



**FIRST**

**PRUDENTIAL**

**MODARABA**

**Quarterly Accounts  
September 30, 2018  
(Un-Audited)**

**Managed by :**

**KASB Invest (Private) Limited**

CORPORATE INFORMATION

Board of Directors

Muzaffar Ali Shah Bukhari  
Farrukh S. Ansari  
Amer Maqbool

Chairman  
Director  
Director/Chief Executive Officer

Chief Financial Officer

Aftab Afroz Mahmoodi

Company Secretary

Syed Shahid Owais

Management Company

KASB Invest (Pvt.) Limited

Auditor

RSM Avasi Hyder Liaquat Nauman (Pvt.) Limited

Internal Auditor

EY Ford Rhodes

Audit Committee

Farrukh S. Ansari  
Muzaffar Ali Shah Bukhari

Chairman  
Member

Human Resource and Remuneration Committee

Farrukh S. Ansari  
Muzaffar Ali Shah Bukhari  
Amer Maqbool

Chairman  
Member  
Member

Certificate Transfer Office

C&K Management Associates (Pvt.) Limited  
404, Trade Tower,  
Abdullah Haroon Road,  
Near Metropole Hotel,  
Karachi – 75530  
Phone : 021-35687839 - 021-35685930

Legal Advisor

Ahmed & Qazi

Shariah Advisor

AlHamdShariah Advisory Services (Pvt) Limited

Registered Office & Head Office

16-C, Bukhari Towers,  
Main Khayaban-e-Bukhari, Phase VI,  
DHA, Karachi  
Phone : 021-35171786-89

DHA Branch Office

16-C, Bukhari Towers,  
Main Khayaban-e-Bukhari, Phase VI,  
DHA, Karachi  
Phone : 021-35171786-89

Lahore Branch Office

Office No. 318 3rd Floor,  
Lahore Stock Exchange Building,  
19 Khayaban-e-Awan-e-Iqbal,  
Lahore.

Islamabad Branch Office

Basement, 90-91, Razia Sharif Plaza,  
Jinnah Avenue, Blue Area, F-7,  
Islamabad.  
Phone: 051-2344422-24

Web Address

[www.firstprudentialmodaraba.com](http://www.firstprudentialmodaraba.com)

## DIRECTORS' REPORT

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The Board of Directors of KASB Invest (Private) Limited, the Management Company of First Prudential Modaraba is pleased to present unaudited financial statements of the Modaraba for the First quarter ended September 30, 2018.

### FINANCIAL HIGHLIGHTS

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Financial highlights for the period under review are summarized as under:-

<b>BALANCE SHEET</b>	<b>September 30, 2018 Rs "000"</b>	<b>June 30, 2018 Rs "000"</b>
Cash & Bank balance	56,524	45,039
Investments	21,704	24,274
Diminishing Musharaka Finance	206,024	218,473
Ijarah Assets	68,825	83,238
<b>Total Assets</b>	<b>486,015</b>	<b>494,702</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>	<b>September 30, 2018 Rs "000"</b>	<b>September 30, 2017 Rs "000"</b>
Gross Income	16,448	13,410
Operating & Financial Charges	(15,133)	(11,455)
Management Company Fee	(131)	(198)
Net Profit for the Quarter	1,160	1,833
Earning per Modaraba Certificate (Rupees)	0.01	0.02

### OPERATIONS AND PERFORMANCE

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By the grace of Almighty Allah, the First quarter of the financial year of the Modaraba ended successfully. The Modaraba registered net profit of Rs.1.16 million as compared to Rs.1.72 million for the corresponding period of the last year. Earning per certificate was Rs.0.01 as compared to Rs 0.02 for the corresponding period of the last year.

The management is committed towards continuous improvement of the operating and financial performance of the Modaraba for its long term sustainability and to meet the expectations of the stakeholders especially the certificate holders.

## FUTURE PROSPECTS

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With the aim and strategy of growing with Sharia compliant businesses, we would keep exploring and opting high yield businesses. We trust that we would keep going as per our short and longer term plans with innovative approach that would result in better returns for the Certificate holders.

## ACKNOWLEDGEMENT

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The Board greatly appreciates the support co-operation of the regulatory authorities, certificate holders, customers and bankers and looks forward to their continued support and advice in future.

