**WELCOME ADDRESS BY MR. BASHEER A. CHOWDRY, CHAIRMAN, NBFI & MODARABA ASSOCIATION OF PAKISTAN: 25 JANUARY 2021**

On behalf of NBFI & Modaraba Association of Pakistan, I welcome you all to the launching ceremony of the Country Report on Non Baqnking and Modaraba Sector. The Report has been prepared in collaboration with IBA-CEIF. I am grateful to Dr. Ishrat Hussain, Advisor to PM who, inspite of his very busy schedule, is the chief guestof this ceremony. I am also grateful to Mr. Farrukh Sabzwari, Commissioner, SECP and Ms. Bushra Aslam, Registrar Modaraba for their particpation in today’s event and their continued support. The valuable presence of Dr. Akbar Zaidi Executive Director IBA and Mr. Ahmed Ali Siddiqui Director Center of Exellence in Islamic Finance is very encourgaing and we sincerely thank them and their colleagues for making this event possible.

Ladies and gentelmen,

Non-banking and Modaraba Sectors are an integral component of our financial system. They play an important role for serving financial needs of different segments and complementing the banking system and financial value-chain in Pakistan. They help in financial inclusion, asset creation and economic development of medium to small entities by offering specialized products like leasing, agro-based activities and also financing facilities designed to their needs. NBFIs also help promote culture for documentation and generally reach out to the economically un-catered for and unbanked segments of the society.

Modarabas are a unique concept, providing Sharaiah compliant mechanics for all Halal business activities including trading, financial services, manufacturing and infra-structure related segments.

NBFI & Modaraba Association of Pakistan is an authorised representative body of Modarabas, Leasing Companies and Investment Finance Services, licensed and regulated by SECP. Currently the membership of the Association is 39.

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| --- | --- | --- | --- | --- |
|  | Modarabas 27 | Leasing Cos 08 | Inv. Fin. Ser-04 | Total39 |
| Total Assets | 51.4 | 10.8 | 27.8 | 90,0 |
| Total Equity  | 18.6 | 5.4 | 12.2 | 36.2 |
| Total Profit | (2,045) | 128 | 779 | (1,138\* |
|  | Financial Mo  | 969 |  |  |
|  | Trading Mod | 35 |  |  |
|  | Manuf. Mod | (3,045) | Net (2,045) |  |

Core objectives of the Association include enhancement of professional competence of the members through workshops, seminars and interactive sessions and also to provide awareness to the stakeholders and general public.

 In order to promote an overall awareness of the sector, the Association has been taking various measures like publishing its Year Book which contains activities of the sector and performance of the individual members during the year as well as collective results of the whole sector.

 The Association has signed arrangemenrs for this purpose with Center of Excellence in Islamic Finance of IBA and Institute of Management and Accounting (ICMAP), and continues its efforts to enhance its interaction with other academia like Institute of Business Mananagement (I0BM), Intstitute of Chartered Accountants(ICAP) , Pakistan institute opf Capital Markets and other institutions.

The Association has also developed interaction with FPCCI, KCCI and KATI (Korangi Association 0f Tade and Industry) to arrange awareness sessions. SECP has also been requested to support the Association for arranging and coordinating awareness sessions throughout the country.

The need for a detailed report on NBFI & Modaraba Sector was felt for quite some time and encouraged the Association to prepare a Country Report on the Sector. It was initiated by Mr. Raheel Qamar Ahmad, CEO, ORIX Modaraba and former Chairman of the Association. Consequently the task was assigned to IBA-CEIF to compile the report in collaboration with the Association. The project was delayed due to the spread of COVID Pandemic in the country but we are priveledged to present the Report to you today.

Efforts have been made to include in the report various aspects of the Non-banking and Modaraba Sector encompassing its evolution, growth, structure, performance, shariah compliance and regulatory framework. It is hoped that the book will provide a comprehensive coverage of the sector for readers.

We are indeed thankful to Prof. Dr. Ishrat Husain, Advisor to PM for Institutional Reforms & Austerity and the Chairman, IBA-CEIF, Karachi, Mr Farrukh Sabzwari Commissioner SECP, Ms. Bushra Aslam, Executive Director and Registrar Modaraba, SECP, Dr Akbar Zaidi , Mr Ahmed Ali Siddiqui of IBA and their collagues for their continuous guidance and encouragement in compilation of the report.

We are also thankful to our senior colleagues who contributed their valuable thoughts in their interviews which form a very useful component of the report. We place on record with gratitude, our acknowledgement and appreciation of the concerted efforts made by Dr. Irum Saba, Assistant Professor, IBA-CEIF as the Coordinator of this project and Mr. Muhammad Samiullah, Secretary General of the Association for compilation and completion of this report.

Ladies and gentlement, I thank you again for your kind particpation.