

# **KASB MODARABA**

QUARTERLY REPORT  
SEPTEMBER 30, 2021

MANAGED BY  
**AWWAL MODARABA MANAGEMENT LIMITED**

# Vision

Awwal Modaraba Management Limited (AMML) will play a role in the economic process and development of Pakistan by providing a range of advisory services and financial support, through Sharia compliant modes; to viable projects in high growth, capital starved sectors of the economy.

## Mission

Awwal Modaraba Management Limited (AMML) aims to be at the vanguard of innovation in modaraba management services, offering the best solutions to our customers, value to our certificate holders and modaraba investors, complemented with a challenging, equal opportunity to our employees.

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Khalid Aziz Mirza	Chairman	Independent Director
Mr. Shahid Ghaffar		Independent Director
Ms. Ayesha Aziz		Non-Executive Director
Mr. Abdul Jaleel Shaikh		Non-Executive Director
Mr. Saiyid Najam Rizvi		Non-Executive Director
Mr. Karim Hatim		Chief Executive Officer

### **Audit Committee**

Mr. Shahid Ghaffar	Chairman
Mr. Khalid Aziz Mirza	Member
Mr. Abdul Jaleel Shaikh	Member
Mr. Saiyid Najam Rizvi	Member

### **Human Resource and Remuneration Committee**

Mr. Khalid Aziz Mirza	Chairman
Ms. Ayesha Aziz	Member
Mr. Karim Hatim	Member

### **Company Secretary**

Ms. Misbah Asjad

### **Chief Financial Officer**

Mr. Aftab Afroz Mahmoodi

### **Auditor**

Grant Thornton Anjum Rehman, Chartered Accountants

#### **Bankers**

Dubai Islamic Bank  
Soneri Bank

#### **Certificate Registrar**

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

### **Legal Advisor**

Ahmed & Qazi  
S & B Durrani Law Associates

### **Shariah Advisor**

Al-Hilal Shariah Advisors (Private) Limited

### **Registered & Head Office**

3<sup>rd</sup> Floor, Horizon Vista, Plot No: Commercial 10,  
Block-4, Clifton, Karachi  
Phone : 021- 35361215-9,Fax: 021-35374275

## Directors' Report

On behalf of the Board of Directors (Board) of Awwal Modaraba Management Limited, the management company of KASB Modaraba, we are pleased to present the Directors' Report together with unaudited financial results of KASB Modaraba, for the quarter ended September 30, 2021.

### **Economy**

Economy recovery continues to gain strength and SBP now expects a relatively stronger real GDP growth in FY22. Furthermore, after an impressive turnaround during last fiscal year, large-scale manufacturing has recorded growth of 7.3% in the first two months of FY22 – more than twice as much as in the same period of FY21.

Preventive measures taken by the Government helped in minimizing impact of COVID 19 on economy. However, the benefits achieved are negated by the recent hike in commodity price internationally that has caused widening of current account deficit, increase in headline inflation to 9.0% in September 2021 and weakening of PKR versus USD. Despite SBP's foreign exchange reserves hovering around USD 19 billion (up 58% YoY), exchange rate has depreciated to PKR 174.49 per USD as on October 25, 2021 in the interbank market. Since its shift to a flexible market-based exchange rate regime, Central Bank's intervention in the currency market remained relatively contained.

Due to increase in inflation, SBP decided to increase the Policy Rate by 25 basis point in September's Monetary Policy. Despite not being substantial, the increase strongly indicates the future course of Central Bank's stance.

### **Financial Performance**

The Modaraba continues to book new exposures on a conservative basis, while concentrating on recovery from both performing portfolio and stuck up loans. The outstanding portfolio increased to PKR 50.82 Million on September 30, 2021 compared to PKR 35.56 million at the end of the financial year ended June 30, 2021. The asset quality remains sound with strong recovery. Excess liquidity of PKR 190.88 Million approx. was placed with banks and other financial institutions in the form of term deposit and sukuk at good returns.

During the quarter under review, overall revenues increased to PKR 7.47 million compared to PKR 2.85 Million in the corresponding quarter of previous year. The increase mainly came from gain on sale of shares of listed companies while overall income from portfolio also increased. Furthermore, profitability position strengthened from reversal of provisioning against non performing portfolio of PKR 3.38 Million as a result of recovery efforts. Operating expenses for the period amounted to PKR 5.17 million compared to PKR 3.65 million in comparative period. The Modaraba posted profit before tax for the period at PKR 3.83 million against profit of PKR 1.07 million in corresponding period last year.

The Board of Directors has resolved in principle to merge all Modarabas under management of Awwal Modaraba Management Limited subject to regulatory approvals. The merger is likely to benefit the Certificate Holders through cost efficiencies, business synergies, increase capital fund and leveraging etc. The Board of Directors has instructed the management to undertake necessary steps in this regard.

### **Acknowledgement**

The Board would like to acknowledge and appreciate Securities and Exchange Commission of Pakistan and Registrar Modaraba for their continuous guidance and support. Also, would like to avail this opportunity to thank its customers and investors for placing their trust in the Modaraba.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Karim', with a horizontal line underneath.

Karim Hatim  
Chief Executive

A handwritten signature in black ink, appearing to read 'Abdul Jalil Sheikh', with a horizontal line underneath.

