



KASB Modaraba

An Islamic Financial Institution



اسلامی مالیاتی ادارہ

QUARTERLY REPORT
MARCH 2014

صاف اور شفاف آمدنی،
سچا سکون ہے...

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CORPORATE INFORMATION

Board of Directors

Syed Waseem-ul-Haq Haqqie
Rashid K. Siddiqui
Syed Muhammad Rehmanullah
Farrukh S. Ansari

Chairman
Chief Executive Officer
Director
Director

Company Secretary & Chief Financial Officer

Amir Iqbal

Head of Internal Audit

Syed Shahid Owais

Management Company

KASB Invest (Private) Limited

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Committee

Farrukh S. Ansari
Syed Muhammad Rehmanullah
Syed Waseem-ul-Haq Haqqie

Chairman
Member
Member

Human Resource and Remuneration Committee

Farrukh S. Ansari
Syed Waseem-ul-Haq Haqqie
Syed Muhammad Rehmanullah
Rashid K. Siddiqui

Chairman
Member
Member
Member

Bankers

KASB Bank Limited
Al-Baraka Islamic Bank
Burj Bank Limited
Meezan Bank
Bank Islami
Bank Al-Falah Limited
Silk Bank Limited Emaan
Soneri Bank Limited

Registered & Head Office

8-C, Block-6,
P.E.C.H.S
Off: Shahrah-e-Faisal
Karachi.
Telephone: 021-34398852-55

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

Shariah Advisor

Mufti Abdul Sattar Laghari

Branch Offices

Gulshan-e-Iqbal Branch

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

D.H.A. Branch

74-C, 13th Commercial Street
D.H.A, Phase II Extension
Karachi.
Telephone: 021-35313939-40

Web Address

www.kasbmodaraba.com

E-mail

info.modaraba@kasb.com

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, 2014.

These nine months 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	As at
	March 31, 2014	June 30, 2013
	Rs. In '(000)'	Rs. In '(000)'
Modaraba Finance	53,873	83,696
Musharaka Finance	85,089	98,161
Murabaha Finance	415,740	627,205
Diminishing Musharaka Finance	367,589	424,231
Ijarah Assets	32,996	47,368
Property acquired in satisfaction of financing facility	33,760	-
Total Assets	1,248,271	1,516,092
Net Assets	278,808	265,214

PROFIT & LOSS ACCOUNT	For the nine months ended	For the nine months ended
	March, 31 2014	March, 31 2013
	Rs. In '(000)'	Rs. In '(000)'
Income	124,169	171,496
Operating & Financial Charges	(109,066)	(141,776)
Total Provision	-	(44,328)
Operating Profit/Loss	15,103	(14,608)
Management Company Fee	(1,510)	-
Profit/Loss for the Period	13,593	(14,608)
Earning per Modaraba Certificate (Rupees)	0.48	(0.52)

REVIEW OF OPERATIONS

By the Grace of Allah, KASB Modaraba has successfully completed nine months period ended March 31, 2014. The third quarter closed with net Profit of Rs 13.59 million and earning per Certificate was Rs 0.48. The total income was Rs 124.17 million and the operating & financial charges were Rs 109.07 million.

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



FUTURE PROSPECTS

Our business strategy & approach are sound with a focus to enhance Shariah Compliant business. We are confident that your Modaraba will Inshallah continue to improve profitability in future.

ACKNOWLEDGEMENT

The Board greatly appreciates the support co-operation of the regulatory authorities, certificate holders, customers and bankers and looks forward to their continued support and guidance in future. We pray to Almighty Allah for the success of your Modaraba.

