

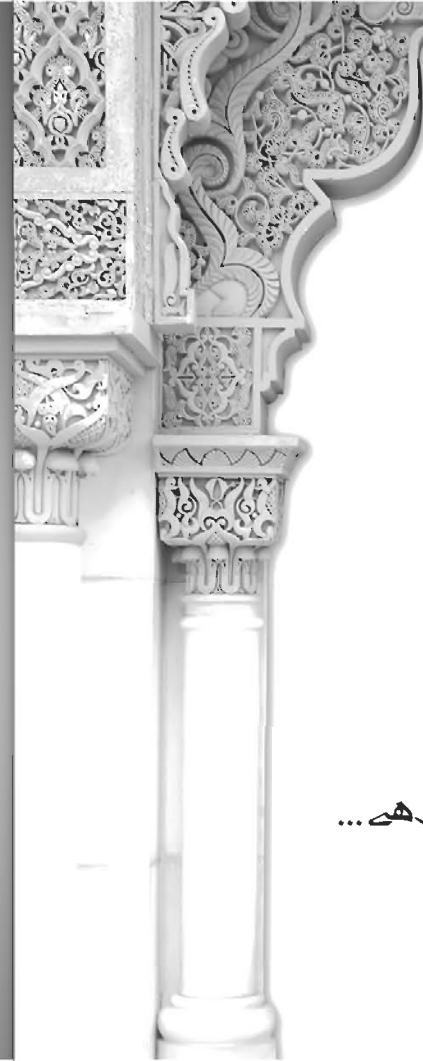
QUARTERLY REPORT MARCH 2013

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**KASB Modaraba**

Registered Office: 60-C, 13th Commercial Street, D.H.A. Phase II Extension Karachi.  
Telephone: (92-21) 35313939 - 43 Fax: (52-21) 35313933



 **KASB Modaraba**  
An Islamic Financial Institution



QUARTERLY REPORT  
MARCH 2013

صاف اور شفاف آمدنی،  
سچا سکون ہمے...

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# CORPORATE INFORMATION

## Board of Directors

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

Chairman  
CEO (Appointment under process with SECP)  
Director  
Director  
Director

## Company Secretary & Chief Financial Officer

Ms. Faiqa Naz

## Management Company

KASB Invest (Private) Limited

## Auditors

Ernst & Young Ford Rhodes Sidat Hyder  
Chartered Accountants

## Audit Committee

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

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 - 7530  
Telephone: 021-35687839 - 021-35685930

## Shari'ah Advisor

Mufti Abdul Sattar Laghari

## 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 1  
Opposite Shaheen Public School  
Karachi  
Phone No.: 021-34983034-35  
Fax No.: 021-34965081

## D.H.A. Branch

80-C, 24th 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 Invest (Private) Limited, the management company of KASB Modaraba, is pleased to present the un-audited condensed interim financial statements for the nine months ended March 31, 2013.

This nine month's results have reinforced our belief in Halal and Shariah Compliant Business.

### FINANCIAL HIGHLIGHTS

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

BALANCE SHEET	As at March 31, 2013	As at June 30, 2012
<b>Rupees in 000's</b>		
Murabaha Finance	637,599	807,765
Modaraba Finance	75,330	77,456
Musharaka Finance	113,226	82,208
Diminishing Musharaka	483,527	470,813
Investment in Finance Lease	549	1,542
Ijarah Assets	54,580	66,460
<b>Total Assets</b>	<b>1,525,667</b>	<b>1,636,966</b>
<b>Net Assets</b>	<b>297,236</b>	<b>330,222</b>

PROFIT AND LOSS ACCOUNT	For the nine months ended March 31, 2013	For the nine months ended March 31, 2012
<b>Rupees in 000's</b>		
Total Income	171,496	142,223
Total Operating and Financial Expenses	141,776	113,470
Total provision	44,328	300
Operating (Loss) / Profit	(14,608)	28,453
Management Company Fee	-	2,845
<b>Profit for the Period</b>	<b>(14,608)</b>	<b>25,608</b>
Earning per Modaraba Certificate	(0.52)	0.91

## DIRECTORS' REPORT



### ASSETS

The management has built a wide array of Islamic asset products with a focus to enhance Shariah Compliant Business. We are trying to take a fair advantage from the richness of the Islamic system of trade financing. Accordingly, as a prudent management policy, appropriate provisions for doubtful recoveries have been made.

