

**Tax
Consulta
nts**

F.R.
Merchant
& Co.,
Chartered
Accountants,
Karac
hi.

**System
Consulta
nts**

KPMG Peat
Marwick
Associates
(Pvt)
Limited
Karac
hi.

**Banke
rs**

Pakistan Industrial
Credit & Investment
Corporat

ion
Limited.
Faysal
Bank
Limited.

Registered

Office

Ibrahim
Centre
1-A,
Ahmad
Block,
New Garden
Town, Lahore.

Head

Office

e

Ibrahim
Centre
15-Club Road,
Faisalabad.

Shares

**Registration
Office**

Ibrahim
Centre
GK-7/59,
Bagh-e-Zehra
Street,
Kharadar
,
Karachi.

**Location of
Power Plant**

38,
Kilometer,
Faisalabad
Sheikhup
ura
Road,
Tehsil
Jaranwal
a,
District
Faisalab
ad.

**Notice
of**

Meeting

Notice is hereby given that the 6th Annual General Meeting of the shareholders of the Company will be held on 29-12-1997 at 10:00 A.M. at Avari Hotel, Lahore to transact the following business:-

1. To confirm the minutes of the preceding meeting of the shareholders of the Company.
2. To consider and approve the Annual Audited Accounts of the Company for the year ending 30-06-1997.
3. To consider and approve declaration of Cash Dividend @ 20% as recommended by the Board of

Director
s.

4. To appoint Auditors for the next year 1997-98 and to fix remuneration. The present auditors M/s. F. R. Merchant & Co., Chartered Accountants, Karachi being eligible for appointment, offer themselves for re-appointment.

5.
Special
Business
:

To approve the following special business.

To fix/increase remuneration of a working Director.

"Resolved that keeping in view the inflationary trend, the remuneration of Mr. Atif Yaseen, Director of the Company be and is hereby fixed/increased w.e.f. 01-01-1998 as following:

1. Basic Salary	100,000/-	
	Rs.per month	
2. House Rent Allowance	45,000/-	
	Rs.per month	
3. Utilities	10,000/-	
	Rs.per month	

Total	155,000/-	
	Rs.per month	

6. To transact any other business with the permission of the chair.

Notes

:

i) The share transfer books of the Company shall remain closed from 23-12-1997 to 29-12-1997 (both days inclusive) to determine the names of members entitled to receive Dividend and to attend the meeting. Transfers received in order at the Share Registration Office of the Company at GK 7/59 Bagh-e-Zehra Street, Kharadar, Karachi, at the close of business on 22-12-1997 will be treated in time.

ii) A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote on his/her behalf.

iii) The proxies, in order to be effective, must be received by the Company at its Registered Office at least 48 hours before the meeting.

Directors' Report to the Shareholders

We are pleased to present before you the 6th Annual Report together with Audited Accounts for the year ended 30-06-1997.

OPERATING RESULTS

The generation and distribution of electric power during the year under review is 125,017 Megawatt hours as compared to 91,583 Megawatt hours in pervious year. The increase in generation is due to installation of two additional diesel engines of 5.3 M.W. each which have started generation from April 1997.

FINANCIAL RESULTS

The financial results of the company are satisfactory and are being summarized as follows:

	Year ended 30-06-1997	Year ended 30-06-1996
	Rupees	Rupees
Revenue generated from sale of electric energy	327,091,030	227,108,868
	=====	=====
	=	=
Gross profit	102,348,868	103,824,436
Administrative expenses	14,642,402	13,744,058
	-----	-----
Operating profit	87,706,466	90,080,378
Other income	1,376,009	903,141
	-----	-----

	89,08	90,98
	2,475	3,519
Financial/other charges	66,14	71,81
	1,013	8,704
	22,94	19,16
	1,462	4,815
Capital gain	15,17	--
	2,181	--
	38,11	19,16
	3,643	4,815
Taxation (provision written back)	494,4	--
	11	--
		19,16
Net Profit for the year	38,60	4,815
	8,054	
Unappropriated profit brought forward	66,04	51,22
	3	8
Total Profit available for appropriation	38,67	19,21
	4,097	6,043

**DIVID
END:**

Your directors are pleased to recommend 20% cash dividend i.e. Rs. 2/= per share out of profits earned during the year and the profit has been appropriated as under:

Appropriations:		
Proposed dividend @ 20% (1996- @ 15%)	25,00	18,75
	0,000	0,000
Transfer to general reserve	13,60	400,0
	0,000	00
	38,60	19,15
	0,000	0,000

Unappropriated
profit carried
forward

74,09 66,04
7 3
=====

**CAPACITY
UTILIZATION**

The position of capacity utilization has improved during the year after the start of operation of fibre plant of Ibrahim Fibres Limited in the month of April 1997.

