



**FIRST  
PAK  
MODARABA**

**FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED  
31, DECEMBER, 2018  
(UN-AUDITED)**

*Managed by:*

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**KASB Invest (Private) Limited**

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

## CORPORATE INFORMATION

**Board of Directors**

Muzaffar Ali Shah Bukhari	Chairman
Farrukh S. Ansari	Director
Amer Maqbool	Director/Chief Executive Officer

**Chief Financial Officer**

Aftab Afroz Mahmoodi

**Company Secretary**

Syed Shahid Owais

**Management Company**

KASB Invest (Pvt.) Limited

**Auditor**

RSM Avais Hyder Liaquat Nauman, Chartered Accountants

**Internal Auditor**

EY Ford Rhodes

**Audit Committee**

Farrukh S. Ansari	Chairman
Muzaffar Ali Shah Bukhari	Member

**Human Resource and Remuneration Committee**

Farrukh S. Ansari	Chairman
Muzaffar Ali Shah Bukhari	Member
Amer Maqbool	Member

**Certificate Transfer Office**

F.D. Registrar Services (SMC-Pvt.) Limited  
Office No. 1705, 17th Floor, Saima Trade Tower - A  
I.I. Chundrigar Road  
Karachi – 74000  
Phone : 021-35478192-93, 021-32271906

**Legal Advisor**

Ahmed &amp; Qazi

**Shariah Advisor**

AlHamdShariah Advisory Services (Pvt) Limited

**Registered Office & Head Office**

19-C, Shahbaz Lane # 2  
DHA Phase VI, Karachi.  
Phone: 021-35847921, 021-35847841

**Lahore Branch Office**

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

**Web Address**

www.firstpakmodaraba.com

## DIRECTORS' REPORT

The Board of Directors of KASB Invest (Private) Limited, the Management Company of First Pak Modaraba is pleased to present the half yearly unaudited financial statements of the Modaraba for the half year ended December 31, 2018.

## FINANCIAL HIGHLIGHTS

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

	December 31, 2018 Rs "000"	June 30, 2018 Rs "000"
<b>BALANCE SHEET</b>		
Cash & Bank balance	11,400	15,591
Investments	117	1,270
Diminishing Musharaka Finance	42,693	31,606
Ijarah Assets	12,886	20,673
<b>Total Assets</b>	<b>73,902</b>	<b>75,477</b>
<b>PROFIT &amp; LOSS ACCOUNT</b>		
	December 31, 2018 Rs "000"	December 31, 2017 Rs "000"
Gross Income	7,155	4,346
Operating & Financial Charges	(5,808)	(2,810)
Management Company Fee	(121)	(138)
Net Profit for the period	1,211	1,378
Earning per Modaraba Certificate (Rupees)	0.10	0.11

## OPERATIONS AND PERFORMANCE

By the grace of Almighty Allah, the half year ended December 31, 2018 ended successfully. The Modaraba registered net profit of Rs.1.2 million as compared to net profit of Rs.1.4 million for the corresponding period of the last year. Earning per certificate is Rs.0.10 as compared to Rs.0.11 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: February 22, 2019  
Karachi

-sd-

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Director

## REVIEW REPORT

### INDEPENDENT REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION TO THE CERTIFICATE HOLDERS OF FIRST PAK MODARABA

#### Introduction

We have reviewed the accompanying condensed interim balance sheet of **FIRST PAK MODARABA** as at December 31, 2018, the related condensed interim profit and loss account and condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management of Modaraba Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." Review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

#### Other matter

The figures for the quarters ended December 31, 2018 and December 31, 2017 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Chartered Accountants  
Karachi  
Dated: 22, February, 2019

Engagement Partner: Adnan Zaman

## ڈائریکٹرز رپورٹ

کے اے ایس بی انویسٹ (پرائیویٹ) لمیٹڈ مینجمنٹ کمیٹی برائے فرسٹ پاک مضار بہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضار بہ کے 31 دسمبر 2018 کو اختتام پذیر ہونے والی ششماہی 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 روپے '000' میں	31 دسمبر 2018 روپے '000' میں	بیلنس شیٹ
15,591	11,400	نقد اور بینک بیلنس
1,270	117	سرمایہ کاری
31,606	42,693	شرکت متناقصہ
20,673	12,886	اجارہ اثاثہ جات
75,477	73,902	مجموعی اثاثہ جات
31 دسمبر 2017 روپے '000' میں	31 دسمبر 2018 روپے '000' میں	نفع و نقصان کا حساب
4,346	7,155	مجموعی آمدنی
(2,810)	(5,808)	انتظامی و مالیاتی اخراجات
(138)	(121)	مینیجمنٹ کمیٹی فیس
1,378	1,211	خالص منافع برائے سہ ماہی
0.11	0.10	نی حصہ منافع (روپے)

### انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے فرسٹ پاک مضار بہ کی پہلی ششماہی کامیابی سے اختتام پذیر ہوئی۔ موجودہ مدت 1.2 ملین روپے کا خالص منافع ہوا جو کہ سال گزشتہ اسی مدت کے دوران 1.4 ملین روپے تھا۔ فی حصہ آمدنی 0.10 روپے رہی جو کہ اسی مدت میں سال گزشتہ 0.11 روپے تھی۔ انتظامیہ مضار بہ 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 حکمت 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 ریگولیشنری 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 مضار بہ کی کامیابی کے لئے دعا گو ہیں۔

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ڈائریکٹر

بورڈ آف ڈائریکٹرز کی جانب سے

-sd-

22 فروری 2019ء

کراچی

### CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2018

ASSETS	Note	(Unaudited) December 31, 2018	(Audited) June 30, 2018
		Rupees	
<b>Current Assets</b>			
Cash and bank balances	6	11,399,753	15,590,972
Investments	7	116,734	1,270,784
Current portion of diminishing musharika	8	21,820,210	17,957,016
Morabaha finance	9	-	-
Ijarah rentals receivable	10	136,118	179,503
Advances, deposits, prepayments and other receivables	11	985,489	581,121
Tax refundable - considered good		4,929,854	4,929,854
<b>Total Current Assets</b>		<b>39,388,158</b>	<b>40,509,250</b>
<b>Non - Current Assets</b>			
Property and equipment -Ijarah	12	12,886,285	20,672,913
Property and equipment - owned	13	559,348	600,012
Long term portion of diminishing musharika	8	20,872,777	13,649,007
Advance and deposits		195,750	45,750
<b>Total Non - Current Assets</b>		<b>34,514,160</b>	<b>34,967,682</b>
<b>TOTAL ASSETS</b>		<b>73,902,318</b>	<b>75,476,932</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accrued and other liabilities		1,994,462	1,911,201
Unclaimed profit distribution		5,481,278	4,814,302
		<b>7,475,740</b>	<b>6,725,503</b>
<b>Non-Current Liabilities</b>			
Long term deposits		4,409,000	6,189,000
<b>TOTAL LIABILITIES</b>		<b>11,884,740</b>	<b>12,914,503</b>
<b>NET ASSETS</b>		<b>62,017,578</b>	<b>62,562,429</b>
<b>REPRESENTED BY</b>			
<b>Certificate holders' equity</b>			
Certificate Capital		125,400,000	125,400,000
Statutory reserve		26,286,994	26,044,844
Accumulated loss		(89,669,416)	(88,882,415)
		<b>62,017,578</b>	<b>62,562,429</b>
Contingencies and commitments	14		

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

-sd- CHIEF EXECUTIVE      -sd- DIRECTOR      -sd- DIRECTOR      -sd- CHIEF FINANCIAL OFFICER

### CONDENSED INTERIM PROFIT & LOSS ACCOUNT INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME(UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

INCOME	Note	Half Year Ended December 31,		Quarter Ended December 31,	
		2018	2017	2018	2017
Rupees					
Return on PLS accounts		379,344	316,765	194,642	168,805
Income on diminishing musharika		2,507,495	3,061,884	1,370,527	1,420,353
Ijarah rentals		3,327,399	854,923	1,475,433	467,701
Other income		985,944	255,685	383,903	86,132
		<b>7,200,182</b>	<b>4,489,257</b>	<b>3,424,505</b>	<b>2,142,991</b>
Unrealised loss on remeasurement of held for trading investments		(44,851)	(143,244)	(7,764)	(52,687)
		<b>7,155,331</b>	<b>4,346,013</b>	<b>3,416,741</b>	<b>2,090,304</b>
<b>EXPENDITURE</b>					
Administrative expenses		(3,191,924)	(2,134,073)	(1,881,085)	(993,936)
Depreciation on Ijarah assets		(2,591,628)	(648,125)	(1,228,314)	(324,063)
Workers welfare fund		(24,215)	(27,556)	(5,425)	(13,609)
		<b>(5,807,767)</b>	<b>(2,809,754)</b>	<b>(3,114,824)</b>	<b>(1,331,608)</b>
Profit for the period		1,347,564	1,536,259	301,917	758,696
Modaraba Company's Management fee 15		(121,075)	(137,781)	(27,126)	(68,044)
provision for sales tax on management fee		(15,740)	(20,667)	(3,527)	(10,206)
Profit before taxation		1,210,749	1,377,811	271,264	680,446
Provision for taxation 16		-	-	-	-
Profit after taxation		1,210,749	1,377,811	271,264	680,446
<b>Other Comprehensive income</b>		-	-	-	-
Total comprehensive income for the period		<b>1,210,749</b>	<b>1,377,811</b>	<b>271,264</b>	<b>680,446</b>
<b>Earnings per certificate</b>		<b>0.10</b>	<b>0.11</b>	<b>0.02</b>	<b>0.05</b>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

