

QUARTERLY  
REPORT

MARCH 31,

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

# First National Bank Modaraba

*Interim Financial Statements*

*For the Quarter Ended March 31, 2016*

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## Quarterly Report - March 31, 2016

### CORPORATE INFORMATION

<b>Board of Directors</b>	<b>Mr. Wajahat A. Baqai</b> <b>Mr. Khawaja Muhammad Amin-ul-Azam</b> <b>Mr. Khawaja Waheed Raza</b> <b>Syed Mustafa Kamal</b> <b>Mr. Jamal Nasim</b> <b>Mr. Muhammad Iqbal Hussain</b> <b>Mr. Khaqan Hasnain Ibrahim</b>	Chairman Director Director Director Director Director Chief Executive Officer
<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>	Chairman Member Member
<b>HR &amp; Remuneration Committee</b>	<b>Mr. Khawaja Waheed Raza</b> <b>Mr. Wajahat A. Baqai</b> <b>Syed Mustafa Kamal</b> <b>Mr. Muhammad Iqbal Hussain</b>	Chairman Member Member Member
<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 – Shahrāh-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>	

## First National Bank Modaraba

### DIRECTORS' REPORT

On behalf of the Board of Directors of National Bank Modaraba Management Company Limited (NBMMCL), the management company of First National Bank Modaraba (FNBM), I am pleased to present the quarterly report, together with un-audited financial statements of FNBM for the quarter and nine months ended March 31, 2016.

During the period under review, FNBM's focus remained primarily on pursuing NPLs. Consequently, recovery from a couple of major parties is on the verge of realization. However the financial impact of these developments did not reflect in the financial numbers of the quarter ended March 31, 2016; these will though be reflected in the fourth quarter of the current financial year.

While the prime focus was recovery, yet at the same time the business marketing side was also kept active, and during the nine months new disbursements amounting to Rs.98 Million were made mainly under Diminishing Musharaka and Ijarah modes. In order to maintain the balance sheet size in appropriate proportion to Equity, the overall business volume and the operating expenses were accordingly moderated. As a result the operating income remained Rs.250 Million in the nine months as compared to Rs.364 Million in the corresponding nine month period. At the same time, the operating expenses were reduced by almost 20% and the financial charges by almost 50%, resulting in an operating profit of Rs.10.5 Million during the nine months as compared to Rs.2.7 Million in the corresponding period. On the other hand, due to additional charge of provisioning amounting to Rs.70.9 Million on some old classified accounts during this period in accordance with the applicable regulations, the net loss figured at Rs.60.4 Million.

Since in the next quarter we are expecting reversals in the provisioning on account of cash recovery from classified accounts, there would be a reasonable reduction in the annual net loss figure and corresponding improvement in the total equity.

Finally, I would like to thank the valued certificate holders for their enduring patronage. and express my gratitude to Registrar Modaraba, SECP and NBF1 & Modaraba Association of Pakistan for their continued guidance and support.



**Khaqan Hasnain Ibrahim**  
Chief Executive Officer

**April 28, 2016**

## Quarterly Report - March 31, 2016

### CONDENSED INTERIM BALANCE SHEET (UNAUDITED) AS AT MARCH 31, 2016

ASSETS	NOTE	Unaudited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
<b>CURRENT ASSETS</b>			
Cash and bank balances	3	24,337,304	89,487,848
Short term murabaha investments - secured	4	130,917,440	142,205,887
Accrued profit		1,724,216	3,621,217
Ijarah rentals receivable		39,631,747	58,284,350
Advances, prepayments and other receivables		4,959,214	27,418,946
Current portion of non-current assets	5	77,452,999	82,289,108
		279,022,920	403,307,356
<b>NON-CURRENT ASSETS</b>			
Net investment in ijarah finance	6	19,881,542	20,895,185
Diminishing musharaka financing - secured		48,830,719	17,340,724
Long term murabaha investments - secured	8	53,499,193	92,676,970
Long term loans and deposits		1,429,695	4,585,119
Intangible asset		38,528	146,016
Ijarah assets	9	532,675,041	709,030,283
Fixed assets - own use	10	125,473	367,358
		656,480,191	845,041,655
<b>TOTAL ASSETS</b>		935,503,111	1,248,349,011
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accrued profit		7,273,185	17,385,139
Deferred murabaha income	4	2,490,101	2,419,020
Short term finances - secured	11	83,458,476	134,685,179
Short term certificates of musharaka - unsecured		7,768,558	295,597,365
Creditors, accrued and other liabilities		21,665,892	20,799,768
Current portion of non-current liabilities	12	329,725,548	384,235,624
		452,381,760	855,122,095
<b>NON-CURRENT LIABILITIES</b>			
Security deposits against ijarah assets	13	160,145,641	152,958,007
Long term certificates of musharaka		166,855,000	-
Long term finances - secured	14	61,111,117	68,333,333
Deferred murabaha income		13,891,860	30,410,322
		402,003,618	251,701,662
<b>TOTAL LIABILITIES</b>		854,385,378	1,106,823,757
<b>NET ASSETS</b>		81,117,733	141,525,254
<b>FINANCED BY</b>			
Certificate capital	15	250,000,000	250,000,000
Reserves		(168,882,267)	(108,474,746)
<b>TOTAL EQUITY AND RESERVES</b>		81,117,733	141,525,254
<b>CONTINGENCIES AND COMMITMENTS</b>	16		

