



UNICAP MODARABA

*ANNUAL AUDITED
FINANCIAL STATEMENTS*

FOR THE PERIOD ENDED

30 JUNE 2020

www.unicapmodaraba.com

info@unicapmodaraba.com

AUDITORS' REPORT TO THE CERTIFICATE HOLDERS

We have audited the annexed balance sheet of **UNICAP MODARABA** (the "Modaraba") as at June 30, 2020 and the related profit and loss account, statement of comprehensive income, 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 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 significant 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 balance sheet and profit and loss account 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;

[Signature]

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- (2) -

- (c) in our opinion and to the best of our information and according to the explanation given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan and give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981 in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2020 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 1 to the financial statements which indicates that the Modaraba has suffered a loss of Rs. 3.271 million (2019: Rs. 0.305 million) during the year and has suffered accumulated losses amounting to Rs. 165.008 million (2019: Rs. 161.737 million) and have negative operating cash flows of Rs. 2.961 million (2019: 2.967 million) during the year. Furthermore, the Modaraba has not carried out business activities to its' full potential during the year. 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 1 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.

ISLAMABAD: 07/10/20

JSC

Ilyas Saeed & Co.

CHARTERED ACCOUNTANTS

Engagement Partner: Imran Ilyas, FCA

UNICAP MODARABA
BALANCE SHEET
AS AT JUNE 30, 2020

ASSETS	Note	2020 Rupees	2019 Rupees
Current Assets			
Cash & bank balances	5	647,256	216,389
Investments - Stock in trade	6	55,000,000	55,000,000
Advances, deposits & prepayments	7	87,265	86,976
Other receivables	8	-	127,580
		55,734,521	55,430,945
Non-Current Assets			
Property & equipment	9	153,993	215,574
TOTAL ASSETS		55,888,514	55,646,519
LIABILITIES			
Current Liabilities			
Accrued & other liabilities	10	594,000	473,000
Provision for taxation	11	901,489	901,489
Payable to management company	12	23,916,593	20,204,579
Unclaimed dividend	13	345,242	345,242
		25,757,324	21,924,310
Long Term Liabilities			
Long term security deposits	14	-	320,000
TOTAL LIABILITIES		25,757,324	22,244,310
NET ASSETS		30,131,190	33,402,209
REPRESENTED BY:			
Certificate Holders' Equity			
Authorized Modaraba Fund	15.1	240,000,000	240,000,000
Issued, subscribed & paid up certificates	15.2	236,400,000	236,400,000
Discount on issuance of certificates	15.3	(50,000,000)	(50,000,000)
		186,400,000	186,400,000
Reserves			
Statutory reserve	SCE	8,738,973	8,738,973
Accumulated loss	SCE	(165,007,783)	(161,736,764)
		(156,268,810)	(152,997,791)
Contingencies & Commitments	16	-	-
TOTAL EQUITY		30,131,190	33,402,209

The annexed notes from (1) to (28) form an integral part of these financial statements.

FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY

-Sd-
CHIEF EXECUTIVE

-Sd-
CHIEF FINANCIAL OFFICER

-Sd-
DIRECTOR

-Sd-
DIRECTOR

UNICAP MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS	<u>Note</u>	<u>2020</u> <u>Rupees</u>	<u>2019</u> <u>Rupees</u>
INCOME			
Trading profit	17	-	3,000,000
Other income - reversal of accrued liabilities	18	375,000	1,345,000
		375,000	4,345,000
EXPENDITURE			
Administrative expenses	19	3,646,019	4,650,444
		3,646,019	4,650,444
(Loss) for the year before Management Fee		(3,271,019)	(305,444)
Modaraba company's management fee		-	-
(Loss) for the year before taxation		(3,271,019)	(305,444)
Taxation	20	-	-
(LOSS) FOR THE YEAR AFTER TAXATION		(3,271,019)	(305,444)
(Loss) per certificate - basic & diluted	21	(0.14)	(0.01)

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DIRECTOR

UNICAP MODARABA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS	2020 <u>Rupees</u>	2019 <u>Rupees</u>
(Loss) for the year	(3,271,019)	(305,444)
Other comprehensive income / (loss) for the year	-	-
TOTAL COMPREHENSIVE (LOSS) FOR THE YEAR	<u>(3,271,019)</u>	<u>(305,444)</u>

The annexed notes from (1) to (28) form an integral part of these financial statements.

