

Shari'ah Report & Shari'ah Supervisory Board Lotus Capital Limited

Shari'ah Report for the fiscal year ending April 30 2013

In the name of Allah, the Most Beneficent, Most Merciful.

Alhamdu Lillahi Rabbi al Alamin, wa Ssalatu wa Ssalamu 'ala Sayyidina Muhammad, wa ala Aalihi wa Sahbihi Ajma'in

To the shareholders and depositors of Lotus Capital Limited

Assalamu Alaikum Wa Rahmat Allah Wa Barakatuh

We have reviewed the principles and the form-contracts relating to the transactions and applications introduced by Lotus Capital during the year under review. We have also conducted our review of the procedures of investment and Shari'ah screening to form an opinion as to whether Lotus Capital has complied with Shari'ah Rules and Principles and with the rulings set by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

Lotus Capital's management is responsible for ensuring that the company conducts its business in accordance with Islamic Rules and Principles. It is the Shari'ah Supervisory Board's responsibility to form an independent opinion based on its review of the operations of the company on Shari'ah compliance. The company has assumed the responsibility to pay the total non-permissible income to charity in accordance with the guidance of the Shari'ah Supervisory Board. The company has not been given the authority to pay Zakaat on behalf of shareholders or depositors. This is the responsibility of the shareholders and depositors themselves.


We report that the Shari'ah Supervisory Board (SSB) conducted the review by examining the form contracts and formal procedures for each type of transaction. The SSB was assured by the Management of Lotus Capital that all transactions have specifically been conducted and concluded by using these form contracts with no additional or other conditions. Accordingly, in our opinion the contracts, transactions and dealings entered into by Lotus Capital during the period under review are generally in compliance with Shari'ah Rules and Principles. However, the Shari'ah Supervisory Board will continue to work with Lotus Capital to perfect their operations from a Shari'ah standpoint.

We beg Almighty Allah to grant us all wisdom to understand His religion and follow its teaching and to bestow on us success in this worldly life and in the life after.

Wassalamu Alaikum Wa Rahmat Allah Wa Barakatuh.



Prof. Dr. Monzer Kahf
Chairman Shari'ah Board
Lotus Capital Limited



Professor Muhammed L. Bashar
Member Shari'ah Board
Lotus Capital Limited

Shari'ah Supervisory Board

The Shari'ah Supervisory Board is an independent body of specialist jurists in Islamic commercial jurisprudence. The Shari'ah Supervisory Board is entrusted with the duty of directing, reviewing and supervising the activities of Lotus Capital, ensuring that the company complies with the Shari'ah. The board is also entrusted with ensuring that any Shari'ah issues pertaining to the company are dealt with in a professional manner, in line with standards set by Islamic financial institutions.

The rulings and resolutions of the Shari'ah Supervisory Board are binding on the company. It is the responsibility of the Shari'ah Supervisory Board to conduct regular audits of transactions and to form an independent opinion, based on reviews of operations. The company's external Supervisory Board members comprise:

Prof. Dr. Monzer Kahf - Dr Kahf is a consultant and lecturer on Islamic Banking, Finance and Economics. He has aided the drafting and review of various Islamic finance agreements for Islamic financial institutions in the USA and also for lawyers, companies and individuals. He has lectured on Islamic Financial Laws and Regulations, and on Islamic Economic and Finance at conferences and community seminars within the USA and overseas. He was a Senior Research Economist at the Islamic Research and Training Institute of the Islamic Development Bank (IDB), Jeddah, Saudi Arabia for 15 years. He was also a Professor of Islamic Economics and Banking in the graduate program of Islamic Economics and Banking at Yarmouk University, Jordan. He is currently a professor of Islamic finance at the Qatar Faculty of Islamic Studies.

Dr Kahf holds a Ph. D. in Economics from the University of Utah, Salt Lake City, Utah, March 1975, a High Diploma in Social and Economic Planning, UN Institute of Planning, Damascus, Syria, 1967. He is also a Certified Public Accountant in Syria since 1968. His Shari'ah scholarship is a product of life-long training at the Ulama of Damascus, Syria and continuous research, study and teaching.

Professor Muhammed L. Bashar - Professor Muhammad Bashar is the Head of Department of Economics, Usmanu Danfodiyo University, Sokoto. He has a B.A.(Hons.) Economics, from Jamia Millia Islamia, New Delhi, an M.A.(Economics) from Jawaharlal Nehru University, New Delhi. He also has a Ph.D. (Economics) from Usmanu Danfodiyo University, Sokoto, a Certificate in Arabic and Islamic Studies from University of Medina at Sokoto and a Certificate in Arabic from Usmanu Danfodiyo University, Sokoto.

Professor Bashar is a well-published and prolific writer, and is also proficient in Hausa, English, Hindi and Arabic.