



FIRST PAK MODARABA

**QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2018 (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: 021-351771786-89

CORPORATE INFORMATION

| | | |
|--|---|---|
| Board of Directors | Farrukh S. Ansari Muzaffar Ali Shah Bukhari Amer Maqbool Aftab Afroz Mahmoodi | Director Director Director Chief Executive Officer |
| Audit Committee | Farrukh S. Ansari Muzaffar Ali Shah Bukhari Amer Maqbool | Chairman Member Member |
| Human Resource and Remuneration Committee | Farrukh S. Ansari Muzaffar Ali Shah Bukhari Amer Maqbool Aftab Afroz Mahmoodi | Chairman Member Member Member |
| Chief Financial Officer & Company Secretary | Syed Shahid Owais | |
| Management Company | KASB Invest (Private) Limited | |
| Registered & Head Office | 16-C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi. Tel: 021-35171786-89 | |
| Auditors | RSM Avais Hyder Liaquat Nauman Chartered Accountants | |
| Legal Advisor | Ahmed & Qazi 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. | |

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 nine months ended March 31, 2018.

FINANCIAL HIGHLIGHTS

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

| | March 31, 2018 Rs "000" | June 30, 2017 Rs "000" |
|---|-------------------------------|-------------------------------|
| BALANCE SHEET | | |
| Cash & Bank balance | 10,093 | 16,158 |
| Investments | 1,340 | 1,395 |
| Diminishing Musharika Finance | 34,213 | 41,880 |
| Ijarah Assets | 22,186 | 4,127 |
| Total Assets | 74,850 | 70,060 |
| | | |
| | March 31, 2018 Rs "000" | March 31, 2017 Rs "000" |
| PROFIT & LOSS ACCOUNT | | |
| Gross Income | 7,340 | 5,946 |
| Operating & Financial Charges | (3,285) | (2,543) |
| Management Company Fee | (192) | (214) |
| Net Profit / (Loss) for the period | 1,921 | 2,142 |
| Earning per Modaraba Certificate (Rupees) | 0.15 | 0.17 |

OPERATIONS AND PERFORMANCE

By the grace of Almighty Allah, the third quarter of the financial year of the Modaraba ended successfully. The Modaraba registered net profit of Rs.1.92 million as compared to Rs.2.14 million for the corresponding period of the last year. Earning per certificate was Rs.0.15as compared to Rs.0.17 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

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.

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



Chief Executive



Director

Dated: April 25, 2018

Karachi

ڈائریکٹرز رپورٹ

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

مالیاتی جھلکیاں

زیرجائزہ مدت کیلئے مالیاتی جھلکیاں درج ذیل ہیں۔

| تیلنس شیٹ | 31 مارچ 2018 (000 روپے) | 30 جون 2017 (000 روپے) |
|-------------------------------------|----------------------------|-----------------------------|
| نقد اور بینک میں رقم | 10,093 | 16,158 |
| سرمایہ کاری | 1,340 | 1,395 |
| شرکت متعلقہ | 34,213 | 41,880 |
| اجارہ اثاثہ جات | 22,186 | 4,127 |
| کل اثاثہ جات | 74,850 | 70,060 |
| نفع و نقصان کا حساب | 31 مارچ 2018 (000 روپے) | 31 دسمبر 2017 (000 روپے) |
| مجموعی آمدنی | 7,340 | 5,946 |
| انتظامی و مالیاتی اخراجات | (3,285) | (2,543) |
| مینیجمنٹ کمپنی فیس | (192) | (214) |
| خالص منافع / نقصان برائے موجودہ مدت | 1,921 | 2,142 |
| نی حصہ آمدنی (روپے) | 0.15 | 0.17 |

انتظامی کارکردگی

اللہ تعالیٰ کے فضل کرم سے مضاربہ کی تیسری سہ ماہی خاطر خواہ نتائج کے ساتھ اختتام پزیر ہوئی۔ خالص منافع 1.92 ملین روپے رہا (31 مارچ 2017، 2.10 ملین روپے) نی حصہ آمدنی 0.15 روپے رہی (31 مارچ 2017، 0.17 روپے) نی حصہ) انتظامیہ کارکردگی میں بہتری کیلئے سرگرم عمل ہے جو کہ مضاربہ کے دیرپا استحکام اور تمام متعلقین بلخصوص حصص یافتگان کی امیدوں پر پورے اترنے کا باعث بنے گا۔

