



**FIRST
PRUDENTIAL
MODARABA**

**Quarterly Accounts
September 30, 2017
(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

CORPORATE INFORMATION

Board of Directors	Syed Waseem -ul- Haq Haqqie Amer Maqbool Farrukh S. Ansari Aftab Afroz Mahmoodi	Chairman Director Director Chief Executive Officer
Audit Committee	Farrukh S. Ansari Amer Maqbool Syed Waseem -ul- Haq Haqqie	Chairman Member Member
Human Resource and Remuneration Committee	Farrukh S. Ansari Syed Waseem -ul- Haq Haqqie Amer Maqbool Aftab Afroz Mahmoodi	Chairman Member Member Member
Chief Financial Officer	Syed Shahid Owais	
Company Secretary	Syed Shahid Owais	
Head of Internal Audit	Zia - ul - Haq	
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 (Islamic Banking) 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 unaudited condensed interim financial statements for the first quarter ended September 30, 2017 to the Certificate Holders.

FINANCIAL HIGHLIGHTS

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

As on and for the first quarter ended September 30, 2017

Rupees in '000'

Total assets	515,428
Current Assets	285,116
Non-Current Assets	230,312
Net Assets	453,993
Gross Revenue	13,411
Modaraba Management Company Fee	172
Net Profit	1,723
Earning Per Certificate	0.02
Transferred to Statutory Reserve	345

OPERATIONS AND PERFORMANCE

By the Grace of Allah, First Prudential Modaraba has successfully completed its quarter ended September 30, 2017. The period closed with net Profit of Rs1.72 million. On the revenue side, major contribution were income from diminishing Musharaka byRs.5.80 million and Ijarah rentals by Rs.5.38 million. The administrative expenses were reduced as compared with the previous year quarter.

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. We have planned to capitalize on available funds through secure investment avenues and started taking calculated exposures in Ijarahand Diminishing Musharakahfinances. We expect that this is going to be a productive business move to enhance the Certificate holders' returns with minimum credit risk.

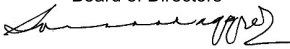
BOARD OF DIRECTORS

Syed Muhammad Rehmanullah, Director KASB Invest (Pvt) Limited resigned from the Board and Mr. AmerMaqbool was co-opted as Director subject to approval of Securities & Exchange Commission of Pakistan.

ACKNOWLEDGEMENT

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

Syed Waseem-ul-HaqHaqqie
Chairman

Karachi.

Dated: October 30, 2017

ڈائریکٹرز رپورٹ

کے اے۔ ایس۔ بی انویسٹ (پرائیویٹ) لمیٹڈ، انتظامی کیمپنی برائے فرسٹ پروڈینشل مضاربہ کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کی 30 ستمبر 2017 کو اختتام پذیر ہونے والی سہ ماہی کا عبوری ٹیکس غیر آڈٹ شدہ مالیاتی گوشوارا پیش کر رہا ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کی مالیاتی جھلکیاں درج ذیل ہیں۔

برائے 30 ستمبر 2017 اور اس پر ختم ہونے والی سہ ماہی "000" روپے میں

514,428	کل اثاثہ جات
285,116	مختصر مدتی اثاثہ جات
230,312	طویل مدتی اثاثہ جات
453,993	خالص اثاثہ جات
13,411	مجموعی آمدنی
172	محاوضہ برائے انتظامی کیمپنی
1,723	خالص منافع
0.02	فی حصہ آمدنی
345	ایکویٹی میں تبادلہ

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے فرسٹ پروڈینشل مضاربہ کی پہلی سہ ماہی کامیابی سے اختتام پذیر ہوئی۔ مدت کا اختتام 1.72 ملین روپے کے خالص منافع پر ہوا۔ ذرائع آمدن میں اہم حصہ شرکت متناقصہ سے حاصل آمدن 5.80 ملین روپے اور اجارہ سے حاصل کرایہ جات 5.38 ملین روپے رہا۔ انتظامی اخراجات میں کچھل مدت کے مقابلے میں کمی واقع ہوئی۔ انتظامیہ مالیاتی اور انتظامی کارکردگی میں بتدریج بہتری کیلئے پُر عزم ہے۔ مضاربہ کا دیرپا استحکام تمام متعلقین 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 سے حاصل شدہ آمدن کا استعمال شرکت متناقصہ اور اجارہ اثاثہ جات میں محفوظ سرمایہ کاری کی مدد میں کیا جائے۔ ہم ہر امید ہیں کہ یہ اقدامات کم سے کم اندیشوں کے ساتھ حصص یافتگان کیلئے بہتر منافع کا باعث ہوں گے۔