-sd- CHIEF EXECUTIVE      -sd- DIRECTOR      -sd- DIRECTOR      -sd- CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half Year Ended	
	December 31, 2018	December 31, 2017
Rupees		
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,210,749	1,377,811
Adjustments for non-cash changes and other items:		
-Unrealised loss on remeasurement of *held for trading investments	44,851	143,244
-Depreciation on ijarah assets	2,591,628	648,125
-Depreciation-owned	40,664	9,560
	<u>2,677,143</u>	<u>800,929</u>
Cash flows before movements in working capital	<u>3,887,892</u>	<u>2,178,740</u>
(Increase) / Decrease in operating assets		
-Diminishing Musharika	(11,086,964)	4,153,794
-Ijarah rentals receivable	43,385	(33,580)
-Advances, prepayments and other receivables	(520,003)	(66,612)
	<u>(11,563,582)</u>	<u>4,053,602</u>
(Decrease) / Increase in operating liabilities		
-Long term ijarah deposits	(1,780,000)	1,787,500
-Accrued and other liabilities	83,261	(350,857)
	<u>(1,696,739)</u>	<u>1,436,643</u>
Cash (used in) / generated from operations	<u>(9,372,429)</u>	<u>7,668,985</u>
-Income tax paid / adjustment	(34,365)	(37,861)
Net cash (used in) / generated from operating activities	<u>(9,406,794)</u>	<u>7,631,124</u>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Capital work in progress	-	(150,000)
Investments encashed / (made) -net	1,109,199	-
Proceeds from sale of / (Purchase of) ijarah assets	5,195,000	(10,475,000)
Net cash generated from / (used in) investing activities	<u>6,304,199</u>	<u>(10,625,000)</u>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Profit distribution	(1,088,624)	(1,496,159)
Net cash used in financing activities	<u>(1,088,624)</u>	<u>(1,496,159)</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(4,191,219)</u>	<u>(4,490,035)</u>
Cash and cash equivalents at July 01	15,590,972	16,157,822
Cash and cash equivalents at December 31	<u>11,399,753</u>	<u>11,667,787</u>

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

-sd- CHIEF EXECUTIVE      -sd- DIRECTOR      -sd- DIRECTOR      -sd- CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Certificate capital	Statutory reserve*	Accumulated loss	Total
Rupees				
Balance as at July 1, 2017 (Audited)	125,400,000	25,602,220	(88,521,111)	62,481,109
Profit for the period ended December 31, 2017	-	-	1,377,811	1,377,811
Final dividend Re.0.17 per certificate for the year ended June 30, 2017	-	-	(2,131,800)	(2,131,800)
Transfer to statutory reserve	-	275,562	(275,562)	-
Balance as at December 31, 2017 (Unaudited)	<u>125,400,000</u>	<u>25,877,782</u>	<u>(89,550,662)</u>	<u>61,727,120</u>
Balance as at July 1, 2018 (Audited)	125,400,000	26,044,844	(88,882,415)	62,562,429
Profit for the period ended December 31, 2018	-	-	1,210,749	1,210,749
Final dividend Re.0.14 per certificate for the year ended June 30, 2018	-	-	(1,755,600)	(1,755,600)
Transfer to statutory reserve	-	242,150	(242,150)	-
Balance as at December 31, 2018 (Unaudited)	<u>125,400,000</u>	<u>26,286,994</u>	<u>(89,669,416)</u>	<u>62,017,578</u>

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

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited  
(Management Company)

-sd- CHIEF EXECUTIVE      -sd- DIRECTOR      -sd- DIRECTOR      -sd- CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM  
FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2018**

**1 LEGAL STATUS AND NATURE OF BUSINESS**

- 1.1 First Pak 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 Royal Management Services (Pvt.) Limited. In pursuance of instructions received from Securities and Exchange Commission of Pakistan (SECP), KASB Invest (Private) Limited (the Management Company) has taken over the management and administrative control of First Pak Modaraba effective from November 13, 2014.
- 1.2 The registered office of First Pak Modaraba is situated at 19-C, Shahbaz Lane # 2, DHA Phase VI, 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 The Financial Statements is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.
- 1.4 On february 21, 2018, the board of directors of the Management Company has decided to merge and amalgamate the Modaraba with and into the First Prudential Modaraba and the application has been filed to the Registrar Modaraba in this