مستقبل کے امکانات

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

اعتراف

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

چیف ایگزیکٹو ڈائریکٹر

کراچی

12/25 اپریل 2018

CONDENSED INTERIM BALANCE SHEET AS AT MARCH 31, 2018

| ASSETS | Note | Mar 31, 2018 (Unaudited) (Rupees) | June 30, 2017 (Audited) (Rupees) |
|---|------|--|---|
| Current Assets | | | |
| Cash and bank balances | 6 | 10,093,264 | 16,157,822 |
| Investments | 7 | 1,340,019 | 1,395,399 |
| Current portion of diminishing Musharakah | 11 | 15,556,850 | 19,923,427 |
| Morabaha finance | 8 | - | - |
| Ijarah rentals receivable | | 163,581 | 15,633 |
| Advances, deposits, prepayments and other receivables | | 941,418 | 670,109 |
| Tax refundable - considered good | | 4,929,854 | 4,929,854 |
| Total Current Assets | | 33,024,986 | 43,092,244 |
| Non - Current Assets | | | |
| Property and equipment - Ijarah | 9 | 22,186,227 | 4,126,637 |
| Property and equipment - owned | 10 | 5,684 | 18,778 |
| Capital work in progress | | 882,668 | 732,668 |
| Diminishing Musharakah | 11 | 18,655,861 | 21,956,865 |
| Advance and deposits | | 94,750 | 132,750 |
| Total Non - Current Assets | | 41,825,190 | 26,967,698 |
| TOTAL ASSETS | | 74,850,176 | 70,059,942 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accrued and other liabilities | | 1,568,531 | 1,603,316 |
| Unclaimed profit distribution | | 4,822,648 | 4,360,517 |
| | | 6,391,179 | 5,963,833 |
| Non-Current Liabilities | | | |
| Long term deposits | | 6,189,000 | 1,615,000 |
| TOTAL LIABILITIES | | 12,580,179 | 7,578,833 |
| NET ASSETS | | 62,269,997 | 62,481,109 |
| REPRESENTED BY | | | |
| Certificate holders' equity | | | |
| Certificate Capital | | 125,400,000 | 125,400,000 |
| Statutory reserve | | 25,986,358 | 25,602,220 |
| Accumulated loss | | (89,116,361) | (88,521,111) |
| | | 62,269,997 | 62,481,109 |
| Contingencies and commitments | 12 | | |

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

For KASB Invest (Private) Limited
(Management Company)

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

| | Nine months period ended | | Quarter ended | |
|--|--------------------------|--------------------|--------------------|--------------------|
| | March 31, 2018 | March 31, 2017 | March 31, 2018 | March 31, 2017 |
| Rupees..... | | | | |
| INCOME | | | | |
| Return on PLS accounts | 440,191 | 634,991 | 123,426 | 138,884 |
| Income on Diminishing Musharakah | 4,398,263 | 3,236,232 | 1,336,379 | 1,193,050 |
| Ijarah rentals | 2,266,257 | 1,224,198 | 1,411,334 | 402,855 |
| Other income | 290,685 | 143,000 | 35,000 | 38,000 |
| | <u>7,395,396</u> | <u>5,238,421</u> | <u>2,906,139</u> | <u>1,772,789</u> |
| Unrealised gain on remeasurement of held for trading investments | (55,380) | 214,580 | 87,864 | 26,525 |
| Reversal of provision for WWF | - | 492,736 | - | - |
| | <u>7,340,016</u> | <u>5,945,737</u> | <u>2,994,003</u> | <u>1,799,314</u> |
| EXPENDITURE | | | | |
| Administrative expenses | (3,284,624) | (2,542,836) | (1,150,551) | (865,737) |
| Permanent diminution in value of investments | - | - | - | - |
| Amortization on Ijarah assets | (1,875,411) | (972,189) | (1,227,286) | (324,064) |
| Workers welfare fund | (38,414) | (42,832) | (10,858) | (10,740) |
| | <u>(5,198,449)</u> | <u>(3,557,857)</u> | <u>(2,388,695)</u> | <u>(1,200,541)</u> |
| Profit for the period | 2,141,567 | 2,387,880 | 605,308 | 598,773 |
| Modaraba Company's Management Fee | (192,069) | (214,160) | (54,288) | (53,702) |
| Provision for sales tax on management fee | (28,810) | (32,124) | (8,143) | (8,055) |
| Profit before taxation | <u>1,920,688</u> | <u>2,141,596</u> | <u>542,877</u> | <u>537,016</u> |
| Provision for taxation | - | - | - | - |
| Profit after taxation | <u>1,920,688</u> | <u>2,141,596</u> | <u>542,877</u> | <u>537,016</u> |
| Other Comprehensive income | - | - | - | - |
| Total income for the period | <u>1,920,688</u> | <u>2,141,596</u> | <u>542,877</u> | <u>537,016</u> |
| Earnings per certificate | <u>0.15</u> | <u>0.17</u> | <u>0.04</u> | <u>0.04</u> |

