

**QUARTERLY  
REPORT  
SEPTEMBER 30,  
2016**



**FIRST NATIONAL BANK MODARABA**

**Managed By:**

National Bank Modaraba Management Company Limited  
(A wholly owned subsidiary of National Bank of Pakistan)

# First National Bank Modaraba

*Quarterly Report*  
*September 30, 2016*

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## CORPORATE INFORMATION

<b>Board of Directors*</b>	<b>Syed Hasan Irtiza Kazmi</b> <b>Mr. Khawaja Muhammad Amin-ul-Azam</b> <b>Mr. Khawaja Waheed Raza</b> <b>Mr. Jamal Nasim</b> <b>Mr. Muhammad Iqbal Hussain</b>	<b>Chairman</b> <b>Director</b> <b>Director</b> <b>Director</b> <b>Director</b>
<b>Shari'ah Advisor</b>	<b>Mufti Ehsan Waquar Ahmed</b>	
<b>Chief Financial Officer/ Company Secretary</b>	<b>Mr. Abbas Azam</b>	
<b>Audit Committee</b>	<b>Mr. Jamal Nasim</b> <b>Mr. Khawaja Muhammad Amin-ul-Azam</b> <b>Mr. Khawaja Waheed Raza</b>	<b>Chairman</b> <b>Member</b> <b>Member</b>
<b>HR &amp; Remuneration Committee</b>	<b>Mr. Khawaja Waheed Raza</b> <b>Mr. Khawaja Muhammad Amin-ul-Azam</b> <b>Mr. Muhammad Iqbal Hussain</b>	<b>Chairman</b> <b>Member</b> <b>Member</b>
<b>Auditors</b>	<b>Riaz Ahmad &amp; Company</b> <b>Chartered Accountants</b>	
<b>Bankers</b>	<b>National Bank of Pakistan</b> <b>Bank Alfalah Limited</b> <b>Al Baraka Islamic Bank</b> <b>Habib Bank Limited</b> <b>Allied Bank Limited</b> <b>MCB Bank Limited</b> <b>First Women Bank Limited</b> <b>Bank Islami Pakistan Limited</b> <b>United Bank Limited</b>	
<b>Legal Advisor</b>	<b>Cornelius Lane &amp; Mufti</b> <b>Advocates and Solicitors</b> <b>Nawa-i-Waqt House</b> <b>4 – Shahrah-e-Fatima Jinnah, Lahore</b> <b>Tel.: 36360824, Fax: 36303301</b>	
<b>Shares Registrar</b>	<b>Hameed Majeed Associates (Pvt.) Limited</b> <b>H. M. House, 7 – Bank Square, Lahore</b> <b>Tel: 37235081-2, Fax: 37358817</b>	
<b>Registered Office</b>	<b>5<sup>th</sup> Floor, NBP RHQs Building,</b> <b>26 – McLagon Road, Lahore</b> <b>Tel: 042-99211200, Fax: 042-99213247</b> <b>URL: <a href="http://www.nbmodaraba.com">http://www.nbmodaraba.com</a></b> <b>E-mail: <a href="mailto:info@nbmodaraba.com">info@nbmodaraba.com</a></b>	

\*- Mr. Khaqan Hasnain Ibrahim, CEO, has resigned and subject to approval of the Registrar Modarabas, Mr. Abbas Azam has been appointed as acting CEO.

\*- Mr. Aamir Amin has been appointed as Director, subject to approval of the Registrar Modarabas, in place of Syed Mustafa Kamal, the retiring Director.

## **Directors' Review Report**

Board of Directors of National Bank Modaraba Management Company Limited (NBMMCL), the management Company of First National Bank Modaraba (FNBM), is pleased to present the quarterly report, together with un-audited financial statements of FNBM for the quarter ended September 30, 2016.

