

## **Asian Stock Fund Limited**

**Annual Report 2000**

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### **COMPANY INFORMATION**

#### **BOARD OF DIRECTORS**

Mr. Zaigham Mehmood Rizvi  
Mr. Farooq Ismail  
Muhammad Ali Yacoob  
Mr. Bashir Blkasm Omer  
Mr. Ramadan A. Haggiagi  
Ms. Aaliya K. Dossa  
Mr. Noman Ahmed Qureshi

#### **CHIEF EXECUTIVE**

Muhammad Ali Yacoob

#### **COMPANY SECRETARY**

Mr. Merajuddin

#### **MANAGEMENT COMPANY**

Asian Capital Management (Pvt.) Limited

#### **BANKERS**

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

#### **AUDITORS**

M. Yousuf Adil Saleem & Co.  
Chartered Accountants

#### **LEGAL ADVISERS**

Mohsin Tayebaly & Co.

#### **TAX ADVISERS**

Rahim Iqbal Rafiq & Company  
Chartered Accountants

#### **REGISTERED OFFICE**

5th Floor, Block "C"  
Finance & Trade Centre,  
Shara-e-Faisal  
Karachi.

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 6th Annual General Meeting of ASIAN STOCKS FUND LIMITED will be held on December 18, 2000 at 3 p.m. at Rafia Chaudhry Memorial Centre, Sidco Avenue Centre, 264 R. A. Lines, Karachi, to transact the following business :-

1. To confirm the Minutes of the last Annual General Meeting of the Company held on December 17, 1999.
2. To receive, consider and adopt the audited accounts of the Company together with the Directors' report thereon for the period ended June 30, 2000.
3. To approve Final Cash Dividend of 10% for the year ended June 30, 2000.

4. To appoint Auditors of the Company and to fix their remuneration. The present Auditors M/s. YOUSUF ADIL SALEEM & COMPANY, CHARTERED ACCOUNTANTS, retire and being eligible, offer themselves for re-appointment.

5. Any other business with the permission of the chair.

By order of the Board

Karachi: November 17, 2000

SECRETARY

#### NOTES:

1. A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote instead of him/her at the meeting. Proxies must be deposited at the Company's Registered Office not less than 48 hours before the time for holding the meeting. A proxy must be a member.
2. The share transfer books of the Company shall remain closed from December 18, 2000 to December 24, 2000 (both days inclusive).
3. Shareholders are advised to notify of any change in their addresses.

#### DIRECTORS' REPORT

On behalf of the Board of Directors, we present the Sixth Annual Report together with audited accounts for the year ended June 30, 2000.

##### Operating Review:

The financial year ended June 30, 2000 was a better year for the three stock exchanges of the country including the general/individual investors and listed equities who hold and manage their share investment portfolios such as mutual fund companies etc. During the period under review i.e. from July 01, 1999 to June 30, 2000, a massive rally of stocks was witnessed in these stock markets with a redeeming feature of the highest ever turnover of shares on a single day in the history of the country. This rally, which was considered to be the second highest boom of this culminating decade, sustained only for about 6 months from October, 1999 to March, 2000 with index reaching from 1200 points to peak value at 2054 points and was mostly aided by speculative forces in the backdrop of new policy measures and reform programmes initiated by new government for the revival of economy.

Notwithstanding of its short life, all sectors of the economy took part in the rally under the lead of fuel/energy, textiles and bank and investment companies sectors and benefited themselves with the available opportunity. The income of all listed equities including those in mutual fund sector increased substantially and as a result, the market witnessed remarkable increase in their prices/NAVs during this period. The important point noted during the rally was that the support was largely seen from the local investors. This was attributed mainly to the availability of funds at lower interest rates following the excess money supply in the money market during the same period. However, due to economic fundamentals / indicators were yet to show the desired results, the local investors, instead of taking long positions in their portfolios, preferred to liquidate their holdings in shares at the available existing profit margins. This eased the entry of bulls in the market who dominated it in no time thereby resulting in the tumbling of prices of almost all equities within a short span. The index fell drastically to 1400 points during April-May 2000, however, it subsequently managed to reach 1521 points on June 30, 2000 from 1055 points on June 30, 1999 registering an appreciation of 44.19% during the year under review.

During the period the row between the Government of Pakistan and Hubco remained unresolved. As for the financial assistance from IMF and World Bank, the government has kept pursuing these institutions for early release of funds from them to ease pressure on the balance of payments.

##### Operating Results:

The net profit of the company rose immensely to Rs. 17.42 million for the year from Rs. 2.84 million of the previous year. The operating results for the year are as follows:

|   | (Rupees)    |
|---|-------------|
| Investment Income   | 12,810,299  |
| Operating Expenses  | (1,283,620) |
| Reversal of provision for diminution in the marketable securities | 6,034,047   |
| Provision for Taxation - Reversal                                 | (137,299)   |
|   | -----       |
| Net profit for the Year   | 17,423,427  |
|   | =====       |
| Proposed Dividend Per Share                                       | 1.00        |
|   | =====       |
| Total Dividend  | 10,000,000  |
|   | =====       |

During the year, the Company realized capital gains of Rs. 8.08 million, dividend income of Rs. 3.64 million and other income of Rs. 1.08 million. The remaining provision for diminution in the value of marketable securities from previous years was also fully reversed, as it was no longer required. Further,

against the appreciation of KSE-100 Index by 44.19% during the period, your Company has been able to register almost equal growth in its NAV at 43.28%.

The positive results of the Company have purely resulted from prudent securities selection, excellent market timing and proper cash management. The cash, which stood at 37.18% of the total asset in 1998, was channeled in prudent investment to reduce it to 2.71% only as on June 30, 2000.

