

BSJS Balance Fund Limited

Annual Report 1999-2000

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Company Information

Board of Directors

Chairman Mr. M. W. Farooqui

Directors Mr. Abid Hussain Zuberi
Shaikh Mukhtar Ahmed
Mr. Ayaz-ul-Haque
Mr. Munaf Ibrahim
Mian Raza Mansha

Chief Executive Mr. M. Habib-ur-Rahman

Company Secretary Saiyid Azher Alam

Investment Adviser ABAMCO Limited

Auditors Taseer Hadi Khalid & Co.
Chartered Accountants

Legal Adviser Aman Law Associates

Custodian Muslim Commercial Bank Limited

Bankers Bank Al-Habib Limited
Metropolitan Bank Limited
Muslim Commercial Bank Limited

Registered Office 1306-1307, Chapal Plaza
Hasrat Mohani Road
Karachi-74000, Pakistan
Tel: (92-21) 2441311-14 Fax: (92-21) 2425652

Share Department Uni Corporate & Financial Services
Westland Trade Centre, Opposite Flyover
Shaheed-e-Millat Road
Karachi-75350, Pakistan.
Tel: (92-21) 4313205-06 Fax: (92-21) 4313207

Company's Five-year Review

What is BBF?

BBF is a closed-end mutual fund with investment strategy that makes it a balanced fund.

What is a balanced fund?

A balanced fund is a versatile investment program... in a single investment.

Through a portfolio of rigorously screened and monitored stocks, debt securities and short-term instruments, a balanced fund gives the investment a chance to perform two important jobs, to grow and to produce income.

Listing

BBF's shares were offered for public subscription on January 14, 1996. It is listed at the Karachi Stock Exchange (KSE) from March 3, 1996.

How has BBF performed?

* At a glance... BBF's five years

Year Ended	June 30, 2000	June 30, 1999	June 30, 1998	June 30, 1997	August 8, 1995 to June 30, 1996
Net Profit (Rs. in '000)	50,760	15,067	11,961	19,694	(33)
NAV - Year End (Rs.)	11.75	10.83	10.03	10.60	10.10
Rate of Dividend (%)	31	10	8	13	--
Total Return (%)	37.12	17.95	2.17	17.82	1.00
KSE 100 Index - Year End	1,520.74	1,054.67	879.62	1,565	1,703
Appreciation/(Depreciation) in KSE 100 Index (%)	44.19	19.90	(43.79)	(8.10)	(6.95)

* Share price and turnover

Year ended	Share prices		Turnover
	High (Rs.)	Low (Rs.)	Shares
30/06/96	10.00	9.65	--
30/06/97	10.25	7.90	12,500
30/06/98	8.50	5.00	347,500
30/06/99	5.50	4.20	519,290
30/06/00	8.05	4.00	3,003,000

Mutual fund rating

BBF has been assigned AA (f) rating by PACRA, which denotes fund's ability to consistently outperform its peers with strong capacity to respond to future opportunities or stress situations.

Directors' Report

The Board of Directors of the BSJS Balanced Fund Limited (BBF), presents the Sixth Annual Report of the Company together with the Audited Accounts for the year ended June 30, 2000.

1. OPERATING RESULTS

(I) Profit during the year

The Company earned a net profit of Rs. 50.760 million (1999: Rs. 15.067 million), that translates into an earning per share of Rs. 3.38 (1999: Rs.1.00 per share). Your directors recommend a cash dividend of 31% i.e. Rs. 3.10 per share (1999: 10% i.e. Rs. 1.00 per share). Rs. 46.50 million have been appropriated as dividend (1999: Rs. 15 million), which works out to 91.60% pay-out (1999: 99.6%) for the year. A sum of Rs. 4.4 million has been carried forward to the next year. As over ninety percent of the net profit of the Company has been appropriated for distribution as dividend to shareholders, there is no liability for income tax under clause 102D part I of the Second Schedule of the Income Tax Ordinance, 1979.

