



December 2016

Shariah Compliance Screening Report

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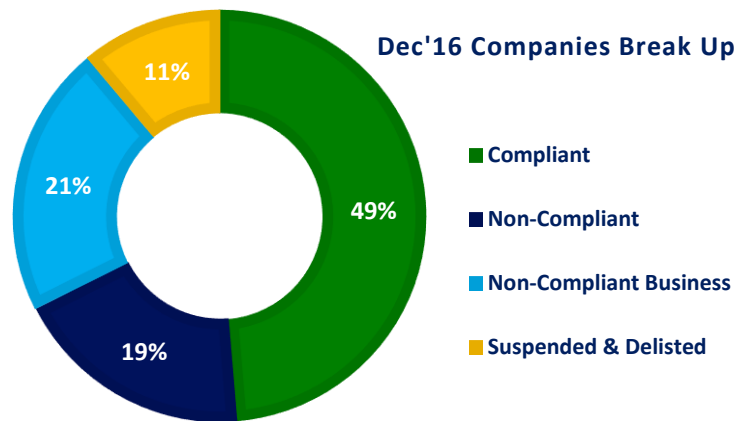


27 April, 2017

KEY HIGHLIGHTS

- We have conducted Shariah compliance screening of **524** selected companies listed on the Pakistan Stock Exchange as per their latest financial statements (December'16), on the basis of the Shariah compliance screening mechanism approved by our Shariah Supervisory Council headed by Mufti Irshad Ahmad Aijaz.
- Following are the results for the **524** companies under consideration vis-à-vis **444** companies screened in the preceding quarter,

Shariah Compliant Co's	Shariah Non-Compliant Co's	Suspended & Delisted Co's	Total Co's
255	211	58	524



Change of Status - December 2016

Compliant	Non-Compliant
Tri-Pack Films (TRIPF)	Ellicot Spinning Mills Limited (ELSM)
Engro Polymer & Chemicals Limited (EPCL)	Blessed Textiles Limited (BTL)
	Hira Textile Mills Limited (HIRAT)
	Maqbool Textile Mills Ltd (MQTM)
	Fazal Cloth Mills Limited (FZCM)

Moreover, based on financials of December'16, companies that became Shariah Compliant are:

1) Tri-Pack Films (TRIPF)

Company's interest bearing long & short term loans took a nosedive in its value by almost 13% & 55% respectively from PKR 2,911mn to 2,544mn & PKR 1,114mn to 512mn on YoY basis, this gave enough support to change the shariah status of the company.

2) Engro Polymer & Chemicals Limited (EPCL)

Interest bearing short term borrowings of the company have plunged down by 87% approximately on YoY basis, from PKR 3,251 to 415mn, this sizeable change in company accounts changed the shariah status.



The following companies have become non-compliant due to breaching the threshold levels.

1) Ellicot Spinning Mills Limited (ELSM)

Company's interest bearing short term borrowings have elevated drastically in its 2Q17 from PKR 213mn to PKR 861mn (304% to be precise), which gauged enough change to overturn the shariah status of the company.

2) Blessed Textiles Limited (BTL)

Strenuous increase in short term finance from conventional banks by 155% from PKR 431mn to PKR 1,098mn in its 2Q17, which push the company to change its shariah status from compliant to non-compliant.

3) Hira Textile Mills Limited (HIRAT)

Steep increase in interest bearing short term borrowings by 38% in from PKR 1,436mn to PKR 1,978mn in its 2Q2017 fueled the interest bearing debt rose above the threshold level.

4) Maqbool Textile Mills Ltd (MQTM)

Maqbool Textile Mills has jacked up its interest bearing short term finance by 51% from PKR 890mn to PKR 1,342mn in its 2Q17. This steep increase in borrowings changed shariah status of company.

5) Fazal Cloth Mills Limited (FZCM)

Interest bearing borrowings are the chief reasons behind the status change in its 2Q17. An upside move has been observed in interest bearing long & short term borrowings by 11% & 61% from PKR 6,300mn to 6,995mn & PKR 4,364mn to PKR 7,008mn.

- The financial statements of Sui Southern Gas Company (SSGC) for December'16 is not available. Therefore, the status for the aforementioned company is assigned according to its last published financial statements.



