

## ASIAN STOCKS FUND LIMITED ANNUAL REPORT 2004

### BOARD OF DIRECTORS

Mr. Mahmood Ahmed                      Chief Executive Officer

Mr. Farooq Lakhani

Mr. Gul Nawaz

Mr. Nasir Ayub

Mr. Shahid Latif Dar

Mr. Tariq Aleem

Mr. Wasif Mustafa Khan

### COMPANY SECRETARY

Mr. Tariq Aleem

### CHIEF FINANCIAL OFFICER

Mr. Moeen Arshad

### MANAGEMENT COMPANY

Asian Capital Management Limited

### AUDIT COMMITTEE

Mr. Nasir Ayub

Mr. Wasif Mustafa Khan

Mr. Tariq Aleem

### BANKERS

National Bank of Pakistan  
Union Bank Limited

### CUSTODIAN

Muslim Commercial Bank Limited

### AUDITORS

Syed Husain & Co.  
Chartered Accountants

### REGISTERED OFFICE

4th Floor, Crescent Standard Tower  
10-B, Block - E2 Gulberg-III, Lahore.  
UAN: 042-111-912-912  
Fax: 042-587 5915-6

## Directors' Report

The Board of Directors of Asian Stocks Fund Limited (the "Company") is pleased to present the annual report of the Company together with the audited accounts for the year ended June 30, 2004.

## Company's Performance

The financial results of the Company are as follows:

For the year

	Rupees	
Return on investments	6,405,801	24,999,577
Operating expenses	3,192,279	2,039,838
Net profit after taxation	3,155,389	23,298,446
Earning per share	0.32	2.33
Net asset value	159,531,504	58,376,115
Net asset value per share	8.06	5.83

Due to levy of new taxes in the budget announced by the Federal Government in June 2004, the Stock Market was under immense pressure during the month of June 2004 and so. Thus the Company incurred losses (realized and unrealized), which offsetted the gains earned during the previous periods. In the subsequent period such losses has been recouped to some extent due to recovery in the stock market index. As the investments were made in the good rating securities, therefore, management expect reasonable returns thereon, in the near future. Keeping in view the post right issue position, the management has decided not to sell the investments with rising market prices.

## Appropriations

Keeping in view the accumulated losses of the Company, the Board of Directors has decided not to announce any dividend for the year under review.

## Right Issue

During the year the paid up share capital was raised by way of 800% Right Issue at par value of share, the issue was fully underwritten and as the closing dates were subsequent to the year end, therefore, the significant results of the right issue will be reflected in the subsequent period. The management has planned that the right issue proceeds will be utilized to expand business operations of the Company and to take advantage of the present attractive stock market conditions. It is envisaged that the additional capital will have a positive impact on the business operations and financial performance of the Company in the growing market and hence would result in improved return to the shareholders in future.

## Stock Market Behavior

The primary and secondary equity market remained highly liquid. The initiative by the Government of Pakistan to channelize the liquidity into productivity is clearly visible by the privatization of government holdings in the public sector. This has resulted in achieving a milestone of twenty billion dollar mark in terms of market capitalization.

The secondary market also witnessed a growth in the mutual fund sector with a number of investment houses structuring there portfolios. The investment services industry is expected to grow and become more competitive. The secondary market offers immense potential and opportunity for the players who want to be competitive in this asset class.

## Future Outlook

The future strategy of the Company will be to make investments in the listed securities in form of well diversified ratio in order to get benefit of fixed income, high dividend yield and high capital gains. Although stock market investors are presently cautious because of the economic and political uncertainties in the region. However, we expect that the stock market will continue to attract more inflows. It is also anticipated that the proposed privatization of Kot Adu Power Project and Pakistan State Oil will positively contribute towards the stock market performance. Keeping in view the constantly improving regulatory environment of the capital markets, new reforms by the government and other indicators such as increase in foreign exchange reserves and low interest rates scenarios, we look forward that the stock market would offer better returns to the investors.