Further, the new management led by Pak-Libya consortium during the period adhered to the prudent policies of investment and decision making to realize the optimal results from resources to ensure bright future for the Company in years ahead. With these policies and restructuring of shares portfolio, inherited from the previous management at the time of acquisition in December 1998, by replacing ill-liquid and less promising scrips with those of liquid and promising, the Company has been successful in increasing its NAV from 3.72 (at the time of acquisition) to 5.76 as on June 30, 2000. The Company has completed six full years of operation with the current year audited accounts. The summary of relative portfolio performance is submitted hereunder:

|               | June 30, 95 | June 30, 96 | June 30, 97 | June 30, 98 | June 30, 99 | June 30, 00 |
|---------------|-------------|-------------|-------------|-------------|-------------|-------------|
| NAV Per Share | 8.69        | 8.65        | 7.59        | 3.74        | 4.02        | 5.76        |
| Dividend Paid | 0           | 0           | 0           | 0           | 0           | 10%         |
| KSE-100 Index | 1611.70     | 1703.28     | 1565.73     | 879.62      | 1054.67     | 1520.74     |

#### Acknowledgment:

We offer our sincere gratitude to the Board of Directors for their continued guidance and support. We also wish to place on record our appreciation for the auditors, shareholders, Securities & Exchange Commission of Pakistan and officers and staff of the management Company.

For and behalf of the Board

Karachi; November 17, 2000

Chairman

## FINANCIAL HIGHLIGHTS

(Rupees in thousands from 1 to 5)

| YEAR ENDED                                 | 2000    | 1999     | 1998     | 1997     | 1996    | 1995     |
|--|---------|----------|----------|----------|---------|----------|
| 1. CAPITAL GAIN/(LOSS)                     | 8,080   | (12,908) | (34,105) | (4,502)  | (66)    | (3,893)  |
| 2. DIVIDEND INCOME                         | 3,642   | 5,468    | 4,728    | 3,237    | 1,231   | 818      |
| 3. OTHER INCOME                            | 1,087   | 521      | 125      | 660      | 1,019   | 3,134    |
| 4. OPERATING EXPENSES                      | 1,283   | 1,996    | 2,154    | 3,230    | 3,517   | 2,732    |
| 5. PROFIT/(LOSS)' AFTER TAXATION           | 17,423  | 2,844    | (38,561) | (10,669) | (327)   | (13,090) |
| 6. EPS                                     | 1.74    | 0.28     | (3.86)   | (1.07)   | (0.03)  | (1.31)   |
| 7. DIVIDEND %                              | 10      | --       | --       | --       | --      | --       |
| 8. KSE 100 INDEX                           | 1520.74 | 1054.67  | 879.62   | 1565.73  | 1703.28 | 1611.70  |
| 9. NET ASSET VALUE (RS.)                   | 5.76    | 4.02     | 3.74     | 7.59     | 8.65    | 8.69     |
| 10. APPRECIATION (DEPRECIATION IN NAN (%)) | 43.28   | 7.49     | (50.72)  | (12.25)  | (0.46)  | --       |

## PATTERN OF SHAREHOLDING FORM "34"

### SHAREHOLDERS STATISTICS

As at June 30, 2000

| Number of Shareholders | Share Holding |         | Total Shares Held |
|------------------------|---------------|---------|-------------------|
|                        | From          | To      |                   |
| 30                     | 1             | 100     | 3,000             |
| 1398                   | 101           | 500     | 694,300           |
| 67                     | 501           | 1000    | 67,000            |
| 60                     | 1001          | 5000    | 184,600           |
| 7                      | 5001          | 10000   | 53,500            |
| 1                      | 10001         | 15000   | 15,000            |
| 3                      | 15001         | 20000   | 60,000            |
| 1                      | 20001         | 25000   | 25,000            |
| 2                      | 45001         | 50000   | 100,000           |
| 1                      | 170001        | 175000  | 172,500           |
| 2                      | 245001        | 250000  | 500,000           |
| 1                      | 370001        | 375000  | 372,000           |
| 1                      | 695001        | 700000  | 700,000           |
| 1                      | 995001        | 1000000 | 1,000,000         |
| 1                      | 1925001       | 1930000 | 1,927,500         |
| 1                      | 4125001       | 4130000 | 4,125,600         |
| 1577                   |               |         | 10,000,000        |

| CATEGORIES OF SHAREHOLDERS | NUMBER OF    | TOTAL       | PERCENTAGE |
|----------------------------|--------------|-------------|------------|
|                            | SHAREHOLDERS | SHARES HELD |            |
| INDIVIDUALS                | 1565         | 1,184,500   | 11.84      |
| INVESTMENT COMPANIES       | 8            | 6,862,900   | 68.63      |
| JOINT STOCK COMPANY        | 1            | 1,000,000   | 10.00      |
| FINANCIAL INSTITUTIONS     | 2            | 950,000     | 9.50       |
| MODARABA COMPANY           | 1            | 2,600       | 0.03       |
|                            | 1577         | 10,000,000  | 100.00     |

## AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of ASIAN STOCK FUND LIMITED as at June 30, 2000 and the related profit and loss account and cash flow statement and statement of changes in equity 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 purposes of our audit and after due verification thereof, we report that:

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984 and the Investment Companies and Investment Adviser's Rules, 1971. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

a. in our opinion, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984, and Rule 16 of the Investment Companies and Investment Adviser's Rules, 1971;

b. in our opinion:

i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and Investment Companies and Investment Adviser's 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; and

iii. the business conducted, investments 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 explanation given to us, the balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof confirm with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 and the Investment Companies and Investment Adviser's 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, its cash flows and changes in equity for the year then ended; and

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

**M. Yousuf Adil Saleem & Co.**  
Chartered Accountants

Karachi: November 17, 2000

## BALANCE SHEET AS AT JUNE 30, 2000

|                      | Note | 2000<br>Rupees | 1999<br>Rupees |
|----------------------|------|----------------|----------------|
| <b>ASSETS</b>        |      |                |                |
| Deferred expenditure | 3    | --             | 337,561        |

