



KASB MODARABA



**QUARTERLY REPORT
FOR THE PERIOD ENDED
31-Mar-2019**

CORPORATE INFORMATION

Administrator of KASB Modaraba

The Registrar Modaraba, Securities & Exchange Commission of Pakistan, Islamabad has appointed Mr. Khawaja Waheed Raza as Administrator of KASB Modaraba vide order dated April 03, 2019. All the powers and duties of the Modaraba Company as well as those of its Board of Directors have been assumed by the Administrator effective April 08, 2019.

Chief Financial Officer

Aftab Afroz Mahmoodi

Company Secretary

Syed Shahid Owais

Auditor

RSM Avais Hyder Liaquat Nauman, Chartered Accountants

Internal Auditor

EY Ford Rhodes

Certificate Transfer Office

C&K Management Associates (Pvt.) Limited

404, Trade Tower,

Abdullah Haroon Road,

Near Metropole Hotel,

Karachi – 75530

Phone: 021-35687839 & 021-35685930

Legal Advisor

Ahmed & Qazi

S & B Durrani Law Associates

Shariah Advisor

Al-Hilal Shariah Advisor

Registered Office & Head Office

16-C, Bukhari Towers,

Main Khayaban-e-Bukhari,

Phase VI, DHA, Karachi

Phone: 021-35171786-89

DHA Branch Office

16-C, Bukhari Towers,

Main Khayaban-e-Bukhari,

Phase VI, DHA, Karachi

Phone : 021-35171786-89

Lahore Branch Office

Office No. 318 3rd Floor,

Lahore Stock Exchange Building,

19 Khayaban-e-Awan-e-Iqbal, Lahore

Phone : 042-36311001-02

Islamabad Branch Office

Basement, 90-91,

Razia Sharif Plaza ,Jinnah Avenue,

Blue Area, F-7, Islamabad.

Phone: 051-2344422-24

Web Address

www.kasbmodaraba.com

E-mail

Sales.mod@kasb.net & takaful.mod@kasb.net

DIRECTORS' QUARTERLY REPORT

The Financial Highlights of KASB Modaraba for the quarter ended March 31, 2019 are as under:-

FINANCIAL HIGHLIGHTS

BALANCE SHEET	March 31, 2019 Rs "000"(Un-Audited)	June 30, 2018 Rs "000"(Audited)
Cash & Bank balance	31,541	30,947
Investments	7,364	-
Murabaha Finance	112,343	125,579
Diminishing Musharaka Finance	55,383	95,183
Ijarah Assets	9,856	20,275
Total Assets	313,153	375,598
PROFIT & LOSS ACCOUNT	July-March 31, 2019 Rs "000" "(Un-Audited)	July-March 31, 2018 Rs "000" "(Un-Audited)
Gross Income	25,530	46,266
Operating & Financial Charges	(30,726)	(58,830)
Reversal/(Charge) of Provision- net	7,242	(45,477)
Management Company Fee	(186)	-
Net Profit/(Loss) for the Period	1,860	(58,041)
Earning per Modaraba Certificate (Rupees)	0.04	(1.21)

OPERATIONS AND PERFORMANCE

By the grace of Almighty Allah, the third quarter of the financial year of the Modaraba ended successfully. The Modaraba registered net profit of Rs.1.86 million as compared to net loss of Rs.58.04 million for the corresponding period of the last year. The profit for the current period included gain on unrecorded (investment in the listed shares) in the books of Modaraba identified through consultant and a reversal of provision against doubtful receivable which was received during the period under review. Earning per certificate was Rs.0.04 as compared to Rs (1.21) for the corresponding period of the last year.

The Registrar Modaraba, Securities & Exchange Commission of Pakistan, Islamabad has appointed Administrator of KASB Modaraba vide order dated April 03, 2019. All the powers and duties of the Modaraba Company as well as those of its Board of Directors have been assumed by the Administrator effective April 08, 2019.

The Administrator and management are committed towards continuous improvement of the operating and financial performance of the Modaraba for its long term sustainability and to meet the

expectations of the stakeholders especially to protect the interest of the certificate holders. The liquidity crunch remains challenged for operation of the Modaraba however, the available resources have been deployed in secured financing transactions.