We pray to Almighty Allah for the success of your Modaraba.

**For & on behalf of the  
Board of Directors**

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Chairman  
Dated: October 29, 2018  
Karachi

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Director

## ڈائریکٹرز رپورٹ

کے اے ایس بی انویسٹ (پرائیویٹ) لمیٹڈ مینجمنٹ کمپنی برائے فرسٹ پروڈنشل مضاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کے ۳۰ ستمبر 2018 کو اختتام پذیر ہونے والی سہ ماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

### مالیاتی جھلکیاں

زیر جائزہ مدت کے لئے مالیاتی جھلکیوں کا خلاصہ درج ذیل ہے:-

30 جون 2018	30 ستمبر 2018	بیلنس شیٹ
روپے ”۰۰۰“ میں	روپے ”۰۰۰“ میں	
45,039	56,524	نقد اور بینک بیلنس
24,274	21,704	سرمایہ کاری
218,473	206,024	شرکت متناقصہ
83,238	68,825	اجارہ اثاثہ جات
494,702	486,015	مجموعی اثاثہ جات
30 جون 2018	30 جون 2018	نفع و نقصان کا حساب
روپے ”۰۰۰“ میں	روپے ”۰۰۰“ میں	
13,410	16,448	مجموعی آمدنی
(11,455)	(15,133)	انتظامی و مالیاتی اخراجات
(198)	(131)	مینجمنٹ کمپنی فیس
1,833	1,160	خالص منافع برائے سہ ماہی
0.02	0.01	فی حصہ منافع (روپے)

### انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے کے اے ایس بی مضاربہ کی پہلی سہ ماہی کامیابی سے اختتام پذیر ہوئی۔ موجودہ مدت 1.16 ملین روپے کا خالص منافع ہوا جو کہ سال گزشتہ اسی مدت کے دوران 1.72 ملین روپے تھا۔ فی حصہ آمدنی 0.01 روپے رہی جو کہ اسی مدت میں سال گزشتہ 0.2 روپے تھی۔

انتظامیہ مضاربہ کی انتظامی و مالیاتی ترقی اور دیرپا استحکام کے لئے پُر عزم ہے۔ اور تمام اسٹیک ہولڈرز خصوصاً حصہ داروں کے لئے بہتر معاوضے کے لئے پُر امید ہے۔

### مستقبل کے امکانات

شریعت کے مطابق کاروبار کے ذریعے ترقی کرنے کا مقصد اور حکمتِ عملی کے ساتھ ہم اعلیٰ پیداواری اور منافع بخش کاروبار کی تلاش اور جستجو کرتے رہیں گے۔

ہم اس یقین کے ساتھ آگے بڑھتے رہیں گے کہ ہمارے قلیل المیعاد اور طویل المدت اہداف حاصل ہو جائیں۔ ہم جدید طرز کاروبار کے ساتھ جدوجہد میں مصروف رہیں گے تاکہ موجودہ کاروباری نتائج اور درجہ بندی کے مقابلے میں بہتر نتائج حاصل کر سکیں جس کے ذریعے حصہ داروں کو بہتر منافع پہنچا سکیں۔

### اعتراف

بورڈ ریگولیٹری اتھارٹی، حصہ داروں، کسٹمرز اور بینکرز کی معاونت اور تعاون کو بہت سراہتا ہے اور مستقبل میں بھی ان کی معاونت اور مشورے کا منتظر رہے گا۔

ہم اللہ کے حضور آپ کے مضاربہ کی کامیابی کے لئے دُعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب و توسط سے

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ڈائریکٹر

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چیئرمین

۲۹ اکتوبر ۲۰۱۸ء

کراچی



**FIRST PRUDENTIAL MODARABA**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)**  
**For the period ended September 30, 2018**