**CURRENT ASSETS**

|   |   |            |            |
|---|---|------------|------------|
| Marketable equity securities                  | 4 | 52,134,966 | 31,278,429 |
| Advance income tax                            |   | 921,599    | 970,005    |
| Dividend/Profit receivables - considered good |   | 1,171,250  | 1,126,450  |
| Receivable from brokers                       |   | 4,490,373  | --         |
| Bank balances                                 |   |            |            |
| in current account                            |   | 12,947     | 12,947     |
| in PLS accounts                               |   | 1,634,535  | 10,130,794 |
|   |   | -----      | -----      |
|   |   | 60,365,670 | 43,518,625 |
|   |   | -----      | -----      |
| <b>TOTAL ASSETS</b>                           |   | 60,365,670 | 43,856,186 |

**LIABILITIES****CURRENT LIABILITIES**

|  |   |           |           |
|--|---|-----------|-----------|
| Current maturity of deferred expenditure payable |   | 337,561   | 810,140   |
| Due to investment adviser                        | 5 | 631,981   | 918,664   |
| Accrued expenses                                 | 6 | 93,426    | 30,000    |
| Payable to broker                                |   | 164,283   | --        |
| Provision for taxation                           |   | 1,520,209 | 1,565,108 |
|  |   | -----     | -----     |
|  |   | 2,747,460 | 3,323,912 |

**OTHER LIABILITIES**

|                              |   |       |         |
|------------------------------|---|-------|---------|
| Deferred expenditure payable | 7 | --    | 337,561 |
|                              |   | ----- | -----   |

**TOTAL LIABILITIES**

|  |  |             |             |
|--|--|-------------|-------------|
|  |  | (2,747,460) | (3,661,473) |
|  |  | -----       | -----       |

**NET ASSETS**

|  |  |            |            |
|--|--|------------|------------|
|  |  | 57,618,210 | 40,194,713 |
|  |  | =====      | =====      |

**SHAREHOLDERS EQUITY**

|  |   |            |            |
|--|---|------------|------------|
|  | 8 | 57,618,210 | 40,194,713 |
|  |   | =====      | =====      |

**CONTINGENCIES**

|  |   |  |  |
|--|---|--|--|
|  | 9 |  |  |
|--|---|--|--|

The annexed notes form i to 19 form an integral part of these accounts

MUHAMMAD ALI YACOOB  
CHIEF EXECUTIVE

BASHIR BLKASM OMER  
DIRECTOR

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED JUNE 30, 2000**

|  | <i>Note</i> | <i>2000<br/>Rupees</i> | <i>1999<br/>Rupees</i> |
|--|-------------|------------------------|------------------------|
| <b>Income</b>  |             |                        |                        |
| Dividend income - net of zakat                           |             | 3,642,476              | 5,468,937              |
| Return on bank deposits                                  |             | 1,087,215              | 521,597                |
| Capital Gain/(loss) on marketable securities             | 10          | 8,080,608              | (12,906,094)           |
|  |             | -----                  | -----                  |
|  |             | 12,810,299             | (6,915,560)            |
| <b>Operating expenses</b>                                |             |                        |                        |
| Remuneration to Investment Adviser                       | 5.1         | 576,182                | 803,894                |
| Custodian charges  |             | 166,623                | 133,395                |
| Amortization of deferred expenditure                     |             | 337,561                | 810,140                |
| Listing fee  |             | 92,500                 | 92,500                 |
| Audit fee  |             | 50,000                 | 30,000                 |
| interest on deferred expenditure                         |             | 52,399                 | 114,770                |
| Bank charges   |             | 1,955                  | 1,620                  |
| Others   |             | 6,400                  | 9,951                  |
|  |             | -----                  | -----                  |
|  |             | (1,283,620)            | (1,996,270)            |
|  |             | -----                  | -----                  |
| Profit/(Loss) for the year                               |             | 11,526,679             | (8,911,830)            |
| Reversal of diminution in value of marketable securities |             | 6,034,047              | 12,206,976             |
|  |             | -----                  | -----                  |
| Profit before taxation                                   |             | 17,560,726             | 3,295,146              |
| Provision for taxation                                   |             |                        |                        |
| Current year   |             | 541,156                | 451,019                |
| Prior years  | 11          | (403,927)              | --                     |
|  |             | -----                  | -----                  |
|  |             | 137,229                | 451,019                |
|  |             | -----                  | -----                  |
| Profit after taxation                                    |             | 17,423,497             | 2,844,127              |
| Accumulated loss brought forward                         |             | (59,805,287)           | (62,649,414)           |
|  |             | -----                  | -----                  |
| Accumulated loss carried forward                         |             | (42,381,790)           | (59,805,287)           |
|  |             | =====                  | =====                  |

Earnings per share 12 1.74 0.28

The annexed notes form 1 to 19 form an integral part of these accounts

**MUHAMMAD ALI YACOOB**  
CHIEF EXECUTIVE

**BASHIR BLKASM OMER**  
DIRECTOR

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2000**

|   | <i>2000</i>   | <i>1999</i>   |
|---|---------------|---------------|
|   | <i>Rupees</i> | <i>Rupees</i> |
| <b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>             |               |               |
| Profit before taxation                                    | 17,560,726    | 3,295,146     |
| Adjustments for :-  |               |               |
| Amortization of deferred expenditure                      | 337,561       | 810,140       |
| Reversal of diminution in value of marketable securities  | (6,034,047)   | (12,206,976)  |
| Interest on deferred expenditure                          | 52,399        | 114,770       |
|   | -----         | -----         |
|   | (5,644,087)   | (11,282,066)  |
|   | -----         | -----         |
|   | 11,916,639    | (7,986,920)   |
| <b>Effect on cash flow due to working capital changes</b> |               |               |
| (Increase)/decrease in current assets                     |               |               |
| Marketable securities                                     | (14,822,490)  | 4,874,424     |
| Receivable from brokers                                   | (4,490,373)   | --            |
| Dividend / Profit receivable                              | (44,800)      | (1,078,431)   |
|   | -----         | -----         |
|   | (19,357,663)  | 3,795,993     |
| Increase in current liabilities                           |               |               |
| Due to Investment Adviser                                 | 579,582       | 803,894       |
| Payable to broker   | 164,283       | --            |
| Accrued expense   | 63,426        | --            |
|   | -----         | -----         |
|   | 807,291       | 803,894       |
| Cash used in operations                                   |               |               |
| Paid to investment adviser                                | (6,633,733)   | (3,387,033)   |
| Taxes paid  | (918,664)     | (942,796)     |
|   | -----         | -----         |
|   | (133,722)     | (152,159)     |
|   | -----         | -----         |
| Net cash used in operating activities                     | (7,686,119)   | (4,481,988)   |
| <b>B. CASH FLOW FROM FINANCING ACTIVITIES</b>             |               |               |
| Deferred liability repaid                                 | (810,140)     | (810,140)     |
|   | -----         | -----         |
| Net cash used in financing activities                     | (810,140)     | (810,140)     |
|   | -----         | -----         |
| Net decrease in cash and cash equivalents                 | (8,496,259)   | (5,292,128)   |
| Cash and bank balances at the beginning of the year       | 10,143,741    | 15,435,869    |
|   | -----         | -----         |
| Cash and bank balances at the end of the year             | 1,647,482     | 1,014,374     |
|   | =====         | =====         |