FUTURE PROSPECTS

With the aim and strategy of growing with Sharia compliant businesses, we would keep exploring and opting high yield businesses where we find secure and safe investment venues only. We trust that we would under changed circumstance formulate appropriate policies per our short and longer term plans with innovative approach for better returns for the Certificate holders.

ACKNOWLEDGEMENT

The support co-operation of the regulatory authorities, certificate holders, customers and bankers is gratefully appreciated.

We pray to Almighty Allah for the success of your Modaraba.

For KASB Modaraba

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Khawaja Waheed Raza
Administrator
Dated: April 29, 2019
Karachi

ڈائریکٹر رپورٹ

کے اے ایس بی مضاربہ، انتہائی مسرت کے ساتھ مضاربہ کے 31 مارچ 2019 کو اختتام پذیر ہونے والی تیسری سہ ماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کے لئے مالیاتی جھلکیوں کا خلاصہ درج ذیل ہے:-

30 جون 2018 روپے "000" میں	31 مارچ 2019 روپے "000" میں	بیلنس شیٹ
30,947	31,541	نقد اور بینک بیلنس
---	7,364	سرمایہ کاری
125,579	112,343	مراجم
95,183	55,383	شرکت متناقصہ
20,275	9,856	اجارہ اثاثہ جات
375,598	313,153	مجموعی اثاثہ جات
جولائی-مارچ 2018 روپے "000" میں	جولائی-مارچ 2019 روپے "000" میں	نفع و نقصان کا حساب
46,266	25,530	مجموعی آمدنی
(58,830)	(30,726)	انتظامی و مالیاتی اخراجات
(45,477)	7,242	مشکوک وصولی کا (آحاتہ) واپسی
-----	(186)	بینجمنٹ کمپنی فیس
(58,041)	1,860	خالص منافع برائے سہ ماہی
(1.21)	0.04	فی حصہ منافع (روپے)

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے کے اے ایس بی مضاربہ کی تیسری سہ ماہی کامیابی سے اختتام پذیر ہوئی۔ موجودہ مدت 1.86 ملین روپے کا خالص منافع ہوا جو کہ سال گزشتہ اسی مدت کے دوران 58.04 ملین روپے (نقصان) تھا۔

موجودہ مدد میں منافع کی بنیادی وجہ گمشدہ حصص کا حصول کنسلٹنٹک کے ذریعے تھا اور مشکوک قرار دی گئی رقم کا حصول تھانی حصہ آمدنی 0.04 روپے رہی جو کہ اسی مدت میں سال گزشتہ منفی 1.21 روپے تھی۔

رجسٹرڈ مزاربہ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسلام آباد نے آرڈر بتاریخ 3 اپریل 2019 کہ ذریعہ ناظم کا تقرر کیا ہے جس کے تحت مزاربہ کمپنی اور اس کے بورڈ آف ڈائریکٹرز کے تمام اختیارات اور فرائض مورخہ 8 اپریل سے ناظم کے زیر اثر ہیں۔

ناظم اور انتظامیہ مزاربہ کی انتظامی و مالیاتی ترقی اور دیر پا استحکام کے لئے پُر عزم ہے۔ اور تمام اسٹیک ہولڈرز خصوصاً حصہ داروں کے لئے بہتر معاوضے کے لئے پُر امید ہے۔ فنڈز کی کمی مزاربہ کو درپیش ہے موجودہ ذرائع کو محفوظ مالیات میں لگایا گیا ہے۔

مستقبل کے امکانات

شریعت کے مطابق کاروبار کے ذریعے ترقی کرنے کا مقصد اور حکمتِ عملی کے ساتھ ہم اعلیٰ پیداواری اور منافع بخش کاروبار کی تلاش اور جستجو کرتے رہیں گے۔

ہم اس یقین کے ساتھ آگے بڑھتے رہیں گے کہ ہمارے قلیل المیعاد اور طویل المدت اہداف حاصل ہو جائیں۔ ہم جدید طرز کاروبار کے ساتھ جدوجہد میں مصروف رہیں گے تاکہ موجودہ کاروباری نتائج اور درجہ بندی کے مقابلے میں بہتر نتائج حاصل کر سکیں جس کے ذریعے حصہ داروں کو بہتر منافع پہنچا سکیں۔