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



Chief Executive Officer  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited



Director  
National Bank Modaraba  
Management Company Limited

Lahore: April 28, 2016

## First National Bank Modaraba

### CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	Nine month ended		Quarter ended	
	March 31 2016 Rupees	March 31 2015 Rupees	March 31 2016 Rupees	March 31 2015 Rupees
<b>OPERATING REVENUE</b>				
Income from lease/ ijarah	242,405,955	339,886,835	67,760,035	102,598,795
Profit on murabaha investment	3,329,270	12,006,432	1,085,497	2,803,256
Profit on diminishing musharaka investment	2,512,292	2,901,971	1,126,511	1,002,026
Profit on bank deposits	747,942	10,938	236,483	753
Gain on sale fixed asset	(234,335)	6,612,343	(159,854)	886,298
Other income	1,964,538	2,831,721	259,637	169,021
	<b>250,725,663</b>	<b>364,250,240</b>	<b>70,308,310</b>	<b>107,460,149</b>
<b>OPERATING EXPENSES</b>				
Depreciation on ijarah assets	190,672,814	273,457,167	53,785,681	83,685,126
Operating expenses	13,902,489	17,236,840	3,886,989	4,533,378
Financial charges	35,578,903	70,832,515	10,027,602	20,239,515
	<b>240,154,206</b>	<b>361,526,522</b>	<b>67,700,272</b>	<b>108,458,019</b>
<b>OPERATING PROFIT / (LOSS) BEFORE PROVISION AND TAXATION</b>				
	<b>10,571,456</b>	<b>2,723,718</b>	<b>2,608,037</b>	<b>(997,870)</b>
Provision charged for non-performing receivables	70,978,977	109,669,743	13,378,074	4,554,800
	<b>(60,407,521)</b>	<b>(106,946,025)</b>	<b>(10,770,037)</b>	<b>(5,552,670)</b>
Modaraba Company's Management Fee	-	-	-	-
<b>LOSS BEFORE TAXATION</b>	<b>(60,407,521)</b>	<b>(106,946,025)</b>	<b>(10,770,037)</b>	<b>(5,552,670)</b>
Taxation	-	-	-	-
<b>LOSS AFTER TAXATION</b>	<b>(60,407,521)</b>	<b>(106,946,025)</b>	<b>(10,770,037)</b>	<b>(5,552,670)</b>
<b>EARNINGS PER CERTIFICATE - BASIC AND DILUTED</b>				
	<b>(2.42)</b>	<b>(4.28)</b>	<b>(0.43)</b>	<b>(0.22)</b>

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

  
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Lahore: April 28, 2016

## Quarterly Report - March 31, 2016

### CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	March 31 2016 Rupees	March 31 2015 Rupees
LOSS AFTER TAXATION	(60,407,521)	(106,946,025)
OTHER COMPREHENSIVE INCOME	-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>	<b>(60,407,521)</b>	<b>(106,946,025)</b>

