



## 5.1 Equity instruments of associated Company - Zulfeqar Industries Limited

	<i>Note</i>	<u>2007</u>	<u>2006</u>
		(Rupees in thousand)	
Cost		5,418	5,418
Post acquisition profit brought forward	5.1.1	25,974	18,012
		<u>31,392</u>	<u>23,430</u>
Profit for the year			
Before taxation		11,156	16,075
Less: Provision for taxation		3,862	5,599
		<u>7,294</u>	<u>10,476</u>
		38,686	33,906
Less: Dividends received during the year		3,592	2,514
Balance as at 30 June		<u>35,094</u>	<u>31,392</u>

### 5.1.1

At 30 June 2007, the Group held equity of 718,340 (2006: 718,340) fully paid ordinary shares of Rs. 10 each, which is 17.96% (2006: 17.96 %) of the total issued and subscribed share capital of Zulfeqar Industries Limited (ZIL). The Group has got significant influence on ZIL, as a result of which its investment has been accounted for under equity method.

The Parent Company pledged 420,000 shares of Zulfeqar Industries Limited (ZIL), an associated company with Dadabhoy Leasing Company Limited (DLCL) for Modaraba finance facility granted to ZIL. ZIL repaid the financing facility on 17 July 1996, however, the above shares were not released by DLCL. The Parent Company filed a legal suit for recovery of these shares in October 1999, which is still pending. Management is of the view that the outcome of the case will be in the favour of the Parent Company. Furthermore, the management has sought an independent legal opinion which states that on the favourable outcome of the legal suit and in the event the share certificates are not returned by DLCL, the Parent Company will eventually have the right to request ZIL to cancel the original share certificates and issue duplicate share certificates to the Parent Company.

### 5.2

#### Available for sale investments

	<i>Note</i>	<u>2007</u>	<u>2006</u>
		(Rupees in thousand)	
Quoted investments	5.2.1	323,973	250,892
Un quoted investments	5.2.2	18,593	18,593
		<u>342,566</u>	<u>269,485</u>