اعتراف

ہم ریگولیٹری اتھارٹی، حصہ داروں، کسٹمرز اور بینکرز کی معاونت اور تعاون کو بہت سراہتے ہیں اور مستقبل میں بھی ان کی معاونت اور مشورے کا منتظر ہیں

ہم اللہ کے حضور آپ کے مزاربہ کی کامیابی کے لئے دُعا گو ہیں۔

کے اے اس بی مزاربہ کی جانب و توسط سے

SD

خواجہ وحید رضا

ناظم

29 اپریل 2019ء

کراچی

KASB MODARABA
CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2019

	Note	March 31,	June 30,
		2019	2018
		Un-audited	Audited
		------(Rupees)-----	
ASSETS			
Current assets			
Cash and bank balances	5.	31,541,185	30,947,769
Short term Investments	6.	7,364,086	-
Modaraba finance	7.	-	112,000
Musharaka finance	8.	5,900,000	11,300,000
Current portion of long term murabaha finance- gross	9.	78,121,767	96,922,724
Current portion of long term diminishing musharaka finance	10.	34,965,423	62,954,705
Ijarah rentals receivable		71,559	137,159
Receivable against sale of agricultural produce		7,651,449	7,651,449
Advances, prepayments and other receivables		22,575,678	20,632,336
Property acquired in satisfaction of financing facility		47,082,936	47,082,936
		<u>235,274,083</u>	<u>277,741,078</u>
Non-current assets			
Long-term murabaha finance - gross	9.	34,222,351	28,657,452
Long-term diminishing musharaka finance	10.	20,418,153	32,229,254
Long-term advances		-	624,816
Long-term deposits		418,300	685,300
Ijarah assets	11.	9,856,398	20,265,346
Fixed assets	12.	12,964,564	15,395,147
		<u>77,879,766</u>	<u>97,857,315</u>
		<u>313,153,849</u>	<u>375,598,393</u>
TOTAL ASSETS			
LIABILITIES			
Current liabilities			
Current portion of redeemable capital	13.	1,515,000	37,085,000
Current portion of long term finance	14.	18,850,089	25,133,451
Current portion of long term security deposits		169,300	630,675
Current portion of long term deferred murabaha income		934,903	337,397
Creditors, accrued and other liabilities		5,696,648	13,094,289
Unclaimed profit distribution		2,834,156	2,834,156
Total current liabilities		<u>30,000,095</u>	<u>79,114,968</u>
Non-current liabilities			
Long-term portion of redeemable capital	13.	-	-
Long-term finance	14.	-	12,566,726
Long-term security deposits		3,479,899	5,459,899
Deferred liabilities - staff gratuity		2,866,181	3,509,176
		<u>6,346,080</u>	<u>21,535,801</u>
		<u>36,346,175</u>	<u>100,650,769</u>
		<u>276,807,673</u>	<u>274,947,624</u>
NET ASSETS			
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital			
Authorised:			
50,000,000 (June 30, 2018: 50,000,000) certificates of Rs. 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up capital		480,664,800	480,664,800
Discount on issuance of certificates		(98,960,400)	(98,960,400)
Statutory reserve		83,877,149	83,505,138
Accumulated loss		(188,773,876)	(190,261,914)
		<u>276,807,673</u>	<u>274,947,624</u>
CONTINGENCIES AND COMMITMENTS			
		<u>276,807,673</u>	<u>274,947,624</u>

The annexed notes 1 to 20 form an integral part of these financial statements.

