



**UNICAP MODARABA**

***FINANCIAL STATEMENTS***

***FOR THE PERIOD ENDED***

***30 SEPTEMBER 2021***

## **DIRECTOR'S REPORT**

Dear Certificate holders,

The Board of Directors of Map Out Management Company (Private) Limited, Managers of UNICAP Modaraba (UCAPM) take pleasure in presenting the Quarterly Financial Statements of the Modaraba for the first quarter ended September 30, 2021.

Operating expenses of the Modaraba have remained within budget.

The Modaraba will continue with its strategy of business growth by booking of productive assets and development of new products and services in future.

The Board thanked the sponsors for continuous corporate guidance and financial support since taking over of the Management of the Modaraba by Map Out Management Company Pvt Limited. The Board also acknowledges the patronage of certificate holders of the Modaraba for their continued trust and support.

The Board also appreciates dedication and hard work of the employees of the Modaraba.

The enclosed financial statements depict that the plans Map Out Management Company (Private) Limited, Managers of UNICAP Modaraba (UCAPM) and efforts put in by the employees to revive the Modaraba and to make it an active business concern are going in the right direction and begin to bear success.

On Behalf of the Board of Directors

**Map Out Management Company (Private) Limited**

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**Director**

7 October 2021

Lahore

**BALANCE SHEET  
AS AT SEPTEMBER 30, 2021**

	September 30 2021 Rupees	September 30 2020 Rupees
	<b>Notes</b>	
<b><u>ASSETS</u></b>		
Property & Equipment	103,287	143,293
Cash In Hand	69,714	137,601
Advance Tax	88,816	87,289
Investments - Stock In Trade	56,900,000	55,000,000
	<b>57,161,817</b>	<b>55,368,183</b>
<b><u>LIABILITIES</u></b>		
Accrued and other liabilities	1,211,242	881,242
Long term security deposit	-	-
Payable to management company	425,000	23,916,593
Provision for taxation	901,489	901,489
	<b>2,537,731</b>	<b>25,699,324</b>
	<b>54,624,086</b>	<b>29,668,859</b>
<b>REPRESENTED BY:</b>		
<b>CERTIFICATE CAPITAL</b>		
<b>Authorized</b>		
24,000,000 Modaraba Certificates of Rs.10/- each	<b>240,000,000</b>	<b>240,000,000</b>
Issued, subscribed and paid up certificates	<b>236,400,000</b>	<b>236,400,000</b>
Discount on Issuance of Shares	<b>(50,000,000)</b>	<b>(50,000,000)</b>
Share Deposit Money	<b>25,421,593</b>	-
<b>RESERVES</b>		
Statutory reserve	<b>8,738,973</b>	<b>8,738,973</b>
Accumulated losses	<b>(165,936,480)</b>	<b>(165,470,114)</b>
<b>CONTINGENCIES</b>		
	<b>54,624,086</b>	<b>29,668,859</b>

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**CHIEF EXECUTIVE**

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**DIRECTOR**

**PROFIT AND LOSS ACCOUNT  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	Quarter Ended	
	September 30 2021	September 30 2020
Notes	----- Rupees -----	
Ijarah Rental Income	-	-
Financial Advisory	-	-
Un-realized Gain on Investment	-	-
Gain on Sale of Fixed Assets	-	-
Reversal of Mark-up	-	-
Profit on Bank Account	-	-
	-	-
<b>Expense</b>		
Administrative Expenses	570,004	462,331
Impairment in Value of Investment		
	<b>570,004</b>	<b>462,331</b>
<b>Profit (Loss) before Management Fee</b>	<b>(570,004)</b>	<b>(462,331)</b>
Modaraba Company's Management Fee		
<b>Profit (Loss) before Taxation</b>	<b>(570,004)</b>	<b>(462,331)</b>
Taxation	-	-
<b>Profit (Loss) after Taxation</b>	<b>(570,004)</b>	<b>(462,331)</b>
<b>Earning per Certificate</b>	<b>(0.024)</b>	<b>(0.019)</b>