(II) Composition of Assets

On June 30, 2000, the composition of assets of your Company, at their market values was as under:

	<i>June 30, 2000</i>		<i>June 30, 1999</i>	
	<i>Rs. in million</i>	<i>Percent (%)</i>	<i>Rs. in million</i>	<i>Percent (%)</i>
Equity securities	86.112	38	90.965	49
Term finance certificates	28.214	12	31.000	17
Investment on markup basis	--	--	15.000	8
Receivable on sale of shares	101.706	45	40.000	22
Receivable against income	3.828	1	6.528	3
Cash at banks in PLS accounts	8.582	4	0.865	1
	228.442	100	184.358	100

During the year return available from money market was not very attractive. The Company's funds were, therefore, moved from investment in money market instruments to equity securities. The decline of income from money market was more than offset by handsome increase in income from capital gains which the Company realized from sale of equity securities.

2. PERFORMANCE RELATIVE TO KSE INDEX

The KSE 100 Index appreciated by 44.19% during the year ended June 30, 2000. The net asset value (NAV) of the shares of your Company improved from Rs. 10.83 on June 30, 1999 to Rs. 11.75 on June 30, 2000. Together with dividend pay-out, this reflects a return of 37.12%. BBF is a balanced fund and a portion of its investment is in fixed income securities which do not move with the KSE Index. All along, our strategy has been to achieve our long-term investment perspective of reducing volatility and focusing on regular flow of income.

Your Company will continue with the strategy of diversifying investment in short-term instruments and debt securities with regular return and in equity of companies with dividend paying record and growth prospects, so as to ensure a constant flow of income without erosion in the value of investment. BBF is well-positioned to enter the market when equities of companies with a good track record offer attractive valuations. This strategy will hopefully allow BBF to provide security and profitability to the shareholders

without foregoing growth.

3. AUDITORS

Messrs. Taseer Hadi Khalid & Co., Chartered Accountants retire, and being eligible, offer themselves for re-appointment.

4. SHAREHOLDERS

A statement showing pattern of shareholding in the Company as on June 30, 2000 is given on page 24 of this Report.

5. THANKS

The Board of Directors of the Company thanks the Securities and Exchange Commission of Pakistan for their valuable support, understanding and guidance.

For and on behalf of the Board

(M. Habib-ur-Rahman)
Chief Executive

Karachi: July 15, 2000

Auditors' Report to the Members

We have audited the annexed Balance Sheet of BSJS Balanced Fund Limited as at June 30, 2000 and the related Profit and Loss Account and Cash Flow Statement together with the notes to the accounts 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 we report that:

(a) In our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984 and the Investment Companies and Investment Advisers Rules, 1971;

(b) In our opinion:

(i) The Balance Sheet and Profit and Loss Account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and the Investment Companies and Investment Advisers Rules, 1971 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

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

(iii) The business conducted, investments made and 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 the Profit and Loss Account and the Cash Flow together with the notes forming part thereof give the information required by the Companies Ordinance, 1984 and Investment Companies and Investment Advisers Rules, 1971 in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2000 and of the profit and changes in the financial position for the year ended on that date;

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

Karachi: July 15, 2000

Taseer Hadi Khalid & Co.
Chartered Accountants

Financial Statements

Balance Sheet as at June 30, 2000

<i>Assets</i>	<i>Note</i>	<i>2000</i>	<i>1999</i>
Marketable Securities			
Equity securities		68,331,066	78,884,608
Term finance certificates		27,243,400	31,000,000
		-----	-----
	6	95,574,466	109,884,608
Other Assets			
Other investments		--	15,000,000
Trade debts - considered good	7	101,705,590	40,000,000
Advances and other receivables	8	3,827,972	6,528,542
Cash and bank balances	9	8,582,198	864,690
		-----	-----
		114,115,760	62,393,232
		-----	-----
		209,690,226	172,277,840
 Liabilities			
Current Liabilities			
Current maturity of deferred expenditure payable	3	1,184,117	1,184,115
Due to Investment Adviser	4	7,019,660	3,592,860
Dividend payable		7,407	3,263
Accounts payable and accrued expenses	5	239,545	367,530
Proposed dividend		46,500,000	15,000,000
Provision for taxation		289,541	756,391
		-----	-----
		55,240,270	20,904,159
 Other Liabilities			
Deferred expenditure payable	3	--	1,184,117
		-----	-----
		55,240,270	22,088,276
 Net Assets			
		-----	-----
		154,449,956	150,189,564
		=====	=====
 Represented By:			
Shareholders' Equity	Rupees	154,449,956	150,189,564
		=====	=====

These accounts should be read in conjunction with the attached notes.

