



FIRST PAK MODARABA

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2017 (UN-AUDITED)
(REVIEWED BY EXTERNAL AUDITORS)**

Managed by:

KASB Invest (Private) Limited

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

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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	
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 Faysal Bank Limited Summit 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.	

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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, 2017.

FINANCIAL HIGHLIGHTS

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

	December 31, 2017	June 30, 2017
	Rs "000"	Rs "000"
BALANCE SHEET		
Cash & Bank balance	11,668	16,158
Investments	1,252	1,395
Diminishing Musharaka Finance	37,727	41,880
Ijarah Assets	13,954	4,127
Total Assets	71,378	70,060
	December 31, 2017	December 31, 2016
	Rs "000"	Rs "000"
PROFIT & LOSS ACCOUNT		
Gross Income	4,346	4,146
Operating & Financial Charges	(2,810)	(2,357)
Management Company Fee	(138)	(160)
Net Profit / (Loss) for the period	1,378	1,605
Earning per Modaraba Certificate (Rupees)	0.11	0.13

OPERATIONS AND PERFORMANCE

By the grace of Almighty Allah, the first half of the financial year of the Modaraba ended successfully. The Modaraba registered net profit of Rs.1.38 million as compared to Rs.1.61 million for the corresponding period last year. Earning per certificate was Rs.0.11 as compared to Rs.0.13 for the corresponding period of 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. Subsequent to the Balance Sheet date, the management has also filed an application with the Registrar Modaraba to merge and amalgamate the Modaraba with and into the First Prudential Modaraba. We believe that the combined resources and efforts would culminate better results for the Certificate holders.

BOARD OF DIRECTORS

Syed Waseem-ul-Haq Haqqie, Director, KASB Invest (Pvt) Limited resigned from the Board and Mr. Muzaffar Ali Shah Bukhari wasco-opted as Director. Mr. Muzaffar Ali Shah Bukhari's nomination is 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 and behalf of Board of Directors

Chief Executive

February 28, 2018

Karachi

ڈائریکٹرز رپورٹ

کے۔ اے۔ ایس۔ بی انوسٹ (پرائیویٹ) لمیٹڈ، انتظامی کمپنی برائے فرسٹ پاک مضاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کی 31 دسمبر 2017 کو اختتام پذیر ہونی والی ششماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

مالیاتی جھلکیاں

ذیرجائزہ مدت کیلئے مالیاتی جھلکیاں درج ذیل ہیں۔

نیلنس شیٹ	31 دسمبر 2017	30 جون 2017
	روپے (000)	روپے (000)
نقد اور بینک میں رقم	11,668	16,158
سرمایہ کاری	1,252	1,395
شرکت متعلقہ	37,727	41,880
اجارہ اثاثہ جات	13,954	4,127
کل اثاثہ جات	71,378	70,060

نفع و نقصان کا حساب	31 دسمبر 2017	31 دسمبر 2016
	روپے (000)	روپے (000)
مجموعی آمدنی	4,346	4,146
انتظامی و مالیاتی اخراجات	(2,810)	(2,357)
بیمجمنٹ کمپنی فیس	(138)	(160)
خالص منافع/نقصان برائے موجودہ مدت	1,378	1,605
فی حصہ آمدنی (روپے)	0.11	0.13

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے مضاربہ کی پہلی ششماہی خاطر خاندان تاج کے ساتھ اختتام پذیر ہوئی۔ خالص منافع 1.38 ملین روپے رہا (31 دسمبر، 2016، 1.61 ملین روپے)۔ فی حصہ آمدنی 0.11 روپے رہی (31 دسمبر، 2016، 0.13 روپے فی حصہ)۔ انتظامی کارکردگی میں بہتری کیلئے سرگرم عمل ہے جو کہ مضاربہ کے دیر پا استحکام اور تمام متعلقین، مخصوص حصص یافتگان کی امیدوں پر پورا اترنے کا باعث بنے گا۔

مستقبل کے امکانات

ہماری کاروباری حکمت عملی اور نظریہ منہمک اور واضح ہے اور اس بات کا احاطہ کرتا ہے کہ دستیاب ذرائع کا استعمال تمام شرعی فائدہ انگ میں کیا جائیگا۔ برنظر گوشوارے کی مدت اختتام کے بعد انتظامیہ نے فرسٹ پاک مضاربہ کے ساتھ مجوزہ انتظام کی درخواست رجسٹرار مضاربہ کے پیش نظر رکھی ہے۔ ہمیں اُمید ہے کہ مشترکہ ذرائع اور کاوش حصص یافتگان کے لئے بہتر نتائج کا باعث بنیں گے۔

