



# FIRST PRUDENTIAL MODARABA

QUARTERLY REPORT  
FOR THE PERIOD ENDED  
MARCH 31, 2018 (UN-AUDITED)

If undelivered please return to :

**First Prudential Modaraba**

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

Managed by:

---

KASB Invest (Private) Limited

---

## TABLE OF CONTENTS

CORPORATE INFORMATION .....	01
DIRECTOR'S REPORT .....	02
CONDENSED INTERIM BALANCE SHEET .....	04
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT .....	05
CONDENSED INTERIM CASH FLOW STATEMENT .....	06
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY .....	07
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS .....	08

## CORPORATE INFORMATION

Board of Directors	Farrukh S. Ansari Muzaffar Ali Shah Bukhari Amer Maqbool Aftab Afroz Mahmoodi	Director Director Director Chief Executive Officer
Audit Committee	Farrukh S. Ansari Muzaffar Ali Shah Bukhari Amer Maqbool	Chairman Member Member
Human Resource and Remuneration Committee	Farrukh S. Ansari Muzaffar Ali Shah Bukhari Amer Maqbool Aftab Afroz Mahmoodi	Chairman Member Member Member
Chief Financial Officer & Company Secretary	Syed Shahid Owais	
Management Company	KASB Invest (Private) Limited	
Registered & Head Office	16-C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi. Tel: 021-35171786-89	
Auditors	RSM Avais Hyder Liaquat Nauman Chartered Accountants	
Legal Advisor	Ahmed & Qazi	
Shariah Advisor	Mufti Muhammad Ibrahim Essa	
Bankers	Habib Bank Limited Sindh Bank Limited Summit Bank Limited	
Share Registrar	C & K Management Associates (Pvt) Ltd. 404, Trade Tower, Abdullah Haroon Road, Karachi. Tel: 35687839, 35685930	

## DIRECTORS' REPORT

The Board of Directors of KASB Invest (Private) Limited, the Management Company of First Prudential Modaraba is pleased to present the unaudited financial statements of the Modaraba for the third quarter ended March 31, 2018.

### FINANCIAL HIGHLIGHTS

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

	March 31, 2018 Rs "000"	June 30, 2017 Rs "000"
<b>BALANCE SHEET</b>		
Cash & Bank balance	89,042	95,328
Investments	25,314	27,128
Diminishing Musharaka Finance	163,999	163,019
Ijarah Assets	78,715	76,199
Musharaka Murabaha & Other finances	18,116	18,838
Total Assets	504,528	514,959
	July-March 31, 2018 Rs "000"	July-March 31, 2017 Rs "000"
<b>PROFIT &amp; LOSS ACCOUNT</b>		
Gross Income	43,404	67,075
Unrealized gain/(loss) on investments	(1,400)	1,064
Decrease in value of inventories / provision against doubtful receivables under Murabaha arrangement	(9,773)	-
Operating & Financial Charges	(37,167)	(59,959)
Management Company Fee	-	(965)
Net Profit / (Loss) for the period	(4,937)	9,655
Earning per Modaraba Certificate (Rupees)	(0.06)	0.11

### OPERATIONS AND PERFORMANCE

The quarter ended March 31, 2018 closed with net loss of Rs.4.94 million as compared to net profit of Rs.9.65 million for the corresponding period of last year. The loss is mainly due to the decrease in market value of the inventories and provision against doubtful receivables under murabaha arrangement. The decrease in market value and provision against receivable has been accounted for in the financial statements to comply with the applicable Regulations & Standards on Morabaha Finance. However, the management is optimistic about complete realization of the exposure as per contractual agreement with the borrower. The operating & financial charges have been reduced as compared with 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

Our business strategy & approach is steady and sound, planned to capitalize on available funds through secure investments in Shariah compliant products. The management has also filed an application with the Registrar Modaraba to merge and amalgamate First Pak Modaraba with and into the Modaraba. We believe that the combined resources and efforts would culminate better results for the Certificate holders.