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**CHIEF EXECUTIVE**

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**DIRECTOR**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>Quarter Ended</b>	
	<b>September 30 2021</b>	<b>September 30 2020</b>
<b>Notes</b>	-----	-----
	<b>Rupees</b>	<b>Rupees</b>
<b>Profit (Loss) after Taxation</b>	<b>(570,004)</b>	<b>(462,331)</b>
Other Comprehensive income /(loss)	<hr/>	<hr/>
<b>Total Comprehensive (loss)</b>	<b><u>(570,004)</u></b>	<b><u>(462,331)</u></b>

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**CHIEF EXECUTIVE**

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**DIRECTOR**

**STATEMENT OF CASHFLOWS  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>September 30 2021</b>	<b>September 30 2020</b>
Notes	----- Rupees -----	
<b>OPERATING ACTIVITIES</b>		
Comprehensive Cost of Business (Loss)	<b>(570,004)</b>	<b>(462,331)</b>
Adjustments to reconcile Net Income		
Advance Tax	(24)	(24)
Accrued Expenses	42,000	42,000
Other Payables	(4,000,000)	(100,000)
Net cash provided by Operating Activities	<b>(4,528,028)</b>	<b>(520,355)</b>
<b>INVESTING ACTIVITIES</b>		
Accumulated Depreciation	7,597	10,700
Net cash provided by Investing Activities	<b>7,597</b>	<b>10,700</b>
<b>FINANCING ACTIVITIES</b>		
Payable to Management Company	425,000	962,014
Net cash provided by Financing Activities	<b>425,000</b>	<b>962,014</b>
Net cash increase for period	(4,095,431)	(509,655)
Cash at beginning of period	4,165,145	647,256
Cash at end of period	<b>69,714</b>	<b>137,601</b>

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**CHIEF EXECUTIVE**

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**DIRECTOR**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE QUARTER ENDED SEPTEMBER 30, 2021**

	<b>Certificate Capital</b>	<b>Discount on Issuance of Shares</b>	<b>Share Deposit Money</b>	<b>Statutory Reserve</b>	<b>Accumulated (Loss)</b>	<b>Total</b>
	-----Rupees-----					
<b>Balance as at June 30, 2021</b>	<b>236,400,000</b>	<b>(50,000,000)</b>	<b>25,421,593</b>	<b>8,738,973</b>	<b>(165,365,451)</b>	<b>55,195,115</b>
<b>Loss for the Period</b>	-	-	-	-	<b>(570,004)</b>	<b>(570,004)</b>
<b>Balance as at September 30, 2021</b>	<b>236,400,000</b>	<b>(50,000,000)</b>	<b>25,421,593</b>	<b>8,738,973</b>	<b>(165,936,480)</b>	<b>54,624,086</b>

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**CHIEF EXECUTIVE**

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**DIRECTOR**

## **UNICAP MODARABA**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

#### **1 LEGAL STATUS AND NATURE OF BUSINESS**

Unicap Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated in Pakistan in the year 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. The registered office of the Modaraba is situated at 6-M/2, Block H, Gulberg – II, Lahore. The Modaraba is listed on Pakistan Stock Exchange. During the financial year 2014-2015, Al-Zamin Modaraba Management (Private) Limited transferred the management of Modaraba to Map Out Management Company (Private) Limited as on November 27, 2014. Previously, the Modaraba was managed (until May 03, 2000) by Chartered Management Services (Private) Limited and thereafter the management was transferred to Al-Zamin Modaraba Management (Private) Limited as the registration of the former was cancelled by the Securities and Exchange Commission of Pakistan in view of the various irregularities committed.