Abdul Jalil Sheikh  
Director

Date: October 25, 2021

ڈائریکٹر رپورٹ:

KASB مضاربہ کی منجمنٹ کمپنی اول مضاربہ منجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز 30 ستمبر 2021 کو ختم ہونے والے سہ ماہی کے لئے KASB مضاربہ کے غیر آڈٹ شدہ مالی نتائج کے ساتھ ڈائریکٹر رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

معیشت:

معیشت کی بحالی مسلسل قوت حاصل کر رہی ہے اور اسٹیٹ بینک اب مالی سال 2022 میں نسبتاً مضبوط حقیقی جی ڈی پی نمو کی توقع رکھتا ہے۔ مزید برآں پچھلے مالی سال کے دوران ایک شاندار تبدیلی کے بعد بڑے پیمانے پر مینوفیکچرنگ شعبے نے مالی سال 2022 کے پہلے دو ماہ میں 7.3 فیصد کی ترقی ریکارڈ کی ہے۔ جو کہ مالی سال 2021 کی اسی مدت کے مقابلے میں دو گنا زیادہ ہے۔

حکومت کی طرف سے اٹھائے گئے احتیاطی اقدامات سے معیشت پر COVID 19 کے اثرات کو کم کرنے میں مدد ملی۔ تاہم حاصل ہونے والے فوائد کو بین الاقوامی سطح پر اجناس کی قیمتوں میں حالیہ اضافے سے منفی اثر پڑا ہے جس کی وجہ سے کرنٹ اکاؤنٹ خسارے میں اضافہ ہوا ہے۔ ستمبر 2021 میں ہیڈ لائن افراط زر میں 9.0% تک اضافہ ہوا ہے اور PKR بمقابلہ USD کمزور ہو گیا ہے۔ SBP کے زرمبادلہ کے ذخائر تقریباً 19 بلین امریکی ڈالر (58% زائد سال با سال) ہونے کے باوجود انٹرنیشنل مارکیٹ میں 25 اکتوبر 2021 تک شرح مبادلہ کی قدر گھٹ کر 174.49 روپے فی امریکی ڈالر ہو گئی ہے۔ چونکہ اس کے چکدار مارکیٹ پر مبنی شرح مبادلہ کے نظام میں منتقل ہونے کے بعد کرنسی مارکیٹ میں مرکزی بینکوں کی مداخلت نسبتاً محدود ہو گئی ہے۔

افراط زر میں اضافے کی وجہ سے اسٹیٹ بینک نے ستمبر کی مانیٹری پالیسی میں پالیسی ریٹ میں 25 پبلس پوائنٹ تک اضافے کا فیصلہ کیا۔ خاطر خواہ نہ ہونے کے باوجود یہ اضافہ مرکزی بینکوں کے مؤقف کے مستقبل کی طرف اشارہ کرتا ہے۔

زیر نظر مالی جائزہ:

مضاربہ ایک قدامت پسندی کی بنیاد پر نئے ایکسپوزرز کی بکنگ جاری رکھے ہوئے ہے، جبکہ پر فارمنگ پورٹ فولیو اور پھنسے ہوئے قرضوں دونوں سے وصولی پر توجہ مرکوز کر رہا ہے۔ بقایا پورٹ فولیو 30 جون 2021 کو ختم ہونے والے مالی سال کے اختتام پر 35.56 ملین روپے کے مقابلے 30 ستمبر 2021 کو بڑھ کر 50.82 ملین روپے ہو گیا۔ ٹائٹوں کا معیار مضبوط ریکوری کے ساتھ برقرار ہے۔ 190.88 ملین روپے کی اضافی لیکویڈیٹی بینکوں اور دیگر مالیاتی اداروں کے پاس ٹرم ڈپازٹ اور سکوک کی صورت میں اچھے منافع پر رکھی گئی ہے۔

زیر جائزہ سہ ماہی کے دوران، مجموعی آمدنی گزشتہ سال کی اسی سہ ماہی میں 2.85 ملین روپے کے مقابلے 7.47 ملین روپے تک بڑھ گئی۔ اضافہ بنیادی طور پر لٹڈ کمپنیوں کے حصص کی فروخت سے حاصل ہوا جبکہ پورٹ فولیو سے مجموعی آمدنی میں بھی اضافہ ہوا۔ مزید برآں، پھنسے ہوئے قرضوں کی وصولی کے نتیجے میں 3.38 ملین روپے کے مان پر فارمنگ پورٹ فولیو کے خلاف پروڈیونگ کے الٹ جانے سے منافع کی پوزیشن مضبوط ہوئی۔ اس مدت کے لیے انتظامی اخراجات 5.17 ملین روپے تھے جبکہ تقابلی مدت میں 3.65 ملین روپے تھے۔ مضاربہ نے اس مدت کے لیے ٹیکس سے قبل 3.83 ملین روپے کا منافع حاصل کیا جو گزشتہ سال کی اسی مدت میں 1.07 ملین روپے تھا۔

بورڈ آف ڈائریکٹرز نے وصولی طور پر فیصلہ کیا ہے کہ اول مضاربہ منجمنٹ لمیٹڈ کے زیر انتظام تمام مضاربہ کا انضمام کیا جائے جو نگران ادارے کی منظوری سے مشروط ہے۔ انضمام سے شوقیٹ ہولڈرز کو لاگت کی استعداد، کاروباری ہم آہنگی، کپٹل فنڈ میں اضافہ اور لیوریج وغیرہ کے ذریعے فائدہ پہنچنے کا امکان ہے۔ بورڈ آف ڈائریکٹرز نے انتظامیہ کو اس سلسلے میں ضروری اقدامات کرنے کی ہدایت کی ہے۔

تسلیمات:

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور رجسٹرڈ مضاربہ کی مستقل رہنمائی اور مدد کے لئے ان کی تسلیمات اور تعریف کرنا چاہتا ہے نیز اس موقع سے فائدہ اٹھانا چاہیں گے کہ وہ مضاربہ پر اعتماد کرنے کے لئے اپنے صارفین اور سرمایہ کاروں کا شکریہ ادا کریں۔

