



UNICAP MODARABA

ANNUAL AUDITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JUNE 30, 2024

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Directors' Report

On behalf of the Board of Directors of Map Out Management Company (Pvt.) Limited, we are presenting the Annual Report of UNICAP Modaraba together with Audited Accounts for the year ended June 30, 2024.

1. Economy

Pakistan remains steadfast on path to macroeconomic stabilization, gearing towards a shift to an era of sustainable and inclusive growth. Challenges abound but the resolve is unwavering. All chronic systemic issues inflicting various sectors of the economy that have hampered progress and prosperity in the past are on the operating table for permanent resolution. External account vulnerability and fiscal mismanagement, having a direct bearing on inflation, are at the core of corrective policy actions being rolled out by the Government. As these measures take shape and mature, it is hoped that the hardships of the common man on the street will alleviate. Government has renewed its focus on high potential sectors like IT, SMEs, mines and minerals, tourism, exports and agriculture. These sectors can pay rich dividends and lend support to the country's balance of payments position. Complementing this, are efforts to reinvigorate foreign investments in the country and extend all out facilitation to overseas Pakistanis for realizing the full potential of home remittances. Going forward, fiscal discipline through curtailment of non essential expenditures coupled with all-encompassing reforms at the Federal Board of Revenue will ensure financial self-sustainability. Support from bilateral and multilateral development partners remains important. The Stand-by Arrangement with the IMF, signed by the Government at the outset of FY2024 was concluded successfully as Pakistan now looks forward to an extended stabilization and home-grown growth program. During FY2024, Pakistan's economy registered moderate recovery reflected by a GDP growth of 2.38 percent against previous year's contraction of 0.21 percent. Agriculture emerged as a main driver of economic growth, registering a growth of 6.25 percent on the back of double-digit growth in output of major crops. Industrial and services sectors also showed resilience with each posting a growth of 1.21 percent. Current account deficit was kept under check, with marked improvement in foreign exchange reserves, reaching US\$ 14.6 billion by end May 2024. The fiscal sector progressed towards stability, propelled by consolidation efforts and targeted reforms. Fiscal deficit remained manageable with an overall primary surplus. Rupee appreciated by almost 3.0 percent during the first eleven months.

The ruling Government is trying to develop an effective strategy to put the economy back on tracks to revive business confidence for the local industry as well as foreign investors seeking to invest in Pakistan. The business confidence would largely depend on the yields of the economic policies brought by the Government since incumbency.

2. Operating Results and Business Overview

Like previous years the Modaraba continued its exposure in Agricultural Sector and traded in Agricultural Input Seeds valuing Rs. 59.655 million. The Modaraba earned gain of Rs. 1.9 million from the sale of High-Quality Seeds. The total value of stock including the gain amount was simultaneously reinvested in High Quality Agriculture Inputs valuing Rs. 59.079 million for future gains in upcoming sowing seasons.

| | Before Take Over by Map Out Management Company (Pvt.) Ltd as mentioned in Transfer Order dated 27.11.2014 | After Take Over by Map Out Management Company (Pvt.) Ltd (June 2024) | Financial Impact On The Health Of Modaraba Increase In M |
|--------------------------------|--|---|---|
| Authorized Modaraba Fund | 200M | 240M | Increased by 40M |
| Paid Up Fund | 136.40M | 236.40M | Increased by 100M |
| Equity | (0.957)M | 53.558M | Increased by 52.60M |
| Total Assets | 3.649M | 61.789M | Increased by 58.14M |
| Break Up Value Per Certificate | (0.070) | 2.26 | Increased by 2.20 Rs |

The Modaraba booked a loss of Rs. 0.368 million during the year under review as compared to Rs. 0.622 million during period ended June 30, 2023. The above figures indicate that the Modaraba is showing a significantly positive financial outlook.

The Registrar Modaraba, SECP passed an Order bearing Serial No.SC/M/MS/Unicap/46/2022/75 dated March 28,2022 stating that the accumulated losses of the Modaraba have exceeded more than 50% of the total amount subscribed by the Modaraba Certificate Holders and it may be wound up in public interest by filing an application of Winding Up before the Modaraba Tribunal Lahore. Unicap Modaraba filed a Writ Petition the Order in the Lahore High Court challenging the Order

passed by SECP and the Honorable Lahore High Court, on August 03, 2022 suspended the operations of the impugned order dated March 28, 2022 passed by SECP

3. Outlook

UNICAP Modaraba has strong financial support and backing of its sponsors and its associated concerns.

The management stands fully committed to revive UNICAP Modaraba according to the SECP Revival Order dated April 19, 2017 through injection of fresh capital but this target could not be achieved without the approval of 2nd tranche of equity injection of Rs.50 M at discount, which is pending with the office of the Registrar Modaraba SECP since the date of its application dated September 28, 2017.

Moreover, the management is continuously exploring possible options for resource mobilization for Modaraba, including leveraging of its balance sheet through credit lines from banks and financial support from the Management Company of the Modaraba. UNICAP Modaraba has adequate credit support available from its sponsors undertaking to support its future growth. The availability of on-going financial support further strengthens the Modaraba's initiative for extending its outreach and to capitalize on the opportunities available under Islamic financing.

The management pledges to take all possible measures to maintain the growth of the Modaraba. The growth targets are planned to be achieved through controlled leveraging of balance sheet. Strict monitoring of operating expenses shall continue to keep them at a sustainable level. Within a short span of time, Modaraba has carved a niche among performing entities of the sector and we are hopeful to further improve our position in the coming years.

4. Profit / Loss

The Board of Directors has approved accumulated loss of Rs.167,001 M for the year ended June 30, 2024 compared to Rs. 166,633 M as on June 30, 2023.

