

JUNE 2017

Shariah Compliance Screening Report



INSIDE

- Key Highlights..... 4
- Shariah Compliant Companies 8
- Shariah Non - Compliant Companies 10
- Suspended & Delisted Companies..... 12
- Approved list of Sukuk..... 13
- Approved Islamic Banks & Windows for Placements..... 14
- Approved list of charitable organizations 15
- Screening Guidelines for Equity Securities 16
- Purification Guidelines..... 16



In the name of Allah
the most Gracious and Merciful



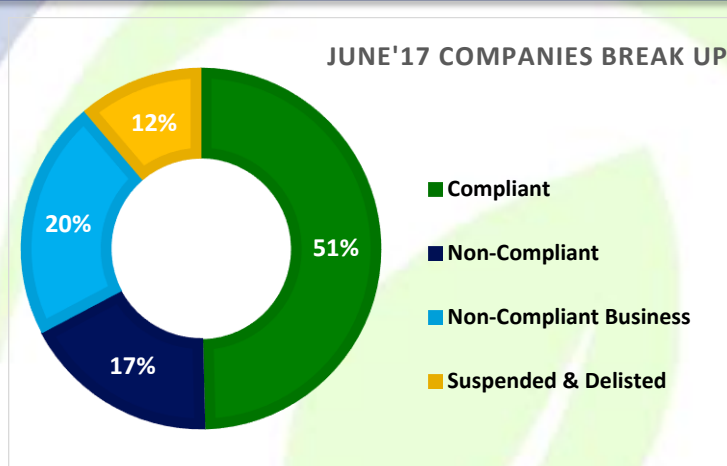


14 July, 2017

KEY HIGHLIGHTS

- We have conducted Shariah compliance screening of **554** selected companies listed on the Pakistan Stock Exchange as per their latest financial statements (June'17), 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 **554** companies under consideration vis-à-vis **537** companies screened in the preceding quarter,

Shariah Compliant Co's	Shariah Non-Compliant Co's	Suspended & Delisted Co's	Total Co's
283	203	68	554



Change of Status – June 2017

Compliant	Non-Compliant
Aisha Steel Mills (ASL)	Merit Packaging Limited (MERIT)
Aruj Industries (ARUJ)	Nimir Industrial Chemical Ltd (NICL)
Balochistan Glass Ltd (BGL)	Saif Power Ltd. (SPWL)
Crescent Textile Mills (CRTM)	Sindh Abadgar's Sugar Mills Ltd (SASML)
Ellcot Spinning Mills Ltd (ELSM)	Dawood Lawrencepur Ltd. (DLL)
Jauharabad Sugar mills Ltd (JSLM)	Mughal Iron & Steel Industries Ltd (MUGHAL)
Mian Textile Industries Ltd (MTIL)	Biafo Industries Ltd (BIFO)
Sapphire fibres (SFL)	S.S. Oil Mills Ltd (SSOM)
Security Papers Ltd (SEPL)	
Mubarak Textile Mills Ltd (MUBT)	
Maqbool Textile Mills Ltd (MQTM)	
Japan Power Generation Ltd (JPGL)	
EcoPack Ltd (ECOP)	
Shams textile mills Ltd (STML)	
Sui Southern Gas Company Ltd (SSGC)	
Dewan Khalid Textile Mills Ltd (DKTM)	



Based on financials of June'17, companies that became Shariah Compliant are:

1) Aisha Steel Mills Ltd (ASL)

Company reduced its long term borrowings by almost 59% from PKR 4,982mn to 2,035mn in June'17, thus bringing it below the threshold requirement of the Shariah guidelines.

2) Aruj Industries (ARUJ)

Company has paid off its long term loans of Rs 49mn hence decreasing its liabilities coming within the threshold of Shariah compliance.

3) Balochistan Glass Ltd (BGL)

Due to increase in asset base by 7% from 16,829mn to 18,115mn, the company's Non-compliant debt to asset ratio decreased from 42% to 39%.