بورڈ کی جانب سے



عبدالجلیل شیخ  
ڈائریکٹر



کریم حاتم  
چیف ایگزیکٹو

مورخہ: 25 اکتوبر 2021

**KASB MODARABA**  
**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2021**

	Note	September 30, 2021 Un-audited ----- Rupees -----	June 30, 2021 Audited
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	136,787,884	147,114,654
Short term investment	6	27,094,588	29,277,745
Modaraba term deposit	7	27,000,000	27,000,000
Modaraba finance	8	-	-
Musharaka finance	9	-	-
Murabaha finance	10	-	-
Current portion of long term diminishing musharaka finance	11	16,208,577	10,630,132
Receivable against sale of agricultural produce	12	-	-
Ijarah rentals receivable	13	-	-
Advances, prepayments and other receivables	14	9,600,594	8,335,114
		<b>216,691,642</b>	<b>222,357,645</b>
<b>Non-current assets</b>			
Long-term portion of diminishing musharaka finance	11	31,033,342	21,348,645
Ijarah assets	15	3,579,900	3,579,900
Fixed assets - owned	16	-	103,666
		<b>34,613,242</b>	<b>25,032,211</b>
<b>TOTAL ASSETS</b>		<b>251,304,884</b>	<b>247,389,856</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Redeemable capital - participatory and unsecured	17	1,315,000	1,315,000
Musharaka finance	18	50,000,000	50,000,000
Ijarah deposit		3,579,900	3,579,900
Creditors, accrued and other liabilities	19	12,466,893	13,776,888
Financial charges payable to PBICL		7,080,308	5,762,187
Unclaimed profit distribution		2,815,956	2,815,955
Profit distribution payable		23,071,910	-
Provision for taxation		96,238	-
		<b>100,426,204</b>	<b>77,249,930</b>
<b>Non-current liabilities</b>			
Deferred liabilities - staff gratuity		1,468,332	1,382,916
<b>TOTAL LIABILITIES</b>		<b>101,894,536</b>	<b>78,632,846</b>
<b>NET ASSETS</b>		<b>149,410,348</b>	<b>168,757,010</b>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Authorized certificate capital		500,000,000	500,000,000
50,000,000 (June 30, 2021 : 50,000,000) certificates of Rs. 10/- each			
Issued, subscribed and paid-up capital	20	480,664,800	480,664,800
Revenue reserve		(323,086,725)	(303,005,573)
Capital reserve		(8,866,967)	(9,614,657)
		<b>148,711,108</b>	<b>168,044,570</b>
<b>Surplus on revaluation of investments</b>	6.3	<b>699,240</b>	<b>712,440</b>
<b>TOTAL CERTIFICATE HOLDERS' EQUITY</b>		<b>149,410,348</b>	<b>168,757,010</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	21		

The annexed notes from 1 to 29 form an integral part of these financial statements

For Awwal Modaraba Management Limited  
(Management Company)

  
Chief Financial Officer

  
Chief Executive

  
Director

  
Director

**KASB MODARABA  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Note	Three months period ended September 30, 2021	Three months period ended September 30, 2020
		----- Rupees -----	
<b>Income</b>			
Income from deposit with Banks		2,141,211	874,729
Income from investment in sukuk		469,294	-
Income from Modaraba Term Deposit		472,685	-
Income from diminishing musharaka finance		1,563,120	680,801
Income from murabaha finance		-	150,000
Gain / (loss) on sale of shares		2,704,301	
Other income		117,156	1,143,886
		<u>7,467,767</u>	<u>2,849,416</u>
 Financial charges		 (1,322,443)	 (348)
		<u>6,145,324</u>	<u>2,849,067</u>
 Unrealized gain / (loss) on investment - at FVTPL		 (566,993)	 1,889,097
Reversal of provision against murabaha finance		125,000	-
Reversal of provision / suspension against ijarah finance		3,377,832	
Administrative and operating expenses		(5,169,783)	(3,648,783)
		<u>3,911,380</u>	<u>1,089,381</u>
 Management Company's remuneration	22	-	-
Sales tax on Management Company's remuneration		-	-
Sindh Worker's Welfare Fund	23	(76,694)	(21,360)
		<u>(76,694)</u>	<u>(21,360)</u>
<b>Profit before taxation</b>		<b>3,834,686</b>	<b>1,068,021</b>
Taxation	24	(96,238)	-
<b>Net Profit for the period</b>		<u><b>3,738,448</b></u>	<u><b>1,068,021</b></u>
 Earning per certificate - basic and diluted	25	<u><b>0.08</b></u>	<u><b>0.02</b></u>

The annexed notes from 1 to 29 form an integral part of these financial statements

For Awwal Modaraba Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



**KASB MODARABA  
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**


	Note	Three months period ended September 30, 2021 ----- Rupees -----	Three months period ended September 30, 2020
<b>Net Profit for the period</b>		<b>3,738,448</b>	1,068,021
<b>Other comprehensive income</b>			
<b>Items that will be subsequently reclassified to profit and loss account</b>			
Unrealized loss on remeasurement of sukuk certificates	6.3	<b>(13,200)</b>	-
<b>Total comprehensive income for the period</b>		<b><u>3,725,248</u></b>	<b><u>1,068,021</u></b>

The annexed notes from 1 to 29 form an integral part of these financial statements

For Awwal Modaraba Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**KASB MODARABA**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Three months period ended September 30, 2021	Three months period ended September 30, 2020
Note	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	3,834,686	1,068,021
<b>Adjustments for non-cash charges and other items:</b>		
Depreciation for the period	9,725	102,656
Financial charges	1,322,443	348
Unrealized gain / (loss) on investment - at FVTPL	566,993	(1,889,097)
Gain on sale of fixed assets	(47,459)	(1,000,000)
Gain on sale of investment	(2,704,301)	-
Provision against gratuity	85,416	217,650
	3,067,503	(1,500,422)
<b>Decrease / (increase) in assets</b>		
Diminishing musharaka finance	(15,263,142)	4,638,554
Advances, prepayments and other receivables	(957,651)	(1,600,455)
	(16,220,793)	3,038,099
<b>Increase / (decrease) in liabilities</b>		
Creditors, accrued and other liabilities	(1,309,995)	1,248,408
	(1,309,995)	1,248,408
Financial charges paid	(4,322)	(348)
Tax paid	(307,829)	(145,709)
Profit distribution	-	(18,200)
	(312,151)	(164,257)
<b>Net cash generated from operating activities</b>	<b>(14,775,436)</b>	<b>2,621,826</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales proceeds from disposal of fixed assets	141,400	1,000,000
Proceeds from sale of Investments	4,307,265	-
<b>Net cash generated from investing activities</b>	<b>4,448,665</b>	<b>1,000,000</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	-	-
<b>Net increase in cash and cash equivalents</b>	<b>(10,326,771)</b>	<b>-</b>
Cash and cash equivalents at the beginning of the year	147,114,654	71,872,499
<b>Cash and cash equivalents at the end of the year</b>	<b>136,787,884</b>	<b>71,872,499</b>