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UNICAP MODARABA
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS	2020 <u>Rupees</u>	2019 <u>Rupees</u>
CASH FLOW FROM OPERATING ACTIVITIES		
Total comprehensive (loss) for the year	(3,271,019)	(305,444)
Adjustments for non-cash items:		
Depreciation	61,581	88,516
Operating cash flow before working capital changes	(3,209,438)	(216,928)
Working capital changes:		
(Increase) / decrease in current assets:		
Stock in trade	-	(2,600,000)
Advances, deposits & prepayments	(290)	9,144
Other receivables	127,580	-
Increase / (decrease) in current liabilities:		
Accrued & other liabilities	121,000	(158,800)
Net working capital changes	248,290	(2,749,656)
Tax paid	-	-
Net Cash Flow From Operating Activities	(2,961,148)	(2,966,585)
CASH FLOW FROM INVESTING ACTIVITIES		
Long term security deposits	(320,000)	-
Net Cash Flow From Investing Activities	(320,000)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Map Out Management Company (Pvt.) Limited	3,712,014	2,444,120
Net Cash Flow From Financing Activities	3,712,014	2,444,120
Net (decrease) in cash & cash equivalents	430,866	(522,465)
Cash & cash equivalent at the beginning of the year	216,389	738,854
Cash & cash equivalent at the end of the year	647,256	216,389

The annexed notes from (1) to (28) form an integral part of these financial statements.

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DIRECTOR

UNICAP MODARABA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2020

PARTICULARS	Certificate Capital	Discount on Issuance of Certificates	Statutory Reserve	Accumulated (Loss)	Total
	-----Rupees-----				
Balance as at July 01, 2018	236,400,000	(50,000,000)	8,738,973	(161,431,320)	33,707,653
Share capital issued / (withdrawn)	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	(305,444)	(305,444)
Balance as at June 30, 2019	<u>236,400,000</u>	<u>(50,000,000)</u>	<u>8,738,973</u>	<u>(161,736,764)</u>	<u>33,402,209</u>
Share capital issued / (withdrawn)	-	-	-	-	-
Total comprehensive (loss) for the year	-	-	-	(3,271,019)	(3,271,019)
Balance as at June 30, 2020	<u>236,400,000</u>	<u>(50,000,000)</u>	<u>8,738,973</u>	<u>(165,007,783)</u>	<u>30,131,190</u>

The annexed notes from (1) to (28) form an integral part of these financial statements.

FOR MAPOUT MANAGEMENT COMPANY (PRIVATE) LIMITED
MODARABA MANAGEMENT COMPANY

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CHIEF EXECUTIVE**

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CHIEF FINANCIAL OFFICER**

**-Sd-
DIRECTOR**

**-Sd-
DIRECTOR**

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

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.

The accumulated losses of the Modaraba as at the balance sheet date are Rs. 165.008 million. Further, the operations of Modaraba have been reduced to minimal level since the year 2000. However, the present Modaraba Management Company has planned to revive the Modaraba and intends to make it an active business concern.

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 & regularization as a public limited company solely operated with private money injected by Mapout Management Company (Private) Limited. Due to aforementioned reasons, the Modaraba may be doubtful to continue as a going concern. However, the management is hopeful of its' revival and regularization and thus, these financial statements have been prepared on a going concern basis.

2 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). Wherever the requirements of the Islamic Financial Accounting Standards (IFASs), Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Prudential Regulations for Modaraba and directives issued by SECP differ with the requirements of IFRS, the requirements of the Islamic Financial Accounting Standards (IFASs), Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Prudential Regulations for Modaraba, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by SECP shall prevail.

3 BASIS OF PREPARATION

As stated in note 1 above, the Modaraba may be doubtful to continue as a going concern. However, the management is hopeful of its' revival and have injected new funds into the Modaraba thus, the financial statements have been prepared on a going concern basis without adjustment of all the assets stated at their realizable values and all liabilities at amounts these are likely to be discharged at.

3.1 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.