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

For KASB Invest (Private) Limited
(Management Company)


 CHIEF EXECUTIVE


 DIRECTOR


 DIRECTOR


 CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

| | Mar 31, 2018 (Rupees) | Mar 31, 2017 (Rupees) |
|--|-----------------------------|-----------------------------|
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 1,920,688 | 2,141,596 |
| Adjustments for non-cash changes and other items: | | |
| Gain on disposal of fixed assets-own | - | - |
| Unrealised gain on remeasurement of held for trading investments | 55,380 | (214,580) |
| Provision against doubtful receivables | - | - |
| Amortization on Ijarah assets | 1,875,411 | 972,189 |
| Depreciation-owned | 13,094 | 16,813 |
| | <u>1,943,885</u> | <u>774,422</u> |
| Cash flows before movements in working capital | <u>3,864,573</u> | <u>2,916,018</u> |
| (Increase) in operating assets | | |
| Diminishing Musharakah | 7,667,581 | (23,953,361) |
| Advances, prepayments and other receivables | (531,258) | (2,809,767) |
| | <u>7,136,323</u> | <u>(26,763,128)</u> |
| (Decrease) in operating liabilities | | |
| Accrued and other liabilities | 4,539,215 | 588,109 |
| Cash generated from / (used in) operations | <u>15,540,111</u> | <u>(23,259,001)</u> |
| Income tax paid | - | (52,630) |
| Net cash (used in) operating activities | <u>15,540,111</u> | <u>(23,311,631)</u> |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchase of own assets | - | - |
| Purchase of Ijarah assets | (19,935,000) | - |
| Net cash generated from investing activities | <u>(19,935,000)</u> | <u>-</u> |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Profit distribution | (1,669,669) | - |
| Net cash (used in) financing activities | <u>(1,669,669)</u> | <u>-</u> |
| Net (decrease) in cash and cash equivalents (A+B+C) | <u>(6,064,558)</u> | <u>(23,311,631)</u> |
| Cash and cash equivalents at July 01 | 16,157,822 | 42,483,225 |
| Cash and cash equivalents at March 31 | <u>10,093,264</u> | <u>19,171,594</u> |

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

For KASB Invest (Private) Limited
(Management Company)


 CHIEF EXECUTIVE


 DIRECTOR


 DIRECTOR


 CHIEF FINANCIAL OFFICER



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

| | Certificate capital | Statutory Reserve | Accumulated Loss | Total |
|--|------------------------|----------------------|---------------------|-------------|
| Balance as at July 1, 2016 (Audited) | 125,400,000 | 25,068,113 | (90,657,538) | 59,810,575 |
| Profit for the period ended March 31, 2017 | - | - | 2,141,596 | 2,141,596 |
| Transfer to statutory reserve | - | 428,319 | (428,319) | - |
| Balance as at March 31, 2017 (Unaudited) | - | 25,496,432 | (88,944,261) | 61,952,171 |
| Balance as at July 1, 2017 (Audited) | 125,400,000 | 25,602,220 | (88,521,111) | 62,481,109 |
| Profit for the period ended March 31, 2018 | 125,400,000 | - | 1,920,688 | 1,920,688 |
| Final dividend Re.0.17 per certificate for the year ended June 30, 2017 | - | - | (2,131,800) | (2,131,800) |
| Transfer to statutory reserve | - | 384,138 | (384,138) | - |
| Balance as at March 31, 2018 (Unaudited) | 125,400,000 | 25,986,358 | (89,116,361) | 62,269,997 |

*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


CHIEF FINANCIAL OFFICER



**NOTES TO THE CONDENSED INTERIM
FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2018**

1 LEGAL STATUS AND NATURE OF BUSINESS

1.1 First 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 Kyayaban-e-Bukhari, Phase VI, Defence Housing Authority, 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.

1.4 The Board of Directors of the Management Company has decided to merge and amalgamate the Modaraba with and in to 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 comprise of condensed interim balance sheet, condensed interim profit and loss, condensed interim cash flow statement and condensed interim statement of changes in equity together with selected explanatory notes forming part thereof. The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, 'Interim Financial Reporting'. It does not include all the informations and disclosures made in the annual published audited financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba for the year ended June 30, 2017.

