



Ref. No.: UCAPM/PSX/101/2018

December 3, 2018

Mr. Hafiz Maqsood Munshi
Manager – Companies & Securities Compliance - RAD
Pakistan Stock Exchange Limited - PSX
Karachi-74000, Pakistan.

Dear Sir,

Sub: Non-Compliances of PSX Regulations.

This refers to your letter No. PSX/C-744-5279 dated November 19, 2018.

Please find enclosed copies of following statements as desired vide your letter No. PSX/C-744-3303 dated July 20, 2018 for your perusal.

1. Financial Statements for the period ended September 30, 2016.
2. Financial Statements for the period ended December 31, 2016.
3. Financial Statements for the period ended September 30, 2017.
4. Financial Statements for the period ended March 31, 2018.
5. Annual Report 2017

200 copies each of above-mentioned statements have been dispatched to your office vide Leopard Courier Airway Bill _____. Copy of Leopard Courier Airway Bill is being attached for your perusal. Kindly acknowledge receipt.

Look forward to your usual cooperation and guidance.

Best Regards,

Khurram S. Hussain
Executive Vice President.

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

4/12/18

Impairment

The carrying amounts of the company's 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 profit and loss account immediately.

4.2 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.

4.3 Stock-in-trade

The stock-in-trade is valued at cost or net realizable value whichever is less.

4.4 Revenue recognition

Rental income

Rentals on Ijarah contracts written are recognized as income on accrual basis.

Income from Investments / Musharakah

Markup / profit is recorded on time proportion basis.

4.5 Ijarah Financing

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

4.6 Expenses

Expenses are recognized on accrual basis

4.7 Taxation

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

4.8 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 company.

4.9 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.

4.10 Provision

Provision is recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

5. Payable to Management Company

Payable to Management Company represents the amount paid by Mapout Management Company (Private) Limited for day to day expenses of UNICAP Modaraba. The amount is repayable to the Management Company once the Modaraba starts earning from active business activity.

6. GENERAL

The financial statements are presented in PKR which is the Modaraba's functional currency. Figures have been rounded off to the nearest rupee.

7. DATE OF AUTHORIZATION FOR ISSUE

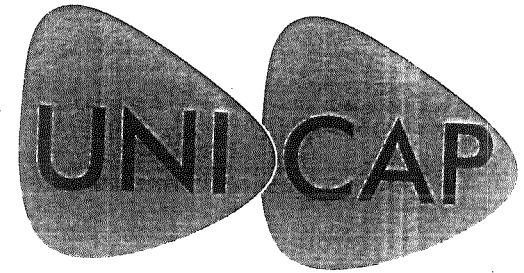
These financial statements were authorized for issue on 12 April 2018 by the Board of Directors of the Map Out Management Company (Pvt.) Limited.

--SD--

CHIEF EXECUTIVE

--SD--

DIRECTOR



UNICAP MODARABA FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2018

**BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2018**

	March 31 2018 Rupees	March 31 2017 Rupees
ASSETS		
Fixed assets	286,606	443,166
Cash in Hand	111,889	13,396
Other receivable	127,580	627,580
Prepaid insurance	-	-
Security Deposit	-	-
Investments	50,200,000	50,487,000
	<u>50,726,075</u>	<u>51,571,142</u>
LIABILITIES		
Accrued and other liabilities	753,242	2,811,660
Long term security deposit	320,000	320,000
Loan from management company	14,628,861	8,803,959
Provision for taxation	901,489	901,489
	<u>16,603,592</u>	<u>12,837,108</u>
	<u>34,122,483</u>	<u>38,734,034</u>
REPRESENTED BY:		
CERTIFICATE CAPITAL		
Authorized		
20,000,000 Modaraba Certificates of Rs.10/- each	240,000,000	200,000,000
Issued/subscribed /paid up certificates	236,400,000	236,400,000
Discount on Issuance of Shares	(50,000,000)	(50,000,000)
RESERVES		
Statutory reserve	8,738,973	8,738,973
Accumulated losses	(161,016,490)	156,404,939
CONTINGENCIES		
	<u>34,122,483</u>	<u>38,734,034</u>
=SD= CHIEF EXECUTIVE / DIRECTOR		=SD= DIRECTOR

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
QUARTER ENDED MARCH 31, 2018**

	March 31 2018 Rupees	March 31 2017 Rupees
INCOME		
Ijara rental income	-	-
Un-realised gain on investment	-	-
Profit on PLS account	-	-
Gain on Sale of Fixed Assets	-	-
Reversal of MarkUp	-	-
Other income	-	-
EXPENDITURE:		
Administrative expenses	1,453,650	1,515,387
Profit/(loss) before management fee	(1,453,650)	(1,515,387)
Modaraba company's management fee	-	-
Profit / (Loss) before taxation	(1,453,650)	(1,515,387)
Taxation	-	-
PROFIT/(LOSS) AFTER TAXATION	<u>(1,453,650)</u>	<u>(1,515,387)</u>
Earning per Certificate	(0.06)	(0.06)
=SD= CHIEF EXECUTIVE / DIRECTOR		=SD= DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED MARCH 31, 2018**

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 there under, having its registered office at 6-M/2, Block H, Gulberg II, Lahore. The Modaraba is listed on the Pakistan Stock Exchange with trading symbol (UCAPM). The management of Modaraba was transferred to Map Out Management Company (Private) Limited on November 27, 2014.