3.2 Functional and presentation currency

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

3.3 Critical accounting estimates and judgments

The preparation of financial statements in conformity with the Approved International Financial Reporting Standards as issued by the Institute of Chartered Accountants of Pakistan requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

3.4 New accounting pronouncements

3.4.1 Amendments to approved accounting standards and interpretations which became effective during the year ended June 30, 2020

There are new and amended standards and interpretations that are mandatory for accounting periods beginning July 01, 2019 (other than those disclosed in note 3) which are considered not to be relevant or do not have any significant effect on the Modaraba's financial statements and are therefore not stated in these financial statements.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Property & equipment

Owned:

Cost

Property & equipments 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 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 income during the period in which they are incurred.

Depreciation

Depreciation is provided for on reducing balance method 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 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 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 profit and loss account in the year the asset is derecognized.

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 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.

4.4 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.

4.5 Revenue Recognition

Revenue from trading activities

Revenue from sale of goods is recognized when the customer obtains control of the goods, being when the goods are delivered to the customer and there is no unidentified obligation that could affect the customer's acceptance of goods. Delivery occurs when the goods have been dispatched from the Modaraba's premises, the risk of loss has been transferred to the customer and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have elapsed or the Modaraba has objective evidence that all the criteria for acceptance has been satisfied.

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.

4.6 Ijarah Financing

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

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 charge for current tax also includes adjustments, where necessary, relating to prior years, which arise from assessment revised / finalized during the year.

4.8 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.

4.9 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.

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.

4.11 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.

4.12 Borrowing costs

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

4.13 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.

4.14 Offsetting

A financial asset and financial liability is off-set and the net amount is reported in the balance sheet if the Modaraba 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.

4.15 Impact of COVID-19

The COVID - 19 pandemic has taken a toll on all economies and emerged as a contagion risk around the globe, including Pakistan. The management has carried out its assessment in respect of COVID - 19 pandemic and is of the view that there is no material impact on the long term operations of the Modaraba due to COVID - 19 and there is no material impact on the financial statements.

The COVID - 19 pandemic has affected the Modaraba in the short term as the sales were reduced considerably and the sales were made at a lesser per unit sale price. However, the same goes good with purchases as per unit purchase price also reduced during this period. Resultantly, the cost of Stocks remain the same but with slightly higher quantities as compared to last year. The management is of the view that this will result in better profits for the next year.

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

	2020 <u>Rupees</u>	2019 <u>Rupees</u>	
5 CASH & BANK BALANCES			
Cash in hand	42,495	3,515	
Cash at bank - Current account	604,761	212,875	
	<u>647,256</u>	<u>216,389</u>	
6 INVESTMENTS	2020 <u>Rupees</u>	2019 <u>Rupees</u>	
Stock in trade	55,000,000	55,000,000	
	<u>55,000,000</u>	<u>55,000,000</u>	
7 ADVANCES, DEPOSITS & PREPAYMENTS	2020 <u>Rupees</u>	2019 <u>Rupees</u>	
Advance tax	87,265	86,976	
	<u>87,265</u>	<u>86,976</u>	
8 OTHER RECEIVABLES	2020 <u>Rupees</u>	2019 <u>Rupees</u>	
Other receivables	127,580	127,580	
Less: Written off	(127,580)	-	
	<u>-</u>	<u>127,580</u>	
9 PROPERTY & EQUIPMENT			
	Office Equipment	Furniture & Fixture	TOTAL
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Cost			
As at July 01, 2018	200,632	694,100	894,732
Additions	-	-	-
Deletions	-	-	-
As at June 30, 2019	200,632	694,100	894,732
Additions	-	-	-
Deletions	-	-	-
As at June 30, 2020	<u>200,632</u>	<u>694,100</u>	<u>894,732</u>
Depreciation			
As at July 01, 2018	104,329	486,313	590,642
Charged for the year	19,261	69,255	88,516
Adjustments	-	-	-
As at June 30, 2019	123,590	555,569	679,158
Charged for the year	15,408	46,173	61,581
Adjustments	-	-	-
As at June 30, 2020	<u>138,998</u>	<u>601,741</u>	<u>740,739</u>
W.D.V. as at June 30, 2019	<u>77,042</u>	<u>138,531</u>	<u>215,574</u>
W.D.V. as at June 30, 2020	<u>61,634</u>	<u>92,359</u>	<u>153,993</u>
Depreciation rate %	20%	33%	

