



KASB Modaraba

(Formerly known as First Islamic Modaraba)



**Condensed Interim Financial Statements
For the Period Ended March 31, 2009
(Un-Audited)**

Managed by
KASB Modaraba Management (Pvt) Ltd.
(Formerly Technology Ventures (Pvt) Ltd.)

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CORPORATE INFORMATION

Board of Directors	S.M. Rehmanullah - Chairman Syed M. Hussaini - CEO Mr. Muhammad Hamidullah Mir Mujahid Ali Khan
Audit Committee	Mir Mujahid Ali Khan - Chairman Mr. Muhammad Hamidullah S.M. Rehmanullah
Management Company	KASB Modaraba Management (Private) Limited
Company's Registration Number	No. 20 of 1998
NTN Number	0698171-2
Stock Exchanges Listing	Karachi & Lahore Stock Exchanges
Credit Rating	BBB / A3 by JCR VIS Credit Rating Company Limited
External Auditors	A.F. Ferguson & Co. Chartered Accountants
Internal Auditors	Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants
Company Secretary & Chief Financial Officer	Mr. Muhammad Sohail
Bankers	KASB Bank Limited Dawood Islamic Bank Limited AL Baraka Islamic Bank Bank Al Falah Limited Mybank Limited
Share Registrar	C & K Management Associates (Private) Limited 404, Trade Tower, Abdullah Haroon Road, Near Metropole Hotel Karachi - 75530 Telephone: 5687839 - 5685930
Contact us	(From May 10, 2009 onwards) 80 C, 13 th Commercial Area Phase - II, Ext DHA Karachi

DIRECTORS' REPORT



The Board of Directors of KASB Modaraba Management (Private) Limited [Formerly Technology Ventures (Private) Limited], the management company of KASB Modaraba, is pleased to present the un-audited financial statements for quarter and nine months ended March 31, 2009.

Financials:

Financial results for the nine months are summarized as under:

	March 31 2009	March 31 2008
	Rupees	Rupees
Total Income	31,242,036	6,180,068
Total Operating and Financial Expenses	16,195,821	6,459,186
Operating Profit / (Loss)	15,046,215	(279,118)
Management Company Fee	1,504,522	-
Profit / (Loss) for the Period Before Taxation	13,541,693	(279,118)
Profit / (Loss) for the Period After Taxation	13,394,210	(929,118)
Earning / (Loss) per Modaraba Certificate	0.57	(0.13)

Review of Operations

KASB Modaraba has continued to expand its core business activities in Ijara, Musharaka, Morthaba & Modaraba. Lending is being done very conservatively on selective basis and such relationship is being developed with only those customers who have credible market repute, sound financial base and good repayment track record. During the current quarter net disbursements of Rs. 86.675 million were made and cumulative disbursements for the nine months were Rs. 149,172 million. As a result, the total income for the nine months was Rs. 31,242 million which is approx. 5 times higher than corresponding period of last year. Subjective impairment of Rs. 1.801 million recorded on a Sukuk Bond during half year ended December 31, 2008 has now been reversed on receipt of the overdue amount. Modaraba has earned a net Profit of Rs. 13,394 million during the nine months ended March 31, 2009 against a net loss of Rs. 0.279 million during the corresponding nine months period.

Certificates of Musharaka

The Certificates of Musharaka (COMs) scheme launched at the end of last quarter has now picked up pace and the total outstanding COMs in 3, 6 and 12 months maturities at March 31, 2009 were Rs. 48,525 million. To safeguard the interest of COM Holders, Modaraba is voluntarily maintaining a redemption reserve equivalent to 10% of outstanding COMs which is in excess of the statutory requirement of 5%.

Implementation of Islamic Financial Accounting Standard 2, "Ijarah"

In compliance of the Islamic Financial Accounting Standard 2 (IFAS-2) for the accounting treatment of Ijarah transactions and subsequent SECP Circular dated March 9, 2009, the Modaraba has applied the requirements of IFAS-2 to all Ijarah transactions associated on or after July 01, 2008.

