



KASB Modaraba

An Islamic Financial Institution



**Condensed Interim Financial Statements
For the Nine Months Period Ended March, 2010
(Unaudited)**

Managed by
KASB Modaraba Management (Pvt) Ltd.

Contents

Corporate Information	1
Directors' Report	2
Condensed Interim Balance Sheet	3
Condensed Interim Profit & Loss Account	4
Condensed Interim Statement of Comprehensive Income	5
Condensed Interim Cash Flow Statement	6
Condensed Interim Statement of Changes in Equity	7
Condensed Interim Notes to the Accounts	8

CORPORATE INFORMATION



Board of Directors

Syed Waseem-ul-Haq Haqqie
Syed Majeedullah Husaini
Mir Mujahid Ali Khan
Syed Muhammad Rehmanullah

Chairman
Chief Executive Officer
Director
Director

Company Secretary & Chief Financial Officer

Ms. Faiqa Naz

Management Company

KASB Modaraba Management (Private) Limited

Auditors

A.F. Ferguson & Co.
Chartered Accountants
Member PriceWaterHouseCoopers

Audit Committee

Syed Waseem-ul-Haq Haqqie
Syed Muhammad Rehmanullah
Mir Mujahid Ali Khan

Chairman
Member
Member

Bankers

KASB Bank Limited
Al-Baraka Islamic Bank
Dawood Islamic Bank
Meezan Bank
MyBank Limited
Bank Al-Falah Limited
Silk Bank Limited

Registered Office

80-C, 13th Commercial Street,
D.H.A. Phase II Extension
Karachi.

Certificate Transfer Office

C&K Management Associates (Private) Limited
404, Trade Tower,
Abdullah Haroon Road,
Near Metropole Hotel
Karachi – 75530
Telephone: 35687839 – 35685930

Legal Advisor

Ghulam Ali & Co.
Ahmed & Qazi

Branch Offices

Gulshan-e-Iqbal Branch

Mezzanine Floor,
Friends Paradise, SB-36,
Block No. 13-B,
University Road, Karachi.
Tel: 34822814-18

D.H.A. Branch

80-C, 13th Commercial Street,
D.H.A. Phase II Extension
Karachi.
Tel: 3531393-43

Web Address

www.kasbmodaraba.com

e-mail

info.modaraba@kasb.com

DIRECTORS' REPORT



The Board of Directors of KASB Modaraba Management (Private) Limited, the management company of KASB Modaraba, is pleased to present the Unaudited condensed interim financial statements for the quarter and nine months period ended March 31, 2010.

FINANCIAL HIGHLIGHTS

Financial results for the period under review are summarized as under:

BALANCE SHEET	March 31 2 0 1 0	June 30, 2 0 0 9
Rupees in 000's		
Morabaha Finance	265,462	70,777
Modaraba Finance	149,988	20,774
Musharaka Finance	49,162	39,594
Diminishing Musharaka	108,104	-
Investment in Finance Lease	58,464	97,718
Ijarah Assets	72,301	55,337
Total Assets	821,065	450,398
Net Assets	273,433	258,322

PROFIT AND LOSS ACCOUNT	For the nine months period ended March 31, 2 0 1 0	For the nine months period ended March 31, 2 0 0 9
Rupees in 000's		
Total Income	60,843	29,986
Total Operating and Financial Expenses	44,053	15,087
Operating Profit / (Loss)	16,790	14,898
Management Company Fee	1,679	1,504
Profit / (Loss) for the Period	15,111	13,394
Earning / (Loss) per Modaraba Certificate	0.53	0.57

REVIEW OF OPERATIONS

By the Grace of Allah, KASB Modaraba has managed to maintain a steady growth in all areas of its operations during the period under review. Rather than relying simply on Ijarah business, we have built a balanced spread of assets allocating resources to various forms of Islamic finance, thus leading the industry in terms of innovation and growth of Islamic products.

The net profit grew by 12.82% over the corresponding period last year. Higher profitability is mainly attributed to the increase in earning assets which rose by 84%. During the current quarter gross disbursements of Rs 502.09 million were made and cumulative gross disbursements for the nine months were Rs 906.4 million. The impact of these disbursements will be more clearly visible in future periods.

Our deposits based on Certificate of Musharaka have generated additional liquidity to the tune of Rs.85.02 million during the current quarter. Moreover, the Modaraba is also effectively utilizing the "Musharaka based Credit Facility" obtained from a commercial bank in last quarter.

