



KASB Modaraba

An Islamic Financial Institution



QUARTERLY REPORT MARCH 2018

صاف اور شفاف آمدنی،
سچا سکون ہے...

CONTENTS

◆ CORPORATE INFORMATION	02
◆ DIRECTORS' REPORT	03
◆ CONDENSED INTERIM BALANCE SHEET	06
◆ CONDENSED INTERIM PROFIT AND LOSS ACCOUNT	07
◆ CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME	08
◆ CONDENSED INTERIM CASH FLOW STATEMENT	09
◆ CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY	10
◆ NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS	11
◆ INFORMATION OF JAMA PUNJI	16

CORPORATE INFORMATION

Board of Directors

Farrukh S. Ansari
Muzzaffar Ali Shah Bukhari
Amer Maqbool
Aftab Afroz Mahmoodi

Director
Director
Director
Chief Executive Officer

CFO & Company Secretary

Syed Shahid Owais

Management Company

KASB Invest (Private) Limited

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Audit Committee

Farrukh S. Ansari
Muzzaffar Ali Shah Bukhari
Amer Maqbool

Chairman
Member
Member

Human Resource and Remuneration Committee

Farrukh S. Ansari
Muzzaffar Ali Shah Bukhari
Amer Maqbool
Aftab Afroz Mahmoodi

Chairman
Member
Member
Member

Bankers

Al-Baraka Islamic Bank
JS Bank Limited
Meezan Bank Limited
Bank Islami Pakistan Limited
Bank Al-Falah Limited
Soneri Bank Limited
Dubai Islamic Bank
Summit Bank Limited

Certificate Transfer Office

C&K Management Associates (Private) Limited
404, Trade Tower,
Abdullah Haroon Road,
Near Metropole Hotel
Karachi – 75530
Telephone: 021-35687839 – 021-35685930

Legal Advisor

Ahmed & Qazi
S&B Durrani Law Associates

Registered & Head Office

16-C, Bukhari Towers,
Main Khayaban-e-Bukhari Phase VI,
DHA, Karachi.
Telephone No.: 021-35171786-89

DHA Branch:

16-C, Bukhari Towers,
Main Khayaban-e-Bukhari Phase VI,
DHA, Karachi.
Telephone No.: 021-35171786-89

Lahore Branch:

Office # 318, 3rd floor
lahore Stock Exchange Building
19 Khayaban-e-Awan-e-Iqbal Lahore

Islamabad Branch:

Basement, 90-91, Razia Sharif Plaza,
Jinnah Avenue, Blue Area F-7,
Islamabad
Phone No.: 051-2344422-24

Web Address

www.kasbmodaraba.com

E-mail

sales.mod@kasb.net | takaful.mod@kasb.net

DIRECTORS' REPORT



The Board of Directors of KASB Invest (Private) Limited, the Management Company of KASB Modaraba is pleased to present the unaudited financial statements of the Modaraba for the third quarter ended March 31, 2018.

FINANCIAL HIGHLIGHTS

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

BALANCE SHEET	March 31, 2018 Rs "000"	June 30, 2017 Rs "000"
Total Assets	466,853	599,707
Total Liabilities	136,803	208,251
Net Assets	330,050	391,456
PROFIT & LOSS ACCOUNT	March 31, 2018 Rs "000"	March 31, 2017 Rs "000"
Gross Income	46,267	91,035
Operating & Financial Charges	(58,831)	(98,284)
Provision against doubtful receivables	(36,286)	9,000
Unrealized loss on inventories held for sale under morabaha arrangement	(9,191)	-
Reversal of provision against workers welfare fund	-	814
Management Company Fee	-	(225)
Net Profit / (Loss) for the period	(58,041)	2,259
Earning per Modaraba Certificate (Rupees)	(1.21)	0.05

OPERATIONS AND PERFORMANCE

The third quarter ended March 31, 2018 closed with net loss of Rs.58.04 million as compared to net profit of Rs.2.26 million for the corresponding period of the last year. The loss is mainly due to the provision against doubtful receivables. The management has adopted prudent approach to account for the estimated provisions against the stuck-up financing exposures. However, recovery efforts shall remain in force to minimize the losses as per contractual agreements. The operating & financial charges have been reduced considerable as compared with the corresponding period of the last year.