Management Control of KASB Modaraba Management (Private) Limited / KASB Modaraba

The Management control of KASB Modaraba Management (Private) Limited has now been vested with KASB Bank Limited after merger of KASB Capital Limited & Network Leasing Corporation Limited with and into KASB Bank Limited in January 2009. Simultaneously the KASB Bank has also become the major shareholder of the Modaraba.

Early Rating

The ICR-VIS Credit Rating Co. Ltd has reaffirmed the entry rating at BBB (long term) & A-3 (short term) with stable outlook of the Modaraba, as on March 19, 2009.

New Office Premises

In order to be pro-active in the market and to broaden the resource mobilization base, a new office place has been rented out in DHA area of Karachi.

Acknowledgement

The Board like to thank the Securities and Exchange Commission of Pakistan, Registrar Modaraba, Modaraba Association of Pakistan and the Bankers of the Modaraba for their continued guidance and support.

We owe special gratitude to our valued Certificate Holders and the Certificate of Musharaka Holders for their trust and support.

S. M. Rehmanullah

Chairman

Karachi

Dated 28th April, 2009



CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2009

	Notes	MARCH 2009	JUNE 2008
		Rupees (Un-audited)	Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances		90,672,647	33,845,110
Short-term investment	4	5,366,693	3,950,889
Musabaha Finance	5	19,120,594	19,014,375
Modaraba Finance		15,000,000	-
Current portion of Musharika Finance	6	19,333,879	24,968,800
Current portion of net investment in Ijarah finance	7	46,384,405	41,275,094
Advances, deposits, prepayments and other receivables		6,328,817	1,046,800
Accrued profit		1,527,532	265,312
Taxation recoverable		548,865	671,171
Total current assets		204,283,431	125,017,541
Non-current assets			
Long-term investments	4.2	17,059,082	-
Long-term deposits		126,500	25,000
Musabaha Finance - due after one year	6	8,000,000	-
Long-term portion of net investment in Ijarah finance	7	68,105,540	105,641,031
Ijarah assets	8	39,864,305	-
Assets in own use	9	1,878,909	1,803,427
Total non-current assets		125,044,336	107,469,458
Total Assets		329,327,767	232,507,001
LIABILITIES			
Current liabilities			
Current maturity of security deposits		874,750	50,000
Certificates of musabaha		46,525,000	-
Creditors, accrued and other liabilities		3,390,683	4,781,889
Short-term finance		-	75,000,000
Unclaimed profit distribution		477,055	437,068
Total current liabilities		51,267,488	80,208,957
Non-Current liabilities			
Long term finance		-	70,000,000
Security deposits		22,116,833	19,310,262
Deferred liabilities - staff gratuity		289,853	214,000
Total non-current liabilities		22,406,686	89,524,262
Total Liabilities		73,674,174	169,733,219
NET ASSETS		255,693,592	62,673,782
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate Capital			
Authorised		-	-
50,000,000 (June 30, 2008: 50,000,000) certificates of Rs.10/- each		50,000,000	50,000,000
Issued, subscribed and paid-up capital		282,744,000	81,160,000
Statutory reserve		11,412,401	8,733,559
Accumulated loss		(38,462,809)	(40,174,177)
Right certificates subscription money		-	19,958,400
CONTINGENCIES AND COMMITMENTS	11	-	-
		255,693,592	62,673,782

