



KASB Modaraba

An Islamic Financial Institution



اسلامی مالیاتی ادارہ

QUARTERLY REPORT  
MARCH 2012

صاف اور شفاف آمدنی،  
سچا سکون ہے...

# CONTENTS

◆ CORPORATE INFORMATION	01
◆ DIRECTORS' REPORT	02
◆ CONDENSED INTERIM BALANCE SHEET	04
◆ CONDENSED INTERIM PROFIT AND LOSS ACCOUNT	05
◆ CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	06
◆ CONDENSED INTERIM CASH FLOW STATEMENT	07
◆ CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	08
◆ NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS	09

# 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 Invest (Private) Limited [Formerly KASB Modaraba Management (Private) Limited]

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## 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  
Burj Bank Limited  
Meezan Bank  
Summit Bank Limited  
Bank Al-Falah Limited  
Silk Bank Limited

## Registered Office

80-C, 13th Commercial Street,  
D.H.A. Phase II Extension  
Karachi.  
Telephone: 021-35313939-43

## Certificate Transfer Office

C&K Management Associates (Private) Limited  
404, Trade Tower,  
Abdullah Haroon Road,  
Near Metropole Hotel  
Karachi - 75530  
Telephone: 021-35687839 - 021-35685930

## Legal Advisor

Ghulam Ali & Co.  
Ahmed & Qazi

## Branch Offices

### Gulshan-e-Iqbal Branch - I

Mezzanine Floor,  
Friends Paradise, SB-36,  
Block No. 13-B, University Road,  
Karachi.  
Telephone: 021-34822814-18

### Gulshan-e-Iqbal Branch - II

B-9, Allama Shabbir Ahmed Usmani Road  
Gulshan-e-Iqbal, Block I  
Opposite Shaheen Public School  
Karachi  
Phone No.: 021-34983034-35  
Fax No.: 021-34965081

### D.H.A. Branch

80-C, 13th Commercial Street,  
D.H.A. Phase II Extension  
Karachi.  
Telephone: 021-35313939-43

## Web Address

[www.kasbmodaraba.com](http://www.kasbmodaraba.com)

## E-mail

[info.modaraba@kasb.com](mailto: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 un-audited condensed interim financial statements for the quarter & nine months period ended March 31, 2012.

## FINANCIAL HIGHLIGHTS

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

BALANCE SHEET	As at March 31, 2012	As at June 30, 2011
Rupees in 000's		
Morabaha Finance	806,495	480,436
Modaraba Finance	100,217	75,630
Musharaka Finance	58,719	42,798
Diminishing Musharaka	344,304	279,101
Investment in Finance Lease	2,237	7,329
Ijarah Assets	50,432	56,235
<b>Total Assets</b>	<b>1,514,164</b>	<b>1,113,872</b>
<b>Net Assets</b>	<b>315,470</b>	<b>307,640</b>

PROFIT AND LOSS ACCOUNT	For the nine months period ended March 31, 2012	For the nine months period ended March 31, 2011
Rupees in 000's		

<b>Total Income</b>	<b>142,223</b>	<b>125,033</b>
Total Operating and Financial Expenses	113,470	88,477
Operating Profit	28,453	36,556
Management Company Fee	2,845	3,656
<b>Profit for the Period</b>	<b>25,608</b>	<b>32,900</b>
Earnings per Modaraba Certificate	0.91	1.16

## REVIEW OF OPERATIONS

By the Grace of Allah, KASB Modaraba has managed to maintain a steady growth in all areas of its operations despite a difficult economic environment and a 'business strained' Modaraba industry. 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.

Modaraba closed its nine months for the year 2012 with the net profit of Rs 25 million and total assets of Rs 1.5 billion.

Our deposits based on Certificate of Musharaka have generated liquidity to the tune of Rs.143 million during the quarter.

Moreover, with the passage of time the Modaraba has developed "brand loyalty" among its customers by delivering excellent services and achieving quality growth.