**2 STATEMENT OF COMPLIANCE**

- 2.1 These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities & Exchange Commission of Pakistan (SECP). In case where requirements differ, the requirements of Modaraba Companies and Modaraba (Floatation & Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issues by SECP prevail.
- 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. The figures for the half year ended December 31, 2018 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.
- 2.3 This condensed interim financial statements comprises of the condensed interim balance sheet as at December 31, 2018 and the 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 and the notes forming part thereof for the half year ended December 31, 2018 which have been subjected to a review but not audited.
- 2.4 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 half year ended December 31, 2017 have been extracted from the condensed interim financial statements for the half year ended December 31, 2017 which were subjected to a review but not audited.

**3 SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial statements are the same as those applied in preparing the financial statements of the Modaraba for the year ended June 30, 2018.

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of the annual audited financial statements for the year ended June 30, 2018 except those stated in note 3.2 (a) below.
- 3.2 Change in accounting standards, interpretations and amendments to published approved accounting and reporting standards

a) **New standards, amendments to approved accounting standards and interpretations that are effective during the six month and quarter ended December 31, 2018**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the modaraba's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the modaraba's financial reporting and, therefore, have not been detailed in these condensed interim financial statements.

In addition to new standards, IFRS 15 have become applicable to the modaraba effective July 1, 2018. Because of these new standards certain changes to the modaraba's accounting policies have been made in light of the following paragraphs:

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by these standard do not have any significant impact on these condensed interim financial statements of the modaraba.

**3.3 New standards, amendments to approved accounting standards and interpretations that are not yet effective**

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the modaraba's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

**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 fair value.

**6 CASH AND BANK BALANCES**

Note	Unaudited	Audited
	December 31, 2018	June 30, 2018
-----Rupees-----		
Cash in hand	2,900	7,230
Cash at banks		
Current accounts	1,830,486	1,140,461
Saving accounts	9,566,367	14,443,281
	11,396,853	15,583,742
	11,399,753	15,590,972

- 6.1 Effective mark-up rate in respect of PLS accounts ranges from 3.90% to 4.12% (June 2018: 3.90% to 3.90%) per annum.



## 7 INVESTMENTS

Available for sale	7.1	-	-
Held for trading at fair value through profit or loss account	7.2	116,734	1,270,784
		<u>116,734</u>	<u>1,270,784</u>

## 7.1 Available for sale

Fully paid ordinary shares of Rs 10 each.

<b>Unaudited</b>	<b>Audited</b>
<b>December 31,</b>	<b>June 30,</b>
<b>2018</b>	<b>2018</b>

Number of Shares	Name of company	Unaudited	Audited
Unquoted securities		December 31, 2018	June 30, 2018
	Prudential Securities Limited		
487,500	Cost	4,875,000	4,875,000
	Less: Permanent Diminution (7.1.1)	(4,875,000)	(4,875,000)
		<u>-</u>	<u>-</u>

7.1.1 The operations of Prudential Securities Limited remained suspended that indicates a significant and prolonged decline in the fair value of this investment below carrying value resulting in an objective evidence of impairment. Therefore, the investment has been considered as fully impaired.

## 7.2 Held for trading at fair value through profit or loss account

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

Unaudited	Audited	Unaudited	Audited
December 31,	June 30,	December 31,	June 30,
2018	2018	2018	2018
Number of Certificates / Shares	Name of Company	-----Rupees-----	
	<b>Open-end Mutual Funds</b>		
-	Meezan Balanced Fund	-	1,270,784
	<b>Investment in shares</b>		
	<b>Cement</b>		
600	Kohat Cement	50,964	-
	<b>Steel</b>		
1,000	International Steels Ltd	65,770	-
	<b>Suspended / Delisted Company</b>		
120,000	Prudential Investment Bank Limited	-	-
	Pakistan Industrial & Commercial		
279,749	Leasing Limited	-	-
		<u>116,734</u>	<u>1,270,784</u>

## 7.2.1 Unrealized loss on changes in fair value of held for trading investments

	Unaudited December 31, 2018	Audited June 30, 2018
	-----Rupees-----	
Weighted average cost of investments	161,585	1,395,399
Unrealized loss on changes in fair value of held for trading investments	(44,851)	(124,615)
Market value of investments	<u>116,734</u>	<u>1,270,784</u>

## 8 DIMINISHING MUSHARIKA

Diminishing Musharika	8.1	42,692,987	31,606,023
Less: Current portion of diminishing musharika		(21,820,210)	(17,957,016)
		<u>20,872,777</u>	<u>13,649,007</u>

8.1 These finance carry profit rate ranged from 12.50% to 17.00% per annum and are payable on monthly basis over a period from 3 to 4 years.