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009



	JULY 01, 2008 to 30 MARCH 31, 2009	JULY 01, 2007 to 30 MARCH 31, 2008	JANUARY 01, 2009 to MARCH 31, 2009	JANUARY 01, 2008 to MARCH 31, 2008
	Rupees		Rupees	
Ijarah Income	17,648,355	2,004,417	6,350,873	1,802,741
Income on Musharika Finance	2,783,275	169,518	719,225	161,537
Income on Moudaraba Finance	2,983,418	7,977	824,428	-
Income on Term Finance Certificates	16,861	251,277	-	63,734
Income on Sukuk Bonds	1,647,490	-	842,166	-
Gain/(Loss) on sale of marketable securities - net Unrealised (diminution) / appreciation in the value of investment at fair value through profit or loss Income on deposit with banks	(1,144,568)	809,329	(1,144,568)	(47,749)
	(64,426)	(197,593)	2,285,567	(108,761)
	7,543,538	2,371,392	4,010,654	339,738
	30,814,543	5,416,317	13,885,345	2,211,240
Financial charges	(4,037,105)	(646,015)	(1,217,809)	(621,666)
	26,777,438	4,770,302	12,670,545	1,589,574
Allowance for potential Ijarah & Musharika losses	-	(944,538)	-	(744,538)
	26,777,438	3,825,764	12,670,545	845,036
Other income	427,493	763,751	188,974	216,553
	27,204,931	4,589,515	12,859,519	1,061,589
Administrative and operating expenses	(10,903,408)	(6,898,633)	(4,223,569)	(3,441,281)
Depreciation on Ijarah assets	(1,256,308)	-	(1,256,308)	-
Impairment on investments earlier recorded now written back	-	-	1,801,216	-
	15,045,215	(279,118)	9,180,858	(2,379,692)
Modaraba management company fee	(1,504,522)	-	(918,085)	-
Profit before taxation	13,540,693	(279,118)	8,262,772	(2,379,692)
Taxation				
- current	-	-	-	-
- prior	(146,483)	-	-	-
- deferred	-	(650,000)	-	-
Profit after taxation	13,394,210	(929,118)	8,262,772	(2,379,692)
Earning / (Loss) per certificate	0.57	(0.13)	0.29	(0.33)
Earning / (Loss) per certificate- Annualised	0.76	(0.17)	0.17	(1.30)

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009



	JULY 01, 2008 TO MARCH 31, 2009	JULY 01, 2007 TO MARCH 31, 2008
	Rupees	Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Profit for the period before taxation	13,540,694	(278,118)
Adjustment for:		
Dividend income	(66,000)	(7,321)
Loss / (Gain) on the sale of marketable securities - net	1,144,568	(609,329)
Unrealized (diminution) in the value of investments at fair value through profit or loss	64,426	197,393
(Gain) on disposal of fixed assets	-	(15,000)
Deferred income	-	(26,473)
Depreciation	1,636,477	163,799
Amortisation	-	21,000
Gratuity expense	35,853	102,238
Financial charges	4,037,105	646,015
Provision for potential Ijarah losses	-	944,538
	<u>6,852,429</u>	<u>1,223,631</u>
(Increase) / decrease in assets		
Net investment in Ijarah finance	- 32,428,179	(91,870,220)
Musharaka finance - net change	5,634,923	(12,500,000)
Morabah finance - net change	(8,106,217)	(3,000,000)
Modaraba finance - net change	(15,000,000)	-
Advances, deposits, prepayments and other receivables	(5,282,017)	449,416
Accrued profit	(1,262,270)	28,635
Long term deposits	8,500,146	(108,302,169)
Increase / (decrease) in liabilities		
Security deposits	3,651,321	10,380,990
Creditors, accrued and other liabilities	(1,178,440)	176,421
	<u>2,472,881</u>	<u>10,557,411</u>
Taxes paid	(24,177)	(248,465)
Dividend paid	(13)	(1,364,490)
Financial charges paid	(4,249,873)	(254,233)
Gratuity paid	-	(26,672)
	<u>(4,274,063)</u>	<u>(2,793,860)</u>
Net cash generated / (used in) from operating activities	<u>26,881,097</u>	<u>(99,496,309)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(435,630)	(164,820)
Sales proceeds from disposal of fixed assets	-	15,000
Purchased of fixed assets leased out	(31,120,613)	-
Dividend received	66,000	7,321
(Purchase) / Sale of investments - net	(19,693,881)	3,644,029
Net cash (outflow) / inflow on investing activities	<u>(51,204,144)</u>	<u>3,551,530</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finance	(145,000,000)	75,000,000
Proceeds from issue of Right Certificate	139,625,600	-
Certificate of Musharaka	46,525,800	-
Repayment of liabilities against assets subject to finance lease	-	(485,262)
Net cash inflow on financing activities	<u>41,151,400</u>	<u>(109,762)</u>
Net increase / (decrease) in cash and cash equivalents	<u>21,828,353</u>	<u>(106,053,541)</u>
Cash and cash equivalents at the beginning of the period	33,845,102	42,795,347
Cash and cash equivalents at the end of the period	<u>55,673,455</u>	<u>36,741,806</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For KASB Modaraba Management (Private) Limited
(Management Company)