The accumulated losses of the Modaraba as at balance sheet are Rs. 161.016 million. The operations of Modaraba had been reduced to minimal level since the year 2000. The present Modaraba Management Company plans to revive the Modaraba and intends to make it an active business concern.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Approved International Financial Reporting Standards (IFRSs) as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations].

3. BASIS OF PRESENTATION

These financial statements have been prepared on a going concern basis, without adjustment of all the assets are stated at their realizable values and all liabilities at amounts they are likely to be discharged at.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

Property & Equipment are stated at cost less accumulated depreciation. Cost comprise of initial consideration paid on acquisition of asset as well as cost incurred to bring the asset to its useful condition. Subsequent cost 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 Company and the cost of item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Depreciation is provided on a straight-line basis and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life. Depreciation on addition in property, plant and equipment is charged on assets from the month of acquisition/purchase while no depreciation is charged in the month of disposal.

Derecognition

an item of property & Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the assets) is included in profit and loss account in the year the asset is derecognized.

Impairment

The carrying amounts of the company's 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 profit and loss account immediately.

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The stock-in-trade is valued at cost or net realizable value whichever is less.

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Rental income

Rentals on Ijarah contracts written are recognized as income on accrual basis.

Income from Investments / Musharakah

Markup / profit is recorded on time proportion basis.

4.5 Ijarah Financing

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

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Expenses are recognized on accrual basis

4.7 Taxation

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

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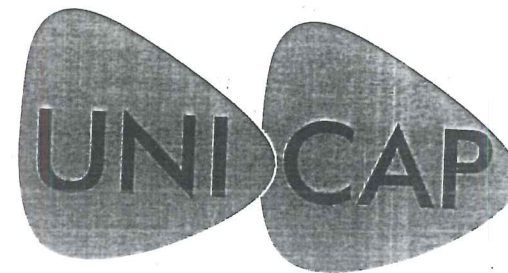
These financial statements were authorized for issue on 10 October 2016 by the Board of Directors of the Map Out Management Company (Pvt.) Limited.

--SD--

CHIEF EXECUTIVE

--SD--

DIRECTOR



**UNICAP MODARABA
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
30 SEPTEMBER 2016**

**BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2016**

	September 30 2016 Rupees	September 30 2015 Rupees
ASSETS		
Fixed assets	553,452	840,257
Cash in Hand	37,137	1,615,455
Other receivable	627,580	127,580
Prepaid insurance	128,154	-
Security Deposit	105,000	-
Investments	50,487,000	-
	<u>51,938,324</u>	<u>2,583,292</u>
LIABILITIES		
Accrued and other liabilities	2,916,660	3,110,816
Long term security deposit	320,000	320,000
Loan from management company	6,071,247	-
Provision for taxation	901,489	901,489
	<u>10,209,396</u>	<u>4,332,305</u>
	<u>41,728,928</u>	<u>(1,749,013)</u>
REPRESENTED BY:		
CERTIFICATE CAPITAL		
Authorized		
20,000,000 Modaraba Certificates of Rs.10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued/subscribed/paid up certificates	236,400,000	136,400,000
Discount on Issuance of Shares	(50,000,000)	-
RESERVES		
Statutory reserve	8,738,973	8,738,973
Accumulated losses	(153,410,045)	(146,887,986)
CONTINGENCIES		
	<u>41,728,928</u>	<u>(1,749,013)</u>
=SD=		=SD=
CHIEF EXECUTIVE / DIRECTOR		DIRECTOR

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

	September 30 2016 Rupees	September 30 2015 Rupees
INCOME		
Ijara rental income	-	-
Un-realised gain on investment	-	-
Profit on PLS account	-	-
Gain on Sale of Fixed Assets	-	-
Reversal of MarkUp	-	-
Other income	-	-
	<u>-</u>	<u>-</u>
EXPENDITURE:		
Administrative expenses	(1,213,671)	(389,999)
Profit/(loss) before management fee	(1,213,671)	(389,999)
Modaraba company's management fee	-	-
Profit / (Loss) before taxation	(1,213,671)	(389,999)
Taxation	-	-
	<u>(1,213,671)</u>	<u>(389,999)</u>
PROFIT/(LOSS) AFTER TAXATION		
	<u>(1,213,671)</u>	<u>(389,999)</u>
=SD=		=SD=
CHIEF EXECUTIVE / DIRECTOR		DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2016**

1. LEGAL STATUS AND NATURE OF BUSINESS

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The accumulated losses of the Modaraba as at balance sheet are Rs. 153.410 million. The operations of Modaraba had been reduced to minimal level since the year 2000. The present Modaraba Management Company plans to revive the Modaraba and intends to make it an active business concern.