We are negotiating with some more industrial units in the area for the sale of surplus power but there is always a time lag between negotiation/agreement and actual supply as it requires to build infrastructure before resuming actual supply.

**FUTURE
PROSPECTS**

The management is of the view that there is still big scope for further capacity utilization as the supply position in the hydel power generation area always used to deteriorate during winter season due to very low water level. There is routine load shedding during winter season on daily basis and it lasts for months which result in production losses to the industrial units.

AUDITORS

The present Auditors Messrs. ER. Merchant & Co., Chartered Accountants Karachi retire and being eligible, offer themselves for re-appointment.

**PATTERN OF
SHAREHOLDING**

The Pattern of
shareholding of the
company is annexed.

ACKNOWLEDGMENTS

The management would like to place on
record its deep appreciation for the
continuous support of
Shareholders, Employees and Bankers for their
able and continued guidance and hope to get the
same
co-operation
in future
also.

**Auditors'
Report to the
Members**

We have audited the annexed balance sheet
of Ibrahim Energy Limited as at June 30,
1997 and the
related profit & loss account and statement of
changes in financial position, 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 purpose 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 & 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 the accounting policies consistently applied;

(ii) the expenditures incurred during the year were for the purposes of the Company's business;

and

(iii) the business conducted, investment 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 and profit & loss account and the statement of changes in financial position, 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 changes in financial position for the year then ended;

and

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

Karachi
Dated: 24-11-1997

F.R.
Merchant & Co.
Chartered
Accountants

**Balance Sheet
as at June 30,
1997**

		1997	1996
		Rupee	Rupee
	Note	s	s
CAPITAL			
&			
RESERVES			
Capital			
Authorized			
20,000,000 ordinary		200,00,00,00	200,00,00,00
shares of Rs. 10/-			
each		0	0
		=====	=====
		=====	=====
Issued,			
subscribed			
and paid up			
12,500,000 ordinary		125,00,00,00	125,00,00,00
shares of Rs. 10/-			
each	3	0	0
General		61,80,00,00	48,20,00,00
reserve			
Unappropriated		74,09,7,3	66,04,3
profit			
		-----	-----
		-----	-----
		186,87,4,09	173,266,04,3
LONG TERM		165,568,10	329,314,10
LOANS	4	2	2
LIABILITIES			
AGAINST			
ASSETS			
		145,9	
SUBJECT TO		87,62	21,67
FINANCE LEASE	5	2	5,266
DEFERRED			
LIABILITIES			
Provision for	6	1,408	1,022

gratuity ,049 ,340

CURRENT
LIABILITIES

Short
term
borrowings 7 772,315,00
960,000
Current portion of
long term
liabilities 8 58,6625,12
4,7490,148
Creditors, accrued
& other liabilities 9 30,7949,73
1,4911,293
Proposed
dividend 25,0018,75
0,0000,000
Taxation 494,4
-- 11

115,2109,0
28,6395,85
6 2

CONTINGENCIES
AND
COMMITMENTS

10 -- --

615,0634,3
66,5073,60
6 3
=====

The annexed notes form
an integral part of
these account.

FIXED CAPITAL
EXPENDITURE

Operating assets 11 542,1305,9
65,8609,52
7 0
Capital work
in progress -- 23,89
-- 3,025

542,1329,8
65,8602,54
7 5
LONG TERM DEPOSITS
& DEFERRED COST 12 15,716,303
6,781 ,009
LONG
TERM
INVESTMENTS 206,7
04,00
-- 0

CURRENT ASSETS		
Stores, spares & loose tools	13	19,06 14,54
Stock of oils & lubricants	14	2,178 5,337
Trade debtors	15	13,75 9,906
Advances, deposits & other receivables	16	0,647 ,054
Short term investments		6,685 2,691
Cash & bank balances	17	,214 ,553
		12,07 7,710
		0,142 ,649
		45,52
		-- 9,145

		57,18 91,56
		3,858 4,049

		615,0 634,3
		66,50 73,60
		6 3
		=====
		=====
		= =

**Profit and Loss Account for
the year ended June 30, 1997**

	Note	1997 Rupee s	1996 Rupee s
		327,0	227,1
		91,03	08,86
SALES		0	8
		224,7	123,2
COST OF SALES	18	42,16	84,43
		2	2
		-----	-----
		102,3	103,8
GROSS PROFIT		48,86	24,43
		8	6
ADMINISTRATIVE EXPENSES	19	14,64	13,74
		2,402	4,058
		-----	-----
OPERATING PROFIT		87,70	90,08
		6,466	0,378

