Modaraba Al-Tijarah Annual Report 2001

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Syed Iradat Husain Chairman
Mr. Maqbool Hussain Vice Chairman &
Managing Director

Mr. Ashraf Kalam Director
Mr. Ahmad H. I. Dada Director
Mr. Imdad Ali Director
Mr. Faisal Hussain Director
Mr. Mohammad Azeem Khan Director
Mr. Zafar H. Naqvi Chief Executive

MANAGEMENT TEAM

Mr. Zafar H. Naqvi Chief Executive

Mr. Omair Jamal Chief Operating Officer &

Company Secretary

Mr. Zulfiqar Ali Manager Finance

AUDITORS

Ford, Rhodes, Robson, Morrow

Chartered Accountants

Finaly House

I. I. Chundrigar Road

Karachi.

BANKERS & FINANCERS

Allied Bank of Pakistan

Muslim Commercial Bank Limited

Metropolitan Bank Limited

REGISTERED OFFICE

10th Floor, Progressive Square

Opposite Nursery, Sharae Faisal, Karachi.

Phones: 4547521-5 Fax: (92-21) 4547526

E-mail: mali-tij@cyber.net.pk

DIRECTORS' REPORT

The Board of Directors of Al-Mal Corporation Limited have pleasure in presenting 10th Annual Report of Modaraba Al-Tijarah together with Audited Accounts for the year ended June 30, 2001.

1. Operating Results:

A summary of the operating results for the year ended 30th June, 2001 are presented as under:

	(Rs. in ''000'')			
	2001	2000		
Profit after taxation	51	1,319		
Operating income / (Loss)	1,753	(3,970)		
Operating cost	(2,122)	(2,049)		
	(369)	(6,019)		

Other Income	455	451
	86	(5,568)
Provision for doubtful debts	(1,502)	(971)
Provision for diminution in value of stock in trade		(249)
Provision written back	1,550	8,218
Profit before taxation	134	1,430
Taxation	(83)	(111)
Profit after taxation	51	1,319
Loss brought forward	(48,151)	(49,338)
	(48,100)	(48,019)
Transfer to statutory reserves	(5)	(132)
Loss Carried to the balance sheet	(48,105)	(48,151)
Earnings per certificate	0.01	0.17
	=======================================	

2. Statutory Reserve

In accordance with Prudential Regulation for Modarabas issued by Securities & Exchange Commission of Pakistan, your Directors have decided to appropriate 10% of the current year profit to Statutory Reserves.

3. Business Operations

The year under review once again witnessed suspension of negative results in business operation of Modaraba Al-Tijarah for consecutive third year. However, improvement in country's economy could not yield significant effect on the results due to some problems specific to Modaraba Al-Tijarah, like liquidity crunch.

All Items of gross operating income have shown a positive trend as compared to the last years figures. Gross operating income was recorded at Rs. 1.75 million as against gross loss of Rs. 3.97 million during the last year. Operating cost remained under strict control of management and restricted to last year's level of Rs. 2.00 million. Thus, modaraba could manage to book a net profit of Rs. 0.051 million viz a viz Rs. 1.30 million during the year 1999-2000.

4. Future Prospects

The Modaraba has re-established its export division which contributed over Rs. 0.400 million towards gross revenue for the year 2000-2001 and is expected to reflect much better results in the year 2001-2002. At the same time we understand that export business is susceptible to adverse international market due to various geo-political reasons. However, the management of your Modaraba is committed to re-establish the foundation for sustainable growth of Modaraba, for which a number of business plans are under active consideration.

5. 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 2001-2002.

6. Pattern of Certificate Holdings

The pattern of certificate holding is attached.

7. Acknowledgement

The Directors take this opportunity to extend their appreciation and thanks to Certificate holders for their trust in Modaraba. to the authorities for their guidance and to all members of management and staff for their hard work and commitment.

On the behalf of the Board

Syed Iradat Husain Chairman

Karachi: Dated 21st November, 2001

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed Balance Sheet as at June, 30, 2001 and the related Profit and Loss Account and the Cash Flow Statement, together with the Notes to the Accounts for the year ended June 30, 2001 of Modaraba Al-Tijarah which are modaraba company's (Al-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-Tijarah 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 the Cash Flow Statement, which are in agreement with the books of account, exhibit respectively a true and fair view of the state of Modaraba's affairs as at June 30, 2001 and of the Profit and Cash Flows for the year ended on that date;
- (ii) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980; 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.

Note

Karachi: 21st November, 2001

Ford, Rhodes, Robson, Morrow Chartered Accountants.

2000

Rupees

2001

Rupees

BALANCE SHEET AS AT JUNE 30, 2001

ASSETS			
NON-CURRENT ASSETS			
Fixed assets- tangible	3	4,527,001	4,962,092
Long term investments	4	3,756,881	4,630,967
Deferred expenditure	5	76,158	358,493
		8,360,040	9,951,552
CURRENT ASSETS			
Stock-in-trade	6	1,467,144	12,233,600
Short term investments	7	997,626	2,068,814
Trade debts	8	8,964,937	
Short term musharaka	9	4,926,514	2,439,554
Short term morabaha	10		
Advances, deposits, prepayments and other receiva	11	4,222,464	4,549,635
Cash and bank balances	12	7,781,771	4,692,525
		28,360,456	25,984,128
TOTAL ASSETS		36,720,496	35,935,680
EQUITY AND LIABILITIES			
CAPITALAND RESERVES			
Certificate capital Authorised - 10.000,000 (2000: 10,000,000)		100 000 000	100 000 000
Certificates of Rs. 10 each		100,000,000	100,000,000
Issued, subscribed and paid-up	13	75,778,150	75,778,150
Reserves	14	(47,610,835)	(47,662,265)
Certificate holder's equity		28,167,315	28,115,885
NON-CURRENT LIABILITIES Long term advance	15	1,500,000	1,500,000
CURRENT LIABILITIES	16	6 657 566	£ 000 004
Creditors, accrued and other liabilities Unclaimed profit distribution	16	6,657,566 395,615	5,908,804 410,991
COMMITMENT AND CONTINGENCY	17	7,053,181	6,319,795
COMMITMENT AND CONTINUENCE	1/		
TOTAL EQUITY AND LIABILITIES		36,720,496 ======	