Shariah Compliant Companies

Abbott laboratories	Crescent Steel & Allied Products	Habib Modaraba 1st
Adam Sugar Mills Ltd	D.G. Khan Cement Co. Ltd.	Habib Sugar Mills Ltd
Ados Pakistan	Dadex Eternit Ltd	Habib-ADM Ltd
Agriautos Industries	Data Agro limited	Hafiz Limited
Akzo Nobel Pakistan	Dawood Hercules	Hala Enterprise
AL-Abbas Sugar Mills Ltd	Dawood Lawrencepur Ltd.	Hascol Petroleum Ltd
Al Shaheer Corporation Ltd	Descon Oxychem Limited	Haydery Const
AL-Ghazi Tractors	Dewan Cement	HI-Tech Lubricants
AL-Khair Gadoon Ltd	Dewan Farooque Spinning	Highnoon Laboratories Ltd
AL-Noor Modarab	Diamond Industries	Hinopak Motor
AL-Noor Sugar	Din Textile Mills Ltd	Honda Atlas Cars
Allawasaya Textile Mills Ltd	Dolmen City Reit	Towellers limited
Allied Rental Modaraba	Dynea Pakistan	Hub Power Company Limited
Altern Energy Ltd	EcoPack Ltd	Huffaz Seamless Pipe Ind. Ltd.
Amreli Steels	Elahi Cotton Mills Ltd	Husein Sugar Mills
Archroma Pakistan	Elite Capital Modaraba	I.B.L.Modaraba
Arshad Energy Ltd	EMCO Industries	IBL HealthCare
Artistic Denim Mills Ltd	Engro Corporation	ICC Textile Limited
Aruj Industries	Engro Fertilizer	Reliance cotton spinning mills
Ashfaq Textile	Engro Foods Ltd	Idrees Textile
Atlas Battery	Engro Polymer	Imperial Sugar Ltd.
Atlas Honda Ltd	Equity Modaraba	Imrooz Modaraba
Attock Cement	Exide Pakistan Ltd	Indus Dyeing & Mfg Co. Ltd
Attock Petroleum Limited	Faisal Spinning	International Industries Ltd.
Attock Refinery Limited	Faran Sugar Mills	International Knitwear Ltd
Avanceon Lintied	Fatima Fertilizer	International Steel Ltd
Awwal Modaraba	Fauji Cement Company Limited	Ittehad Chemicals Limited
B.F.Modaraba	Fauji Fertilizer Company	J.A.Textile
B.R.R. Guardian Modaraba	Fauji Foods Ltd	J.K.Spining Mills
Baba Farid Sugar Mills Ltd	Fecto Cement Limited	Janana De Malucho Textile
Babri Cotton	Feroze 1888	Jauharabad Sugar
Balochistan Wheels	Ferozsons Laboratories Ltd	Javedan Corporation
Bankislami Pakistan	First Inv. Mod	Johnson & Phillips (Pakistan) Ltd
Bannu Woollen Mills Ltd	Flying Cement	Jubilee Spinning
Bata Pakistan	Frontier Ceramics	K-Electric Ltd.
Berger Paints Pakistan Ltd	Gammon Pak	K.S.B.Pumps
Bestway Cement	Gatron Industries	KASB Modaraba
Bhanero Textile	General Tyre & Rubber Co.	Khairpur Sugar
Biafo Industries	Ghandhara Industries Ltd	Khalid Siraj Textile Mills Ltd
Bolan Casting	Ghandhara Nissan Ltd.	Khyber Textile
Burshane LPG	Ghani Automobile	Kohat Cement Company Limited
Buxly Paints	Ghani Gases Lintied	Nadeem textile
Chakwal Spinning Mills Ltd	Ghani Glass Ltd	Service Fabrics Limited
Chashma Sugar	Ghani Global Glass	Shadab textile
Cherat Cement Company Limited	Ghani Value Glass Limited	Kohinoor Energy
Cherat Packaging	Gharibwal Cement	Kohinoor Textile
Climax Engineering	Glamour Textile	Kot Addu Power Co. limited
Crescent Standard Modaraba	Glaxo Smith Kline	Lalpir Power
Crescent Cotton	GOC Pakistan Limited	Land Mark Spinning
Crescent Fibres	Goodluck Industries	Leather Up Lintied