During the period under review the focus of management remained primarily on recovery and various tools were utilized for this purpose that included filing legal suits, negotiation for settlement/restructuring execution of collaterals etc. On the business side the Modaraba generated total income of Rs.53 Millions in the quarter under review as compared to Rs.95 Million in the corresponding period last year. This was due to reduction in balance sheet size which was necessitated by reduction in the equity as a result of charge of provisioning over last few years on some old non-performing assets. On the expenses side the financial charges stood at Rs.8.4 Million compared to Rs.14.4 Million in the corresponding quarter last year mainly due to reduction in bank borrowings and COMs. The operating expenses were kept under check and they reduced from Rs.5.02 Million last year to Rs.3.7 Million to current period. As a result of aforesaid the Loss per certificate stood at Rs.0.53 as compared to Rs.0.36 in the corresponding quarter.

The Board would like to take this opportunity to thank its valued certificate holders and clients for their patronage, patience and consistent. Besides, the Board extends its sincere gratitude to Registrar Modarabas, SECP and NBFI & Modaraba Association of Pakistan for their continued guidance and support.

**For and on behalf of the Board**

  
Director

Lahore: October 28, 2016

## ڈائریکٹرز جائزہ رپورٹ

مجھے بورڈ آف ڈائریکٹرز، نیشنل بینک مضاربہ مینجمنٹ کمپنی ”منتظم“ فرسٹ نیشنل بینک مضاربہ کی جانب سے سہ ماہی 30 ستمبر 2016 کی رپورٹ، اس کے غیر احتساب شدہ مالیاتی گوشورائے کے ساتھ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

زیر جائزہ سہ ماہی کے دوران انتظامیہ کی بنیادی توجہ وصولی پر مرکوز رہی۔ اس مقصد کے حصول کے لیے مختلف حربے بشمول گفت و شنید، تشکیل نو/تصفیہ قانونی و عدالتی کارروائی وغیرہ بروئے کار لائے گئے۔ مضاربہ کو گزشتہ سال اسی مدت کے دوران 95 ملین کے مقابلے میں زیر جائزہ سہ ماہی میں 53 ملین کی آمدن ہوئی۔ ایسا گزشتہ کئی سالوں سے کچھ غیر فعال شدہ اثاثہ جات کی پروفنگ کی وجہ سے اکوئی میں کمی کے نتیجے میں بیلنس شیٹ کا حجم کم ہونے سے ہوا۔ دوسری جانب مالیاتی اخراجات، بینکوں کے قرضہ جات اور سرٹیفکیٹ آف مشارکہ (COM) میں کمی کی وجہ سے گزشتہ سال کے اسی مدت کے دوران 14.4 ملین کے مقابلے میں کم ہو کر 8.4 ملین رہ گئے۔ اس سال کے نتیجے میں پراسرٹیفکیٹ خسارہ گزشتہ سہ ماہی کے 0.36 کے مقابلے میں 0.53 پر رہا۔

بورڈ اس موقع پر اپنے معزز صارفین کا، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کا، پاکستان اسٹاک ایکسچینج لمیٹڈ کا اور مضاربہ ایسوسی ایشن آف پاکستان کا ان کی مسلسل حمایت، رہنمائی اور سرپرستی کے لیے شکریہ ادا کرنا چاہتا ہے۔ ہمارے سرٹیفکیٹ ہولڈرز کا ان کے اعتماد اور بھروسے کے لیے اور مضاربہ عملے کا ان کی پر عزم اور دلجوئی سے کی جانے والی خدمات کے لیے خصوصی شکریہ۔