Zafar H. Naqvi

Zafar H. Naqvi Maqbool Hussain Chief Executive Managing Director S. Iradat Husain Chairman

The annexed notes form an integral part of these accounts.

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

	Note	2001 Rupees	2000 Rupees
Operating income/(loss)	18	1,753,265	(3,969,847)
Operating cost	19	2,121,794	2,048,600
		(368,529)	(6,018,447)
Other income	20	454,599	450,752
		86,070	(5,567,695)
Provisions written back	21	48,122	6,998,486
Profit before taxation		134 192	1,430,791
Taxation		82,762	111,341
Profit after taxation			1,319,450
Transfer to statutory reserve: 10% (2000: 10%)			(131,945)
		46.287	1,187,505
Accumulated losses brought forward			(49,338,067)
Accumulated losses carded forward		(48,104,275)	(48,150,562)
Earnings per certificate	22	0.01	0.17

The annexed notes form an integral part of these accounts.

Zafar H. Naqvi Maqbool Hussain S. Iradat Husain Chief Executive Managing Director Chairman

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2001

	Note	2001 Rupees	2000 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before taxation		134,192	1,430,791
Adjustments for:			
Depreciation		427,890	586,913
Amortisation of deferred expenditure		282,335	
Gain on sale of fixed assets		,	(8,200)
Provision for diminution in value of stock-in-trade			248,918
Loss on sale of long term investments			5,938,362
Provision - write-back on long term investments			(7,173,979)
Profit on sale of export quota			(472,761)
Dividend		(1,193,944)	(1,138,609)
Cash generated from operations		(565,567)	(1,737,020)
Operating profit before changes in operating assets/liabilit	ies	(431,375)	(306,229)
(Increase)/decrease in operating assets			
Stock-in-trade		10,766,456	2,034,500
Marketable securities		1,071,188	(534,328)
Shod term Musharaka		(2,486,960)	
Shod term Morabaha			221,225
Trade debts		(8,964,937)	
Advances, prepayments and other receivables			
excluding advance tax and dividend		292,988	(825,815)
		678,735	1,239,769
(Decrease)/increase in operating liabilities			
Short-term Musharaka			(5,940,000)

Creditors, accrued and other liabilities	781,787	3,342,275
	781,787	(2,597,725)
Cash (outflow)/inflow from operating activities	1,029,147	(1,664,185)
Financial charges paid		(1,139,532)
Income tax paid	(93,094)	(1,139,532) (91,009)
Net cash (outflow)/inflow from operating activities Total c/f.	936,053	(2,894,726)
Net cash (outflow)/inflow from operating activities Total b/f.	936,053	(2,894,726)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		(40,777)
Proceeds from sale of fixed assets		350,000
Proceeds from sale of long term investments	951,635	2,911,193
Proceeds from sale of export quota		1,486,270
Profit received on bank deposits	66,975	30,483
Dividend received	1,138,459	30,483 1,141,516
Net cash inflow/(outflow) from investing activities	2,168,569	5,878,685
CASH FLOW FROM FINANCING ACTIVITIES		
Long term deposit		1,500,000
Profit paid	(15,376)	(8,568)
Deferred expenditure paid		(355,970)
Net cash inflow I (outflow) from financing activities	(15,376)	1,135,462
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT	3,089,246	4,119,421
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	4,692,525	573,104
-	7,781,771	
=		

The annexed notes form an integral part of these accounts.

Zafar H. Naqvi	Maqbool Hussain	S. Iradat Husain
Chief Executive	Managing Director	Chairman

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

1. LEGAL STATUS AND NATURE OF BUSINESS

Modaraba Al-Tijarah is a multipurpose, perpetual Modaraba formed in July, 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and Modaraba Companies and Modaraba Rules, 1981 and is managed by Al-Mal Corporation Limited. It is engaged in the business of trading and manufacturing on its own account, providing musharaka, morabaha finances, purchase and sale of securities and other related business. It is listed on the Karachi, Islamabad and Lahore Stock Exchanges.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Accounting convention

These accounts have been prepared under the historical cost convention.

2.2 Staff retirement benefits

(a) Staff gratuity

The Modaraba participates in an approved group funded gratuity scheme for all its employees, who have completed minimum qualifying period of service. Contributions to the fund have been made on the basis of actuarial recommendation at the rate of 8.33 percent per annum of basic salaries. The actuarial valuation is normally carried out once in every three years. The latest valuation was carried out as at June 30, 1999. The fair value of the scheme's assets and liabilities of past services of the employees relating to the Modaraba at the latest valuation date were Rs.0.015 million and Rs.0.023 million respectively. The projected unit credit method using the following significant assumptions is used for the valuation of the scheme:

- Expected long term rate of increase in salary level 12 percent per annum.
- Expected long term rate of interest 12 percent per annum.
- Discount rate used to determine the actuarial present value is 12 percent per annum.