However, the management has continued to adopt a cautious approach in its conduct of financing activities, thus ensuring sustainable growth in profitability and help build a sound Institution for the extension of Islamic finance.

ACKNOWLEDGEMENT

The Board would like to place on record its appreciation for the dedication and hard work put in by the employees of the Modaraba. The Board would also like to express its appreciation for the guidance and support provided by Registrar Modaraba and Securities Exchange Commission of Pakistan (SECP).

We also take this opportunity to express our special gratitude to our certificate holders and clients for their continued support and co-operation.

Syed M. Husaini

CEO

April 24, 2010

CONDENSED INTERIM BALANCE SHEET

As at March 31, 2010



	Notes	MARCH 31,	JUNE 30,
		2010	2009
		(Unaudited)	(Audited)
		Rupees	
ASSETS			
Current assets			
Cash and bank balances		74,612,746	128,714,414
Short-term investments	4	1,414,300	4,256,334
Current portion of murabaha finance	5	265,462,410	61,058,842
Modaraba finance	6	149,988,059	20,774,248
Musharaka finance	7	49,162,029	39,594,329
Current portion of Diminishing Musharaka finance	8	33,201,033	-
Current portion of net investment in finance lease	9	43,385,674	44,753,495
Ijarah rentals receivable		2,216,461	810,667
Advances, deposits, prepayments and other receivables		6,606,396	5,644,579
Accrued profit		4,610,063	1,240,907
Taxation recoverable		827,983	739,682
Total current assets		631,487,154	307,587,497
Non-current assets			
Long-term deposits		28,000	128,000
Long-term investments	4.2	18,980,000	17,020,000
Long-term portion of Murabaha finance		-	9,718,262
Long-term portion of Diminishing Musharaka finance	8	74,902,729	-
Long-term portion of net investment in finance lease	9	15,079,293	52,964,055
Biological assets		1,669,000	-
Ijarah assets		72,301,095	55,336,939
Fixed assets	10	6,618,109	7,643,188
Total non-current assets		189,578,226	142,810,444
Total Assets		821,065,380	450,397,941
LIABILITIES			
Current liabilities			
Deposits		309,165,000	150,625,000
Musharaka financing		193,375,492	-
Current maturity of security deposits		5,524,655	874,750
Creditors, accrued and other liabilities		14,369,868	7,929,592
Unclaimed profit distribution		476,790	476,790
Total current liabilities		522,911,805	159,906,132
Non-current liabilities			
Security deposits		18,483,333	25,083,668
Deferred income-Murabaha		5,950,376	6,884,138
Deferred liabilities - staff gratuity		286,556	201,758
Total non-current liabilities		24,720,265	32,169,564
Total Liabilities		547,632,070	192,075,696
NET ASSETS		273,433,310	258,322,245
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital			
Authorised:			
50,000,000 (June 30, 2009: 50,000,000) certificates of Rs 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up capital	11	282,744,000	282,744,000
Statutory reserve		14,960,345	11,938,132
Accumulated loss		(24,271,035)	(36,359,887)
CONTINGENCIES AND COMMITMENTS	12	273,433,310	258,322,245

The annexed notes 1 to 19 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 (UNAUDITED)

For the quarter and nine months period ended March 31, 2010



	Nine months period ended March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
	Rupees		Rupees	
Income from Ijarah operations	17,463,878	15,792,647	8,871,372	5,094,565
Profit on Musharaka finance	7,704,659	2,783,275	2,448,665	719,225
Profit on Murabaha finance	19,880,186	2,983,418	10,136,585	824,428
Profit on Term Finance Certificates	-	16,861	-	-
Profit on Modaraba finance	896,322	-	266,290	-
Profit on Diminishing Musharaka finance	4,962,102	-	3,140,846	-
Profit on Sukuk Bonds-Held to Maturity	2,068,800	1,647,490	748,603	842,166
Profit on bank deposits	6,237,804	7,543,538	1,124,253	4,010,654
Loss on dairy farming business activities	(413,515)	-	(397,250)	-
Loss due to changes in fair value of biological assets	(136,000)	-	-	-
Gain/(Loss) on sale of marketable securities - net	716,456	(1,144,568)	299,273	(1,144,568)
Unrealised (diminution) / appreciation on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	36,789	(64,426)	36,789	2,285,567
	59,417,481	29,558,235	26,675,426	12,632,037
Financial charges	(25,976,593)	(4,037,105)	(13,192,914)	(1,217,800)
	33,440,888	25,521,130	13,482,512	11,414,237
Allowance for potential Ijarah & Musharaka losses	-	-	-	-
	33,440,888	25,521,130	13,482,512	11,414,237
Other income	1,425,150	427,493	394,927	188,974
Administrative and operating expenses	(18,075,966)	(10,903,408)	(6,082,989)	(4,223,569)
Impairment on investments earlier recorded now written back	-	-	-	1,801,216
	16,790,072	15,045,215	7,794,450	9,180,858
Modaraba Management Company fee	(1,679,007)	(1,504,522)	(779,445)	(918,086)
Profit before taxation	15,111,065	13,540,693	7,015,005	8,262,772
Taxation				
- current	-	-	-	-
- prior	-	(146,483)	-	-
- deferred	-	-	-	-
Profit after taxation	15,111,065	13,394,210	7,015,005	8,262,772
Earnings per certificate	0.53	0.57	0.25	0.29