The accumulated losses of the Modaraba as at the balance sheet date are Rs. 165.936 million. Further, the operations of Modaraba have been reduced to minimal level since the year 2000. However, the present Modaraba Management Company has planned to revive the Modaraba and intends to make it an active business concern.

Map Out Management Company (Private) Limited took over the management of the Modaraba from Al-Zamin Modaraba Management (Private) Limited on November 27, 2014 with negative equity amounting to Rs. 1.359 million and accumulated losses amounting to Rs. 146.498 million. The Management Company did not inherit any Public Money in the Modaraba at the time of take over as the entire equity of the Modaraba was eroded during the period of incumbency of its previous managements. Instead, the Management Company injected private money amounting to Rs. 50 million, net of discount, in the equity of the Modaraba on December 31, 2015 raised from their own private sources.

The Modaraba is under the process of revival in accordance with SECP Order No. SC/PRDD/M/UNICAP/2017/102 dated 19.04.2017 and is considered as an ENTITY UNDER REVIVAL. In the light of the SECP Order, the Modaraba is going through a specific time bound revival plan for which stage wise regularization is being carried out. The Management Company has taken all steps required under the Order dated 19.04.2017 and so far ensuring to comply with the Revival Plan. Hence, as of today, the Modaraba is under revival & regularization as a public limited company solely operated with private money injected by Map Out Management Company (Private) Limited. Due to aforementioned reasons, the Modaraba may be doubtful to continue as a going concern. However, the management is hopeful of its' revival and regularization and thus, these financial statements have been prepared on a going concern basis.

#### **2 STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with the requirements of the Approved International Financial Reporting Standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations].

#### **3 BASIS OF PREPARATION**

As stated in note 1 above, the Modaraba may be doubtful to continue as a going concern. However; the management is hopeful of its' revival and have injected new funds into the Modaraba thus, the financial statements have been prepared on a going concern basis without adjustment of all the assets at their realizable values and all liabilities at amounts these are likely to be discharged at.

##### **3.1 Accounting convention**

These financial statements have been prepared under the historical cost convention except as otherwise stated in the respective policies and notes given hereunder.



### 3.2 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Approved International Financial Reporting Standards as issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets. However, assumptions and judgments made by the management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

## 4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated:

### 4.1 Property and equipment

Owned:  
Cost

Property & equipment are stated at cost less accumulated depreciation. Cost comprises of initial consideration paid on acquisition of asset as well as cost incurred to bring the asset to its' useful condition. Subsequent costs are included in assets' carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation

Depreciation is provided on straight line basis and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life. Depreciation on addition in property, plant and equipment is charged on assets from the month of acquisition / purchase while no depreciation is charged in the month of disposal.

Derecognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the profit and loss account in the year the asset is derecognized.

Leased  
Finance Lease

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Asset subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long-term depending upon the timing of payments. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to profit and loss account.

#### 4.2 Impairment of assets

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the assets or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the profit and loss account immediately.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognized for the asset in the prior years. Reversal of impairment loss is restricted to the original cost of the asset.

#### 4.3 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis. Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is initially measured at fair value.

##### Held to maturity investments

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Company has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Long-term investments that are intended to be held to maturity are subsequently measured at amortized cost.

This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

#### 4.4 Stock-in-trade

The Stock-in-trade is valued at cost or net realizable value whichever is less.

#### 4.5 Revenue Recognition

##### Rental Income

Rentals on Ijarah contracts written are recognized as income on accrual basis.

##### Interest Income

Markup / profit is recorded on time proportion basis.

#### 4.6 Ijarah Financing

In Ijarah, UNICAP Modaraba provides the asset on pre-agreed rentals for specific tenors to the customers.

#### 4.7 Expenses

Expenses are recognized on accrual basis.

#### 4.8 Taxation

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits available, if any. The charge for current tax also includes adjustments where necessary relating to prior years, which arise from assessment revised / finalized during the year.