بورڈ آف ڈائریکٹرز

سید وسیم الحق حقی، ڈائریکٹر کے۔ اے۔ ایس۔ بی انوسٹ (پرائیویٹ) لمیٹڈ مستعفی ہوئے اور جناب مظفر علی شاہ بخاری کا چناؤ مجوزہ ڈائریکٹری حیثیت سے کیا گیا جو سیکورٹیز اینڈ ایکسچینج کمیشن کی منظوری سے مشروط ہے۔

اعتراف

بورڈ ریکولیشن کی انتہائی، 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

کراچی

28 فروری 2018



RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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**INDEPENDENT AUDITORS' REPORT TO THE
CERTIFICATE HOLDERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION**

Introduction

We have reviewed the accompanying condensed interim balance sheet of **FIRST PAK MODARABA**(the Modaraba)as at December 31, 2017, the related condensed interim profit and loss account, 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." A 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, 2017 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, 2017and December 31, 2016 in the condensed interim profit and loss account has not been reviewed and we do not express a conclusion on them.



RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Karachi

Dated: 28 February, 2018
Engagement Partner: Adnan Zaman

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Avais Hyder Liaquat Nauman is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31,2017**

ASSETS	Note	(Unaudited)	(Audited)
		December 31 2017	June 30, 2017
.....Rupees.....			
Current Assets			
Cash and bank balances	6	11,667,787	16,157,822
Investments	7	1,252,155	1,395,399
Current portion of diminishing musharika	8	19,064,813	19,923,427
Morabaha finance	9	-	-
Ijarah rentals receivable	10	49,213	15,633
Advances, deposits, prepayments and other receivables	11	793,332	670,109
Tax refundable - considered good		<u>4,929,854</u>	<u>4,929,854</u>
Total Current Assets		37,757,154	43,092,244
Non - Current Assets			
Property and equipment -Ijarah	12	13,953,512	4,126,637
Property and equipment - owned	13	9,218	18,778
Capital work in progress		882,668	732,668
Long term portion of diminishing musharika	8	18,661,685	21,956,865
Advance and deposits		114,000	132,750
Total Non - Current Assets		33,621,083	26,967,698
TOTAL ASSETS		71,378,237	70,059,942
LIABILITIES			
Current Liabilities			
Accrued and other liabilities		1,252,459	1,603,316
Unclaimed profit distribution		<u>4,996,158</u>	<u>4,360,517</u>
		6,248,617	5,963,833
Non-Current Liabilities			
Long term deposits		3,402,500	1,615,000
TOTAL LIABILITIES		9,651,117	7,578,833
NET ASSETS		<u>61,727,120</u>	<u>62,481,109</u>
REPRESENTED BY			
Certificate holders' equity			
Certificate Capital		125,400,000	125,400,000
Statutory reserve		25,877,782	25,602,220
Accumulated loss		(89,550,662)	(88,521,111)
		<u>61,727,120</u>	<u>62,481,109</u>
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)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31,2017**