For and behalf of
Board of Directors

Syed Waseem-ul-Haq Haqqie
Chairman

Dated: 28th April, 2014
Karachi

CONDENSED INTERIM BALANCE SHEET

AS AT MARCH 31, 2014




	(Unaudited) Note March 31, 2014	(Audited) June 30, 2013 (Restated)
	------(Rupees)-----	
ASSETS		
Current assets		
Cash and bank balances	198,345,291	175,151,750
Short-term investments	4 1,115,622	15,515,756
Current portion of murabaha finance	5 387,405,372	552,998,416
Modaraba finance	6 53,873,491	83,696,118
Musharaka finance	7 85,088,975	98,161,363
Current portion of Diminishing Musharaka finance	8 208,851,528	221,674,597
Current portion of net investment in finance lease	343,642	205,033
Ijarah rentals receivable	2,876,314	3,048,215
Advances, deposits, prepayments and other receivables	17,333,104	15,402,596
Accrued profit	23,705,088	9,232,199
Property acquired in satisfaction of Financing Facility	9 33,759,860	-
Taxation recoverable	858,772	638,468
Total current assets	1,013,557,059	1,175,724,511
Non-current assets		
Long-term deposits	1,630,300	1,110,300
Long-term investments	4.1.2 6,997,997	7,978,750
Long-term portion of Murabaha finance	5 28,334,726	74,206,462
Long-term portion of Diminishing Musharaka finance	8 158,737,228	202,556,246
Long-term portion of net investment in finance lease	179,273	317,882
Ijarah assets	10 32,996,015	47,368,313
Fixed assets	11 5,838,606	6,829,619
Total non-current assets	234,714,145	340,367,572
Total Assets	1,248,271,204	1,516,092,083
LIABILITIES		
Current liabilities		
Deposits	12 738,150,205	1,109,590,000
Musharaka financing	-	-
Current maturity of security deposits	2,016,239	312,347
Creditors, accrued and other liabilities	69,968,199	38,941,015
Current portion of deferred murabaha income	19,626,757	37,048,229
Unclaimed profit distribution	1,651,044	1,651,044
Total current liabilities	831,412,444	1,187,542,635
Non-current liabilities		
Security deposits	6,467,539	8,671,431
Long term portion of deposits	125,948,831	42,135,000
Long term portion of deferred murabaha income	4,547,411	10,911,132
Deferred liabilities - staff gratuity	1,086,825	1,617,016
Total non-current liabilities	138,050,606	63,334,579
Total Liabilities	969,463,050	1,250,877,214
NET ASSETS	278,808,154	265,214,869
REPRESENTED BY		
CAPITAL AND RESERVES		
Certificate capital		
Authorised:		
50,000,000 (June 30, 2013: 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	63,612,665	60,894,008
Accumulated loss	(67,548,511)	(78,423,139)
Unrealised loss on available-for-sale investments	-	-
CONTINGENCIES AND COMMITMENTS	13	-
	278,808,154	265,214,869

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, 2014

	Nine months period ended March 31,		Quarter ended March 31,	
	2014	2013	2014	2013
	-----Rupees-----		-----Rupees-----	
Income from ijarah operations	3,297,309	6,296,627	(313,968)	1,848,547
Profit on :				
Musharaka finance	11,854,778	5,072,110	2,694,807	2,094,175
Murabaha finance	43,030,387	74,477,821	16,880,203	18,682,531
Modaraba finance	3,792,390	11,920,063	(1,435,184)	667,963
Diminishing Musharaka finance	47,544,712	63,992,359	14,054,459	20,246,858
Sukuk Bonds-Held to Maturity	781,066	1,076,358	242,639	294,472
Bank deposits	9,868,682	5,122,589	6,219,230	2,039,320
Gain/(Loss) on sale of marketable securities - net	-	(239,774)	-	(245,220)
	<u>120,169,324</u>	<u>167,718,153</u>	<u>38,342,186</u>	<u>45,628,646</u>
Financial charges	(74,426,754)	(103,990,929)	(24,218,887)	(31,819,892)
	<u>45,742,570</u>	<u>63,727,224</u>	<u>14,123,299</u>	<u>13,808,754</u>
Allowance for potential murabaha losses	-	(44,327,865)	-	(44,327,865)
	<u>45,742,570</u>	<u>19,399,359</u>	<u>14,123,299</u>	<u>(30,519,111)</u>
Other income	4,000,468	3,778,221	1,171,768	139,892
Administrative and operating expenses	(34,639,388)	(37,785,187)	(10,937,543)	(14,200,827)
	<u>15,103,650</u>	<u>(14,607,607)</u>	<u>4,357,524</u>	<u>(44,580,046)</u>
Modaraba Management Company fee	(1,510,365)	-	(435,752)	2,997,244
Profit before taxation	<u>13,593,285</u>	<u>(14,607,607)</u>	<u>3,921,772</u>	<u>(41,582,802)</u>
Taxation				
- current	-	-	-	-
- prior	-	-	-	-
- deferred	-	-	-	-
Profit after taxation	<u>13,593,285</u>	<u>(14,607,607)</u>	<u>3,921,772</u>	<u>(41,582,802)</u>
Earnings per certificate	<u>0.48</u>	<u>(0.52)</u>	<u>0.14</u>	<u>(1.47)</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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Nine months period ended		Quarter ended	
	March 31		March 31	
	2014	2013	2014	2013
	----- Rupees -----			
Profit after taxation	13,593,285	(14,607,607)	3,921,772	(41,582,802)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>13,593,285</u>	<u>(14,607,607)</u>	<u>3,921,772</u>	<u>(41,582,802)</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, 2014