2. STATEMENT OF COMPLIANCE

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4.1 Fixed assets

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Depreciation is provided on a straight-line basis and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life. Depreciation on addition in property, plant and equipment is charged on assets from the month of acquisition/purchase while no depreciation is charged in the month of disposal.

Derecognition

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4.3 Stock-in-trade

The stock-in-trade is valued at cost or net realizable value whichever is less.

4.4 Revenue recognition

Rental income

Rentals on Ijarah contracts written are recognized as income on accrual basis.

Income from Investments / Musharakah

Markup / profit is recorded on time proportion basis.

4.5 Ijarah Financing

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

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Expenses are recognized on accrual basis

4.7 Taxation

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

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5. Payable to Management Company

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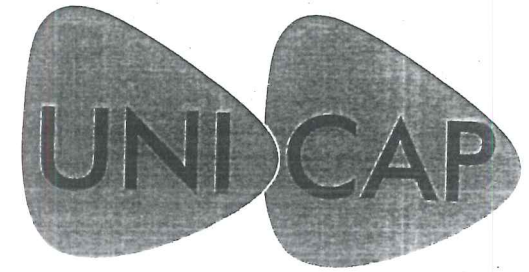
These financial statements were authorized for issue on 10 October 2017 by the Board of Directors of the Map Out Management Company (Pvt.) Limited.

--SD--

CHIEF EXECUTIVE

--SD--

DIRECTOR



UNICAP MODARABA FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2017

**BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2017**

	September 30 2017 Rupees	September 30 2016 Rupees
ASSETS		
Fixed assets	353,834	553,452
Cash in Hand	745,164	37,137
Other receivable	127,580	627,580
Prepaid Insurance	-	128,154
Security Deposit	-	105,000
Investments	50,200,000	50,487,000
	<u>51,426,578</u>	<u>51,938,324</u>
LIABILITIES		
Accrued and other liabilities	878,242	2,916,660
Long term security deposit	320,000	320,000
Loan from management company	12,215,627	6,071,247
Provision for taxation	901,489	901,489
	14,315,358	10,209,396
	<u>37,111,220</u>	<u>41,728,928</u>
REPRESENTED BY:		
CERTIFICATE CAPITAL		
Authorized		
20,000,000 Modaraba Certificates of Rs.10/- each		
	<u>200,000,000</u>	<u>200,000,000</u>
Issued/subscribed/paid up certificates	236,400,000	236,400,000
Discount on Issuance of Shares	(50,000,000)	(50,000,000)
RESERVES		
Statutory reserve	8,738,973	8,738,973
Accumulated losses	(158,027,753)	(153,410,045)
CONTINGENCIES		
	<u>37,111,220</u>	<u>41,728,928</u>
	=SD= CHIEF EXECUTIVE / DIRECTOR	=SD= DIRECTOR

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30,
2017**

	September 30 2017 Rupees	September 30 2016 Rupees
INCOME		
Ijara rental income	-	-
Un-realised gain on investment	-	-
Profit on PLS account	-	-
Gain on Sale of Fixed Assets	-	-
Reversal of MarkUp	-	-
Other income	-	-
	-	-
EXPENDITURE:		
Administrative expenses	(1,420,777)	(1,213,671)
Profit/(loss) before management fee	(1,420,777)	(1,213,671)
Modaraba company's management fee	-	-
Profit / (Loss) before taxation	(1,420,777)	(1,213,671)
Taxation	-	-
	-	-
PROFIT/(LOSS) AFTER TAXATION		
	<u>(1,420,777)</u>	<u>(1,213,671)</u>
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FOR THE QUARTER ENDED SEPTEMBER 30, 2017**

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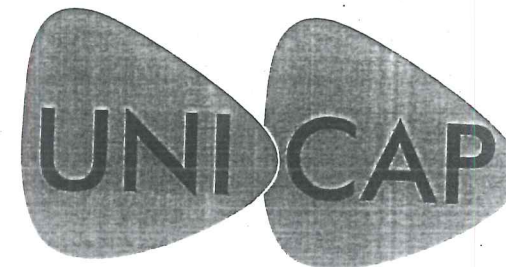
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--SD--