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Lahore: April 28, 2016

# First National Bank Modaraba

## CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

	NOTE	March 31, 2016 Rupees	March 31 2015 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Loss before taxation</b>		(60,407,521)	(106,946,024)
<b>Adjustments for non cash charges and other items</b>			
Depreciation / amortization		190,985,583	273,904,063
Provision charged for non-performing receivables		70,978,977	109,669,743
Loss on disposal of ijarah assets		234,335	(6,612,343)
Finance cost		35,578,903	70,832,515
Profit on bank deposits		(747,942)	(10,938)
		297,029,856	447,783,039
<b>Working capital changes</b>			
<b>(Increase) / decrease in operating assets</b>			
Accrued profit		1,897,001	9,246,144
Ijarah rentals receivable		(6,364,640)	(25,120,858)
Advances, prepayments and other receivables		27,130,088	(17,394,067)
Diminishing Musharika rental receivable		-	(99,569)
Short term murabaha investments		(18,513,012)	68,138,937
Net investment in ijarah finance		(2,067,888)	3,942,336
Long term murabaha investments		24,327,971	(14,805,930)
		26,409,520	23,906,993
<b>(Decrease) / increase in operating liabilities</b>			
Creditors, accrued and other liabilities		866,124	(22,049,916)
Long term security deposits - net		(30,375,001)	(15,293,238)
		(29,508,877)	(37,343,154)
		(3,099,357)	(13,436,161)
<b>Cash generated from operations</b>		233,522,978	327,400,854
Finance cost paid		(45,690,857)	(69,430,862)
Income taxes paid		(418,469)	42,829
Profit received on bank deposits		747,942	10,398
		188,161,594	258,023,218
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Ijarah assets acquired		(68,761,058)	(104,864,364)
Fixed assets - own use acquired		-	(53,950)
Proceeds from disposal of ijarah assets		54,245,755	83,895,503
Long term diminishing musharaka		(29,633,998)	5,205,162
Short term investments - net		-	186,820
Long term loans and deposits - net		3,362,643	-
		(40,786,658)	(15,630,829)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Short term finances		(51,226,703)	(138,376,634)
Short term certificates of musharaka		(287,828,807)	57,385,530
Long term certificates of musharaka		166,855,000	(1,000,000)
Long term finances - net		(40,324,970)	(172,500,198)
Dividends paid		-	-
		(212,525,480)	(254,491,302)
<b>Net increase in cash and cash equivalents</b>		(65,150,544)	(12,098,913)
Cash and cash equivalents at the beginning of the year		89,487,848	42,800,533
<b>Cash and cash equivalents at the end of the year</b>	<b>3</b>	24,337,304	30,701,620

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

  
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**Director**  
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Management Company Limited

  
**Director**  
National Bank Modaraba  
Management Company Limited

Lahore: April 28, 2016



## Quarterly Report - March 31, 2016

### CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2016

CERTIFICATE CAPITAL	RESERVES			TOTAL	TOTAL EQUITY
	CAPITAL	REVENUE			
	STATUTORY RESERVE	ACCUMULATED LOSS			
.....Rupees.....					
Balance as at 30 June 2014 - (Audited)	250,000,000	43,955,189	(30,253,865)	13,701,324	263,701,324
Loss for the period ended 31 March 2015	-	-	(106,946,024)	(106,946,024)	(106,946,024)
Other comprehensive income for the period ended 31 March 2015	-	-	-	-	-
Total comprehensive loss for the period ended 31 March 2015	-	-	(106,946,024)	(106,946,024)	(106,946,024)
<b>Balance as at 31 March 2015 - (Un-audited)</b>	<b>250,000,000</b>	<b>43,955,189</b>	<b>(137,199,889)</b>	<b>(93,244,700)</b>	<b>156,755,300</b>
Loss for the period ended 30 June 2015	-	-	(15,230,046)	(15,230,046)	(15,230,046)
Other comprehensive income for the period ended 30 June 2015	-	-	-	-	-
Total comprehensive loss for the period ended 30 June 2015	-	-	(15,230,046)	(15,230,046)	(15,230,046)
<b>Balance as at 30 June 2015 - (Audited)</b>	<b>250,000,000</b>	<b>43,955,189</b>	<b>(152,429,935)</b>	<b>(108,474,746)</b>	<b>141,525,254</b>
Loss for the period ended 31 March 2016	-	-	(60,407,521)	(60,407,521)	(60,407,521)
Other comprehensive income for the period ended 31 March 2016	-	-	-	-	-
Total comprehensive loss for the period ended 31 March 2016	-	-	(60,407,521)	(60,407,521)	(60,407,521)
<b>Balance as at 31 March 2016 - (Un-audited)</b>	<b>250,000,000</b>	<b>43,955,189</b>	<b>(212,837,456)</b>	<b>(168,882,267)</b>	<b>81,117,733</b>

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

  
**Chief Executive Officer**  
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 Management Company Limited

  
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Lahore: April 28, 2016

# First National Bank Modaraba

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 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 A and short term rating of A-1 to the Modaraba.