Another factor behind loss for the period is shrunk volume of new business as a consequence of limited liquidity available because of temporary limitation on the mobilization of Certificates of Musharika by the Securities and Exchange Commission of Pakistan. However, the management is in close coordination with the

Commission and expects that the matter would be favorably considered by the authorities which would improve the liquidity.

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

We would keep our resources convergent towards low risk high yielding investment opportunities for better long ranging returns for the stakeholders.

In order to beef up liquidity, we are making financing arrangements with various financial institutions. This would help cater to shortage of liquidity and to move ahead to achieve our short and longer terms business objectives for better returns to 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 انوسٹ (پرائیوٹ) لمیٹڈ، انتظامی کمپنی برائے کے۔ اے۔ ایس۔ بی مزاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مزاربہ کی 31 مارچ 2018 کو اختتام پذیر ہونی والی ششماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

مالیاتی جھلکیاں

زیرجائزہ مدت کیلئے مالیاتی جھلکیاں درج ذیل ہیں۔

30 جون 2017	31 مارچ 2018	بیلنس شیٹ
روپے (000)	روپے (000)	
599,707	466,853	کل اثاثہ جات
208,251	136,803	کل وجاہات
391,456	330,050	خالص اثاثہ جات

31 مارچ 2017	31 مارچ 2018	نفع و نقصان کا حساب
روپے (000)	روپے (000)	
91,035	46,267	مجموعی آمدنی
(98,284)	(58,831)	انتظامی و مالیاتی اخراجات
-	(9,191)	مراہجہ کے تحت رکھی گئی انویسٹری میں تنزلی
9,000	(36,286)	سرمایہ کاری پر غیر ادا شدہ نفع نقصان
(225)	-	بینیٹ کمپنی فیس
2,259	(58,041)	خالص منافع/نقصان برائے موجودہ مدت
0.05	(1.21)	فی حصہ آمدنی (روپے)

انتظامی کارکردگی

تیسری سہ ماہی برائے مارچ 2018:31 کا اختتام 58.04 ملین روپے کے نقصان کے ساتھ ہوا جب کہ سال گزشتہ کی مدت میں 2.26 ملین روپے منافع کے ساتھ تھا۔ اس نقصان کی بنیادی وجہ مشکوک وصولیائی کی مد میں رقوم کا پیشگی احاطہ ہے۔ اس سلسلے میں انتظامیہ نے دانشمندانہ حکمت عملی اختیار کرتے ہوئے جامد اور مشکوک قرضہ جات کا پیشگی احاطہ کیا ہے۔ نقصان کی دوسری وجہ سکوریٹرا اینڈ ایکسیج کمیشن کی طرف سے عائد کردہ (COM) پر پابندی کے نتیجے میں دستیاب فنڈز کی کمی ہے جس کی وجہ سے نئے کاروباری اہداف حاصل نہیں کئے جاسکے۔ انتظامیہ اس سلسلے میں کمیشن کے ساتھ قریبی رابطہ میں ہے اور ایس ای سی پی کی طرف سے مثبت جواب متوقع ہے جو سرمایہ کاری میں اضافے کا باعث ہوگا۔ انتظامیہ مالیاتی اور انتظامی کارکردگی میں بہتری کیلئے پُر عزم ہے۔ مضاربہ کا دیرپا استحکام تمام متعلقین بالخصوص حصص یافتگان کی امیدوں پر پورا اترے گا۔

مستقبل کے امکانات

مضاربہ نے تمام تر توجہ کم رسک والی اور منافع بخش فائیننگ کے مواقعوں پر مرکوز رکھی ہے جو حصہ داروں کیلئے بہتر اور دیرپا منافع کا باعث بنے گی مالیاتی استحکام کیلئے انتظامیہ مختلف مالیاتی اداروں سے فائیننگ ذرائع حاصل کرنا چاہتی ہے جو مالیات میں کمی کو دور کرتے ہوئے مختصر اور تویل مدتی کاروباری ذرائع میں آگے بڑھنے کا باعث بنے گی اور حصہ داروں کیلئے منافع بخش ثابت ہوگی۔