 Chief Executive

 Director

 Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009**



	Certificate Capital	Statutory Reserve	Right certificate subscription cases	Accumulated Loss	Total
	----- Rupees -----				
Balance as at July 01, 2007	83,160,000	8,733,559	-	(39,020,907)	52,872,652
Loss for the period ended March 31, 2008	-	-	-	(929,118)	(929,118)
Transfer to statutory reserve	-	-	-	-	-
Profit distribution for the year ended June 30, 2007 @ Rs. 0.25 per certificate	-	-	-	(2,079,000)	(2,079,000)
Balance as at March 31, 2008	<u>83,160,000</u>	<u>8,733,559</u>	<u>-</u>	<u>(42,029,025)</u>	<u>49,864,534</u>
Balance as at July 01, 2008	83,160,000	8,733,559	19,958,400	(49,178,177)	62,673,782
Profit for the period ended March 31, 2009	-	-	-	13,394,210	13,394,210
Transfer to statutory reserve	-	2,678,842	-	(2,678,842)	-
Subscription Money received during the period	-	-	179,625,660	-	179,625,660
Issue of Right Certificates	199,584,000	-	(199,584,000)	-	-
Balance as at March 31, 2009	<u>282,744,000</u>	<u>11,412,401</u>	<u>-</u>	<u>(38,462,809)</u>	<u>255,693,592</u>

The annexed notes 1 to 15 form an integral part of these condensed interim financial statements.

For KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

**NOTES TO AND FORMING PART OF
THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2009**



KASB MODARABA

کاسب موڈارابا

1. STATUS AND NATURE OF BUSINESS

KASB Modaraba (formerly First Mehsen Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed there under and is managed by KASB Modaraba Management (Private) Limited (formerly Technology Ventures (Private) Limited), a company incorporated in Pakistan. The address of its registered office is 407, Gul Tower, I.I. Chaudhigar Road, Karachi.

The management company was a subsidiary of Network Leasing Corporation Limited (NLCL), which held 1,985,000 shares out of total issued capital of 4,000,000 shares of KASB Modaraba Management (Private) Limited (formerly Technology Ventures (Private) Limited). The management control of Network Leasing Corporation Limited was acquired by KASB Capital Limited, by acquiring 53.90% of its total issued capital, with the approval of the Securities and Exchange Commission of Pakistan vide their letter number SC/NBFC-1/10M/NLCL/2007 dated May 11, 2007.

Network Leasing Corporation Limited and KASB Capital Limited have been merged into KASB Bank under a scheme of merger approved by the State Bank of Pakistan vide letter no. # BPRD/LCGD-04/625-03/2009/29 dated January 1, 2009. The merger of Network Leasing Corporation Limited into KASB Bank has been approved by the Securities and Exchange Commission of Pakistan vide their letter SC/NBFC/IR/16/2008 dated January 23, 2009.

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijara financing, musharaka financing, murabahah financing, modaraba financing, issuing of certificates of musharaka and investing in listed securities. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the requirements of Companies Ordinance, 1980, 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). Wherever the requirements of Companies Ordinance, 1984, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, 1981 or directives issued by SECP prevail.

These condensed interim financial statements comprise of balance sheet, profit and loss account, cash flow statement and statement of changes in equity together with the notes forming part thereof. The disclosures made in these financial statements have, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures made in the annual published financial statements and therefore should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2008.

3. ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation of balances adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements for the year ended June 30, 2008.
- 3.2 SECP vide its circular No. 10 of 2004 dated February 13, 2004 has deferred, till further orders, the applicability of International Accounting Standard (IAS) 17 "Leases" on Modarabas with effect from July 1, 2003 and advised the management companies of modarabas that they may continue to prepare the financial statements of the Modarabas without applying the requirements of the said IAS to the Modarabas. However, the requirements of the above IAS have been considered for the purpose of preparation of these condensed interim financial statements.
- 3.3 Islamic Financial Accounting Standard 2 (ijara) was notified by the Securities and Exchange Commission of Pakistan vide an SRO dated May 22, 2007. Under the above IFAS 2, the ijara transactions shall be accounted for in the following manner:

- Major (lessors) shall present the assets subject to Ijarah in their balance sheet according to the nature of the asset, distinguished from the assets in own use.
- Costs, including depreciation on the assets given on Ijarah, incurred in earning the Ijarah income shall be recognized as an expense.
- Ijarah income shall be recognized in income on an accrual basis as and when the rental becomes due, unless another systematic basis is more representative of the time pattern in which the benefit of the use derived from the leased asset is diminished.