The annexed notes 1 to 19 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 COMPREHENSIVE INCOME (UNAUDITED)

For the quarter and nine months period ended March 31, 2010



	Nine months period ended March 31,		Quarter ended March 31,	
	2010	2009	2010	2009
	Rupees		Rupees	
Profit after taxation	15,111,065	13,394,210	7,015,005	8,262,772
Other comprehensive income / (loss)	-	-	-	-
Total comprehensive income for the period	<u>15,111,065</u>	<u>13,394,210</u>	<u>7,015,005</u>	<u>8,262,772</u>

The annexed notes 1 to 19 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 (UNAUDITED)

For the nine months period ended March 31, 2010



Note	Nine months period ended March 31, 2010	Nine months period ended March 31, 2009
----- Rupees -----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	15,111,065	13,540,693
Adjustments for non-cash charges and other items:		
Dividend income	(29,604)	(66,000)
Gain on sale of marketable securities-net	(716,456)	1,144,568
Unrealised diminution / (appreciation) on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	(36,789)	64,426
Gain on disposal of fixed assets	(300,096)	-
Depreciation	17,370,180	1,636,477
Loss due to changes in fair value of biological assets	136,000	-
Amortisation	222,264	-
Gratuity expense	84,798	35,853
Investments written off	30,331	-
Financial charges	25,976,593	4,037,105
Loss on disposal of biological assets	397,250	-
Provision for WWF	302,221	-
	43,436,692	20,393,122
(Increase) / decrease in assets		
Net investment in finance lease	39,252,583	32,426,179
Musharaka finance	(9,567,700)	5,634,921
Murabaha finance	(194,685,306)	(8,106,217)
Modaraba finance	(129,213,811)	(15,000,000)
Ijarah rental receivables	(1,405,794)	-
Diminishing Musharaka	(108,103,762)	-
Advances, deposits, prepayments and other receivables	(961,817)	(5,282,017)
Accrued profit	(3,369,156)	(1,262,220)
Long-term deposits	100,000	(101,500)
	(407,954,763)	8,309,146
(Decrease) / increase in liabilities		
Security deposits on lease contracts	(1,950,430)	3,631,321
Deferred Murabaha Income	(933,762)	-
Creditors, accrued and other liabilities	(1,332,132)	(1,178,440)
	(4,216,324)	2,452,881
Taxes paid	(88,301)	(24,177)
Dividend paid	-	(13)
Financial charges paid	(18,506,406)	(4,249,872)
Gratuity paid	-	-
	(18,594,707)	(4,274,062)
Net cash (used in) / generated from operating activities	(372,218,037)	26,881,087
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds from disposal of fixed assets / ijarah assets	12,382,366	-
Proceeds from sale of biological assets	1,271,750	-
Purchase of fixed assets	(12,417,981)	(455,650)
Purchase of biological assets	(3,474,000)	-
Purchase of Ijarah assets	(33,195,810)	(31,120,613)
Purchase of investments-net	-	(19,693,881)
Proceed from sale of investment - net	1,604,948	-
Dividends received	29,604	66,000
Net cash outflow on investing activities	(33,799,123)	(51,204,144)
CASH FLOW FROM FINANCING ACTIVITIES		
Musharaka finance	193,375,492	-
Short-term finance	-	(75,000,000)
Long-term finance	-	(70,000,000)
Proceeds from deposits	158,540,000	46,525,000
Proceeds from issue of certificate capital	-	179,625,600
Net cash inflow from financing activities	351,915,492	81,150,600
Net (decrease) / increase in cash and cash equivalents	(54,101,668)	56,827,543
Cash and cash equivalents at the beginning of the period	128,714,414	33,845,102
Cash and cash equivalents at the end of the period	74,612,746	90,672,645