CHIEF EXECUTIVE

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DIRECTOR



**UNICAP MODARABA
FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2016**

**BALANCE SHEET (UN-AUDITED)
AS AT DECEMBER 31, 2016**

	December 31 2016 Rupees	December 31 2015 Rupees
ASSETS		
Fixed assets	495,407	694,100
Cash in Hand	30,882	50,924,396
Other receivable	627,580	282,000
Prepaid Insurance	64,077	-
Security Deposit	-	-
Investments	50,487,000	-
	51,704,946	51,900,496
LIABILITIES		
Accrued and other liabilities	2,866,660	3,960,741
Long term security deposit	320,000	320,000
Loan from management company	7,366,376	-
Provision for taxation	901,489	901,489
	11,454,525	5,182,230
	<u>40,250,421</u>	<u>46,718,266</u>
REPRESENTED BY:		
CERTIFICATE CAPITAL		
Authorized <i>20,000,000 Modaraba Certificates of Rs.10/- each</i>	200,000,000	200,000,000
Issued/subscribed/paid up certificates	236,400,000	236,400,000
Discount on Issuance of Shares	(50,000,000)	(50,000,000)
RESERVES		
Statutory reserve	8,738,973	8,738,973
Accumulated losses	(154,888,552)	(148,420,707)
CONTINGENCIES		
	<u>40,250,421</u>	<u>46,718,266</u>
--SD--		--SD--
CHIEF EXECUTIVE / DIRECTOR		DIRECTOR

**PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2016**

	December 31 2016 Rupees	December 31 2015 Rupees
INCOME		
Ijara rental income	-	-
Un-realised gain on investment	-	-
Profit on PLS account	-	-
Gain on Sale of Fixed Assets	-	-
Reversal of MarkUp	-	-
Other income	-	-
	-	-
EXPENDITURE:		
Administrative expenses	(1,478,506)	(1,922,720)
Profit/(loss) before management fee	(1,478,506)	(1,922,720)
Modaraba company's management fee	-	-
Profit / (Loss) for the year before taxation	(1,478,506)	(1,922,720)
Taxation	-	-
	-	-
PROFIT/(LOSS) AFTER TAXATION	<u>(1,478,506)</u>	<u>(1,922,720)</u>
--SD--		--SD--
CHIEF EXECUTIVE / DIRECTOR		DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE QUARTER ENDED DECEMBER 31, 2016**

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 there under, having its registered office at 6-M/2, Block H, Gulberg II, Lahore. The Modaraba is listed on the Pakistan Stock Exchange with trading symbol (UCAPM). The management of Modaraba was transferred to Map Out Management Company (Private) Limited on November 27, 2014.

The accumulated losses of the Modaraba as at balance sheet are Rs. 154,888 million. The operations of Modaraba had been reduced to minimal level since the year 2000. The present Modaraba Management Company plans to revive the Modaraba and intends to make it an active business concern.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the requirements of the Approved International Financial Reporting Standards (IFRSs) as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies & Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP) [the Modaraba Regulations].

3. BASIS OF PRESENTATION

These financial statements have been prepared on a going concern basis without adjustment of all the assets are stated at their realizable values and all liabilities at amounts they are likely to be discharged at.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

Property & Equipment are stated at cost less accumulated depreciation. Cost comprise of initial consideration paid on acquisition of asset as well as cost incurred to bring the asset to its useful condition. Subsequent cost 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 Company and the cost of item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

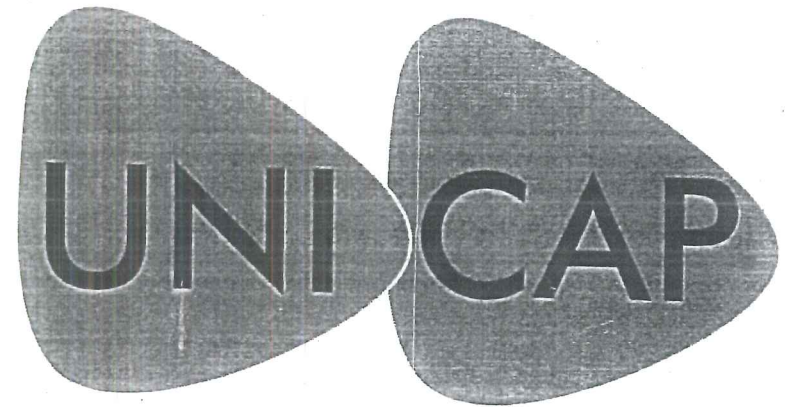
Depreciation is provided on a straight-line basis and charged to profit and loss account to write off the depreciable amount of each asset over its estimated useful life. Depreciation on addition in property, plant and equipment is charged on assets from the month of acquisition/purchase while no depreciation is charged in the month of disposal.