4) Crescent Textile Mills (CRTM)

Company's short term borrowings reduced by almost 9%, from PKR 825mn to PKR 725mn being the main reason to change the Shariah status of the company.

5) Ellcot Spinning Mills Ltd (ELSM)

The company's interest bearing long term financing has decreased significantly by 33.29%, from PKR 3,523mn to PKR 2,350mn falling into the criteria of Shariah compliance.

6) Jauharabad Sugar mills Ltd (JSLM)

Interest bearing short term borrowings of the company have plunged down by approximately 30%, from PKR 2,329mn to 1,621mn. This sizeable change in borrowings changed the Shariah status.

7) Mian Textile Industries Ltd (MTIL)

The company paid off its Non-compliant long term debt which was the main cause of change of Shariah status.

8) Sapphire Fibres Ltd (SFL)

Company's short term borrowings decreased from 10,965mn to 9,769mn (approx. 11%), thus bringing it below the threshold requirement of the Shariah guidelines.

9) Security Papers Ltd (SEPL)

The company has invested its entire short term investments in Shariah compliant avenues thus changing the Shariah status of company.

10) Mubarak Textile Mills Ltd (MUBT)

The company's surplus on revaluation of its property plant & equipment increased from PKR 8mn to PKR 130mn, increasing the asset base of the company which changed its Shariah status.

11) Maqbool Textile Mills Ltd (MQTM)

Substantial decline in interest bearing short term borrowing by 26% from 1,387mn to 1,020mn changed the Shariah status of the company.



12) Japan Power Generation Ltd (JPGL)

Interest bearing long term borrowing reduced from 1,725mn to 870mn (50%), thus changing its Shariah status.

13) EcoPack Ltd (ECOP)

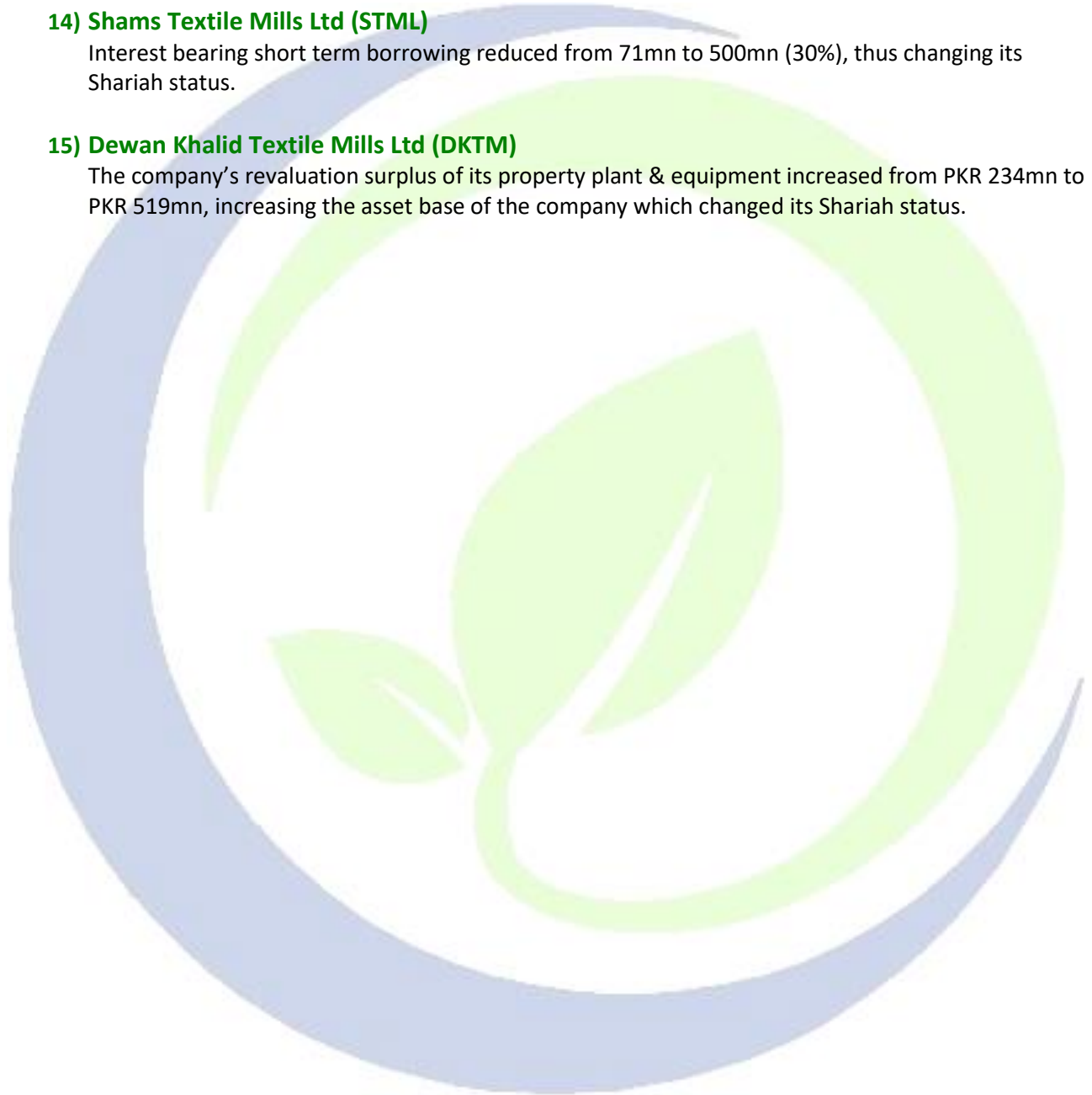
Ecopack Ltd's Short term borrowing reduced by 41% from 407mn to 242mn changing the Shariah status to be compliant.

