



**FIRST
PAK
MODARABA**

**QUARTERLY REPORT
FOR THE 1ST QUARTER ENDED
SEPTEMBER 30, 2017
(UN-AUDITED)**

Managed by:

KASB Invest (Private) Limited

BOOK - POST
Printed Matter

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

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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 & 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 Advocates	
Shariah Advisor	Mufti Muhammad Ibrahim Essa	
Bankers	Habib Bank Limited (Islamic Banking) Faysal Bank Limited	
Share Registrar	F.D. Registrar Services (SMC-Pvt.) Limited Office # 1705, 17th Floor, Saima Trade Tower-A, I.I. Chunrigar Road, Karachi-74000. Tel: 35478192-93, 32271906.	

DIRECTORS' REPORT

The Board of Directors of KASB Invest (Private) Limited, the Management Company of First Pak 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	70,678
Current Assets	44,513
Non-Current Assets	26,165
Net Assets	63,178
Gross Revenue	2,256
Modaraba Management Company Fee	69
Net Profit	697
Earning Per Certificate	0.06
Transferred to Statutory Reserve	139

OPERATIONS AND PERFORMANCE

By the Grace of Allah, First Pak Modaraba has successfully completed its 1st quarter ended September 30, 2017. The period closed with net Profit of PKR.0.7 million. On the revenue side, major contribution was income from diminishing Musharakah.

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

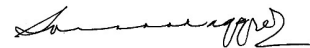
BOARD OF DIRECTORS

Syed Muhammad Rehmanullah, Director KASB Invest (Pvt) Limited resigned from the Board and Mr. Amer Maqbool was co-opted as Director subject to the approval of the 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 and behalf of Board of Directors



Syed Waseem-ul- Haq Haqqie
Chairman

Dated: October 30, 2017
Karachi

ڈائریکٹرز رپورٹ

کے۔ اے۔ ایس۔ بی۔ انویسٹ (پرائیویٹ) لمیٹڈ، انتظامی کمپنی برائے فرسٹ پاک مضاربہ کے بورڈ آف ڈائریکٹرز انتظامی مسرت کے ساتھ مضاربہ کی 30 ستمبر 2017 کو اختتام پر ہونے والی سہ ماہی کا عبوری ملخص 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

70,678	کل اثاثہ جات
44,513	مختصر مدتی اثاثہ جات
26,165	طویل مدتی اثاثہ جات
63,178	خالص اثاثہ جات
2,256	مجموعی آمدنی
69	معاوضہ برائے انتظامی کمپنی
697	خالص منافع
0.06	فی حصہ آمدنی
139	ایکویٹی میں جاوہ

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے فرسٹ پاک مضاربہ کی پہلی سہ ماہی کامیابی سے اختتام پذیر ہوئی۔ مدت کا اختتام 0.7 ملین روپے کے خالص منافع پر ہوا۔ ذرائع آمدن میں اہم حصہ شرکت متناقصہ سے حاصل آمدن رہا۔ انتظامیہ مالیاتی اور انتظامی کارکردگی میں بتدریج بہتری کیلئے پُر عزم ہے۔ مضاربہ کا دیر پا استحکام تمام متعلقین مخصوص حصص یافتگان کی امیدوں پر پورا اترے گا۔

مستقبل کے امکانات

ہماری کاروباری حکمت عملی اور نظریہ متحکم اور واضح ہے اور اس بات کا احاطہ کرتا ہے کہ دستیاب ذرائع سے حاصل شدہ آمدن کا استعمال شرکت متناقصہ اور بارہ اثاثہ جات میں محفوظ سرمایہ کاری کی مدد میں کیا جائے۔ ہم پُر 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 ڈائریکٹر کی حیثیت سے کیا گیا جو سیکورٹیز اینڈ ایکسچینج کمیشن کی منظوری سے مشروط ہے۔

اعتراف

بورڈ ریگولیٹری اقتدار، حصص یافتگان، کسٹمرز اور بینکران کی معاہدت کو بے حد سراہتا ہے اور مستقبل میں بھی انکی 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 سے

سید وسیم الحق
چیرمین

130 اکتوبر، 2017، کراچی۔

CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2017

Note	September 30, 2017 (Unaudited) (Rupees)	June 30, 2017 (Audited) (Rupees)
ASSETS		
Current Assets		
Cash and bank balances	5 15,000,835	16,157,822
Investments	6 1,304,842	1,395,399
Current portion of diminishing Musharakah	11 22,371,960	19,923,427
Morabaha finance	7 -	-
Ijarah rentals receivable	15,633	15,633
Advances, deposits, prepayments and other receivables	8 889,630	670,109
Tax refundable - considered good	4,929,854	4,929,854
Total Current Assets	44,512,754	43,092,244
Non - Current Assets		
Property and equipment - Ijarah	9 3,802,575	4,126,637
Property and equipment - owned	10 13,998	18,778
Capital Work in Progress	882,668	732,668
Long term portion of Diminishing Musharakah	11 21,322,447	21,956,865
Advance and deposits	143,250	132,750
Total Non - Current Assets	26,164,938	26,967,698
TOTAL ASSETS	70,677,692	70,059,942
LIABILITIES		
Current Liabilities		
Accrued and other liabilities	1,523,701	1,603,316
Unclaimed profit distribution	4,360,517	4,360,517
	5,884,218	5,963,833
Non-Current Liabilities		
Long term deposits	1,615,000	1,615,000
TOTAL LIABILITIES	7,499,218	7,578,833
NET ASSETS	63,178,474	62,481,109
REPRESENTED BY		
Certificate holders' equity		
Certificate Capital	125,400,000	125,400,000
Statutory reserve	25,741,693	25,602,220
Accumulated loss	(87,963,219)	(88,521,111)
	63,178,474	62,481,109
Contingencies and commitments	12	