The above IFAS was made operative for financial statements covering the period beginning on or after July 01, 2007 and is required to be followed on those Ijarahs which commence after the above mentioned date.

Subsequently, on the follow-up by Modaraba Association of Pakistan, SECP vide letter number SC/MRW/SCM/2009 dated March 09, 2009, has provided option to the modarabas to apply the above mentioned accounting treatment only to the Ijarah transactions executed on or after July 01, 2008. Accordingly, all Ijarah transactions executed after July 01, 2008 have been accounted for in accordance with accounting treatment prescribed under IFAS-2.

	Notes	MARCH 2009	JUNE 2008
		Rupees (In lakhs)	Rupees (In lakhs)
4. SHORT-TERM INVESTMENTS			
'Financial assets at fair value through profit or loss' - held for trading			
- Term Finance Certificates - listed		-	438,600
- Equity securities - listed	4.1	3,386,693	3,512,289
		<u>3,386,693</u>	<u>3,950,889</u>
Held to maturity			
- Current portion of Sukuk Bonds held to maturity - unlisted	4.2	1,980,000	-
		<u>5,366,693</u>	<u>3,950,889</u>

4.1 Equity Securities - listed

Name of Investor Company	Number of Shares				Balance as at March 31, 2008			
	As at July 01, 2008	Purchases during the period	Dividend right issue	Sales during the period	As at March 31, 2008	Carrying Value	Market Value	Appreciation (Deduction)

Fully paid ordinary shares of Rs.10 each unless stated otherwise

Saleem Dairies Industries Limited	15,200	-	-	-	15,200	20,000	28,800	-
Coscent Jew. Products Limited	1,821	-	-	-	1,821	2,399	3,500	204
Engro-Chemical Pakistan Limited	11,900	22,300	-	20,000	13,900	1,946,159	1,993,450	(45,290)
Lucky Cement Limited	4,000	-	-	4,000	-	-	-	-
Engro Polymer & Chemical Limited	-	5,000	-	-	5,000	115,905	112,700	(3,205)
Nishat Mills Limited	-	17,500	-	5,000	12,500	393,106	379,000	(14,106)
Pakistan Petroleum Limited	-	6,000	-	2,000	4,000	687,800	685,000	2,800
Hafsa	-	14,000	-	4,000	10,000	196,400	206,300	9,900
PTCL	-	10,000	-	5,000	5,000	70,000	81,400	11,400
Total listed equity securities						<u>2,451,119</u>	<u>3,196,680</u>	<u>(64,125)</u>

42 Long-term Investments - Held to Maturity
Sukuk bonds - unlisted

Name of Investee Company	Number of Sukuk Bonds				Yield / mark-up rate	Carrying cost	
	As at July 31, 2009	Purchases during the period	Sales during the period	As at March 31, 2009		Balance as at March 31, 2009	Balance as at June 30, 2008
Sukuk bonds of Rs.5,000 each unless stated otherwise							
Yelco Contact Company Ltd (13-12-07)	2,100	-	-	2,100	(5 months @ 8% + 1.8%)	4,036,382	-
Makro Super Centre Fcnyer Ltd (13-12-07)	2,100	-	-	2,100	(5 months @ 8% + 1.8%)	10,545,000	-
Total Sukuk Bonds						14,581,382	-
Less: current portion of sukuk bonds						(1,390,000)	-
						17,991,382	-