M. Habib-ur-Rahman

Munaf Ibrahim

Chief Executive

Director

**Profit and Loss Account
for the year ended June 30, 2000**

<i>Operating Income</i>	<i>Note</i>	<i>2000</i>	<i>1999</i>
Capital gain	10	44,434,194	(10,449,760)
Dividend income	11	6,768,409	7,581,626
Markup on bank deposits		2,342,843	3,972,500
Profit on money market transactions		1,004,342	3,675,904
Profit on term finance certificates		5,306,077	2,941,008
Other income		75,000	10,000
		-----	-----
		59,930,865	7,731,278
Reversal/(Provision) for diminution in value of marketable securities on individual investment basis		711,379	11,165,619
		-----	-----
		60,642,244	18,896,897
Operating Expenses			
Administrative	12	1,562,706	705,227
Financial	13	2,065,996	499,665
Remuneration to Investment Adviser	4.1	6,720,000	3,150,000
		-----	-----
		10,348,702	4,354,892
Profit before taxation		50,293,542	14,542,005
Taxation - excess provision for prior years		466,850	525,487
		-----	-----
Net profit for the year	Rupees	50,760,392	15,067,492
		=====	=====

These accounts should be read in conjunction with the attached notes.

M. Habib-ur-Rahman
Chief Executive

Munaf Ibrahim
Director

**Distribution Statement
For the year ended June 30, 2000**

	<i>2000</i>	<i>1999</i>
Undistributed profit as of July 1, 1999 (1998)	189,564	122,072
Net profit for the year	50,760,392	15,067,492
Appropriation: Final cash dividend @ 31% (1999: 10%)	(46,500,000)	(15,000,000)
	-----	-----

Undistributed profit as at June 30, 2000 (1999)

Rupees	4,449,956	189,564
	=====	=====

M. Habib-ur-Rahman
Chief Executive

Munaf Ibrahim
Director

Movement in Equity and Reserves for the year ended June 30, 2000

	<i>2000</i>	<i>1999</i>
Net assets as at July 1, 1999 (1998)		
Share capital	150,000,000	150,000,000
Accumulated profit	189,564	122,072
	-----	-----
Rupees	150,189,564	150,122,072
Undistributed income/ (distribution exceeding income) for the year	4,260,392	67,492
Net assets as at June 30, 2000 (1999)		
Share capital	150,000,000	150,000,000
Accumulated profit	4,449,956	189,564
	-----	-----
Rupees	154,449,956	150,189,564
	=====	=====

M. Habib-ur-Rahman
Chief Executive

Munaf Ibrahim
Director

Cash Flow Statement For the year ended June 30, 2000

	<i>2000</i>	<i>1999</i>
Cash Flows from Operating Activities		
Profit before taxation	50,293,542	14,542,005
Adjustments for:		
(Reversal)/Provision for diminution in value of marketable securities	(711,379)	(11,165,619)
Adjustment for deferred expenditure payable	(1,184,117)	(1,184,115)
Operating profit before working capital changes	-----	-----
	48,398,046	2,192,271
(Increase)/decrease in current assets		
Marketable securities	15,021,521	(22,553,782)
Advance against investment	--	1,000,000
Other investments	15,000,000	61,000,000
Trade debts	(61,705,590)	(33,039,481)
Advances and other receivables	2,233,721	(2,078,251)

Increase/(decrease) in current liabilities		
Accounts payable and accrued expenses	(127,985)	(10,171,387)
Due to Investment Adviser	3,426,800	(101,680)
	-----	-----
Cash generated from operations	22,246,513	(3,752,310)
Taxes received/paid	466,851	(110,001)
Dividend paid	(14,995,856)	(11,998,123)
	-----	-----
Net cash flow from operating activities	7,717,508	(15,860,434)
Net increase/(decrease) in cash and bank balances	7,717,508	(15,860,434)
Cash and bank balances at the beginning of the year	864,690	16,725,124
Cash and bank balances at the end of the year	Rupees	
	-----	-----
	8,582,198	864,690
	=====	=====

M. Habib-ur-Rahman
Chief Executive

Munaf Ibrahim
Director

Notes to the Accounts

For the year ended June 30, 2000

1. Status and Nature of Business

The Company was incorporated on March 26, 1994 as a public limited company under the Companies Ordinance, 1984 and was registered as an investment company under the Investment Companies and Investment Advisers Rules, 1971 on July 5, 1994. The Company obtained certificate of commencement of business on August 8, 1995 and is listed on the Karachi Stock Exchange. The Company is a closed-end mutual fund. The Company has entered into an agreement with an associated company, ABAMCO Limited to act as its 'Investment Adviser' and Muslim Commercial Bank Limited as its 'Custodian'. The principal activity of the Company is to make investment in securities.