De-recognition

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

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To,



ANNUAL REPORT

2017

UNICAP MODARABA

Managed by

Map Out Management Company (Pvt) Ltd

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

UAN:03 000 434 434



If undelivered please return to:

UNICAP MODARABA

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

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STATEMENT OF CHANGES IN EQUITY

NOTES TO THE ACCOUNTS

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	2017	2016
	RUPEES	RUPEES
Office supplies / consumables	10,874	35,396
Repair & maintenance	9,712	758,210
Travelling & conveyance	-	100,400
Vehicle fuel & maintenance	121,901	42,169
Generator fuel	1,835	2,420
Bank charges	460	116
Professional charges	-	109,300
Auditors' remuneration	15.1 120,000	120,000
Depreciation expense	5 185,904	266,753
Miscellaneous	8,750	-
	<u>6,219,588</u>	<u>6,198,387</u>

15.1 Auditors' Remuneration

Annual statutory audit fee	100,000	100,000
Half yearly review fee	-	-
Out of pocket expenses	20,000	20,000
	<u>120,000</u>	<u>120,000</u>

16 RELATED PARTY TRANSACTIONS

Related parties include Map Out Management Company (Pvt.) Limited being the Modaraba Management Company. The following related party transactions were carried out during the year.

Management Fee	-	-
Payable - Long Term	<u>10,883,489</u>	<u>4,966,247</u>

17 NUMBER OF EMPLOYEES

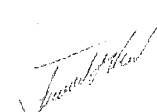
Number of employees as at the year end	<u>4</u>	<u>4</u>
Average number of employees during the year	<u>4</u>	<u>4</u>

18 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board on 26.06.18

19 GENERAL

Figures have been rounded off to nearest Pak Rupee.


CHIEF EXECUTIVE


DIRECTOR

12.1 10 Million Modaraba Certificates were issued to Map Out Management Company (Pvt.) Ltd. in compliance of specific SECP Approval No. SC/M/PRDD/Unicap/2015-139 dated October 09, 2015 against cash. Form-3 i.e. Return of Allotment was submitted in the Office of the Registrar Modarabas accordingly. Resultantly, in line with the instructions of the Registrar Modarabas, the Share Registrar was advised for electronic conversion of Modaraba Certificates issued on December 31, 2015 and deposited the same in CDC account of the Company. The process of electronic conversion of Modaraba Certificates needed updating of increase in Authorized Capital by Pakistan Stock Exchange (PSX) and updating of paid-up capital in CDC. The PSX pointed out that at the time of increase in paid-up capital of the Company on December 31, 2015 the authorized capital of the company was Rs. 200 Million and the paid-up capital after this injection exceeded its authorized capital by Rs. 36 Million. The matter was referred to SECP for approval of increase in Authorized Modaraba Fund from Rs. 200 Million to Rs. 240 Million which was granted during the year.

13 CONTINGENCIES & COMMITMENTS

13.1 Shares of International Investment and Finance Services Limited were pledged against an advance obtained from Universal Leasing Corporation Limited. The lender has illegally transferred these shares in its name. The matter is disputed and a legal suit had been filed by the Modaraba against Universal Leasing Corporation Limited. This suit is likely to be decreed as most of the issues have been settled by the Court.

13.2 An Ex-Director and Sponsor of Chartered Management Services (Private) Limited (Ex-Modaraba Management Company) obtained financing from a Bank against an un-authorized and illegal pledge of shares of Universal Leasing Corporation Limited belonging to the Modaraba. After failing to recover the shares from the lender Bank, the Modaraba filed a legal suit against the Bank. A counter case has been filed by the lender seeking recovery of Rs. 1,894,524/-. However, in this regard the management does not foresee any liability to materialize.

The above mentioned cases as indicated in note 13.1 & 13.2 are likely to take some time to conclude particularly due to the fact that the respective shares have reportedly been disposed off by the aforesaid counterparties. Necessary provisioning has been made in the books and accordingly the same appear at nil values in these financial statements.

14 REVERSAL OF MARK-UP

This represents the reversal of accrued liabilities booked in prior years and are no longer payable.

15 ADMINISTRATIVE EXPENSES

Staff salaries & allowances	2,647,000	2,181,586
Office rent	2,075,000	1,330,000
Fee & subscription	584,655	812,050
Utilities (Electricity, Gas, Water)	32,330	116,484
Telephone / Internet	25,070	68,435
Printing & stationery	10,958	50,157
Postages	19,710	8,360
Insurance expense	296,232	129,172
Advertising and promotion	-	17,000
Entertainment	69,199	50,379

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, 2017.

1. Economy

The financial indicators of the country are showing improving trends with GDP growth rate at 5.2%, highest in last 10 years. Service and industrial sectors registered growth of 6% and 5% respectively. The government has put emphasis on the growth of Agriculture Sector and as a result of continuous monitoring of disbursements of Agri Credit by the Commercial Banks, the SBP has reported meeting the Agri Credit target for the fiscal year 2016-17 by the Commercial Banks.

Inflation has been contained at around 4% while the Rupee has remained stable at Rs. 105/106 per US\$, though temporarily there has been a glitch when rupee had touched Rs. 108.0/US\$.

All the foregoing factors augur well for the Corporate Sector and hence expected improved utilization of Credit from Financial Sector.

The political situation appears to have stabilized in the country after the in house change by electing a new Prime Minister. The Stock Market which had fallen to 43,000 levels has bounced back to 45,000 level reflecting business confidence. However, 2018, being an election year, much would depend on the continuation of Government Policies for consolidating and further improving the economic gains. Government would have to focus on improvement of power supply in the country, reduction of current account deficit and improvement of exports which are hurting the economic growth.