برائے و بجانب بورڈ

*Imra Raza*

ڈائریکٹر

لاہور : 28 اکتوبر، 2016

# Quarterly Report-September 30, 2016

## CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT SEPTEMBER 30, 2016

		(Un-audited) September 30 2016 Rupees	(Audited) June 30 2016 Rupees
<b>ASSETS</b>	<b>NOTE</b>		
<b>CURRENT ASSETS</b>			
Cash and bank balances	3	38,385,352	14,743,528
Ijara rental receivable		67,627,634	81,817,794
Accrued profit		434,616	487,183
Advances, prepayments and other receivables		3,604,790	2,604,790
Diminishing musharaka rental receivable		942,391	-
Short term morabaha finances - secured		95,191,941	98,334,293
Current portion of non-current assets	4	97,115,070	94,413,807
		303,301,794	292,401,395
<b>NON - CURRENT ASSETS</b>			
Net investment in lease / ijarah finance		9,442,934	9,442,934
Long term diminishing musharaka finances - secured		34,420,859	35,303,315
Long term morabaha finances - secured		35,420,674	36,149,676
Long term loans and deposits		545,342	1,723,444
Ijarah Assets	5	409,693,917	466,193,676
Fixed assets - own use	6	69,403	91,831
		489,593,129	548,904,876
<b>Total Assets</b>		<b>792,894,923</b>	<b>841,306,271</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued profit payable		5,879,210	6,438,136
Deferred Morabaha Income		3,255,776	3,255,776
Short term finances - secured	7	249,869,586	274,918,586
Creditors, advances, accrued and other liabilities		25,399,015	23,696,977
Current portion of long term liabilities	8	307,514,162	295,738,705
		591,917,749	604,048,180
<b>NON - CURRENT LIABILITIES</b>			
Long term security deposits		69,973,406	71,620,702
Long term finances	9	32,777,779	50,000,000
Deferred murabaha income		23,826,269	27,944,636
		126,577,454	149,565,338
<b>Total Liabilities</b>		<b>718,495,203</b>	<b>753,613,518</b>
<b>NET ASSETS</b>		<b>74,399,720</b>	<b>87,692,753</b>
<b>FINANCED BY</b>			
<b>CAPITAL AND RESERVES</b>			
Issued, subscribed and paid up certificate capital	10	250,000,000	250,000,000
Reserves		(175,600,280)	(162,307,248)
		74,399,720	87,692,752
<b>CONTINGENCIES AND COMMITMENTS</b>	11		

*The annexed notes form an integral part of these financial statements*

Since the Chief Executive Office has recently resigned, this condensed interim financial information is signed by a director for Chief Executive Officer.

  
Chief Executive Officer  
National Bank Modaraba  
Management Company Limited

Lahore: October 28, 2016

  
Director  
National Bank Modaraba  
Management Company Limited

  
Director  
National Bank Modaraba  
Management Company Limited

## CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	(Un-audited) SEP 30 2016 Rupees	(Un-audited) SEP 30 2015 Rupees
<b>OPERATING REVENUE</b>		
Income from lease/ ijarah	49,701,374	91,828,688
Profit on morabaha investment	1,223,490	1,473,890
Profit on diminishing musharaka investment	1,356,382	678,386
Profit on bank deposits	152,949	-
Gain on sale fixed asset	1,323,297	1,267,093
Other income	31,610	189,918
	<b>53,789,102</b>	<b>95,437,975</b>
<b>OPERATING EXPENSES</b>		
Depreciation on ijarah assets	39,736,806	72,948,767
Operating expenses	3,758,526	5,020,327
Financial charges	8,436,770	14,445,767
	<b>51,932,102</b>	<b>92,414,861</b>
<b>OPERATING PROFIT / (LOSS) BEFORE PROVISION AND TAXATION</b>	<b>1,857,000</b>	<b>3,023,114</b>
Provision charged for non-performing receivables	15,150,032	11,982,557
	<b>(13,293,032)</b>	<b>(8,959,443)</b>
Modaraba Company's Management Fee	-	-
<b>LOSS BEFORE TAXATION</b>	<b>(13,293,032)</b>	<b>(8,959,443)</b>
Taxation	-	-
<b>LOSS AFTER TAXATION</b>	<b>(13,293,032)</b>	<b>(8,959,443)</b>
<b>EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>	<b>(0.53)</b>	<b>(0.36)</b>

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Director  
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## Quarterly Report-September 30, 2016

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	SEP 30 2016 Rupees	SEP 30 2015 Rupees
LOSS AFTER TAXATION	(13,293,032)	(8,959,443)
OTHER COMPREHENSIVE INCOME	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<u>(13,293,032)</u>	<u>(8,959,443)</u>