### PROFITABILITY

Our total income has increased from Rs142.22 million to Rs171.50 million. This growth of 20.59% in gross revenue shows the earning capacity of our assets. It is expected that our assets will yield more returns in future and consequently the profitability will also increase.

### DEPOSITS

Investment in our Certificate of Musharaka has substantially increased from Rs. 946.23 million to Rs. 1,106.50 million. This shows our investors' trust and confidence on our Management and Vision. It is also worth appreciating that the retail deposits constitute 89.94% of total deposits which safeguards the institution from any vulnerability in liquidity needs.

### CREDIT RATING

JCR-VIS has upgraded short term rating to A-2 from A-3. Medium to long term rating has been maintained at BBB+ with positive outlook.

### 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 and 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-ul-Haq Haqqie**  
Chairman

April 23, 2013





**CONDENSED INTERIM BALANCE SHEET**  
AS AT MARCH 31, 2013



	(Unaudited)	(Audited)
Note	March 31, 2013	June 30, 2012
	----- (Rupees) -----	
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and bank balances	90,850,548	66,987,448
Short-term investments	15,179,480	15,879,244
Current portion of murabaha finance	573,173,849	657,720,964
Modaraba finance	75,330,084	77,455,748
Musharaka finance	113,225,948	82,207,511
Current portion of Diminishing Musharaka finance	256,588,438	235,716,615
Current portion of net investment in finance lease	304,567	890,675
Ijarah rentals receivable	2,793,009	3,617,801
Advances, deposits, prepayments and other receivables	23,599,988	13,550,348
Accrued profit	10,200,035	10,107,860
Taxation recoverable	593,180	457,784
<b>Total current assets</b>	<b>1,161,839,126</b>	<b>1,164,791,998</b>
<b>Non-current assets</b>		
Long-term deposits	1,110,300	546,000
Long-term investments	9,344,368	10,494,506
Long-term portion of Murabaha finance	64,425,680	150,043,637
Long-term portion of Diminishing Musharaka finance	226,939,031	235,096,306
Long-term portion of net investment in finance lease	244,112	651,214
Ijarah assets	54,579,857	66,459,510
Fixed assets	7,184,257	8,682,612
<b>Total non-current assets</b>	<b>363,827,605</b>	<b>472,173,985</b>
<b>Total Assets</b>	<b>1,525,666,731</b>	<b>1,636,965,983</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Deposits	1,074,120,000	873,290,000
Musharaka financing	-	229,477,558
Current maturity of security deposits	2,863,229	6,306,521
Creditors, accrued and other liabilities	57,292,828	35,151,201
Current portion of deferred murabaha income	43,953,838	44,433,083
Unclaimed profit distribution	1,682,256	1,059,459
<b>Total current liabilities</b>	<b>1,179,912,151</b>	<b>1,189,717,822</b>
<b>Non-current liabilities</b>		
Security deposits	9,146,681	7,752,281
Long term portion of deposits	32,375,000	72,940,000
Long term portion of deferred murabaha income	5,925,680	35,543,637
Deferred liabilities - staff gratuity	1,071,637	790,694
<b>Total non-current liabilities</b>	<b>48,518,998</b>	<b>117,028,612</b>
<b>Total Liabilities</b>	<b>1,228,431,149</b>	<b>1,306,744,434</b>
<b>NET ASSETS</b>	<b>297,235,582</b>	<b>330,221,549</b>
<b>REPRESENTED BY</b>		
<b>CAPITAL AND RESERVES</b>		
Certificate capital		
Authorised:		
50,000,000 (June 30, 2012: 50,000,000) certificates of Rs 10/- each	500,000,000	500,000,000
Issued, subscribed and paid-up capital	282,744,000	282,744,000
Statutory reserve	60,894,008	60,894,008
Accumulated loss	(46,402,426)	(13,416,459)
Unrealised loss on available-for-sale investments	-	-
<b>CONTINGENCIES AND COMMITMENTS</b>	<b>13</b>	<b>13</b>
	<b>297,235,582</b>	<b>330,221,549</b>