The annexed notes from 1 to 29 form an integral part of these financial statements

For Awwal Modaraba Management Limited  
(Management Company)

  
\_\_\_\_\_  
Chief Financial Officer

  
\_\_\_\_\_  
Chief Executive

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

**KASB MODARABA**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	Certificate capital	<i>Capital reserves</i>		<i>Revenue reserve</i>	Total
		Discount on Issuance of certificates	Statutory reserve	Accumulated losses	
----- Rupees -----					
Balance as at July 01, 2020 (Audited)	480,664,800	(98,960,400)	83,505,138	(326,809,916)	138,399,622
Net Profit / (loss) for the period	-	-	-	1,068,021	1,068,021
Other comprehensive income	-	-	-	-	-
Transfer to statutory reserve			213,604	(213,604)	-
Balance as at September 30, 2020 (Un-audited)	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>83,718,742</u>	<u>(325,955,500)</u>	<u>139,467,641</u>
Balance as at July 01, 2021 (Audited)	<b>480,664,800</b>	<b>(98,960,400)</b>	<b>89,345,743</b>	<b>(303,005,573)</b>	<b>168,044,570</b>
Net Profit/(loss) for the period	-	-	-	<b>3,738,448</b>	<b>3,738,448</b>
Other comprehensive income	-	-	-	-	-
Transfer to statutory reserve	-	-	<b>747,690</b>	<b>(747,690)</b>	-
Profit distribution @ 0.48% declared for the year ended June 30, 2021	-	-	-	<b>(23,071,910)</b>	<b>(23,071,910)</b>
Balance as at September 30, 2021 (Un-audited)	<u><b>480,664,800</b></u>	<u><b>(98,960,400)</b></u>	<u><b>90,093,433</b></u>	<u><b>(323,086,725)</b></u>	<u><b>148,711,108</b></u>

The annexed notes from 1 to 29 form an integral part of these financial statements

**For Awwal Modaraba Management Limited**  
**(Management Company)**

  
 Chief Financial Officer

  
 Chief Executive

  
 Director

  
 Director

**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

**1. LEGAL 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 was managed by KASB Invest (Private) Limited (the Management Company) - KIPL, a company incorporated in Pakistan.

The Registrar (Modarabas), with the approval of the Securities & Exchange Commission of Pakistan, vide order dated April 03, 2019 appointed Administrator for the Modaraba to take over and manage the affair of the Modaraba in place of KIPL (Management Company). As per terms of the order, all the powers and duties of the Modaraba Management Company as well as those of its Board of Directors assumed by the Administrator. The term of the Administrator, for holding the modaraba office, was initially for the period of six months which was gradually enhanced till February 03, 2020 as directed by the SECP.

The Registrar (Modarabas), with the approval of the Securities & Exchange Commission of Pakistan, vide order dated January 31, 2020 appointed Awwal Modaraba Management Limited (AMML) to take over and manage the affair of the Modaraba. AMML has taken over the management and administrative control of KASB Modaraba effective from February 03, 2020.

The registered office of KASB Modaraba is situated at 3rd floor, Horizon Vista, Plot No. Commercial 10, Block No. 4, Scheme No. 5, Clifton, Karachi. 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 sukuk bonds, mutual funds and listed securities. The Modaraba is listed on the Pakistan Stock Exchange.

**2. STATEMENT OF COMPLIANCE**

2.1 These condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" the requirements of 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). In case where requirements differ, the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP prevail.

2.2 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 June 30, 2021.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in preparation of annual statements of the Modaraba for the year ended June 30, 2021.

**4. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared under the historical cost convention, except as stated otherwise in these financial statements.

		<b>September 30, 2021</b>	June 30, 2021
	<b>Note</b>	<b>Un-audited</b>	<b>Audited</b>
		----- Rupees -----	
<b>5. CASH AND BANK BALANCES</b>			
<b>Cash at bank in :</b>			
Current accounts		2,930,026	2,930,026
Saving accounts	5.1	133,827,857	144,163,838
		<b>136,757,884</b>	147,093,864
Cash in hand		<b>30,000</b>	20,790
		<b>136,787,884</b>	<b>147,114,654</b>

5.1 Effective profit rates on these accounts range between 3.75% and 6.50% (June 30, 2021: 3.74% and 6.25%) per annum.

**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

		September 30, 2021	June 30, 2021
		Un-audited	Audited
	Note	----- Rupees -----	
<b>6. SHORT TERM INVESTMENT</b>			
Fair value through profit or loss (FVTPL) - quoted securities	6.1	6,395,348	8,565,305
Sukuk - Unlisted	6.2	20,699,240	20,712,440
		<u>27,094,588</u>	<u>29,277,745</u>

**6.1 Fair value through profit or loss (FVTPL) - quoted securities**

September 30, 2021	June 30, 2021		September 30, 2021	June 30, 2021
Un-audited	Audited		Un-audited	Audited
----- Shares -----			----- Rupees -----	
		<b>Automobile Parts &amp; Accessories</b>		
16,468	16,468	Thal Limited	6,395,348	6,962,341
-	200	Indus Motor Company Ltd	-	250,828
		<b>Textile &amp; Weaving</b>		
-	42,400	Service Fabrics Limited	-	1,352,136
<u>16,468</u>	<u>59,068</u>		<u>6,395,348</u>	<u>8,565,305</u>

**6.2 Sukuk - Unlisted**

This represents investment in privately placed perpetual sukuk certificates, outrightly purchased from the related party. The details of investment are as under:

Description	Investment Date	Number of Units	Amount Rupees	Monthly Profit	Investment Agent	Maturity	Fair Value
Meezan Bank Additional Tier 1 Sukuk	May 19, 2021	20	20,000,000	3 months KIBOR +1.75% pa	Al Baraka Bank Limited	August 1, 2028	20,699,240

The fair value of the investment has been determined using rate notified by the Mutual Funds Association of Pakistan. The Modaraba's business model for the investment is to hold the asset to obtain benefits by collecting the contractual cash flows associated with the financial asset and selling the financial asset as per financial needs of the Modaraba.