As per Prudential Regulations issued by Securities & Exchange Commission of Pakistan, Modarabas are required to transfer a minimum 20% and maximum 50% post-tax profit to statutory reserves. Rs. 8,738,973 is held towards the Statutory Reserve.

5. External Annual Audit

The financial statements of Modaraba have been audited without any qualification by the auditors namely M/s. Ilyas Saeed & Co. Chartered Accountants.

6. Corporate Governance

The Modaraba is required to comply with various requirements of the Code of Corporate Governance (CCG) contained in Pakistan Stock Exchange Regulations as well as Public Sector Companies (Corporate Governance) Rules, 2013 (Rules) issued by the SECP.

The statutory auditors are also required to issue their review report over the compliance statement of the best practices, which is published with the financial statements.

The Board of Directors has reviewed the CCG and Rules and confirms that:

- The Board has consistently complied with the relevant principles of corporate governance and has identified the rules that have not been complied with the period in which such non-compliance continued and the reasons for such non-compliance.
- Financial statements, prepared by the management, present fairly the state of affairs, the results of its operations, cash flows and change in equity.
- Proper books of account have been maintained.
- Appropriate accounting policies have been applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- The appointment of CEO and other members of the Board and the terms of their appointment along with the remuneration policy adopted are in the best interests of the Modaraba as well as in line with the best practices.

- International Financial Reporting Standards, as applicable to modarabas in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed and explained.
- There are no significant doubts upon the Modaraba's ability to revive its business activities.
- There are no statutory payments on account of taxes, duties, levies and charges which are outstanding as on June 30, 2024 except for those disclosed in financial statements.
- No investment was made by the Employees Provident Fund as on June 30, 2024.
- Key operating and financial data of last six years cannot be presented as this is the fifth year of Modaraba's operations after takeover by the Map Out Management Company (Pvt.) Limited on December 14, 2014.
- 6 Board meetings of the Modaraba Company were held during the year.
- Two Credit/Investment Committee meetings of the Modaraba Company were held during the year under review.
- The Board has established Audit, Human Resource, Risk Management, Nomination and Procurement Committees as required under the Rules. No meetings of these committees were held during the period under review.
- The pattern of shareholding is annexed to this report.
- The Directors, CEO, Executives and their spouses and minor children did not carry out any transaction in the certificates of the Modaraba during the year.

7. Social Responsibility

The Modaraba ensures its role of a Responsible Corporate Citizen by conducting business in a socially responsible and ethical manner, protecting the environment, and supporting the communities and cultures with which it works.

The Modaraba is committed to maintain the highest standards of integrity and corporate governance practices in order to maintain excellence in its daily operations, and to build-up confidence in its governance systems.

The Modaraba constantly strives to build trust and demonstrate respect for human dignity and rights in all relationships, including respect for cultures, customs and values of individuals and groups.

8. Auditors

On the recommendation of Audit Committee, the Board has approved the appointment of M/s Ilyas Saeed & Co. Chartered Accountants as auditors for the financial year ending June 30, 2024.

9. Acknowledgment

The Board would like to thank the SECP for its continued guidance and support. It would also like to thank the valued Modaraba Certificate Holders and customers of the Modaraba for their continued trust and support.

On behalf of the Board

-Sd/-

Junaid Iqbal
Chief Executive Officer

Lahore
December 30, 2024

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed statement of financial position of **UNICAP MODARABA** (the "Modaraba") as at June 30, 2024 and the related statement of profit or loss, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof (hereinafter referred to as the financial statements), for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

These financial statements are the responsibility of the Modaraba Management Company (Mapout Management Company (Private) Limited), who is also responsible to establish and maintain a system of internal control, and prepare and present the above said financial statements in conformity with the approved accounting standards as applicable in Pakistan and the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting policies and material estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- (a) in our opinion, proper books of accounts have been kept by the Modaraba Management Company in respect of Unicap Modaraba as required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981;
- (b) in our opinion;
 - (i) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement cash flows and the statement of changes in equity together with the notes thereon have been drawn up in conformity with the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (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 explanation given to us, the statement of financial position, the statement of profit or loss, statement of comprehensive income, statement of cash flows 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. *ISC*

1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2024 and of its' 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to note 4 to the financial statements which indicates that the Modaraba has suffered a loss of Rs. 0.368 million (2023: Rs. 0.622 million) during the year and has suffered accumulated losses amounting to Rs. 167.001 million (2023: Rs. 166.633 million). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Modaraba's ability to continue as a going concern. However, the management is hopeful of keeping the Modaraba a going concern as more fully explained in Note 4 to the financial statements and thus, these financial statements have been prepared on a going concern basis without stating the assets at their realizable values and liabilities on the values these are likely to be discharged as against the requirements of the International Financial Reporting Standards. However, no material loss adjustment shall be required to be made had these financial statements being prepared on a non-going concern basis.

Our opinion is not qualified in respect of the above emphasis of matter paragraph.

The engagement partner on the audit resulting in this independent auditor's report is Bushra Sana.



Ilyas Saeed & Co.