The annexed notes 1 to 17 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

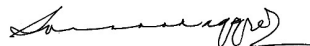
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

Note	September 30, 2017 (Rupees)	September 30, 2016 (Rupees)
INCOME		
Return on PLS accounts	147,960	348,284
Income on Diminishing Musharakah	1,641,531	764,219
Ijarah rentals	387,222	402,855
Other income	169,553	85,000
	<u>2,346,266</u>	<u>1,600,358</u>
Unrealised gain on remeasurement of held for trading investments	(90,557)	47,594
	<u>2,255,709</u>	<u>1,647,952</u>
EXPENDITURE		
Administrative expenses	(1,140,137)	(570,182)
Amortization on Ijarah assets	(324,062)	(324,062)
Workers welfare fund	(13,947)	(13,281)
	<u>(1,478,146)</u>	<u>(907,525)</u>
Profit for the period	777,563	740,427
Modaraba Company's Management Fee	(69,737)	(66,406)
Provision for sales tax on management fee	(10,461)	(9,961)
Profit before taxation	<u>697,365</u>	<u>664,060</u>
13 Provision for taxation	-	-
Profit after taxation	<u>697,365</u>	<u>664,060</u>
Other Comprehensive income		
	-	-
Total income for the period	<u>697,365</u>	<u>664,060</u>
Earnings per certificate	<u>0.06</u>	<u>0.05</u>

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


 CHIEF EXECUTIVE

 For KASB Invest (Private) Limited
 (Management Company)


 DIRECTOR


 DIRECTOR

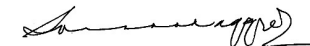
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER ENDED SEPTEMBER 30, 2017

	September 30, 2017 (Rupees)	September 30, 2016 (Rupees)
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	697,365	664,060
Adjustments for non-cash changes and other items:		
Unrealised gain on remeasurement of held for trading investments	90,557	(47,594)
Amortization on Ijarah assets	324,062	324,062
Depreciation-owned	4,780	6,192
	<u>419,399</u>	<u>282,660</u>
	1,116,764	946,720
Cash flows before movements in working capital		
Decrease / (increase) in operating assets		
Diminishing Musharakah	(1,814,115)	(18,807,453)
Advances, prepayments and other receivables	(225,211)	(4,540,081)
	<u>(2,039,326)</u>	<u>(23,347,534)</u>
Increase / (decrease) in operating liabilities		
Accrued and other liabilities	(79,615)	(24,567)
Cash generated from / (used in) operations	<u>(1,002,177)</u>	<u>(22,425,381)</u>
Income tax paid / adjustment	(4,810)	(4,876)
Net cash generated from / (used in) operating activities	<u>(1,006,987)</u>	<u>(22,430,257)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Capital work in progress	(150,000)	-
Net cash (used in) / generated from investing activities	<u>(150,000)</u>	<u>-</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distribution	-	-
Net cash used in financing activities	<u>-</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(1,156,987)	(22,430,257)
Cash and cash equivalents at July 01, 2017	16,157,822	42,483,225
Cash and cash equivalents at September 30, 2017	<u>15,000,835</u>	<u>20,052,968</u>

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


 CHIEF EXECUTIVE

 For KASB Invest (Private) Limited
 (Management Company)


 DIRECTOR


 DIRECTOR

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

	<i>Rupees</i>			
	Certificate capital	Statutory reserve*	Accumulated loss	Total
Balance as at July 01, 2016	125,400,000	25,068,113	(90,657,538)	59,810,575
Profit for the quarter ended September 30, 2016	-	-	664,060	664,060
Transfer to Statutory Reserves	-	132,812	(132,812)	-
Balance as at September 30, 2016	<u>125,400,000</u>	<u>25,200,925</u>	<u>(90,126,290)</u>	<u>60,474,635</u>
Balance as at July 1, 2017	125,400,000	25,602,220	(88,521,111)	62,481,109
Profit for the quarter ended September 30, 2017	-	-	697,365	697,365
Transfer to statutory reserve	-	139,473	(139,473)	-
Balance as at September 30, 2017	<u>125,400,000</u>	<u>25,741,693</u>	<u>(87,963,219)</u>	<u>63,178,474</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 this condensed interim financial statements.

For KASB Invest (Private) Limited
(Management Company)



CHIEF EXECUTIVE



DIRECTOR



DIRECTOR

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

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 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 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 Musharakah, morabaha and investment in securities.

1.3 The Financial Statements is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.

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 issued 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, 2017.