OTHER INCOME	20	1,376 ,009	903,1 41
		----- -----	
		89,08	90,98
		2,475	3,519
OTHER- CHARGES			
Finan cial	21	64,50 4,891	66,29 7,293
Amortization of deferred cost		428,6 77	428,6 77
Dimin ution			4,084 ,060
Workers' profit participation fund		1,207 ,445	1,008 ,674
		----- -----	
		66,14	71,81
		1,013	8,704
		----- -----	
		22,94	19,16
		1,462	4,815
CAPITAL GAIN		15,17	--
		2,181	--
		----- -----	
PROFIT BEFORE TAXATION		38,11	19,16
TAXATION		3,643	4,815
TAXATION (Provision written back)	22	494,4 11	--
		----- -----	
PROFIT AFTER TAXATION		38,60	19,16
Unappropriated profit brought forward		8,054	4,815
		66,04	51,22
		3	8
		----- -----	
		38,67	19,21
		4,097	6,043
APPROPRI ATION			
Proposed dividend @ 20% (1996- @ 15%)		25,00 0,000	18,75 0,000
Transfer to general reserve		13,60 0,000	400,0 00
		----- -----	

	38,60	19,15
	0,000	0,000
	-----	-----
	-----	-----
UNAPPROPRIATED		
PROFIT CARRIED	74,09	66,04
FORWARD	7	3
	=====	=====
	=====	=====

The annexed notes form an integral part of these accounts.

**Statement of Changes in
Financial Position (Cash Flow
Statement)
for the year ended
- June 30, 1997**

	1997	1996
	Rupee	Rupee
	s	s

**a) CASH FLOW FROM
OPERATING
ACTIVITIES**

Profit for the year before taxation	38,60	19,16
Adjustment for Depreciation	8,054	4,815
Profit/(loss) on disposal of fixed assets	31,19	33,96
Provision for gratuity	6,077	3,538
Gratuity paid	10,54	9
Amortization of deferred cost	--	9
Financia l-charges	476,0	706,8
	39	82
	(90,3	(192,30)
	30)	390)
	428,6	428,6
	77	77
	64,50	66,29
	4,891	7,293
	-----	-----
	-----	-----
Operating profit before working capital changes	135,1	120,3
	23,40	79,36

	8	4
	-----	-----
	-----	-----
Changes in working capital (Increase)/decrease in current assets		
Stores, spares and loose tools	(4,516,841	(458,949)
Stock in trade	2,834,188	(3,225,814)
Trade debtors	3,661	17,653,921
Advances, deposits and other receivables	(4,359,493	(2,841,988)
(Decrease)/increase in current liabilities		
Creditors, accrued and other liabilities	(15,434,469)	6,832,027
	(25,470,276)	17,959,197
Cash generated from operations	109,653,12	138,338,561
Financial charges paid	(86,760,224)	(47,043,887)
Taxes paid	(494,411)	(2,500,000)
Net cash (used in)/from operating activities	22,398,497	88,794,674
	=====	=====
	=====	=====
	1997	1996
	Rupee	Rupee
	s	s

b) CASH FLOW FROM

**INVESTING
ACTIVITIES**

	(250,74	(20,624,60
Fixed capital expenditure		
Proceeds from disposal of fixed assets	316,704	
Long term deposits	9,794	04
Long term investments	(9,842,449	28,975
Short term investments	206,704,000	(133,486,400)
	45,529,145	4,084,060
	-----	-----
Net cash (used in)/from investing activities	(7,847,484	(149,681,268)
	-----	-----

**c) CASH FLOW FROM
FINANCING
ACTIVITIES**

Long term loan	150,000	0
Lease finance	44,048	--
Repayment of long term loans	161,787,000	10,108,000
Repayment of lease liability	(29,046,091)	11,178,184
Increase/(decrease) in short term borrowings	(14,227,604)	62,814,693
	-----	-----
Net cash (used in)/from financing activities	(20,116,647)	65,899,123
	-----	-----
NET INCREASE IN CASH AND BANK BALANCES (A+B+C)	(5,565,634	5,012,529

)	
CASH AND BANK BALANCES		
AT THE BEGINNING OF THE	11,18	6,168
YEAR	1,311	,782
	-----	-----
	-----	-----
CASH AND BANK BALANCES	5,615	11,18
AT THE END OF THE YEAR	,677	1,311
	=====	=====
	=====	=====
	=====	=====
	=====	=====

**Notes to Accounts for
the year ended-June 30,
1997**

**1. STATUS AND
ACTIVITIES**

The company is limited by shares incorporated in Pakistan and its shares are quoted on stock exchanges in Pakistan. The company is operating a Power Generation Plant at Tehsil Jaranwala District Faisalabad. The exclusive object for which the company is established is to generate, accumulate, distribute and supply electricity.