بورڈ آف ڈائریکٹرز

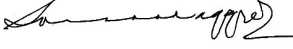
سید محمد رحمان اللہ ڈائریکٹر، کے اے۔ ایس۔ بی انویسٹ (پرائیویٹ) لمیٹڈ مستعفی ہوئے اور جناب عامر مقبول کا چناؤ مجوزہ ڈائریکٹری حیثیت سے کیا گیا جو سیکورٹیز اینڈ ایکسچینج کمیشن کی منظوری سے مشروط ہے۔

اعتراف

بورڈ ریگولیٹری اتھارٹی، حصص یافتگان، کسٹمرز اور بینکران کی معاونت کو بے حد سراہتا ہے اور مستقبل میں بھی اسی معاونت اور مشورے کا منتظر رہے گا۔

ہم اللہ کے حضور آپ کے مضاربہ کی کامیابی کیلئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب تو سب سے



ڈائریکٹر

30 اکتوبر، 2017، کراچی۔

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT SEPTEMBER 30, 2017

	Note	(Un-Audited) September 30 2017 Rupees	(Audited) June 30 2017 Rupees
ASSETS			
Current assets			
Cash and bank balances	6	107,056,883	95,327,554
Investments	7	9,165,193	10,344,116
Musharika, morabaha and other finance	8	18,185,721	18,837,534
Current portion of diminishing musharika	9	63,912,925	63,428,579
Ijarah rentals receivable		279,633	396,060
Receivable against sale of agriculture produce	10	27,811,518	27,811,518
Advances, prepayments and other receivables		30,300,299	27,425,159
Other assets	11	15,490,320	17,102,760
Tax refundable - considered good		12,913,879	12,913,879
Total current assets		<u>285,116,371</u>	<u>273,587,159</u>
Non - current assets			
Long term investments	12	16,895,205	16,784,182
Long term portion of diminishing musharika	9	94,354,308	99,590,166
Long term deposits		66,192	66,192
Property and equipment - own use	13	190,828	236,843
Property, plant and equipment - ijarah	14	70,110,118	76,198,801
Capital work in progress		1,795,336	1,595,336
Investment properties	15	46,900,000	46,900,000
Total Non - Current Assets		<u>230,311,988</u>	<u>241,371,520</u>
TOTAL ASSETS		<u>515,428,359</u>	<u>514,958,679</u>
LIABILITIES			
Current liabilities			
Current portion of ijarah deposits		6,353,748	7,560,531
Accrued and other liabilities		13,531,809	14,895,898
Unclaimed profit distribution		29,065,618	29,065,618
Total current liabilities		<u>48,951,175</u>	<u>51,522,047</u>
Non-current liabilities			
Long term portion of ijarah deposits		12,484,186	11,277,403
TOTAL LIABILITIES		<u>61,435,361</u>	<u>62,799,450</u>
NET ASSETS		<u>453,992,998</u>	<u>452,159,229</u>
REPRESENTED BY			
Certificate capital			
Authorized certificate capital			
87,217,660 modaraba certificates of rupees 10/- each		<u>872,176,600</u>	<u>872,176,600</u>
Issued, subscribed and paid-up certificate capital			
87,217,660 modaraba certificates of rupees 10/- each		872,176,600	872,176,600
Statutory reserve		151,627,473	151,282,924
Accumulated loss		(569,811,075)	(571,300,295)
		<u>453,992,998</u>	<u>452,159,229</u>
Contingencies and commitments	16	-	-

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

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

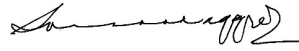
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