### ACKNOWLEDGEMENT

The Board greatly appreciates the support and 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



Chief Executive



Director

Dated: April 25, 2018

Karachi

## ڈائریکٹرز رپورٹ

کے۔ اے۔ ایس۔ بی۔ اینوسٹ (پرائیویٹ) لمیٹڈ، انتظامی کمپنی برائے فرسٹ پروڈینٹیل مضاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کی 31 مارچ 2018 کو اختتام پزیر ہوئی والی تیسری سہ ماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

## مالیاتی جھلکیاں

زیر جائزہ مدت کیلئے مالیاتی جھلکیاں درج ذیل ہیں۔

31 مارچ 2017	31 مارچ 2018	
30 مارچ 2017	31 مارچ 2018	بیلنس شیٹ
روپے (000)	روپے (000)	
95,328	89,042	نقد اور بینک میں رقم
27,128	25,314	سرمایہ کاری
163,019	163,999	شرکت تناقص
76,199	78,715	اجارہ اجاڑا
18,838	18,116	مشاکرہ، مرابحہ وغیرہ مالیات
514,959	504,528	کل اثاثہ جات

31 مارچ 2017	31 مارچ 2018	
31 مارچ 2017	31 مارچ 2018	نفع و نقصان کا حساب
روپے (000)	روپے (000)	
67,075	43,404	مجموعی آمدنی
1,064	(1,400)	سرمایہ کاری پر غیر ادا شدہ نفع نقصان
-	(9,773)	مرابحہ کے تحت رکھے ذخائر میں منتزی اور مشکوک وصولیاتی کا احاطہ
(59,959)	(37,167)	انتظامی و مالیاتی اخراجات
(965)	-	مینیجمنٹ کمپنی فیس
9,655	(4,937)	خالص منافع/نقصان برائے موجودہ مدت
0.11	(0.06)	فی حصہ آمدنی (روپے)

انتظامی کارکردگی

تیسری سہ ماہی برائے مارچ 31, 2018 کا اختتام 4.94 ملین روپے کے نقصان کے ساتھ ہوا جب کہ سال گزشتہ کی مدت میں 9.65 ملین روپے منافع کے ساتھ تھا۔ اس نقصان کی بنیادی وجہ مرابحہ کے تحت ذخائر کی بازار میں مرجعہ قیمتوں میں کمی اور وصولیاتی کی مدت میں مشکوک رقم کا احاطہ کرنا تھا جو کہ تمام مرجعہ قواعد و ضوابط برائے مرابحہ کے تحت کیا گیا ہے۔ انتظامیہ پر امید ہے کہ مرابحہ کے تحت معاہدہ کی پاسداری کے ساتھ قرضہ کی ادائیگی انجام پائے گی۔ انتظامی اخراجات میں سنجیدگی مدت کے مقابلے میں کمی واقع ہوئی ہے۔ انتظامیہ مالیاتی اور انتظامی کارکردگی میں بہتری کیلئے پُر عزم ہے۔ مضاربہ کا دہریہ انتظام تمام متعلقین یا مخصوص حصص یافتگان کی امیدوں پر پورا اترے گا۔

### مستقبل کے امکانات

ہماری کاروباری حکمت عملی اور نظریہ مستحکم اور واضح ہے اور اس بات کا احاطہ کرتا ہے کہ دستیاب ذرائع کا استعمال تمام شرعی فائدہ انگ میں کیا جائیگا۔ انتظامیہ نے فرسٹ پاک مضاربہ کے ساتھ مجوزہ انتظامی کی درخواست رجسٹر ارضاء مضاربہ کے پیش نظر رکھی ہے۔ ہمیں امید ہے کہ مشترکہ ذرائع حصص یافتگان کے لئے بہتر معاوضہ کا باعث بنیں گے۔

### اعتراف

بورڈ ریگولیٹری اختیار، حصص یافتگان، اور بینکران کی معاونت اور تعاون کو بے حد سراہتا ہے اور مستقبل میں بھی ان کی معاونت اور مشورے کا منتظر رہیگا۔ ہم اللہ تعالیٰ کے حضور آپ کے مضاربہ کی کامیابی کے لئے دعا گو ہیں۔