2. Operating Results and Business Overview

	June 30, 2017 Rupees	June 30, 2016 Rupees
Balance Sheet		
Certificate capital	236,400,000	236,400,000
Total equity	38,761,429	42,942,599
Profit & Loss		
Revenue	2,038,418	500,000
Operating expenses	6,219,588	6,198,387
Profit before management fee	-	-
Net Loss	-4,181,170	-5,698,387
Appropriations		
Profit distribution	-	-
Statutory Reserve	-	-
Earning per Certificate		
	-	-

The Modaraba booked a loss of Rs. 4.181 million during the year under review as compared to Rs. 5.698 million during period ended June 30, 2016 due to austere use of resources since all the operational activities came to a grinding halt due to SECP Order dated April 19, 2016 suspending all business and operational activities. Map Out Management Company (Pvt.) Limited - Modaraba Management Company has borne all the expenses of the Modaraba till date amounting Rs. 10,883,489- and booked as "Payable to Management Company". The amount is payable by the Modaraba once it is fully operational and earns profits.

3. Outlook

UNICAP Modaraba has strong financial support and backing of its sponsors and its associated concerns. The capital of UNICAP Modaraba was completely eroded at the time of takeover by Map Out Management Company (Pvt.) Limited on December 14, 2014. The Management Company inherited the Modaraba with

negative equity of Rs. (1,359) million and accumulated losses of Rs. (146,498) million. The management company did not inherit any PUBLIC MONEY in the Modaraba at the time of takeover 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 Rs. 50 million in the equity of the Modaraba on December 31, 2015 raised from its own private sources.

Hence, UNICAP Modaraba is unique in the sense that it is the only Modaraba which in the absence of any PUBLIC MONEY is operating with PRIVATE MONEY amounting Rs. 50 million injected by its sponsors on December 31, 2015.

The management is exploring various possible options for resource mobilization for Modaraba, including leveraging of its balance sheet through financial support from the sponsors of the Management Company of the Modaraba and some foreign investment arrangements also. UNICAP Modaraba has adequate credit support available from its sponsors required for 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.

4. Profit / Loss

The Board of Directors has approved accumulated losses of Rs. 156,377,544 for the year ended June 30, 2017. The net losses for the year 2016 were recorded as Rs (5,698,387), which have considerably reduced to Rs. (4,181,170) which shows the impact of the financial as well as administrative contribution of the Management Company.

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.

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2017

	2017 RUPEES	2016 RUPEES
6 INVESTMENTS		
Stock in trade	<u>50,487,000</u>	<u>50,487,000</u>
	<u>50,487,000</u>	<u>50,487,000</u>
7 ADVANCES, DEPOSITS & PREPAYMENTS		
Security deposit	-	105,000
Prepaid insurance	<u>26,537</u>	<u>192,232</u>
	<u>26,537</u>	<u>297,232</u>
8 OTHER RECEIVABLES		
Other receivables	<u>127,580</u>	<u>627,580</u>
	<u>127,580</u>	<u>627,580</u>
9 CASH & BANK BALANCES		
Cash in hand	791,488	5,434
Cash at bank - Current account	<u>-</u>	<u>11,802</u>
	<u>791,488</u>	<u>17,236</u>
10 LONG TERM LIABILITIES		
Long term security deposits	320,000	320,000
Payable to Management Company	10.1 <u>10,883,489</u>	<u>4,966,247</u>
	<u>11,203,489</u>	<u>5,286,247</u>
10.1 Payable to Management Company represents the amount paid by Mapout Management Company (Pvt.) Limited for day to day expenses of UNICAP Modaraba. The amount is repayable to the Management Company once the Modaraba starts earning from active business activity.		
11 ACCRUED & OTHER LIABILITIES		
Accrued expenses	653,000	2,571,418
Unclaimed dividend	<u>345,242</u>	<u>345,242</u>
	<u>998,242</u>	<u>2,916,660</u>
12 CERTIFICATE CAPITAL		
Authorized Modaraba Fund		
20,000,000 Modaraba Certificates of Rs.10/- each	200,000,000	200,000,000
4,000,000 Modaraba Certificates of Rs.10/- each	12.1 <u>40,000,000</u>	<u>-</u>
	<u>240,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up		
10,000,000 Modaraba Certificates of Rs.10/- each - Cash	<u>100,000,000</u>	<u>100,000,000</u>
3,640,000 Modaraba Certificates of Rs.10/- each - Bonus	<u>36,400,000</u>	<u>36,400,000</u>
10,000,000 Modaraba Certificates of Rs.10/- each - Cash	<u>100,000,000</u>	<u>100,000,000</u>
	<u>236,400,000</u>	<u>236,400,000</u>
Discount on Issuance of Shares		
10,000,000 Modaraba Certificates of Rs.10/- each issued at discount of Rs. 5/- each	(50,000,000)	(50,000,000)

JSCC

4.13 Provision

Provision is recognized when the Modaraba has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

4.14 Financial instruments

Financial assets and liabilities are classified and stated at values determined according to substance of contractual arrangements. Financial instruments include investments receivables, cash and bank balances, certificate of investments, creditors and other liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

4.15 Borrowing costs

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

4.16 Presentation & functional currency

The financial statements are presented in PKR which is the Modaraba's functional currency.