	September 30, 2021	June 30, 2021
	Un-audited	Audited
	----- Rupees -----	
<b>6.3 Surplus on revaluation of investments</b>		
Market value of investment at the end of the period	20,699,240	20,712,440
Less: cost of investment	(20,000,000)	(20,000,000)
Surplus at the end of the period	699,240	712,440
Less: net unrealised gain / (loss) at beginning of the period / year	712,440	-
	<u>(13,200)</u>	<u>712,440</u>

**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

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**7. MODARABA TERM DEPOSIT**

The Modaraba (Rabb-ul-Maal) invested in the General Pool created by related party (Mudarib or investment manager) in accordance with the principles of Shariah. As per terms of the agreement, these term deposit will mature on respective dates and the related party shall pay profit to the Modaraba on maturity as per profit sharing ratio between the Modaraba and related party. The details of investment are as under:

Investment			Profit Sharing Ratio		Profit Rate (per annum)	
Date	Amount	Maturity	Rabb-ul-Maal	Mudarib	Rabb-ul-Maal	Mudarib
May 07, 2021	27,000,000	Monthly roll over till May 06, 2022	77.34%	22.66%	7.10%	2.08%

**KASB MODARABA  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED SEPTEMBER 30, 2021**

	<b>September 30, 2021</b>	June 30, 2021
	<b>Un-audited</b>	Audited
	----- Rupees -----	
<b>8. MODARABA FINANCE</b>		
Modaraba Finance	<b>37,791,201</b>	37,791,201
Less: provision for non-performing Modaraba arrangements	<b>(37,791,201)</b>	(37,791,201)
	<u><u>-</u></u>	<u><u>-</u></u>

**8.1** The Modaraba had provided funds under modaraba arrangements on profit and loss sharing basis to various entities outstanding since long. Based on the guidelines of the Modaraba Regulations 2021, receivables against these finances have been fully provided.

	<b>September 30, 2021</b>	June 30, 2021
	<b>Un-audited</b>	Audited
	----- Rupees -----	
<b>9. MUSHARAKA FINANCE</b>		
	<b>Note</b>	
Musharaka finance	<b>14,702,297</b>	14,702,297
Less: provision for non-performing musharaka arrangement	<b>(14,702,297)</b>	(14,702,297)
	<u><u>-</u></u>	<u><u>-</u></u>

**9.1** This represents waiver given to a client Z.H. Piprani & Co. under settlement agreement dated December 24, 2016.

	<b>September 30, 2021</b>	June 30, 2021
	<b>Un-audited</b>	Audited
	----- Rupees -----	
<b>10. MURABAHA FINANCE</b>		
	<b>Note</b>	
Murabaha finance	<b>97,578,365</b>	97,784,311
Less: provision for non-performing murabaha arrangements	<b>(97,578,365)</b>	(97,784,311)
	<u><u>-</u></u>	<u><u>-</u></u>

**10.1 Movement of provision**

Opening balance	<b>97,784,311</b>	171,829,551
Provision during the year	-	-
Reversal of provision during the year	<b>(205,946)</b>	(38,426,119)
Write-off of during the year	-	(35,619,121)
	<u><u>97,578,365</u></u>	<u><u>97,784,311</u></u>

The Modaraba had provided funds under morabaha arrangements on profit and loss sharing basis to various entities outstanding since long. Based on the guidelines of the Modaraba Regulations 2021, receivables against these finances have been fully provided.

	<b>September 30, 2021</b>	June 30, 2021
	<b>Un-audited</b>	Audited
	----- Rupees -----	
<b>11. DIMINISHING MUSHARKA FINANCE</b>		
	<b>Note</b>	
Diminishing musharaka finance - considered good	<b>56,458,965</b>	39,111,432
Diminishing musharaka finance - doubtful	<b>666,134</b>	666,134
Unearned Income	<b>(9,217,046)</b>	(7,132,655)
	<u><u>47,908,053</u></u>	<u><u>32,644,911</u></u>
Less: provision for non-performing diminishing musharaka	<b>(666,134)</b>	(666,134)
	<u><u>47,241,919</u></u>	<u><u>31,978,777</u></u>
Diminishing musharaka due after one year	<b>(31,033,342)</b>	(21,348,645)
Current portion of diminishing musharaka	<u><u>16,208,577</u></u>	<u><u>10,630,132</u></u>

**11.1** The profit rates on these diminishing musharaka arrangements range between 11.66% and 19.00% (June 2021: 10.00% and 19.00%). All diminishing musharaka arrangements are secured against hypothecation of assets, personal guarantees and promissory notes.

**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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11.2 Movement of provision	Note	September 30,	June 30,
		2021	2021
		Un-audited	Audited
		----- Rupees -----	
Opening balance		666,134	6,384,294
Reversal of provision during the year		-	(5,718,160)
		<b>666,134</b>	<b>666,134</b>

**12. Receivable against sale of agriculture produce**

During financial year 2016 KASB Modaraba (KASBM) & First Prudential Modaraba (FPrM) entered into a joint project for crushing of banola seed and sale of oil cake (Khal) in the market. M/s Pakistan Phutti International Limited (PPIL) was engaged as seller & service provider responsible for sale of agriculture produce. Subsequently, natural cyclical shortage in productivity of cotton crop affected the availability of the banola seed and therefore the project was prudently discontinued by the Management Company to safeguard the interest of the Modaraba. As per settlement agreement dated April 27, 2016, with PPIL advance for purchase of banola seed was converted into ijarah finance (secured) leaving a balance of Rs. 18.20 million receivable against sale of agriculture produce. Receivable amount is secured against Registered Mortgage on Property of service provider. After continuous default of payment the Management Company of Modaraba has filed recovery suits in the Banking Courts which is pending adjudication. The Management Company and the legal counsel are optimistic on favourable outcome of the case. The details of receivables are as under:

Description	KASBM	FPRM	Total
Initial Investment	51,000,000	81,000,000	132,000,000
Add: Gain on sale of Agriculture Produce	1,060,000	1,590,000	2,650,000
Less: Receipt against sale of agriculture produce	(14,353,590)	(14,473,432)	(28,827,022)
Less: converted to Ijarah Financing	(19,311,320)	(40,000,000)	(59,311,320)
Less: Consultancy Charges	(194,950)	(305,050)	(500,000)
	<b>18,200,140</b>	<b>27,811,518</b>	<b>46,011,658</b>
Provision for doubtful receivable against sale of agriculture produce	(18,200,140)	(27,811,518)	(46,011,658)
	-	-	-

12.1

12.1 Movement of provision	Note	September 30,	June 30,
		2021	2021
		Un-audited	Audited
		----- Rupees -----	
Opening balance		18,200,140	18,200,140
Provision during the year		-	-
		<b>18,200,140</b>	<b>18,200,140</b>

**13. IJARAH RENTALS RECEIVABLE**

Ijarah rental receivable	20,512,332	23,890,164
Less: Provision for doubtful receivables	(20,512,332)	(23,890,164)
	-	-

**13.1 Movement of provision**

Opening balance	23,890,164	23,890,164
Reversal of provision during the year	(3,377,832)	-
	<b>20,512,332</b>	<b>23,890,164</b>

13.2

**13.2** During last financial year, the Modaraba concluded settlement agreement with a defaulted customer. The case was under litigation, therefore, compromise application has been submitted with the Court, which was duly allowed to effect the emicable settlement. Provision against the receivable is reversed to the extent of actual recovery upto September 30, 2021.

14. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES		September 30,	June 30,
		2021	2021
		Un-audited	Audited
		----- Rupees -----	
Advances to other employees - unsecured		390,410	77,921
Advances for purchase of assets		3,173,190	2,000,000
Prepayments		280,668	485,563
Short term security deposits		223,300	217,300
Accrued profit	14.1	1,017,414	981,546
Advance tax		4,160,262	3,852,433
Receivable from associated entities		167,275	522,022
Others		188,075	198,329
		<b>9,600,594</b>	<b>8,335,114</b>



**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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	<b>September 30, 2021</b>	June 30, 2021
	<b>Un-audited</b>	Audited
	----- Rupees -----	
<b>14.1 ACCRUED PROFIT</b>		
Accrued profit on bank deposits	734,232	692,973
Accrued profit on sukuk	162,386	162,524
Accrued profit on modaraba term deposit	120,796	126,049
	<u>1,017,414</u>	<u>981,546</u>

	<b>September 30, 2021</b>	June 30, 2021
	<b>Un-audited</b>	Audited
	----- Rupees -----	
<b>15. IJARAH ASSETS</b>	<b>Note</b>	
Plant and machinery	15.1	<u>3,579,900</u>
		<u>3,579,900</u>

**15.1 Assets held under Ijarah arrangement:**

Description	Equipment	Plant and machinery	Total
	----- Rupees -----		
<b>Period ended September 30, 2021</b>			
<b>Net carrying value basis</b>			
Opening - NBV *	-	3,579,900	3,579,900
Depreciation charge	-	-	-
<b>Closing - NBV</b>	<u>-</u>	<u>3,579,900</u>	<u>3,579,900</u>
<b>Gross carrying value basis</b>			
Cost	57,600	33,791,219	33,848,819
Accumulated depreciation and impairment	(57,600)	(30,211,319)	(30,268,919)
<b>Closing - NBV</b>	<u>-</u>	<u>3,579,900</u>	<u>3,579,900</u>
<b>Year ended June 30, 2021</b>			
Opening - NBV	-	3,579,900	3,579,900
Depreciation charge	-	-	-
<b>Closing - NBV</b>	<u>-</u>	<u>3,579,900</u>	<u>3,579,900</u>
Cost	57,600	33,791,219	33,848,819
Accumulated depreciation and impairment	(57,600)	(30,211,319)	(30,268,919)
<b>Closing - NBV</b>	<u>-</u>	<u>3,579,900</u>	<u>3,579,900</u>
<b>Depreciation rate % per annum</b>	<u>20 to 66</u>	<u>14 to 33</u>	

\* This amount is the residual value of the asset hence remained undepreciated.

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	September 30, 2021 Un-audited ----- Rupees -----	June 30, 2021 Audited
<b>16. FIXED ASSETS - OWNED</b>		
<b>Tangible assets</b>	-	103,666

**16.1 Assets held under owned use**

September 30, 2021								
	Cost		Accumulated Depreciation			Book value		
	As at July 01, 2021	Deletions	As at June 30, 2021	As at July 01, 2021	Charge for the period	As at September 30, 2021	As at September 30, 2021	Depreciation rate per annum
----- Rupees -----								
								----- % -----
Furniture and fixtures	715,000	-	329,101	691,987	1,350	329,101	-	10
		(385,899)			(364,236)			
Office equipment	551,202	-	399,052	520,324	-	399,052	-	20
		(152,150)			(121,272)			
Electrical equipment	3,908,313	-	2,443,350	3,866,913	-	2,443,350	-	20
		(1,464,963)			(1,423,563)			
Plant & Machinery	-	-	-	-	-	-	-	20
Motor vehicles	116,680	-	24,450	116,680	-	24,450	-	20
		(92,230)			(92,230)			
Computers & accessories	3,214,096	-	2,124,353	3,205,721	8,375	2,124,353	-	30
		(1,089,743)			(1,089,743)			
	8,505,291	-	5,320,306	8,401,625	9,725	5,320,306	-	
		(3,184,985)			(3,091,044)			
----- Rupees -----								
June 30, 2021								
	Cost		Accumulated Depreciation			Book value		
	As at July 01, 2020	Deletions	As at June 30, 2021	As at July 01, 2020	Charge for the year	As at June 30, 2021	As at June 30, 2021	Depreciation rate per annum
----- Rupees -----								
								----- % -----
Furniture and fixtures	8,912,424	-	715,000	8,688,780	109,700	691,987	23,013	10
		(8,197,424)			(8,106,493)			
Office equipment	551,202	-	551,202	457,857	62,467	520,324	30,878	20
		-			-			
Electrical equipment	5,079,382	-	3,908,313	4,426,484	299,925	3,866,913	41,400	20
		(1,171,069)			(859,496)			
Plant & Machinery	871,446	-	-	871,446	-	-	-	20
		(871,446)			(871,446)			
Motor vehicles	1,984,180	-	116,680	1,801,927	29,104	116,680	-	20
		(1,867,500)			(1,714,351)			
Computers & accessories	3,606,305	-	3,214,096	3,213,374	182,511	3,205,721	8,375	30
		(392,209)			(190,164)			
	21,004,939	-	8,505,291	19,459,868	683,707	8,401,625	103,666	
		(12,499,648)			(11,741,950)			