Note	Half year ended December 31		Quarter ended December 31	
	2017	2016	2017	2016
 Rupees.....			
INCOME				
Return on PLS accounts	316,765	496,107	168,805	147,823
Income on diminishing musharika	3,061,884	2,043,182	1,420,353	1,278,963
Ijarah rentals	854,923	821,343	467,701	418,488
Other income	255,685	105,000	86,132	20,000
	<u>4,489,257</u>	<u>3,465,632</u>	<u>2,142,991</u>	<u>1,865,274</u>
Unrealised (loss)/gain on remeasurement of held for trading investments	(143,244)	188,055	(52,687)	140,461
Reversal of provision for WWF	-	492,736	-	492,736
	<u>4,346,013</u>	<u>4,146,423</u>	<u>2,090,304</u>	<u>2,498,471</u>
EXPENDITURE				
Administrative expenses	(2,134,073)	(1,677,099)	(993,936)	(1,106,917)
Depreciation on Ijarah assets	(648,125)	(648,125)	(324,063)	(324,063)
Workers welfare fund	(27,556)	(32,092)	(13,609)	(18,811)
	<u>(2,809,754)</u>	<u>(2,357,316)</u>	<u>(1,331,608)</u>	<u>(1,449,791)</u>
Profit for the period	1,536,259	1,789,107	758,696	1,048,680
Modaraba Company's Management Fee	15 (137,781)	(160,458)	(68,044)	(94,052)
Provision for sales tax on management fee	(20,667)	(24,069)	(10,206)	(14,108)
Profit before taxation	<u>1,377,811</u>	<u>1,604,580</u>	<u>680,446</u>	<u>940,520</u>
Provision for taxation	16 -	-	-	-
Profit after taxation	<u>1,377,811</u>	<u>1,604,580</u>	<u>680,446</u>	<u>940,520</u>
Other Comprehensive income	-	-	-	-
Total income for the period	<u>1,377,811</u>	<u>1,604,580</u>	<u>680,446</u>	<u>940,520</u>
Earnings per certificate	<u>0.11</u>	<u>0.13</u>	<u>0.05</u>	<u>0.08</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)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CONDENSED INTERIM CASH FLOW STATEMENT(UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31,2017**

	Half Year Ended December 31, 2017		December 31, 2016
Rupees.....		
A. CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation	1,377,811		1,604,580
Adjustments for non-cash changes and other items:			
-Unrealised gain/(loss) on remeasurement of held for trading investments	143,244		(188,055)
-Depreciation on Ijarah assets	648,125		648,125
-Depreciation-owned	9,560		11,561
	<u>800,929</u>		<u>471,631</u>
	2,178,740		2,076,211
Cash flows before movements in working capital			
Decrease / (increase) in operating assets			
-Diminishing Musharika	4,153,794		(21,684,788)
-Ijarah rentals receivable	(33,580)		
-Advances, prepayments and other receivables	(66,612)		(9,095,763)
	<u>4,053,602</u>		<u>(30,780,551)</u>
Increase / (decrease) in operating liabilities			
-Long term Ijarah deposits	1,787,500		-
-Accrued and other liabilities	(350,857)		(671,960)
	<u>1,436,643</u>		<u>(671,960)</u>
Cash generated from / (used in) operations	<u>7,668,985</u>		<u>(29,376,300)</u>
-Income tax paid / adjustment	(37,861)		(52,630)
Net cash generated from / (used in) operating activities	<u>7,631,124</u>		<u>(29,428,930)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES			
-Capital work in progress	(150,000)		-
-Purchase of Ijarah assets	(10,475,000)		-
Net cash (used in) investing activities	<u>(10,625,000)</u>		<u>-</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES			
Profit distribution	(1,496,159)		-
Net cash used in financing activities	<u>(1,496,159)</u>		<u>-</u>
Net (decrease) in cash and cash equivalents (A+B+C)	(4,490,035)		(29,428,930)
Cash and cash equivalents at July 01	16,157,822		42,483,225
Cash and cash equivalents at December 31	<u>11,667,787</u>		<u>13,054,295</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)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2017**

	Certificate capital	Statutory Reserve*	Accumulated Loss	Total
Balance as at July 01, 2016 (Audited)	125,400,000	25,068,113	(90,657,538)	59,810,575
Profit for the period ended December 31, 2016	-	-	1,604,580	1,604,580
Transfer to Statutory Reserves	-	320,916	(320,916)	-
Balance as at December 31, 2016 (Unaudited)	125,400,000	25,389,029	(89,373,874)	61,415,155
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)	125,400,000	25,877,782	(89,550,662)	61,727,120

*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)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 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 (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 16- C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba is currently engaged in various modes of Islamic fundings and businesses which include ijarah financing, deployment of fund in musharika, morabaha and investment in securities.

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

1.4 Subsequent to the period ended December 31, 2017, 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 regard.

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, 2017. The figures for the half year ended December 31, 2017 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, 2017 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, 2017 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, 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 half year ended December 31, 2016 have been extracted from the condensed interim financial statements for the half year ended December 31, 2016 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, 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.