Chartered Accountants

Lahore

Dated: 24 December 2024

UDIN: AR202410278FPMGQx0A9

UNICAP MODARABA
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|--------------------------|--------------------------|
| ASSETS | | | |
| CURRENT ASSETS | | | |
| Cash & bank balances | 6 | 2,577,576 | 82,298 |
| Stock-in-trade | 7 | 59,079,495 | 59,655,057 |
| Advances, deposits & prepayments | 8 | 89,095 | 88,817 |
| | | <u>61,746,166</u> | <u>59,826,172</u> |
| NON-CURRENT ASSETS | | | |
| Property & equipment | 9 | 43,491 | 58,924 |
| | | <u>61,789,657</u> | <u>59,885,096</u> |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| Accrued & other liabilities | 10 | 1,859,166 | 1,260,947 |
| Provision for taxation | 11 | 901,489 | 901,489 |
| Payable to management company | 12 | 5,125,000 | 3,450,000 |
| Unclaimed dividend | 13 | 345,242 | 345,242 |
| | | <u>8,230,897</u> | <u>5,957,678</u> |
| NET ASSETS | | <u><u>53,558,760</u></u> | <u><u>53,927,418</u></u> |
| REPRESENTED BY: | | | |
| CERTIFICATE HOLDER'S EQUITY | | | |
| Authorized Modaraba Fund | 14.1 | <u>240,000,000</u> | <u>240,000,000</u> |
| Issued, subscribed & paid up certificates | 14.2 | 236,400,000 | 236,400,000 |
| Discount on issuance of certificates | 14.3 | (50,000,000) | (50,000,000) |
| | | <u>186,400,000</u> | <u>186,400,000</u> |
| Certificate Deposit Money | 15 | 25,421,593 | 25,421,593 |
| RESERVES | | | |
| Statutory reserve | SCE | 8,738,973 | 8,738,973 |
| Accumulated loss | SCE | (167,001,806) | (166,633,148) |
| | | <u>(158,262,833)</u> | <u>(157,894,176)</u> |
| CONTINGENCIES AND COMMITMENTS | 16 | - | - |
| TOTAL EQUITY | | <u><u>53,558,760</u></u> | <u><u>53,927,418</u></u> |

The annexed notes from 1 to 27 form an integral part of these financial statements.

ISCO

FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY

--Sd--
CHIEF EXECUTIVE

--Sd--
CHIEF FINANCIAL OFFICER

--Sd--
DIRECTOR

**UNICAP MODARABA
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024**

| | Note | 2024 Rupees | 2023 Rupees |
|---|------|-------------------------|-------------------------|
| INCOME | | | |
| Trading profit | 17 | 1,900,000 | 1,394,330 |
| EXPENDITURE | | | |
| Administrative expenses | 18 | 2,268,658 | 2,016,464 |
| Add: Other income | | - | - |
| Profit / (Loss) for the year before management fee | | <u>(368,658)</u> | <u>(622,134)</u> |
| Modaraba company's management fee | | - | - |
| Profit / (Loss) for the year before taxation | | <u>(368,658)</u> | <u>(622,134)</u> |
| Taxation | 19 | - | - |
| Profit / (Loss) for the year | | <u><u>(368,658)</u></u> | <u><u>(622,134)</u></u> |
| Earnings / Loss per certificate - Basic | 20 | <u><u>(0.02)</u></u> | <u><u>(0.03)</u></u> |

The annexed notes from 1 to 27 form an integral part of these financial statements.

ISCO

**FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY**

--Sd--
CHIEF EXECUTIVE

--Sd--
CHIEF FINANCIAL OFFICER

--Sd--
DIRECTOR

UNICAP MODARABA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024

| | 2024 Rupees | 2023 Rupees |
|---|------------------------------|------------------------------|
| Profit / (Loss) for the year | (368,658) | (622,134) |
| Other comprehensive income / (loss) for the year | - | - |
| Total comprehensive income / (loss) for the year | <u><u>(368,658)</u></u> | <u><u>(622,134)</u></u> |

The annexed notes from 1 to 27 form an integral part of these financial statements.

ISCO

FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY

--Sd--
CHIEF EXECUTIVE

--Sd--
CHIEF FINANCIAL OFFICER

--Sd--
DIRECTOR

UNICAP MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024

| | Certificate Capital | Discount on Issuance of Certificates | Certificate Deposit Money | Statutory Reserve | Accumulated Loss | Total |
|---------------------------------------|------------------------|--|------------------------------|----------------------|------------------|------------|
| Balance as at July 01, 2022 | 236,400,000 | (50,000,000) | 25,421,593 | 8,738,973 | (166,011,014) | 54,549,552 |
| Certificate deposit money received | - | - | - | - | - | - |
| Profit / (Loss) for the year | - | - | - | - | (622,134) | (622,134) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | (622,134) | (622,134) |
| Balance as at June 30, 2023 | 236,400,000 | (50,000,000) | 25,421,593 | 8,738,973 | (166,633,148) | 53,927,418 |
| Profit / (Loss) for the year | - | - | - | - | (368,658) | (368,658) |
| Other comprehensive income | - | - | - | - | - | - |
| Total comprehensive loss for the year | - | - | - | - | (368,658) | (368,658) |
| Balance as at June 30, 2024 | 236,400,000 | (50,000,000) | 25,421,593 | 8,738,973 | (167,001,806) | 53,558,760 |

The annexed notes from 1 to 27 form an integral part of these financial statements.

ISC

FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY

--Sd--

CHIEF EXECUTIVE

--Sd--

CHIEF FINANCIAL OFFICER

--Sd--

DIRECTOR

**UNICAP MODARABA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

| | 2024 Rupees | 2023 Rupees |
|---|----------------|----------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Loss before taxation | (368,658) | (622,134) |
| Adjustment: | | |
| Depreciation | 15,433 | 21,570 |
| Operating cash flow used before working capital changes | (353,225) | (600,565) |
| Changes in working capital | | |
| Stock-in-trade | 575,562 | (1,394,330) |
| Advances, deposits & prepayments | (278) | (25) |
| Accrued & other liabilities | 598,219 | 314,947 |
| Net working capital change | 1,173,503 | (1,079,408) |
| Cash (used in) /generated from operating activities (A) | 820,278 | (1,679,973) |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Map Out Management Company (Private) Limited - net received | 1,675,000 | 1,650,000 |
| Map Out Management Company (Private) Limited - adjusted | - | - |
| Share deposit money received | - | - |
| Cash generated from financing activities (B) | 1,675,000 | 1,650,000 |
| Net changes in cash & cash equivalents during the year (A+B) | 2,495,278 | (29,973) |
| Cash & cash equivalent at the beginning of the year | 82,298 | 112,269 |
| Cash & cash equivalent at the end of the year | 2,577,576 | 82,298 |

The annexed notes from 1 to 27 form an integral part of these financial statements.