**2. SIGNIFICANT
ACCOUNTING POLICIES**

2.1 These accounts have been prepared under historical cost convention.

**2.2 Foreign
Currency
Translations**

Foreign currency loans have been converted into Pak rupees at the fixed rates of exchange under the exchange risk absorption scheme of State Bank of Pakistan. Exchange risk coverage fee is capitalized as part of cost of tangible fixed assets acquired from the proceeds of

loans.

2.3 Staff retirement benefits

The company operates an unfunded gratuity scheme covering all its employees.

Provision is made annually to cover the liability under the scheme.

2.4 Taxation

Profits and gains of the company are exempt from levy of income tax under clause 176 of the Second Schedule to the Income Tax Ordinance, 1979, therefore no provision for taxation is required.

Profits and gains of the company is also exempt from minimum tax liability under Section 80 (D) of the Income Tax Ordinance, 1979, vide SRO No. (1)/95 dated 23rd 1X/Iay, 1995.

2.5 Operatin g assets

These are stated at cost less accumulated depreciation, except free hold land which is stated at cost.

Depreciation is charged applying the reducing balance method at the rates specified in operating fixed assets note.

Exchange differences in respect of foreign currency loans obtained for acquisition of fixed assets are incorporated in the cost of the relevant assets.

Maintenance and normal repairs are charged to income as and when

incurred. Major renewal and improvements are capitalised. Gains and losses on disposal of assets if any are included in current income.

2.6 Capital work in progress

All cost/expenditure connected with specific assets, incurred during the project implementation period, are grouped under this head. These are transferred to specific assets as and when assets are available for use.

2.7 Unallocated capital expenditure

All cost/expenditure not directly related to specific assets, incurred during the project implementation period, are grouped under this head. These are allocated to plant and machinery and building at the time when assets are available for use on completion of project.

2.8 Accounting for leases

The company accounts for the assets acquired under finance lease by recording the assets and related liability. Financial charges are allocated to accounting period in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged at the rate specified in the related note to write off the assets over its estimated useful life in view of the certainty of ownership of the assets at the end of the lease period.

**2.9
Deferred
cost**

These are written off in maximum period of five years from the year of deferment.

**2.10 Stores, spares
and loose tools**

These are valued at moving average cost.

**2.11 Stock of
furnace oils and
lubricants**

These are valued at weighted average cost.

**2.12
Investme
nts**

Long term investments are stated at cost. Short term investments are stated at lower of cost and net realisable value

**2.13
Trade
Debtors**

Known bad debts are written off and specific provisions are made for debts considered doubtful.

**2.14 Revenue
recognition**

Revenue from supply of electricity is recognised on issue of bills to the customers.

**3. ISSUED,
SUBSCRIBED AND
PAID-UP CAPITAL**

	1997	1996
	Rupee	Rupee
	s	s
Ordinary	100,0	100,0
10,00 shares of Rs.	00,00	00,00
0,00010/- each	0	0
fully paid-up		
in cash.		

Ordinary		
2,500 shares of Rs.	25,00	25,00
,000 10/- each	0,000	0,000
issued as fully		
paid bonus shares		
-----	-----	-----
-----	-----	-----
-	-	-
	125,0	125,0
12,50	00,00	00,00
0,000	0	0
=====	=====	=====
=====	=====	=====

**4. LONG
TERM
LOANS**

Description	Foreign Exchange		Rupee	Revolving Finance	Total	
	Rate	Booked			1997	1996
	Yen		Rs		Rupee	Rupee
Opening Balance	948,60,923	0.201443	150,000,000	150,000,000	341,101,2	201,09,102
Obtained during the year	--	--	--	--	--	150,000,000
Less: Paid during the year	58,512,831	0.201443	11,787,000	150,000,000	161,787,000	10,108,000
Less: Payable within one year shown under current	890,148,092	0.201443	179,314,102	--	179,314,102	341,101,102

liabi			13,7			
litie	68,23	0.201	46,0		13,74	11,78
s	7,665	443	00	--	6,000	7,000
	-----	-----	-----	-----	-----	-----
	-	-	---	-	-	-
	821,9		165,		165,5	329,3
	10,42	0.201	568,		68,10	14,10
	7	443	102	--	2	2
			====			
	=====	=====	=====	=====	=====	=====
	=====	=====	=====	=====	=====	=====

4.1 The company obtained long term loan from Pakistan Industrial Credit & Investment Corporation Limited (PICIC) for US\$ 7,856,000 (equivalent to Japanese Yen 1,021,177,7.14) under Asian Development Bank line of credit for the import of four power generating sets of 5.3 MW each from M/s. Niigata Engineering Company Limited, Japan.