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

For KASB Invest (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, 2013**



	Nine months period ended March 31,		Quarter ended March 31,	
	2013	2012	2013	2012
	Rupees		Rupees	
Income from Ijarah operations	6,286,627	6,872,223	1,848,547	1,965,171
Profit on :				
Musharaka finance	5,072,110	5,985,572	2,084,175	1,328,942
Murabaha finance	74,477,821	67,902,118	18,682,531	27,232,779
Modaraba finance	11,920,063	8,408,348	667,963	1,560,703
Diminishing Musharaka finance	63,992,359	40,778,847	20,246,858	13,775,237
Sukuk Bonds-Held to Maturity	1,076,358	1,938,058	284,472	536,959
Bank deposits	5,122,589	4,976,125	2,039,320	1,686,914
Gain/(Loss) on sale of marketable securities - net	(239,774)	1,078,417	(245,220)	520,541
Unrealised appreciation on re-measurement on investments classified as financial assets 'at fair value through profit or loss'	-	8,246	-	280,718
Financial charges	167,718,153	137,947,954	45,628,646	48,887,964
Allowance for potential murabaha losses	(103,990,929)	(83,190,339)	(31,819,892)	(31,671,523)
Other income	63,727,224	54,757,615	13,808,754	17,216,441
Administrative and operating expenses	(44,327,865)	(300,000)	(44,327,865)	(150,000)
Modaraba Management Company fee	19,399,359	54,457,615	(30,519,111)	17,066,441
Profit before taxation	3,778,221	4,275,371	139,892	2,519,669
Taxation	(37,785,187)	(30,279,990)	(14,200,827)	(10,337,421)
- current	(14,607,607)	28,452,996	(44,580,046)	9,248,689
- prior	-	(2,845,300)	2,997,244	(924,869)
- deferred	-	-	-	-
Profit after taxation	(14,607,607)	25,607,696	(41,582,802)	8,323,820
Earnings per certificate	(0.52)	0.91	(1.47)	0.29

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

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director



QUARTERLY REPORT MARCH 2013



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013



	Nine months period ended		Quarter ended	
	March 31		March 31	
	2013	2012	2013	2012
	Rupees			
Profit after taxation	(14,607,607)	25,607,696	(41,582,802)	8,323,820
Other comprehensive Income	-	-	-	-
Total comprehensive Income for the period	<u>(14,607,607)</u>	<u>25,607,696</u>	<u>(41,582,602)</u>	<u>8,323,820</u>

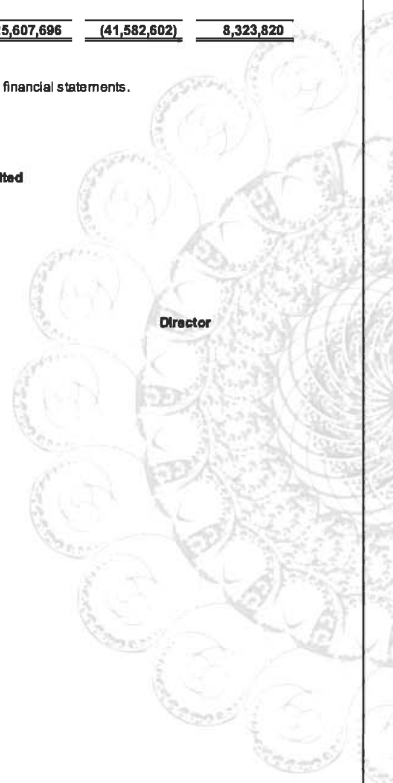
The annexed notes 1 to 17 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director





**CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)**  
**FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013**