2. Significant Accounting Policies

2.1 Accounting convention

The accounts of the Company are prepared under the historical cost convention.

2.2 Basis for preparation

These accounts have been prepared in accordance with International Accounting Standards as applicable in Pakistan.

2.3 Marketable securities

These are valued at lower of average cost and middle market price ruling on the balance sheet date determined on an individual investment basis. The provision, if any, required to bring marketable securities to market value is charged to the profit and loss account.

Middle market price means the average of the highest and the lowest quotation for that day.

2.4 Revenue recognition

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

Sale and purchase of securities are recognized on the date of contract. Capital gain/loss on sale of investments is taken to income of the year in which it arises.

Income on term finance certificates and federal investment bonds is recorded on time proportion basis taking into account the principal outstanding and the yield applicable.

Profit on bank deposits is recorded on accrual basis.

2.5 Taxation

The Company is exempt from tax under clause 102D of the Second Schedule of the Income -tax Ordinance, 1979, subject to the condition that not less than 90% of its income of that year is distributed amongst its shareholders.

3. Deferred Expenditure Payable

	<i>2000</i>	<i>1999</i>
Opening balance	1,184,117	2,368,232
Less: Transfer to current maturity	1,184,117	1,184,115
	-----	-----
Rupees	--	1,184,117
	=====	=====

The expenditure incurred on the incorporation and floatation of BSJS Balanced Fund Limited has been paid by ABAMCO Limited - Investment Adviser.

These expenses are being reimbursed to ABAMCO Limited over a period of not less than five years in equal annual installments with markup at 17% per annum.

4. Due to Investment Adviser- ABAMCO Limited

Remuneration @ 2 percent of net assets	4.1	3,470,000	3,150,000
Additional remuneration on dividend	4.1	3,250,000	--
Markup on deferred expenditure payable		299,660	442,860
		-----	-----
Rupees		7,019,660	3,592,860
		=====	=====

4.1 The remuneration of the Investment Adviser @ 2 percent of the net assets of the Company, as at the end of its year of accounts in term of Rule 11 (a) of the Investment Companies and Investment Advisers Rules, 1971 and additional remuneration in light of provisions of Rule 11 (b) of the aforementioned statute have been arrived at as follows:

Assets

	<i>2000</i>	<i>1999</i>
Marketable securities (on the basis of closing rates)	114,066,381	121,964,779
Other investments	--	15,000,000
Trade debts - unsecured considered good	101,705,590	40,000,000
Advances and other receivables	3,827,972	6,528,542
Cash and bank balances	8,582,198	864,690
	-----	-----
	228,182,141	184,358,011

Liabilities

Deferred expenditure payable	--	1,184,117
Dividend payable	7,407	3,263
Accounts payable and accrued expenses	239,545	367,530
Current maturity of deferred expenditure payable	1,184,117	1,184,115
Proposed dividend	46,500,000	15,000,000
Due to Investment Adviser	3,769,660	3,592,860
Provision for taxation	289,543	756,391
	-----	-----
	51,990,272	22,088,276
	-----	-----
Net assets as per Rules	Rupees	176,191,869
		=====
		=====
		=====
Remuneration @ 2 percent of net assets	3,523,837	3,245,395
Less: Remuneration waived by Investment Adviser	(53,837)	(95,395)
	-----	-----
	3,470,000	3,150,000
	-----	-----
Additional remuneration (one half of the amount by which the dividend distributed exceeds 20%)	8,250,000	--
	-----	-----
Less: Remuneration waived by Investment Adviser	(5,000,000)	--
	-----	-----
	3,250,000	--
	-----	-----
	6,720,000	3,150,000
	=====	=====

5. Accounts Payable and Accrued Expenses

Accounts payable	42,033	84,936
Accrued expenses	122,512	281,965
Tax deducted at source	--	629
Professional tax payable	75,000	--
	-----	-----
	Rupees	239,545
		=====
		=====