	Nine months period ended March 31, 2014	Nine months period ended March 31, 2013
-----Rupees-----		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	13,593,285	(14,607,607)
Adjustments for non-cash charges and other items:		
Dividend income	-	-
Gain on sale of marketable securities-net	-	239,774
Unrealised (appreciation) on remeasurement of investments classified as financial assets 'at fair value through profit or loss'	-	-
Gain on disposal of ijarah assets	(171,339)	(13,979)
Gain on disposal of fixed assets	-	(261,614)
Depreciation	15,174,403	17,461,070
Provision for potential losses	-	44,327,865
Amortisation	164,252	62,034
Gratuity expense	1,662,326	403,265
Write off	-	1,705,895
Financial charges	74,426,754	103,990,929
Deferred income	-	(35,892)
Provision for WWF	-	-
	91,256,396	167,879,347
(Increase) / decrease in assets		
Net investment in finance lease	-	993,210
Musharaka finance	13,072,388	(31,018,437)
Murabaha finance	211,464,780	125,837,207
Modaraba finance	29,822,627	2,125,864
Ijarah rental receivables	171,901	962,922
Diminishing Musharaka	56,642,087	(12,714,548)
Advances, deposits, prepayments and other receivables	(1,930,508)	(11,460,337)
Accrued profit	(14,472,889)	(92,175)
Property acquired in satisfaction of Financing Facility	(33,759,860)	-
Long-term deposits	(520,000)	(564,300)
	260,490,526	74,069,206
(Decrease) / Increase in liabilities		
Security deposits on lease contracts	(500,000)	(2,048,892)
Deferred Murabaha Income	(23,785,193)	(30,097,202)
Creditors, accrued and other liabilities	27,764,378	26,112,164
	3,479,185	(6,033,930)
Taxes paid	(220,304)	(135,396)
Dividend paid	-	(17,755,583)
Financial charges paid	(71,163,948)	(107,925,574)
WWF paid	-	-
Gratuity paid	(2,192,517)	(122,322)
	(73,576,769)	(125,938,855)
Net cash generate / (used in) operating activities	295,242,623	95,368,161
CASH FLOW FROM INVESTING ACTIVITIES		
Sale proceeds from disposal of ijarah assets	3,086,462	5,532,501
Proceeds from sale of biological assets	-	-
Purchase of fixed assets	(154,467)	(1,891,809)
Purchase of biological assets	-	-
Purchase of ijarah assets	(2,736,000)	(7,543,323)
Purchase / sale of investment - net	15,380,887	1,610,128
Dividends received	-	-
Net cash outflow on investing activities	15,576,882	(2,292,503)
CASH FLOW FROM FINANCING ACTIVITIES		
Short term finance	-	(229,477,558)
Proceeds from deposits	(287,625,964)	160,265,000
Net cash (outflow) / Inflow from financing activities	(287,625,964)	(69,212,558)
Net increase / (decrease) in cash and cash equivalents	23,193,541	23,863,100
Cash and cash equivalents at the beginning of the period	175,151,750	66,987,448
Cash and cash equivalents at the end of the period	198,345,291	90,850,548

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 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)



FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Certificate capital	Statutory reserve	Unrealized loss on available-for-sale investments	Accumulated losses	Total
	Rupees				
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 @ Rs. 0.65 per certificate	-	-	-	(18,378,360)	(18,378,360)
Transfer to statutory reserve	-	-	-	-	-
Balance as at March 31, 2013	282,744,000	60,894,008	-	(46,402,426)	297,235,582
Total comprehensive income for the period from April 1, 2013 to June 30, 2013	-	-	-	(32,020,713)	(32,020,713)
Transfer to statutory reserve	-	-	-	-	-
Balance as at June 30, 2013	282,744,000	60,894,008	-	(78,423,139)	265,214,869
Total comprehensive income for the period from July 1, 2013 to March 31, 2014	-	-	-	13,593,285	13,593,285
Transfer to statutory reserve	-	2,718,657	-	(2,718,657)	-
Balance as at March 31, 2014	282,744,000	63,612,665	-	(67,548,511)	278,808,154

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, 2014

1 STATUS AND NATURE OF BUSINESS

KASB Modaraba (the 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 (the Management Company), a Company Incorporated in Pakistan. The registered office of the Modaraba is located at 8-C, Block No.6, P.E.C.H.S. Karachi. The Management Company is a subsidiary of KASB Bank Limited (KBL). KBL holds 3,985,000 shares out of total issued capital of 4,150,000 shares of the Management Company.

