

# KASB MODARABA

(Formerly First Mehran Modaraba)

## Corporate History

KASB Modaraba (Formerly First Mehran Modaraba) is a multipurpose, perpetual and multi dimensional Modaraba floated in October 1990 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and is managed by Technology Ventures (Private Limited)

The main lines of business of the Modaraba are Lease Financing, Musharaka Transaction, Capital Market and investment in Stock Exchange shares, The Modaraba commenced business on October 22, 1990 with a paid up capital of Rs. 50 million which grew to the tune of Rs. 83.16 million by issues of Stock dividends.

KASB Modaraba is being managed by Technology Ventures (Pvt) Ltd, a Subsidiary Company of Network Leasing Corporation Limited.

The management control of Network Leasing Corporation Limited has been acquired by KASB Capital Limited, by acquiring 53.90% of its total issued capital; with the approval of Securities and Exchange Commission of Pakistan vide their number SC/NBFC-1/HM/NLCL/2007 dated May 11, 2007. KASB Capital Limited is the local partner of Merrill Lynch and the asset management, brokerage and investment arm of KASB Group.

## Objectives

To primarily finance small projects in the private sector and be known as an active supporter of the emerging entrepreneurs and professionals

## Performance Highlights (2006-2007)

During the period under review, your Modaraba picked up the growth momentum and achieved comparatively improved operating and financial performance. Resultantly the Modaraba generated after tax profit amounted to Rs. 2,226,848 as on June 2007.

The Modaraba is also concentrating on its lease and Musharaka portfolio and also capital and equity market.

## Future Outlook

The management of your Modaraba is aware of the future challenges and is constantly monitoring the emerging as well as the unexplored opportunities in the finance sector. Efforts have been made to widen the spreads by reducing the cost of funds and to pursue more lucrative investment opportunities. Further an application has been filled with Registrar Modaraba for change of name to KASB Modaraba, hopefully the name will be changed before December closing.

## Key Management Personnel

**Mr. Syed M. Husaini**  
*Chairman*

**Mr. Mohammad Wajid**  
*Chief Financial Officer, CFO*

### Board of Directors

Mr. Syed M. Husaini	Chairman
Mr. Muhammad Hamidullah	Director
Mr. Muhammad Aftab Changi	Director
Mr. Mir Mujahid Ali Khan	Director