(b) Staff provident fund

The Modaraba contributes to an approved group provident fund scheme covering all its employees who are eligible under the scheme. Equal monthly contributions are made by the Modaraba and the employees to the fund.

2.3 Fixed assets - tangible

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method whereby the cost of an asset is written off over its estimated useful life. In respect of additions and disposals during the year, depreciation is charged proportionately for the period of use. Gain or loss on disposal of assets, if any, is included in income currently.

2.4 Long term investments

These are stated at cost. Provision is made for decline other than temporary, if any, in the value of these investments.

2.5 Deferred expenditure

Expenses incurred in connection with the expenses on purchase of export quota are amortised over three years effective from the year of its purchase.

2.6 Stock-in-trade

Trading stock is stated at lower of cost and estimated net realisable value. Cost is arrived at by using the weighted average basis except for stock-in-transit which is valued at actual cost.

2.7 Short term investments

These are carded at lower of moving average cost and market value determined on an aggregate portfolio basis. Gain or loss on sale of investments is accounted for in the year in which it arises,

2.8 Foreign currency translation

Assets and liabilities in foreign currencies are translated into rupees at the rates of exchange approximating to those prevalent on the balance sheet date. Exchange gains or losses are taken to income currently.

2.9 Taxation

Current

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

Deferred

Deferred tax is provided using the liability method on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and the carrying amounts for financial reporting purposes. Deferred tax debits are not accounted for as a matter of prudence.

2.10 Revenue recognition

Profit generated from morabaha transactions is recognised as income at the time of sale.

Dividend income is recognised at the time of closure of share transfer books of the company declaring dividend. Sales are recorded on despatch of goods.

Commission income is recognised on a receipt basis.

2.11 Bad and doubtful debts

Debts considered doubtful are provided for.

3. FIXED ASSETS - TANGIBLE

Description	Cost July 1 2000	Disposals	Cost as at June 30, 2001	Depreciation as at July 1, 2000	Depreciation charged for the year	Depreciation on disposal	Depreciation as at June 30, 2001	Net book Book Value as at June 30, 2001	Rate of depreciation per annum
				Rupees					%
Leasehold shops	1,809,494		1,809,494	90,475	90,475		180,950	1,628,544	5
Office premises	3,184,406		3,194,406	583,807	159,220		743,027	2,441,379	5
Furniture and fixtures	529,154	(74,508)	454,646	410,772	87,347	(74,507)	423,612	31,034	20
Equipments	884,439		864,439	351,947	86,448		438,395	426,044	10
Vehicle	24,000	(24,000)		12,400	4,400	(16,800)			20
	6,411,493	(98,508)	6,312,985	1,449,401	427,890	(91,307)		4,527,001	-
2000	7,167,234	(755,741)	6,411,493	862,488	586,913		1,449,401	4,962,092	-
	========			========		========			

3.1 Details of disposal of fixed assets:

Accumulated	Book	Sale	Gain	Mode of
-------------	------	------	------	---------

Description	Cost	depreciation	value	proceeds	on disposal	disposal	Particulars of purchaser
			Rupees				
Vehicle	24,000	16,800	7,200	11,500	4,300	Negotiation	Mr. Ramji S/o Kanji, Old Kumwarwada Road, Karachi.
Furniture and fixtures	74,508	74,507	1		(1)		

4. LONG TERM INVESTMENTS

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

			2001		
No. of shares/ certificates/units		Average cost per share/ certificate/unit	Market Value	Cost	2000 Cost
2000 20	01 Name of Investee		Rupees		Rupees
103,000	ASSOCIATED UNDERTAKING 103,000 Al-Mal Securities and Services Li	9.8841	257,500	1,018,060	1,018,060
	ASSOCIATED MODARABA Modaraba Al-Mali				
437,631	279,131 [Managed by Al-Mal Corporation	15.3368	1,465,438	4,280,984	6,711,871
	OTHERS MUTUAL FUNDS				
14,000	14,000 Twenty Third ICP Mutual Fund	11.7604	18,900	164,646	164,646
11,900	11,900 Twenty Fourth ICP Mutual Fund	10.0000	16,065	119,000	119,000
	GOVERNMENT SECURITIES				
95,000	95,000 National Investment Trust Limited	15.6000	926,250	1,482,000	1,482,000
	LEASING COMPANY				
45,323	45,323 Union Leasing Company Limited	20.7011	201,687	938,237	938,237
	TEXTILE SPINNING				
1,500	1,500 Sana Industries Limited	78.00	58,500	117,000	117,000
	TEXTILE COMPOSITE				
100	Ghazi Fabrics International Limite	d			922
	SUGAR				
11,700	Chashma Sugar Mills Limited				127,301
270	CEMENT				16.400
279	D.G. Khan Cement Company Limi	ıt			16,499
22.000	AUTOS AND ALLIED ENGINE		250 540	1 505 1 10	1 505 110
33,800	33,800 Indus Motor Company Limited	50.1819	378,560	1,696,149	1,696,149
2,058	2,058 Agriauto Industries Limited (Rs.5	7.4985	7,100	15,432	15,435
	ENGINEERING				
7,103	7,103 Crescent Steel & Allied Products L	63.5275	101,928	451,236	451,236
	FUEL AND ENERGY				
327	Karachi Electric Supply Corporation)			12,559
425	Mari Gas Company Limited				14,284
	TRANSPORT AND COMMUNI	CATION			
350	Pakistan International Airlines Cor				5,882
	CHEMICALS AND PHARMAC	EUTICALS			
19,760	21,736 Searle Pakistan Limited	54.9802	324,953	1,195,049	1,195,049
			3,756,881	11,477,793	14,086,130
	Provision for diminution in value of term investments	of long note 4.1		(7,720,912)	(9,455,163)
			2.757.001		
			3,756,881	3,756,881	4,630,967