**MUHAMMAD ALI YACOOB**  
CHIEF EXECUTIVE

**BASHIR BLKASM OMER**  
DIRECTOR

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2000**

|   | <i>Share Capital</i> | <i>Unappropriated Profit / (Accumulated) Loss</i> | <i>Total</i> | <i>Net Assets Value Per Share</i> |
|---|----------------------|---|--------------|-----------------------------------|
|   |                      |   | Rupees       |                                   |
| Balance as at June 30, 1998                 | 100,000,000          | (62,649,414)                                      | 37,350,586   | 3.74                              |
|   |                      |   |              | -----                             |
| Net profit for the year ended June 30, 1999 | --                   | 2,844,127   | 2,844,127    |                                   |
|   |                      | -----   | -----        |                                   |
| Balance as at June 30, 1999                 | 100,000,000          | (59,805,287)                                      | 40,194,713   | 4.02                              |
|   |                      |   |              | -----                             |

|   |             |              |            |       |
|---|-------------|--------------|------------|-------|
| Net profit for the year ended June 30, 2000 | --          | 17,423,497   | 17,423,497 |       |
| Balance as at June 30, 2000                 | 100,000,000 | (42,381,790) | 57,618,210 | 5.761 |

MUHAMMAD ALI YACOOB  
CHIEF EXECUTIVE

BASHIR BLKASM OMER  
DIRECTOR

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED JUNE 30, 2000

### 1. STATUS AND NATURE OF BUSINESS

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

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

1.3 Asian Capital Management (Private) Limited is the approved Investment Adviser and Muslim Commercial Bank Limited is the approved custodian of the Company.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Accounting Convention

These accounts have been prepared under the historical cost convention.

#### 2.2 Deferred Expenditure

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

#### 2.3 Taxation

The charge for current taxation is based on taxable income at the current tax rates after taking into account tax credits and rebates available, if any. The company provides for deferred taxation, if any, on liability method for all major timing differences.

#### 2.4 Marketable Securities

These are valued at lower of moving average cost and market value on an aggregate portfolio basis. The provision for diminution in value of shares required against marketable securities is charged to income currently. Market values are taken from Karachi Stock Exchange quotations as on the last working day of the year.

#### 2.5 Revenue Recognition

2.5.1 Sale and purchase of securities are recorded on the date of the execution of contract. Capital gains and losses on the sale of securities are accounted for in the year in which they arise.

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

2.5.3 Return on bank deposits is recognized on accrual basis.

### 3. DEFERRED EXPENDITURE

|                      | Note | 2000<br>Rupees | 1999<br>Rupees |
|----------------------|------|----------------|----------------|
| Preliminary expenses |      | 621,642        | 621,642        |
| Share issue expenses |      | 3,429,061      | 3,429,061      |
|                      |      | 4,050,703      | 4,050,703      |
| Amortization         |      |                |                |
| Upto last year       |      | 3,713,142      | 2,903,002      |
| During the year      |      | 337,561        | 810,140        |
|                      |      | (4,050,703)    | (3,713,142)    |
|                      |      | --             | 337,561        |

### 4. MARKETABLE SECURITIES

4.1 The following is a statement, of marketable securities, The securities are in fully paid ordinary shares / certificates of Rs. 10/= each except where stated otherwise:

| Name of Companies        | No. of Shares                       |           |       |         | Balance at June 30, 2000           |                |                            | % in Relation to     |                                 |                                    |                                |
|--------------------------|-------------------------------------|-----------|-------|---------|------------------------------------|----------------|----------------------------|----------------------|---------------------------------|------------------------------------|--------------------------------|
|                          | Opening<br>Balance<br>July 01, 1999 | Purchases | Bonus | Sales   | No. of<br>shares /<br>certificates | Cost<br>Rupees | Market<br>values<br>Rupees | Own<br>net<br>Assets | Inv. Cos.<br>paid up<br>Capital | No. of<br>shares /<br>certificates | Cost of<br>total<br>Investment |
| <b>MODARABAS</b>         |                                     |           |       |         |                                    |                |                            |                      |                                 |                                    |                                |
| 1st Equity Modaraba      | 62,500                              | --        | --    | 62,500  | --                                 | --             | --                         | --                   | --                              | --                                 | --                             |
| First Interfund Modaraba | 160,000                             | --        | --    | 160,000 | --                                 | --             | --                         | --                   | --                              | --                                 | --                             |

**LEASING COMPANY**

|                            |         |         |    |         |    |    |    |    |    |    |    |
|----------------------------|---------|---------|----|---------|----|----|----|----|----|----|----|
| Network Leasing Ltd.       | 10,000  | --      | -- | 10,000  | -- | -- | -- | -- | -- | -- | -- |
| Paramount Leasing Ltd.     | 113,000 | 87,000  | -- | 200,000 | -- | -- | -- | -- | -- | -- | -- |
| Union Leasing Ltd.         | 77,332  | --      | -- | 77,332  | -- | -- | -- | -- | -- | -- | -- |
| First Fidelity Leasing Co. | 40,000  | --      | -- | 40,000  | -- | -- | -- | -- | -- | -- | -- |
| Asian Leasing              | --      | 133,000 | -- | 133,000 | -- | -- | -- | -- | -- | -- | -- |