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		<b>September 30, 2021 Un-audited</b>	<b>June 30, 2021 Audited</b>
		----- Rupees -----	
<b>17. REDEEMABLE CAPITAL- PARTICIPATORY AND UNSECURED</b>	<b>Note</b>		
Certificates of Musharaka	17.1	<b>1,315,000</b>	1,315,000
<b>17.1</b>	This represents matured and unclaimed amount against certificate of musharaka.		
		<b>September 30, 2021 Un-audited</b>	<b>June 30, 2021 Audited</b>
		----- Rupees -----	
<b>18. MUSHARAKA FINANCE</b>	<b>Note</b>		
Due within one year	18.1	<b>50,000,000</b>	50,000,000
<b>18.1</b>	The Pak Brunei Investment Company Limited (PBICL) - extended callable / convertible financing line of Rs.250 million to the Modaraba under Musharaka arrangement. As per the Agreement the first tranche of Rs.50 million is disbursed on January 28, 2021.		
	The return on finance shall be payable after finalization of annual financial statements of the Modaraba by way of allocation of net profit before tax and management fee, in the ratio of PBICL investment to total Musharaka Capital (i.e. the sum of PBICL finance and the Modaraba equity as on September 30, 2020).		
	The facility is secured by way of hypothecation charge on all movable assets and receivables and mortgage of immovable property of the Modaraba.		
<b>18.2</b>	The SECP vide order No. SC/M/RW/KASB/2020 dated January 31, 2020 granted the management rights of the Modaraba to the Management Company. As per the terms of the order and subsequent correspondence with SECP, an amount of Rs. 50 million is to be injected in the modaraba latest by January 31, 2021 and the balance of Rs. 200 million latest by June 30, 2021.		
	The parent company of the management company has injected Rs. 50 million in the modaraba as mentioned in note 18.1. For remaining amount of Rs. 200 million, Management Company has approached SECP vide letter dated May 05, 2021 and requested to reward its support as various factors including COVID 19 and its variants impacted the business environment in general and withdrawal of tax exemption to the modaraba sector in particular, strong liquidity position of the modaraba etc. As such further injection shall result in loss to the investors.		
		<b>September 30, 2021 Un-audited</b>	<b>June 30, 2021 Audited</b>
		----- Rupees -----	
<b>19. CREDITORS, ACCRUED AND OTHER LIABILITIES</b>	<b>Note</b>		
Management Company's remuneration	22	<b>379,639</b>	3,299,941
SWWF Payable	23	<b>1,579,994</b>	1,503,300
Payable to associated entities		<b>2,093,818</b>	-
Sundry creditors		<b>5,636,673</b>	4,879,609
Accrued expenses		<b>669,260</b>	1,693,909
Charity fund	19.2	<b>30,373</b>	1,483,194
Takaful premium received in advance		<b>139,287</b>	139,287
Other liabilities		<b>1,937,849</b>	777,648
		<b>12,466,893</b>	13,776,888

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**19.1** The Sindh Revenue Board (SRB) has imposed Sindh Sales Tax (SST) on the Modaraba Management Company's remuneration with effect from November 01, 2011. However, certain modaraba management companies have approached the Honourable Sindh High Court (the Court) and Appellate Tribunal of SRB, challenging the levy of SST on management company's remuneration. The Modaraba Management Company has not received any demand notice from SRB for payment of SST on Management Company's remuneration and accordingly, based on legal advisor's opinion, obtained by one of the Modaraba under common management can neither file any petition challenging the levy of SST on Management Company's remuneration nor can join the proceedings of pending petition in the Court. As a matter of abundant caution the management is accruing SST on Management Company's remuneration and will discharge the liability on direction of the Court based on outcome of the petition filed by other modaraba management companies.

	<b>September 30, 2021 Un-audited</b>	June 30, 2021 Audited
	----- Rupees -----	
<b>19.2 Movement of charity fund</b>		
Opening balance	<b>1,483,194</b>	1,214,078
Add: amount credited during the period / year	<b>30,373</b>	269,116
	<b>1,513,567</b>	1,483,194
Less: Paid during the period / year	<b>1,483,194</b>	-
Closing balance	<b>30,373</b>	1,483,194

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**20. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL**

September 30, 2021 Un-audited ----- Certificates -----	June 30, 2021 Audited		September 30, 2021 Un-audited ----- Rupees -----	June 30, 2021 Audited
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	33,160,000	33,160,000
19,792,080	19,792,080	Modaraba Certificates of Rs. 10/- each issued at 50% discount as right certificates	197,920,800	197,920,800
<u>48,066,480</u>	<u>48,066,480</u>		<u>480,664,800</u>	<u>480,664,800</u>

**20.1** As at 30 September 30 2021, Pak Brunei Investment Company Limited (holding Company of the Management Company) held 4,806,648 (June 30, 2021: 4,806,648).

**21. CONTINGENCIES AND COMMITMENTS**

Some of the modarabas in the sector have received letter from Assistant Commissioner, Sindh Revenue Board (SRB), whereby it came to their notice that these Modarabas are engaged in providing / rendering taxable services which falls under the Second Schedule of Sindh Sales Tax on Services Act, 2011 (the Act), and the sales tax on such services, i.e. on lease rentals / lease financing transactions remains outstanding. The modarabas who have received the said letter, collectively decided that under the supervision of NBFI & Modaraba Association Pakistan, a petition against the same be filed through a common legal counsel in the Honorable High Court of Sindh (HCS) challenging levy of Services Sales Tax on lease rental/ lease financing transactions including the vires of various headings of the Second Schedule of the Act. Being similar in nature of business it was expected that the same type of letter shall be received by KASB Modaraba. Therefore, management has taken cautious approach and become a partv in collective effort undertaken by the other modarabas.