14) Shams Textile Mills Ltd (STML)

Interest bearing short term borrowing reduced from 71mn to 500mn (30%), thus changing its Shariah status.

15) Dewan Khalid Textile Mills Ltd (DKTM)

The company's revaluation surplus of its property plant & equipment increased from PKR 234mn to PKR 519mn, increasing the asset base of the company which changed its Shariah status.





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

1) Merit Packaging Ltd (MERIT)

Company's non-compliant long term finance and short term borrowing has increased from PKR 440mn to PKR 615mn (approximately 40%) and from 615mn to 738mn (approximately 20%) respectively, changing the Shariah status of the company to non-compliant.

2) Nimir Industrial Chemical Ltd (NICTL)

Nimir industries has increased its interest bearing short term finance from PKR 2,158mn to PKR 2,678mn (24%). This increase in borrowings changed Shariah status of company.

3) Saif Power Ltd (SPWL)

Significant increase in interest bearing short term borrowings by 364% from PKR 542mn to PKR 2,516mn changed the Shariah status of the company.

4) Sind Abadgar's Sugar Mills Ltd (SASML)

Company increased its long term finance by 91% from PKR 380mn to PKR 724mn, which changed its Shariah status from compliant to non-compliant.

5) Mughal Iron & Steel Industries Ltd (MUGHAL)

Company's interest bearing short term borrowings has increased from PKR 3,828mn to PKR 6,616mn (Almost 73%), which proved to be the reason of changing the shariah status of the company

6) Biafo Industries Ltd (BIFO)

Company's Shariah Non-Compliant investment has increased to PKR 429mn, resulting in change of Shariah status of the company

7) S.S. Oil Mills Ltd (SSOL)

Company's interest bearing short term borrowings have escalated tremendously from PKR 397mn to PKR 984mn by 148%, breaching the Shariah non-compliant debt to asset threshold.

8) Dawood Lawrencepur Ltd (DLL)

The company's Interest bearing debts to total asset ratio has increased to 42%.