6. Marketable Securities

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

Name of Company	NO. OF SHARES				BALANCE AT JUNE 30, 2000				PERCENTAGE IN RELATION TO		
	Opening Balance	Purchases	Bonus	Sales	No. of Shares	Cost	Market Value	Lower of Cost & Market Value	Own Net Assets	Paid-up Capital	% of Investment
MUTUAL FUNDS											
3rd ICP Mutual Fund	7,000	14,000	--	21,000	--	--	--	--	--	--	--
4th ICP Mutual Fund	146,000	348,000	--	401,500	92,500	1,295,000	1,299,625	1,295,000	0.73	1.85	1.35
6th ICP Mutual Fund	6,000	12,000	--	18,000	--	--	--	1,002,345	--	--	--
9th ICP Mutual Fund	50,000	--	--	2,000	48,000	1,002,345	1,070,400	--	0.57	0.96	1.04
13th ICP Mutual Fund	32,500	32,500	--	65,000	--	--	--	--	--	--	--
MODARABAS											
First Grindlays Modaraba	152,875	93,500	--	98,000	148,375	2,005,543	2,162,566	2,005,543	1.14	0.40	2.09

LEASING COMPANIES

Orix Leasing Pakistan Ltd	64,694	10,500	--	19,000	56,194	1,415,333	1,685,820	1,415,333	0.80	0.28	1.47
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INVESTMENT COMPANIES/BANKS

Muslim Commercial Bank Ltd.	--	1,005.00	--	594,000	411,000	10,547,479	12,792,375	10,547,479	5.99	0.23	10.97
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INSURANCE

Adamjee Insurance Co. Ltd.	50,000	50,000	--	100,000	--	--	--	--	--	--	--
EFU General Insurance Co. Ltd.	--	3,500	--	3,500	--	--	--	--	--	--	--

TEXTILE SPINNING

Dewan Khalid Textile Mills Ltd	73,395	265,696	11,789	217,590	133,290	4,285,880	4,931,730	4,285,880	2.43	3.78	4.46
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TEXTILE COMPOSITE

Nishat Mills Ltd.	--	200,000	--	200,000	--	--	--	--	--	--	--
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SYNTHETIC & RAYON

Ibrahim Fibres Ltd.	--	600,000	--	600,000	--	--	--	--	--	--	--
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SUGAR & ALLIED INDUSTRIES

Al-Abbas Sugar Mills Ltd	1,150,000	--	--	1,150,000	--	--	--	--	--	--	--
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FUEL & ENERGY

National Refinery Ltd.	--	700,000	--	550,000	150,000	6,599,990	6,367,500	6,367,500	3.75	0.23	6.87
Pakistan State Oil Co. Ltd.	40,000	463,500	40,000	507,500	--	--	--	--	--	--	--
Shell Pakistan Ltd.	--	37,500	--	27,300	10,200	2,521,550	2,729,775	2,521,550	1.43	0.03	2.62
Sui Northern Gas Pipelines Ltd.	--	40,000	--	400,000	--	--	--	--	--	--	--
Sui Southern Gas Co. Ltd	--	400,000	--	400,000	--	--	--	--	--	--	--
The Hub Power Co. Ltd.	--	2,772,000	--	2,772,000	--	--	--	--	--	--	--

AUTO AND ALLIED ENGINEERING

Atlas Honda Ltd	5,686	8,000	--	--	13,686	277,562	263,866	263,866	0.16	0.09	0.29
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CABLES AND ELECTRICAL GOODS

Philips Electrical Industries of Pakistan Ltd.	124,804	377,410	--	502,214	--	--	--	--	--	--	--
Refrigerators Manufacturing Co. Pakistan Ltd.	62,445	202,971	--	176,944	88,472	88,469	791,824	88,469	0.05	1.77	0.09

TRANSPORT & COMMUNICATIONS

Pakistan Telecommunications Co.	100,000	7,483,000	--	7,583,000	--	--	--	--	--	--	--
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CHEMICAL & PHARMACEUTICALS

BOC Pakistan Ltd.	82,522	32,799	--	13,500	101,821	9,465,287	11,607,594	9,465,287	5.37	0.49	9.85
Engro Chemical Pakistan Ltd.	--	85,000	--	85,000	--	--	--	--	--	--	--
Fauji Fertilizer Co. Ltd.	300,000	1,449,000	--	1,674,000	75,000	3,089,659	2,968,500	2,968,500	1.75	0.03	3.21
Glaxo Wellcome Pakistan Ltd.	30,751	77,200	--	--	107,951	6,401,054	7,664,521	6,401,054	3.63	0.32	6.66
Knoll Pharmaceuticals Ltd.	190,800	2,000	4,000	190,800	6,000	426,300	423,780	423,780	0.24	0.02	0.44
Reckitt & Colman of Pakistan Ltd.	129,019	361,838	--	450,738	40,119	997,531	962,054	962,054	0.57	0.13	1.04