5 PROPERTY & EQUIPMENT

PARTICULARS	COST			RATE	DEPRECIATION			W.D.V. AS AT 30-06-2017
	As at 01-07-2016	Additions	(Deletions) 30-06-2017		As at 01-07-2016	For the Year	Adjustments 30-06-2017	
Office Equipment	200,632	-	200,632	20%	50,158	30,095	80,253	120,379
Furniture & Fixture	694,100	-	694,100	33%	226,627	155,809	382,435	311,665
Motor Vehicle	-	-	-	20%	-	-	-	-
TOTAL 30-06-2017	894,732	-	894,732		276,785	185,904	462,689	432,043

5.1 PROPERTY & EQUIPMENT (Comparative)

PARTICULARS	COST			RATE	DEPRECIATION			W.D.V. AS AT 30-06-2016
	As at 01-07-2015	Additions	(Deletions) 30-06-2016		As at 01-07-2015	For the Year	Adjustments 30-06-2016	
Office Equipment	200,632	-	200,632	20%	10,032	40,126	50,158	150,474
Furniture & Fixture	694,100	-	694,100	33%	-	226,627	226,627	467,473
Motor Vehicle	-	-	-	20%	-	-	-	-
TOTAL 30-06-2016	200,632	694,100	894,732		10,032	266,753	276,785	617,947

Lahore
June 26, 2018

- 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, 2017, except for those disclosed in financial statements.
- No investment was made by the Employees Provident Fund as on June 30, 2017.
- Key operating and financial data of last six years cannot be presented as this is the third year of Modaraba's operations after takeover by the Map Out Management Company (Pvt.) Limited on December 14, 2014.
- 4 Board meetings of the Modaraba Company were held during the year.
- 2 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 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

Corporate social responsibility (CSR) refers to business practices involving initiatives that benefit society. The Modaraba ensures its role of a Responsible Corporate Citizen by adhering to the following principles:

- Conducting business in a socially responsible and ethical manner.
- Protecting the environment and the safety of people.
- Supporting human rights; and
- Supporting the communities and cultures with which it works.

The Modaraba is committed to maintain the highest standards of integrity and corporate governance 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 present auditors M/s Ilyas Saeed & Co. Chartered Accountants, as auditors for the financial year ending June 30, 2017 with the approval of Registrar Modaraba.

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. The Board also appreciates dedication and hard work of the employees of the Modaraba.

On behalf of the Board


Junaid Iqbal
Chief Executive Officer

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We were engaged to audit the annexed balance sheet of UNICAP MODARABA as at June 30, 2017 and the related profit and loss account, cash flow statement 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.

These financial statements are the responsibility of the Modaraba Management Company (Map Out Management (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 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 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 significant estimates made by the Modaraba Management Company, as well as, evaluating the overall presentation of the financial statements. We believe that our audit does not provide a reasonable basis to form an opinion and accordingly, we report that:-

1. Financial statements for the previous year were audited by us whereby we expressed a disclaimer due to significant matters identified during our engagement vide our report dated January 30, 2018.
2. Due to time constraint and we being appointed as auditors subsequent to the balance sheet date i.e. May 09, 2018, we could not physically verify the fixed assets, stocks, stores, cash and cash equivalents as at June 30, 2017.
3. Direct confirmations in respect of Banks, Legal Advisor, Tax Consultant, Debtors, Creditors, Directors and other receivable / payables could not be sent due to the reason aforementioned.
4. The Company has suffered a loss of Rs. 4.181 million (2016: Rs. 5.698 million) excluding adjustments as might be necessary during the year. The Company has suffered accumulated losses amounting to Rs. 156.378 million (2016: Rs. 152.196 million) and the equity for the year shows a positive figure of Rs. 38.761 million.
5. Reportedly, the operations of the Company were under suspension by the Orders of the Securities and Exchange Commission of Pakistan for a major part of the year. However, no operations took place during the year.

JSC

4.4 Stock-in-trade

The Stock-in-trade is valued at cost or net realizable value whichever is less.

4.5 Revenue Recognition

Rental Income

Rentals on Ijarah contracts written are recognized as income on accrual basis.

Interest Income

Markup / profit is recorded on time proportion basis.

4.6 Ijarah Financing

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

4.7 Expenses

Expenses are recognized on accrual basis.

4.8 Taxation

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

4.9 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 company.