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Administrator

Chief Financial Officer

KASB MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	-----Rupees-----		-----Rupees-----	
Income from:				
- Ijarah finance	3,726,222	13,482,714	1,715,602	5,551,934
- murabaha finance	2,327,734	5,980,790	917,081	758,267
- diminishing musharaka finance	7,548,473	15,210,917	1,959,822	4,310,599
- Gain Loss on shares	32,452	-	32,452	-
- bank deposits	730,000	741,495	240,000	209,966
	14,364,882	35,415,916	4,864,958	10,830,766
Financial charges	(3,176,276)	(8,080,702)	(813,583)	(2,391,455)
Murabaha, Musharka, Modaraba finance - direct cost	-	(206,065)	-	(24,000)
Depreciation on assets under ijarah arrangements	(4,997,573)	(12,642,762)	(1,388,661)	(4,627,657)
	(8,173,849)	(20,929,529)	(2,202,244)	(7,043,112)
	6,191,032	14,486,387	2,662,713	3,787,654
Other income	2,665,937	10,851,198	374,404	(55,487)
Unrealized gain on remeasurement of held for trading investments	8,500,312	-	178,635	-
Decrease in value of Inventories due to re-masurement (held for sale under murabaha arrangement)	-	(9,191,486)	-	-
Provision against doubtful receivable under morabaha arrangement	-	(5,838,733)	-	(5,838,733)
Reversal/(charge) of provision for the period - net	7,242,849	(30,447,583)	(0)	(28,654,936)
Administrative and operating expenses	(22,492,695)	(37,901,013)	(6,047,428)	(14,473,732)
	(4,083,598)	(72,527,617)	(5,494,390)	(49,022,888)
	2,107,434	(58,041,230)	(2,831,677)	(45,235,234)
Modaraba management fee	(186,005)	-	249,928	-
Sales tax on management fee	(24,181)	-	32,490	-
Provision for Workers' Welfare Fund	(37,201)	-	49,986	-
Profit/(loss) before taxation	1,860,048	(58,041,230)	(2,499,272)	(45,235,234)
Taxation	-	-	-	-
Net profit/(loss) for the period	1,860,048	(58,041,230)	(2,499,272)	(45,235,234)
Earning per certificate	0.04	(1.21)	(0.05)	(0.94)

The annexed notes 1 to 20 form an integral part of these financial statements.

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Administrator

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Chief Financial Officer

KASB MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	Nine months ended		Quarter ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- Rupees -----			
Net profit/(loss) for the period	1,860,048	(58,041,230)	(2,499,272)	(45,235,234)
Total comprehensive income for the period	<u>1,860,048</u>	<u>(58,041,230)</u>	<u>(2,499,272)</u>	<u>(45,235,234)</u>

The annexed notes 1 to 20 form an integral part of these financial statements.

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Administrator

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Chief Financial Officer

KASB MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

Note	March 31, 2019	March 31, 2018
----Rupees----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	1,860,048	(55,850,915)
Adjustments for non-cash charges and other items:		
Gain on disposal of Ijarah assets	-	(231,818)
Gain on disposal of fixed assets	-	(78,467)
Unrealized gain on remeasurement of held for trading investments	(8,500,312)	-
Depreciation	7,212,822	14,985,145
Amortisation	208,125	208,125
Gratuity expense	117,108	1,008,000
Financial charges	3,176,276	8,080,702
	2,214,020	23,971,687
(Increase) / decrease in assets		
Musharaka finance	5,400,000	1,300,000
Murabaha finance	13,236,058	26,465,747
Modaraba finance	112,000	38,868,632
Ijarah rentals receivable	65,600	402,013
Diminishing Musharaka	39,800,383	40,870,234
Investments	1,136,226	-
Advances, deposits, prepayments and other receivables	(1,318,526)	17,931,594
Long-term deposits	267,000	(87,000)
	58,698,740	125,751,220
Increase / (decrease) in liabilities		
Security deposits	(2,441,375)	1,529,500
Deferred murabaha income	597,506	(2,058,204)
Creditors, accrued and other liabilities	(7,397,641)	(7,576,958)
	(9,241,510)	(8,105,662)
Taxes paid	-	-
Dividend paid	-	(2,628,305)
Staff Gratuity paid	(760,103)	(1,666,964)
Financial charges paid	(3,176,276)	(8,080,702)
	(3,936,379)	(12,375,972)
Net cash generated from / (utilised in) operating activities	49,594,918	73,390,358
CASH FLOW FROM INVESTING ACTIVITIES		
Sales proceeds from disposal of Ijarah assets	5,411,375	1,081,514
Sales proceeds from disposal of fixed assets	7,209	1,313,000
Purchase of Ijarah Assets	-	(9,900,000)
Net cash generated from investing activities	5,418,584	(7,505,486)
CASH FLOW FROM FINANCING ACTIVITIES		
Term Financing	(18,850,087)	(18,850,088)
Deposits	(35,570,000)	(44,570,000)
Net cash (utilised in) / generated from financing activities	(54,420,087)	(63,420,088)
Net (decrease) / increase in cash and cash equivalents	593,415	2,464,784
Cash and cash equivalents at the beginning of the period	30,947,769	22,604,098
Cash and cash equivalents at the end of the period	31,541,184	25,068,882