4.2 The above loan has been converted into Pak Rupees @ Re. 0.201443 = Japanese Yen 1 being the exchange rate booked under the exchange risk absorption scheme of State Bank of Pakistan at the time of opening of letter of credit on 18-08-1992.

4.3 The rate of interest charged by PICIC during the year on the above loan was 12.79% plus 3% total @ 15.79% per annum payable semi-annually on the 1st day of January and 1st day of July in every year upto 01-07-2004.

4.4 The loan is repayable in 20 consecutive approximately equal semi-annual installments commencing from 01-01-1995 and ending on 01-07-2004.

Rupee Rupee
s s

**5. LIABILITIES
AGAINST ASSETS
SUBJECT TO**

FINANCE
LEASE

Balance on	35,00	46,18
July 1, 1996	8,414	6,598
Obtained	184,9	
during the	44,04	
year	8	--
	-----	-----
	-----	-----
	219,9	
	52,46	46,18
	2	6,598

Paid /
adjusted
during the
year

	29,04	11,17
	6,091	8,184
	-----	-----
	-----	-----
	190,9	
	06,37	35,00
	1	8,414

Installment due
within one year
shown

under current	44,91	13,33
liabilities	8,749	3,148
	-----	-----
	-----	-----

Balance on	145,9	
June 30, 1997.	87,62	21,67
	2	5,266
	=====	=====
	=====	=====

= =

These represent vehicles and machinery acquired under separate agreements with different leasing companies. The purchase option is available to the company on payment of last installment and surrender of deposits paid under the agreements. The cost plus financial charges are payable in 36 to 60 monthly and 12 to 20 quarterly installments under different leasing agreements. The liability

represents the total minimum lease payments discounted @ 20.5% to 23.43% per annum being the company's incremental rate of borrowings.

The future minimum lease payments to which the company is committed as on June 30, 1997 are as follows :-

Year ending June 30	Rupees
	236,5
1997	56,925
	293,9
1998	51,032
	92,67
1999	6,404
	33,28
2000	4,523
	33,75
2001	1,062

	690,2
	19,94
	6
Financial charges pertaining to future periods	499,3
	13,57
	5

	190,9
	06,37
	1
	=====
	=====

6. PROVISION FOR GRATUITY

Balance as on July 1, 1996	1,022	507,8
	,340	48
Less: payment during the	90,33	192,3
	0	90

year	-----	-----
	-----	-----
	932,0	315,4
	10	58
Add:		
Provision		
during the	476,0	706,8
year	39	82
	-----	-----
	-----	-----
Balance as on	1,408	1,022
June 30, 1997	,049	,340
	=====	=====
	=====	=====

**7. SHORT TERM
BORROWINGS**

	Limit	1997	1996
	(Mil	Rupee	Rupee
	lion	s	s
)		
Under mark-up arrangements - secured Banking companies			
Book over drawn		772,3	--
	--	96	--
Financial Institution			
Cash finance	15.0		15,00
	00	--	0,000
	-----	-----	-----
	--	-----	-----
	15.0	772,3	15,00
	00	96	0,000
	=====	=====	=====
	=====	=====	=====
	==	=====	=====

**8. CURRENT PORTION
OF LONG TERM
LIABILITIES**

Long term loan (Note No. 4)		13,74	11,78
		6,000	7,000

Liabilities against assets subject to finance lease (Note No. 5)	44,91	13,33
	8,749	3,148
	-----	-----
	-----	-----
	58,66	25,12
	4,749	0,148
	=====	=====
	=====	=====

**9. CREDITORS,
ACCRUED & OTHER
LIABILITIES**

Creditors	4,298	4,916
	,235	,810
Accrued expenses	1,612	1,801
	,465	,659
Retentions/deposits	1,712	672,4
	,657	14
Mark-up/interest on secured loan	14,26	36,52
	5,974	1,307
Income tax withheld		20,04
	3,270	5
Workers' profit participation fund (9.1)	7,963	5,799
	,348	,058
Dividend payable	935,5	--
	42	--
	-----	-----
	-----	-----
	30,79	49,73
	1,491	1,293
9.1 Workers' profit participation fund	=====	=====
	=====	=====
Opening balance	5,799	4,111
	,058	,918
Allocation for the year	1,207	1,008
	,445	,674
Mark-up on previous year balance @ 16.5%	956,8	678,4
	45	66
	-----	-----
	-----	-----
	7,963	5,799
	,348	,058
	=====	=====
	=====	=====