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

10 ACCRUED & OTHER LIABILITIES		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Accrued expenses		494,000	473,000
Other payables - purchase of stock		100,000	-
		<u>594,000</u>	<u>473,000</u>

11 PROVISION FOR TAXATION		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Previous years	16.3	901,489	901,489
For the year	20	-	-
		<u>901,489</u>	<u>901,489</u>

12 PAYABLE TO MANAGEMENT COMPANY		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Opening balance		20,204,579	17,760,459
Received during the year		3,712,014	3,964,120
Paid / adjusted during the year		-	(1,520,000)
Closing balance		<u>23,916,593</u>	<u>20,204,579</u>

12.1 Maximum outstanding balance during the year as well as at the end of any month stood at Rs.23.92 million.

12.2 Payable to Management Company represents the amounts paid by Mapout Management Company 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. However, the Management Company intends to get the same adjusted against further issue of capital, subject to the permission of SECP. Thus, the same has been classified as current liability as the permission / approval of SECP is being sought for issuance of further capital.

13 UNCLAIMED DIVIDEND		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Unclaimed Dividend		345,242	345,242
		<u>345,242</u>	<u>345,242</u>

14 LONG TERM SECURITY DEPOSITS		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Long term security deposits		320,000	320,000
Less: Written off	14.1	(320,000)	-
		<u>-</u>	<u>320,000</u>

14.1 This amount has been written off during the year as the same is more than six years old. No claim has ever been lodged by anyone, in this regard, and the party and record of transaction is not traceable.

15 CERTIFICATE CAPITAL		2020 <u>Rupees</u>	2019 <u>Rupees</u>
15.1 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	15.4	40,000,000	40,000,000
		<u>240,000,000</u>	<u>240,000,000</u>

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

15.2 Issued, Subscribed and Paid-up	2020 Rupees	2019 Rupees
10,000,000 Modaraba Certificates of Rs.10/- each - Cash	100,000,000	100,000,000
3,640,000 Modaraba Certificates of Rs.10/- each - Bonus	36,400,000	36,400,000
10,000,000 Modaraba Certificates of Rs.10/- each - Cash	100,000,000	100,000,000
	236,400,000	236,400,000

15.3 Discount on Issuance of Shares	2020 Rupees	2019 Rupees
10,000,000 Modaraba Certificates issued at discount of Rs.5	(50,000,000)	(50,000,000)
	(50,000,000)	(50,000,000)

15.4 10 million Modaraba Certificates were issued to Mapout Management Company 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 ended June 30, 2017 and shares were then transferred to CDC accordingly as well.

16 CONTINGENCIES & COMMITMENTS

16.1 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.

16.2 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 16.1 & 16.2 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 had been made in the books and accordingly the same appeared at nil values in the financial statements.

16.3 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. 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.

16.4 There are no commitments as at the year end.

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

17 TRADING PROFIT / INCOME		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Sales	17.1	40,400,000	56,000,000
Cost of Sales	17.2	40,400,000	53,000,000
Trading Profit		-	3,000,000

17.1 SALES		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Gross Sales		40,424,850	56,024,453
Less: Discount		(24,850)	(24,453)
Net Sales		40,400,000	56,000,000

17.2 COST OF SALES		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Opening stock		55,000,000	52,400,000
Add: Purchases		40,407,780	55,118,915
Less: Discount		(7,780)	(118,915)
Add: Transportation		-	600,000
Closing stock		(55,000,000)	(55,000,000)
		40,400,000	53,000,000

18 REVERSAL OF ACCRUED LIABILITIES

It represents reversal of long term security deposit and / or accrued liabilities booked in prior years which are no longer payable.