اعتراف

بورڈ ریگولیٹری اتھارٹی، 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۔

Amir Malik

ڈائریکٹر

Amir Malik

چیف ایگزیکٹو

کراچی

25 اپریل، 2018

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT MARCH 31, 2018



ASSETS	Note	March 31,	June 30,
		2018	2017
		Un-audited	Audited
		------(Rupees)-----	
Current assets			
Cash and bank balances	6.	25,068,882	22,604,098
Modaraba finance	7.	9,900,656	50,959,603
Musharaka finance	8.	11,600,000	12,900,000
Current portion of long term murabaha finance- gross	9.	118,288,375	136,607,391
Current portion of long term diminishing musharaka finance	10.	74,288,420	108,016,846
Ijarah rentals receivable		160,258	562,271
Receivable against sale of Agricultural produce		18,200,140	18,200,140
Other assets	11	20,216,318	36,173,465
Advances, prepayments and other receivables		37,297,336	55,228,925
Property acquired in satisfaction of financing facility		47,082,936	47,082,936
		362,103,321	488,335,675
Non-current assets			
Long-term murabaha finance - gross	9.	21,248,552	13,438,136
Long-term diminishing musharaka finance	10.	38,050,241	45,192,049
Long-term deposits		772,300	685,300
Ijarah assets	12.	28,900,674	32,493,132
Fixed assets	13	12,966,714	16,751,759
Capital work-in-progress		2,811,090	2,811,090
		104,749,571	111,371,466
TOTAL ASSETS		466,852,891	599,707,141
LIABILITIES			
Current liabilities			
Current portion of redeemable capital	14	55,635,000	73,105,000
Current portion of long term finance	15.	25,133,451	25,133,451
Current portion of long term security deposits		6,273,275	9,712,299
Current portion of long term deferred murabaha income		466,910	2,025,184
Creditors, accrued and other liabilities		17,978,009	25,554,967
Unclaimed profit distribution		2,842,080	2,105,731
Total current liabilities		108,328,725	137,636,632
Non-current liabilities			
Long-term portion of redeemable capital	14	-	27,100,000
Long-term finance	15	18,850,089	37,700,178
Long-term security deposits		5,529,199	560,675
Long-term portion of deferred murabaha income		-	499,930
Deferred liabilities - staff gratuity		4,094,756	4,753,720
		28,474,044	70,614,503
TOTAL LIABILITIES		136,802,769	208,251,135
NET ASSETS		330,050,122	391,456,006
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital			
Authorised:			
50,000,000 (June 30, 2017: 50,000,000) certificates of Rs. 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up capital		480,664,800	480,664,800
Discount on issuance of certificates		(98,960,400)	(98,960,400)
Statutory reserve		83,505,139	83,505,139
Accumulated loss		(135,159,417)	(73,753,533)
CONTINGENCIES AND COMMITMENTS		330,050,122	391,456,006

The annexed notes 1 to 20 form an integral part of these 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 ENDED		QUARTER ENDED	
	March 31, 2018	March 31, 2017	Mar 31, 2018	Mar 31, 2017
	-----Rupees-----			
Income from:				
- leasing operations	13,482,714	29,302,792	5,551,934	4,552,671
- murabaha finance	5,980,790	22,072,056	758,267	8,050,225
- diminishing musharaka finance	15,210,917	33,685,964	4,310,599	9,659,925
- sukuk bonds	-	27,084	-	-
- bank deposits	741,495	1,667,899	209,996	503,335
	35,415,916	86,755,795	10,830,796	22,766,156
Financial charges	(8,080,702)	(21,552,295)	(2,391,455)	(8,548,941)
Murabaha, Musharka, Modaraba finance - direct cost	(206,065)	(4,021,720)	(24,000)	(2,679,102)
Depreciation on assets under ijarah arrangements	(12,642,762)	(27,453,920)	(4,627,657)	(4,312,721)
	(20,929,529)	(53,027,935)	(7,043,112)	(15,540,764)
	14,486,387	33,727,860	3,787,684	7,225,392
Other income	10,851,198	4,278,737	(55,487)	764,176
Reversal of provision against doubtful receivables	-	9,000,000	-	6,000,000
Reversal of provision against worker's welfare fund	-	813,550	-	-
Decrease in value of inventories due to remeasurement - (held for sale under morabaha arrangement)	(9,191,486)	-	-	-
Provision against doubtful receivable under morabaha arrangement	(5,838,733)	-	(5,838,733)	-
Provision against doubtful receivable	(30,447,583)	-	(28,654,936)	-
Administrative and operating expenses	(37,901,013)	(45,256,075)	(14,473,732)	(13,790,333)
	(72,527,617)	(31,163,788)	(49,022,887)	(7,026,157)
	(58,041,230)	2,564,072	(45,235,203)	199,235
Modaraba management fee	-	(225,909)	-	(17,516)
Services sales tax	-	(33,886)	-	(2,627)
Provision for Workers' Welfare Fund	-	(45,182)	-	(3,503)
Profit/(loss) before taxation	(58,041,230)	2,259,095	(45,235,203)	175,589
Taxation	-	-	-	-
Net profit/(loss) for the period	(58,041,230)	2,259,095	(45,235,203)	175,589
Earning per certificate	(1.21)	0.05	(0.94)	0.00

The annexed notes 1 to 20 form an integral part of these financial statements.