چیف ایگزیکٹو ڈائریکٹر

کراچی

15 اپریل 2018

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

	Note	Un-audited March 31, 2018 Rupees	Audited June 30, 2017 Rupees
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	6	89,042,056	95,327,554
Investments	7	8,241,670	10,344,116
Musharika, morabaha and other finance	8	18,115,897	18,837,534
Current portion of diminishing musharika	9	73,915,034	63,428,579
Ijarah rentals receivable		279,256	396,060
Receivable against sale of agriculture produce		27,811,518	27,811,518
Advances, prepayments and other receivables		32,204,687	27,425,159
Other assets	10	4,601,645	17,102,760
Tax refundable - considered good		12,913,879	12,913,879
<b>Total current assets</b>		<b>267,125,641</b>	<b>273,587,159</b>
<b>Non - current assets</b>			
Long term investments	11	17,071,735	16,784,182
Long term portion of diminishing musharika	9	90,083,607	99,590,166
Long term deposits		217,500	66,192
Property and equipment - own use	12	2,619,378	236,843
Property, plant and equipment - ijarah	13	78,715,202	76,198,801
Capital work in progress		1,795,336	1,595,336
Investment properties	14	46,900,000	46,900,000
<b>Total Non - Current Assets</b>		<b>237,402,757</b>	<b>241,371,520</b>
<b>TOTAL ASSETS</b>		<b>504,528,398</b>	<b>514,958,679</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current portion of ijarah deposits		6,351,750	7,560,531
Accrued and other liabilities		14,329,980	14,895,898
Unclaimed profit distribution		30,893,171	29,065,618
<b>Total current liabilities</b>		<b>51,574,901</b>	<b>51,522,047</b>
<b>Non-current liabilities</b>			
Long term portion of ijarah deposits		16,781,734	11,277,403
<b>TOTAL LIABILITIES</b>		<b>68,356,635</b>	<b>62,799,450</b>
<b>NET ASSETS</b>		<b>436,171,764</b>	<b>452,159,229</b>
<b>REPRESENTED BY</b>			
<b>Certificate capital</b>			
Authorized certificate capital		872,176,600	872,176,600
87,217,660 modaraba certificates of rupees 10/- each			
Issued, subscribed and paid-up certificate capital		872,176,600	872,176,600
87,217,660 modaraba certificates of rupees 10/- each		151,282,924	151,282,924
Statutory reserve		(587,287,760)	(571,300,295)
Accumulated loss		436,171,764	452,159,229
Contingencies and commitments	15	-	-

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



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

4

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)  
For the Period Ended March 31, 2018**

	Note	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
		.....Nine months ended.....		.....Quarter ended.....	
		Rupees			
<b>INCOME</b>					
Ijarah rentals earned		18,575,038	43,489,459	7,408,900	5,087,908
Return on deposits with bank		3,552,068	6,617,102	1,060,204	1,717,116
Income on diminishing musharika		16,545,058	4,642,897	5,469,592	2,655,804
Income on morabaha		1,632,603	7,280,160	552,603	1,743,034
Capital gain on sale of investments		-	-	-	-
Dividend income		409,744	687,994	-	119,250
Rental income from investment property		1,846,440	685,800	635,580	613,800
Other income		843,110	3,671,730	416,838	1,223,855
		<u>43,404,061</u>	<u>67,075,142</u>	<u>15,543,717</u>	<u>13,160,767</u>
Unrealized (loss)/gain on investments - held for trading at fair value through profit or loss		(1,399,958)	1,063,769	787,239	700,892
Decrease in value of inventories due to remeasurement (held for sale under morabaha arrangement)		(5,022,341)	-	-	-
Provision against doubtful receivable under morabaha arrangement		(4,751,105)	-	(4,751,105)	-
Reversal of provision against workers' welfare fund		-	2,585,673	-	-
		<u>32,230,657</u>	<u>70,724,584</u>	<u>11,579,851</u>	<u>13,861,659</u>
<b>EXPENDITURE</b>					
Depreciation on ijarah assets		(20,050,213)	(40,283,623)	(7,552,014)	(4,401,993)
Administrative expenses		(17,059,000)	(19,399,055)	(5,880,348)	(5,027,525)
Workers welfare fund		-	(193,099)	-	(77,624)
Bank and other charges		(58,166)	(83,556)	(22,843)	(27,001)
		<u>(37,167,379)</u>	<u>(59,959,333)</u>	<u>(13,455,205)</u>	<u>(9,534,143)</u>
<b>Profit/(Loss) for the period</b>		<b>(4,936,722)</b>	<b>10,765,251</b>	<b>(1,875,354)</b>	<b>4,327,516</b>
Modaraba company's management fee	16	-	(965,493)	-	(388,118)
Sales tax on management fee		-	(144,824)	-	(58,218)
<b>Profit/(Loss) before taxation</b>		<b>(4,936,722)</b>	<b>9,654,934</b>	<b>(1,875,354)</b>	<b>3,881,180</b>
Provision for taxation	17	-	-	-	-
<b>Profit/(loss) after taxation</b>		<b>(4,936,722)</b>	<b>9,654,934</b>	<b>(1,875,354)</b>	<b>3,881,180</b>
<b>Other comprehensive income</b>					
Unrealized gain/(loss) on remeasurement of investments classified as 'available for sale'		287,553	1,076,855	440,931	133,139
<b>Total comprehensive income for the year</b>		<b>(4,649,169)</b>	<b>10,731,789</b>	<b>(1,434,423)</b>	<b>4,014,319</b>
Earnings per certificate		(0.06)	0.11	(0.02)	0.04