#### 4.9 Related Party Transactions

Transactions with related parties are duly authorized by the management and are recognized in accordance with the pricing method approved by the Board of Directors of the management company.

#### 4.10 Offsetting

A financial asset and financial 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 transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on the assets and charges on the liabilities are reported on net amounts.

#### 4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

#### 4.12 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak Rupees at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak Rupees at the exchange rates prevailing at the balance sheet date.

#### 4.13 Provision

Provision is recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

#### 4.14 Financial instruments

Financial assets and liabilities are classified and stated at values determined according to substance of contractual arrangements. Financial instruments include investments receivables, cash and bank balances, certificate of investments, creditors and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

#### 4.15 Borrowing costs

The borrowing costs including interests are charged off to profit and loss account in the year in which they are incurred.

#### 4.16 Presentation & functional currency

The financial statements are presented in PKR which is the Modaraba's functional and presentation currency.

### 5 PROPERTY & EQUIPMENT

PARTICULARS	COST			DEPRECIATION				W.D.V.	
	As at 01-07-2021	Addition	Deletion	As at 31-12-2021	As at 01-07-2021	For the Year	Adjustment	As at 30-09-2021	AS AT 30-09-2021
Office Equipment	200,632			200,632	151,325	2,466		153,790	46,842
Furniture & Fixture	694,100			694,100	632,524	5,131		637,655	56,445
TOTAL	894,732			894,732	783,849	7,597		791,445	103,287

## 5.1 PROPERTY & EQUIPMENT (Comparative)

PARTICULARS	COST				DEPRECIATION				W.D.V.
	As at	Addition	Deletion	As at	As at	For the	Adjustments	As at	AS AT
	01-07-2020			30-06-2021	01-07-2020	Year		30-06-2021	30-06-2021
Office Equipment	200,632			200,632	138,998	12,327		151,325	49,307
Furniture & Fixture	694,100			694,100	601,741	30,783		632,524	61,576
<b>TOTAL 30-06-2021</b>	<b>894,732</b>			<b>894,732</b>	<b>740,739</b>	<b>43,110</b>		<b>783,849</b>	<b>110,883</b>

## 6 INVESTMENTS

Stock in trade		56,900,000	55,000,000
		56,900,000	55,000,000

## 7 ADVANCES, DEPOSITS & PREPAYMENTS

Advance Tax		88,816	87,289
Prepaid Insurance - Stock		-	-
		-	-

## 8 OTHER RECEIVABLES

Other receivables		-	-
		-	-

## 9 CASH & BANK BALANCES

Cash in Hand		66,148	135,014
Cash at Bank – Current Account		3,566	2,587
		69,714	137,601

## 10 LIABILITIES

Long term security deposits		-	-
Payable to Management Company		425,000	23,916,593
		425,000	23,916,593

10.1 Payable to Management Company represents the amount paid by Map Out Management Company (Pvt.) Limited for day-to-day expenses of UNICAP Modaraba. The amount is repayable to the Management Company once the Modaraba starts earning from active business activity.

## 11 ACCRUED & OTHER LIABILITIES

Accrued Expenses		866,000	536,000
Unclaimed Dividend		345,242	345,242
		1,211,242	881,242

## 12 PROVISION FOR TAXATION

Previous years	15.3	901,489	901,489
For the Period	18	-	-
		901,489	901,489

## 13 CERTIFICATE CAPITAL

### 13.1 Authorized Modaraba Fund

20,000,000 Modaraba Certificates of Rs.10/- each		200,000,000	200,000,000
4,000,000 Modaraba Certificates of Rs.10/- each		40,000,000	40,000,000
		240,000,000	240,000,000

### 13.2 Issued, Subscribed and Paid-up

10,000,000 Modaraba Certificates of Rs.10/- each - Cash	100,000,000	100,000,000
3,640,000 Modaraba Certificates of Rs.10/- each - Bonus	36,400,000	36,400,000
10,000,000 Modaraba Certificates of Rs.10/- each - Cash	100,000,000	100,000,000
	<u>236,400,000</u>	<u>236,400,000</u>