For KASB Invest (Private) Limited
(Management Company)


Chief Executive


Director


Director


Chief Financial Officer

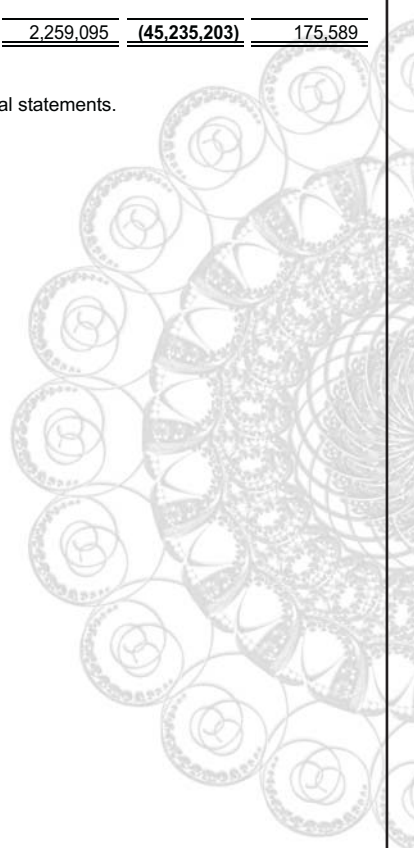
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)



FOR THE PERIOD ENDED MARCH 31, 2018

	NINE MONTHS ENDED		QUARTER ENDED	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	----- Rupees -----			
Net profit/(loss) for the period	(58,141,230)	2,259,095	(45,235,203)	175,589
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	<u>(58,141,230)</u>	<u>2,259,095</u>	<u>(45,235,203)</u>	<u>175,589</u>

The annexed notes 1 to 20 form an integral part of these 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

Note	Nine months ended	
	March 31, 2018	March 31, 2017
	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	(55,850,915)	2,259,095
Adjustments for non-cash charges and other items:		
Gain on disposal of ijarah assets	(231,818)	(92,263)
Gain on disposal of fixed assets	(78,467)	-
Depreciation	14,985,145	29,865,080
Amortisation	208,125	416,250
Gratuity expense	1,008,000	1,718,485
Reversal of provision for Worker's Welfare Fund	-	(813,550)
Provision for Workers' Welfare Fund	-	45,182
Financial charges	8,080,702	21,552,295
	23,971,687	52,691,479
(Increase) / decrease in assets		
Musharaka finance	1,300,000	1,000,000
Murabaha finance	26,465,747	79,057,575
Modaraba finance	41,058,947	(511,402)
Ijarah rentals receivable	402,013	(9,373,773)
Diminishing Musharaka	40,870,234	120,465,801
Advances, deposits, prepayments and other receivables	17,931,594	2,560,373
Long-term deposits	(87,000)	-
	127,941,535	193,198,574
Increase / (decrease) in liabilities		
Security deposits	1,529,500	(256,625)
Deferred murabaha income	(2,058,204)	(6,575,106)
Creditors, accrued and other liabilities	(7,576,958)	(17,565,729)
	(8,105,662)	(24,397,460)
Dividend paid	(2,628,305)	(3,734,946)
Staff Gratuity paid	(1,666,964)	(1,066,358)
Profit distribution paid	-	-
Financial charges paid	(8,080,702)	(21,552,295)
	(12,375,972)	(26,353,599)
Net cash generated from / (utilised in) operating activities	73,390,358	197,398,089
CASH FLOW FROM INVESTING ACTIVITIES		
Sales proceeds from disposal of Ijarah assets	1,081,514	1,523,852
Proceeds from sale of investments	-	-
Purchase of investments-net	-	-
Sales proceeds from disposal of fixed assets	1,313,000	-
Purchase of fixed Assets	-	(2,267,500)
Purchase of Ijarah Assets	(9,900,000)	(3,636,618)
Net cash generated from investing activities	(7,505,486)	(4,380,266)
CASH FLOW FROM FINANCING ACTIVITIES		
Term Financing	(18,850,088)	(282,210,000)
Deposits	(44,570,000)	69,116,991
Net cash (utilised in) / generated from financing activities	(63,420,088)	(213,093,009)
Net (decrease) / increase in cash and cash equivalents	2,464,784	(20,075,186)
Cash and cash equivalents at the beginning of the period	22,604,098	48,704,707
Cash and cash equivalents at the end of the period	25,068,882	28,629,521