ISCO

**FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY**

--Sd--
CHIEF EXECUTIVE

--Sd--
CHIEF FINANCIAL OFFICER

--Sd--
DIRECTOR

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024

1 LEGAL STATUS AND NATURE OF BUSINESS

Unicap Modaraba (the Modaraba) is a multipurpose, perpetual modaraba floated in Pakistan in the year 1991 under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Rules framed thereunder. The registered office of the Modaraba is situated at 6-M/2, Block H, Gulberg – II, Lahore. The Modaraba is listed on Pakistan Stock Exchange. During the financial year 2014-2015, Al-Zamin Modaraba Management (Private) Limited transferred the management of Modaraba to Mapout Management Company (Private) Limited as on November 27, 2014. Previously, the Modaraba was managed (until May 03, 2000) by Chartered Management Services (Private) Limited and thereafter the management was transferred to Al-Zamin Modaraba Management (Private) Limited as the registration of the former was cancelled by the Securities and Exchange Commission of Pakistan in view of the various irregularities committed.

Mapout Management Company (Private) Limited took over the management of the Modaraba from Al-Zamin Modaraba Management (Private) Limited on November 27, 2014 with negative equity amounting to Rs. 1.359 million and accumulated losses amounting to Rs. 146.498 million. The Management Company did not inherit any Public Money in the Modaraba at the time of take over as the entire equity of the Modaraba was eroded during the period of incumbency of its previous managements. Instead, the Management Company injected private money amounting to Rs. 50 million, net of discount, in the equity of the Modaraba on December 31, 2015 raised from their own private sources.

The Modaraba is under the process of revival in accordance with SECP Order No. SC/PRDD/M/ UNICAP/2017/102 dated 19.04.2017 and is considered as an ENTITY UNDER REVIVAL. In the light of the SECP Order, the Modaraba is going through a specific time bound revival plan for which stage wise regularization is being carried out. The Management Company has taken all steps required under the Order dated 19.04.2017 and so far ensuring to comply with the Revival Plan. Hence, as of today, the Modaraba is under revival as a public limited company solely operated with private money injected by Mapout Management Company (Private) Limited.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. These standards, as applicable in Pakistan, comprise of International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board as notified under Companies Act, 2017, Islamic Financial Accounting Standards (IFASs) issued by the Institute of Chartered Accountants of Pakistan, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modaraba and directives issued by the Securities and Exchange Commission of Pakistan (SECP).

2.2 Accounting convention

These financial statements have been prepared under the historical cost convention except as other wise stated in the respective policies and notes given hereunder.

2.3 Functional and presentation currency

These financial statements are presented in Pak (Rupees), which is the Modaraba's functional and presentation currency.

2.4 Material accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amount of assets, liabilities, income and expenses.

The estimates and judgements are based on historical experience and various other factors that are believed to be reasonable under the circumstances and are continually evaluated. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods. Judgements made by management in application of the approved accounting standards that have material effect on the financial statements and estimates with a material risk of material adjustments in the next year are discussed in respective policy note. The areas involving estimates or judgements are:

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- Estimated useful life of property, plant and equipment [note 5.1];
- Provision for slow moving inventories and net realizable value [note 5.4]
- Impairment of non financial assets [note 5.11]
- Estimation of current and deferred tax [note 5.7 & note 19]
- Provisions and contingencies [note 5.10 & note 16]

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Areas where various assumptions and estimates are significant to the Modaraba's financial statements or where judgments were exercised in application of accounting policy relate to the useful life of depreciable assets, valuation of stock and taxation.

3 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

The following amendments and interpretations to published accounting and reporting standards that are applicable to the Company's financial statements covering annual periods, beginning on or after the following dates:

3.1 Amendments and interpretations to accounting and reporting standards that became effective in the current year

There were certain amendments and interpretations to published accounting and reporting standards that are applicable for the financial year beginning on July 1, 2023 but does not have any significant impact on the Company's financial reporting and therefore, have not been disclosed in these financial statements.

3.2 Standards and amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company

There is a standard and certain amendments to accounting and reporting standards that are not yet effective and have not been early adopted by the Company for the financial year beginning on July 1, 2023. The standard and amendments are not expected to have any material impact on the Company's financial reporting and, therefore, have not been disclosed in these financial statements.

3.3 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following revised standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretation:

3.3.1 Standards, Amendments or Interpretation

IFRS 17 Insurance Contracts

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

3.3.2 Standards, Amendments or Interpretation

IFRS 17 Insurance Contracts

The Company expects that the adoption of the above standards will have no material effect on the Company's financial statements.

4 GOING CONCERN

These financial statements have been prepared on the assumption that entity is going concern and continue to operate in the foreseeable future. The company as at 30th June 2024 has accumulated loss of Rs. 167.001 million and the current year losses of Rs. 0.368 million.

Keeping in view of above and the events and conditions stated in note 1, there is a material uncertainty related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern and, therefore, that it may be unable to realize its assets and discharge its liabilities in the normal course of business during the revival process.

However, the management is hopeful of its' revival and thus, the financial statements have been prepared on a going concern basis.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

5.1 Property & equipment

5.1.1 Owned:

Cost

Property & equipments are stated at cost less accumulated depreciation.