14

The annexed notes 1 to 19 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 (UNAUDITED)

For the nine months period ended March 31, 2010



	Certificate capital	Statutory reserve	Right certificates subscription money	Accumulated losses	Total
----- Rupees -----					
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	-	-	179,625,600	-	179,625,600
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>
Balance as at July 01, 2009	282,744,000	11,938,132	-	(36,359,887)	258,322,245
Profit for the period ended March 31, 2010	-	-	-	15,111,065	15,111,065
Transfer to statutory reserve	-	3,022,213	-	(3,022,213)	-
Balance as at March 31, 2010	<u>282,744,000</u>	<u>14,960,345</u>	<u>-</u>	<u>(24,271,035)</u>	<u>273,433,310</u>

The annexed notes 1 to 19 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 nine months period ended March 31, 2010



1 STATUS AND NATURE OF BUSINESS

- 1.1 KASB Modaraba was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is managed by KASB Modaraba Management (Private) Limited, a company incorporated in Pakistan. The address of its registered office is 80-C, 13th Commercial Street, D.H.A. Phase II Extension, Karachi. The Management Company is a subsidiary of KASB Bank Limited, which holds 3,985,000 shares out of total issued capital of 4,150,000 shares of KASB Modaraba Management (Private) Limited.
- 1.2 The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, finance leasing, musharaka financing, murabaha financing, modaraba financing, investment in listed securities and issue of Certificates of Musharaka. 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, 1984, 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 the Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and the directives issued by SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance, 1984, the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

These condensed interim financial statements comprise of balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof. The disclosures made in these condensed interim 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, 2009.

3 ACCOUNTING POLICIES

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, 2009.

Notes	MARCH 31, 2010	JUNE 30, 2009
	(Unaudited)	(Audited)
	----- Rupees -----	
4 INVESTMENTS		
4.1 Short-term investments		
Financial assets 'at fair value through profit or loss' - held for trading		
- Equity securities - listed	4.1.1 1,414,300	2,296,334
	<u>1,414,300</u>	<u>2,296,334</u>
Held to maturity		
Current portion of Sukuk Bonds - unlisted	4.2 -	1,960,000
	<u>1,414,300</u>	<u>4,256,334</u>

4.1.1 Equity Securities - listed



Name of the investee company	Number of shares					Balance as at March 31, 2010		
	As at July 1, 2009	Purchases during the period	Bonus / rights issue	Sales / write off during the period	As at March 31, 2010	Carrying cost	Market value	Appreciation / (diminution)

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

Crescent Jute Products Limited	1,021	-	-	1,021	-	-	-	-
Saleem Denim Industries Limited	19,200	-	-	19,200	-	-	-	-
Engro Chemical Pakistan Limited	16,400	25,652	-	42,052	-	-	-	-
Sui Northern Gas Pipelines Limited	5,000	-	-	5,000	-	-	-	-
Pakistan Oil Fields Limited	-	5,000	-	5,000	-	-	-	-
Pakistan Petroleum Limited	-	33,000	-	28,000	5,000	959,625	977,100	17,475
Lotte Pakistan PTA Limited	-	70,000	-	30,000	40,000	417,886	437,200	19,314

Total listed equity securities

1,377,511 1,414,300 36,789

4.2 Long-term investments

Held to maturity

Sukuk bonds - unlisted

Name of the investee company	Number of certificates				Profit / mark-up rate	Carrying cost	
	As at July 01, 2009	Purchased during the period	Sold / Matured during the period	As at March 31, 2010		Balance as at March 31, 2010	Balance as at June 30, 2009

Sukuk bonds of Rs. 5,000 each unless stated otherwise

Kohat Cement Company Limited (13-12-07)	2,000	-	-	2,000	14.17% (3 months KIBOR + 1.80%)	8,980,000	8,980,000
Maple Leaf Cement Factory Limited (3-12-07)	2,000	-	-	2,000	13.34% (3 months KIBOR + 1.00%)	10,000,000	10,000,000
Total Sukuk Bonds						18,980,000	18,980,000
Less: current portion of sukuk bonds						-	1,960,000
						18,980,000	17,020,000