Shariah Compliant Companies

Leiner Pak Gelat	Quice Food Industries Ltd	United Brands
Linde Pakistan	Rafhan Maize Products Ltd	United Distributors
Loads Limited	Redco Textile Ltd	Wah-Noble Chemicals Ltd
Lotte Chemical Pakistan Ltd	Ruby textile	Wyeth Pak Ltd
Lucky Cement	Rupali Polyester	ZIL Limited
MACPAC Films	Safe Mix Concrete Lintied	
Maple Leaf Cement Factory	Sana Industries Limited	
Mehran sugar	Sanghar Sugar Mills Ltd	
Mari Petroleum Limited	Sardar chemical industries limited	
Mohammad Farooq textile mills ltd	Sanofi-Aventis	
Meezan Bank	Sunrays textile mills ltd	
Millat Tractors Limited	Salman noman enterprises	
Mirpurkhas Sugar	Sapphire fibres	
Modaraba Al-Mali	Sazgar Engineering	
Mughal Iron & Steel Industries	Service Industries Textiles Limited	
National silk and rayon mills ltd	Service Industries Ltd	
National Bank Modaraba 1st	Shaffi chemical industries limited	
National Foods	Shabbir Tiles & Ceramics Ltd	
National Refinery Limited	Shadman Cotton Mills Ltd	
Nestle Pakistan	Shahtaj textile mills	
Nimir International Chemical	Shams textile mills limited	
Nishat Mills Ltd	Shahzad textile mills limited	
Oil & Gas Development Company	Shahtaj Sugar Mills	
Orix Modaraba	Shakarganj Limited	
Pak National Shipping Corp	Shell Pakistan	
P.T.C.L.	Shezan International	
Packages Lintied	Shield Corporation	
Pak Cement	Shifa International Hospital	
Pak Datacom	Siemens Pakistan	
Pak Elektron	Sindh Abadgar's Sugar Mills Ltd	
Pak International Bulk Terminal	Singer Pakistan	
Pak Modaraba	Sitara Chemical Industries Ltd	
Pak Oilfields	Sitara Energy Ltd	
Pak Paper Prod	Sitara Peroxide Lintied	
Pak Suzuki Motor Co Ltd	Sui Northern Gas Pipelines Ltd	
Pakistan Synthetics Ltd	Suraj Cotton Mills	
Pakistan international container terminal limited	Synthetic Products Ltd	
Pakgen Power Limited	Systems Limited	
Pakistan Cables	Tata Textile Mills	
Pakistan Engineering Co. Ltd.	Tariq Glass Industries Ltd	
Pakistan Petroleum Ltd	Telecard Limited	
Pakistan services ltd	Thal Limited	
Pakistan State Oil	Thatta Cement Co. Ltd.	
Paramount Modaraba	The Searle Company	
Pioneer Cement	Treet Corporation	
Power Cement Lintied	Tri-Pack Films	
Premier Sugar Mills Ltd	Tri-Star Modaraba 1st	
Prudential Modaraba 1st	Trust Modaraba	
Punjab oil mills limited	Unicap Modaraba	
Punjab Modaraba 1st	Unilever Foods	