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



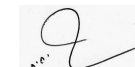
CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

5

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)**  
For the Period Ended March 31, 2018


	March 31, 2018 Rupees	March 31, 2017 Rupees
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(loss) before taxation	(4,936,722)	9,654,934
Adjustments for non-cash changes and other items:		
Dividend income	(409,744)	(687,994)
Unrealised (gain)/loss on changes in fair value of held for trading investments - at fair value through profit and loss	1,399,958	(1,063,769)
(Gain) on disposal-own assets	(18,500)	(16)
(Gain) on disposal-ijarah assets	(175,282)	
Depreciation-own use assets	327,121	1,066,170
Depreciation on ijarah assets	20,050,213	40,283,623
	<u>21,173,766</u>	<u>39,598,014</u>
Cash flows before movements in working capital	16,237,044	49,252,948
(Increase) / decrease in operating assets		
Musharika, morabaha and other finance	13,222,752	(30,762,169)
Diminishing musharika	(979,896)	(53,068,136)
Ijarah rentals receivable	116,804	(13,690,471)
Advances, prepayments and other receivables	(4,779,528)	(31,270,009)
	<u>7,580,132</u>	<u>(128,790,785)</u>
(Decrease) / increase in operating liabilities		
Ijarah deposits	4,295,550	(3,882,647)
Accrued and other liabilities	(565,918)	1,668,811
	<u>3,729,632</u>	<u>(2,213,836)</u>
Income tax paid	27,546,808	(81,751,673)
Net cash (used in) operating activities	<u>(351,308)</u>	<u>(335,010)</u>
	27,195,500	(82,086,683)
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividend received	409,744	687,994
Investments - net	702,489	-
Proceeds from disposal - ijarah assets	2,664,168	6,624,249
Purchase of own use assets	(2,709,656)	(37,400)
Purchase of ijarah assets	(25,055,500)	(15,392,514)
Proceeds from disposal - own use assets	18,500	19,500
Net cash (used in) / generated from investing activities	<u>(23,970,255)</u>	<u>(8,098,171)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit distribution	(9,510,743)	(8,793,730)
Net cash used in financing activities	<u>(9,510,743)</u>	<u>(8,793,730)</u>
Net (decrease) in cash and cash equivalents (A+B+C)	(6,285,498)	(98,978,584)
Cash and cash equivalents at July 1	95,327,554	241,497,285
Cash and cash equivalents at March 31	<u>89,042,056</u>	<u>142,518,701</u>

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

  
 CHIEF EXECUTIVE

  
 DIRECTOR

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
For the Period Ended March 31, 2018