PAPER & BOARD

Packages Ltd.	56,449	93,699	--	--	150,148	7,734,377	9,046,417	7,734,377	4.39	0.36	8.05
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FOOD & ALLIED INDUSTRIES

Lever Brothers Pakistan Ltd. (Shares of Rs. 50/- each)	--	12,560	--	8,280	4,280	4,160,160	4,014,640	4,014,640	2.36	0.03	4.33
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Rafhan Best Foods Products Ltd.	51,520	400	--	51,920	--	--	--	--	--	--	--
Rafhan Maize Products Co. Ltd.	76,480	1,837	--	700	77,617	6,568,409	15,329,358	6,568,409	3.73	0.84	6.83

MISCELLANEOUS

Tri-pack Films Ltd.	--	15,000	--	15,000	--	--	--	--	--	--	--
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TERM FINANCE CERTIFICATES

(Certificates of Rs. 5,000 each)

Dewan Salman Fibre Ltd.	3,000	--	--	--	3,000	14,994,000	15,600,000	14,994,000	8.51	--	15.6
Gatron Industries Ltd.	200	--	--	--	200	999,400	1,025,000	999,400	0.57	--	1.04
Saudi Pak Leasing Co. Ltd.	3,000	--	--	--	3,000	11,250,000	11,589,000	11,250,000	6.39	--	11.70

Less: Provision for diminution in value of marketable securities as on June 30, 2000

					96,125,328	114,326,345	95,574,466	54.56	--	100.00
--	--	--	--	--	------------	-------------	------------	-------	----	--------

550,862

--

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Rupees

95,574,466

114,326,345

95,574,466

7. Trade Debts - considered good

These have been fully settled subsequently

8. Advances and Other Receivables

	2000	1999
Advance tax	289,542	756,391
Accrued profit on term finance certificates	1,145,493	1,435,451
Other receivables	2,392,937	4,336,700
	-----	-----
Rupees	3,827,972	6,528,542
	=====	=====

9. Cash and Bank Balances

Cash in hand	--	130
Cash at bank:		
- In PLS accounts	8,464,944	774,863
- In PLS Rozana Munafa Plus account	2,241	1,548
- In current accounts	115,013	88,149
	-----	-----
	8,582,198	864,560
	-----	-----
Rupees	8,582,198	864,690
	=====	=====

10. Capital Gain

Sales - net		542,253,682	1,375,007,728
Cost of sales	10.1	(497,819,488)	(1,385,457,488)
		-----	-----
Rupees		44,434,194	(10,449,760)
		=====	=====

10.1 Cost of sales

Opening stock		111,146,849	88,593,067
Purchases		482,792,932	1,407,948,458
Stamps and duties		5,035	62,812
		-----	-----
		593,944,816	1,496,604,337

Less: Closing stock		96,125,328	111,146,849
	Rupees	497,819,488	1,385,457,488
		=====	=====
11. Dividend Income			
Dividend		6,771,391	7,583,817
Less: Zakat deducted at source		(2,982)	(2,191)
	Rupees	6,768,409	7,581,626
		=====	=====
12. Administrative Expenses			
Custodian fee		763,267	514,337
Listing expenses		75,000	75,890
Auditors' remuneration	12.1	40,235	40,000
Professional tax		75,000	75,000
Registrar charges		297,420	--
Mutual fund rating expenses		311,784	--
	Rupees	1,562,706	705,227
		=====	=====
12.1 Auditors' Remuneration			
Audit fee		30,000	30,000
Other services		5,000	5,000
Out of pocket expenses		5,235	5,000
	Rupees	40,235	40,000
		=====	=====
13. Financial Expenses			
Markup on deferred expenditure payable to ABAMCO Limited		299,660	442,860
Interest expense on money market transactions		1,729,973	--
Bank charges		34,472	2,358
Brokerage commission		1,891	54,447
	Rupees	2,065,996	499,665
		=====	=====
14. Transactions with Associated Companies			
Trade debts as of June 30,	Rupees	101,705,590	40,000,000
		=====	=====
Markup on deferred expenditure payable	Rupees	299,660	442,860
		=====	=====
Remuneration to Investment Adviser	Rupees	6,720,000	3,150,000
		=====	=====
Money market borrowings	Rupees	55,000,000	--
		=====	=====
Markup paid on money market borrowings	Rupees	807,486	--
		=====	=====
Money market placements	Rupees	38,000,000	--
		=====	=====