	Note	July 01, 2018 to September 30, 2018 Rupees	July 01, 2017 to September 30, 2017 Rupees
<b>INCOME</b>			
Ijarah rentals earned - net		7,357,476	5,380,231
Return on deposits with bank		377,606	1,198,314
Income on morabaha		589,809	540,000
Income on diminishing musharika		6,935,133	5,811,230
Capital gain		60,448	-
Dividend income		222,600	198,750
Rental income from investment property		635,580	613,800
Other income		347,240	144,772
		<u>16,525,892</u>	<u>13,887,097</u>
Unrealized gain (loss) on investments - held for trading at fair value through profit or loss		(528,120)	(476,433)
Reversal of provision against potential losses - net		450,527	-
		<u>16,448,299</u>	<u>13,410,664</u>
<b>EXPENDITURE</b>			
Depreciation on ijarah assets		(7,912,122)	(6,088,683)
Administrative expenses		(7,182,126)	(5,346,635)
Bank and other charges		(39,253)	(20,030)
		<u>(15,133,501)</u>	<u>(11,455,348)</u>
Profit for the period		1,314,798	1,955,316
Modaraba company's management fee	16	(116,046)	(172,274)
Sales tax on management fee		(15,086)	(25,841)
Workers welfare fund		(23,209)	(34,455)
Profit before taxation		<u>1,160,457</u>	<u>1,722,745</u>
Provision for taxation		-	-
Profit after taxation		<u>1,160,457</u>	<u>1,722,745</u>
<b>Other comprehensive income</b>			
Unrealized gain on remeasurement of investments classified as 'available for sale'		-	111,023
Total comprehensive income for the period		<u>1,160,457</u>	<u>1,833,769</u>
<b>Earnings per certificate</b>		<u>0.01</u>	<u>0.02</u>

The annexed notes form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

-sd-	-sd-	-sd-	-sd-
<b>CHIEF EXECUTIVE</b>	<b>DIRECTOR</b>	<b>DIRECTOR</b>	<b>CHIEF FINANCIAL OFFICER</b>

**FIRST PRUDENTIAL MODARABA**  
**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
For the period ended September 30, 2018

	Period ended	
	September 30, 2018 Rupees	September 30, 2017 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,160,457	1,722,745
Adjustments for non-cash changes and other items:		
Dividend income	(222,600)	(198,750)
Unrealised (gain) on changes in fair value of held for trading investments - at fair value through profit and loss	528,120	476,433
Capital gain on sale of investments	(60,448)	-
(Gain) on disposal-ijarah assets	(213,037)	-
(Gain) on disposal-own assets	-	(13,500)
Depreciation-own use assets	289,496	46,015
Depreciation on ijarah assets	7,912,122	6,088,683
	<b>8,233,653</b>	<b>6,398,881</b>
<b>Cash flows before movements in working capital</b>	<b>9,394,110</b>	<b>8,121,626</b>
<b>(Increase) / decrease in operating assets</b>		
Musharika, morabaha and other finance	(6)	651,813
Diminishing musharika	12,448,104	4,751,512
Ijarah rentals receivable	(332,725)	116,427
Advances, prepayments and other receivables	(9,215,611)	(2,875,140)
Other assets	-	1,612,440
	<b>2,899,762</b>	<b>4,257,052</b>
<b>(Decrease) / increase in operating liabilities</b>		
Ijarah deposits	(6,000,000)	-
Accrued and other liabilities	(3,836,481)	(1,364,089)
	<b>(9,836,481)</b>	<b>(1,364,089)</b>
	<b>2,457,391</b>	<b>11,014,589</b>
Income tax paid	-	-
<b>Net cash (used in) operating activities</b>	<b>2,457,391</b>	<b>11,014,589</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	222,600	198,750
Investments - net	2,102,837	702,490
Proceeds from disposal - own use assets	-	13,500
Proceeds from disposal - ijarah assets	6,713,053	-
Capital work in progress	-	(200,000)
<b>Net cash (used in) / generated from investing activities</b>	<b>9,038,490</b>	<b>714,740</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit distribution	(11,102)	-
<b>Net cash used in financing activities</b>	<b>(11,102)</b>	<b>-</b>
Net (decrease) in cash and cash equivalents (A+B+C)	<b>11,484,779</b>	<b>11,729,329</b>
Cash and cash equivalents at July 1	<b>45,039,248</b>	<b>95,327,554</b>
<b>Cash and cash equivalents at September 30, 2017</b>	<b>56,524,027</b>	<b>107,056,883</b>