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Cost comprise of initial consideration paid on acquisition of asset as well as cost incurred to bring the asset to its' useful condition. Subsequent costs are included in assets' carrying amount or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Modaraba and the cost of item can be measured reliably. All other repair and maintenance costs are charged to statement of profit or loss during the period in which they are incurred

Depreciation

Depreciation is calculated using reducing balance method and charged to statement of profit or loss to write off the depreciable amount of each asset over its estimated useful life. Depreciation on addition in property and equipment is charged on assets from the date the asset is available for use upto the date prior to disposal.

Derecognition

An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the statement of profit or loss in the year the asset is derecognized.

5.1.2 Leased assets

Right of use assets are initially measured at cost being the present value of lease payments, initial direct costs, any lease payments made at or before the commencement of the lease as reduced by any incentives received. These are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is charged on straight line basis over the shorter of the lease term or the useful life of the asset. Where the ownership of the asset transfers to the Modaraba at the end of the lease term or if the cost of the asset reflects that the Modaraba will exercise the purchase option, depreciation is charged over the useful life of asset using diminishing balance method.

5.2 Impairment of assets

The carrying amounts of the assets are reviewed at each balance sheet date to determine whether there is any objective evidence that an asset or group of assets may be impaired. If any such evidence exists, the assets or group of assets' recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized in the statement of profit or loss immediately.

A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount, however not to an amount higher than the carrying amount that would have been determined (net of depreciation), had no impairment losses been recognized for the asset in the prior years. Reversal of impairment loss is restricted to the original cost of the asset.

5.3 Investments

Classification of an investment is made on the basis of intended purpose for holding such investment. Management determines the appropriate classification of its investments at the time of purchase and re-evaluates such designation on regular basis. Investments are initially measured at fair value plus transaction costs directly attributable to acquisition, except for "Investment at fair value through profit or loss" which is initially measured at fair value.

Held to maturity investments

Investments with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Modaraba has the positive intent and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Long-term investments that are intended to be held to maturity are subsequently measured at amortized cost.

This cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization, using the effective interest method, of any difference between the initially recognized amount and the maturity amount. For investments carried at amortized cost, gains and losses are recognized in profit and loss account when the investments are de-recognized or impaired, as well as through the amortization process.

5.4 Stock-in-trade

The Stock-in-trade is valued at lower of cost and net realizable value. Net realizable value signifies the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale. Cost is determined by Weighted average cost method.

The Modaraba reviews the carrying amount of inventories on a regular basis and as appropriate, these are written down to its net realizable value or provision is made for obsolescence if there is any change in usage pattern and / or physical form of related inventory.

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5.5 Revenue Recognition**Revenue from trading activities**

The Modaraba recognizes revenue to depict the transfer of promised goods and services to customers in an amount that reflects the consideration to which the Modaraba expects to be entitled in exchange for those good and services. The Modaraba recognizes revenue in accordance with that core principle by applying the following steps:

The Modaraba does not expect to have contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceed one year. As a consequence, the Modaraba does not adjust any of the transaction prices for the time value of money.

Interest Income

Markup / profit is recorded on time proportion basis on the principal amount outstanding and at the rate applicable.

5.6 Ijarah Financing

In Ijarah, the Modaraba provides the asset on pre-agreed rentals for specific tenors to the customers.

5.7 Taxation**Current**

Provision for current taxation is based on taxable income at current rates of taxation after taking into account tax credits available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years, which arise from assessment revised / finalized during the year.

Deferred

Deferred tax is recognised using the balance sheet liability method on all temporary differences between the carrying amount of the assets and liabilities and their tax bases.

Deferred tax assets and liabilities are measured at the tax rate that are expected to apply to the year when the asset is utilized or the liability is settled, based on the tax rates that have been enacted or substantially enacted at the financial position date.

5.8 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at banks. Cash equivalents are highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

5.9 Foreign currency transactions and translations

Foreign currency transactions are translated into Pak (Rupees) at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies are translated into Pak (Rupees) at the exchange rates prevailing at the balance sheet date.

5.10 Provision

Provisions are recognized when the Modaraba has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed periodically and adjusted to reflect the current best estimates.

5.11 Contingent liabilities

Contingent liability is disclosed when:

- there is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- there is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

5.12 Financial instruments

Financial assets and financial liabilities are recognized when the Modaraba becomes a party to contractual provisions of the instrument and de-recognized when the Modaraba loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

5.12.1 Financial Assets

The Modaraba classifies its financial assets in the following categories: at fair value through profit and loss, fair value through other comprehensive income and amortized cost.

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The classification depends on the purpose for which the financial asset were acquired. Management determines the classification of its financial assets at initial recognition.

Classification and measurement

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method.

Any gain or loss arising on derecognition is recognized directly in income and expenditure and presented in other income / (other expenses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of income and expenditure.

Fair value through other comprehensive income (FVTOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment losses (and reversal of impairment losses), interest income and foreign exchange gains and losses which are recognized in profit or loss. When the financial asset is de-recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss and recognized in other income / (other expenses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other income/ (other expenses) and impairment losses are presented as separate line item in the statement of income and expenditure.

Fair value through profit or loss (FVTPL)

Assets that do not meet the criteria for amortized cost or FVTOCI are measured at FVTPL. A gain or loss on a debt instrument that is subsequently measured at FVTPL is recognized in the statement of income and expenditure and presented net within other income / (other expenses) in the period in which it arises.

5.12.2 Financial liabilities

i. Classification and measurement

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in statement of profit or loss. Any gain or loss on de-recognition is also included in profit or loss.

ii. Impairment of financial assets

The Modaraba assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost and FVTOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade debts and other receivables, the Modaraba applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

iii. De-recognition

Financial assets

The Modaraba derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

Any interest in such de-recognized financial assets that is created or retained by the Modaraba is recognized as a separate entity.