- The financial statements of Sui Southern Gas Company (SSGC), K-electric (KEL) and Byco Petroleum Ltd (BYCO) for June'17 are not available. Therefore, the status for the aforementioned company is assigned according to their last published financial statements.



Shariah Compliant Companies

Abbott laboratories	Cherat Packaging	Frontier Ceramics
Ados Pakistan	Climax Engineering	Gammon Pakistan Limited
Agriautos Industries	Crescent Cotton	Gatron Industries
Aisha Steel Mills	Crescent Fibres	General Tyre & Rubber Co.
Akzo Nobel Pakistan	Crescent Standard Modaraba	Ghandhara Industries Ltd
Al Shaheer Corporation Ltd	Crescent Steel & Allied Products	Ghandhara Nissan Ltd.
AL-Abbas Sugar Mills Ltd	Crescent Textile Mills	Ghani Automobile
AL-Ghazi Tractors	D.G. Khan Cement Co. Ltd.	Ghani Gases Limited
AL-Khair Gadoon Ltd	D.M.Textile	Ghani Glass Ltd
Allawasaya Textile Mills Ltd	D.S. Industries Ltd	Ghani Global Glass
Allied Rental Modaraba	Dadex Eternit Ltd	Ghani Value Glass Limited
AL-Noor Modarab	Dandot Cement	Gharibwal Cement
Al-Qadir textile mills limited	Data Agro limited	Glamour Textile
Altern Energy Ltd	Dawood Hercules	Glaxo Smith Kline
Amreli Steels	Descon Oxychem Limited	Glaxo Smith Kline CHC
Archroma Pakistan	Dewan Cement	GOC Pakistan Limited
Arshad Energy Ltd	Dewan Farooque Spinning	Goodluck Industries
Artistic Denim Mills Ltd	Dewan Khalid Textile mills limited	Habib Modaraba 1st
Aruj Industries	Dewan Mushtaq Textile Mills Limited	Habib Sugar Mills Ltd
Ashfaq Textile	Dewan Sugar Mills Ltd	Habib-ADM Ltd
Asim Textile Mills	Diamond Industries	Hafiz Limited
Atlas Battery	Din Textile Mills Ltd	Hala Enterprise
Atlas Honda Ltd	Dolmen City Reit	Hascol Petroleum Ltd
Attock Cement	Dost Steels Limited	Haydari Construction Co. Ltd
Attock Petroleum Limited	Dynea Pakistan	Highnoon Laboratories Ltd
Attock Refinery Limited	EcoPack Ltd	Hinopak Motor
Avanceon Limited	Elahi Cotton Mills Ltd	HI-Tech Lubricants
Awwal Modaraba	Elite Capital Modaraba	Hub Power Company Limited
B.F.Modaraba	Ellcot Spinning Mills Ltd	Huffaz Seamless Pipe Ind. Ltd.
B.R.R. Guardian Modaraba	EMCO Industries	Husein Sugar Mills
Baba Farid Sugar Mills Ltd	Engro Corporation	I.B.L.Modaraba
Babri Cotton	Engro Fertilizer	IBL HealthCare
Balochistan Glass Ltd	Engro Foods Ltd	Ibrahim Fibres
Balochistan Wheels	Engro Polymer	ICC Textile Limited
Bankislami Pakistan	Equity Modaraba	ICI Pakistan
Bannu Woollen Mills Ltd	Exide Pakistan Ltd	Idrees Textile
Bata Pakistan	Faisal Spinning	Imperial Sugar Ltd.
Bawany Air Products	Faran Sugar Mills	Imrooz Modaraba
Berger Paints Pakistan Ltd	Fatima Fertilizer	Indus Dyeing & Mfg Co. Ltd
Bestway Cement	Fauji Cement Company Limited	International Industries Ltd.
Bhanero Textile	Fauji Fertilizer Company	International Knitwear Ltd
Bolan Casting	Fauji Foods Ltd	International Steel Ltd
Burshane LPG	Fecto Cement Limited	Ishaq Textiles
Buxly Paints	Feroze 1888 Mills Ltd	Ismail Industries
Byco Petroleum	Ferozsons Laboratories Ltd	Ittefaq Steel
Century Paper & Board Mills Ltd	First Fidelity Leasing Modaraba	Ittehad Chemicals Limited
Chakwal Spinning Mills Ltd	First Inv. Mod	J.A.Textile
Cherat Cement Company Limited	Flying Cement	J.K.Spining Mills