The annexed notes form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

-sd-	-sd-	-sd-	-sd-
<b>CHIEF EXECUTIVE</b>	<b>DIRECTOR</b>	<b>DIRECTOR</b>	<b>CHIEF FINANCIAL OFFICER</b>

**FIRST PRUDENTIAL MODARABA**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
For the period ended September 30, 2018

	Reserves				Total
	Capital	Unrealized gain/ (loss) on available for sale investments	Revenue		
	Certificate capital	Statutory reserve	Accumulated loss	Sub total	
----- Rupees -----					
Balance at July 1, 2017	872,176,600	151,282,924	(569,492,498)	(569,492,498)	453,967,026
<b>Comprehensive income</b>					
Profit for quarter ended September 30, 2017	-	-	1,722,745	1,722,745	1,722,745
Other comprehensive income for quarter ended September 30, 2017	-	-	-	-	-
Total comprehensive income for quarter ended September 30, 2017	-	-	1,722,745	1,722,745	1,722,745
<b>Transfer to statutory reserve</b>					
Balance at September 30, 2017	872,176,600	151,627,473	(568,114,302)	(568,114,302)	455,689,771
Balance at July 1, 2018	872,176,600	151,282,924	(600,394,309)	(600,394,309)	423,065,215
<b>Comprehensive income</b>					
Profit for quarter ended September 30, 2018	-	-	1,160,457	1,160,457	1,160,457
Other comprehensive income for quarter ended September 30, 2018	-	-	-	-	-
Total comprehensive income for quarter ended September 30, 2018	-	-	1,160,457	1,160,457	1,160,457
<b>Transfer to statutory reserve</b>					
Balance at September 30, 2018 (Un-audited)	872,176,600	151,515,015	(599,465,943)	(599,465,943)	424,225,672

\* Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by SECP.

The annexed notes form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

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DIRECTOR

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DIRECTOR

CHIEF FINANCIAL OFFICER

CHIEF EXECUTIVE

**FIRST PRUDENTIAL MODARABA**  
**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (UN-AUDITED)**  
**For the period ended September 30, 2018**

**1. LEGAL STATUS AND NATURE OF BUSINESS**

1.1 First Prudential Modaraba (the Modaraba) is a multipurpose, perpetual Modaraba. The Modaraba is registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 and was managed by Prudential Capital Management Limited (PCML). In pursuance of instructions received from Securities and Exchange Commission of Pakistan (SECP), KASB Invest (Private) Limited has taken over the management and administrative control of First Prudential Modaraba effective from November 13, 2014.

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1.2 The registered office of the Modaraba is situated at 16-C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba is currently engaged in various modes of Islamic fundings and businesses which include ijarah financing, deployment of fund in musharika, morabaha and investment in securities.

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

**2. STATEMENT OF COMPLIANCE**

2.1 The condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Securities and Exchange Commission of Pakistan (the Modaraba regulations).

2.2 These condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2018.

2.3 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2018 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2018 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the period September 30, 2017 have been extracted from the condensed interim financial statements for the period ended September 30, 2017.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding published financial statements of the Modaraba for the year ended June 30, 2018.

**4. ACCOUNTING ESTIMATES AND JUDGMENTS**

The preparation of the condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial statements, the significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Modaraba as at and for the year ended June 30, 2018.

**5. BASIS OF PREPARATION**

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments which have been measured at fairvalue.



8.1 Movement in provision

	September 30, 2018			June 30, 2018		
	Principal	Profit	Total	Principal	Profit	Total
	<----- Rupees ----->					
Opening balance	189,800,678	162,880,543	352,681,221	178,574,997	162,880,543	341,455,540
Addition/(Reversal) of provision during the period / year	(450,527)	-	(450,527)	11,225,681	-	11,225,681
<b>Closing balance</b>	<b>189,350,151</b>	<b>162,880,543</b>	<b>352,230,694</b>	<b>189,800,678</b>	<b>162,880,543</b>	<b>352,681,221</b>

9. Diminishing musharika	Un-audited		Audited
	September 30, 2018	June 30, 2018	
	Rupees		Rupees
Diminishing musharika			
Principal	204,761,462		217,864,249
Profit	1,263,588		608,905
	<b>206,025,050</b>		<b>218,473,154</b>
Less: long term portion of diminishing musharika	(111,678,768)		(125,494,123)
	<b>94,346,282</b>		<b>92,979,031</b>

9.1 These carry profit rate ranging from 10.06% to 16.00% (June 30, 2018: 10.44% to 16.00%) per annum and are repayable on monthly basis over a maximum period of three years.