Shariah Non - Compliant Companies

Adamjee Insurance	Dawood Equities	Invest & Finance Securities
Agritech Limited	Dewan Khalid Textile mills limited	Invest Bank
Ahmed Hassan Textile Mills Ltd	Dewan Motors	Inv. Mutual Fund
Aisha Steel Mills	Dewan Mushtaq Textile Mills Limited	Investec Securities
AKD Capital	Dewan Salman Fibre Ltd	Island Textile
AL-Abid Silk Mills Ltd	Dewan Sugar Mills Ltd	Ismail Industries
Al Zamin Leas. Corp	Dewan Textile Mills Ltd	J.O.V.& CO.
Al-Qadir textile mills limited	Dominion Stock Fund	J.D.W.Sugar Mills
Al-Mal Sec. & Services	Dost Steels Limited	Jahangir Siddiqui & Co. Ltd
Allied Bank Ltd	East West Insruance	Japan Power Generation Ltd
American Life Insurance Co Ltd.	East West Life Assurance Co.	JS Bank Ltd
Amtex Limited	EFU General Insurance Ltd.	JS Global Capital
Ansari Sugar Mills Ltd	EFU Life Assurance	JS Investments
Apna Microfinance Bank Ltd	Ellcot Spinning Mills Ltd	Jubilee Gen Insurance
Apollo Textile Mills Ltd	English Leasing	Jubile Life Insurance
Arif Habib Corp	Engro Powergen	Karam Ceramics Ltd
Arif Habib Limited	Escorts Investment Bank Ltd	KASB Cash Fund
Arpak International	Fauji Fert Bin Qasim	Khyber Tobacco
Asia Insurance	Faysal Bank Limtied	Kohat Textile
Askari Bank Limtied	Faysal Money Mk	Haji mohammad ismail mills
Askari General Insurance	Fazal Cloth Mills Ltd	Morafco industries
Askari Sover Fund	First Capital Equities Ltd	TPL Properties
Atlas Insurance Ltd	First Capital Securities Corp. Ltd	Kohinoor power company limited
Azgard Nine Limited	First Credit & Investment Bank Ltd	Kohinoor Mills
Balochistan Particle Board Ltd	Ist.Dawood Bank	Kohinoor Spinning Mills Ltd
Balochistan Glass Ltd	First Dawood Mutual Fund	Mahmood Textile Mills Ltd
Bank Al-Falah	First Fidelity Leasing Modaraba	Mubarak textile
Bank AL-Habib	First National Equities Ltd	Maqbool Textile
Bank of Khyber	Gadoon Textile Mills Ltd	Masood Textile
Bank of Punjab	Ghazi Fabrics	MCB Bank Limited
Bilal fibres limited	Gillette Pak	MCB-Arif Habib Savings & Inv
Beema Pakistan	Golden Arrow Selected Stocks Fund	Media Times Ltd
BIPL Securities	Grays Leasing	Merit Packaging Limtied
Blessed Textile	Gul Ahmed Textile Mills Ltd	Mian Textile
Business Insurance	Gulistan Textile	Mithchells Fruit
Byco Petroleum	Habib Bank Limited	Murree Brewery Company
Capital Assets Leasing Corp	Habib Insurance Co. Ltd	National Asset Management Co Ltd.
Century Insurance	Habib Metropolitan Bank	National Bank of Pakistan
Century Paper & Board Mills Ltd	Hallmark Insurance	Nazir Cotton Mills
Chenab Limited	Haseeb Waqas Sugar Mills Ltd	Netsol Technologies
Clover Pakistan	HBL Money Mar Fund	Next Capital
Colgate Palmolive	Hira Textile	NIB Bank Limited
Crescent star Insurance	Hum Network	Nimir Resins Limtied
Crescent Jute	Hussain Industries	Nishat Chunian Limited
Crescent Textile Mills	Ibrahim Fibres	Nishat Chunian Power
Cyan Limited	Ideal Spinning	Nishat Power
D.M.Textile	IGI Insurance	Noon Sugar
Dar-es-Salaam Textile Mills Ltd	IGI Investment Bank	Olympia Spinning & Weaving
Dandot Cement	IGI Life Insurance	Orix Leasing Pakistan Ltd
786 investments ltd	Indus Motor Company	Otsuka Pak



Shariah Non - Compliant Companies

Pace Pakistan Limited	TPL Direct Insurance Ltd
Pak Int.Airlines	TPL Trakker Ltd
Pak Refinery	TRG Pakistan Ltd
Pak Gulf Leasing	Trust Investment Bank Ltd
Pak. Ind. & Comm.Leasing	United Bank Limited
Pakistan General Insurance Co.Ltd.	United Insurance
Pakistan Reinsurance Co. Ltd	Universal Insurance
Pakistan Tobacco Co.	WorldCall Telecom Limited
Pervez Ahmed Securities Ltd	Zephyr Textile
Philip Morris Pakistan	
PICIC Energy Fund	
PICIC Growth Fund	
PICIC Insurance Ltd.	
PICIC Investment Fund	
Premier Insurance	
Premium Textile	
Prudential Discount & Guarantee House	
Prudential Investment Bank	
Prudential Stocks Fund	
Reliance Insurance	
Reliance Weaving Mills	
Salafi textile mills limited	
Safa Textile	
Saif Textile Mills Ltd	
Saif Power Ltd.	
Samba Bank	
Sajjad Textile Mills Ltd	
Sally textile mills ltd	
Sapphire Textile	
Saudi Pak Leasing	
Security Leasing Corporation Ltd	
Security Papers Ltd	
Service Fabrics Limited	
Shahmurad Sugar	
Siddiqsons Tin Plate Ltd	
Silk Bank Limited	
Sargodha spinning mills ltd	
Silver Star Insurance	
Soneri Bank Limited	
Southern Electric Power Company	
S.S. oil mills limited	
Southern Electric Power Co. Limited	
Stand.Chartered Leasing	
Standard Chartered Bank Ltd	
Standard Insurance	
Sui Southern Gas Company Ltd.	
Summit Bank Limited	
Tandlianwala Sugar	
Thal Industries Corporation Ltd	
Taha spinning mills limited	