The annexed notes 1 to 20 form an integral part of these financial statements.

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Administrator

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Chief Financial Officer

KASB MODARABA
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

	Certificate Capital	Discount on Issuance of certificates	Statutory Reserve	Accumulated Loss	Total
	----- Rupees -----				
Balance as at July 01, 2017 (Audited)	480,664,800	(98,960,400)	83,505,139	(73,753,533)	391,456,006
Net (loss) for the period ended March 31, 2018	-	-	-	(58,041,230)	(58,041,230)
Profit distribution for the year ended June 30, 2017				(3,364,654)	(3,364,654)
Balance as at March 31, 2018	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>83,505,139</u>	<u>(135,159,417)</u>	<u>330,050,122</u>
Balance as at July 01, 2018 (Audited)	480,664,800	(98,960,400)	83,505,139	(190,261,914)	274,947,625
Net profit/(loss) for the period ended March 31, 2019	-	-	-	1,860,048	1,860,048
Transfer to statutory reserve	-	-	372,010	(372,010)	-
Balance as at March 31, 2019	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>83,877,149</u>	<u>(188,773,876)</u>	<u>276,807,673</u>

The annexed notes 1 to 20 form an integral part of these financial statements.

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Administrator

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Chief Financial Officer

KASB MODARABA
NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2019

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 KASB Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and was managed by KASB Invest (Private) Limited, a Company incorporated in Pakistan.

The Registrar (Modarabas), with the approval of the Securities & Exchange Commission of Pakistan, vide order dated April 03, 2019 appointed Mr. Khawaja Waheed Raza as Administrator of the Modaraba to take over and manage the Modaraba in place of KIPL (Management Company).

Accordingly, all the powers and duties of the Modaraba Company as well as those of its Board of Directors shall be exercised and performed by the Administrator.

The Administrator will hold the office during pleasure of the Registrar (Modarabas)/ Commission for a term of six months, which may be extended by the Registrar/ Commission in its discretion.

- 1.3 The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharaka financing, murabaha financing, modaraba financing, diminishing musharaka and investing in sukuk bonds, mutual funds and listed securities. The Modaraba is listed on the Pakistan Stock Exchange .

2. STATEMENT OF COMPLIANCE

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard - 34 "Interim Financial Reporting", the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

- 2.2 This condensed interim financial statements comprises of the condensed interim balance sheet as at March 31, 2019 and the condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity and the notes forming part thereof for the period ended March 31, 2019 which have been subjected to a review but not audited.

- 2.3 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2018 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2018 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the period ended March 31, 2018 have been extracted from the condensed interim financial statements for the half year ended March 31, 2018.

3. BASIS OF MEASUREMENT

These financial statements have been prepared on the historical cost basis, except for available for sale financial assets that are carried at fair value and certain staff retirement benefits that are carried at present value of defined benefit obligation.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Modaraba for the year ended June 30, 2018.

		March 31, 2019 Un-audited	June 30, 2018 Audited
	Note	------(Rupees)-----	
5. CASH AND BANK BALANCES			
Cash at bank in :			
- current accounts		3,803,499	4,751,980
- saving accounts	5.1	27,491,563	25,957,487
		<u>31,295,063</u>	<u>30,709,467</u>
Cash in hand		94,626	90,106
Stamp papers		151,496	148,196
		<u>31,541,185</u>	<u>30,947,769</u>

5.1 These carry profit rates ranging from 4.00% to 10.20% (June 30, 2018: 4.00% to 6.10%)

6. INVESTMENTS

Held for trading at fair value through profit or loss - quoted securities

Quoted Securities	6.1 & 6.2	<u>7,364,086</u>	-
		<u>7,364,086</u>	-

During the period these shares were identified (through consultants) as the unrecorded investment in the books of modaraba. The claim for acquisition was lodged by the modaraba and upon receipt of the actual shares, investment has been initially recorded at nil cost and subsequently measured at its market value. The consultant's fee in respect of service provided to the modaraba has been recorded under administrative and operating expenses.