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Lahore: October 28, 2016

  
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Management Company Limited

## CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	NOTE	2016 Rupees	2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(13,293,032)	(8,959,443)
<b>Adjustments for non cash charges and other items</b>			
Depreciation / amortization		39,759,234	73,081,602
Provision charged for non-performing receivables		15,150,032	11,982,557
Loss on disposal of ijarah assets		(1,323,297)	(1,267,093)
Finance cost		8,436,770	14,445,767
Profit on bank deposits		(152,949)	-
<b>Working capital changes</b>		61,869,790	98,242,832
<b>(Increase) / decrease in operating assets</b>			
Accrued profit		52,567	1,809,181
Ijarah rentals receivable		14,190,160	8,750,500
Advances, prepayments and other receivables		(11,743,127)	7,383,141
Diminishing Musharika rental receivable		(942,391)	(6,997,806)
Short term murabaha investments		2,600,000	4,566,361
Long term murabaha investments		1,221,149	60,590
<b>(Decrease) / increase in operating liabilities</b>		5,378,358	15,571,967
Creditors, accrued and other liabilities		1,702,038	(3,291,803)
Long term security deposits - net		(961,526)	(6,301,650)
<b>Cash generated from operations</b>		740,512	(9,593,453)
Finance cost paid		6,118,870	5,978,514
Income taxes paid		54,695,628	95,261,903
Profit received on bank deposits		(8,995,696)	(12,159,638)
<b>Net cash generated from operating activities</b>		504,167	(180,143)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		152,949	236,154
Ijarah assets acquired		46,357,048	83,158,275
Fixed assets - own use acquired			
Proceeds from disposal of ijarah assets		-	(8,380,400)
<b>Net cash used in investing activities</b>		(22,428)	-
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		2,356,204	8,251,956
Short term finances		2,333,776	(128,444)
Short term certificates of musharaka			
Long term finances - net			
<b>Net cash used in financing activities</b>			
<b>Net increase in cash and cash equivalents</b>		(25,049,000)	(83,278,423)
Cash and cash equivalents at the beginning of the year		-	(16,903,752)
<b>Cash and cash equivalents at the end of the year</b>		-	(15,833,334)
		(25,049,000)	(116,015,509)
		23,641,824	(32,985,678)
		14,743,528	89,487,848
	3	38,385,352	56,502,170

The annexed notes form an integral part of these financial statements.

Since the Chief Executive Office has recently resigned, this condensed interim financial information is signed by a director for Chief Executive Officer.

  
Chief Executive Officer  
National Bank Modaraba  
Management Company Limited

Lahore: October 28, 2016

  
Director  
National Bank Modaraba  
Management Company Limited

  
Director  
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Management Company Limited

## Quarterly Report-September 30, 2016

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2016

	Certificate capital	Reserve			Total equity
		Statutory reserve	Accumulated Loss	Total	
Rupees					
Balance as at June 30, 2015	250,000,000	43,955,189	(152,429,935)	(108,474,746)	141,525,254
Profit/(Loss) for the period	-	-	(8,959,443)	(8,959,443)	
Balance as at September 30, 2015	250,000,000	43,955,189	(161,389,378)	(117,434,189)	132,565,811
Profit/(Loss) for the period	-	-	(44,873,059)	(44,873,059)	
Balance as at June 30, 2016	250,000,000	43,955,189	(206,262,437)	(162,307,248)	87,692,752
Profit/(Loss) for the period ended	-	-	(13,293,032)	(13,293,032)	
Balance as at September 30, 2016	250,000,000	43,955,189	(219,555,469)	(175,600,280)	74,399,720

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Lahore: October 28, 2016

  
Chief Executive Officer  
National Bank Modaraba  
Management Company Limited

  
Director  
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Director  
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## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED 30, 2016

### 1 LEGAL STATUS AND NATURE OF BUSINESS

First National Bank Modaraba ("the Modaraba") is a multi-purpose, perpetual and multi-dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and Rules framed thereunder. The Modaraba is managed by National Bank Modaraba Management Company Limited (a wholly owned subsidiary of National Bank of Pakistan), incorporated in Pakistan under the Companies Ordinance, 1984 and registered with the Registrar of Modaraba Companies. The registered office of the Modaraba is situated at 5th Floor, National Bank of Pakistan, Regional Headquarters Building, 26-Mc Lagon Road, Lahore.