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 ended March 31, 2017 have been extracted from the condensed interim financial statements for the period ended March 31, 2017.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies 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.

| | Note | March 31, 2018 (Un-audited) (Rupees) | June 30, 2017 (Audited) (Rupees) |
|----------------------------------|------|---|---|
| 6. CASH AND BANK BALANCES | | | |
| Cash in hand | | - | 7,372 |
| Cash at banks | | | |
| Current accounts | | 1,157,181 | 719,954 |
| Saving accounts | 6.1 | 8,936,083 | 41,755,899 |
| | | <u>10,093,264</u> | <u>42,475,853</u> |
| | | <u>10,093,264</u> | <u>42,483,225</u> |

6.1 Effective mark-up rate in respect of PLS accounts ranges from 03.90% 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 | 1,340,019 | 1,236,016 |
| | | <u>1,340,019</u> | <u>1,236,016</u> |

7.1 Available for sale

| March 31, 2018 | June 30, 2017 | Name of Company | March 31, 2018 (Un-audited) (Rupees) | June 30, 2017 Audited (Rupees) |
|-------------------|------------------|---|---|---|
| | | Prudential Securities Limited | | |
| 487,500 | 487,500 | Cost | 4,875,000 | 4,875,000 |
| | | Less: Permanent Diminution (Note 6.1.1) | (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

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

| March 31, 2018 | June 30, 2017 | Name of Investee | March 31, 2018 (Un-audited) (Rupees) | June 30, 2017 Audited (Rupees) |
|-------------------|------------------|--|---|---|
| | | Open-end Mutual Funds | | |
| 78,031 | 78,031 | Meezan Balanced Fund | 1,340,019 | 1,236,016 |
| | | Suspended / Delisted Company | | |
| 120,000 | 120,000 | Prudential Investment Bank Limited | - | - |
| | | Pakistan Industrial & Commercial Leasing Limited | - | - |
| 279,749 | 279,749 | | <u>1,340,019</u> | <u>1,236,016</u> |

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

| | March 31, 2017 (Un-audited) (Rupees) | June 30, 2016 Audited (Rupees) |
|--|---|---|
| Weighted average cost of investments | 1,395,399 | 1,147,241 |
| Unrealized gain/ (loss) on changes in fair value of held for trading investments | (55,380) | 88,775 |
| Market value of investments | <u>1,340,019</u> | <u>1,236,016</u> |

| | Note | March 31, 2018 (Un-audited) (Rupees) | June 30, 2017 Audited (Rupees) |
|---|------|---|---|
| 8 MORABAHA FINANCE | | | |
| Morabaha finance - Unsecured | | 15,319,705 | 15,319,705 |
| Less: Provision for doubtful morabaha finance | | (15,319,705) | (15,319,705) |
| | | <u>-</u> | <u>-</u> |

8.1 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.

| | | | |
|--|--|-------------------|------------------|
| 9. PROPERTY AND EQUIPMENT -IJARAH | | <u>22,186,227</u> | <u>5,435,000</u> |
| Details of addition / (disposal) during the period | | | |
| Addition | | <u>19,935,000</u> | <u>5,630,000</u> |
| Deletion | | <u>-</u> | <u>-</u> |
| 10. PROPERTY AND EQUIPMENT - OWN | | <u>5,684</u> | <u>40,902</u> |
| Details of addition / (disposal) during the period | | | |
| Addition | | <u>-</u> | <u>3,800</u> |
| Deletion | | <u>-</u> | <u>82,400</u> |

11. DIMINISHING MUSHARIKA

| | | | |
|---|------|-------------------|------------------|
| Diminishing Musharakah | 11.1 | 34,212,711 | 12,607,817 |
| Less: Current Portion of Diminishing Musharakah | | (15,556,850) | (5,256,089) |
| Long term portion of Diminishing Musharakah | | <u>18,655,861</u> | <u>7,351,728</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 March 31, 2018.

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

The related parties and associated undertakings comprise the modaraba management company [KASB Invest (Private) Limited], First Pak 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 the Company | Nature of Transactions | March 31, 2018 (Un-audited) (Rupees) | June 30, 2017 (Un-audited) (Rupees) |
|--|------------------------|---|---|
| Balances with Related Parties | | | |
| Modaraba Management Company | Management fee payable | 192,069 | 53,702 |
| Relationship with the Company | | | |
| | | March 31, 2018 (Un-audited) (Rupees) | March 31, 2017 (Un-audited) (Rupees) |
| Expense for the Period | | | |
| Modaraba Management Company | Management fee | 192,069 | 214,160 |
| Staff Provident Fund | Contribution made | 38,790 | 37,763 |
| Payments made during the Period | | | |
| Modaraba Management Company | Management fee | 106,596 | 180,559 |
| Staff Provident Fund | Contribution paid | 38,790 | 37,763 |

15. DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements has been authorized for issue on April 25, 2018 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.

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

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

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

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

Share Registrar:

F.D. Registrar Services (SMC-Pvt.) Limited

Office No. 1705, 17th Floor, Saima Trade Tower-A

I.I. Chundrigar Road

Karachi-74000.

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

Yours Sincerely

Company Secretary

TABLE OF CONTENTS

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