#### 1.1 Going concern assumption

During the nine months ended 31 March 2016, the Modaraba made an operating profit of Rupees 10.571 million, however, due to provision charged against old classified assets, the Modaraba incurred loss after taxation of Rupees 60.407 million taking the accumulated loss to Rupees 212.837 million which exceeds 50% of the total amount subscribed by the holders of modaraba certificates. The Statutory reserves amounted to Rs 43.955 million while the total net accumulated losses stood at Rs. 168.882 m. At the balance sheet date, the Modaraba's current liabilities exceeded its current assets by Rupees 173.359 million, however, the Ijarah rentals due from the unclassified parties within next twelve months amounts to Rupees 201.346 million, hence, the Modaraba has surplus resources to meet its current liabilities.

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 in the form of provision of credit lines and helping in recoveries from non-performing parties which are common with NBP and the Modaraba. Furthermore by the end of financial year 30 June 2016, the Modaraba is also expecting to recover around Rupees 35 million from those classified parties against which full or partial provision has been made in the books of account. 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 2015.

#### 2.1 Basis of Preparation

##### a) Statement of compliance

This condensed interim financial information is un-audited but subject to limited scope review by the statutory auditors 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 2015.

##### b) Accounting convention

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

##### 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 2015.

## Quarterly Report - March 31, 2016

	Unaudited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
<b>3 CASH AND BANK BALANCES</b>		
Cash in hand	22,344	-
Cash at banks:		
Current accounts		
Associated undertaking - National Bank of Pakistan	2,209,615	665,331
Others	12,228,201	18,246,402
	14,437,816	18,911,733
Saving accounts		
Associated undertaking - National Bank of Pakistan	3,996,218	2,917,229
Others	5,880,926	67,658,886
	9,877,144	70,576,115
	24,337,304	89,487,848
<b>4 SHORT TERM MURABAHA INVESTMENTS - SECURED</b>		
Considered good	85,395,156	76,400,769
Considered doubtful	243,032,223	233,513,598
	328,427,379	309,914,367
Add: Deferred / unearned murabaha income	2,490,101	2,419,020
	330,917,480	312,333,387
Less: Provision for non-performing murabaha investments	200,000,040	170,127,500
	130,917,440	142,205,887
<b>5 CURRENT PORTION OF NON-CURRENT ASSETS</b>		
Net investment in ijarah finance	6 37,098,760	34,017,229
Diminishing musharaka financing	7,950,000	9,805,997
Long term murabaha investments	8 30,921,908	36,776,332
Long term receivables and deposits	1,482,331	1,689,550
	77,452,999	82,289,108
<b>6 NET INVESTMENT IN IJARAH FINANCE</b>		
Minimum ijarah rentals receivable	85,414,625	89,658,519
Residual value of ijarah assets	5,134,881	5,134,881
Gross investment in ijarah finance	90,549,506	94,793,400
Less: Unearned finance income	27,911,204	34,222,986
Net investment in lease ijarah finance	62,638,302	60,570,414
Less: Provision for doubtful net investment in ijarah finance	5,658,000	5,658,000
Current portion	37,098,760	34,017,229
	19,881,542	20,895,185
<b>8 LONG TERM MURABAHA INVESTMENTS - SECURED</b>		
Considered good	12,870,662	86,803,065
Considered doubtful	69,301,534	19,697,102
	82,172,196	106,500,167
Add: Deferred / unearned murabaha income	31,550,405	31,913,555
	113,722,601	138,413,722
Less: Provision for doubtful murabaha investments	29,301,500	8,960,420
Less: Current portion	30,921,908	36,776,332
	53,499,193	92,676,970