**INVESTMENT COMPANIES / BANKS**

|                             |    |         |    |         |         |           |           |       |       |       |       |
|-----------------------------|----|---------|----|---------|---------|-----------|-----------|-------|-------|-------|-------|
| Askari Commercial Bank Ltd. | -- | 910,000 | -- | 910,000 | --      | --        | --        | --    | --    | --    | --    |
| Muslim Commercial Bank Ltd. | -- | 660,500 | -- | 660,500 | --      | --        | --        | --    | --    | --    | --    |
| Bank of Punjab              | -- | 65,000  | -- | 65,000  | --      | --        | --        | --    | --    | --    | --    |
| Crescent Bank               | -- | 450,500 | -- | 250,500 | 200,000 | 4,680,040 | 2,950,000 | 8.120 | 0.936 | 0.400 | 8.349 |

**INSURANCE**

|                                |    |           |     |           |        |         |         |       |       |       |       |
|--------------------------------|----|-----------|-----|-----------|--------|---------|---------|-------|-------|-------|-------|
| Adamjee Insurance Company Ltd. | -- | 1,707,500 | 500 | 1,697,500 | 10,500 | 632,006 | 646,800 | 1.100 | 0.134 | 0.022 | 1.127 |
|--------------------------------|----|-----------|-----|-----------|--------|---------|---------|-------|-------|-------|-------|

**TEXTILE SPINNING**

|                            |        |    |    |        |    |    |    |    |    |    |    |
|----------------------------|--------|----|----|--------|----|----|----|----|----|----|----|
| Glamour Textile Mills Ltd. | 24,800 | -- | -- | 24,800 | -- | -- | -- | -- | -- | -- | -- |
| Sana Industries Ltd.       | 11,300 | -- | -- | 11,300 | -- | -- | -- | -- | -- | -- | -- |

**TEXTILE COMPOSITE**

|                              |        |         |    |         |    |    |    |    |    |    |    |
|------------------------------|--------|---------|----|---------|----|----|----|----|----|----|----|
| M. Farooq Textile Mills Ltd. | 25,000 | --      | -- | 25,000  | -- | -- | -- | -- | -- | -- | -- |
| Nishat Mills                 | --     | 284,000 | -- | 284,000 | -- | -- | -- | -- | -- | -- | -- |

**SYNTHETIC & RAYON**

|                          |    |           |        |           |         |           |           |       |       |       |       |
|--------------------------|----|-----------|--------|-----------|---------|-----------|-----------|-------|-------|-------|-------|
| Dewan Salman Fibres Ltd. | -- | 1,532,00  | 35,000 | 1,542,000 | 25,000  | 687,750   | 718,750   | 1.190 | 0.025 | 0.009 | 1.227 |
| Ibrahim Fibre Ltd.       | -- | 750,000   | --     | 750,000   | --      | --        | --        | --    | --    | --    | --    |
| Dhan Fibre               | -- | 2,700,000 | --     | 235,000   | 350,000 | 3,688,510 | 3,727,500 | 6.400 | 0.124 | 0.118 | 6.580 |

**CEMENT**

|                       |    |           |    |           |        |         |         |       |       |       |       |
|-----------------------|----|-----------|----|-----------|--------|---------|---------|-------|-------|-------|-------|
| D.G. Khan Cement Ltd. | -- | 615,500   | -- | 615,500   | --     | --      | --      | --    | --    | --    | --    |
| Lucky Cement Ltd.     | -- | 1,150,000 | -- | 1,100,000 | 50,000 | 465,825 | 445,825 | 0.810 | 0.019 | 0.020 | 0.831 |
| Chakwal Cement        | -- | 150,000   | -- | 150,000   | --     | --      | --      | --    | --    | --    | --    |

**FUEL AND ENERGY**

|  |         |            |    |            |         |           |           |        |       |       |        |
|--|---------|------------|----|------------|---------|-----------|-----------|--------|-------|-------|--------|
| Elahi Electric Ltd.                      | --      | 128,000    | -- | 128,000    | --      | --        | --        | --     | --    | --    | --     |
| Hub Power Company Ltd.                   | 250,000 | 10,732,500 | -- | 10,432,500 | 550,000 | 8,204,295 | 8,085,000 | 14.240 | 0.071 | 0.048 | 14.636 |
| Karachi Electric Supply Corporation Ltd. | --      | 496,000    | -- | 496,000    | --      | --        | --        | --     | --    | --    | --     |
| Maple Leaf Electric Ltd.                 | --      | 100,000    | -- | 100,000    | --      | --        | --        | --     | --    | --    | --     |
| Kohinoor Energy                          | --      | 10,000     | -- | 10,000     | --      | --        | --        | --     | --    | --    | --     |
| National Refinery Ltd.                   | --      | 21,000     | -- | 16,000     | 5,000   | 376,956   | 213,750   | 0.650  | 0.057 | 0.008 | 0.672  |
| Pakistan State Oil Limited               | 5,000   | 2,102,600  | -- | 2,057,600  | 50,000  | 8,151,315 | 8,112,500 | 14.150 | 0.570 | 0.035 | 14.541 |
| Sui Northern Gas Pipeline Ltd.           | --      | 5,116,500  | -- | 5,066,500  | 50,000  | 801,995   | 795,000   | 1.390  | 0.018 | 0.012 | 1.431  |
| Sui Southern Gas Pipeline Ltd.           | --      | 1,550,000  | -- | 1,250,000  | 300,000 | 4,830,000 | 4,905,000 | 8.360  | 0.083 | 0.051 | 8.616  |
| Southern Electric Power Company Ltd.     | --      | 153,000    | -- | 153,000    | --      | --        | --        | --     | --    | --    | --     |
| Japan Power                              | --      | 430,000    | -- | 430,000    | --      | --        | --        | --     | --    | --    | --     |
| Shell Pakistan                           | --      | 72,700     | -- | 70,100     | 2,600   | 697,049   | 676,650   | 1.210  | 0.199 | 0.007 | 1.243  |
| Sitara Energy                            | --      | 645,500    | -- | 401,500    | 244,000 | 7,798,996 | 6,588,000 | 13.540 | 4.085 | 1.278 | 13.913 |