Financial liabilities

The Modaraba derecognizes a financial liability (or a part of financial liability) from its statement of financial position when the obligation specified in the contract is discharged or cancelled or expires.

5.13 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are set off and the net amount is reported in the financial statements when there is a legal enforceable right to set off and the Modaraba intends either to settle on a net basis or to realize the assets and to settle the liabilities simultaneously.

5.14 Borrowing costs

The borrowing costs including interests are charged off to profit and loss account in the year in which they are incurred.

5.15 Related party transactions

Transactions with related parties are duly authorized by the management and are recognized in accordance with the pricing method approved by the Board of Directors of the management Modaraba.

TSC

| | | 2024 Rupees | 2023 Rupees |
|---|--------------------------|--------------------------------|------------------------|
| 6 CASH & BANK BALANCES | | | |
| Cash in hand | | 76,576 | 76,298 |
| Cash at bank - Current account | | 2,501,000 | 6,000 |
| | | <u>2,577,576</u> | <u>82,298</u> |
| 7 STOCK-IN-TRADE | | | |
| Stock in trade | | <u>59,079,495</u> | <u>59,655,057</u> |
| 8 ADVANCES, DEPOSITS & PREPAYMENTS | | | |
| Advance tax | | <u>89,095</u> | <u>88,817</u> |
| 9 PROPERTY & EQUIPMENT | | | |
| | Office Equipments | Furniture & Fixture | Total |
| | Rupees | Rupees | Rupees |
| Cost | | | |
| As at July 1st, 2022 | 200,632 | 694,100 | 894,732 |
| Additions | - | - | - |
| As at 30 June, 2023 | <u>200,632</u> | <u>694,100</u> | <u>894,732</u> |
| Additions | - | - | - |
| As at June 30, 2024 | <u>200,632</u> | <u>694,100</u> | <u>894,732</u> |
| Depreciation | | | |
| As at 1st July, 2022 | 161,189 | 653,048 | 814,237 |
| Charged for the year | 7,889 | 13,683 | 21,571 |
| As at 30 June, 2023 | <u>169,078</u> | <u>666,731</u> | <u>835,808</u> |
| Charged for the year | 6,311 | 9,122 | 15,433 |
| As at June 30, 2024 | <u>175,388</u> | <u>675,853</u> | <u>851,241</u> |
| W.D.V. as at June 30, 2023 | <u>31,554</u> | <u>27,369</u> | <u>58,924</u> |
| W.D.V. as at June 30, 2024 | <u>25,244</u> | <u>18,247</u> | <u>43,491</u> |
| Depreciation rate % | <u>20%</u> | <u>33%</u> | |
| 10 ACCRUED & OTHER LIABILITIES | Note | 2024 Rupees | 2023 Rupees |
| Accrued expenses | | 1,859,166 | 1,260,947 |
| Other payables - purchase of stock | | - | - |
| | | <u>1,859,166</u> | <u>1,260,947</u> |
| 11 PROVISION FOR TAXATION | | | |
| For the year | 19 | - | - |
| Previous years | 16.1 | 901,489 | 901,489 |
| | | <u>901,489</u> | <u>901,489</u> |
| 12 PAYABLE TO MANAGEMENT COMPANY | | | |
| Opening balance | | 3,450,000 | 1,800,000 |
| Received during the year | 12.1 | 1,675,000 | 1,650,000 |
| Transferred | 12.2 | - | - |
| Closing balance | | <u>5,125,000</u> | <u>3,450,000</u> |

12.1 Payable to Management Company represents the amounts paid by Mapout Management Company (Private) Limited for day to day expenses of the Modaraba. The amount is interest free and is repayable to the Management Company once the Modaraba starts earning from active business activities.

12.2 The Management Company authorized the Modaraba to transfer / adjust the total outstanding loan against certificate deposit money. Thus, the entire amount as at June 30, 2023 has been transferred to Certificate deposit money. The Management Company is hopeful to get the permission to issue certificates at discount from the Regulators which is pending since 2017.