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 Waseem Haqqie  
Chairman

April 27, 2012

# CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2012



		(Unaudited)	(Audited)
	Note	March 31, 2012	June 30, 2011
------(Rupees)-----			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		69,381,258	109,828,648
Short-term investments	4	32,454,497	13,383,500
Current portion of murabaha finance	5	674,093,746	413,289,799
Modaraba finance	6	100,217,918	75,630,285
Musharaka finance	7	58,719,249	42,797,914
Current portion of Diminishing Musharaka finance	8	169,816,169	121,415,169
Current portion of net investment in finance lease	9	1,539,198	5,789,101
Ijarah rentals receivable		5,101,826	3,157,976
Advances, deposits, prepayments and other receivables		13,863,136	6,035,316
Accrued profit		9,279,219	8,771,921
Stores		-	117,337
Taxation recoverable		409,274	1,027,928
<b>Total current assets</b>		<b>1,134,875,490</b>	<b>801,244,895</b>
<b>Non-current assets</b>			
Long-term deposits		543,000	528,000
Long-term investments	4, 1, 2	11,741,234	18,958,750
Long-term portion of Murabaha finance	5	132,401,419	67,146,231
Long-term portion of Diminishing Musharaka finance	8	174,487,348	157,685,470
Long-term portion of net investment in finance lease	9	697,426	1,539,992
Ijarah assets	10	50,432,267	56,235,042
Fixed assets	11	8,986,061	10,534,090
<b>Total non-current assets</b>		<b>379,288,755</b>	<b>312,627,565</b>
<b>Total Assets</b>		<b>1,514,164,245</b>	<b>1,113,872,460</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Deposits	12	803,625,000	506,035,000
Musharaka financing		137,652,227	61,854,581
Current maturity of security deposits		6,009,322	7,386,054
Creditors, accrued and other liabilities		30,531,813	29,669,716
Current portion of deferred murabaha income		48,197,243	27,734,291
Unclaimed profit distribution		1,305,175	706,878
<b>Total current liabilities</b>		<b>1,027,320,780</b>	<b>633,386,520</b>
<b>Non-current liabilities</b>			
Security deposits		5,073,423	4,873,872
Long term portion of deposits		129,690,000	149,985,000
Long term portion of deferred murabaha income		35,901,419	17,446,231
Deferred liabilities - staff gratuity		708,940	541,182
<b>Total non-current liabilities</b>		<b>171,373,782</b>	<b>172,846,285</b>
<b>Total Liabilities</b>		<b>1,198,694,562</b>	<b>806,232,805</b>
<b>NET ASSETS</b>		<b>315,469,683</b>	<b>307,639,655</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Certificate capital</b>			
Authorised:			
50,000,000 (June 30, 2011: 50,000,000) certificates of Rs 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up capital			
Statutory reserve		282,744,000	282,744,000
Accumulated loss		45,676,792	40,555,253
Unrealised gain on available-for-sale investments		(13,269,057)	(15,659,598)
		317,948	-
<b>CONTINGENCIES AND COMMITMENTS</b>	13	<b>315,469,683</b>	<b>307,639,655</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
Formerly 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, 2012