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, 2017.

4 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	September 30, 2017 (Unaudited) (Rupees)	June 30, 2017 (Audited) (Rupees)
5. CASH AND BANK BALANCES			
Cash in hand		-	-
Cash at banks			
Current accounts		695,548	695,548
Saving accounts	5.1	14,305,287	15,462,274
		15,000,835	16,157,822
		<u>15,000,835</u>	<u>16,157,822</u>

5.1 Effective mark-up rate in respect of PLS accounts ranges from 3.90% to 4.00% (June 2017: 3.90% to 5.07%) per annum.

6. INVESTMENTS

		September 30, 2017 (Unaudited) (Rupees)	June 30, 2017 (Audited) (Rupees)
Available for sale	6.1	-	-
Held for trading at fair value through profit or loss account	6.2	1,304,842	1,395,399
		<u>1,304,842</u>	<u>1,395,399</u>

6.1 Available for sale

September 30, 2017 (Unaudited)	June 30, 2017 (Audited)	Name of company	September 30, 2017 (Unaudited) Rupees	June 30, 2017 (Audited) Rupees
		Prudential Securities Limited		
487,500	487,500	Cost	4,875,000	4,875,000
		Less: Permanent Diminution	(4,875,000)	(4,875,000)
			<u>-</u>	<u>-</u>

6.1.1 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.

6.2 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.

September 30, 2017 (Unaudited)	June 30, 2017 (Audited)	Name of Investee	September 30, 2017 (Unaudited) Rupees	June 30, 2017 (Audited) Rupees
		Open-end Mutual Funds		
82,324	82,324	Meezan Balanced Fund	1,304,842	1,395,399
		Suspended / Delisted Company		
120,000	120,000	Prudential Investment Bank Limited	-	-
		Pakistan Industrial & Commercial Leasing Limited	-	-
279,749	279,749		<u>1,304,842</u>	<u>1,395,399</u>

	September 30, 2017 (Unaudited) (Rupees)	June 30, 2017 (Audited) (Rupees)
6.2.1 Unrealized loss on changes in fair value of held for trading investments		
Weighted average cost of investments	1,395,399	1,309,170
Unrealized gain/ (loss) on changes in fair value of held for trading investments	(90,557)	86,229
Market value of investments	<u>1,304,842</u>	<u>1,395,399</u>

7. MORABAH FINANCE

		September 30, 2017 (Unaudited) (Rupees)	June 30, 2017 (Audited) (Rupees)
Morabaha finance - Unsecured	7.1	15,319,705	15,319,705
Less: Provision for doubtful morabaha finance		(15,319,705)	(15,319,705)
		<u>-</u>	<u>-</u>

7.1 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.

8. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Considered good

Profit Receivable on Diminishing Musharakah	270,690	177,190
Advance income tax	213,165	208,355
Advance to staff	117,000	87,000
Prepayments	216,009	149,063
Profit receivable on bank deposits	69,766	45,502
Others	3,000	2,999
	<u>889,630</u>	<u>670,109</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>
	18,281,194	18,061,673
Less: Provision for doubtful receivables	(17,391,564)	(17,391,564)
	<u>889,630</u>	<u>670,109</u>

9. PROPERTY AND EQUIPMENT - IJARAH

Details of addition / (disposal) during the period	3,802,575	4,126,637
Addition	-	-
Deletion	-	-

10. PROPERTY AND EQUIPMENT - OWN

Details of addition / (disposal) during the period	13,998	18,778
Addition	-	-
Deletion	-	-

11. DIMINISHING MUSHARIKA

Diminishing Musharakah	11.1	43,694,407	41,880,292
Less: Current Portion of Diminishing Musharakah		<u>(22,371,960)</u>	<u>(19,923,427)</u>
		<u>21,322,447</u>	<u>21,956,865</u>

11.1 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.

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at September 30, 2017.

13. 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.

14. RELATED PARTY TRANSACTIONS

Relationship with the Company	Nature of Transactions	September 30, 2017 (Unaudited) (Rupees)	September 30, 2016 (Unaudited) (Rupees)
Expense for the period			
Modaraba Management Company	Management fee	<u>56,560</u>	<u>66,406</u>
Provident Fund	Contribution made	<u>12,930</u>	<u>11,451</u>
Payments made during the period			
Modaraba Management Company	Management fee	<u>-</u>	<u>-</u>
Provident Fund	Contribution made	<u>12,930</u>	<u>11,451</u>
Balance as at the end of period			
		September 30, 2017 (Unaudited) (Rupees)	June 30, 2017 (Audited) (Rupees)
Payable to Modaraba Management Company		163,156	106,596
Payable to Provident Fund		<u>-</u>	<u>-</u>

15 DATE OF AUTHORISATION OF ISSUE

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

16. CORRESPONDING FIGURES

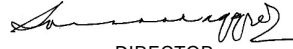
Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of appropriate presentation. There have been no significant reclassification in these financial statements.

17 GENERAL

Figures have been rounded off to the nearest Rupee.


CHIEF EXECUTIVE

For KASB Invest (Private) Limited
(Management Company)


DIRECTOR


DIRECTOR