### 13.3 Discount on Issuance of Shares

10,000,000 Modaraba Certificates of Rs.10/- each issued at discount of Rs. 5/- each	(50,000,000)	(50,000,000)
	<u>(50,000,000)</u>	<u>(50,000,000)</u>

## 14 SHARE DEPOSIT MONEY

Share Deposit Money	<u>25,421,593</u>	-
	25,421,593	-

## 15 CONTINGENCIES & COMMITMENTS

15.1 Shares of International Investment and Finance Services Limited were pledged against an advance obtained from Universal Leasing Corporation Limited. The lender illegally transferred these shares in its name. The matter is disputed and a legal suit has been filed by the Modaraba against Universal Leasing Corporation Limited. This suit is likely to be decreed as most of the issues have been settled by the Court.

15.2 An Ex-Director and Sponsor of Chartered Management Services (Private) Limited (Ex-Modaraba Management Company) obtained financing from a Bank against an un-authorized and illegal pledge of shares of Universal Leasing Corporation Limited belonging to the Modaraba. After failing to recover the shares from the lender Bank, the Modaraba filed a legal suit against the Bank. A counter case has been filed by the lender seeking recovery of Rs. 1,894,524/-. However, in this regard the management does not foresee any liability to materialize.

The above-mentioned cases as indicated in sub para 1 & 2 are likely to take some time to conclude particularly due to the fact that the respective shares have reportedly been disposed off by the aforesaid counterparties. Necessary provisioning had been made in the books and accordingly the same appear at nil values in the books of accounts. .

15.3 The tax authorities initiated tax proceedings against the Modaraba for Tax Years 2007-2009 and the same are pending for adjudication before the Appellate Tribunal Inland Revenue. The details of the cases are not available with the present management however, a provision is carried in the financial statements to meet any future liability which may arise on final decision of the Appellate Tribunal Inland Revenue.

## 16 REVERSAL OF ACCRUED LIABILITIES

This represents reversal of accrued liabilities booked in prior years which were no longer payable and were written off during the previous year.

## 17 ADMINISTRATIVE EXPENSES

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Rent Rate & Taxes	122,000	12,000
Depreciation	7,597	10,700
Insurance Expense	72,957	70,521
Bank Charges	150	150
Entertainment & Kitchen Expenses	1,100	1,560
Office Maintenance	300	300
Office Stationery & Supplies	1,100	2,200
Salaries	171,000	171,000
Postages	1,800	1,900

Legal & Professional Fees	27,000	27,000
Rent – Office & Godown	150,000	150,000
Utilities	15,000	15,000
Travel Expense	-	-
	<u>570,004</u>	<u>462,331</u>

## 18 TAXATION

For the period / year - -

18.1 No provision for taxation has been accounted for in these financial statements owing to exemption available on Agricultural Income and carried forward of assessed losses.

## 17 RELATED PARTY TRANSACTIONS

Related parties include Map Out Management Company (Pvt.) Limited being the Modaraba Management Company. The following related party transactions were carried out during the period / year:

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Payable to Management Company	425,000	23,916,593

## 18 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & KEY PERSON

No remuneration, benefit, allowance or facility is given to the Chief Executive, Directors and / or Key Management Personnel during the period / year.

## 19 NUMBER OF EMPLOYEES

	<u>September 30, 2021</u>	<u>September 30, 2020</u>
Number of employees as at the period end	2	3
Average number of employees during the period	2	3

## 21 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board on **07 October 2021.**

## 22 GENERAL

22.1 Figures for previous period have been re-arranged / re-classified for the purpose of better comparison. However, no material re-arrangement / re-classification has been done.

22.2 Figures have been rounded off to nearest Pak Rupee.

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**CHIEF EXECUTIVE**

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**DIRECTOR**