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharaka financing, murabaha financing, modaraba financing, diminishing musharaka and investing in 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 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 2013.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual financial statements of the Modaraba for the year ended 30 June 2013 except as follows:

New, Amended and Revised Standards and Interpretations of IFRSs

The Modaraba has adopted the following revised standards, amendment and interpretation of IFRSs which became effective for the current period:

IAS 19- Employee Benefits- (Revised)

IFRS 7- Financial Instruments: Disclosure -(Amendments)

-Amendments enhancing disclosures about offsetting of financial assets and financial liabilities

IFRIC 20- Stripping Cost in a Production Phase of a Surface Mine

Improvements to Accounting Standards Issued By IASB

IAS 1- Presentation of Financial Statements -clarification of the requirements for comparative information

IAS 16- Property, Plant and Equipment- clarification of Servicing Equipment

IAS 32- Financial Instruments : Presentation- Tax effects of Distribution to Holders of Equity Instruments

IAS 34- Interim Financial Reporting and Segment Information for Total Assets and Liabilities.

The adoption of the above revisions, amendments and improvements to accounting standards and interpretations did not have any effect on these condensed interim financial statements except for change in Accounting Policy as disclosed in (note 3.2) and additional disclosures required by IAS 1- Amendments.

3.2 Change in accounting policy

During the period, the Modaraba Company has adopted Revised IAS- 'Employee Benefits'. As per revised standard, actuarial gains and losses for defined benefit plans are recognized in other comprehensive income when they occur. Amounts recorded in profit and loss are limited to current and past service costs, gains or losses on settlements, and net interest income/(expense). All other changes in the net defined benefit asset/(liability) are recognized in other comprehensive income with no subsequent recycling to profit and loss.

The adoption of above revised standard has resulted in change in accounting policy of the above company related to recognition of actuarial gains and losses to recognize actuarial gains and losses in total in other comprehensive income in the period in which they occur. Previously, actuarial gains or losses in excess of 10% of the Modaraba's gratuity obligation were recognized in profit and loss account over the expected average working life of the employees. The impact of the said changes on these condensed interim financial statements is as under:

	Rupees
Increase in accumulated loss as at July 01, 2012	404,804
Increase in profit for the period ended December 31, 2012	48,433
Decrease in other comprehensive income for the period ended December 31, 2012	97,190
Increase in defined benefit liability as at June 30, 2013	502,319

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



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

	Note	(Unaudited) March 31, 2014	(Audited) June 30, 2013
----- (Rupees) -----			
4 INVESTMENTS			
4.1 Short-term investments			
Held for trading			
- Equity securities - listed		-	-
Available for sale			
- Equity securities - listed		-	-
- Equity securities - un-listed	4.1.1	-	13,000,000
- Others		-	-
			13,000,000
Held to maturity			
Current portion of Sukuk Bonds - unlisted	4.2	1,115,622	2,515,756
		<u>1,115,622</u>	<u>15,515,756</u>
4.1.1 Available for sale			
Equity securities - un-listed			
		March 31, 2014 (Unaudited)	
		No. of shraes	Cost per share
			Total cost
			----- (Rupees) -----
Name of the company			
New Horizon Exploration & Production Limited			
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, 2014
			June 30, 2013
			(Unaudited) (Audited)
			----- (Rupees) -----
Sukuk bonds of Rs. 5,000 each unless stated otherwise			
Kohat Cement Company Limited	2,000	10.06% (3 months KIBOR + 1.50%)	115,622 1,515,756
Maple Leaf Cement Factory Limited	2,000	10.13% (3 months KIBOR + 1.00%)	7,997,997 8,978,750
Total Sukuk Bonds			8,113,619 10,494,506
Less: current portion of sukuk bonds			(1,115,622) (2,515,756)
			<u>6,997,997</u> <u>7,978,750</u>
			(Unaudited) (Audited)
			March 31, June 30,
			2014 2013
5 MURABAHA FINANCE			----- (Rupees) -----
Murabaha receivables - considered good		460,067,963	671,532,743
Less: provision for non-performing assets		(44,327,865)	(44,327,865)
		415,740,098	627,204,878
Murabaha finance - due after one year		(28,334,726)	(74,206,462)
Current portion of Murabaha finance		<u>387,405,372</u>	<u>552,998,416</u>
5.1	The Profit rates on these murabaha arrangements range from 11.5% to 20% (30 June 2013: 11.5% to 20%). All murabaha Arrangements are secured against hypothecation of assets, personal guarantees and Promissory notes.		
		(Unaudited)	(Audited)
		March 31,	June 30,
		2014	2013
6 MODARABA FINANCE			----- (Rupees) -----
Modaraba finance		53,873,491	83,696,118