**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**22. MANAGEMENT COMPANY'S REMUNERATION**

The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba.

Management records accrual in respect of remuneration of the Management Company out of the net annual profit of the Modaraba on the basis of annual audited accounts. Therefore, no Management Company's Remuneration has been accrued in these condensed interim financial statements.

**23. SINDH WORKER'S WELFARE FUND**

The Sindh Assembly passed a bill on May 4, 2015 and notified Sindh Worker's Welfare Act 2014 on June 4, 2015. As per the said Act the applicability of Sindh Worker's Welfare Fund is effective from the financial year of the entities ended on or after December 31, 2013. Accordingly provision has been made at the rate of 2% (June 30, 2021 : 2%) of profit before taxation or taxable income, whichever is higher, effective after June 30, 2014.

**24. PROVISION FOR TAXATION**

	<b>September 30, 2021 Un-audited</b>	September 30, 2020 Un-audited
	-----Rupees-----	
Current	<b>96,238</b>	-
Prior	-	-
	<u><b>96,238</b></u>	<u>-</u>

The tax exemption by virtue of Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 has been withdrawn through an Tax Laws (Second amendment), 2021 dated March 21, 2021 which is subsequently adopted in Finance Act, 2021.

Provision for current taxation is based on taxable income for the period at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

**25. EARNING / (LOSS) PER CERTIFICATE - BASIC AND DILUTED**

	<b>September 30, 2021 Un-audited</b>	September 30, 2020 Un-audited
	----- Rupees -----	
Profit / (Loss) for the year	<b>3,738,448</b>	1,068,021
	----- Number -----	
Weighted average number of certificates	<b>48,066,480</b>	48,066,480
	----- Rupees -----	
Earnings / (Loss) per certificate -basic and diluted*	<b>0.08</b>	0.02

\*The Modaraba does not have any dilutive potential shares in issue as at the period end.

**KASB MODARABA**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
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**26. TRANSACTIONS WITH RELATED PARTIES**

The related parties of the Modaraba comprise of the Management Company and its Holding Company, Modarabas under common management (Awwal Modaraba, First Prudential Modaraba and First Pak Modaraba) other associated companies, staff retirement funds, Directors and Key Management Personnel. Transactions with related parties are carried out at agreed rates.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Modaraba considers its Chief Financial Officer and Business Heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement. Details of certificate holding of Holding Company, Management Company, Directors, Key Management Personnel and their family members are disclosed in pattern of certificate holding included in the annual report of the Modaraba.

Transactions and balances with related parties during the period other than those disclosed elsewhere in the financial statements are given below.

Relationship with Modaraha	Nature of Transactions	September 30,	June 30,
		2021	2021
		Un-audited	Audited
		----- Rupees -----	
<b>Balances with related parties</b>			
<b>Holding Company of the Management Company</b>			
Pak Brunei Investment Company Limited	Modaraba Term Deposit	27,000,000	27,000,000
	Accrued return on modaraba term deposit	120,796	126,049
	Musharika Finance	(50,000,000)	(50,000,000)
	Accrued return on musharaka finance	(7,080,308)	(5,762,187)
	Accrued shared service cost	(242,936)	(242,936)
<b>Modaraba Management Company</b>			
Awwal Modaraba Management Limited	Management Company's remuneration	(379,639)	(3,299,941)
<b>Modarabas under common management</b>			
Awwal Modaraba	Payable against cost of deputed employee	(1,363,478)	(659,542)
	Receivable against sharing of common expenses	243,049	(64,095)
First Prudential Modaraba	Receivable against sharing of common expenses	1,437,421	1,547,652
First Pak Modaraba	Receivable against sharing of common expenses	167,275	282,468
Relationship with Modaraha	Nature of Transactions	September 30,	September 30,
		2021	2020
		Un-audited	Un-audited
		----- Rupees -----	
<b>Expense / (income) for the period</b>			
<b>Holding Company of the Management Company</b>			
Pak Brunei Investment Company Limited	Income on modraba term deposit	(472,685)	-
	Income on musharaka finance	(1,318,121)	-
	Shared services cost	728,808	-
<b>Modarabas under common management</b>			
Awwal Modaraba	Staff cost of deputed employee	1,363,478	-
	Reimbursement of expenses	(243,049)	-
First Prudential Modaraba	Reimbursement of expenses	(276,561)	(647,970)
First Pak Modaraba	Reimbursement of expenses	(69,093)	(191,016)
<b>Other related party</b>			
Jubilee Life Insurance Co.	Takaful premium		169,347

**KASB MODARABA  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
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**Payments / (Receipts) made during the period**

**Holding Company of the  
Management Company**

Return on modraba term deposit	<b>(477,938)</b>	-
Shared service cost	<b>728,808</b>	-

**Modarabas under common management**

Awwal Modaraba	Staff cost of deputed employee	<b>659,542</b>	-
	Sharing of common expenses	<b>64,095</b>	-
First Prudential Modaraba	Sharing of common expenses	<b>(386,792)</b>	-
First Pak Modaraba	Sharing of common expenses	<b>(184,286)</b>	-
Jubilee Life Insurance Co.	Takaful premium	-	169,347

**27. CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation. However, no significant rearrangements or reclassification have been made in these financial statements during the current period.

**28. GENERAL**

Figures in these financial statements have been rounded off to the nearest Rupee.

**29. DATE OF AUTHORISATION**

These financial statements has been authorized for issue on October 25, 2021 by the Board of Directors of Awwal Modaraba Management Limited.

For Awwal Modaraba Management Limited  
(Management Company)

  
Chief Financial Officer

  
Chief Executive

  
Director

  
Director



# **KASB MODARABA**

## **KASB MODARABA**

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**QUARTERLY  
REPORT  
SEPTEMBER ,  
2021**