Markup received on money market placements	Rupees	545,712	--
Sale of securities	Rupees	297,481,319	1,331,078,622
Purchase of securities	Rupees	283,892,322	1,354,543,767
Commission expenses	Rupees	1,413,411	1,465,786

15. Taxation

The income tax assessments of the Company have been finalized upto and including assessment year 1999-2000.

16. Financial Instruments and Related Disclosures

16.1 Markup/Interest Rate Risk Exposure

The Company's exposure to interest rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

2000		<i>Markup/Interest bearing</i>				<i>Non Markup/ Interest bearing</i>	<i>Total</i>
		<i>Less than one month</i>	<i>One month to three months</i>	<i>Three months to one year</i>	<i>More than one year</i>		
Financial Assets							
	Cash & bank balances	8,467,185	--	--	--	115,013	8,582,198
	Advances & other receivables	--	--	--	--	3,827,972	3,827,972
	Trade debtors	--	--	--	--	101,705,590	101,705,590
	Marketable securities	--	--	--	27,243,400	68,331,066	95,574,466
	Rupees	8,467,185	--	--	27,243,400	173,979,641	209,690,226
Average markup rates of financial assets							
		10.88%	--	--	18.61%		
Financial Liabilities							
	Accounts payable and accrued expenses	--	--	--	--	239,545	239,545
	Dividend payable	--	--	--	--	46,507,407	46,507,407
	Due to Investment Adviser	--	--	--	--	7,019,660	7,019,660
	Deferred expenditure payable	--	--	1,184,117	--	--	1,184,117
	Rupees	--	--	1,184,117	--	53,766,612	54,950,729
Average markup rates of financial liabilities							
		--	--	17.00%	--		
1999							
	Financial Assets	Rupees	776,411	15,000,000	--	31,000,000	125,501,429
Average markup rates of financial assets							
			13.99%	15.50%	--	18.61%	
	Financial Liabilities	Rupees	--	--	--	1,184,117	21,331,885

Average markup rates of financial liabilities	--	--	--	17%
---	----	----	----	-----

16.2 Fair value of the financial instruments

The carrying value of all the financial instruments reflected in the financial statements approximates their fair value.

		<i>2000</i>	<i>1999</i>	<i>1998</i>	<i>1997</i>	<i>1996*</i>
17. Performance Table						
Net assets (based on audited accounts)	Rupees	154,449,956	150,189,564	150,122,072	150,160,797	149,967,031
Net assets (based on market value of investments)	Rupees	176,191,869	162,269,736	150,414,162	158,999,611	151,293,197
Net asset value per share (based on audited accounts - after distribution of dividend)	Rupees	10.30	10.01	10.00	10.01	9.99
Net asset value per share (based on market value of investments - after distribution of dividend)	Rupees	11.75	10.83	10.03	10.60	10.10
Earning per share	Rupees	3.38	1.01	0.80	1.31	--
Dividend distribution		31%	10%	8%	13%	--

*August 8, 1995 to June 30, 1996.

18. General

18.1 Figures have been rounded off to the nearest Rupee.

18.2 Previous year's figures have been re-arranged, wherever necessary, to facilitate comparison.

Income & Expenditure in relation to Investment Company For the year ended June 30, 2000

ABAMCO Limited Investment Adviser

	<i>2000</i>	<i>1999</i>
Remuneration from BSJS Balanced Fund Limited	6,720,000	3,150,000
Markup income on deferred expenditure	299,660	442,860
	<hr/>	<hr/>
	7,019,660	3,592,860

Operating Expenses

Administrative:		
Salaries, wages and other benefits	6,230,429	5,293,551
Office rent	339,031	517,920
Audit fee	44,150	33,980
Depreciation	1,357,919	1,202,679