	MARCH 2009		JUNE 2008	
	Rupees (Un-audited)		Rupees (Audited)	
5. MURABAH FIANCE				
Murabaha receivables - gross	30,477,254		20,231,001	
Less: Unearned income	(3,356,660)		(1,216,626)	
	27,120,594		19,014,375	
Less: provision for non-performing assets				
	27,120,594		19,014,375	
Less: Murabaha finance - due after one year	(8,000,000)		-	
Current portion of Murabaha Finance	19,120,594		19,014,375	
6. MUSHARIKA FIANCE				
Musharika receivables - considered good - musadarah shariah	19,400,000 640,000		25,608,800 (640,000)	
	20,040,000		24,968,800	
Less: unearned income	(66,121)		-	
	19,973,879		24,968,800	
Less: provision for non-performing assets	(640,000)		-	
	19,333,879		24,968,800	
Less: Musharika finance - due after one year	-		-	
Current portion of Musharika Finance	19,333,879		24,968,800	
7. NET INVESTMENT IN IJARAH FIANCE				

	UN-AUDITED			AUDITED		
	March 31, 2009			June 30, 2008		
	Net Inter than one year	Later than one year and less than five years	Total	Net Inter than one year	Later than one year and less than five years	Total
		----- Rupees -----				
Minimum lease payments receivable:	68,303,377	56,347,985	116,491,362	57,832,300	80,122,494	136,954,794
Add: Residual value	874,723	17,877,792	19,997,512	90,000	19,210,262	19,300,262
	69,178,100	74,225,777	143,403,877	57,922,300	99,332,756	157,255,056
Less: Unearned lease income:	(14,211,679)	(6,085,107)	(20,296,786)	(18,298,694)	(12,752,786)	(31,051,480)
Suspended income	(62,318)	-	(62,318)	(0,000)	-	(62,318)
Allowance for potential lease losses	(304,528)	-	(304,528)	(204,671)	(20,827)	(325,498)
	48,361,465	68,140,670	114,489,945	41,279,025	105,640,073	146,919,098

8. JARAH ASSETS

Details of additions / (disposals) during the period as follows:

Additions to jarah assets:

- Plant & machinery	6,719,421
- Computers	28,000
- Vehicles	24,373,192
	<u>31,120,613</u>

No disposals were made during the period.

9. ASSETS IN OWN USED

Details of additions / (disposals) during the period as follows:

Additions to fixed assets:

- Furniture and fixtures	23,000
- Electrical equipment	307,500
- Computers	126,750
	<u>455,650</u>

No disposals were made during the period.

10. TAXATION

As per the current tax law, income of non-trading institutions is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. As the management intends to follow the policy of distributing 90% of its profit for the current year, no provision in respect of current and deferred taxation has been made in these financial statements.

11. CONTINGENCIES AND COMMITMENTS

The Modaraba has neither any contingencies nor commitments as at March 31, 2009 (June 30, 2008: Nil).

12. TRANSACTION WITH RELATED PARTIES

	Nine months ended March 31, 2009	Nine months ended March 31, 2008
	Rupees	Rupees
Transactions during the period		
Management company		
Modaraba management fee	1,504,521	-
Associated companies		
Income on bank deposit	1,857,524	-
Financial charges	2,788,235	620,946
Jarah receipts received	3,489,531	-



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Notes	MARCH 31	MARCH 31
	2009	2008
	Rupees	Rupees
Transaction outstanding at the period / year end		
Management company		
Mudaraba management fee payable	1,504,521	-
Associated companies		
Cash and bank balances	75,538,070	-
Accrued profit	369,452	-
Short-term finance	-	-
Lease rentals outstanding	7,078,299	-
Underwriting commission payable	-	-
Accrued mark-up payable	-	-
Long-term finance	-	-
Expense incurred on behalf of NLCL	45,600	27,600
Payable against expenses incurred by NLCL on behalf of KASB Modaraba	-	5,000

The modaraba enters into transactions with related parties for lease of assets, borrowings under mudaraba finances and other general banking services.

13. CORRESPONDING FIGURES

Corresponding figures have been reclassified and reclassified, wherever necessary, for the purpose of comparison.

14. DATE OF AUTHORIZATION

These interim financial statements were authorized for issue by board of directors of the Management Company on 25th April, 2009.

15. GENERAL

Figures have been rounded off to the nearest rupee.

Chief Executive

Director

Director

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