		2001	2000
	Note	Rupees	Rupees
4.1 Provision for diminution in value of long ter	m investments		
Balance as at July 1	111 111 1 00011101110	9.455.163	16,629,142
Provision (write-back) during the year		(1,734,251)	(7,173,979)
Balance as at June 30			9,455,163
5. DEFERRED EXPENDITURE			
Export quota:			
Balance as at July 1			1,947,552
Add: Purchased during the year			355,970
		847,009	2,303,522
Less: Sold during the year			(1,456,513)
		847,009	847,009
Less: Amortisation	5.1		(488,516)
			358,493
		=======	
5.1 Amortisation			
Opening balance		488,516	649,184
Charge for the year		282,335	282,336
		770,851	931,520
Less: Reversed during the year on sale			(443,004)
		,	488,516
		=======	=======
6. STOCK-IN-TRADE			
Finished goods -in hand		1,467,144	1,433,600
- with third parties			11,048,918
			12,482,518
Less: Provision for diminution in value of stock-in	-trade		(248,918)
			12,233,600
		========	

7. SHORT TERM INVESTMENTS

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

				2001		
No. of shar certificates/i			Average cost per share/ certificate/unit	Market Value	Cost	2000 Cost
2000	2001	Name of Investee		Rupees		Rupees
180,500		ASSOCIATED MODARABA Modaraba Al-Mali [Managed by Al-Mal Corporation				698,705
		OTHERS MUTUAL FUNDS				
5,000	50,000	Twenty Third ICP Mutual Fund	1.5136	67,500	75,678	16,000
12,500	12,500	Twenty Fourth ICP Mutual Fund	2.7741	16,875	34,676	34,676
		MODARABAS Unicap Modaraba [Managed by Chartered Manageme	nt			
12,340	12,340	Services (Private) Limited] First Equity Modaraba [Managed by Premier Financial Ser	19.1785	4,319	236,663	236,663
15,100	15,100	(Private) Limited] First Punjab Modaraba	9.0680	95,885	136,927	136,927

	[Managed by Punjab Modaraba Services				
4,724	4,724 (Private) Limited]	5.8137	19,605	27,464	27,464
	LEASING COMPANIES				
15,000	15,000 Natover Lease & Refinance Limite	18.1703	75,000	272,555	272,555
20,240	25,614 Crescent Leasing Corporation Limi	16.9149	153,491	433,259	433,259
12,500	Union Leasing Company Limited				47,158
	INVESTMENT COMPANY				
8,398	3,196 Jahangir Siddiqui & Company Limi	29.8076	108,984	95,265	347,186
	TEXTILE SPINNING				
3,300	3,300 Service (Textile) Industries Limited	25.4858	11,550	84,103	84,103
516	Indus Dyeing and Manufacturing				3,350
	Limited (Rs.5 each)				
	TEXTILE COMPOSITE				
195	Nishat Mills Limited				5,260
800	Ghazi Fabrics International Limited				2,796
	Total Carried Forward		553,209	1,396,590	2,346,102
	Total Carlod Forward		========	========	========
	Total Brought Forward		553,209	1,396,590	2,346,102
	Iolai Biought Forward		333,207	1,370,370	2,340,102
	FUEL AND ENERGY				
6,375	7,650 Ibrahim Energy Limited	22.1448	68,085	169,408	169,408
	4,000 Genertech Pakistan Power Compan	6.7115	17,200	26,846	
	4,500 Hub Power Company Limited	21.4104	86,625	96,347	
	SYNTHETIC AND RAYON				
7,500	7,500 Pakistan Synthetics Limited	34.0333	72,750	255,250	255,250
	CEMENT				
2,625	2,625 Maple Leaf Cement Factory Limite	20.6419	11,943	54,185	54,185
1,000	5,500 Pioneer Cement Limited	2.7867	13,750	15,327	5,180
	GLASS AND CERAMICS				
16,662	16,662 Medi Glass Limited	6.1069	9,164	101,754	101,754
14,500	14,500 Frontier Ceramics Limited	7.4091	14,500	107,432	107,432
	CHAMICALS				
	AND PHARMACEUTICALS				
3,800	2,000 Fauji Fertilizers Company Limited	39.1500	72,100	78,300	150,441
	MISCELLANEOUS				
	Mandviwala Mauser and Plastic Industries	1			
36,000	36,000 Limited	10.1069	45,000	363,849	363,849
33,300	33,300 Turbo Tec. Limited	7.5404	33,300	251,095	251,095
			997,626	2,916,383	3,804,696
	Provision for diminution in value of				
	Provision for diminution in value of marketable securi note 7.1			(1,918,757)	(1,735,882)
			997,626 =====	997,626 =====	2,068,814
	Aggregate market value as at June 30, 200	0			2,068,814
	Note	2001	2000		
		unaas	Runges		

		Rupees	Rupees
7.1 Provision for diminution in value of marketa	able securities		
Balance as at July 1		1,735,882	2,780,130
Provision made / (write-back) during the year		182,875	(1,044,248)
Balance as at June 30		1,918,757	1,735,882
8. TRADE DEBTS			
Considered good - unsecured		8,964,937	
Considered doubtful- unsecured	8.1	2,464,517	2,464,517
		11,429,454	2,464,517