The Modaraba is listed on Pakistan stock exchange. It commenced its operations on 04 December 2003 and is currently engaged in various Islamic modes of financing and operations including ijarah, musharaka and murabaha arrangements.

JCR-VIS has assigned long term rating of BBB+ and short term rating of A-3 to the Modaraba.

#### 1.1 Going concern assumption

The accumulated loss of Modaraba Figured Rupees 219.555 million which exceeds 50% of the total amount subscribed by the holders of modaraba certificates. As on the reporting date, the Modaraba's accumulated loss net of Statutory reserve is amounting to Rupees 175.600 million and its current liabilities exceeded its current assets by Rupees 242.615 million.

In order to address the going concern issue in terms of Section 23 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, National Bank of Pakistan (NBP), being the parent company of the modaraba management company remains committed to support the Modaraba. Further, the Modaraba is also engaged with NBP to secure its help in recoveries from non-performing parties which are common with NBP and the Modaraba, as this would optimize synergies for the consolidated entity at group level both in form of saving management costs and accelerating recoveries. Moreover approximate amount of the ijarah rentals due from the unclassified parties within next twelve months is Rupees 128.235 million.

The management of the Modaraba is confident that these steps will bring the Modaraba out of financial losses and the Modaraba would have adequate surplus resources to continue its business in foreseeable future. This condensed interim financial information therefore, does not include any adjustment relating to realization of its assets and liquidation of any liabilities that might be necessary should the Madaraba be unable to continue as a going concern.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding audited annual published financial statements of the Modaraba for the year ended 30 June 2016.

#### 2.1 Basis of Preparation

##### a) Statement of compliance

This condensed interim financial information is un-audited and is being submitted to the certificate holders as required under Rule 10 of the Modaraba Companies and Modaraba Rules, 1981. This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Islamic Financial Accounting Standards (IFAS), the Modaraba Companies and Modaraba Rules, 1981 and directives issued by SECP differ with the requirements of IFRS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Islamic Financial Accounting Standards (IFAS), the Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP shall prevail.

This condensed interim financial information has been prepared in accordance with the International Accounting Standard (IAS 34) "Interim Financial Reporting" as applicable in Pakistan and notified by the Securities and Exchange Commission of Pakistan (SECP). This condensed interim financial information does not include all information and disclosures made in the annual published financial statements and therefore should be read in conjunction with the audited annual published financial statements of the Modaraba for the year ended 30 June 2016.

##### b) Accounting convention

This condensed interim financial information has been prepared under the historical cost convention.

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### c) Critical accounting estimates and judgments

The preparation of this condensed interim financial information in conformity with the approved accounting standards requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying the Modaraba's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During the preparation of this condensed interim financial information, the significant judgments made by the management in applying the Modaraba's accounting policies and the key sources of estimation and uncertainty were the same as those that applied in preceding audited annual published financial statements of the Modaraba for the year ended 30 June 2016.

	Unaudited September 30 2016 Rupees	Audited June 30 2016 Rupees
<b>3 CASH AND BANK BALANCES</b>		
Cash in hand	37,954	-
Cash at banks:	2,867,348	2,257,053
Current accounts	35,480,051	12,486,475
Saving accounts	38,385,352	14,743,528
<b>4 CURRENT PORTION OF NON-CURRENT ASSETS</b>		
Net investment in ijarah finance	24,080,628	24,080,628
Diminishing musharaka financing	23,503,878	21,367,573
Long term murabaha investments	48,048,233	48,048,233
Long term receivables and deposits	1,482,331	917,373
	97,115,070	94,413,807
<b>5 IJARAH ASSETS</b>		
Cost	1,195,132,704	1,245,847,949
Accumulated Depreciation	5,134,881	774,680,184
Impairment	4,974,089	4,974,089
Net book value	409,693,917	466,193,676
<b>6 Fixed assets - own use</b>		
Cost	3,589,904	3,589,904
Accumulated Depreciation	3,520,501	3,498,073
Net book value	69,403	91,831
<b>7 SHORT TERM FINANCES - SECURED</b>		
From banking companies		
Running finances:		
Associated undertaking - National Bank of Pakistan	249,869,586	249,918,586
Other	-	-
	249,869,586	249,918,586
Murabaha finances	-	25,000,000
	249,869,586	274,918,586
<b>8 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Security deposits against ijarah assets	194,388,889	190,103,119
Long term finances - secured	109,549,755	101,666,668
Deferred murabaha income	3,575,118	3,968,918
	307,514,162	295,738,705