	Nine months period ended March 31, 2013	Nine months period ended March 31, 2012
<b>Rupees</b>		
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(14,607,607)	25,607,696
<b>Adjustments for non-cash charges and other items:</b>		
Dividend income	-	(400,000)
Gain on sale of marketable securities-net	239,774	(1,079,417)
Unrealised (appreciation) on remeasurement of investments classified as 'financial assets' at fair value through profit or loss	-	(8,248)
Gain on disposal of Ijarah assets	(13,979)	(47,660)
Gain on disposal of fixed assets	(261,814)	11,000
Depreciation	17,461,070	20,486,806
Provision for potential losses	44,327,865	-
Amortisation	82,034	258,797
Gratuity expense	403,265	187,758
Write off	1,705,895	-
Financial charges	103,990,929	83,190,339
Deferred income	(35,892)	(35,892)
Provision for WWF	-	528,209
	167,879,347	103,070,894
<b>(Increase) / decrease in assets</b>		
Net investment in finance lease	993,210	5,082,458
Musharaka finance	(31,018,437)	(15,921,335)
Murabaha finance	125,837,207	(326,059,135)
Modaraba finance	2,125,864	(24,587,633)
Ijarah rental receivables	982,922	(1,943,850)
Diminishing Musharaka	(12,714,548)	(65,202,878)
Advances, deposits, prepayments and other receivables	(11,460,337)	(7,827,820)
Accrued profit	(92,175)	(507,298)
Stock	-	117,337
Long-term deposits	(564,300)	(15,000)
	74,059,206	(436,865,153)
<b>(Decrease) / Increase in liabilities</b>		
Security deposits on lease contracts	(2,048,892)	(1,177,181)
Deferred Murabaha income	(30,097,202)	38,918,140
Creditors, accrued and other liabilities	26,112,164	(1,405,244)
	(6,033,930)	36,335,715
<b>Taxes paid</b>	(135,398)	(104,377)
Dividend paid	(17,755,563)	(17,497,319)
Financial charges paid	(107,925,574)	(80,756,001)
WWF paid	-	(95,795)
Gratuity paid	(122,322)	-
	(125,938,855)	(98,453,492)
<b>Net cash generate / (used in) operating activities</b>	95,368,161	(370,294,540)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sale proceeds from disposal of fixed assets / Ijarah assets	5,532,501	1,469,877
Purchase of fixed assets	(1,891,809)	(864,403)
Purchase of Ijarah assets	(7,543,323)	(13,802,100)
Purchase / sale of investment - net	1,510,128	(10,448,870)
Dividends received	-	400,000
<b>Net cash outflow on investing activities</b>	(2,292,503)	(23,245,496)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Short term finance	(229,477,558)	75,797,646
Proceeds from deposits	160,265,000	277,295,000
<b>Net cash (outflow) / Inflow from financing activities</b>	(69,212,558)	353,092,646
<b>Net Increase / (decrease) in cash and cash equivalents</b>	23,863,100	(40,447,390)
<b>Cash and cash equivalents at the beginning of the period</b>	86,987,448	109,828,848
<b>Cash and cash equivalents at the end of the period</b>	90,850,548	69,381,258

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

For KASB Invest (Private) Limited  
 (Management Company)

Chief Executive

Director

Director



QUARTERLY REPORT MARCH 2013



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2013



	Certificate capital	Statutory reserve	Unrealized loss on available-for-sale Investments	Accumulated losses	Total
	Rupees				
Balance as at June 30, 2011	282,744,000	40,555,253	-	(15,859,598)	307,839,655
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 @ Re. 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	282,744,000	45,676,792	317,948	(13,289,057)	315,469,683
Total comprehensive income for the period from April 1, 2012 to June 30, 2012	-	-	(317,948)	15,069,814	14,751,866
Transfer to statutory reserve	-	15,217,216	-	(15,217,216)	-
Balance as at June 30, 2012	282,744,000	60,894,008	-	(13,416,459)	330,221,549
Total comprehensive income for the period from July 1, 2012 to March 31, 2013	-	-	-	(14,607,607)	(14,607,607)
Profit distribution for the year ended June 30, 2012 @ Re. 0.65 per certificate	-	-	-	(18,378,360)	(18,378,360)
Transfer to statutory reserve	-	-	-	-	-
Balance as at March 31, 2013	<b>282,744,000</b>	<b>60,894,008</b>	<b>-</b>	<b>(46,402,426)</b>	<b>297,235,582</b>

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

For KASB Invest (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, 2013**



**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 Invest (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 Invest (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 2012.