6 CASH AND BANK BALANCES

	Note	December 31, 2017 Un-audited (Rupees)	June 30, 2017 Audited (Rupees)
Cash in hand		-	-
Cash at banks		-	-
Current accounts		1,331,188	695,548
Saving accounts	6.1	10,336,599	15,462,274
		<u>11,667,787</u>	<u>16,157,822</u>
		<u>11,667,787</u>	<u>16,157,822</u>

6.1 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.

7 INVESTMENTS

Available for sale	7.1	-	-
Held for trading at fair value through profit or loss account	7.2	1,252,155	1,395,399
		<u>1,252,155</u>	<u>1,395,399</u>

7.1 Available for sale

Fully paid ordinary shares of Rs 10 each.

	December 31, 2017 Un-audited	June 30, 2017 Audited	Name of Company	December 31, 2017 Un-audited (Rupees)	June 30, 2017 Audited (Rupees)
Number of shares					
Unquoted securities					
	487,500	487,500	Prudential Securities Limited		
			Cost	4,875,000	4,875,000
			Less: Permanent Diminution (Note 6.1.1)	<u>(4,875,000)</u>	<u>(4,875,000)</u>
				<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

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

	December 31, 2017 Un-audited	June 30, 2017 Audited	Name of Investee	December 31, 2017 Un-audited (Rupees)	June 30, 2017 Audited (Rupees)
Number of Shares / Units					
Quoted securities					
	82,324	82,324	Meezan Balanced Fund	1,252,155	1,395,399
Open-end Mutual Funds					
Suspended / Delisted Company					
	120,000	120,000	Prudential Investment Bank Limited	-	-
	279,749	279,749	Pakistan Industrial & Commercial Leasing Limited	-	-
				<u>1,252,155</u>	<u>1,395,399</u>

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

	Note	December 31, 2017 Un-audited (Rupees)	June 30, 2017 Audited (Rupees)
Weighted average cost of investments		1,395,399	1,309,170
Unrealized gain/ (loss) on changes in fair value of held for trading investments		<u>(143,244)</u>	<u>86,229</u>
Market value of investments		<u>1,252,155</u>	<u>1,395,399</u>

8 DIMINISHING MUSHARIKA

Diminishing Musharika	8.1	37,726,498	41,880,292
Less: Current portion of diminishing musharika		<u>(19,064,813)</u>	<u>(19,923,427)</u>
		<u>18,661,685</u>	<u>21,956,865</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		<u>(15,319,705)</u>	<u>(15,319,705)</u>
		<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	49,213	15,633
Considered doubtful	<u>119,542</u>	<u>119,542</u>
	168,755	135,175
Less: Provision for doubtful receivables	<u>(119,542)</u>	<u>(119,542)</u>
	<u>49,213</u>	<u>15,633</u>

	December 31, 2017 Un-audited (Rupees)	June 30, 2017 Audited (Rupees)
11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		
Considered good		
Profit Receivable on Diminishing Musharakah	230,809	177,190
Advance income tax	246,216	208,355
Advance to staff	117,000	87,000
Prepayments	129,861	149,063
Profit receivable on bank deposits	66,447	45,502
Others	2,999	2,999
	793,332	670,109
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
	17,391,564	17,391,564
	18,184,896	18,061,673
Less: Provision for doubtful receivables	(17,391,564)	(17,391,564)
	793,332	670,109
12 PROPERTY AND EQUIPMENT -IJARAH		
Net Book value	13,953,512	4,126,637
Details of addition / (disposal) during the period		
Addition	10,475,000	-
Deletion	-	-
13 PROPERTY AND EQUIPMENT - OWN		
Net Book value	9,218	18,778
Details of addition / (disposal) during the period		
Addition	-	-
Deletion	-	-
14 CONTINGENCIES AND COMMITMENTS		
There were no contingencies and commitments as at December 31, 2017.		
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	December 31, 2017 Un-audited (Rupees)	June 30, 2017 Audited (Rupees)
Expense for the period			
Modaraba Management Company	Management fee	137,781	160,458
Provident Fund	Contribution made	25,860	25,103
Payments made during the period			
Modaraba Management Company	Management fee	106,596	86,507
Provident Fund	Contribution made	25,860	25,103
Balance as at the end of period		Unaudited December 31, 2017 Rupees	Unaudited December 31, 2016 Rupees
Payable to Modaraba Management Company		137,781	106,596
Payable to Provident Fund		-	-

18 DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements has been authorized for issue on 28 February, 2018 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)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR




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