	Nine months period ended March 31,		Quarter ended March 31,	
	2012	2011	2012	2011
	-----Rupees-----		-----Rupees-----	
Income from ijarah operations	6,872,223	8,937,563	1,965,171	2,325,933
Profit on:				
Musharaka finance	5,985,572	7,092,388	1,328,942	3,370,870
Murabaha finance	67,902,118	52,610,758	27,232,779	22,324,023
Modaraba finance	8,408,348	12,140,422	1,560,703	830,847
Diminishing Musharaka finance	40,778,847	26,995,916	13,775,237	11,686,179
Sukuk Bonds -Held to Maturity	1,938,058	2,169,841	536,959	710,325
Bank deposits	4,976,125	8,756,641	1,666,914	4,125,841
Gain/(Loss) on sale of marketable securities - net	1,078,417	869,978	520,541	-
Unrealised appreciation on remeasurement on investments classified as financial assets 'at fair value through profit or loss'	8,246	-	280,718	-
	<u>137,947,954</u>	<u>119,573,507</u>	<u>48,887,964</u>	<u>45,374,018</u>
Financial charges	(83,190,339)	(64,292,057)	(31,671,523)	(26,422,426)
	<u>54,757,615</u>	<u>55,281,450</u>	<u>17,216,441</u>	<u>18,951,592</u>
Allowance for potential Ijarah & Musharaka losses	(300,000)	-	(150,000)	-
	<u>54,457,615</u>	<u>55,281,450</u>	<u>17,066,441</u>	<u>18,951,592</u>
Other income	4,275,371	5,459,255	2,519,669	1,150,522
Administrative and operating expenses	(30,279,990)	(24,184,560)	(10,337,421)	(8,607,110)
	<u>28,452,996</u>	<u>36,556,145</u>	<u>9,248,689</u>	<u>11,495,004</u>
Modaraba Management Company fee	(2,845,300)	(3,655,615)	(924,869)	(1,149,500)
Profit before taxation	<u>25,607,696</u>	<u>32,900,530</u>	<u>8,323,820</u>	<u>10,345,504</u>
Taxation				
- current	-	-	-	-
- prior	-	-	-	-
- deferred	-	-	-	-
Profit after taxation	<u>25,607,696</u>	<u>32,900,530</u>	<u>8,323,820</u>	<u>10,345,504</u>
Earnings per certificate	<u>0.91</u>	<u>1.16</u>	<u>0.29</u>	<u>0.37</u>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
Formerly 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, 2012



	Nine months period ended		Quarter ended	
	March 31		March 31	
	2012	2011	2012	2011
	----- Rupees -----			
Profit after taxation	25,607,696	32,900,530	8,323,820	10,345,504
Other comprehensive income	317,948	665,295	-	-
<b>Total comprehensive income for the period</b>	<b><u>25,925,644</u></b>	<b><u>33,565,825</u></b>	<b><u>8,323,820</u></b>	<b><u>10,345,504</u></b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
Formerly 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, 2012

	Nine months period ended March 31, 2012	Nine months period ended March 31, 2011
-----Rupees-----		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	25,607,696	32,900,530
<b>Adjustments for non-cash charges and other items:</b>		
Dividend income	(400,000)	(269,000)
Gain on sale of marketable securities-net	(1,078,417)	(869,978)
Unrealised (appreciation) on remeasurement of investments classified as financial assets 'at fair value through profit or loss	(8,246)	-
Gain on disposal of ijarah assets	(47,660)	(922,474)
Gain on disposal of fixed assets	11,000	-
Depreciation	20,486,806	18,748,694
Loss due to changes in fair value of biological assets	-	-
Amortisation	256,797	250,047
Gratuity expense	167,758	124,974
Investments written off	-	-
Financial charges	83,190,339	64,292,057
Deferred income	(35,892)	-
Provision for WWF	528,209	658,011
	103,070,694	82,012,331
<b>(Increase) / decrease in assets</b>		
Net investment in finance lease	5,092,459	32,632,375
Musharaka finance	(15,921,335)	20,422,244
Murabaha finance	(326,059,135)	(242,609,985)
Modaraba finance	(24,587,633)	143,037,549
Ijarah rental receivables	(1,943,850)	(271,074)
Diminishing Musharaka	(65,202,878)	(128,885,210)
Advances, deposits, prepayments and other receivables	(7,827,820)	(3,642,048)
Accrued profit	(507,298)	(3,625,332)
Stock	117,337	(116,201)
Long-term deposits	(15,000)	(500,000)
	(436,855,153)	(213,557,682)
<b>(Decrease) / Increase in liabilities</b>		
Security deposits on lease contracts	(1,177,181)	(8,575,592)
Deferred Murabaha Income	38,918,140	36,740,746
Creditors, accrued and other liabilities	(1,405,244)	328,420
	36,335,716	28,483,574
<b>Taxes paid</b>	(104,377)	(95,958)
Dividend paid	(17,497,319)	(7,683,797)
Financial charges paid	(80,758,001)	(56,405,560)
WWF paid	(95,795)	(341,914)
Gratuity paid	-	-
	(98,453,492)	(64,527,229)
<b>Net cash (used in) operating activities</b>	(370,294,540)	(134,078,476)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale proceeds from disposal of fixed assets / ijarah assets	1,469,877	10,560,483
Proceeds from sale of biological assets	-	-
Purchase of fixed assets	(864,403)	(2,700,235)
Purchase of biological assets	-	-
Purchase of ijarah assets	(13,802,100)	(15,882,324)
Purchase / sale of investment - net	(10,448,870)	(1,661,212)
Dividends received	400,000	269,000
<b>Net cash outflow on investing activities</b>	(23,245,496)	(9,414,288)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term finance	75,797,646	39,728,372
Proceeds from deposits	277,295,000	155,170,000
<b>Net cash inflow from financing activities</b>	353,092,646	194,898,372
<b>Net increase / (decrease) in cash and cash equivalents</b>	(40,447,390)	50,805,608
<b>Cash and cash equivalents at the beginning of the period</b>	109,828,648	59,225,467
<b>Cash and cash equivalents at the end of the period</b>	69,381,258	110,031,075