	Reserves			
	Certificate capital	Statutory Reserve	Unrealized gain / (loss) on available for sale Investments	Total
Balance at July 1, 2016 (Audited)	872,176,600	148,247,223	(2,097,039)	(585,936,123)
Comprehensive income				
Profit for nine months ended March 31, 2017	-	-	9,654,934	9,654,934
Other comprehensive income for nine months ended March 31, 2017	-	1,076,855	-	1,076,855
Total comprehensive income for nine months ended March 31, 2017	-	1,076,855	9,654,934	10,731,789
Final dividend @ Rs. 0.18 per certificate for the year ended June 30, 2016	-	-	(15,699,179)	(15,699,179)
Transfer to statutory reserve	1,830,987	-	(1,830,987)	-
Balance at March 31, 2017 (Unaudited)	<u>872,176,600</u>	<u>150,178,210</u>	<u>(1,020,184)</u>	<u>(573,911,355)</u>
Balance at July 1, 2017 (Audited)	872,176,600	151,282,924	(1,807,797)	(589,492,498)
Comprehensive income				
Profit/(loss) for nine months ended March 31, 2018	-	287,553	(4,936,722)	(4,936,722)
Other comprehensive income for nine months ended March 31, 2018	-	287,553	-	287,553
Total comprehensive income for nine months ended March 31, 2018	-	287,553	(4,936,722)	(4,649,169)
Final dividend @ Rs. 0.13 per certificate for the year ended June 30, 2017	-	-	(11,338,296)	(11,338,296)
Transfer to statutory reserve	-	-	-	-
Balance at March 31, 2018 (Unaudited)	<u>872,176,600</u>	<u>151,282,924</u>	<u>(1,520,244)</u>	<u>(587,287,760)</u>

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

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

  
 CHIEF EXECUTIVE

  
 DIRECTOR

  
 DIRECTOR

  
 CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(UN-AUDITED)**

For the Period Ended March 31, 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.

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 Karachi, Lahore and Islamabad Stock Exchanges ( now Pakistan Stock Exchange post demutualization of all Stock Exchanges). 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.

1.4 The board of directors of the Management Company has decided to merge and amalgamate First Pak Modaraba with and into the Modaraba and the application has been filed to the Registrar Modaraba in this regard.

**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 This 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, 2017.

2.3 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2017 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2017 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 ended March 31, 2017 have been extracted from the condensed interim financial statements for the period ended March 31, 2017.

**3. SIGNIFICANT ACCOUNTING POLICIES**

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, 2017.

**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, 2017.

**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.

	Note	UN-AUDITED March 31 2018 Rupees	AUDITED June 30 2017 Rupees
<b>6. CASH AND BANK BALANCES</b>			
Cash in hand		340	2,135
Cash at banks			
Current accounts	6.1	13,485,014	11,656,895
Saving accounts		75,556,701	83,668,524
		<u>89,041,716</u>	<u>95,325,419</u>
		<u>89,042,056</u>	<u>95,327,554</u>

6.1 Effective mark-up rate in respect of saving accounts ranges from 2.00 % to 6.00 % per annum (Jun 2017: 2.00% to 6.50%) per annum.

**7. INVESTMENTS**

Held for trading at fair value through profit or loss			
- in quoted securities	7.1 & 7.2	8,241,670	9,641,626
Loan and receivables			
Receivable against TDR - considered good		-	702,490
		<u>8,241,670</u>	<u>10,344,116</u>

7.1 Held for trading at fair value through profit or loss - in quoted securities

Unless stated otherwise, the holdings are in the fully paid ordinary shares/ certificates/ units of Rs 10 each.

	March 31, 2018	June 30, 2017	UN-AUDITED March 31 2018 Rupees	AUDITED June 30 2017 Rupees
Number of Shares/Certificates				
Name of Investee Company/Modaraba				
Personal Goods (Textile) Nishat Mills Limited	525	525	83,417	83,306
Electricity The Hub Power Company Limited	79,500	79,500	7,989,750	9,335,685
Multiutilities (Gas and Water) Sui Northern Gas Pipeline Limited	1,495	1,495	168,501	222,635
Suspended/ Delisted Companies Hussain Industries Limited	348	348	-	-
Prudential Stock Fund	1,670,720	1,670,720	-	-
Zeal-Pak Cement Factory Limited	360,000	360,000	-	-
	<u>2,112,588</u>	<u>2,112,588</u>	<u>8,241,670</u>	<u>9,641,626</u>

7.2 Unrealized gain on changes in fair value of held for trading investments

Weighted average cost of investments	9,641,627	9,655,671
Unrealized gain on changes in fair value of held for trading investments	(1,399,958)	(14,045)
Market value of investments	<u>8,241,670</u>	<u>9,641,626</u>