## Changes in Board of Directors

Mrs. Parveen A. Malik and Miss. Iffat Zehra Mankani, Directors of the Company tendered their resignations on February 28, 2004 and May 11, 2004 respectively and the Board appointed Mr. Shahid Latif Dar and Mr. Gul Nawaz in their place subject to the approval of SECP.

## Code of Corporate Governance (CCG)

The Company for the year ended June 30, 2004 has duly complied with the provisions of the relevant code for good corporate governance. The directors hereby confirm following as required by Clause (XiX) of the Code:

The preparation of financial statements is the responsibility of the management of the Company. The enclosed financial statements fairly present its state of affairs, the result of operations, cash flow and changes in equity, statement of movement in reserves and distribution statement of the Company.

Proper book of accounts have been maintained as required by the Companies Ordinance, 1984 and Non-Banking Finance Companies (Establishment and Regulation) Rules 2003. The Company has followed the International Accounting Standards (IAS) as applicable in Pakistan.

The management has applied appropriate accounting policies during the year, which are also consistent with the last year, except those, which are changed due to adoption of new IAS by the Securities & Exchange Commission of Pakistan.

The accounting estimates are based on reasonable and prudent judgment and are in accordance with the criteria available in the respective IAS (as applicable in Pakistan).

There exist sound internal controls, which were effectively implemented and monitored during the year under review.

There are no doubts upon the Company's ability to continue as a going concern.

There has been no material departure from the best practices of CCG.

The key financial data of nine years are summarized in note 17 to the accounts.

There are no outstanding statutory payments on account of taxes, duties, levies and charges.

The statement as to the value of investments of provident fund, gratuity and pension funds is not applicable as the Investment Adviser is managing the Fund.

The detailed pattern of share holding is enclosed.

During the year under review four Board meetings were held. The attendance of each director at the meetings of the Board of Directors is as follows:

Directors Previous Board	Number of Board meetings attended
Mr. Ramadan A. Haggiagi	1

Mr. Muhammad Ali Yacoob	1
Mr. Bashir Blkasm Omer	3
Syed Ghazanfar Ali	3
Mr. Muhammad Yasin	3
Mr. Parveen A. Malik	1
Mr. Ather Hussain Medina	1
Mr. Shaukat Hussain	1

Grant of leave was given by the Board to the Directors, who could not attend the Board meeting.

During the year under review no trading in the Company's shares were carried out by the directors, CEO, CFO, Company Secretary and their spouses including minor children.

#### Investment Policy

The Investment policy of the company is the same as stated in its Articles of Association duly approved by the commission and respective stock exchanges, which inter alia aims at providing superior results through investment in quality growth stocks selected on the basis of their potential capital appreciation possibilities as well as dividend potential so as to benefit its investors / shareholders with regular income as well as long term growth potential. According to this investment policy, the Company, based on market conditions and available opportunities, either invests its funds entirely in ordinary stocks of listed equities or distribute its funds between these ordinary stocks and other securities listed on three stock exchanges of the Country such as fixed income securities, participation term certificates, modaraba certificates etc. While implementing the investment policy, the Company always strives to ensure that exposure limit in respect of 10% in respect of each security is strictly adhered to and the composition of stocks in different sectors has relatively low correlation among each other.

#### Auditors

Subsequent to the year end but before the start of audit for the year ended June 30, 2004, we received a letter from M/s Khalid Majid Rahman Sarfaraz Rahim Iqbal Rafiq (KMRSRIR) being our appointed auditors, which state that KMRSRIR has been demerged and have been bifurcated as a result of restructuring of the firm by its partners. A new firm has been formed i.e. M/s Khalid Majid Rahman (KMR) by some of partners of the old firm (KMRSRIR). The matter was informed to the SECP as well as discussed with the Partners of KMRSRIR and KMR. As a result the Board of Directors appointed M/s Syed Husain and Co. Chartered Accountants in order to fill the casual vacancy, to conduct the annual audit for the year ended June 30, 2004.