**10. CONTINGENCIES
AND COMMITMENTS**

Commi
tment
s

Capital expenditure
commitments for -
building

23.89
3
Milli
-- on

11.
OPERATING ASSETS

	COST AT 6/30/1996	ADDITIONS (DELETIONS) / ADJUSTMENTS	COST AS AT 6/30/1997	%	ACCUMULATED DEPRECIATION ON 6/30/1996	ACCUMULATED DEPRECIATION FOR THE YEAR 1997	ACCUMULATED DEPRECIATION ON 6/30/1997	WRITE-DOWN VALUE
Freehold land	4,031,369	--	4,039,369	--	--	--	--	4,039,369
Building power house	32,262,368	--	32,262,368	10%	7,414,163	2,484,821	9,898,984	63,385
Building power house (Ext)	--	22,943,096	22,943,096	10%	--	573,577	573,577	69,519
Plant & Machinery	289,459,673	--	289,459,673	10%	66,720,121	22,273,955	88,994,076	465,597
Plant & Machinery (Ext)	--	58,383,353	58,383,353	10%	--	1,459,584	1,459,584	23,769
Electric Installation	2,324,025	11,046,407	13,370,432	10%	2,654,338	1,071,609	3,725,947	4,485
Electric Installation (Ext.)	--	3,933,250	3,933,250	10%	--	98,331	98,331	4,919
Other Plant Equipments	514,252	951,319	1,465,571	10%	69,154	139,642	208,796	6,775
Office Equipments	2,021,160	1,204,616	3,225,776	10%	339,274	287,625	625,897	9,037
		(10,882)			(1,088)			
Furniture	2,498	213,721	216,219	10%	462,822	224,968	687,789	2,027

e & Fixture	,214	74	1,98		87	10	97	4,19
			8					1
			4,91					2,48
Vehicles	4,505	406,2	1,57	20%	1,808	620,5	2,429	2,16
	,324	50	4		,871	41	,412	2
			----					----
			-----					-----
			-----					-----
	337,6		436,				108,7	327,
	16,38	99,07	687,		79,46	29,23	02,36	985,
		5	1,183		568		7,720	4,640
							0	208

Under lease								
Plant & machinery	41,60		41,6		9,572	3,203	12,77	28,8
	4,643	--	43	10%	,172	,247	5,419	29,2
			181,8					177,
Machinery on lease (Ext)		--	6	10%	-	,290	,290	344,
			596					306
Electric Installation	13,02	6,614	3,19	10%	802,8	268,0	1,070	2,41
	9,809)	5		77	32	,909	2,28
Office Equipment	3.992	3,052	4,65	10%	828,1	621,6	1,449	5,59
	.203	,452	5		63	49	,812	4,84
Vehicles	338,5	(338,500)	--	20%				3

			175,0					214,
	58,96	58,93	024,		11,20	8,640	19,84	180,
	5,155	4	089		3,212	,218	3,430	659

1997 RUPES	396,5	274,1	670,				128,5	542,
	81,54	30,11	711,		90,67	37,87	45,79	165,
	0	7	657		0,932	4,858	0	867

1996 RUPES	395,3		396,					305,
	50,71	1,230	581,		56,70	33,96	90,67	909,
	9	,821	540		8,482	3,538	2,020	520

1997
RUPES

Allocation of
Depreciation

Power generation expenses	36,120,087
Administrative expenses	1,754,771

	37,874,858
	=====
	=====

11.1- Depreciation on expansion unit has been charged for the period of commercial operation for three months from April 1997 to June 1997.

11.2- Profit/(loss) on disposal of assets

Sale of	Depreciated Cost	W.D. on V.	Sales Price	Profit (Loss)	Sold to
Monitor with Key Board	10,882,1088	9,794	9,794		Ibrahim Fibres --Ltd.