	Note	UN-AUDITED March 31 2018 Rupees	AUDITED June 30 2017 Rupees
<b>8. MUSHARIKA , MORABAHA AND OTHER FINANCE</b>			
Musharika and morabaha finance			
- considered good		18,115,897	18,837,534
- considered doubtful		351,228,986	341,455,540
		369,344,883	360,293,074
Less: Provision against doubtful amounts	8.1	(351,228,986)	(341,455,540)
		18,115,897	18,837,534
Other finance - unsecured			
- considered good		-	-
- considered doubtful		11,002,281	11,002,281
		11,002,281	11,002,281
Less: Provision against doubtful amounts		(11,002,281)	(11,002,281)
		-	-
		18,115,897	18,837,534

8.1 Movement in provision	March 31, 2018		Total	June 30, 2017		Total
	Principal	Profit		Principal	Profit	
	-----Rupees-----					
Opening balance	178,574,997	162,880,543	341,455,540	178,770,745	162,933,344	341,704,089
Provision / (Reversal of provision) during the period / year	9,773,446	-	9,773,446	(195,748)	(52,801)	(248,549)
Closing balance	188,348,443	162,880,543	351,228,986	178,574,997	162,880,543	341,455,540

9. Diminishing musharika

Diminishing musharika		
Principal	162,802,504	161,689,306
Profit	1,196,137	1,329,439
	163,998,641	163,018,745
Less: long term portion of diminishing musharika	(90,083,607)	(99,590,166)
	73,915,034	63,428,579

9.1 These carry profit rate ranging from 10.06% to 18.00% (June 2017: 10.18% to 18.00%) per annum and are repayable on monthly basis over a maximum period of three years.

10. Other assets

Opening carrying amount of inventories under morabaha arrangement	17,102,760	-
Addition	-	17,102,760
Sale proceeds	(2,727,669)	-
Decrease in value due to remeasurement transferred to morabaha receivable	(5,022,341)	-
Doubtful amount on sale of morabaha inventories transferred to morabaha receivable	(4,751,105)	-
Closing balance	4,601,645	17,102,760

11. Long term investments

Available for sale	11.1	6,724,602	7,002,512
Listed entity	11.2	10,347,133	9,781,670
Unlisted companies		17,071,735	16,784,182

11.1 Listed entities		Number of units		UN-AUDITED		AUDITED	
		March 31	June 30	March 31	June 30	March 31	June 30
		2018	2017	2018	2017	2018	2017
		Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Number of Shares/Certificates		Name of Investee Company/Modaraba					
391,583	391,583	Meezan Balance Fund	7,002,512	6,202,685			
		Carrying value	-	367,109			
		Unrealized gain	(277,910)	432,718			
			6,724,602	7,002,512			
11.2 Unlisted companies		Number of shares of Rs.10 each					
1,107,244	1,107,244	Prudential Securities Limited (PSL)					
		Cost	4,173,707	4,173,707			
		Less: Impairment	(4,173,707)	(4,173,707)			
			-	-			
		Prudential Discount and Guarantee House Ltd.					
191,700	191,700	Cost	1,041,815	1,041,815			
		Less: Impairment	(1,041,815)	(1,041,815)			
			-	-			
843,975	843,975	Lahore Stock Exchange Limited					
		Cost	12,764,715	12,764,715			
		Add/ (less): Fair value adjustment	(2,417,582)	(2,983,045)			
			10,347,133	9,781,670			
			10,347,133	9,781,670			
11.2.1 Movement of impairment							
		Opening balance	5,215,522	5,215,522			
		Impairment charge during the period/ year	-	-			
		Closing balance	5,215,522	5,215,522			

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

11.2.2 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.