Shariah Compliant Companies

Janana De Malucho Textile	P.T.C.L.	SFL limited
Japan Power Generation Ltd	Pace Pakistan Limited	Shabbir Tiles & Ceramics Ltd
Jauharabad Sugar	Packages Limtied	Shadab textile
Javedan Corporation	Pak Cement	Shadman Cotton Mills Ltd
Johnson & Phillips (Pakistan) Ltd	Pak Datacom	Shaffi chemical industries limited
Jubilee Spinning	Pak Elektron	Shahtaj textile mills
KASB Modaraba	Pak International Bulk Terminal	Shahzad textile mills limited
K-Electric Ltd.	Pak Modaraba	Shakarganj Limited
Khalid Siraj Textile Mills Ltd	Pak National Shipping Corp	Shams textile mills limited
Khyber Textile	Pak Suzuki Motor Co Ltd	Shell Pakistan
Kohat Cement Company Limited	Pakgen Power Limited	Shezan International
Kohat Textile	Pakistan Cables	Shield Corporation
Kohinoor Energy	Pakistan Engineering Co. Ltd.	Shifa International Hospital
Kohinoor Industries Limited	Pakistan Gum and Chemical Ltd.	Siemens Pakistan
Kohinoor power company limited	Pakistan international container terminal limited	Singer Pakistan
Kohinoor Textile	Pakistan Oilfields Limited	Sitara Chemical Industries Ltd
Kot Addu Power Co. limited	Pakistan Paper Product	Sitara Energy Ltd
KSB Pumps	Pakistan Petroleum Ltd	Sitara Peroxide Limtied
Lalpir Power	Pakistan Refinery Limtied	Sui Northern Gas Pipelines Ltd
Land Mark Spinning	Pakistan services Ltd	Sui Southern Gas Company Ltd.
Leather Up Limtied	Pakistan State Oil	Sunrays textile mills Ltd
Leiner Pak Gelat	Pakistan Synthetics Ltd	Suraj Cotton Mills
Linde Pakistan	Paramount Modaraba	Synthetic Products Ltd
Loads Limited	Pioneer Cement	Systems Limited
Lotte Chemical Pakistan Ltd	Power Cement Limtied	Tariq Glass Industries Ltd
Lucky Cement	Prudential Modaraba 1st	Tata Textile Mills
MACPAC Films	Punjab Modaraba 1st	Telecard Limited
Macter International Ltd	Punjab oil mills limited	Thal Limited
Maple Leaf Cement Factory	Quice Food Industries Ltd	Thatta Cement Co. Ltd.
Maqbool Textile	Rafhan Maize Products Ltd	The Searle Company
Mari Petroleum Limited	Ravi Textile mills Ltd.	Towellers limited
Meezan Bank	Redco Textile Ltd	TPL Properties
Mian Textile	Reliance cotton spinning mills	Treet Corporation
Millat Tractors Limited	Roshan Packages	Tri-Star Modaraba 1st
Mitchells Fruit	Ruby textile	Tri-Star Polyester Ltd
Modaraba Al-Mali	Rupali Polyester	Trust Modaraba
Mubarak textile	Safe Mix Concrete Limtied	Unicap Modaraba
Nagina Cotton	Sakrand Sugar	Unilever Foods
National Bank Modaraba 1st	Salman noman enterprises	United Brands
National Foods	Sana Industries Limited	United Distributors
National Refinery Limited	Sanofi-Aventis	Wah-Noble Chemicals Ltd
National silk and rayon mills Ltd	Sapphire fibres	Wyeth Pak Ltd
Nestle Pakistan	Sardar chemical industries limited	ZIL Limited
Nimir Resins Limtied	Sargodha spinning mills Ltd	
Nishat Mills Ltd	Sazgar Engineering	
Nishat Power	Security Papers Ltd	
Oil & Gas Development Company	Service Industries Ltd	
Orix Modaraba	Service Industries Textiles Limited	