10. Receivable against sale of agriculture produce

Receivable against sale of agriculture produce	11,692,131	11,692,131
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During financial year 2016 KASB Modaraba (KASBM) & First Prudential Modaraba (FPrM) entered into a joint project for crushing of banola seed and sale of oil cake (Khal) in the market. M/s Pakistan Phutti International Limited was engaged as seller & service provider responsible for sale of agriculture produce. Subsequently, natural cyclical shortage in productivity of cotton crop affected the availability of the banola seed and therefore the project was prudently discontinued by the management to safeguard the interest of the Modaraba. As per settlement agreement dated April 27, 2016, advance for purchase of banola seed was converted into ijarah finance (secured) leaving a balance of Rs. 27.81 million receivable against sale of agriculture produce. Receivable amount is secured against Registered Mortgage on Property of service provider. After continuous default of payment the management of Modaraba has filed recovery suits in the Banking Courts which is pending adjudication. The management and the legal counsel are optimistic on favourable outcome of the case. The details are as under :-

	KASBM Rupees	FPrM Rupees	Total Rupees
Initial investment	51,000,000	81,000,000	132,000,000
Add: Gain on sale of agriculture produce	1,060,000	1,590,000	2,650,000
Less: Receipt against sale of agriculture produce	(14,353,590)	(14,473,432)	(28,827,022)
Less: Converted to ijarah financing	(19,311,320)	(40,000,000)	(59,311,320)
Less: Consultancy charges	(194,950)	(305,050)	(500,000)
	18,200,140	27,811,518	46,011,658
Provision for doubtful receivable against sale of agriculture produce	(10,548,691)	(16,119,387)	(26,668,078)
	<b>7,651,449</b>	<b>11,692,131</b>	<b>19,343,580</b>

11. Long term investments	Un-audited		Audited
	September 30, 2018	June 30, 2018	
	Rupees		Rupees
Available for sale			
Listed entity	11.1	-	6,377,161
Unlisted companies	11.2	10,347,133	10,347,133
		<b>10,347,133</b>	<b>16,724,294</b>

11.1 Listed entities

	Un-audited September 30, 2018	Audited June 30, 2018		
	391,583	391,583	Meezan Balance Fund	
			Opening carrying value	6,377,161
			Purchase / (sale) during the period	(6,377,161)
			Unrealized gain	-
			Closing carrying value	6,377,161

11.2 Unlisted companies				Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
<b>Number of Shares of Rs. 10 each</b>					
<b>1,107,244</b>	1,107,244	Prudential Securities Limited (PSL) Cost		<b>4,173,707</b>	4,173,707
		Less: Impairment	11.2.1 & 11.2.2	<b>(4,173,707)</b>	(4,173,707)
				-	-
<b>191,700</b>	191,700	Prudential Discount and Guarantee House Limited	11.2.2	-	-
<b>843,975</b>	843,975	LSE Financial Services (Pvt) Ltd Cost	11.2.3	<b>12,764,715</b>	12,764,715
		Less: Fair value adjustment		<b>(2,417,582)</b>	(2,417,582)
				<b>10,347,133</b>	10,347,133
				<b>10,347,133</b>	10,347,133

#### 11.2.1 Movement of impairment

Opening balance	4,173,707	4,173,707
Impairment charge during the period / year	-	-
Closing balance	<b>4,173,707</b>	<b>4,173,707</b>

11.2.2 Due to adverse financial condition of the investee Company, investments have been fully impaired.

11.2.3 This represent non-Shari'ah compliant shares acquired against the surrender of Lahore Stock Exchange Limited (LSE) membership card. Under the current circumstances the active market is not available for such shares as LSE has not listed yet, therefore the net asset value based valuation has been considered as the closest estimate of the fair value of the shares. The Modaraba has recognized a fair value adjustment based on latest available financial information of the investee company.