1997 1996
Rupee Rupee
s s

12. LONG TERM DEPOSITS & DEFERRED COST

Bank/financial institution deposits	15,288,105	5,445,656
Deferred costs		
Preliminary expenses	80,000	80,000
Public issue expenses	2,063,384	2,063,384
	-----	-----
	-----	-----
	2,143,384	2,143,384

Amortization

	(1,28	
Opening balance	6,031	(857,354)
)	354)
During the year	(428,677)	(428,677)
	(1,71	(1,28
	4,708	6,031
))
	-----	-----
	-----	-----
	15,71	6,303
	6,781	,009
	=====	=====
	=====	=====
	=	=

**13. STORES,
SPARES &
LOOSE TOOLS**

Stores	752,0	411,9
Spare parts	52	68
Loose tools	18,22	14,07
	5,793	3,669
	84,33	59,70
	3	0
	-----	-----
	-----	-----
	19,06	14,54
	2,178	5,337

**14. STOCKS OF
OILS &
LUBRICANTS**

Furnace oil	11,78	7,385
Diesel oil	6,341	,885
Lubricating oil	908,9	922,8
	94	88
Lube oil	1,055	1,597
	,312	,281
	-----	-----
	-----	-----
	13,75	9,906
	0,647	,054
	=====	=====
	=====	=====
	=	=

**15. TRADE DEBTORS
(unsecured considered
good)**

Local industrial consumer of electric power	6,685	2,691
	,214	,553
	=====	=====
	=====	=====
	=	=

1997 1996
Rupee Rupee
s s

**16. ADVANCES,
DEPOSITS & OTHER
RECEIVABLES**

16.1 Loans and advances
(Unsecured considered
good)

Emplo	107,7	72,35
yees	41	0
Suppl	5,979	3,194
iers	,519	,183
Incom	92,84	55,50
e tax	6	2
	-----	-----
	6,180	3,322
	,106	,035

16.2 Deposits
and
prepayments

Security	54,16	53,71
deposits	6	6
Prepa	5,095	3,815
yment	,870	,397
Insur	50,00	52,83
ance	0	4
Other	690,0	466,6
s	00	67
	-----	-----
	5,890	4,388
	,036	,614
	-----	-----
	12,07	7,710
	0,142	,649
	=====	=====
	=====	=====

**17. CASH AND
BANK BALANCES**

Cash in	1,983	10,57
hand	,722	5,229
Cash at		
banks		
In		
current	3,631	606,0
accounts	,955	82
	-----	-----
	5,615	11,18
	,677	1,311

=====

**18. COST
OF SALES**

Cost of fuel, oil and lubricants	170,5 61,66 77,73 2 1,474
Salaries, wages and benefits	7,554 4,724 ,065 ,730
Stores and spares	8,672 6,363 ,200 ,185
Insur ance	443,4 422,5 36 85
Repairs and maintenance	1,390 1,602 ,712 ,241
Deprecia tion	36,12 32,44 0,087 0,217

	224,7 123,2
	42,16 84,43
	2 2

=====

**19.
ADMINISTRATIV
E EXPENSES**

Director's Remuneration	600,0 300,0 00 00
Staff salaries and benefits	5,652 4,813 ,429 ,110
Postage, telephone and telegram	1,370 397,4 ,602 63
Elect ricit y	290,9 335,8 19 03
Vehicles running and maintenance	528,5 565,8 29 31
Printing and stationery	602,7 575,1 63 99
Rent, rates and taxes	78,09 86,16 8 3
Travelling and conveyance	849,3 2,346 74 ,603
Fees, subscription and periodicals	543,9 360,6 72 88

Legal and professional	47,00	97,00
Insurance	251,095	349,441
Repairs and maintenance	1,084,991	878,866
Audit fee	44,200	40,000
Entertainment	238,646	324,537
Donation (19.1)	150,500	39,585
Depreciation	1,754,771	1,523,321
Others	554,513	710,448
	-----	-----
	14,64	13,74
	2,402	4,058
	=====	=====
	=====	=====

19.1 No director or his/her spouse had any interest in the donee's fund.

**20.
OTHER
INCOME**

Sale of scrap	1,376,009	434,385
Sale of lube oil & F.D. sludge	--	479,305
Profit/(loss) on sale of fixed assets	--	(10,549)
	-----	-----
	1,376,009	903,141
	=====	=====
	=====	=====

**21.
FINANCIAL
CHARGES**

Mark-up/interest on Long term	28,897,197	52,163,590
-------------------------------	------------	------------

loans		
Lease	9,929	7,723
finance	,893	,755
Short		
term		
borrowin	22,73	3,762
gs	6,519	,478
Workers' profit	956,8	678,4
participation fund	45	66
Bank charges and		
excise duty	1,984	1,969
commission	,437	,004
	-----	-----
	-----	-----
	64,50	66,29
	4,891	7,293
	=====	=====
	=====	=====

22.