**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 2012 except as follows:

The Modaraba has adopted the following amendments to IFRS which became effective for the current period:

IAS - 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income

IAS - 12 Income Taxes - Recovery of Underlying Assets (Amendment)

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**

**Held for trading**

- Equity securities - listed

Note	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	----- (Rupees) -----	

-

**Available for sale**

- Equity securities - listed  
- Equity securities - un-listed  
- Others

4.1.1 13,000,000 13,000,000

13,000,000 13,000,000

**Held to maturity**

Current portion of Sukuk Bonds - unlisted

4.2 2,179,480 2,879,244

15,179,480 15,879,244

**4.1.1 Available for sale**

Equity securities - un-listed

**March 31, 2013 (Unaudited)**

Name of the company	No. of shares	Cost per share		Total cost
		----- (Rupees) -----		
New Horizon Exploration & Production Limited	2,600,000	5		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, 2013**



**4.1.2 Long-term Investments**

Held to maturity

Sukuk bonds - unlisted

Name of the investee company	Number of certificates	Profit rate	Carrying cost	
			March 31, 2013	June 30, 2012
			(Unaudited)	(Audited)
(Rupees)				
<b>Sukuk bonds of Re. 5,000 each unless stated otherwise</b>				
Kohat Cement Company Limited	2,000	10.97% (3 months KIBOR + 1.50%)	2,295,101	3,020,000
Maple Leaf Cement Factory Limited	2,000	9.39% (3 months KIBOR + 1.00%)	9,228,747	9,978,750
Maple Leaf Cement Factory Limited	-	-	-	375,000
Total Sukuk Bonds			11,523,848	13,373,750
Less: current portion of sukuk bonds			(2,179,480)	(2,879,244)
			9,344,368	10,494,506

**5 MURABAHA FINANCE**

Murabaha receivables - considered good  
 - considered doubtful

Less: provision for non-performing assets  
 Less: provision for suspended income

Murabaha finance - due after one year  
 Current portion of Murabaha finance

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
(Rupees)		
Murabaha receivables - considered good	635,972,923	807,764,601
- considered doubtful	82,962,997	-
	698,935,920	807,764,601
Less: provision for non-performing assets	(44,327,865)	-
Less: provision for suspended income	(17,008,526)	-
	637,599,529	807,764,601
Murabaha finance - due after one year	(64,425,680)	(150,043,637)
Current portion of Murabaha finance	573,173,849	657,720,964

5.1 The profit rates on these murabaha arrangements range from 12.50% to 20.00%. (June 30, 2012: 14.50% to 20.00%).

**6 MODARABA FINANCE**

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. 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.

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
(Rupees)		
Modaraba finance	75,330,084	77,455,748

**7 MUSHARAKA FINANCE**

Musharaka receivables - considered good  
 - considered doubtful

Less: provision for non-performing assets

Musharaka Finance

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
(Rupees)		
Musharaka receivables - considered good	113,225,948	82,207,511
- considered doubtful	532,374	547,268
	113,758,322	82,754,779
Less: provision for non-performing assets	(532,374)	(547,268)
Musharaka Finance	113,225,948	82,207,511

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, 2012: 6.00% 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, 2013



	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	----- (Rupees) -----	
<b>8 DIMINISHING MUSHARKA FINANCE</b>		
Diminishing Musharaka Receivable-gross	577,688,278	575,454,259
Less: Unearned Income	(94,140,809)	(104,641,338)
	483,527,469	470,812,921
Less: Diminishing Musharaka due after 1 year	(228,939,031)	(235,096,306)
Current portion of Diminishing Musharaka	<u>256,588,438</u>	<u>235,716,615</u>

The profit rates on these diminishing musharaka arrangements range from 9.51% to 21.00%. (June 30, 2012: 16.00% to 21.00%).