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

FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014



7 MUSHARAKA FINANCE

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- (Rupees) -----	
Musharaka receivables - considered good	85,088,975	98,161,363
- considered doubtful	24,602,297	24,602,297
Less: provision for non-performing assets	109,691,272	122,763,660
Musharaka Finance	<u>(24,602,297)</u>	<u>(24,602,297)</u>
	<u>85,088,975</u>	<u>98,161,363</u>

7.1 Expected range of profits ranges from 15.00% to 20.00% (30 June 2013: 6.00% to 20.00%) per annum. All musharaka arrangements are secured against hypothecation of assets, personal guarantees and promissory notes.

8 DIMINISHING MUSHARAKA FINANCE

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- (Rupees) -----	
Diminishing Musharaka Receivable-gross	433,523,060	506,221,891
Less: Unearned Income	(65,934,304)	(81,991,048)
	367,588,756	424,230,843
Less: Diminishing Musharaka due after 1 year	(158,737,228)	(202,556,246)
Current portion of Diminishing Musharaka	<u>208,851,528</u>	<u>221,674,597</u>

The Profit rates on these diminishing musharaka arrangements range from 9.51% to 21% (30 June 2013: 9.5% to 21%). All diminishing musharaka arrangements are secured against hypothecation of assets, personal guarantees and promissory notes.

9 PROPERTY ACQUIRED IN SATISFACTION OF FINANCING FACILITY

This represents residential property acquired by the Modaraba in satisfaction of murabaha finance facility. The assessed market value and forced sale value of the said property amounts to Rs. 47.5 million and Rs. 38 million respectively.

10 UJARAH ASSETS

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- (Rupees) -----	
Plant and machinery	16,475,458	24,221,542
Equipment	305,106	409,064
Vehicles	16,215,451	22,737,707
	<u>32,996,015</u>	<u>47,368,313</u>

11 FIXED ASSETS

	----- (Rupees) -----	
Tangible assets	5,383,047	6,209,810
Intangible assets	455,559	619,809
	<u>5,838,606</u>	<u>6,829,619</u>

12 DEPOSITS

	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- (Rupees) -----	
Certificate of musharaka	864,099,036	1,151,725,000
Others	-	-
	864,099,036	1,151,725,000
Less: Certificate of musharaka due after one year	(125,948,831)	(42,135,000)
	<u>738,150,205</u>	<u>1,109,590,000</u>

12.1 The estimate share of profit payable on certificate of musharaka ranges from 8.00% to 14.75% (30 June 2013: 10.00% to 14.75%)

13 COMMITMENTS

13.1 There were no contingencies and commitments as at March 31, 2014

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.

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



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED MARCH 31, 2014

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, 2014	March 31, 2013
	----- (Rupees) -----	
15.1 Transactions during the period		
Management company		
Modaraba Management Company fee	1,510,365	-
Associated companies		
Income on bank deposit	-	249,773
Financial charges	8,273,553	20,505,884
Rent expense	60,000	351,999
Brokerage expense	-	-
Custodial charges	1,138	-
Other Related Parties		
Ijarah rentals	-	7,523,387
Financial charges	557,689	-
	(Unaudited) March 31, 2014	(Audited) June 30, 2013
	----- (Rupees) -----	
15.2 Transactions outstanding at the period / year end		
Management company		
Modaraba Management Company fee payable	1,510,365	-
Associated companies		
Cash and bank balances	13,307,236	1,670,838
Certificate of musharaka	131,000,000	53,000,000
Short term financing	-	-
Accrued mark-up payable	1,064,693	2,303,671
Creditors, accrued and other liabilities	231,989	175,000
Other Related Parties		
Certificate of Musharaka	9,660,000	9,040,000
Accrued mark-up payable	168,098	447,609
Diminishing musharaka finance	-	974,124
Investment in unlisted shares	-	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 28, 2014 by the Board of Directors of the Modaraba Management Company.

For KASB Invest (Private) Limited
(Management Company)

Chief Executive

Director

Director



QUARTERLY REPORT MARCH 2014

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