6.1 Quoted securities

March 31, 2019 Number of fully paid ordinary shares of Rs. 10 each	June 30, 2018	Name of Investee	March 31, 2019 Rupees	June 30, 2018 Rupees
		Automobile Parts & Accessories		
16,468	-	Thal Limited	6,949,496	-
200	-	Indus Motor Company	262,798	-
		Textile & Weaving		
42,400	-	Service Fabrics Limited	151,792	-
<u>59,068</u>	-		<u>7,364,086</u>	-

6.2 Unrealized gain on changes in fair value of held for trading investments

Weighted average cost of investments	-	-
Unrealized gain on change in fair value of held for trading investments	7,364,086	-
Market value of investments	<u>7,364,086</u>	-

7. MODARABA FINANCE

The Modaraba has provided funds under modaraba arrangements on profit and loss sharing basis to various entities. The profit/loss is to be shared in pre-agreed ratios.

	March 31, 2019	June 30, 2018
Modaraba finance	38,231,201	39,622,056
Less: Provision for non-performing modaraba arrangements	(38,231,201)	(39,510,056)
	<u>-</u>	<u>112,000</u>

8. MUSHARAKA FINANCE

Musharaka finance - considered good	5,900,000	11,300,000
- considered doubtful	15,602,297	15,602,297
	21,502,297	26,902,297
Less: Provision for non-performing musharaka arrangements	(15,602,297)	(15,602,297)
	<u>5,900,000</u>	<u>11,300,000</u>

8.1 This represents receivable from a client under settlement agreement dated December 24, 2016. The exposure is secured against mortgage of property and personal guarantees.

	March 31, 2019 Un-audited	June 30, 2018 Audited
	-----Rupees-----	
9. MURABAHA FINANCE		
Murabaha finance - considered good	112,344,118	125,580,176
- considered doubtful	78,682,898	85,126,172
	<u>191,027,016</u>	<u>210,706,348</u>
Less: provision for non-performing murabaha arrangements	<u>(78,682,898)</u>	<u>(85,126,172)</u>
	<u>112,344,118</u>	<u>125,580,176</u>
Murabaha finance- due after one year	<u>(34,222,351)</u>	<u>(28,657,452)</u>
Current portion of murabaha finance	<u>78,121,767</u>	<u>96,922,724</u>

9.1 The Profit rates on these murabaha arrangements range from 12% to 17.45% (June 30, 2018: 12% to 20%). All murabaha arrangements are secured against hypothecation of assets, personal guarantees and Promissory notes.

	March 31, 2019 Un-audited	June 30, 2018 Audited
	-----Rupees-----	
10. DIMINISHING MUSHARAKA		
Diminishing musharaka finance - gross	63,278,810	106,611,635
Less: Unearned income	<u>(7,895,234)</u>	<u>(11,427,676)</u>
	<u>55,383,576</u>	<u>95,183,959</u>
Diminishing musharaka finance- due after one year	<u>(20,418,153)</u>	<u>(32,229,254)</u>
Current portion of diminishing musharaka finance	<u>34,965,423</u>	<u>62,954,705</u>

10.1 The Profit rates on these diminishing musharaka arrangements range from 10% to 20% (June 30, 2018: 9.51% to 21%). All diminishing musharaka arrangements are secured against hypothecation of assets , personal guarantees and promissory notes.