Provision for doubtful debts

		8,964,937	
		========	=======
8.1 Efforts are being made to recover the above sum.			
9. SHORT TERU MUSHARAKA			
Secured - considered good	9.1	5,067,796	2,578,700
Unsecured - considered good		617,418	619,554
Unsecured - considered doubtful		3,575,965	3,575,965
		9,261,179	6,774,219
Provision for classified debts	9.2	(4,334,665)	(4,334,665)
		4,926,514	2,439,554
		=======	

(2,464,517)

(2,464,517)

- 9.1 The above represents sums receivable against short term Musharaka transactions i.e. profit and loss sharing and are secured by equitable mortgage of property.
- 9.2 Provision has been made in accordance with the Securities & Exchange Commission of Pakistan (SECP's) Prudential Regulations for modarabas. Efforts are being made to recover the above sums.

10. SHORT TERM MORABAHA

Unsecured - considered doubtful		3,658,520	3,658,520
Provision for classified debts	10.1	(3,658,520)	(3,658,520)
		========	========

10.1 Provision has been made in accordance with the SECP's Prudential Regulations for modarabas. Strenuous efforts including legal steps have been taken for early recovery.

11. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances - considered good			75,576
Advance income-tax	11.1	827,668	817,336
Deposits		146,394	146,394
Prepayments		27,785	185,847
Dividend receivable		61,794	6,309
Export rebate receivable		1,467,602	1,373,495
Provision for doubtful receivable	11.2	(1,171,851)	(1,028,925)
		295,751	344,570
Sales tax receivable		571,398	,
Sundry receivables:			
Considered good		2,112,569	1,927,103
Considered doubtful		3,116,536	2,176,208
		5,229,105	4,103,311
Less: Provision for doubtful receivables	11.2		(1,577,103)
		2,291,674	2,526,208
		4,222,464	4,549,635
		========	=======

11.1 Including in this is Rs.589,774 which was paid under protest against the liability assessed by the Deputy Commissioner of Income-tax for the assessment year 1994-95 (corresponding accounting year ended June 30, 1994), the recovery of which depends on the outcome of appeal filed before Income-tax Appellate Tribunal. No provision thereagainst has been made in these accounts, as the management believes that the assessment made by the Deputy Commissioner of Income-tax will not be sustained in the appeal. However 50% tax liability has been recovered from Musharaka Partner.

The Modaraba's assessments has been completed upto the assessment year 2000-2001 (corresponding accounting year ended June $30,\,2000$)

11.2 Efforts are being made to recover these amounts and the Modaraba considers that a fair recovery would be affected and doubtful receivables would not exceed the provision made in these accounts.

12. CASH AND BANK BALANCES

Security papers in hand Cash with banks:

18,015

19,505

State Bank of Pakistan:			
Cash reserve account			19,000
Current account			131,000
			150,000
Current accounts	12.1	7,744,973	16,033
PLS saving accounts		18,783	4,499,206
Foreign currency account			7,781
		7,781,771	4,692,525
		========	

12.1 This includes Rs.4,479,060 deposited by a customer for a letter of credit confirming facility.

13. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

No. of Modaraba Certificates

2001	2000		
6,449,815 1,128,000	6,449,815 Certificates of Rs.10 each fully pai 1,128,000 Certificates of Rs.10 each allotted	64,498,150 11,280,000	64,498,150 11,280,000
7,577,815	7,577,815	75,778,150	75,778,150
========		========	========

14. STATEMENT OF CHANGES IN EQUITY

			Reserves		
	Certificate	Capital	Unappropriated	Total	
	capital	reserve	profit	reserves	Total
			Rupees		
Balance as at July 1, 1999	75,778,150	356,352	(49,338,067)	(48,981,715)	26,796,435
Profit after taxation			1,319,450	1,319,450	1,319,450
Transferred from profit and loss ac		131,945	(131,945)		
Balance as at June 30, 2000	75,778,150	488,297	(48,150,562)	(47,662,265)	28,115,885
Profit after taxation			51,430	51,430	51,430
Transferred from profit and loss ac		5,143	(5,143)		
Balance as at June 30, 2001	75,778,150	493,440	(48,104,275)	(47,610,835)	28,167,315
			2001	2000	
		Note	Rupees	Rupees	
15. LONG TERM ADVANCE		Note	Kupees	Kupees	

Unsecured:	
from Modaraba Management Company	

15.1 1,500,000 1,500,000

15.1 This represents the first tranche of Rs.10.0 million interest free unsecured funds sanctioned by the Modaraba management company, to help the Modaraba in meeting its working capital requirements. This tranche is repayable on December 06, 2003 in lumpsum.

16. CREDITORS, ACCRUED AND OTHER LIABILITIES

Creditors		906,508	1,858,891
Advances from customers/others		4,479,060	2,859,708
Accrued liabilities		359,766	344,948
Others net of zakat	16.1	912,232	845,257
		6,657,566	5,908,804

16.1 This represents the profit received on PLS Saving Bank Accounts, which according to the decision of the Honorable Supreme Court is Un-Islamic. Hence, the Board of Directors has decided that this amount is not to be recognised as income but used only for charitable purpose.

17. COMMITMENT AND CONTINGENCY

17.1 Commitment

Letters of credit 7,966,432 5,110,312 ______

These are secured against the charge on the Modaraba's assets amounting to Rs.140 million.