The retiring auditors M/s Syed Hussain and Company, Chartered Accountants being eligible offer themselves for re-appointment. As suggested by the audit committee, the Board of Directors has recommended their appointment as auditors of the Company for the year ending June 30, 2005.

#### Acknowledgment

The directors wish to place on record their appreciation to employees at all levels for their dedication and commitment, thank all our shareholders and members stock exchanges for the commitment and trust reposed in us. Finally the directors acknowledge the valuable assistance, support and guidance given by the Securities and Exchange Commission of Pakistan.

#### Statement of Compliance with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in listing regulations (regulation # 37) of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

The board of directors comprise of seven directors. The Company encourages representation of

independent non-executive directors on its board. At present the board includes at least 3 independent non-executive directors.

The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.

All the resident directors of the Company are registered as taxpayers and none of them has been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan to a banking company, a DPI or an NBF1. No one is a member of Stock Exchange.

A casual vacancy occurring in the board on February 28, 2004 and May 11, 2004 by resignation of Mrs. Parveen A. Malik and Miss. Iffat Zehra Mankani respectively was filled up by the directors within 30 days thereof by appointing Mr. Shahid Latif Dar and Mr. Gul Nawaz subject to the approval of Securities and Exchange Commission of Pakistan ("SECP").

The Company has prepared a 'Statement of Ethics and Business Practices', which has been signed by all the directors and employees of the Company.

The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the board.

The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

The Board arranged orientation courses for its directors during the year to apprise them of their duties and responsibilities.

The Board has approved appointment of Company Secretary/ CFO/ Internal Auditor alongwith the terms and conditions of employment, as determined by the CEO.

The directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.

The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

Review Report to the Members on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of ASIAN STOCKS FUND LIMITED (the Company) to comply with the Listing Regulation No. 37 of Karachi Stock Exchange, Chapter XIII of Listing Regulations of the Lahore Stock Exchange and Chapter XI of the Listing Regulations of the Islamabad Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the

Company to comply with the Code of Corporate Governance.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance, as applicable to the Company for the year ended June 30, 2004.

#### Auditors' Report to the Members

We have audited the annexed balance sheet of ASIAN STOCKS FUND LIMITED as at June 30, 2004 and the related profit and loss account, cash flow statement, distribution statement, statement of movement in equity and reserves 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.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the financial statements in conformity with the approved accounting standards, the requirements of the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the International Standards on Auditing as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the financial 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 the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003;

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 in accordance with the provisions of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 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 explanations given to us, the balance sheet, profit and loss account, cash flow statement, distribution statement, statement of movement in equity and reserves and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 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, 2004 and of the profit, its cash flows, its distributions, movement in equity and reserves and changes in equity for the year then ended; and

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

The financial statements of the company for the year ended June 30, 2003 were audited by another firm of Chartered Accountants whose report dated September 25, 2003 emphasized the matter regarding the pending approval of Securities and Exchange Commission of Pakistan for the then proposed change in management and major shareholding of the company. The approval has been obtained during the year.

Balance Sheet  
As at June 30, 2004

	Note	2004 Rupees	2003 Rupees
<b>CURRENT ASSETS</b>			
Bank balances	3	63,054,985	7,846,959
Advances, prepayments and other receivables	4	1,096,612	207,309
Accounts receivable	5	7,949,838	3,570,304
Investments	6	95,221,627	50,970,980
<b>CURRENT LIABILITIES</b>		167,323,062	62,595,552
Due to investment advisor	7-		945,674
Accounts payable and accrued expenses	8	7,135,924	2,728,542
Unclaimed dividend		172,098	172,548
Provision for taxation		483,536	372,673
		7,791,558	4,219,437
<b>NET ASSETS</b>		159,531,504	58,376,115
<b>REPRESENTED BY:</b>			
Share Capital and Reserves			
Authorized share capital			
100,000,000 (2003: 10,000,000) ordinary shares			
of Rupees 10 each			
		1,000,000,000	100,000,000
Issued, subscribed and paid up share capital			
10,000,000 (2003: 10,000,000) ordinary shares			
of Rupees 10 each fully paid up in cash			
	9	100,000,000	100,000,000
Accumulated loss			
		-38,468,496	-41,623,885
		61,531,504	58,376,115
Deposit against right issue			
	10	98,000,000 -	
Contingencies and commitments			
	-	-	
		159,531,504	58,376,115