TAXATION

Profit and gains of the company are exempt from levy of income tax under clause 176 of the Second Schedule to the Income Tax Ordinance, 1979, therefore no provision for taxation is required.

Profits and gains of the company is also exempt from minimum tax liability under Section 80 (D) of the Income Tax Ordinance 1979, vide SRO No. (1)/95 dated 23rd May, 95.

23. REMUNERATION TO DIRECTORS AND EXECUTIVES

	1997	1996
	Dire	Exec
	ctorExecu	Direc utiv
	stives	tors es
	RupeRupe	Rupe Rupe
	es s	s es
Remunera	387,1,248	885,9 193,
tion	500 ,642	44 750
Housi	174,561,8	398,6 87,0
ng	000 91	87 00
Conve		
yance	-- 3;600	3,561 --

Utili	38,5120,0	88,58	19,2
ties	00 28	2	50
	-----	-----	-----
	-----	-----	-----
	-----	-----	-----
			1,37
	600,1,934	300,0	6,77
	000 ,161	00	4
	=====	=====	=====
	=====	=====	=====
	=====	=====	=====

Number of persons	1	5	1	5
-------------------	---	---	---	---

1997 1996
Rupee Rupee
es s

24. AGGREGATE TRANSACTION WITH ASSOCIATED UNDER TAKING

Purchase of goods	464,285	589,91
Sale of electric energy	272,843	218,22,80
Sale of store goods	122,759	94,74
Rent	60,00	60,00
	-----	-----
	-----	-----
	---	-
	273,490	218,967,04
	963	7
	=====	=====
	=====	=====
	==	=====

25. PLANT CAPACITY AND ACTUAL POWER GENERATION

Plant capacity - Megawatt	223,	185,7
hours	872	12
Actual generation - Megawatt hours	125,017	91,58
		3

25.1 Reason for low power generation

The plant capacity increased after installation of two additional engines of 5.3 M.W. each which started operation in the month of April, 1997. The actual generation of the existing four engines have increased over previous year but the actual generation is low due to periodical maintenance.

**26.
FIGURES**

-- Have been rounded off nearest to rupee.

-- Of prior year have been re-arranged wherever necessary for the purpose of comparison.

Pattern of Share Holding as at June 30, 1997

No. Having Perce
of shares Sharentage
Share
holde Fro
rs m To Held

				0.032
56	1	100	4100	8
				0.593
212	101	500	74125	0
			22617	1.809
289	501	1000	5	4
		100	11022	8.817
468	1	5000	25	8
		500	1000	59965
80	1	0	0	2
		100	1500	34647
28	01	0	5	8

	150	2000	21200	1.696
11	01	0	0	0
	200	2500	11200	0.896
5	01	0	0	0
	250	3000		0.692
3	01	0	86500	0
	300	3500		0.757
3	01	0	94625	0
	350	4000	11475	0.918
3	01	0	0	0
	450	5000		0.764
2	01	0	95500	0
	500	5500		0.408
1	01	0	51000	0
	550	6000	17212	1.377
3	01	0	5	0
	600	6500	56020	4.481
9	01	0	0	6
	650	7000	13650	1.092
2	01	0	0	0
	700	7500		0.573
1	01	0	71625	0
	120	1250	37350	2.988
3	001	00	0	0
	160	1650	16387	1.311
1	001	00	5	0
	180	1850	18237	1.459
1	001	00	5	0
	215	2200	21520	1.721
1	001	00	0	6
	225	2300	22947	1.835
1	001	00	5	8
	230	2350	23437	1.875
1	001	00	5	0
	245	2500	15000	12.00
6	001	00	00	00
	310	3150	62500	5.000
2	001	00	0	0
	360	3650	36175	2.894
1	001	00	0	0
	430	4350	43187	3.455
1	001	00	5	0
	490	5000	15000	12.00
3	001	00	00	00
	620	6250	12480	9.984
2	001	00	00	0
	137			
	000	1375	13750	11.00
1	1	000	00	00

-----	-----	-----
-----	-----	-----
	12,50	100.0
1200	0,000	000
=====	=====	=====
=====	=====	=====

Categories of Shareholder

Particulars	Shareholders	Shareholding	Percentage
Individuals/leasing	1149	9,264,475	74.1158
Modarabas Companies	10	128,000	1.0240
Financial Institutions	14	1,606,450	12.8516
Insurance Companies	4	750,000	6.0000
Joint Stock Companies	9	126,375	1.0110
Investment Bank	10	536,375	4.2910
Foreign Investment Companies	4	88,325	0.7066
		-----	----
	-----	-----	-----
		12,500	100.
	1200	0,000	0000