**9 NET INVESTMENT IN FINANCE LEASE**

	(Unaudited) March 31, 2013			(Audited) June 30, 2012		
	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	228,215	244,112	472,327	685,672	651,214	1,336,886
Add: Residual value	253,700	-	253,700	410,049	-	410,049
	481,915	244,112	726,027	1,095,721	651,214	1,746,935
Less: Unearned finance income	(184)	-	(184)	(20,493)	-	(20,493)
Suspended income	-	-	-	(2,283)	-	(2,283)
Allowance for potential lease losses	(177,184)	-	(177,184)	(182,270)	-	(182,270)
	<u>304,567</u>	<u>244,112</u>	<u>548,679</u>	<u>890,675</u>	<u>651,214</u>	<u>1,541,889</u>

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	----- (Rupees) -----	
<b>10 IJARAH ASSETS</b>		
Plant and machinery	28,332,973	39,010,802
Equipment	602,121	633,627
Vehicles	25,844,783	26,815,081
	<u>54,579,857</u>	<u>66,459,510</u>

**11 FIXED ASSETS**

	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	----- (Rupees) -----	
Owned assets	6,509,698	8,796,219
Intangible assets	674,559	86,593
	<u>7,184,257</u>	<u>8,882,812</u>

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

	(Unaudited) Nine months ended	
	March 31, 2013	March 31, 2012
	----- (Rupees) -----	
<b>Additions to fixed assets :</b>		
- Office equipment	283,700	14,160
- Electrical equipment	29,500	212,845
- Furniture and fixtures	620,579	527,698
- Computers	215,800	64,700
- Vehicle	92,230	-
- Computer software	650,000	45,000
	<u>1,891,809</u>	<u>864,403</u>
<b>Disposal of fixed assets</b>		
- Electrical equipment	-	23,940
- Motor vehicles	2,375,575	692,000
- Computers	17,520	-
	<u>2,393,095</u>	<u>715,940</u>





**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)**  
**FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**



	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupees)	
<b>12 DEPOSITS</b>		
Certificate of musharaka	1,106,495,000	946,230,000
Others	-	-
	<u>1,106,495,000</u>	<u>946,230,000</u>
Less: Certificate of musharaka due after one year	<u>(32,375,000)</u>	<u>(72,940,000)</u>
	<u>1,074,120,000</u>	<u>873,290,000</u>

12.1 The estimated share of profits payable on certificate of musharaka ranges from 9.25% to 14.75% (June 30, 2012: 11.25% to 14.75%).

**13 COMMITMENTS**

13.1 The Modaraba has provided guarantees amounting to Rs. 21,006,000 (June 30, 2012: 40,700,000) 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, 2013	March 31, 2012
	(Rupees)	
<b>15.1 Transactions during the period</b>		
<b>Management company</b>		
Modaraba Management Company fee	-	2,845,300
<b>Associated companies</b>		
Income on bank deposit	249,773	969,470
Financial charges	20,505,884	12,008,323
Rent expense	351,999	327,447
Brokerage expense	-	750
Custodial charges	-	6,799
<b>Other Related Parties</b>		
ijarah rentals	7,523,387	3,299,679
	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupees)	
<b>15.2 Transactions outstanding at the period / year end</b>		
<b>Management company</b>		
Modaraba Management Company fee payable	-	4,519,723
<b>Associated companies</b>		
Cash and bank balances	1,245,126	13,452,956
Certificate of musharaka	112,075,000	72,550,000
Short term financing	-	229,477,558
Accrued mark-up payable	3,015,592	7,383,821
Rent payable	351,999	-

**NOTES TO AND FORMING PART OF THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2013**



	(Unaudited) March 31, 2013	(Audited) June 30, 2012
	(Rupees)	
<b>Other Related Parties</b>		
Rentals outstanding	3,457,276	14,427,567
Investment in unlisted shares	13,000,000	13,000,000

**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 23, 2013 by the Board of Directors of the Modaraba Management Company.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