**Profit and Loss Account**

For the Year Ended June 30, 2004

	Note	2004 Rupees	2003 Rupees
<b>INCOME</b>			
Return on investments	11	6,405,801	24,999,577
Profit on bank deposits		199,652	255,226
		6,605,453	25,254,803
<b>OPERATING EXPENSES</b>			
Administrative and general expenses	12	3,192,279	1,094,164
Remuneration of investment advisor	7-		945,674
		3,192,279	2,039,838
<b>PROFIT BEFORE TAXATION</b>		3,413,174	23,214,965
<b>PROVISION FOR TAXATION</b>			

Current	13	257,785	100,000
Prior	-		-183,481
		257,785	-83,481
PROFIT AFTER TAXATION		3,155,389	23,298,446
EARNINGS PER SHARE - BASIC	14	0.32	2.33

Cash Flow Statement  
For the Year Ended June 30, 2004

Note	2004	2003
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	3,413,174	23,214,965
Adjustments of items not involving cash flows:		
Gain on remeasurement of investments held for trading	-5,826,116	-186,065
Cash (outflow) /inflow from operating activities before working capital changes	-2,412,942	23,028,900
Adjustments for working capital changes:		
(Increase) /decrease in current assets		
Advances, deposits and other receivables	-889,303	-141,539
Accounts receivable	-4,379,534	-3,222,454
Investments	-38,424,531	-16,075,800
	-43,693,368	-19,439,793
(Decrease) / increase in current liabilities		
Due to investment advisor	-945,674	244,121
Accounts payable and accrued expenses	4,407,382	2,579,792
Unclaimed dividend	-450	-1,756
	3,461,258	2,822,157
Net changes in working capital	-40,232,110	-16,617,636
Income tax paid	-146,922	-665,716
Net cash (used in)/generated from operating activities	-42,791,974	5,745,548
CASH FLOW FROM INVESTING ACTIVITIES	-	-
CASH FLOW FROM FINANCING ACTIVITIES		
Deposit against right issue	98,000,000	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	55,208,026	5,745,548
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	7,846,959	2,101,411
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	63,054,985	7,846,959

Distribution Statement  
For the Year Ended June 30, 2004

Note	2004	2003
	Rupees	Rupees
ACCUMULATED LOSS	-41,623,885	-64,922,331
PROFIT FOR THE YEAR	3,155,389	23,298,446
ACCUMULATED LOSS AS ON JUNE 30	-38,468,496	-41,623,885

Statement of Movement in Equity and Reserves  
For the Year Ended June 30, 2004

Note	2004	2003
------	------	------



	Rupees	Rupees
Net assets value per share as at July 01	5.84	3.51
Gain/ (loss) on sale of investments	-0.32	2.12
Gain on remeasurement of investments	0.58	0.02
Profit after tax	0.05	0.19
	0.31	2.33
Net assets value	6.15	5.84
Effect of deposit against right issue	9.8-	
Net assets value per share as at June 30	15.95	5.84