# First National Bank Modaraba

	Unaudited September 30 2016 Rupees	Audited June 30 2016 Rupees
<b>9 LONG TERM FINANCES - SECURED</b>		
From banking companies and financial institution - secured		
Demand finance from:		
National Bank of Pakistan - associated undertaking	83,333,334	83,333,334
Others	68,333,334	68,333,334
	151,666,668	151,666,668
Less: Current portion	118,888,889	101,666,668
	32,777,779	50,000,000
<b>10 CERTIFICATE CAPITAL</b>		
Authorised certificate capital		
60,000,000 (June 30, 2016: 60,000,000) modaraba certificates of Rupees 10 each	600,000,000	600,000,000
Issued, subscribed and paid-up certificate capital		
25,000,000 (June 30, 2016: 25,000,000) modaraba certificates of Rupees 10 each	250,000,000	250,000,000
<b>10.1</b> 7,500,000 (June 30, 2016: 7,500,000) certificates of the Modaraba are held by National Bank Modaraba Management Company Limited, the Management Company.		
	Unaudited September 30 2016 Rupees	Audited June 30 2016 Rupees
<b>11 CONTINGENCIES AND COMMITMENTS</b>	NIL	NIL
There were no known contingencies as at 31 September 2016.	-	-
Commitments - Facilities approved but not disbursed		
<b>12 BALANCES AND TRANSACTIONS WITH RELATED PARTIES</b>		
Related parties comprise of associated companies, Modaraba Management Company, directors of the Modaraba and key management personnel.		
Detail of transactions with related parties and balances outstanding with them at the period / year end are as follows:		
	Unaudited September 30 2016 Rupees	Audited June 30 2016 Rupees
<b>12.1 Balances outstanding at the period / year end</b>		
Accounts with National Bank of Pakistan	8,686,251	2,512,948
Finances from National Bank of Pakistan	333,202,920	333,251,920

# Quarterly Report-September 30, 2016

			Unaudited September 30 2016 Rupees	Unaudited September 30 2015 Rupees
<b>12.2 Transactions during the period</b>				
<b>Related party</b>	<b>Relationship</b>	<b>Nature of Transaction</b>		
National Bank of Pakistan	Modaraba Management Company's holding company	Musharaka obtained - net		-
		Musharaka repaid - net		126,819,575
		Ijarah rentals received	3,154,429	4,732,739
		Profit paid	6,187,840	1,325,448
Khawaja Muhammad Amin ul Azam	Director	Ijarah rentals paid	-	138,184

## 12.3 Modaraba Management Company Fee

In accordance with Section 18 of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, management fee @ 10% of annual profits is paid to the Modaraba Management Company. Owing to the loss during the period, the Modaraba Management Company's fee has not been provided for.

## 13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements (un audited) have been approved by the Board of Directors of National Bank Modaraba Management Company Limited and authorized for issue on 28th October, 2016.

## 14 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison. However, no significant reclassification has been made.

## 15 General

- Figures have been rounded off to the nearest rupee.
- Since the Chief Executive Office has recently resigned, this condensed interim financial information is signed by a director for Chief Executive Officer.

Lahore: October 28, 2016

  
**Chief Executive Officer**  
National Bank Modaraba  
Management Company Limited

  
**Director**  
National Bank Modaraba  
Management Company Limited

  
**Director**  
National Bank Modaraba  
Management Company Limited

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## NOTES

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