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| | | 2024 Rupees | 2023 Rupees |
|--|--|------------------------|------------------------|
| 13 UNCLAIMED DIVIDEND | Note | | |
| Unclaimed Dividend | | <u>345,242</u> | <u>345,242</u> |
| 14 CERTIFICATE CAPITAL | | | |
| 14.1 Authorized Modaraba Fund | | | |
| 24,000,000 Modaraba Certificates of Rs.10/- each | | <u>240,000,000</u> | <u>240,000,000</u> |
| 14.2 Issued, Subscribed and Paid-up Capital | | | |
| 20,000,000 Modaraba Certificates of Rs.10/- each -Cash | | <u>200,000,000</u> | <u>200,000,000</u> |
| 3,640,000 Modaraba Certificates of Rs.10/- each - Bonus | | <u>36,400,000</u> | <u>36,400,000</u> |
| | | <u>236,400,000</u> | <u>236,400,000</u> |
| 14.3 Discount on Issuance of Certifiactes | | | |
| 10,000,000 Modaraba Certificates issued at Discount of Rs.5 each | | <u>(50,000,000)</u> | <u>(50,000,000)</u> |
| 15 CERTIFICATE DEPOSIT MONEY | | | |
| Modaraba Certificate Deposit Money | 12.2 | <u>25,421,593</u> | <u>25,421,593</u> |
| | | <u>25,421,593</u> | <u>25,421,593</u> |
| 16 CONTINGENCIES & COMMITMENTS | | | |
| 16.1 | The tax authorities initiated tax proceedings against the Company for Tax Years 2007-2009 and the same are pending for adjudication before the Appellate Tribunal Inland Revenue, Karachi. The details of the cases are not available with the present management however, a provision is carried in the financial statements to meet any future liability which may arise on final decision of the Appellate Court. | | |
| 16.2 | On 28 March, 2022 SECP through its Order Number: SC/M/MS/Unicap/46/2022/75 under section 23 (I) (ii) (b) of the Modaraba Ordinance ordered that as the accumulated losses of the Modaraba have exceeded more than fifty percent of the total amount subscribed by the modaraba certificate holders, it may be wound up in the public interest by filling an application for winding up before the Modaraba Tribunal Lahore. Modaraba has filed the Writ petition before the Honorable Lahore High Court against the order passed by SECP and on 3 August, 2022 Honorable Lahore High Court has graciously granted stay in the matter as prayed by Unicap Modaraba. Further, no fresh date for further proceedings has been fixed as yet. | | |
| 16.3 | There are no commitments as at the year end. | | |
| 17 TRADING PROFIT / INCOME | Note | 2024 Rupees | 2023 Rupees |
| Sales | 17.1 | 41,000,000 | 31,500,000 |
| Less: Cost of Sales | 17.2 | <u>39,100,000</u> | <u>30,105,670</u> |
| Trading Profit | | <u>1,900,000</u> | <u>1,394,330</u> |
| 17.1 SALES | | | |
| Gross Sales | | 41,000,000 | 31,500,000 |
| Less: Discount | | - | - |
| Net Sales | | <u>41,000,000</u> | <u>31,500,000</u> |
| 17.2 COST OF SALES | | | |
| Opening stock | | 59,655,057 | 58,260,727 |
| Add: Purchases | | 38,500,000 | 31,500,000 |
| Less: Discount | | - | - |
| Add: Transportation | | - | - |
| Closing stock | | <u>(59,055,057)</u> | <u>(59,655,057)</u> |
| | | <u>39,100,000</u> | <u>30,105,670</u> |
| 18 ADMINISTRATIVE EXPENSES | | | |
| Staff salaries & allowances | | 684,000 | 684,000 |
| Rent | | 600,000 | 600,000 |
| Fee & subscription | | 106,150 | 116,150 |
| Utilities (Electricity, Gas, Water) | | <u>85,660</u> | <u>75,000</u> |
| Balance carried forward | | <u>1,475,810</u> | <u>1,475,150</u> |

| | Note | 2024 Rupees | 2023 Rupees |
|--|---------------------|------------------|------------------|
| Balance brought forward | | 1,475,810 | 1,475,150 |
| Telephone / Internet | | 18,000 | 21,600 |
| Printing & stationery | | 10,600 | 19,345 |
| Postages | | 4,900 | 5,400 |
| Insurance expense | | 289,865 | 269,158 |
| Entertainment | | 20,750 | 9,000 |
| Office supplies / consumables | | 11,500 | 6,000 |
| Repair & maintenance | | 47,300 | 2,500 |
| Travelling, conveyance & fuel | | 33,500 | 20,000 |
| Bank charges | | 1,000 | 1,740 |
| Professional fee - stock exchange | | 15,000 | 15,000 |
| Auditors' remuneration | 18.1 | 325,000 | 150,000 |
| Depreciation expense | 9 | 15,433 | 21,571 |
| | | <u>2,268,658</u> | <u>2,016,464</u> |
| 18.1 Auditors' Remuneration | | | |
| Annual statutory audit fee | | <u>325,000</u> | <u>150,000</u> |
| | | <u>325,000</u> | <u>150,000</u> |
| 19 TAXATION | | | |
| Current Tax | | | |
| For the year | 19.1 | <u>-</u> | <u>-</u> |
| 19.1 No provision for taxation has been accounted for in these financial statements owing to loss for the year and carry forward losses. Further, minimum tax on turnover is also not applicable. | | | |
| 20 EARNINGS / LOSS PER CERTIFICATE | | | |
| 20.1 Basic earnings / loss per certificate: | | 2024 | 2023 |
| Profit / (Loss) after taxation | Rupees | (368,658) | (622,134) |
| Weighted average number of certificates outstanding | No. of certificates | 23,640,000 | 23,640,000 |
| Earnings / (Loss) per certificate | Rupees | <u>(0.02)</u> | <u>(0.03)</u> |
| 20.2 Diluted earnings / loss per certificate: | | | |
| There is no dilutive effect on the basic loss per certificate of the Modaraba, since there were no convertible instruments in issue as at the year end which would have any effect on the basic loss per certificate if the option to convert were exercised. New shares shall be issued only after the approval of the Regulators. | | | |
| 21 RELATED PARTY TRANSACTIONS | | | |
| The related parties of the Modaraba comprise of Mapout Management Company (Private) Limited, directors and key management personnel. The nature of relationship between Unicap modaraba and Mapout Management Company (Private) Limited is that of a management company. The following related party transactions with Mapout Management Company (Private) Limited were carried out during the year: | | | |
| | Note | 2024 Rupees | 2023 Rupees |
| Payable to management company | | <u>5,125,000</u> | <u>3,450,000</u> |
| Loan obtained during the year - net | | <u>5,125,000</u> | <u>3,450,000</u> |
| 22 FINANCIAL INSTRUMENTS | | | |
| Financial Assets - amortized cost | | | |
| Cash & bank balances | | <u>2,577,576</u> | <u>82,298</u> |
| Financial Liabilities - amortized cost | | | |
| Accrued & other liabilities | | 1,859,166 | 1,260,947 |
| Payable to management company | | <u>5,125,000</u> | <u>3,450,000</u> |
| | | <u>6,984,166</u> | <u>4,710,947</u> |

23 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Modaraba's activities are exposed to certain financial risk. Such financial risk emanates from various factors that include, but not limited to, market risk, credit risk and liquidity risk. The Modaraba's overall risk management focuses on the predictability of financial market and seeks to minimize potential adverse effects on the Modaraba's financial performance. Risk measures and management by Modaraba are explained below.