Statement of Changes in Equity  
For the Year Ended June 30, 2004

	Share Capital	Accumulated	Total
	(RUPEES)		
Balance as at June 30, 2002	100,000,000	-64,922,331	35,077,669
Profit for the year	-	23,298,446	3,298,446
Balance as at June 30, 2003	100,000,000	-41,623,885	58,376,115
Profit for the year	-	3,155,389	3,155,389
Deposit against right issue received	-	98,000,000	98,000,000
Balance as at June 30, 2004	100,000,000	(38,468,496)	159,531,504

Notes to the Accounts  
For the Year Ended June 30, 2004

1. STATUS AND NATURE OF BUSINESS

1.1 The company was incorporated as a public limited company on June 13, 1994 under the Companies Ordinance, 1984. It was registered as an Investment Company under the repealed Investment Companies and Investment Advisers Rules, 1971 [Now The Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003]. The shares of the company are quoted on Karachi, Lahore and Islamabad Stock Exchanges. It is a close end Mutual Fund and its objective is to invest its assets in securities, which are listed or proposed to be listed on the Stock Exchanges.

The company has entered into an agreement with Asian Capital Management Limited (an associated company) to act as its Investment Adviser. Muslim Commercial Bank Limited is the approved custodian of the securities of the company. Registered office of the company is located in Lahore.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance

These financial statements have been prepared in accordance with International Accounting Standards as applicable in Pakistan and the requirements of the Companies Ordinance, 1984 and the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Approved accounting standards comprise of such International Accounting Standards as notified under the provisions of the Companies Ordinance, 1984. Wherever, the requirements of the Companies Ordinance, 1984 or the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 or directives issued by the Securities and Exchange Commission of Pakistan differ with the requirements of these standards, the requirements of the Companies Ordinance, 1984 or the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 or said directives take precedence.

2.2 Accounting Convention

These financial statements have been prepared under the historical cost convention except for Investments, which are stated at fair value (Note 2.3).

## 2.3 Investments

### Investments Held for Trading

An Investment held for trading is acquired principally for the purpose of generating profit from short-term fluctuations in prices. These are initially recognized at cost being the fair value of consideration given on the date when the company commits to purchase the investments, including transaction costs associated with the investment. Subsequently, these are valued at fair value, which is the quoted bid price at stock exchange at the balance sheet date. The resultant gain or loss on remeasurement of value of investment is recognized in the profit and loss account.

### Investments Held to Maturity

These are investments with fixed or determinable payments and fixed maturity held by the company with positive intention and ability to hold till date of maturity. These are initially recognized at cost being the fair value of the consideration given including the transaction costs associated with the investments. Subsequent to initial recognition, these are measured at amortized cost using the effective interest rate method.

### Investments Available for Sale

Other Investments are classified as available for sale and are initially recognized at cost being the fair value of consideration given on the date when the company commits to purchase the investments, including transaction costs associated with the investment. Subsequently, these are valued at fair value, which is the quoted bid price at stock exchange at the balance sheet date. Changes in fair value of all available for sale investments are recognized in equity.

## 2.4 Deferred Cost

	2004	2003
	Rupees	Rupees
<b>BANK BALANCES</b>		
Cash at bank:		
- Current accounts	4,947,898	196,790
- Deposit accounts	58,107,087	7,650,169
	63,054,985	7,846,959
<b>ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES</b>		
Advance for purchase of shares	600,000	
Prepayments	38,749	17,500
Dividend receivable	456,436	151,000
Profit accrued on bank deposits	1,427	38,809
	1,096,612	207,309
<b>ACCOUNTS RECEIVABLE</b>		
Due from brokers - Unsecured but considered good	7,949,838	3,570,304

### Taxation

Provision for current taxation is based on taxable income at current rate of taxation after taking into account available tax credits/rebates, if any. The Company is, however, exempt from tax under clause 99 of part I of the Second Schedule of the Income Tax Ordinance, 2001, subject to the condition that not less than 90% of its accounting income of that year as reduced by capital gains whether realized or unrealized is distributed amongst its shareholders. The Company is also exempt from the provisions of section 113 (turnover tax) under clause 11 of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.