Insurance	428,757	408,337
Printing & stationery	333,526	1,251,798
Directors' meeting fee	4,000	3,500
Legal & professional	352,723	945,418
Entertainment	64,141	75,626
Travelling & conveyance	995,893	1,097,280
Computer system	195,297	285,943
Postage	78,341	134,759
Telephone	489,549	477,874
Utilities	250,815	185,012
Newspaper	49,665	32,510
Professional tax	33,170	39,000
Fees & subscription	--	--
Donation	--	6,000
Amortization of deferred cost	220,581	294,100
	-----	-----
	11,467,987	12,285,287
	-----	-----
	(4,448,327)	(8,692,427)
Financial charges	(6,034)	(3,737)
Provision for diminution in value of long-term investment	(3,927,500)	(1,576,250)
	-----	-----
Loss for the year	Rupees	
	(8,381,861)	(10,272,414)
	=====	=====

Note: Other revenue not relating to investment company has not been included in the above statement. However, expenses have not been allocated to other revenue, except those directly relating to other investment scheme.

Pattern of Shareholding

Form "34"

<i>NUMBER OF SHARE HOLDERS</i>	<i>FROM</i>	<i>SHAREHOLDING</i>	<i>TO</i>	<i>TOTAL SHARES HELD</i>
5	1	--	100	367
39	101	--	500	19,300
1	501	--	1000	1,000
7	1001	--	5000	23,500
1	30001	--	35000	30,500
1	95001	--	100000	100,000
1	475001	--	480000	480,000
1	560001	--	565000	560,406
1	655001	--	660000	655,400
1	860001	--	865000	862,000
1	995001	--	1000000	1,000,000
1	1685001	--	1690000	1,687,797
1	1695001	--	1700000	1,700,000
1	2995001	--	3000000	3,000,000
1	4875001	--	4880000	4,879,730

<i>S. NO</i>	<i>CATEGORIES OF SHAREHOLDERS</i>	<i>NUMBER OF SHARE HOLDERS</i>	<i>TOTAL SHARES HELD</i>	<i>PERCENTAGE</i>
1	INDIVIDUALS	50	43,605	0.29
2	INVESTMENT COMPANIES	7	6,715,697	44.78
3	JOINT STOCK COMPANIES	2	562	0.00
4	FINANCIAL INSTITUTIONS	3	6,540,136	43.60
5	FOREIGN INVESTOR	1	1,700,000	11.33
		63	15,000,000	100.00

Notice of Meeting

Notice is hereby given that the 6th Annual General Meeting of the Company will be held at 11:30 a.m. on Saturday, September 30, 2000 at its Registered Office on 13th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi, to transact the following business:

1. To confirm the Minutes of the Extra-Ordinary General Meeting held on May 27, 2000.
2. To receive, consider and adopt the Audited Accounts of the Company together with the report of Directors and Auditors for the year ended June 30, 2000.
3. To approve the payment of Cash Dividend @ Rs. 3.10 per share of Rs. 10/- each for the year ended June 30, 2000.
4. To appoint Auditors and fix their remuneration for the year 2000-2001 The present Auditors Messrs. Taseer Hadi Khalid & Co. Chartered Accountants retire and being eligible, offer themselves for re-appointment.

5. To transact any other business with the permission of the Chair.

It is further notified that the Share Transfer Books of the Company will be closed from Monday, August 21, 2000 to Monday, August 28, 2000 (both days inclusive) to determine the names of members entitled to attend the Annual General Meeting and to determine entitlement to cash dividend, as declared by the Board of Directors. Transfers received at Uni Corporate & Financial Services, Westland Trade Centre, Opposite Flyover, Shaheed-e-Millat Road, Karachi at the close of business on Saturday, August 19, 2000 will be treated in time for these entitlements.

By order of the Board

Saiyid Azher Alam
Company Secretary

Karachi: July 15, 2000

Notes:

1. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. A Corporation may appoint a person, who is not a member, as proxy.
2. Proxy forms in order to be effective must be received at the Company's registered office, duly stamped

and signed not less than 48 hours before the meeting.

3. Members are requested to promptly communicate to the Company any change in their address to ensure prompt delivery of mail.

4. Accountholders/sub-accountholders holding book entry securities of the Company in Central Depository System (CDS) of Central Depository Company of Pakistan Limited (CDC) who wish to attend the AGM are requested to please bring their original ID Card/original passport with a photocopy duly attested by their bankers for identification purposes. In case of Corporate entity, the Board of Directors resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.