19 ADMINISTRATIVE EXPENSES		2020 <u>Rupees</u>	2019 <u>Rupees</u>
Staff salaries & allowances		1,586,000	1,972,000
Office rent		960,000	1,080,000
Fee & subscription		126,100	200,350
Utilities (Electricity, Gas, Water)		60,000	60,000
Telephone / Internet		16,088	4,060
Website maintenance		-	125,000
Printing & stationery		12,131	17,459
Postages		6,880	7,620
Insurance expense		258,577	271,714
Entertainment		44,596	143,163
Office supplies / consumables		3,994	-
Advertising and Promotion		14,000	120,000
Repair & maintenance		2,900	82,170
Vehicle fuel & maintenance		50,782	79,480
Bank charges		1,810	512
Professional fee		168,000	153,000
Auditors' remuneration	19.1	145,000	200,000
Depreciation expense	9	61,581	88,516
Other receivables written off	8	127,580	-
Miscellaneous		-	45,400
		3,646,019	4,650,444

UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020

19.1 Auditors' Remuneration	2020 Rupees	2019 Rupees
Annual statutory audit fee	100,000	150,000
Fee for other services	25,000	25,000
Out of pocket expenses	20,000	25,000
	<u>145,000</u>	<u>200,000</u>

20 TAXATION	2020 Rupees	2019 Rupees
For the year	-	-
	<u>-</u>	<u>-</u>

20.1 No provision for taxation has been accounted for in these financial statements owing to exemption available on Agricultural Income and carried forward of assessed losses.

21 LOSS PER CERTIFICATE	2020	2019
21.1 Basic loss per certificate:		
Loss after taxation	<u>(3,271,019)</u>	<u>(305,444)</u>
Weighted average number of certificates outstanding	<u>23,640,000</u>	<u>23,640,000</u>
Loss per certificate	<u>(0.14)</u>	<u>(0.01)</u>

21.2 Diluted 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 June 30, 2020 and June 30, 2019 which would have any effect on the basic loss per certificate if the option to convert were exercised.

22 RELATED PARTY TRANSACTIONS

Related parties include Mapout Management Company (Private) Limited being the Modaraba Management Company. The following related party transactions were carried out during the year:

	2020 Rupees	2019 Rupees
Payable to management company	<u>23,916,593</u>	<u>20,204,579</u>

23 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS & KEY PERSON

No remuneration, benefit, allowance or facility is given to the Chief Executive, Directors and / or Key Management Personnel during the year.

24 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>

**UNICAP MODARABA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2020**

27 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the management on 07 OCTOBER 2020

28 GENERAL

Figures have been rounded off to the nearest Pak Rupee.

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

**-Sd-
CHIEF EXECUTIVE**

**-Sd-
CHIEF FINANCIAL OFFICER**

**-Sd-
DIRECTOR**

**-Sd-
DIRECTOR**



SECP Challan

M-2021-251666

02

Bank Branch	LAHORE, MCB - Main Market Gulberg[183]	Date	29-01-2021
Account Title	Securities and Exchange Commission of Pakistan	Account No.	0183089871000097
Name of Company	UNICAP MODARABA	Registration No.	xxxxxxx

Receipt under Companies Act, 2017

Code No.	Head of Accounts	Amount (Rs)
61051	Registration Fee for New Incorporation	
61053	Filing Fee	1000.00
61055	Mortgages / Charge Registration	
61054	Additional Filing Fee	
61056	Availability of Name Fee	
61057	Copying Fee	
61058	Inspection Fee	
61059	License Fee - U/S 42 / Renewal Fee	
61060	Application Fee	
61063	Application for extension in AGM	
61052	Enhancement of Capital Fee (Form - 7)	
61061	Appeal/Complaint Fee	
61064	Application for Capital Issue U/S 86	
61063	Application for extension in AGM	
24071	CLD Penalty	
24075	Penalty imposed by Enforcement	
61060	Annual Fee payable by an Inactive Company u/s 424	
61060	Annual Renewal Fee under for Free Zone Companies u/s 454	
61060	Application for change of Name u/s 11 and 12	
61060	Application Fee for Petition u/s 32	
61060	Application for conversion of status of the Company u/s 46, 47, 48 and 49	
61060	Application for Issuance of Shares at discount u/s 82	
61069	Annual Fee for Inactive Companies U/S 424	
52403	Bank Collection Charges (To Be Paid By Applicant)	25.00

Total

1025.00

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

Original



- a. Payment may kindly be deposited in the bank within a month of the date appearing in date column of challan.
b. Photocopy of the challan shall not be entertained, kindly print separate challans for each company/ Form.
c. Cutting and erasing of any field on challan is not allowed.
d. Challan number and amount of money deposited must be clearly legible on a printed challan.
e. 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 -II, Gulberg-II, Lahore.
UAN:03 000 434 434