	July 1, 2017 to September 30, 2017 Rupees	July 1, 2016 to September 30, 2016 Rupees
INCOME		
Ijarah rentals earned - net	5,380,231	22,204,409
Return on deposits with bank	1,198,314	2,839,292
Income on morabaha	540,000	2,108,712
Income on diminishing musharika	5,811,230	793,119
Dividend income	198,750	238,500
Rental income from investment property	613,800	45,000
Other income	144,772	646,359
	<u>13,887,097</u>	<u>28,875,391</u>
Unrealized gain (loss) on investments - held for trading at fair value through profit or loss	(476,433)	(32,756)
	<u>13,410,664</u>	<u>28,842,635</u>
EXPENDITURE		
Depreciation on ijarah assets	(6,088,683)	(20,799,459)
Administrative expenses	(5,346,635)	(6,230,980)
Bank and other charges	(20,030)	(25,372)
	<u>(11,455,348)</u>	<u>(27,055,811)</u>
Profit for the year	1,955,316	1,786,824
Modaraba company's management fee		
Sales tax on management fee	(172,274)	(157,429)
Workers welfare fund	(25,841)	(23,614)
Profit before taxation	<u>(34,455)</u>	<u>(31,486)</u>
	<u>1,722,745</u>	<u>1,574,295</u>
Provision for taxation	-	-
Profit after taxation	<u>1,722,745</u>	<u>1,574,295</u>
Other comprehensive income		
Unrealized gain on remeasurement of investments classified as 'available for sale'	111,023	238,866
Total comprehensive income for the year	<u>1,833,769</u>	<u>1,813,161</u>
Earnings per certificate	<u>0.02</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)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**

	September 30 2017 Rupees	September 30 2016 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,722,745	1,574,295
Adjustments for non-cash changes and other items:		
Dividend income	(198,750)	(238,500)
Unrealised (gain) on changes in fair value of held for trading investments - at fair value through profit and loss	476,433	32,756
Reversal against doubtful receivables - net	-	-
Capital gain on sale of investments	-	-
(Gain) on disposal-ijarah assets	-	-
(Gain) on disposal-own assets	(13,500)	-
Depreciation-own use assets	46,015	357,410
Depreciation on ijarah assets	6,088,683	20,799,459
Amortization - intangibles	-	-
	<u>6,398,881</u>	<u>20,951,125</u>
Cash flows before movements in working capital	8,121,627	22,525,420
(Increase) / decrease in operating assets		
Musharika, morabaha and other finance	651,813	(85,279,455)
Diminishing musharika	4,751,512	5,579,629
Ijarah rentals receivable	116,427	(5,269,135)
Advances, prepayments and other receivables	(2,875,140)	2,422,862
Other assets	<u>1,612,440</u>	<u>-</u>
	4,257,052	(82,546,099)
(Decrease) / increase in operating liabilities		
Ijarah deposits	-	(2,379,250)
Accrued and other liabilities	<u>(1,364,089)</u>	<u>3,250,026</u>
	<u>(1,364,089)</u>	<u>870,776</u>
Income tax paid	-	-
Net cash (used in) operating activities	11,014,590	(59,149,903)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	198,750	238,500
Investments - net	702,490	-
Proceeds from disposal - own use assets	13,500	-
Proceeds from disposal - ijarah assets	-	2,379,250
Proceeds from disposal - investment property	-	-
Purchase of own use assets	-	(37,400)
Purchase of ijarah assets	-	-
Capital work in progress	(200,000)	-
Net cash (used in) / generated from investing activities	<u>714,740</u>	<u>2,580,350</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distribution	-	(1,463)
Net cash used in financing activities	-	(1,463)
Net (decrease) in cash and cash equivalents (A+B+C)	11,729,329	(56,571,016)
Cash and cash equivalents at July 1	<u>95,327,554</u>	<u>241,497,285</u>
Cash and cash equivalents at September 30, 2017	<u>107,056,883</u>	<u>184,926,269</u>