Shariah Non - Compliant Companies		
786 Investments Ltd	Dawood Lawrencepur Ltd.	Invest Bank
Adam Sugar Mills Ltd	Dewan Motors	Investec Securities
Adamjee Insurance	Dewan Salman Fibre Ltd	Island Textile
AgriTech Limited	Dewan Textile Mills Ltd	Ist.Dawood Bank
Ahmed Hassan Textile Mills Ltd	Dominion Stock Fund	J.D.W.Sugar Mills
AKD Capital	Drekkar Kingsway Limited	J.O.V.& CO.
Al Zamin Leas. Corp	East West Insurance	Jahangir Siddiqui & Co. Ltd
AL-Abid Silk Mills Ltd	East West Life Assurance Co.	JS Bank Ltd
Allied Bank Ltd	EFU General Insurance Ltd.	JS Global Capital
Al-Mal Sec. & Services	EFU Life Assurance	JS Investments
AL-Noor Sugar	English Leasing	Jubile Life Insurance
American Life Insurance Co Ltd.	Engro Powergen	Jubilee Gen Insurance
Amtex Limited	Escorts Investment Bank Ltd	Karam Ceramics Ltd
Ansari Sugar Mills Ltd	Fauji Fert Bin Qasim	KASB Cash Fund
Apna Microfinance Bank Ltd	Faysal Bank Limited	Khairpur Sugar
Apollo Textile Mills Ltd	Faysal Money Mk	Khyber Tobacco
Arif Habib Corp	Fazal Cloth Mills Ltd	Kohinoor Mills
Arif Habib Limited	First Capital Equities Ltd	Kohinoor Spinning Mills Ltd
Arpak International	First Capital Securities Corp. Ltd	Mahmood Textile Mills Ltd
Asia Insurance	First Credit & Investment Bank Ltd	Masood Textile
Askari Bank Limited	First National Equities Ltd	MCB Bank Limited
Askari General Insurance	Gadoon Textile Mills Ltd	MCB-Arif Habib Savings & Inv
Askari Sover Fund	Ghazi Fabrics	Media Times Ltd
Atlas Insurance Ltd	Gillette Pak	Mehran sugar
Ayesha Textile	Golden Arrow Selected Stocks Fund	Merit Packaging Limited
Azgard Nine Limited	Grays Leasing	Mirpurkhas Sugar
Balochistan Particle Board Ltd	Gul Ahmed Textile Mills Ltd	Mohammad Farooq textile mills Ltd
Bank Al-Falah	Gulistan Textile	Mughal Iron & Steel Industries
Bank AL-Habib	Habib Bank Limited	Murree Brewery Company
Bank of Khyber	Habib Insurance Co. Ltd	N.P. Spinning mills
Bank of Punjab	Habib Metropolitan Bank	Nadeem textile
Beema Pakistan	Haji mohammad ismail mills	National Asset Management Co Ltd.
Biafo Industries	Hallmark Insurance	National Bank of Pakistan
Bilal fibres limited	Haseeb Waqas Sugar Mills Ltd	Nazir Cotton Mills
BIPL Securities	HBL Energy Fund	Netsol Technologies
Blessed Textile	HBL Growth Fund	Next Capital
Business Insurance	HBL Money Mar Fund	NIB Bank Limited
Capital Assets Leasing Corp	Hira Textile	Nimir Industrial Chemical Ltd
Century Insurance	Honda Atlas Cars	Nishat Chunian Limited
Chashma Sugar	Hum Network	Nishat Chunian Power
Chenab Limited	Hussain Industries	Noon Sugar
Clover Pakistan	Ideal Spinning	Olympia Spinning & Weaving
Colgate Palmolive	IGI Insurance	Orix Leasing Pakistan Ltd
Crescent Jute	IGI Investment Bank	Otsuka Pak
Crescent star Insurance	IGI Life Insurance	Pak Gulf Leasing
Cyan Limited	Indus Motor Company	Pak. Ind. & Comm.Leasing
Dar-es-Salaam Textile Mills Ltd	Inv. Mutual Fund	Pakistan General Insurance Co.Ltd.
Dawood Equities	Invest & Finance Securities	Pakistan International Airline