Refer to note 11.1 regarding taxation	17.2 Contingency			
Income from trading	Refer to note 11.1 regarding taxation		294,887	294,887
Income from trading			========	=======
Income from trading	18. OPERATING (LOSS) / INCOME			
Musharaka income 240,005 45,867 Commission on confirming business 88,09 45,867 Dividend 18.2 1,193,944 1,138,699 Loss on sale of investments (1,036,468) (6,134,264) Gain on sale of export quota 1,753,265 (3,969,847) ISIA Income from trading		18.1	467,775	147,280
Dividend 18.2	_			
Case on sale of investments	Commission on confirming business		888,009	405,867
Salin on sale of export quota 1.753,265 3.969,847 1.753,265 3.969,847 1.753,265 3.969,847 1.753,265 3.969,847 1.753,265 3.969,847 1.950,662 1.950,66	Dividend	18.2	1,193,944	1,138,609
1,753,265 3,969,847			(1,036,468)	
18.1 Income from trading Sales:	Gain on sale of export quota			472,761
18.1 Income from trading Sales:			1 752 265	(2.060.947)
Sales: S				
Sales: 5,015,616 4,717,602 Local 11,050,663 2,050,460 Cost of sales: 16,066,279 6,768,062 Opening stock 12,448,263 14,517,018 Purchases 2,039,548 1,726,680 Other direct costs 2,577,837 2,825,347 Closing stock (1,467,144) (12,448,263) Closing stock (1,467,144) (12,448,263) Closing stock 46,775 147,280 ISA, Sociated modaraba 801,496 614,831 From modarabas 480,496 614,831 From others 77,250 -7 - Associated company 77,250 -7 - Others 315,198 523,778 Salaries and allowance 568,876 527,650 Subscription 107,550 107,100 Legal and professional 43,310 44,733 Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36,50 Telephone 10,125 5,046				
Exports	18.1 Income from trading			
1,050,663 2,050,460 1,066,279 6,768,062 1,066,279 6,768,062 1,066,279 6,768,062 1,091,000 1,000,000 1,000,000 1,00	Sales:			
16,066,279 6,768,062 Cost of sales:	Exports		5,015,616	4,717,602
Cost of sales: Opening stock 12,448,263 14,517,018 Purchases 2,039,548 1,726,680 Cost of tricet costs 2,577,837 2,825,347 Closing stock 4,617,385 4,552,027 Closing stock 11,5598,504 6,620,782 Closing stock 467,775 147,280 Closing stock 467,775 147,280 Closing stock 467,775 147,280 Closing stock 467,775 147,280 Closing stock 1,162,000 Closing stock 1,162,000 Closing stock 1,162,000 Closing stock 1,162,000 Closing stock 1,175,98,504 6,620,782 Closing stock 1,175,98,504 Closing stock 1,175,98,504 Closing stock 1,175,90 Closin	Local		11,050,663	2,050,460
Cost of sales: Opening stock 12,448,263 14,517,018 Purchases 2,039,548 1,726,680 Cost of tricet costs 2,577,837 2,825,347 Closing stock 4,617,385 4,552,027 Closing stock 11,5598,504 6,620,782 Closing stock 467,775 147,280 Closing stock 467,775 147,280 Closing stock 467,775 147,280 Closing stock 467,775 147,280 Closing stock 1,162,000 Closing stock 1,162,000 Closing stock 1,162,000 Closing stock 1,162,000 Closing stock 1,175,98,504 6,620,782 Closing stock 1,175,98,504 Closing stock 1,175,98,504 Closing stock 1,175,90 Closin			16.066.270	6.760.062
Opening stock 12,448,263 14,517,018 Purchases 2,039,548 1,726,680 Other direct costs 2,577,837 2,825,2027 Closing stock (1,467,144) (12,448,263) Closing stock (1,467,144) (12,448,263) 18,2 Dividend From modaraba From others - Associated modaraba 801,496 614,831 From others 11,93,944 1,138,609 - Others 315,198 523,778 Salaries and allowance 568,876 527,650 Subscription 107,550 107,100 Legal and professional 43,310 44,733 Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36,50 Telephone 101,25 50,46 Postage 48,331 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation <td>Cost of colors</td> <td></td> <td>16,066,279</td> <td>6,768,062</td>	Cost of colors		16,066,279	6,768,062
Purchases			12 448 263	14 517 018
Closing stock				, , ,
1,617,385				
Closing stock				
15,598,504 6,620,782 467,775 147,280			4,617,385	4,552,027
18.2 Dividend From modarabas South and a south a	Closing stock		(1,467,144)	(12,448,263)
18.2 Dividend From modarabas South and a south a				
18.2 Dividend Serve Serv			15,598,504	6,620,782
18.2 Dividend Serve Serv			467.775	1.47.200
Prom modarabas				
Prom modarabas	18.2 Dividend			
Promothers Pro				
Prom others			801,496	614,831
1,193,944	From others			
1,193,944	- Associated company		77,250	
1,193,944 1,138,609 1,109,944 1,138,609 1,109,000 1,000,000 1,00	- Others		315,198	523,778
19. OPERATING COSTS Salaries and allowance 568,876 527,650 Subscription 107,550 107,100 Legal and professional 43,310 44,733 Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36.50 Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 Temperation 72,673				
19. OPERATING COSTS Salaries and allowance 568,876 527,650 Subscription 107,550 107,100 107,550 107,100 107,550 107,100 107,550 107,100 107,550 107,100 107,550 107,100 107,550 107,100 107,550 107,100 107,550 110,832 110,832 110,832 110,832 110,100 10,125 5,046 10,125 5,046 10,125 5,046 10,125 5,046 10,125 5,046 10,125 11,400 10,532 11,400 10,688 38.30 10,688 38.30 10,688 38.30 10,688 38.30 10,688 38.30 10,688 38.30 10,688 38.30 10,688				
Salaries and allowance 568,876 527,650 Subscription 107,550 107,100 Legal and professional 43,310 44,733 Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36,50 Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 19.1 Auditors' remuneration 80,000 80,000				
Salaries and allowance 568,876 527,650 Subscription 107,550 107,100 Legal and professional 43,310 44,733 Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36,50 Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 19.1 Auditors' remuneration 80,000 80,000	19. OPERATING COSTS			
Subscription 107,550 107,100 Legal and professional 43,310 44,733 Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36,50 Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 19.1 Auditors' remuneration 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794			568,876	527,650
Rent, rates and taxes 279,173 110,832 Printing and stationery 50,110 36.50 Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 19.1 Auditors' remuneration Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884	Subscription		107,550	
Printing and stationery 50,110 36.50 Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673	Legal and professional		43,310	44,733
Telephone 10,125 5,046 Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673	Rent, rates and taxes		279,173	110,832
Postage 4,351 11,400 Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673				
Fuel and conveyance 48,332 38,000 Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,335 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 2,121,794 2,048,600 19.1 Auditors' remuneration 80,000 80,000 Out of pocket expenses 6,589 5,884	•			
Share registrar services 120,000 120,000 Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 2,121,794 2,048,600 ====================================	-			
Repairs, maintenance and office renovation 10,688 383 Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 19.1 Auditors' remuneration Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884				
Office refreshment 4,864 Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 2,121,794 2,048,600 ======= ======= 19.1 Auditors' remuneration 80,000 80,000 Out of pocket expenses 6,589 5,884	-			
Advertisement 21,718 Insurance expenses 15,557 14,699 Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 2,121,794 2,048,600 Example of the color of pocket expenses 80,000 80,000 Out of pocket expenses 6,589 5,884	•			
Auditors' remuneration 19.1 86,589 85,884 Depreciation 427,890 586,913 Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673				
Depreciation	Insurance expenses		15,557	14,699
Amortisation of deferred expenditure 5.1 282,335 282,336 Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600	Auditors' remuneration	19.1	86,589	85,884
Bank charges 2,678 4,451 Miscellaneous expenses 37,648 72,673 2,121,794 2,048,600 ====================================	*		427,890	586,913
Miscellaneous expenses 37,648 72,673		5.1		
2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,121,794 2,048,600 2,04	-			
19.1 Auditors' remuneration 80,000 80,000 Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884	Miscellaneous expenses		37,648	72,673
19.1 Auditors' remuneration 80,000 80,000 Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884			2 121 794	2 048 600
Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884			2,121,794	2,048,000
Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884				
Audit fee 80,000 80,000 Out of pocket expenses 6,589 5,884	19.1 Auditors' remuneration			
· · · · · · · · · · · · · · · · · · ·			80,000	80,000
86,589 85,884	Out of pocket expenses		6,589	5,884
86,589 85,884				
			86,589	85,884