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
Formerly 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, 2012



	Certificate capital	Statutory reserve	Unrealized loss on available-for-sale investments	Accumulated losses	Total
	Rupees				
Balance as at June 30, 2010	282,744,000	20,485,977	(665,295)	(27,812,042)	274,752,640
Total comprehensive income for the period from July 1, 2010 to March 31, 2011	-	-	665,295	32,900,530	33,565,825
Profit distribution for the year ended June 30, 2010 @ Rs. 0.28 per certificate	-	-	-	(7,916,832)	(7,916,832)
Transfer to statutory reserve	-	6,580,106	-	(6,580,106)	-
Balance as at March 31, 2011	282,744,000	27,066,083	-	(9,408,450)	300,401,633
Total comprehensive income for the period from April 1, 2011 to June 30, 2011	-	-	-	7,238,022	7,238,022
Transfer to statutory reserve	-	13,489,170	-	(13,489,170)	-
Balance as at June 30, 2011	282,744,000	40,555,253	-	(15,659,598)	307,639,655
Total comprehensive income for the period from July 1, 2011 to March 31, 2012	-	-	317,948	25,607,696	25,925,644
Profit distribution for the year ended June 30, 2011 @ Rs. 0.64 per certificate	-	-	-	(18,095,616)	(18,095,616)
Transfer to statutory reserve	-	5,121,539	-	(5,121,539)	-
Balance as at March 31, 2012	<b>282,744,000</b>	<b>45,676,792</b>	<b>317,948</b>	<b>(13,269,097)</b>	<b>315,469,643</b>

The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
Formerly 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 QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

**1 STATUS AND NATURE OF BUSINESS**

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, 13<sup>th</sup> 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.

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 International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan.

These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended 30 June 2010.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are consistent with those followed in the preparation of the Modaraba's annual financial statements for the year ended 30 June 2010.

The Modaraba has adopted the following amended IFRS and related interpretations which became effective during the period:

IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)

IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

IFRS 5 - Non-Current Assets Held for Sale and Discontinued Operations

IFRS 8 - Operating Segments

IAS 1 - Presentation of Financial Statements

IAS 7 - Statement of Cash Flows

IAS 17 - Leases

IAS 36 - Impairment of Assets

IAS 39 Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any effect on these condensed interim financial statements.