Shariah Non - Compliant Companies

Pakistan PVC Limited	TPL Direct Insurance Ltd
Pakistan Reinsurance Co. Ltd	TPL Trakker Ltd
Pakistan Tobacco Co.	TRG Pakistan Ltd
Pervez Ahmed Securities Ltd	Tri-Pack Flims
Philip Morris Pakistan	Trust Investment Bank Ltd
PICIC Insurance Ltd.	United Bank Limited
PICIC Investment Fund	United Insurance
Premier Insurance	Universal Insurance
Premier Sugar Mills Ltd	WorldCall Telecom Limited
Premium Textile	Yousuf Weaving Mills
Prosperity Weaving	Zephyr Textile
Prudential Discount & Guarantee House	
Prudential Investment Bank	
Prudential Stocks Fund	
Quetta textile mills Ltd	
Reliance Insurance	
Reliance Weaving Mills	
S.S. oil mills limited	
Safa Textile	
Saif Power Ltd.	
Saif Textile Mills Ltd	
Sajjad Textile Mills Ltd	
Salfi textile mills limited	
Sally textile mills Ltd	
Samba Bank	
Samin Textile	
Sanghar Sugar Mills Ltd	
Sapphire Textile	
Saritow Spinning Mills Ltd	
Saudi Pak Leasing	
Security Investment Bank Ltd	
Security Leasing Corporation Ltd	
Service Fabrics Limited	
Service Fabrics Limited	
Shahmurad Sugar	
Shahtaj Sugar Mills	
Siddiqsons Tin Plate Ltd	
Silk Bank Limited	
Silver Star Insurance	
Sindh Abadgar's Sugar Mills Ltd	
Soneri Bank Limited	
Southern Electric Power Company	
Stand.Chartered Leasing	
Standard Chartered Bank Ltd	
Standard Insurance	
Summit Bank Lintied	
Taha spinning mills limited	
Tandlianwala Sugar	



Suspended & Delisted Companies

(Colony) Sarhad Textile Mills Limited	Mukhtar Textile
Abson Industries	National Fiber limited
Adil Textile	Nirala MSR Food
Al-Azhar Textile Mills Limited	Olympia Textile mills limited
Ali asghar textile	Pak Leather Crafts
Al-Qaim Textile Mills Limited	Pak Oman Advantage Fund
Annoor Textile Mills Limited	Pakistan Mobile Comm
Ayaz Textile	Paramount Spinning
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*