**ENGINEERING**

|                                       |         |    |    |         |    |    |    |    |    |    |    |
|---------------------------------------|---------|----|----|---------|----|----|----|----|----|----|----|
| Crescent Steel & Allied Products Ltd. | 170,312 | -- | -- | 170,312 | -- | -- | -- | -- | -- | -- | -- |
|---------------------------------------|---------|----|----|---------|----|----|----|----|----|----|----|

**TRANSPORT & COMMUNICATION**

|  |         |           |    |           |         |           |           |       |       |       |       |
|--|---------|-----------|----|-----------|---------|-----------|-----------|-------|-------|-------|-------|
| Pakistan Telecommunication Ltd.            | 264,500 | 7,675,500 | -- | 7,940,000 | --      | --        | --        | --    | --    | --    | --    |
| Telecard Ltd.                              | 50,000  | 2,456,500 | -- | 2,365,800 | 140,700 | 2,638,449 | 2,455,215 | 4.580 | 1.055 | 0.563 | 4.707 |
| Pakistan International Airlines Corporatio | --      | 1,196,000 | -- | 1,071,000 | 125,000 | 1,336,000 | 900,000   | 2.320 | 0.036 | 0.034 | 2.383 |
| World Call Phone Ltd.                      | --      | 50,000    | -- | 40,000    | 10,000  | 204,680   | 161,500   | 0.360 | 0.051 | 0.025 | 0.365 |

**AUTO AND ALLIED ENGINEERING**

|                           |    |         |    |         |    |    |    |    |    |    |    |
|---------------------------|----|---------|----|---------|----|----|----|----|----|----|----|
| Baluchistan Wheels Ltd.   | -- | 331,000 | -- | 331,000 | -- | -- | -- | -- | -- | -- | -- |
| Indus Motors Company Ltd. | -- | 200,000 | -- | 200,000 | -- | -- | -- | -- | -- | -- | -- |
| General Tyres             | -- | 1,500   | -- | 1,500   | -- | -- | -- | -- | -- | -- | -- |

**CHEMICAL AND PHARMACEUTICAL**

|                                 |         |           |    |           |         |           |           |       |       |       |        |
|---------------------------------|---------|-----------|----|-----------|---------|-----------|-----------|-------|-------|-------|--------|
| Engro Chemicals Ltd.            | --      | 600,200   | -- | 570,200   | 25,000  | 1,556,248 | 1,490,000 | 2.7   | 0.129 | 0.021 | 2.776  |
| Fauji Fertilizers Ltd.          | 225,000 | 4,374,000 | -- | 4,449,000 | 150,000 | 6,017,730 | 5,955,000 | 10.44 | 0.235 | 0.058 | 10.735 |
| F.F.C. Jordan Ltd.              | --      | 1,579,500 | -- | 1,579,500 | --      | --        | --        | --    | --    | --    | --     |
| ICI Pakistan Ltd.               | --      | 5,107,000 | -- | 4,907,000 | 200,000 | 3,000,000 | 3,030,000 | 5.21  | 0.024 | 0.016 | 5.351  |
| ICI Pakistan (Right Issue)      | --      | 200,000   | -- | 200,000   | --      | --        | --        | --    | --    | --    | --     |
| Reckit & Colman Ltd.            | --      | --        | -- | --        | --      | --        | --        | --    | --    | --    | --     |
| Sitara Chemical Industries Ltd. | 125,600 | 1,500     | -- | 127,100   | --      | --        | --        | --    | --    | --    | --     |
| Biafo Industries                | --      | 25,000    | -- | 25,000    | --      | --        | --        | --    | --    | --    | --     |

**CABLES AND ELECTRICAL GOODS**

|              |        |    |    |        |    |    |    |    |    |    |    |
|--------------|--------|----|----|--------|----|----|----|----|----|----|----|
| Pak Electron | 19,990 | -- | -- | 19,990 | -- | -- | -- | -- | -- | -- | -- |
|--------------|--------|----|----|--------|----|----|----|----|----|----|----|

**PAPER AND BOARD**



|                                     |         |         |    |         |           |            |            |      |       |       |       |
|-------------------------------------|---------|---------|----|---------|-----------|------------|------------|------|-------|-------|-------|
| Century Paper & Board Mills Ltd.    | 169,454 | --      | -- | 169,454 | --        | --         | --         | --   | --    | --    | --    |
| Cherat Paper Sack Ltd.              | 37,000  | --      | -- | 37,000  | --        | --         | --         | --   | --    | --    | --    |
| <b>VANASPATI &amp; ALLIED</b>       |         |         |    |         |           |            |            |      |       |       |       |
| Sarhad Ghee Industries Ltd.         | 30,000  | --      | -- | 30,000  | --        | --         | --         | --   | --    | --    | --    |
| <b>FOOD &amp; ALLIED</b>            |         |         |    |         |           |            |            |      |       |       |       |
| Lever Brothers (see note 4.2 below) | --      | 9,440   | -- | 9,140   | 300       | 288,193    | 279,300    | 0.50 | 0.043 | 0.001 | 0.514 |
| <b>GLASS &amp; CERAMICS</b>         |         |         |    |         |           |            |            |      |       |       |       |
| Emco Industries Ltd.                | 47,915  | --      | -- | 47,115  | --        | --         | --         | --   | --    | --    | --    |
| <b>MISCELLANEOUS</b>                |         |         |    |         |           |            |            |      |       |       |       |
| Tri Pak Film Ltd.                   | --      | 875,500 | -- | 875,500 | --        | --         | --         | --   | --    | --    | --    |
|                                     |         |         |    |         | 2,488,100 | 56,056,037 | 52,134,965 |      |       |       |       |

Reversal/(Provision) for diminution  
in vale of marketable securities

Opening balance (9,955,118)

During the year 6,034,047

(3,921,071)

**2000 Rupees** 52,134,966

1999 Rupees 41,233,547 31,278,429

4.2 The nominal value of these shares is Rs. 50 each

4.3 Net assets are as defined in Rule 2(e) of the Investment Companies and Investment Adviser Rules, 1971.

4.4 The percentage in relation to own net assets (of the company) has been calculated in relation to the cost of the respective investments.