4.10 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet if the Company has a legally enforceable right to set-off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Corresponding income on the assets and charges on the liabilities are reported on net amounts.

4.11 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.

4.12 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.

BS

Leased

Finance Lease

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Asset subject to finance lease are capitalized at the commencement of the lease term at the lower of present value of minimum lease payments under the lease agreements and the fair value of the leased assets, each determined at the inception of the lease.

The related rental obligation net of finance cost is included in liabilities against assets subject to finance lease. The liabilities are classified as current and long term depending upon the timing of payments. Each lease payment is allocated between the liability and finance cost so as to achieve a constant rate on the balance outstanding. The finance cost is charged to profit and loss account over the lease term.

Depreciation of assets subject to finance lease is recognized in the same manner as for owned assets. Depreciation of the leased assets is charged to profit and loss account.

4.2 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 profit and loss account 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.

4.3 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 Company 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.

6. We were unable to satisfy ourselves as to the pendency or otherwise of the contingencies and commitments reported for the year as well as of those reported in previous year's financial statements.
7. The Company injected further capital of Rs. 100,000 million (Rs. 50,000 million net of discount) during the previous year which increased the issued, subscribed and paid up capital of the Company to Rs. 236,400 million. However, the authorized capital of the Company remained at Rs. 200,000 million at the time of increase in issued, subscribed and paid up capital. This increase was made without first increasing the authorized capital and resultant change in Memorandum of Association of the Company. Thus, the issuance of paid up capital in excess of the authorized capital led to an ultra vires act on the part of the Company. However, the Company applied for increase in authorized capital subsequent to the said increase in issued, subscribed and paid up capital and purportedly has obtained the approval from respective authorities.
8. Due to the significance and material nature of the foregoing, material uncertainties exist which cast significant doubt about the Company's ability to continue as a going concern. Thus, the Company may not be able to realize all its assets and discharge all its liabilities in the normal course of business. These financial statements have been prepared on a going concern basis without any adjustments to reflect assets at their realizable value and liabilities at values they are likely to be discharged at, as against the requirements of the approved International Financial Reporting Standards.

Because of the significance and material nature of the matters discussed in the preceding paragraphs, we do not express an opinion on these financial statements.

ISLAMABAD: 26/06/2018.
JSC

Ilyas Saeed & Co.
CHARTERED ACCOUNTANTS
Engagement Partner: Imran Ilyas, FCA

**UNICAP MODARABA
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2017**

	2017 Rupees	2016 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES:		
(Loss) before taxation	(4,181,170)	(5,698,387)
Adjustments for:		
Depreciation	185,904	266,753
Gain on sale of fixed assets	-	-
Impairment in value of investment	-	-
Operating cash flow before working capital changes	(3,995,267)	(5,431,634)
Working Capital Changes:		
(Increase) / decrease in current assets:		
Stock in trade	-	(50,487,000)
Advances, deposits & prepayments	270,695	(297,232)
Other receivables	500,000	(500,000)
Accrued markup / profit	-	-
Increase / (decrease) in current liabilities:		
Accrued and other liabilities	(1,918,418)	845,500
Tax paid	(1,147,723)	(30,438,732)
Net Cash Flow From Operating Activities	(5,142,990)	(55,870,366)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Furniture and equipment	-	(694,100)
Proceeds from sale of fixed assets	-	-
Long term security deposits	-	-
Proceeds from sale of short term investments	-	-
Net Cash Flow From Investing Activities	-	(694,100)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Map Out Management Company (Pvt.) Limited	5,917,242	4,966,247
Capital Certificates	-	100,000,000
Capital Certificates - Discount:	-	(50,000,000)
Net Cash Flow From Financing Activities	5,917,242	54,966,247
Net increase / (decrease) in cash & cash equivalents	774,252	(1,598,219)
Cash & cash equivalent at the beginning of the year	17,256	1,615,455
Cash & cash equivalent at the end of the year	791,488	17,236

The annexed notes from (1) to (19) form an integral part of these financial statements.



CHIEF EXECUTIVE


DIRECTOR

**UNICAP MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Certificate Capital	Discount on Issuance of Certificates	Statutory Reserve	Accumulated (Loss)	Total
Balance as at June 30, 2015	136,400,000	-	8,738,973	(1,359,014)	(1,359,014)
are capital issued / (withdrawn)	100,000,000	(50,000,000)	-	-	50,000,000
loss) for the year	-	-	-	(5,698,387)	(5,698,387)
Balance as at June 30, 2016	236,400,000	(50,000,000)	8,738,973	(152,196,374)	42,942,599
are capital issued / (withdrawn)	-	-	-	-	-
loss) for the year	-	-	-	(4,181,170)	(4,181,170)
Balance as at June 30, 2017	236,400,000	(50,000,000)	8,738,973	(156,377,544)	38,761,429

The annexed notes from (1) to (19) form an integral part of these financial statements.


CHIEF EXECUTIVE


DIRECTOR