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

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017**


	Reserves				Total
	Certificate capital	Capital reserves	Revenue Accumulated loss	Sub Total	
Balance at July 1, 2016	872,176,600	148,247,223	(2,097,039)	(568,033,162)	452,390,661
Comprehensive income	-	-	1,574,295	1,574,295	1,574,295
Profit for quarter ended September 30, 2016	-	-	238,866	238,866	238,866
Other comprehensive income for quarter ended September 30, 2016	-	-	1,574,295	1,574,295	1,813,161
Total comprehensive income for quarter ended September 30, 2016	-	-	1,813,161	1,813,161	1,813,161
Transfer to statutory reserve	-	314,859	(314,859)	(314,859)	-
Balance at September 30, 2016	<u>872,176,600</u>	<u>148,562,082</u>	<u>(1,858,173)</u>	<u>(564,676,687)</u>	<u>454,203,822</u>
Balance at July 1, 2017	872,176,600	151,282,924	(1,807,797)	(569,492,498)	452,159,229
Comprehensive income	-	-	1,722,745	1,722,745	1,722,745
Profit for quarter ended September 30, 2017	-	-	111,023	111,023	111,023
Other comprehensive income for quarter ended September 30, 2017	-	-	1,722,745	1,722,745	1,833,769
Total comprehensive income for quarter ended September 30, 2017	-	-	1,833,769	1,833,769	1,833,769
Transfer to statutory reserve	-	344,549	(344,549)	(344,549)	-
Balance at September 30, 2017 (Un-audited)	<u>872,176,600</u>	<u>151,627,473</u>	<u>(1,696,774)</u>	<u>(569,811,075)</u>	<u>453,992,998</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.

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

NOTES TO THE INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2017

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.

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, 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 September 30, 2016 have been extracted from the condensed interim financial statements for the period ended September 30, 2016.

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 fair value.

	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
6 CASH AND BANK BALANCES			
Cash in hand		10,000	2,135
Cash at banks			
Current accounts		11,656,895	11,656,895
Saving accounts	6.1	95,389,988	83,668,524
		<u>107,046,883</u>	<u>95,325,419</u>
		<u>107,056,883</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 (June 30, 2017: 2.00% to 6.50%) per annum.

Note

7 INVESTMENTS

Loans and receivables			
Receivable against TDR - considered good		-	702,490
Held for trading at fair value through profit or loss			
- quoted securities	7.1&7.2	9,165,193	9,641,626
		<u>9,165,193</u>	<u>10,344,116</u>

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

	Un-Audited September 30, 2017	Audited June 30, 2017	Name of investee company/ modaraba	Un-Audited September 30, 2017	Audited June 30, 2017
Number of shares/ certificates					
525	525		Personal Goods (Textile) Nishat Mills Limited	76,178	83,306
79,500	79,500		Electricity The Hub Power Company Limited	8,888,895	9,335,685
1,495	1,495		Multitiilities (Gas and Water) Sui Northern Gas Pipeline Limited	200,121	222,635
348	348		Suspended/ Delisted Companies Hussain Industries Limited	-	-
1,670,720	1,670,720		Prudential Stock Fund	-	-
360,000	360,000		Zeal-Pak Cement Factory Limited	-	-
	<u>2,112,588</u>	<u>2,112,588</u>		<u>9,165,193</u>	<u>9,641,626</u>

7.2 Unrealised (loss) / gain on investments - held for trading at fair value through profit or loss

Weighted average cost of investments	9,641,626	9,655,671
Unrealized gain on changes in fair value of held for trading investments	(476,433)	(14,045)
Market value of investments	<u>9,165,193</u>	<u>9,641,626</u>

	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
8. MUSHARIKA , MORABAHA AND OTHER FINANCE			
Musharika and morabaha finance			
- considered good		18,185,721	18,837,534
- considered doubtful		341,455,540	341,455,540
Less: Provision against doubtful amounts	8.1	(341,455,540)	(341,455,540)
		<u>18,185,721</u>	<u>18,837,534</u>
Other finance - unsecured			
- considered good		-	-
- considered doubtful		11,002,281	11,002,281
Less: Provision against doubtful amounts		(11,002,281)	(11,002,281)
		<u>18,185,721</u>	<u>18,837,534</u>

8.1 Movement in provision

	September 30,2017			June 30,2017		
	Principal	Profit	Total	Principal	Profit	Total
Opening balance	178,574,997	162,880,543	341,455,540	178,770,745	162,933,344	341,704,089
Reversal of provision during the period/year	-	-	-	(195,748)	(52,801)	(248,549)
Closing balance	<u>178,574,997</u>	<u>162,880,543</u>	<u>341,455,540</u>	<u>178,574,997</u>	<u>162,880,543</u>	<u>341,455,540</u>