4.5 The percentage in relation to the investee company's paid up capital has been calculated in relation to the number of shares held in the investee company.

#### 5. DUE TO INVESTMENT ADVISER - AN ASSOCIATED UNDERTAKING

|  | <b>2000</b>   | <b>1999</b>   |
|--|---------------|---------------|
|  | <b>Rupees</b> | <b>Rupees</b> |
| One percent of net assets (5.1)          | 576,182       | 803,894       |
| Interest payable on deferred expenditure | 52,399        | 114,770       |
| Filing fee payable                       | 3,400         | --            |
|  | -----         | -----         |
|  | 631,981       | 918,664       |
|  | =====         | =====         |

5.1 The investment adviser, under Rule 11(a) of the Investment Companies and Investment Advisers Rules, 1971, is entitled to a remuneration at the rate of 2% of the net assets of the Company for the first five years of the Investment Company's existence and thereafter at the rate of 1% of the net assets of the company. The remuneration for the year has been determined as under:

| <b>ASSETS</b>   |             |             |
|---|-------------|-------------|
| Advance income tax                                      | 921,599     | 970,005     |
| Dividend/profit receivable                              | 1,171,250   | 1,126,450   |
| Bank balances   | 1,647,483   | 10,143,741  |
| Deferred expenditure                                    | --          | 337,561     |
| Marketable securities                                   | 52,134,965  | 31,278,429  |
| Receivable from brokers                                 | 4,490,373   | --          |
|   | -----       | -----       |
|   | 60,365,670  | 43,856,186  |
| <b>LIABILITIES</b>                                      |             |             |
| Current maturity of deferred expenditure payable        | 337,561     | 1,147,701   |
| Interest on deferred expenditure                        | 52,399      | 114,770     |
| Accrued expense   | 93,426      | 30,000      |
| Filing fee payable                                      | 3,400       | --          |
| Taxation  | 1,520,209   | 1,565,108   |
| Payable to broker                                       | 164,283     | --          |
| Investment advisory fee                                 | 576,182     | 803,894     |
|   | -----       | -----       |
|   | (2,747,460) | (3,661,473) |
|   | -----       | -----       |
| Net assets  | 57,618,210  | 40,194,713  |
| Remuneration @ 1 percent (1999-2 percent) of net assets | 576,182     | 803,894     |

**6. ACCRUED EXPENSES**

|                           |        |        |
|---------------------------|--------|--------|
| Audit fees                | 50,000 | 30,000 |
| Custodian charges payable | 42,497 | --     |
| Withholding tax payable   | 929    | --     |
|                           | -----  | -----  |
|                           | 93,426 | 30,000 |

**7. DEFERRED EXPENDITURE PAYABLE**

|  |           |           |
|--|-----------|-----------|
| Opening balance  | 1,147,701 | 1,957,841 |
| Paid during the year   | (810,140) | (810,140) |
|  | -----     | -----     |
|  | 337,561   | 1,147,701 |
| Less: Payable within one year shown<br>under current liabilities | (337,561) | (810,140) |
|  | -----     | -----     |
|  | --        | 337,561   |

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

**8. SHARE HOLDERS EQUITY****Authorized Capital**

|   |             |             |
|---|-------------|-------------|
| 10,000,000 Ordinary shares of Rs. 10/- each | 100,000,000 | 100,000,000 |
|---|-------------|-------------|

**Issued, subscribed and paidup capital**

|   |              |              |
|---|--------------|--------------|
| 10,000,000 Ordinary shares of Rs. 10/-<br>each fully paid in cash | 100,000,000  | 100,000,000  |
| Accumulated loss  | (42,381,790) | (59,805,287) |
|   | -----        | -----        |
|   | 57,618,210   | 40,194,713   |

**9. CONTINGENCIES**

The Company has filed an appeal against the order for the assessment year 1995-96 disputing the basis of allocation of expenses and calculation of income. No provision of Rs. 635,719 (1999 - Rs. 635,719) has been made in these accounts as the management is confident of a favourable decision in appeal.

**10. CAPITAL GAIN / (LOSS) ON MARKETABLE SECURITIES**

|                     |                 |               |
|---------------------|-----------------|---------------|
| Sales               | 1,730,434,455   | 132,103,441   |
| Opening Stock       | 41,233,547      | 46,107,971    |
| Purchases           | 1,737,174,551   | 140,069,700   |
| Stamps and duties   | 1,785           | 65,411        |
|                     | -----           | -----         |
|                     | 1,778,409,883   | 186,243,082   |
| Less: Closing Stock | (56,056,036)    | (41,233,547)  |
|                     | -----           | -----         |
| Cost of Sales       | (1,722,353,847) | (145,009,535) |
|                     | -----           | -----         |
|                     | 8,080,608       | (12,906,094)  |

**11. TAXATION**

The income tax assessments of the Company have been finalized upto and including assessment, year 1999-2000, accounting year ended on June 30, 1999. However, the Company has filed appeals against the order for assessment year 1995-96 and 1998-99 disputing the basis of allocation of expenses and calculation of income.