As per section 16 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, every TREC holder was required to register itself as a broker within two years of the date of demutualization i.e., by August 26, 2014, failure to which would've resulted in the lapse of TREC. The impairment was recorded as the Modaraba did not register itself as a broker before the expiry of the said date.

		Note	Un-audited September 30, 2018 Rupees	Audited June 30, 2018 Rupees
<b>12. Property and equipment - owned</b>			<b>7,850,053</b>	8,139,549
12.1	Details of addition / (disposal) during the period			
	Addition			
	-Office Premises		-	3,100,000
	-Furniture & Fixture		-	3,748,417
	-Vehicle		-	2,709,655
			-	9,558,072
	Disposal			
	-Office Equipment		-	(42,000)
	-Furniture & Fixture		-	(7,940)
			-	(49,940)
<b>13. Property, plant and equipment - ijarah</b>			<b>68,825,926</b>	83,238,064
13.1	Details of addition / (disposal) during the period			
	Addition			
	-Plant & Machinery		-	12,000,000
	-Vehicle		-	25,990,500
			-	37,990,500
	Disposal			
	-Plant & Machinery		-	(3,500,000)
	-Vehicle		<b>(30,000,000)</b>	(1,374,000)
			<b>(30,000,000)</b>	(4,874,000)
<b>14. Investment properties</b>			<b>45,400,000</b>	45,400,000
	Properties acquired in satisfaction of claim			

#### 15. CONTINGENCIES AND COMMITMENTS

The taxation officer while making assessment in respect of the tax years 2006, 2007 and 2008 disallowed certain expenses on account of apportionment between normal and presumptive income and created an additional demand of Rs. 6.53 million.

No provision has been made in the financial statements in this regard as management is confident that ultimate outcome of the appeals in question will be in favor of the Modaraba.

Except for the matter disclosed above, there is no other contingency at the end of the period.

**16. MODARABA COMPANY'S MANAGEMENT FEE**

The management fee is calculated @ 10% on profit before tax.

**17. PROVISION FOR TAXATION**

The income of the Modaraba is exempt from tax, provided not less than 90% of their profits are distributed to the certificate holders. The management intends to distribute the profits and accordingly no provision has been made in the current period. The Modaraba is also exempt from the provisions of section 113 (minimum tax) under clause 11 of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.

**18. RELATED PARTY TRANSACTIONS**

The related parties and associated undertakings comprise the modaraba management company [KASB Invest (Private) Limited], modaraba under common management (KASB Modaraba) First Prudential Modaraba staff provident fund, directors and key management personnel. Modaraba, in the normal course of business carries out transactions with these related parties at arm's length prices. Significant transactions with related parties are as follows: -

Relationship with Modaraba	Nature of Transactions	Un-audited	Audited
		September 30, 2018	June 30, 2018
		Rupees	Rupees
<b>Balances with related parties</b>			
Modaraba management company	Management fee (Payable)	116,046	-
Modaraba under common management	Sharing of common expenses (Payable)	1,387	-
Modaraba under common management	Sharing of common expenses (Receivable)	98,439	
		<b>Unaudited</b>	<b>Unaudited</b>
		<b>September 30, 2018</b>	<b>September 30, 2017</b>
		<b>Rupees</b>	<b>Rupees</b>
<b>Expense / (Income) for the period</b>			
Staff provident fund	Contribution made	153,582	43,914
Modaraba management company	Management fee	116,046	206,729
Modaraba under common management	Sharing of common expenses	1,387	1,343,645
Modaraba under common management	Sharing of common expenses	(98,439)	-
<b>Payments made during the period</b>			
Staff provident fund	Contribution made	153,582	43,914

**19. DATE OF AUTHORISATION OF ISSUE**

This condensed interim financial statements have been authorized for issue on October 29, 2018 by the Board of Directors of the KASB Invest (Private) Limited.

**20. GENERAL**

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited  
(Management Company)

-sd-	-sd-	-sd-	-sd-
<b>CHIEF EXECUTIVE</b>	<b>DIRECTOR</b>	<b>DIRECTOR</b>	<b>CHIEF FINANCIAL OFFICER</b>



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