



# National Bank Modaraba Management Company Ltd.

(A subsidiary Of National Bank of Pakistan)

The General Manager  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

FNBM/LHR/ 590  
September 30, 2016

Subject: **Financial Results for the Year Ended June 30, 2016**

Dear Sir,

We have to inform you that the Board of Directors of National Bank Modaraba Management Company Limited in their meeting held on September 30, 2016 at 11:30 a.m., in Meeting Room NBP RHQ Building, Lahore recommended the following in respect of First National Bank Modaraba:

- (i) **CASH DIVIDEND:** NIL
- (ii) **BONUS SHARES:** NIL
- (ii) **RIGHT SHARES:** NIL

The Board of Directors in the meeting approved the financial statements for the year ended June 30, 2016. The complete Profit & Loss Account along with appropriations, earning per share and comparative figures of immediately preceding/corresponding period has been enclosed. In addition, the accounts do not contain any qualification by the auditors however it contains an emphasis of matter paragraph (copy attached) by the auditors.

The Annual Review Meeting of the Modaraba will be held on October 31, 2016 at 4th Floor, NBP RHQs Building, 26 – McLagon Road Lahore at 11:00 a.m.

The certificate holders whose names will appear in the Register of Certificate Holders at close of business on October 21, 2016 will be entitled to attend the Annual Review Meeting.

The Share Transfer Books of the Company will be closed from October 22, 2016 to October 31, 2016 (both days inclusive).

We will be sending you 200 copies of printed accounts for distribution amongst the members of the Exchange in the due course.

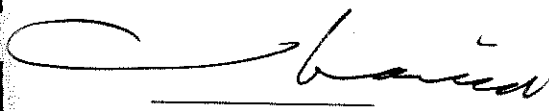
Yours Sincerely,

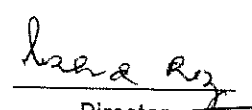
**Abbas Azam**  
Company Secretary

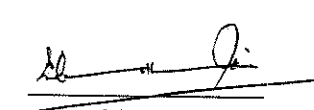
FIRST NATIONAL BANK MODARABA  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 30 JUNE 2016

INCOME	NOTE	2016 Rupees	2015 Rupees
Ijarah rentals earned / income from Ijarah finance		305,749,520	424,495,289
Profit on diminishing musharaka		3,804,355	3,777,317
Profit on murabaha investments		1,979,454	13,355,865
Profit on bank deposits		1,002,006	359,763
Gain on disposal of Ijarah assets		-	6,883,319
Other income	26	1,833,589	2,529,950
		314,368,924	451,401,503
<b>EXPENSES</b>			
Depreciation on Ijarah assets	14	(237,061,840)	(347,127,204)
Loss on disposal of Ijarah assets		(3,939,655)	-
Operating expenses	27	(16,130,081)	(23,210,586)
Finance cost	28	(44,916,618)	(90,106,427)
		(302,048,194)	(460,444,217)
Operating profit / (loss) before provision and taxation		12,320,730	(9,042,714)
Provision charged for doubtful receivables - net	29	(61,179,143)	(113,133,356)
Impairment loss on Ijarah assets	14	(4,974,089)	-
		(53,832,502)	(122,176,070)
Modaraba management company fee	30	-	-
<b>LOSS BEFORE TAXATION</b>		(53,832,502)	(122,176,070)
Taxation	31	-	-
<b>LOSS AFTER TAXATION</b>		(53,832,502)	(122,176,070)
<b>LOSS PER CERTIFICATE - BASIC AND DILUTED</b>	32	(2.15)	(4.89)

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

  
 Chief Executive  
 National Bank Modaraba  
 Management Company Limited

  
 Director  
 National Bank Modaraba  
 Management Company Limited

  
 Director  
 National Bank Modaraba  
 Management Company Limited

- (ii) the expenditure incurred during the year was for the purpose of the Modaraba's business; and
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects, terms and conditions of the Modaraba;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at 30 June 2016 and of the loss, its comprehensive loss, its cash flows and changes in equity for the year then ended; and
- (d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to note 1.1 to the financial statements which indicates that the Modaraba has incurred a loss after taxation of Rupees 53.833 million during the year ended 30 June 2016, while the accumulated loss as at 30 June 2016 amounts to Rupees 206.262 million which exceeds fifty percent of the total amount subscribed by the holders of the modaraba certificates and as of that date the Modaraba's current liabilities exceeded its current assets by Rupees 311.647 million. These conditions, along with other matters as explained in Note 1.1, indicate the existence of material uncertainty which may cast significant doubts about the Modaraba's ability to continue as going concern. Our opinion is not qualified in respect of this matter.

RIAZ AHMAD & COMPANY  
Chartered Accountants

Name of engagement partner:  
Syed Mustafa Ali

Date:

LAHORE