## First National Bank Modaraba

	Unaudited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
<b>9 IJARAH ASSETS</b>		
Cost	1,354,441,248	1,488,391,991
Accumulated amortization	821,766,207	779,361,708
Net book value	<u>532,675,041</u>	<u>709,030,283</u>
<b>9.1 Net book value</b>		
Opening net book value	709,030,283	978,597,812
Additions during the year	68,761,058	179,201,494
	<u>777,791,341</u>	<u>1,157,799,306</u>
Book value of deletions during the period	54,443,486	101,641,819
Depreciation	190,672,814	347,127,204
	<u>532,675,041</u>	<u>709,030,283</u>
<b>10 FIXED ASSETS - OWN USE</b>		
Cost	3,589,904	5,516,427
Accumulated amortization	3,464,431	5,149,069
Net book value	<u>125,473</u>	<u>367,358</u>
<b>10.1 Net book value</b>		
Opening net book value	367,358	803,386
Additions during the year	-	53,950
	<u>367,358</u>	<u>857,336</u>
Book value of deletions during the period	46,204	-
Depreciation	195,681	489,978
	<u>125,473</u>	<u>367,358</u>
<b>11 SHORT TERM FINANCES - SECURED</b>		
<b>From banking companies</b>		
<b>Running finances:</b>		
Associated undertaking - National Bank of Pakistan	58,458,476	115,575,700
Other		187,731
	<u>58,458,476</u>	<u>115,763,431</u>
<b>Murabaha finances</b>	25,000,000	18,921,748
	<u>83,458,476</u>	<u>134,685,179</u>
<b>12 CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Security deposits against ijarah assets	<b>13</b> 111,511,448	149,074,083
Long term certificates of musharaka	-	-
Long term finances - secured	<b>14</b> 200,555,555	233,658,309
Deferred murabaha income	17,658,545	1,503,232
	<u>329,725,548</u>	<u>384,235,624</u>
<b>13 SECURITY DEPOSITS AGAINST IJARAH ASSETS</b>		
Security deposits against ijarah assets	271,657,089	302,032,090
Less: Current portion	111,511,448	149,074,083
	<u>160,145,641</u>	<u>152,958,007</u>
<b>14 LONG TERM FINANCES - SECURED</b>		
<b>From banking companies and financial institution - secured</b>		
<b>Demand finance from:</b>		
National Bank of Pakistan - associated undertaking	91,666,671	30,324,975
Others	170,000,001	271,666,667
	<u>261,666,672</u>	<u>301,991,642</u>
Less: Current portion	200,555,555	233,658,309
	<u>61,111,117</u>	<u>68,333,333</u>
<b>15 CERTIFICATE CAPITAL</b>		
<b>Authorised certificate capital</b>		
60,000,000 (2014: 60,000,000) modaraba certificates of Rupees 10 each	600,000,000	600,000,000
<b>Issued, subscribed and paid-up certificate capital</b>		
25,000,000 (2014: 25,000,000) modaraba certificates of Rupees 10 each	<u>250,000,000</u>	<u>250,000,000</u>

## Quarterly Report - March 31, 2016

- 15.1 7,500,000 (2014: 7,500,000) certificates of the Modaraba are held by National Bank Modaraba Management Company Limited, the Management Company.

	Unaudited March 31, 2016 Rupees	Audited June 30, 2015 Rupees
16 <b>CONTINGENCIES AND COMMITMENTS</b>		
There were no known contingencies as at 31 March 2016.	NIL	NIL
Commitments - Facilities approved but not disbursed	7,253,500	-

17 **BALANCES AND TRANSACTIONS WITH RELATED PARTIES**

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 March 31, 2016 Rupees	Audited June 30, 2015 Rupees
17.1 <b>Balances outstanding at the period / year end</b>		
Accounts with National Bank of Pakistan	6,205,833	3,582,560
Finances from National Bank of Pakistan	150,125,147	145,900,675
Ijarah rental receivables from National Bank of Pakistan	3,350,664	3,244,575

	Unaudited March 31, 2016 Rupees	Unaudited March 31, 2016 Rupees
17.2 <b>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 Ijarah disbursed Ijarah rentals received Profit paid
		100,000,000 95,775,526 18,450,000 15,782,310 2,843,407
National Bank Modaraba Management Company Limited	Management Company	Management fee
		-
		348,724

17.3 **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.

18 **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 April 28, 2016.

19 **CORRESPONDING FIGURES**

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

20 **General**

Figures have been rounded off to the nearest rupee.



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



**Director**  
National Bank Modaraba  
Management Company Limited



**Director**  
National Bank Modaraba  
Management Company Limited

Lahore: April 28, 2016

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**FIRST NATIONAL BANK MODARABA**  
5th Floor, NBP RHQs Building,  
26 McLagon Road,  
Lahore.  
Tel : 99211200, Fax: 99213247