	March 31, 2019 Un-audited	June 30, 2018 Audited
	-----Rupees-----	
11. IJARAH ASSETS	<u>9,856,398</u>	<u>20,265,346</u>
11.1 Details of addition / (disposals) during the period as follows:		
Addition to ijarah assets		
- Motor vehicles	-	9,900,000
	<u>-</u>	<u>9,900,000</u>
Disposal during the period		
- Equipment	-	(50,000)
- Plant and machinery	-	(25,000,000)
- Motor vehicles	<u>(5,411,375)</u>	<u>(8,453,500)</u>
	<u>(5,411,375)</u>	<u>(33,503,500)</u>

	March 31, 2019 Unaudited	June 30, 2018 Audited
	-----Rupees-----	
12. FIXED ASSETS	12,964,564	15,395,147
12.1 Details of addition / (disposals) during the period as follows:		
<i>Addition to fixed assets</i>		
- Office equipment	(7,209)	131,937
- Furniture & fixture	-	2,920,160
- Computers and accessories	-	344,100
	(7,209)	3,396,197
13. REDEEMABLE CAPITAL		
Certificate of Musharaka	1,515,000	37,085,000
Long-term portion of redeemable capital	-	-
	1,515,000	37,085,000

13.1 The estimate share of profit payable on certificate of musharaka ranges from 6.00% to 8.50% (June 30, 2018: 6.00% to 8.50%)

	March 31, 2019 Unaudited	June 30, 2018 Audited
	-----Rupees-----	
14. LONG TERM BORROWING		
Due within one year	14.1 18,850,089	25,133,451
Due after one year	-	12,566,726
	18,850,089	37,700,177

14.1 The Modaraba has availed finance facility under Risk Participation Agreement from JS Bank Limited (Bank). As per terms of the agreement, bank participates in the facilities extended by the modaraba to various customers under musharaka and ijarah arrangement to the aggregate amount of Rs. 100 million. The facility is repayable in thirty six monthly instalments with markup at one month KIBOR plus 3.65% per annum. As per interim arrangement facility was secured by way of hypothecation ranking charge on all present and future assets of the modaraba and lien on the bank account maintained with JS Bank Ltd. Subsequently, charge has been upgraded to a first exclusive charge over the specific leased/ musharaka assets.

15. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

March 31, 2019	June 30, 2018		March 31, 2019	June 30, 2018
Number of certificates			-----Rupees-----	
24,958,400	24,958,400	Modaraba Certificates of Rs. 10/- each fully paid in cash	249,584,000	249,584,000
3,316,000	3,316,000	Modaraba Certificates of Rs. 10/- each issued as fully paid bonus certificates	33,160,000	33,160,000
19,792,080	19,792,080	Modaraba Certificates of Rs. 10/- each issued at 50% discount as right certificates	197,920,800	197,920,800
48,066,480	48,066,480		480,664,800	480,664,800

16. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31 2019.

17. TAXATION

The income of the Modaraba is exempt from tax subject to the condition that not less than ninety per cent of its total profits in the year as reduced by the amount transferred to a mandatory reserve, required under the provisions of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) are distributed amongst the shareholders.

No provision for current and deferred taxation has been made in these financial statements in accordance with the accounting policy of the Modaraba.

18. TRANSACTIONS WITH RELATED

Relationship with Modaraba	Nature of Transactions	March 31,	June 30,
		2019	2018
		Un-audited	Audited
		-----Rupees-----	
Balances with related parties			
Modaraba management company	Issue of certificates at discount	98,946,930	98,946,930
Modaraba management company	Modaraba management fee	186,005	-
Modarabas under common management	Receivable against reimbursement of expenses	122,568	2,848,435
		March 31,	March 31,
		2019	2018
		Un-audited	Un-audited
		-----Rupees-----	
Expense/(Income) for the period			
Modaraba management company	Modaraba management fee	186,005	-
Modarabas under common management	Reimbursement of expenses	(4,662,237)	(1,798,270)
Payments /(Receipts) made during the period			
Modaraba management company	Modaraba management fee	-	298,857
Modaraba under common management	Reimbursement of expenses	(4,784,805)	-
Modaraba management company	Dividend paid	-	1,290,956

19. GENERAL

19.1 Figures have been rounded off to the nearest Rupee.

19.2 Certain prior period figures have been reclassified for the purpose of comparison . However, there are no material reclassifications to the report.

20. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Administrator on April 29, 2019.

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Administrator















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Chief Financial Office



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