12. Property and equipment - owned	2,619,378	236,843
12.1 Details of addition / (disposal) during the period		
Addition		
-Computer equipment	-	37,400
-Vehicle	2,709,655	-
	2,709,655	37,400
Disposal		
-Office premises	-	46,761,122
-Equipment	42,000	-
	7,940	-
	-	83,500
-Vehicle	49,940	46,844,622



	Note	UN-AUDITED March 31 2018 Rupees	AUDITED June 30 2017 Rupees
13. Property, plant and equipment - ijarah		<u>78,715,202</u>	<u>76,198,801</u>
13.1 Details of addition / (disposal) during the period			
Addition			
-Plant & Machinery		12,000,000	15,392,514
-Vehicle		<u>13,055,500</u>	-
		<u>25,055,500</u>	<u>15,392,514</u>
Disposal			
-Vehicle		1,374,000	17,417,700
Machinery		<u>3,500,000</u>	
		<u>4,874,000</u>	<u>17,417,700</u>
14. Investment properties			
Opening balance	14.1	46,900,000	19,200,000
Addition		-	28,200,000
Unrealized gain / (loss) on measurement of investment property		-	(500,000)
Closing balance		<u>46,900,000</u>	<u>46,900,000</u>

14.1 These includes properties which are acquired by the Modaraba against settlement of Morahaba facility and from defaulted parties, in prior years.

#### 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.

The Modaraba had filed appeals with CIT (Appeals) against the said order, which is pending.

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.

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

No management fee is charged due to loss for the period.

#### 17. 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 profit and accordingly no provision for tax 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 March 31, 2018 Rupees	Un-Audited June 30, 2017 Rupees
Balances with related parties			
Modaraba management company	Management fee	-	1,081,548
Modaraba under common management	Sharing of common expenses	2,759,164	1,125,666
		Un-Audited March 31, 2018 Rupees	Un-Audited March 31, 2017 Rupees
Expense for the period			
Staff provident fund	Contribution made	143,377	165,135
Modaraba management company	Management fee	-	1,110,317
Modaraba under common management	Sharing of common expenses	3,691,860	5,368,814
Payments made during the period			
Staff provident fund	Contribution made	143,377	165,135
Modaraba management company	Management fee	832,792	1,280,545
Modaraba under common management	Sharing of common expenses	3,103,362	5,075,369

#### 17. DATE OF AUTHORISATION OF ISSUE

This condensed interim financial statements have been authorized for issue on April 25, 2018 by the Board of Directors of the KASB Invest (Private) Limited.

#### 18. GENERAL

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited  
(Management Company)



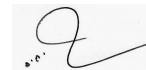
CHIEF EXECUTIVE



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER



NOTICE UNDER SECTION 244 OF THE COMPANIES ACT, 2017 TO FILE CLAIMS IN RESPECT OF  
UNCLAIMED CASH DIVIDENDS AND SHARES

In accordance with Section 244 of the Companies Act, 2017 companies are required to deposit with the Federal Government of Pakistan, all dividends and unclaimed shares / certificates which remain unclaimed/undelivered for more than three (3) years from the respective date of issuance.

In the event that you have any outstanding/unclaimed dividend and/or shares / certificates, you are hereby advised to immediately contact and lodge your claim with our Share Registrar at the address provided below, along with all relevant identification and supporting documents in relation thereof.

Share Registrar:

C&K Management Associates (Pvt) Ltd.

404, Trade Tower, Abdullah Haroon Road

Karachi.

In accordance with Section 244 (1)(iii) and to facilitate your claims in a timely manner, you are required to submit your claims, along with all relevant identification and supporting documents in relation thereof, within ninety (90) days from the date of this notice

Yours Sincerely

Company Secretary

www.jamapunji.pk

 **Jama Punji**  
سرمایہ کاری سمجھداری کے ساتھ



**Be aware, Be alert,  
Be safe**  
Learn about investing at  
[www.jamapunji.pk](http://www.jamapunji.pk)

**Key features:**

-  Licensed Entities Verification
-  Scam meter\*
-  Jamapunji games\*
-  Tax credit calculator\*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered
-  Stock trading simulator (based on live feed from KSE)
-  Knowledge center
-  Risk profiler\*
-  Financial calculator
-  Subscription to Alerts (event notifications, corporate and regulatory actions)
-  Jamapunji application for mobile device
-  Online Quizzes

 Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

 [jamapunji.pk](http://jamapunji.pk)  [@jamapunji\\_pk](https://twitter.com/jamapunji_pk)

\*Mobile apps are also available for download for android and ios devices