## 9 MORABAHA FINANCE

Morabaha finance - Unsecured	9.1	15,319,705	15,319,705
Less: Provision for doubtful morabaha finance		(15,319,705)	(15,319,705)
		<u>-</u>	<u>-</u>

9.1 This include amount of Morabaha finance receivable from five different parties outstanding since many years. As per term of agreement, the profit against these finance ranged from 16.5% to 20%, however, based on the guidelines of prudential regulation for Modaraba, the principal and profit against these finances have been fully provided and suspended accordingly.

## 10 IJARAH RENTALS RECEIVABLE

Considered good	136,118	179,503
Considered doubtful	119,542	119,542
	<u>255,660</u>	<u>299,045</u>
Less: Provision for doubtful receivables	(119,542)	(119,542)
	<u>136,118</u>	<u>179,503</u>

## 11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

## Considered good

Profit Receivable on Diminishing Musharakah	130,993	61,991
Advance income tax	308,350	273,985
Advance to staff	253,400	61,750
Prepayments	221,734	148,082
Profit receivable on bank deposits	68,012	32,313
Others	3,000	3,000
	<u>985,489</u>	<u>581,121</u>

## Considered doubtful

Amount due from PSL	11,476,377	11,476,377
Amount due from PCML	999,832	999,832
Amount due from Royal Management Services(Pvt) Ltd	886,442	886,442
Profit receivable on Morabaha finance	4,028,913	4,028,913
	<u>17,391,564</u>	<u>17,391,564</u>

	<u>18,377,053</u>	<u>17,972,685</u>
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Less: Provision for doubtful receivables

	<u>(17,391,564)</u>	<u>(17,391,564)</u>
	<u>985,489</u>	<u>581,121</u>



	Unaudited December 31, 2018	Audited June 30, 2018
-----Rupees-----		
<b>12 PROPERTY AND EQUIPMENT - IJARAH</b>		
Net Book value	12,886,285	20,672,913
<b>Details of addition / (disposal) during the period</b>		
Addition	-	19,935,000
Deletion	(5,195,000)	-

**13 PROPERTY AND EQUIPMENT - OWN**

Net Book value	559,348	600,012
<b>Details of addition / (disposal) during the period</b>		
Addition	-	610,759
Deletion	-	(83,500)

**14 CONTINGENCIES AND COMMITMENTS**

There were no contingencies and commitments as at December 31, 2018.

**15 MODARABA COMPANY'S MANAGEMENT FEE**

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

**16 PROVISION FOR TAXATION**

The income of the Modaraba is exempt from tax provided that not less than 90% of total profits in the year as reduced by the amount transferred to statutory reserve, required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, are distributed amongst the certificate holders. Since section 113 of the Income Tax Ordinance, 2001 is not applicable on the Modaraba, no provision for taxation has been made in these financial statements.

**17 RELATED PARTY TRANSACTIONS**

Relationship with the Company	Nature of Transactions	Unaudited December 31, 2018	Unaudited December 31, 2017
-----Rupees-----			
<b>Expense for the period</b>			
Modaraba Management Company	Management fee	121,075	137,781
Modaraba under common management	Sharing of common expenses	703,947	-
Provident Fund	Contribution made	34,482	25,860
<b>Payments made during the period</b>			
Modaraba Management Company	Management fee	221,312	106,596
Provident Fund	Contribution made	34,482	25,860
-----Rupees-----			
<b>Balance as at the end of period</b>			
Modaraba Management Company	Management fee (Payable)	121,075	221,312
Modaraba under common management	Sharing of common expenses (Payable)	703,947	-

**18 DATE OF AUTHORIZATION OF ISSUE**

These condensed interim financial statements has been authorized for issue on 22 February, 2019, by the Board of Directors of the KASB Invest (Private) Limited.

**19 CORRESPONDING FIGURES**

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of appropriate presentation. There have been no significant reclassification in these financial statements.

**20 GENERAL**

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited  
(Management Company)

-sd-  
CHIEF EXECUTIVE

-sd-  
DIRECTOR

-sd-  
DIRECTOR

-sd-  
CHIEF FINANCIAL OFFICER