MARCH 31, 2010 **JUNE 30, 2009**
(Unaudited) (Audited)
Rupees

5 MURABAHA FINANCE

Murabaha receivables - gross	265,462,410	70,777,104
Murabaha finance - due after one year	-	(9,718,262)
Current portion of Murabaha finance	265,462,410	61,058,842

5.1 The profit rates on these Murabaha arrangements range from 14.50% to 20.00%. (June 30, 2009: 14.50% to 19.00%).

MARCH 31, 2010 **JUNE 30, 2009**
(Unaudited) (Audited)
Rupees

6 MODARABA FINANCE

Modaraba finance	149,988,059	20,774,248
------------------	-------------	------------

6.1 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. On termination date, the accounts of the modaraba shall be drawn up in accordance with accepted accounting principles and the profit / loss if any shall be worked out and paid in proportion specified.

	MARCH 31, 2010	JUNE 30, 2009
	(Unaudited)	(Audited)
	----- Rupees -----	
7 MUSHARAKA FINANCE		
Musharaka receivables - considered good	49,162,029	39,594,329
- considered doubtful	640,000	640,000
	49,802,029	40,234,329
Less: provision for non-performing assets	(640,000)	(640,000)
Musharaka Finance	<u>49,162,029</u>	<u>39,594,329</u>

7.1 The Modaraba has provided funds under Musharaka arrangements for working capital requirements on profit and loss sharing basis. Expected rate of profit ranges from 16.00% to 18.00% (June 30, 2009: 16.28% to 18.30%) per annum. All musharaka arrangements are secured against hypothecation of assets, personal guarantees and promissory notes.

	MARCH 31, 2010	JUNE 30, 2009
	(Unaudited)	(Audited)
	----- Rupees -----	
8 DIMINISHING MUSHARKA FINANCE		
Diminishing Musharaka Receivable-gross	140,055,567	-
Less: Unearned Income	(31,951,805)	-
	108,103,762	-
Less: Diminishing Musharaka due after 1 year	(74,902,729)	-
Current portion of Diminishing Musharaka	<u>33,201,033</u>	<u>-</u>

8.1 The profit rates on these diminishing musharaka arrangements range from 15.00% to 20.00%. (June 30, 2009: Nil).

9 NET INVESTMENT IN FINANCE LEASE

	<u>March 31, 2010</u>			<u>June 30, 2009</u>		
	(Unaudited)			(Audited)		
	Not later than one year	Later than one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
	----- Rupees -----					
Minimum lease payments receivable	41,676,569	6,359,634	48,036,203	55,182,592	40,387,949	95,570,541
Add: Residual value	5,524,655	9,104,082	14,628,737	874,750	16,243,467	17,118,217
	47,201,224	15,463,716	62,664,940	56,057,342	56,631,416	112,688,758
Less: Unearned finance income	(3,458,604)	(384,423)	(3,843,027)	(10,567,095)	(3,667,361)	(14,234,456)
Suspended income	(82,408)	-	(82,408)	(432,214)	-	(432,214)
Allowance for potential lease losses	(274,538)	-	(274,538)	(304,538)	-	(304,538)
	<u>43,385,674</u>	<u>15,079,293</u>	<u>58,464,967</u>	<u>44,753,495</u>	<u>52,964,055</u>	<u>97,717,550</u>

	MARCH 31, 2010	JUNE 30, 2009
	(Unaudited)	(Audited)
	----- Rupees -----	
10 FIXED ASSETS		
Owned assets	5,840,373	7,643,188
Intangible assets	777,736	-
	<u>6,618,109</u>	<u>7,643,188</u>

**MARCH 31,
2010****MARCH 31,
2009**

(Unaudited)

(Audited)

Rupees

اسلامی مالیاتی ادارہ

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

Additions to fixed assets :		
- Plant & machinery	11,000,000	-
- Electrical equipment	126,215	307,900
- Furniture and fixtures	15,500	23,000
- Computers	241,700	124,750
- Vehicle	34,566	-
- Computer software	1,000,000	-
	<u>12,417,981</u>	<u>455,650</u>
Disposal of fixed assets		
- Plant & machinery	11,000,000	-
- Motor vehicles	1,439,890	-
	<u>12,439,890</u>	<u>-</u>