Provision of deferred taxation is made using liability method to the extent the temporary differences can be utilized in the foreseeable future.

## Revenue Recognition

Dividend income is recognized at the time of closure of the share transfer books of the investee company declaring the dividend.

Gain/loss realized on sale of held for trading investments is taken to income of the year in which it arises. Sales and purchases of securities are recognized on the date of contract.

Return on bank deposits is recorded on accrual basis.

## Financial Instruments

All the financial assets and liabilities are recognized at the time when the company becomes a party to the contractual provisions of the instruments. Any gain/loss on de-recognition of the financial assets and liabilities is included in the profit/loss for the period to which it arises.

## Off-Setting of Financial Assets and Liabilities

A financial asset and liability is off set and the net amount is reported in the balance sheet if the company has a legally enforceable right to set off the recognized amounts and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on asset and charge on liability is also offset.

## Related Party Transactions

Transactions between the company and a related party are measured at arm's length's rates determined in accordance with the 'Comparable Uncontrollable Price Method'.

## Cash and Cash Equivalents

Cash and cash equivalents comprise of cash and bank balances.

	Note	2004 Rupees	2003 Rupees
Gain on Remeasurement of Investments - Held for Trading			
Fair Value		95,221,627	50,970,980
Carrying value		89,395,511	50,784,915
DUE TO INVESTMENT ADVISOR			
Opening balance		945,674	701,553
Remuneration for the year	7.1 -	945,674	1,647,227
Less: Settlements during the year		945,674	701,553
	-		945,674
ACCOUNTS PAYABLE AND ACCRUED EXPENSES			
Accounts payable		87,350 -	
Due to brokers		2,891,469	2,443,875
Payable on account of purchase of shares		3,959,520 -	
Auditors' remuneration		85,000	100,000
Withholding tax payable		33,431 -	
Registration /annual fee payable - SECP		79,154	25,000
Listing fee	-		37,350
Legal and professional fee	-		25,000
Custodian charges	-		97,317
		7,135,924	2,728,542

## RETURN ON INVESTMENTS

Gain on sale/remeasurement of securities	11.1	2,647,670	21,421,761
Dividend income		3,758,131	3,577,816
		6,405,801	24,999,577

	Note	2004 Rupees	2003 Rupees
<b>ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Custodian and CDC charges		535,936	635,762
Stock exchange annual listing fee		78,751	104,850
Fee and subscription		2,339,800	150,000
Registration /annual fee - SECP	12.1	79,154	25,000
Bank charges		18,811	3,452
Auditors' remuneration	12.2	110,000	110,000
Legal and professional fee		23,000	35,000
Miscellaneous expenses		6,827	30,100
		3,192,279	1,094,164
<b>Auditors' Remuneration</b>			
Statutory audit		75,000	75,000
Half yearly review		25,000	25,000
Out of pocket expenses		10,000	10,000
		110,000	110,000

## EARNINGS PER SHARE - BASIC

There is no dilutive effect on the basic earnings per share of the company which is based on:

Profit for the year	Rupees	3,155,389	23,298,446
Weighted average ordinary shares	Numbers	10,000,000	10,000,000
Earnings per share	Rupees	0.32	2.33

		2004 Rupees	2003 Rupees
<b>TRANSACTIONS WITH RELATED PARTIES</b>			
Investment advisor's fee		-	945,674

	2004 Rupees	2003 Rupees	2002 Rupees
Net assets value	159,531,504	58,376,115	35,077,669
Net assets value per share	15.95	5.84	3.51
Operating profit /(loss)	3,413,174	23,214,965	-2,952,269
Net profit /(loss)	3,155,389	23,298,446	-3,192,269