**4 INVESTMENTS**

**4.1 Short-term investments**

	Note	(Unaudited) March 31, 2012	(Audited) June 30, 2011
------(Rupees)-----			
<b>Held for trading</b>			
- Equity securities - listed		3,546,126	-
		3,546,126	-
<b>Available for sale</b>			
- Equity securities - listed		11,220,150	-
- Equity securities - un-listed	4.1.1	13,000,000	13,000,000
- Others		1,733,580	-
		25,953,730	13,000,000
<b>Held to maturity</b>			
Current portion of Sukuk Bonds - unlisted	4.2	2,954,641	383,500
		32,454,497	13,383,500

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

4.1.1 Available for sale

Equity securities - un-listed

Name of the company	March 31, 2012 (Unaudited)		
	No. of shares	Cost per share	Total cost
New Horizon Exploration & Production Limited	2,600,000	5	13,000,000

4.1.2 Long-term investments

Held to maturity

Sukuk bonds - un-listed

Name of the investee company	Number of certificates	Profit rate	Carrying cost	
			March 31, 2012	June 30, 2011
			(Unaudited)	(Audited)
			(Rupees)	
Sukuk bonds of Rs. 5,000 each unless stated otherwise				
Kohat Cement Company Limited	2,000	13.40% (3 months KIBOR + 1.50%)	4,340,000	8,980,000
Maple Leaf Cement Factory Limited	2,000	12.88% (3 months KIBOR + 1.00%)	9,980,875	9,987,250
Maple Leaf Cement Factory Limited	75	12.91% (3 months KIBOR + 1.00%)	375,000	375,000
Total Sukuk Bonds			14,695,875	19,342,250
Less: current portion of sukuk bonds			(2,954,641)	(383,500)
			11,741,234	18,958,750

5 MURABAH FINANCE

Murabaha receivables - gross	806,495,165	480,436,030
Murabaha finance - due after one year	(132,401,419)	(67,146,231)
Current portion of Murabaha finance	674,093,746	413,289,799

5.1 The profit rates on these murabaha arrangements range from 14.50% to 20.00%. (June 30, 2011: 14.50% to 20.00%).

6 MODARABA FINANCE

Modaraba finance	100,217,918	75,630,265
------------------	-------------	------------

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.

7 MUSHARAKA FINANCE

Musharaka receivables - considered good	58,719,249	42,797,914
- considered doubtful	(69,605)	(606,844)
Less: provision for non-performing assets	59,288,858	43,404,758
Musharaka Finance	(58,605)	(606,844)
	58,719,249	42,797,914

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 6.00% to 20.00% (June 30, 2011: 17.50% to 20.00%) per annum. All musharaka arrangements are secured against hypothecation of assets, personal guarantees and promissory notes.

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	(Unaudited)	(Audited)
	March 31, 2012	June 30, 2011
------(Rupees)-----		
<b>8 DIMINISHING MUSHARAKA FINANCE</b>		
Diminishing Musharaka Receivable-gross	415,567,955	352,051,754
Less: Unearned Income	(71,264,438)	(72,951,115)
	344,303,517	279,100,639
Less: Diminishing Musharaka due after 1 year	(174,487,348)	(157,685,470)
Current portion of Diminishing Musharaka	169,816,169	121,415,169

The profit rates on these diminishing musharaka arrangements range from 15.00% to 20.00%. (June 30, 2011: 16.00% to 20.00%)

**9 NET INVESTMENT IN FINANCE LEASE**

	(Unaudited)			(Audited)		
	March 31, 2012			June 30, 2011		
	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	1,490,500	698,798	2,189,298	3,557,299	1,152,032	4,709,331
Add: Residual value	617,850	-	617,850	2,687,240	410,050	3,097,290
	2,108,350	698,798	2,807,148	6,244,539	1,562,082	7,806,621
Less: Unearned finance income	(37,691)	(1,372)	(39,063)	(180,457)	(22,100)	(202,557)
Suspended income	(41,532)	-	(41,532)	(72,287)	-	(72,287)
Allowance for potential lease losses	(489,929)	-	(489,929)	(202,694)	-	(202,694)
	1,539,198	697,426	2,236,624	5,789,101	1,539,982	7,329,083