11 CERTIFICATE CAPITAL**Authorised certificate capital**

(Unaudited)	(Audited)		(Unaudited)	(Audited)
March 31, 2010	June 30, 2009		March 31, 2010	June 30, 2009
Number of certificates			----- (Rupees) -----	
<u>50,000,000</u>	<u>50,000,000</u>	Modaraba Certificates of Rs 10 each	<u>500,000,000</u>	<u>500,000,000</u>

Issued, subscribed and paid-up capital

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	<u>33,160,000</u>	<u>33,160,000</u>
<u>28,274,400</u>	<u>28,274,400</u>		<u>282,744,000</u>	<u>282,744,000</u>

11.1 As at March 31, 2010, KASB Modaraba Management (Private) Limited (the Management Company) held 4,031,581 certificates (June 30, 2009: 3,913,940 certificates) of KASB Modaraba.

12 CONTINGENCIES AND COMMITMENTS

12.1 Commitments amounting to Nil (June 30, 2009: Rs. 5,889,100) in respect of Diminishing Musharaka facility have been entered into by the Modaraba.

12.2 The Modaraba has provided guarantees amounting to Rs. 27,815,354 (June 30, 2009: Nil) on behalf of customers to various banks.

12.3 There were no contingencies as at March 31, 2010.

13 TAXATION

13.1 As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba 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. The modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in these condensed interim financial statements.

	MARCH 31, 2010	MARCH 31, 2009
	(Unaudited)	(Audited)
	----- Rupees -----	
14 CASH AND CASH EQUIVALENTS		
Cash and bank balances	74,612,746	90,672,645

15 TRANSACTIONS WITH RELATED PARTIES

The related parties of the modaraba comprise of its management company, associated companies, directors of the management company and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the management company under the terms of their employment) are as follows:

	Nine months period ended March 31, 2010	Nine months period ended March 31, 2009
	(Unaudited)	(Unaudited)
	----- Rupees -----	

15.1 Transactions during the period

Management company

Modaraba Management Company fee	1,679,007	1,504,522
---------------------------------	-----------	-----------

Associated companies

Income on bank deposit	5,006,116	1,857,524
Financial charges	5,702,600	2,788,235
Rent expense	297,000	99,000
Brokerage expense	4,560	-
Custodial charges	2,562	-

Other Related Parties

Ijarah rentals	150,180	120,252
Finance lease rentals	1,578,789	1,966,500

	MARCH 31, 2010	JUNE 30, 2009
	(Unaudited)	(Audited)
	----- Rupees -----	

15.2 Transactions outstanding at the period / year end

Management company

Modaraba Management Company fee payable	1,679,007	1,780,318
-----------------------------------------	-----------	-----------

Associated companies

Cash and bank balances	34,580,100	49,593,140
Certificates of Musharaka	3,500,000	3,500,000
Accrued profit	11,197	352,119
Musharaka financing	193,375,492	-
Accrued mark-up payable	4,582,489	1,361
Rent payable	297,000	99,000

Other Related Parties

Ijarah rentals outstanding	483,372	716,680
Finance lease rentals outstanding	3,603,325	7,126,950

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



16 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Chief Executive Officer of the Management Company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Modaraba has determined the operating segments based on the reports reviewed by the Chief Executive Officer, which are used to make strategic decisions.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of approved accounting standards as applicable in Pakistan.

There were no changes in the reportable segments during the period.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan.

The Modaraba has a diversified product portfolio whereby resources have been allocated.

The Modaraba also has a diversified certificate holder population. As at March 31, 2010, there were only three (2009: three) certificate holders who each held more than 10% of the Modaraba's certificate capital. Their holdings were 36.95%, 23.73% and 14.26% (2009: 36.95%, 23.73% and 12.82%) respectively.

17 CORRESPONDING FIGURES

- 17.1 Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of better presentation. Rs. 6,884,138 has been reclassified and presented separately on the face of the Balance Sheet under the account head of Deferred income-Murabaha. Previously, the amount was shown as deduction from the gross murabaha receivable in notes to the accounts and the net amount was being disclosed in the balance sheet.

18 GENERAL

Figures have been rounded off to the nearest rupee.

19 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on April 24, 2010 by the Board of Directors of the Modaraba Management Company.

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

Chief Executive

Director

Director

Book Post

**Under
Certificate
of
Posting**



if Undelivered please return to

KASB Modaraba

Registered Office: 80-C, 13th Commercial Street, D.H.A. Phase II Extension, Karachi.
Tel: (92-213) 5313939-43, Fax: (92-213) 5313933