Pattern of Shareholding  
As on June 30, 2004

NO. of Shareholders	Shareholdings To	Total Shares Held	
109	1	100	10,900
801	101	500	399,400
88	501	1,000	87,600
74	1,001	5,000	202,600
6	5,001	10,000	48,000
2	10,001	15,000	26,500
2	15,001	20,000	40,000
2	20,001	25,000	49,000
2	45,001	50,000	100,000
1	195,001	200,000	200,000
1	320,001	325,000	323,000
1	495,001	500,000	500,000
1	555,001	560,000	558,000

1	995,001	1,000,000	1,000,000
1	2,295,001	2,300,000	2,300,000
1	4,150,001	4,155,000	4,155,000
	10,000,000		

Pattern of Shareholding  
as at June 30, 2004

Categories of Shareholders	Shares Held	% age
<b>Associated Companies, Undertakings &amp; Related Parties</b>		
Asian Capital Management Limited	1,000,000	10
Crescent Standard Business Management (Pvt) Ltd. (CDC)	4,155,000	41.55
Crescent Standard Investment Bank Limited (CDC)	558,000	5.58
Crescent Standard Investment Bank Ltd. (CDC)	2,300,000	23
	8,013,000	80.13
<b>NJT &amp; ICP (Name Wise Detail)</b>		
Investment Corporation of Pakistan	3,500	0.04
Investment Corporation Of Pakistan (CDC)	1,500	0.04
National Bank Of Pakistan -Trustee Wing	500,000	5
National Bank Of Pakistan, Trustee Deptt. (CDC)	200,000	2
	705,000	7.05
<b>Banks, DFI's, NBFIs</b>		
Banks, DFI's, NBFIs	2,500	0.03
	2,500	0.03
<b>Modaraba and Mutual Funds</b>		
Modaraba and Mutual Funds	100 -	
	100 -	
<b>Other Companies</b>		
Other Companies	1,000	0.01
Other Companies (CDC)	47,000	0.47
	48,000	0.48
<b>General Public</b>		
A. Local	699,900	7
A. Local (CDC)	531,500	5.32
	1,231,400	12.31
	10,000,000	100
<b>Shareholders More Than 1.00%</b>		
Asian Capital Management (Pvt) Limited	1,000,000	1.36
Crescent Standard Business Management (Pvt) Ltd. (CDC)	4,155,000	5.63
Crescent Standard Investment Bank Ltd. (CDC)	2,300,000	3.12

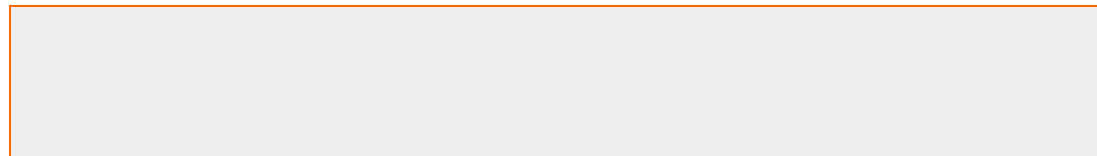
Statement of Income and Expenditure of  
Investment Advisor in Relation  
to the Investment Company  
For the Year Ended June 30, 2004

	2004	2003
	Rupees	Rupees
<b>REVENUE</b>		
Investment advisory fee from ASFL	-	945,674
Capital Gain	-	247,981
Interest on short term investments	-	19,795
Other income	247,836	348,363
	247,836	1,561,813
<b>ADMINISTRATIVE EXPENSES</b>		
Deferred Cost Written off	-	957,112
	2,624,772	1,462,008
<b>OPERATING LOSS</b>		
Financial Expenses	-2,376,936	-857,307
	32,097	52,757

	-2,409,033	-910,064
Reversal for permanent in value of long term investment	4,200,000	2,500,000
NET OPERATING PROFIT	1,790,967	1,589,936
TAXATION	-	121,565
PROFIT AFTER TAXATION FOR THE YEAR	1,790,967	1,468,371



Web Paksearch.com



---

[Home](#) | [About Us](#) | [Contact](#) | [Information Resources](#)