Suspended & Delisted Companies

(Colony) Sarhad Textile Mills Limited	S.G.Power
Abson Industries	Saleem Denim Industries Limited
Adil Textile	Saleem Sugar Mills Limited
Al-Azhar Textile Mills Limited	Schon Textiles Limited
Ali asghar textile	Taj Textile Mills Limited
Al-Qaim Textile Mills Limited	Thal Textile Mills
Annoor Textile Mills Limited	Transmission Engineering Industries Limited
Ayaz Textile	Zahur Cotton Mills Limited
Bela Automotives Limited	
Dadabhoy Cement	
Dadabhoy Construction Technology Limited	
Data Textile	
Extraction	
Fateh Industries	
Fateh Sports	
Fateh Textile Mills Limited	
Fatima Enterprises Limited	
First Constellation Modaraba	
First Dawood Mutual Fund	
Ganertech Pakistan Limited	
Globe Textile	
Gulshan Spinning	
Hajra Textile Mills Limited	
Hamid Textile Mills Limited	
Hashimi Can Company Limited	
Husein Industries Limited	
Ishtiaq Textile Mills Limited	
Javed Omar Vohra & Company Limited	
Kaiser Art	
Karim Cotton	
<i>KASB Corporation Limited*</i>	
Khurshid Spinning Mills Limited	
Mandviwala Maeusar Plastic	
Mehr Dastgir Textile Mills Limited	
Metro Steel	
Mohib Exports Limited	
Moonlite (PAK)	
Morafco Industries Limited	
Mukhtar Textile Mills Ltd.	
National Fibers Limited	
Nirala MSR Food	
<i>Olympia Textile Mills Limited*</i>	
Pak Leather Crafts Limited	
<i>Pak Oman Advantage Fund*</i>	
Pakistan Mobile Communications	
Paramount Spinning Mills Ltd.	
Punjab Cotton Mills Limited	
Regal Ceramics Limited	
<i>Resham Textile Industries Limited*</i>	
S. G. Fibre Limited	

**Delisted Companies in 2016.*



APPROVED ISLAMIC BANKS AND WINDOWS FOR PLACEMENTS

Islamic Banks

- **Al Baraka Bank Pakistan Limited***
- **Bank Islami Pakistan Limited**
- **Dubai Islamic Bank Pakistan Limited**
- **MCB Islamic Bank Limited**
- **Meezan Bank Limited**

Islamic Banking Windows

- **Allied Bank Limited** Islamic Banking
- **Askari Bank Limited** Islamic Banking
- **Bank AL Habib Limited** Islamic Banking
- **Bank Alfalah Limited** Islamic Banking
- **The Bank of Khyber** Islamic Banking
- **The Bank of Punjab** Taqwa Islamic Banking
- **Faysal Bank Limited** Barkat Islamic Banking
- **Habib Bank Limited** Islamic Banking
- **Habib Metropolitan Bank Limited** Sirat Islamic Banking
- **National Bank of Pakistan** Aitmaad Islamic Banking
- **Silk Bank Limited** Eman Islamic Banking
- **Sindh Bank Limited** Sa'adat Islamic Banking
- **Soneri Bank Limited** Mustaqeem Islamic Banking
- **Standard Chartered Bank (Pakistan) Limited** Saadiq Islamic Banking
- **Summit Bank Limited** Islamic Banking
- **United Bank Limited** Ameen Islamic Banking

** Al Baraka Bank Pakistan Limited has acquired Burj Bank Limited.*

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SCREENING GUIDELINES FOR EQUITY SECURITIES

1. The following is the screening criteria for investments in equity scrip in the local market.

A. Business of the investee company

The business of the investee company should be Halal. Accordingly, investment in shares of conventional banks, insurance companies, leasing companies, companies dealing in alcohol and any other non-compliant activities is not permissible.

B. Interest bearing debt to total assets

The total interest based debt of the investee company should not exceed 40% of the total assets. The debt here includes all interest-based debt & interest based financing.

C. Investment in non-Shariah compliant activities and income from non-Shariah compliant investments

The following two conditions must be observed for share screening purposes:

A- Investment in Shariah non-compliant activities should not exceed 33% of the total assets.

B- Income from Shariah non-compliant investment should not exceed 5% of the gross revenue. (Gross revenue means gross sales plus other income). Subsequently, giving the proportionate portion of noncompliant income to charity is required to purify earnings from investee companies.

D. Illiquid Assets to Total Assets

The total illiquid assets as a percentage of the total assets should at least be 20% where illiquid assets are defined as those assets which can be traded at price different from their par value.

E. Net liquid assets versus share price

The net liquid assets [**Net Liquid Assets = Total Assets – Illiquid Assets – Total Liabilities**] per share should be less than the market price of the share.

PURIFICATION GUIDELINES

A charity rate should be computed to purify earnings from investment in shares i.e. non-compliant income (after tax) divided by net income (after tax) and it should be applied to the entire dividend received from the investee company and the calculated amount shall be paid in charity.



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