**12. EARNING PER SHARE**

|  | 2000       | 1999       |
|--|------------|------------|
| Profit after taxation                      | 17,423,497 | 2,844,127  |
| Weighted average number of ordinary shares | 10,000,000 | 10,000,000 |
| Earning per share                          | 1.74       | 0.28       |

**13. TRANSACTIONS WITH ASSOCIATED UNDERTAKING**

|                                  |         |         |
|----------------------------------|---------|---------|
| Investment Adviser               |         |         |
| Remuneration                     | 576,182 | 803,894 |
| Deferred expenditure reimbursed  | 810,140 | 810,140 |
| Interest on deferred expenditure | 52,399  | 114,770 |
| Filing fee payable               | 3,400   | --      |

**14. FINANCIAL INSTRUMENTS AND RELATED DISCLOSURES****14.1 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:-

|   | Markup/interest bearing |                              |                             | Non                   |                            | Total<br>Rupees |
|---|-------------------------|------------------------------|-----------------------------|-----------------------|----------------------------|-----------------|
|   | Less than<br>one month  | One month to<br>three months | Three months<br>to one year | More than<br>one year | Markup/interest<br>bearing |                 |
| <b>Financial Assets</b>                       |                         |                              |                             |                       |                            |                 |
| Marketable securities                         | --                      | --                           | --                          | --                    | 52,134,966                 | 52,134,966      |
| Dividend / profit receivable                  | --                      | --                           | --                          | --                    | 1,171,250                  | 1,171,250       |
| Advance income tax                            | --                      | --                           | --                          | --                    | 921,599                    | 921,599         |
| Receivable from brokers                       | --                      | --                           | --                          | --                    | 4,490,373                  | 4,490,373       |
| Bank balances                                 | 1,634,535               | --                           | --                          | --                    | 12,947                     | 1,647,482       |
|   | -----                   | -----                        | -----                       | -----                 | -----                      | -----           |
| Rupees  | 1,634,535               | --                           | --                          | --                    | 58,731,135                 | 60,365,670      |
|   | =====                   | =====                        | =====                       | =====                 | =====                      | =====           |
| Average markup rates of financial assets      |                         |                              |                             |                       |                            |                 |
|   | 10%                     | --                           | --                          | --                    | --                         | --              |
| <b>Financial Liabilities</b>                  |                         |                              |                             |                       |                            |                 |
| Current maturity of deferred expenditure      | --                      | --                           | 337,561                     | --                    | --                         | 337,561         |
| Due to investment adviser                     | --                      | --                           | --                          | --                    | 631,981                    | 631,981         |
| Accrued expense                               | --                      | --                           | --                          | --                    | 93,426                     | 93,426          |
| Payable to broker                             | --                      | --                           | --                          | --                    | 164,283                    | 164,283         |
| Taxation                                      | --                      | --                           | --                          | --                    | 1,520,209                  | 1,520,209       |
|   | -----                   | -----                        | -----                       | -----                 | -----                      | -----           |
| Rupees  | --                      | --                           | 337,561                     | --                    | 2,409,899                  | 2,747,460       |
|   | =====                   | =====                        | =====                       | =====                 | =====                      | =====           |
| Average markup rates of financial liabilities |                         |                              |                             |                       |                            |                 |
|   | --                      | --                           | 10%                         | --                    | --                         | --              |

**15. CREDIT RISK AND CONCENTRATION OF CREDIT RISK**

Credit risk represents the accounting loss relating to financial assets that would be recognized at the reporting date if counter parties failed completely to perform as contracted. However, the Company does not believe that it is exposed to major concentration of credit risk. The Company manages its exposure to credit risk through diversifying its investment in marketable securities (note 4).

**16. FOREIGN EXCHANGE RISK MANAGEMENT**

The Company did not enter into any transaction involving foreign exchange during the year ended June 30, 2000.

**17. FAIR VALUE OF THE FINANCIAL INSTRUMENTS**

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

**18. PERFORMANCE TABLE**

|   | 2000<br>Rupees | 1999<br>Rupees | 1998<br>Rupees | 1997<br>Rupees | 1996<br>Rupees | 1995<br>Rupees |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Net assets based on market value of investments | 57,618,210     | 40,194,713     | 37,350,586     | 75,911,886     | 88,348,072     | 88,682,705     |
| Net assets value per share                      | 5.76           | 4.02           | 3.74           | 7.59           | 8.83           | 8.87           |
| Earning per share                               | 1.74           | 0.28           | (3.86)         | (1.07)         | (0.03)         | (1.31)         |
| Dividend distribution                           | Proposed       | NIL            | NIL            | NIL            | NIL            | NIL            |

First year of operation was from December 13, 1994, to June 30, 1995.

**19. GENERAL**

- Figures have been rounded off to the nearest Rupee.
- Corresponding figures have been re-arranged and re-grouped wherever necessary for the purpose of comparison.
- There is no one in the employment of the Company.

**MUHAMMAD ALI YACOOB**  
CHIEF EXECUTIVE

**BASHIR BLKASM OMER**  
DIRECTOR

**STATEMENT OF INCOME AND EXPENDITURE IN  
RELATION TO THE INVESTMENT COMPANY  
FOR THE YEAR ENDED JUNE 30, 2000**

2000                      1999

|   | <i>Rupees</i> | <i>Rupees</i> |
|---|---------------|---------------|
| <b>INCOME</b>                               |               |               |
| Remuneration from Asian Stocks Fund Limited | 576,182       | 812,737       |
| Interest on Deferred Expenditure            | 52,399        | 114,770       |
| Return on PLS Deposit                       | 25,190        | --            |
| Return on COIs                              | 222,739       | --            |
|   | -----         | -----         |
|   | 876,510       | 927,507       |
| <b>OPERATING EXPENSES</b>                   |               |               |
| Salaries and Other Benefits                 | 1,424,220     | 473,775       |
| Rent, Electricity & Telephone               | 361,092       | 150,000       |
| Legal & Professional Charges                | 167,200       | 286,000       |
| Printing & Advertisement                    | 114,919       | 72,625        |
| Credit Rating Fee                           | 110,000       | --            |
| Insurance Expense                           | 84,841        | --            |
| Depreciation Expense                        | 123,208       | --            |
| Miscellaneous Expenses                      | 183,784       | 153,269       |
|   | -----         | -----         |
|   | 2,569,264     | 1,135,669     |
|   | -----         | -----         |
|   | (1,692,754)   | (208,162)     |
|   | =====         | =====         |