APPROVED LIST OF SUKUK

- **Agritech Ltd SUKUK**
- **Al Baraka Bank SUKUK**
- **Ali Gohar Pharmaceuticals Ltd Sukuk**
- **Amtex Ltd SUKUK**
- **Arzoo Textile Mills Sukuk**
- **Aspin Pharma Sukuk**
- **BYCO Oil Pakistan Ltd Sukuk**
- **Dubai Islamic Bank Sukuk**
- **Eden Housing Ltd Sukuk**
- **Engro Corp Ltd Sukuk**
- **Engro Fertilizer Sukuk**
- **Fatima Fertilizer Co Sukuk**
- **Ghani Gases Ltd Sukuk**
- **Government of Pakistan Ijarah Sukuk**
- **Hascol Petroleum Sukuk**
- **International Brands Limited Sukuk**
- **K Electric Sukuk**
- **K Electric Sukuk (5 years)**
- **Meezan Bank Sukuk**
- **New Allied Electronic Sukuk**
- **Pak Elektron Sukuk**
- **Pakistan Services Limited Sukuk**
- **Quetta Textile Mills Sukuk**
- **Security Leasing Corporation Sukuk I**
- **Security Leasing Corporation Sukuk II**
- **Sitara Peroxide Sukuk**
- **Three Star Hoisery Sukuk**
- **TPL Trakker Ltd Sukuk**
- **Wapda Sukuk**

* Prior approval from Shariah Advisors is required for investing in any other Sukuks.



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



APPROVED LIST OF CHARITABLE ORGANIZATIONS

- **AKU Patient Behbood Society**
- **Alamgir Welfare Trust**
- **Association of the physically handicapped adults**
- **Burns Center**
- **Child Life Foundation**
- **Chipa Welfare**
- **Dar ul Sukun**
- **Edhi Foundation**
- **Hamdard Foundation**
- **IDARIEU Welfare Association**
- **Indus Hospital**
- **Koochi Goth Hospital**
- **Memon Medical Institute**
- **Milestone Charitable Trust**
- **Saylani Welfare Trust**
- **Shaukat Khanum Cancer Hospital**

* Prior approval from Shariah Advisors is required for donating in any other charities.

Syed Shaharyar Akhter
Assistant Manager
Research & Shariah Compliance
shaharyar.akhter@ahilalsa.com
+92-21-35305935 (Ext.103)

Muhammad Hassan
Management Trainee
Research & Shariah Compliance
muhammad.hassan@ahilalsa.com
+92-21-35305936 (Ext. 105)

Abdul Basit Bandukda
Management Trainee
Research & Shariah Compliance
abdul.basit@ahilalsa.com
+92-21-35305936 (Ext. 109)



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.



Al-Hilal Shariah Advisors

Faraz Younus Bandukda, CFA	Chief Executive	faraz.bandukda@alhilalsa.com	(+ 92 21) 35305931-32
Syed Shaharyar Akhter	A.M Research & Shariah	shaharyar.akhter@alhilalsa.com	(+ 92 21) 35305935
Muhammad Hassan	Management Trainee	Muhammad.hassan@alhilalsa.com	(+ 92 21) 35305936
Abdul Basit Bandukda	Management Trainee	abdul.basit@alhilalsa.com	(+ 92 21) 35305936

Shariah Supervisory Council

Mufti Irshad Ahmad Aijaz	Chairman Shariah Council
Mufti Dr. Khalil Azami	Member Shariah Council
Dr. Mohsin Naqvi	Member Shariah Council
Mufti Syed Zahid Siraj	Member Shariah Council
Mufti Ehsan Waquar Ahmed	Member Shariah Council
Mufti Ibrahim Essa	Member Shariah Council
Mufti Zeeshan Abdul Aziz	Member Shariah Council

This report has been prepared by Al-Hilal Shariah Advisors (Pvt.) Limited and is provided for information purposes only. Under no circumstances, this is to be used or considered as an offer to sell or solicitation or any offer to buy. While reasonable care has been taken to ensure that the information contained in this report is not untrue or misleading at the time of its publication, Al-Hilal makes no representation as to its accuracy or completeness. From time to time, Al-Hilal and/or any of its officers or directors may, as permitted by applicable laws, have a position, or otherwise be interested in any transaction, in any securities directly or indirectly subject of this report. This report is provided only for the information of professional advisers who are expected to make their own investment decisions without undue reliance on this report and the company accepts no responsibility whatsoever for any direct or indirect consequential loss arising from any use of this report or its contents. This report may not be reproduced, distributed or published by any recipient for any purpose.