### Commenced

**Business on** : October 22, 1990

**Head Office** : 407, Gul Tower, I.I. Chundrigar Road, Karachi.

**Phone** : (92-21) 242 4616, 242 4655

**Fax** : (92-21) 242 5366 & 244-3547

**E-mail** : micleas@cyber.net.pk

**Web Site** : nlcl.net/fmm

**Branches** : NIL

**Staff Strength** : 4

**Auditors** : A.F. Ferguson & Co.

Member of Price Water House Coopers

**Legal Advisor** : Mr. Fazal-ur-Rehman (Advocates)

**Certificate** : 404, Trade Tower,

**Transfer Office** : Abdullah Haroon Road, Karachi

**Bankers** : Habib Metropolitan Bank Limited  
KASB Bank Limited



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## Balance Sheet Summary

	(Rs. In Million)				
Year Ended June 30	2003	2004	2005	2006	2007
<b>EQUITY</b>					
Issued, subscribed and paid up capital	83.16	83.16	83.16	83.16	83.16
Statutory Reserve	7.00	7.30	8.28	8.28	8.73
Revenue Reserve and unappropriated Loss	(45.13)	(43.92)	(40.01)	(40.76)	(39.02)
<b>Total Equity</b>	<b>45.03</b>	<b>46.54</b>	<b>51.43</b>	<b>50.68</b>	<b>52.87</b>
<b>LIABILITIES</b>					
Redeemable Capital	-	-	-	-	-
Long Term Morabaha and Musharaka	-	-	-	-	-
Long Term Finance	-	-	-	-	-
Customer Security Deposit	0.02	0.52	1.23	1.31	0.07
Other Deferred Liabilities	0.06	0.04	0.14	0.16	0.42
<b>Current Liabilities</b>					
Short Term Finance	-	-	22.00	-	-
Other Current Liabilities	3.61	1.60	2.91	1.01	1.40
<b>Current Liabilities</b>	<b>3.61</b>	<b>1.60</b>	<b>24.91</b>	<b>1.01</b>	<b>1.40</b>
<b>Total Liabilities &amp; Equity</b>	<b>48.72</b>	<b>48.70</b>	<b>77.71</b>	<b>53.16</b>	<b>54.76</b>
<b>ASSETS</b>					
Net Investment in Lease Finance	-	0.51	2.99	3.45	0.28
Assets in Own Use	0.12	1.88	0.99	0.89	0.60
Long Term Morabaha and Musharaka	-	-	-	-	-
Long Term Investment	-	-	-	-	-
Other Long Term Assets	0.11	0.05	0.77	0.77	0.77
<b>Current Assets</b>					
Current Portion of Lease Finance	0.03	2.02	1.66	2.43	1.49
Trade Debts	-	-	-	-	-
Short Term Morabaha and Musharaka	17.69	-	2.41	6.37	0.64
Short Term Investments	1.03	29.47	63.13	25.30	5.48
Other Current Assets	4.00	0.49	0.81	2.85	2.70
Cash and Bank Balances	25.74	14.28	4.95	11.10	42.80
<b>Current Assets</b>	<b>48.49</b>	<b>46.26</b>	<b>72.96</b>	<b>48.05</b>	<b>53.11</b>
<b>Total Assets</b>	<b>48.72</b>	<b>48.70</b>	<b>77.71</b>	<b>53.16</b>	<b>54.76</b>
Lease rental receivable next 12 months	1.66	2.02	1.66	2.98	1.06

## Income Statement Highlights

	(Rs. In Million)				
Year Ended June 30,	2003	2004	2005	2006	2007
<b>Income</b>					
Lease & Allied	2.12	2.94	4.13	3.74	1.09
Musharaka and Morabaha	0.19	0.28	0.18	0.76	0.49
Capital Gain on investment	10.46	0.35	2.59	(2.83)	3.26
Dividend	2.11	0.20	0.90	0.66	0.49
<b>Total Income</b>	<b>14.88</b>	<b>3.77</b>	<b>7.80</b>	<b>2.33</b>	<b>5.33</b>
<b>Expenses</b>					
Operating	2.85	1.83	1.62	1.74	2.71
Financial	-	-	1.00	1.11	0.06
Amortisation, Depreciation	-	0.26	0.37	0.25	0.28
Management Fee	1.19	0.16	0.48	-	0.22
Profit Before Taxation	10.85	1.51	4.32	(0.77)	2.05
Taxation	0.18	-	0.59	0.04	0.18
<b>Net Profit</b>	<b>10.67</b>	<b>1.51</b>	<b>4.91</b>	<b>(0.81)</b>	<b>2.23</b>
<b>Appropriations</b>					
Statutory Reserve	2.13	0.30	0.98	-	0.45

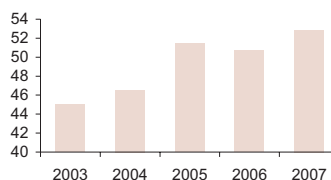
## Significant Ratios

	2003	2004	2005	2006	2007
Break-up Value per Certificate (Rs.)	5.41	5.60	6.18	6.09	6.36
Market Price on 30th June (Rs.)	4.70	3.50	1.60	2.80	3.00
Dividend per Certificate (Rs.)	-	-	-	-	0.25
Earnings per Certificate (Rs.)	1.29	0.18	0.59	(0.10)	0.27
Total Assets/Net Worth (x)	1.08	1.05	1.51	1.05	1.51
Debt Leverage (x)	0.08	0.04	0.34	0.05	0.03
Current Ratio (x)	13.43	28.91	2.93	47.57	37.94
Net Profit Margin (%)	71.71	40.05	62.95	(34.98)	41.84
Return on Equity (%)	23.70	3.24	9.55	(1.61)	4.22
Return on Investment (%)	21.90	3.10	7.77	(1.24)	4.07
Financial Charges/Total Expenses (%)	0.13	0.81	33.33	35.81	2.06

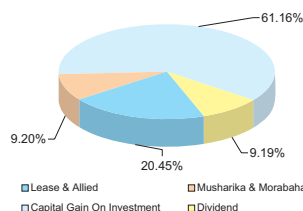
## Balance Sheet Growth



## Equity Growth



## Revenue Analysis (2006-2007)



## Categories of Certificate Holders as at June 30, 2007