20. OTHER. INCOME		
Gain on sale of fixed assets	4,299	8,200
Exchange (loss)		(294)
Rent income	420,000	420,000
Miscellaneous income	30,300	22,846
	454,599	450,752
21. PROVISIONS (MADE) / WRITTEN BACK		
Provision write-back on long term investments	1,734,251	1,044,248
Provision (made) / write-back for diminution in value of short term		
investments	(182,875)	7,173,979
Provision write-back on shod term morabaha		57,205
Provision (made) for export rebate receivable	(142,926)	(428,925)
Provision (made) for doubtful receivables	(1,360,328)	(599,103)
Provision (made) for diminution in value of stock-in-trade		(248,918)
	48,122	6,998,486
	=========	========

22. EARNINGS PER CERTIFICATE

Earnings per certificate is calculated by dividing the profit after taxation for the year by the number of certificates outstanding at the year end as follows:

Profit after tax for the year	51,430	1,319,450
Weighted average number of certificates outstanding during the year	7,577,815	7,577,815
Earnings per certificate	0.01	0.17
Lamings per certificate		

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instruments which would have an impact on earnings per certificate when exercised.

23. REMUNERATION OF OFFICERS AND OTHER EMPLOYEES

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

2000

	2001		2000	
		Other		Other
	Officers	Employees	Officers	Employees
	Rupees	Rupees	Rupees	Rupees
Salaries	319,970		300,820	
House rent	116,212		121,771	
Conveyance and other allowances	89,110		68,919	
Retirement benefits	43,584		36,140	
	568,876		527,650	
Number of persons	4		4	
	========	========	========	==========

2001

	Note	2001 Rupees	2000 Rupees
24. TRANSACTIONS WITH ASSOCIATED UNI	DERTAKINGS		
Dividend		878,476	614,331
Brokerage expense	24.1	244,780	167,355
Rent income		420,000	420,000
Share registrar services		120,000	120,000
Reimbursement of salaries and perquisites		324,136	304,591
Loan from Modaraba Management Company	15.1		1,500,000

- 24.1 On sale and purchase of investments through Al-Mal Securities and Services Limited which is a corporate member of The Karachi Stock Exchange (Guarantee) Limited.
- 24.2 The transactions with the associated undertakings are in the normal course of business at contracted rates and terms determined in accordance with market rates.
- 24,3 Maximum amount due to associated undertakings at the end of any month during the year was Rs.4,890,000

(2000: Rs.7,079,532).

25. MARK-UP RATE RISK

As most financial instruments of the Modaraba are on a predetermined profit and loss sharing basis rather than being exposed to mark-up, the Modaraba is not considered exposed to material mark-up rate risk.