9. Diminishing musharika

Diminishing musharika		
Principal	156,773,060	161,689,306
Profit	1,494,173	1,329,439
	158,267,233	163,018,745
Less: long term portion of diminishing musharika	(94,354,308)	(99,590,166)
	<u>63,912,925</u>	<u>63,428,579</u>

9.1 These carry profit rate ranging from 10.06% to 18.00% (June 30, 2017: 12.00% 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	<u>27,811,518</u>	<u>27,811,518</u>
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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. 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)
	<u>18,200,140</u>	<u>27,811,518</u>	<u>46,011,658</u>

Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
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11. Other assets

Inventories held for sale - under morabaha arrangement	<u>15,490,320</u>	<u>17,102,760</u>
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12. Long term investments

Available for sale			
Listed entity	12.1	6,548,072	7,002,512
Unlisted companies	12.2	10,347,133	9,781,670
		<u>16,895,205</u>	<u>16,784,182</u>

12.1 Listed entities

Un-Audited September 30, 2017	Audited June 30, 2017	Name of investee company	Un-Audited September 30, 2017	Audited June 30, 2017
		Number of units of Rs 10 each		
391,583	391,583	Meezan Balance Fund		
		Opening carrying value	7,002,512	6,202,685
		Purchase during the year	-	367,109
		Unrealized gain/(loss)	(454,440)	432,718
		Closing carrying value	<u>6,548,072</u>	<u>7,002,512</u>

12.2 Unlisted companies
Number of shares of Rs 10 each

1,107,244	1,107,244	Prudential Securities Limited		
		Cost	4,173,707	4,173,707
		Less: Impairment	(4,173,707)	(4,173,707)
			-	-
191,700	191,700	Prudential Discount and Guarantee House Limited		
		12.2.2	-	-
843,975	843,975	LSE Financial Services Limited		
		12.2.3	12,764,715	12,764,715
		Cost	(2,417,582)	(2,983,045)
		Less: Fair value adjustment	10,347,133	9,781,670
			<u>10,347,133</u>	<u>9,781,670</u>

	Note	Un-audited September 30, 2017 Rupees	Audited June 30, 2017 Rupees
12.2.1 Movement of impairment			
Opening balance		4,173,707	4,173,707
Impairment charge during the period / year		-	-
Closing balance		<u>4,173,707</u>	<u>4,173,707</u>

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

12.2.3 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.

13. Property and equipment - owned		<u>190,828</u>	<u>236,843</u>
13.1 Details of addition / (disposal) during the period			
Addition		-	-
Disposal		<u>42,000</u>	<u>-</u>
		<u>42,000</u>	<u>-</u>
14. Property, plant and equipment - ijarah		<u>70,110,118</u>	<u>76,198,801</u>
14.1 Details of addition / (disposal) during the period			
Addition		-	15,392,514
-Plant & Machinery		-	<u>15,392,514</u>
Disposal		-	<u>(17,417,700)</u>
-Vehicle		-	<u>(17,417,700)</u>
15 Investment properties			
Properties acquired in satisfaction of claim		<u>46,900,000</u>	<u>46,900,000</u>

16 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.

17. MODARABA COMPANY'S MANAGEMENT FEE

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

18. 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.

19. 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 September 30, 2017 Rupees	Audited June 30, 2017 Rupees
Balances with related parties			
Staff provident fund	Contribution made	-	-
Modaraba management company	Management fee	1,279,663	1,081,548
Modaraba under common management	Sharing of common expenses	2,469,311	1,125,566
		Unaudited September 30, 2017 Rupees	Unaudited September 30, 2016 Rupees
Expense for the period			
Staff provident fund	Contribution made	43,914	64,203
Modaraba management company	Management fee	206,729	157,429
Modaraba under common management	Sharing of common expenses	1,343,645	1,787,196
Payments made during the period			
Staff provident fund	Contribution made	43,914	64,203
Modaraba management company	Management fee	-	-
Modaraba under common management	Sharing of common expenses	-	-

20. DATE OF AUTHORISATION OF ISSUE

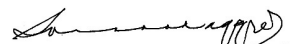
This condensed interim financial statements have been authorized for issue on October 30, 2017 by the Board of Directors of the KASB Invest (Private) Limited.

21 GENERAL

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

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