	(Unaudited)	(Audited)
	March 31, 2012	June 30, 2011
------(Rupees)-----		
<b>10 JARAH ASSETS</b>		
Plant and machinery	32,098,760	42,094,988
Equipment	400,439	529,497
Vehicles	17,933,068	13,610,557
	50,432,267	56,235,042
<b>11 FIXED ASSETS</b>		
Owned assets	8,807,617	10,143,848
Intangible assets	178,444	390,242
	8,986,061	10,534,090

	(Unaudited)	
	Nine months ended	
	March 31, 2012	March 31, 2011
------(Rupees)-----		
<b>11.1 Details of additions / (disposals) during the period are as follows:</b>		
<b>Additions to fixed assets :</b>		
- Office equipment	14,160	-
- Electrical equipment	212,845	288,132
- Furniture and fixtures	527,698	1,179,044
- Computers	64,700	300,559
- Vehicle	-	932,500
- Computer software	45,000	-
	864,403	2,700,235
<b>Disposal of fixed assets</b>		
- Electrical equipment	23,940	-
- Motor vehicles	692,000	-
	715,940	-

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	(Unaudited) March 31, 2012	(Audited) June 30, 2011
	------(Rupees)-----	
<b>12 DEPOSITS</b>		
Certificate of musharaka	933,315,000	654,020,000
Others	-	2,000,000
	<u>933,315,000</u>	<u>656,020,000</u>
Less: Certificate of musharaka due after one year	<u>(129,690,000)</u>	<u>(149,985,000)</u>
	<u>803,625,000</u>	<u>506,035,000</u>

12.1 The estimated share of profits payable on certificate of musharaka ranges from 9.65% to 14.75% (June 30, 2011: 9.65% to 14.5%).

**13 COMMITMENTS**

13.1 The Modaraba has provided guarantees amounting to Rs. 8,660,200 (June 30, 2011: 8,100,000) on behalf of customers to KASB Bank Limited.

**14 TAXATION**

14.1 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.

**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:

	(Unaudited)	
	Nine months ended	
	March 31, 2012	March 31, 2011
	------(Rupees)-----	
<b>15.1 Transactions during the period</b>		
<b>Management company</b>		
Modaraba Management Company fee	2,845,300	3,655,615
<b>Associated companies</b>		
Income on bank deposit	989,470	4,257,243
Financial charges	12,008,323	11,520,492
Rent expense	327,447	316,800
Brokerage expense	750	-
Custodial charges	6,799	4,933
<b>Other Related Parties</b>		
Ijarah rentals	3,299,679	1,729,245
Investment in un-listed shares	-	13,000,000

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2012

	(Unaudited) March 31, 2012	(Audited) June 30, 2011
	----- (Rupees) -----	
<b>15.2 Transactions outstanding at the period / year end</b>		
<b>Management company</b>		
Modaraba Management Company fee payable	2,845,300	4,459,839
<b>Associated companies</b>		
Cash and bank balances	13,345,055	17,704,578
Certificate of musharaka	102,050,000	17,300,000
Accrued profit	7,525	9,171
Short term financing	137,652,227	61,854,581
Accrued mark-up payable	4,414,318	3,903,444
Custodian charges payable	-	4,060
Rent payable	-	-
<b>Other Related Parties</b>		
Rentals outstanding	15,764,277	1,207,714

**16 GENERAL**

Figures have been rounded off to the nearest rupee.

**17 DATE OF AUTHORISATION**

These condensed interim financial statements were authorised for issue on April 27, 2012 by the Board of Directors of the Modaraba Management Company.

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

Chief Executive

Director

Director

QUARTERLY REPORT MARCH 2012



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.  
Telephone: (92-21) 35313939 - 43 Fax: (92 -21) 35313933