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged or a liability settled, between knowledgeable willing parties in an arm's length transaction. As the Modaraba prepares its financial statements under the historical cost convention, differences may arise between book value and the fair value estimates. The estimated fair value of all balance sheet financial instruments are not significantly different from their book value.

27. CREDIT RISK AND CONCENTRATION OF CREDIT RISK

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Modaraba attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counterparties, and continually assessing the credit worthiness of counterparties.

Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of the modaraba performance to developments affecting a particular industry or geographic location.

The Modaraba seeks to manage its credit risk exposure through diversification of lending activities to avoid undue concentrations of risks with individuals or groups of customers in specific locations or businesses. It also obtains security when appropriate. Concentration of credit risk on trade debts, morabaha financing and musharaka financing with parties are indicated in the following table by the percentage of total balance receivable from these parties in the specified industries/sectors.

	2001		2000	
Industry sector	Rupees	%	Rupees	%
Textile and Garments	10,792,200	77.69	1,917,263	78.59
Distributors, Wholesalers and Ret	715,420	5.15	505,420	20.72
Steel, Engineering and Autos	14,735	0.11	16,871	0.69
Technology	2,369,096	17.05		
	13,891,451	100.00	2,439,554	100.00
	========			========

28. FINANCIAL ASSETS AND LIABILITIES AS ON JUNE 30, 2001

Financial assets and liabilities

	Mark-up/profit bearing		Non-mark-up bearing				
	Maturity after		Maturity after				
	Maturity upto	one year		Maturity upto	one year		
	one year	upto five years	Sub-Total	one year	upto five years	Sub-Total	Total
Financial assets							
Long term investments					3,756,881	3,756,881	3,756,881
Deferred expenditure				76,158		76,158	76,158
Short term investments				997,626		997,626	997,626
Trade debts				8,964,937		8,964,937	8,964,937
Short term musharaka	4,926,514		4,926,514				4,926,514
Short term morahaba finances							
Advances, other asset and							
other receivable				3,394,796		3,394,796	3,394,796
Cash and bank balances	18,783		18,783	7,744,973		7,744,973	7,763,756
	4,945,297		4,945,297	21,178,490	3,756,881	24,935,371	29,880,668
Financial liabilities							
Long term advance					1,500,000	1,500,000	1,500,000
Accrued and other liabilities				6,657,566		6,657,566	6,657,566
Unclaimed profit distribution				395,615		395,615	395,615
				7,053,181	1,500,000	8,553,181	8,553,181
			========			========	

29. GENERAL

 $29.1\ Corresponding\ year's\ figures\ have\ been\ reclassified\ wherever\ necessary\ for\ the\ purpose\ of\ comparison.$

29.2 Figures have been rounded off to the nearest rupee.

Zafar H. Naqvi Chief Executive Maqbool Hussain Managing Director S. Iradat Husain Chairman

PATTERN OF SHAREHOLDINGS

Number of	Certificate Holding		Total	
Certificate	From To C		Certificates Held	
Holders				
525	1	100	24510	
242	101	500	56025	
774	501	1000	497062	
450	1001	5000	861062	
62	5001	10000	402860	
31	10001	15000	364559	
15	15001	20000	250424	
5	20001	25000	113028	
5	25001	30000	136530	
8	30001	35000	259544	
2	35001	40000	75454	
4	40001	45000	170165	
1	45001	50000	47520	
3	50001	60000	165854	
1	90001	100000	99198	
2	100001	125000	225366	
1	125001	150000	149806	
2	200001	250000	454140	
1	300001	350000	309478	
1	350001	400000	399492	
1	700001	800000	719942	
1	800001	900000	851920	
1	900001	1000000	943876	
2138			7577815	
=======			========	

CATEGORIES OF SHAREHOLBERS

Particulars	Shareholders	Shareholding	Percentage
Individuals	2105	3291106	43.43
Insurance Companies	4	439290	5.80
Joint Stock Companies	3	16244	0.21
Financial Institutions	8	1659253	21.90
Investment Companies	7	820954	10.83
Modaraba Companies	9	1350577	17.82
Others	2	391	0.01
	2138	7577815	100.00
	=========		========

NOTICE OF 2ND ANNUAL REVIEW MEETING

NOTICE IS HEREBY GIVEN THAT THE 2nd Annual Review Meeting of certificate holders of Modaraba Al-Tijarah will be held at Hotel Faran, Opp. Nursery, Sharea Faisal, Karachi on Monday, 24th December, 2001 at 9:00 A.M. sharp to transact the following business;

AGENDA

- 1. To Confirm minutes of 1st Annual Review Meeting.
- 2. To review performance of Modaraba Al Tijarah during the year ended 30th June, 2001
- 3. To transact any other business with the permission of Chair.

Place: Karachi Dated: 21st November, 2001 Omair Jamal Company Secretary

Note:

- 1. Certificate holders are requested to notify any change in their address immediately.
- $2. \ The \ certificate \ transfer \ book \ of \ the \ Modaraba \ shall \ remain \ closed \ from \ 13th \ December, 2001 \ to \ 25th \ December, 2001 \ to \ 25t$

(both days inclusive). All transfers received by our certificate Registrar, Al-Mal Securities & Services Limited at 10th Floor, Progressive Square, Sharea Faisal, Karachi before the close of business on 12th December, 2001, will be treated valid for attending Annual Review Meeting.

3. Copy of the minutes of the 1st Annual Review Meeting will be available to the members on request, free of charge.