23.1 Market risk

Market risk is the risk that the fair value of future cash flows of financial instrument will fluctuate due to changes in the market variables such as interest rate and foreign exchange rates.

(i) Interest rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Modaraba's interest rate risk arises from borrowings, liabilities and assets. Financial instruments at variable rates expose the Modaraba to cash flow interest rate risk. Financial instruments at fixed rate expose the Modaraba to fair value interest rate risk.

At the financial position date the Modaraba has no interest bearing financial instruments.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of financial assets or financial liabilities will fluctuate due to a change in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The Modaraba is not exposed to any foreign currency risk.

Profit rate risk

The Modaraba is not exposed to any foreign currency risk.

23.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if the counter parties fail completely to perform as contracted.

Credit risk arises from cash and cash equivalents, derivative financial instrument, deposits with banks and financial institutions, as well as credit exposures to customers, including trade receivables and committed transactions. The financial assets that are subject to credit risk are as follows

| | 2024 Rupees | 2023 Rupees |
|-------------------------|------------------|----------------|
| Financial Assets | | |
| Cash & bank balances | 2,577,576 | 82,298 |
| | <u>2,577,576</u> | <u>82,298</u> |

The Company seeks to minimize the credit risk exposure through having exposures only to customers considered credit worthy and obtaining securities where applicable. Outstanding receivable are regularly monitored.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default.

| Bank | Rating Agency | Long Term | Short Term |
|-------------------------------------|---------------|-----------|------------|
| Dubai Islamic Bank Pakistan Limited | PACRA | AA | A-1+ |

23.3 Liquidity Risk

Liquidity risk is the risk that the Modaraba will not be able to meet its financial obligations as they fall due. Given the nature of Modaraba's operations and existing financial liabilities, the Modaraba's exposure to liquidity risk is very limited and liquidity risk management is limited to ensure that it has sufficient cash on demand to meet expected operational cash flows.

23.4 Capital Management

The Modaraba's policy is to maintain a strong capital base so as to maintain investor confidence and to sustain future development of the business. The Management Company monitors the return on assets of the Modaraba and investments which are managed through appropriate risk management policies. For major aspects of capital management, the Modaraba adheres to the requirements of the Ordinance, Rules and Regulations including the requirements of statutory reserve. The level of profit distribution to certificate holders is kept at the required level in order to avail the tax exemption. There were no changes in the Modaraba's approach to capital management during the year.

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24 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & EXECUTIVES

Company has one chief executive and two directors. No remuneration, benefit, allowance or perquisite is given to the chief executive and directors during the year. However, no person qualified as executive.

| 25 NUMBER OF EMPLOYEES | 2024 Number | 2023 Number |
|---|------------------------|------------------------|
| Number of employees as at the year end | <u>2</u> | <u>2</u> |
| Average number of employees during the year | <u>2</u> | <u>2</u> |

26 DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by board of directors of management company on 24 December 2024.

27 GENERAL

- Figures have been rounded off to the nearest Pak rupee.

- Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation.

**FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY**

ISC0

--Sd--

CHIEF EXECUTIVE

--Sd--

CHIEF FINANCIAL OFFICER

--Sd--

DIRECTOR



SECP Challan

| |
|----------------|
| M-2024-1413168 |
| 01 |

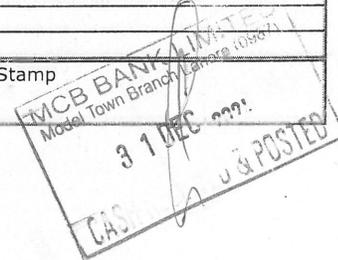
| | | | |
|-----------------|--|------------------|------------------|
| Bank Branch | LAHORE, MCB - Model Town[967] | Date | 30-12-2024 |
| Account Title | Securities and Exchange Commission of Pakistan | Account No. | 0183089871000097 |
| Name of Company | Unicap Modaraba | Registration No. | xxxxxxx |

Receipt under Modaraha Companies, 1980

| Code No. | Head of Accounts | Amount (Rs) |
|----------|---|-------------|
| 62101 | Registration/Renewal of Modaraba Company | |
| 62102 | Modaraba Flotation Fee | |
| 62104 | Modaraba Filing/Copying/Inspection etc. Fee | 2000.00 |
| 62105 | Modaraba Penalty Others | |
| 62103 | Modaraba-Registration of Charges/Vacation/satisfaction of Charges | |
| 62106 | Renewal of Authorization of Modaraba Flotation | |
| 52403 | Bank Collection Charges (To Be Paid By Applicant) | 25.00 |
| Total | | 2025.00 |

| Payment Details | |
|---------------------|--------------------------------------|
| Cheque No. | |
| Drawn On | |
| Rupees (in words) | Two Thousand Twenty Five Rupees Only |
| Name of Depositor | |
| Depositor Signature | Teller Signature & Bank Stamp |

Original



- Payment may kindly be deposited in the bank within a month of the date appearing in date column of challan.
- Photocopy of the challan shall not be entertained. kindly print separate challans for each company/ Form.
- Cutting and erasing of any field on challan is not allowed.
- Challan number and amount of money deposited must be clearly legible on a printed challan.
- If system erroneously generates a challan without company name or challan No. then kindly do not deposit that challan into bank and contact concerned CRO.

BOOK POST

To,

If Undelivered Please Return To,



UNICAP MODARABA

6-M/2,Block H,Gulberg-II,Lahore

UAN:03-000-434-434