The annexed notes 1 to 20 form an integral part of these 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	Discount on Issuance of certificates	Statutory Reserve	Accumulated Loss	Total
	Rupees				
Balance as at July 01, 2016 (Audited)	480,664,800	(98,960,400)	82,591,086	(75,262,347)	389,033,139
Net profit / (Loss) for the period	-	-	-	2,259,095	2,259,095
Profit distribution for the year ended June 30, 2016 @Rs.0.08 per certificate				(3,845,318)	(3,845,318)
Other Comprehensive income				-	-
Transfer to statutory reserve	-	-	1,129,548	(1,129,548)	-
Balance as at March 31, 2017 (Un-audited)	480,664,800	(98,960,400)	83,720,634	(77,978,118)	387,446,916
Balance as at July 01, 2017 (Audited)	480,664,800	(98,960,400)	83,505,139	(73,753,533)	391,456,006
Profit / (Loss) for the period ended March 31, 2018	-	-	-	(58,041,230)	(58,041,230)
Profit distribution for the year ended June 30, 2017 @Rs.0.06 per certificate				(3,364,654)	(3,364,654)
Transfer to statutory reserve	-	-	-	-	-
Balance as at March 31, 2018 (Un-audited)	480,664,800	(98,960,400)	83,505,139	(135,159,417)	(330,050,122)


The annexed notes 1 to 20 form an integral part of these financial statements.

For KASB Invest (Private) Limited
(Management Company)


Chief Executive


Director


Director


Chief Financial Officer

NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)



FOR THE NINE MONTHS QUARTER ENDED MARCH 31, 2018

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 KASB Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the rules framed thereunder and is managed by KASB Invest (Private) Limited (the Management Company), a Company incorporated in Pakistan. The registered office of the Modaraba is located at 16-C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi.
- 1.2 The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijarah financing, musharaka financing, murabaha financing, modaraba financing, diminishing musharaka and investing in sukuk bonds, mutual funds and listed securities. The Modaraba is listed on the Pakistan Stock Exchange .
- 1.3 These financial statements are presented in Pak Rupees, which is 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 the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and directives issued by the Securities and Exchange Commission of Pakistan (SECP). In case where requirements differ, the requirements of the Modaraba Companies and Modaraba (Floatation and 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.
- 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 adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual 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 financial statements have been prepared on the historical cost basis, except for available for sale financial assets that are carried at fair value and certain staff retirement benefits that are carried at present value of defined benefit obligation.

NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2018

		March 31, 2018	June 30, 2017
	Note	Un-audited	Audited
		-----Rupees-----	
6. CASH AND BANK BALANCES			
Cash at bank in :			
- current accounts		9,657,650	4,235,654
- saving accounts	6.1	<u>15,139,957</u>	<u>18,181,250</u>
		<u>24,797,607</u>	<u>22,416,904</u>
Cash in hand		129,079	97,498
Stamp papers		<u>142,196</u>	<u>89,696</u>
		<u>25,068,882</u>	<u>22,604,098</u>
6.1	These carry profit rates ranging from 4.00% to 6.10% (June 30, 2017: 4.00% to 6.10%)		
7. MODARABA FINANCE - considered good			
The Modaraba has provided funds under modaraba arrangements on profit and loss sharing basis to various entities. The profit/loss is to be shared in pre-agreed ratios. Modaraba arrangements are secured against pledge of stocks and personal guarantees.			
8. MUSHARAKA FINANCE			
Musharaka finance - considered good		27,202,297	28,502,297
Less: Provision for non-performing musharaka arrangements		<u>(15,602,297)</u>	<u>(15,602,297)</u>
		<u>11,600,000</u>	<u>12,900,000</u>
8.1	The Modaraba has provided funds under musharaka arrangements on profit and loss sharing basis. Musharaka arrangements are secured against property mortgage and personal guarantees.		
		March 31, 2018	June 30, 2017
		Un-audited	Audited
		-----Rupees-----	
9. MURABAHA FINANCE			
Murabaha finance - considered good and secured		159,753,245	150,045,527
- considered doubtful		<u>59,358,084</u>	<u>44,327,865</u>
		219,111,329	194,373,392
Less: provision for non-performing murabaha arrangements		<u>(59,358,084)</u>	<u>(44,327,865)</u>
		159,753,245	150,045,527
Murabaha finance- due after one year		<u>(21,248,552)</u>	<u>(13,438,136)</u>
Current portion of murabaha finance		<u>138,504,693</u>	<u>136,607,391</u>
9.1	The Profit rates on these murabaha arrangements range from 12% to 20% (June 30, 2017: 12% to 20%). All murabaha arrangements are secured against hypothecation of assets, personal guarantees and Promissory notes.		
10. DIMINISHING MUSHARAKA			
Diminishing musharaka finance - gross		126,165,861	173,551,526
Less: Unearned income		<u>(13,827,200)</u>	<u>(20,342,631)</u>
		112,338,661	153,208,895
Diminishing musharaka finance- due after one year		<u>(38,050,241)</u>	<u>(45,192,049)</u>
Current portion of diminishing musharaka finance		<u>74,288,420</u>	<u>108,016,846</u>
10.1	The Profit rates on these diminishing musharaka arrangements range from 13% to 21% (June 30, 2017: 9.51% to 21%). All diminishing musharaka arrangements are secured against hypothecation of assets , personal guarantees and promissory notes.		

NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2018

	March 31, 2018 Unaudited	June 30, 2017 Audited	
	-----Rupees-----		
11. OTHER ASSETS			
Opening carrying amount of inventories under morabaha arrangement	36,173,465	-	
Addition		36,173,465	
Sale Proceed	(926,928)	-	
Decrease in value due to remeasurement transferred to morabaha receivable	(9,191,486)	-	
Doubtful amount of receivable on sale of morabaha inventories to morabaha receivable	(5,838,733)	-	
Closing balance	<u>20,216,318</u>	<u>36,173,465</u>	
12. IJARAH ASSETS	<u>28,900,674</u>	32,493,132	
12.1 Details of addition / (disposals) during the period as follows:			
Addition to ijarah assets			
- Motor vehicles	<u>9,900,000</u>	2,267,500	
	<u>9,900,000</u>	<u>2,267,500</u>	
Disposal during the period			
- Equipment	-	296,000	
- Motor vehicles	<u>2,440,000</u>	21,272,686	
	<u>2,440,000</u>	<u>21,568,686</u>	
13. FIXED ASSETS	<u>12,966,714</u>	16,751,759	
13.1 Details of addition / (disposals) during the period as follows:			
Addition to fixed assets			
- Electrical equipment	-	1,177,392	
- Plant & Machinery	-	3,227,600	
	-	<u>4,404,992</u>	
14. REDEEMABLE CAPITAL			
Redeemable Capital	55,635,000	100,205,000	
Long-term portion of redeemable capital	-	(27,100,000)	
	<u>55,635,000</u>	<u>73,105,000</u>	
14.1 The estimate share of profit payable on certificate of musharaka ranges from 6.00% to 8.50% (June 30, 2017: 6.00% to 8.50%)			
	March 31, 2018 audited	June 30, 2017 Audited	
	-----Rupees-----		
15. LONG TERM BORROWING			
Due within one year	25,133,451	25,133,451	
Due after one year	<u>18,850,089</u>	<u>37,700,178</u>	
	<u>43,983,541</u>	<u>62,833,629</u>	
16. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
	March 31, 2017	June 30, 2017	
	Number of certificates		
	<u>24,958,400</u>	24,958,400	Modaraba Certificates of Rs. 10/- each fully paid in cash
	<u>3,316,000</u>	3,316,000	Modaraba Certificates of Rs. 10/- each issued as fully paid bonus certificates
	<u>19,792,080</u>	19,792,080	Modaraba Certificates of Rs. 10/- each issued at 50% discount as right certificates
	<u>48,066,480</u>	<u>48,066,480</u>	
	March 31, 2018	June 30, 2017	
	-----Rupees-----		
	<u>249,584,000</u>	249,584,000	
	<u>33,160,000</u>	33,160,000	
	<u>197,920,800</u>	197,920,800	
	<u>48,066,480</u>	<u>48,066,480</u>	

NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UN-AUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2018

17. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at 31 March 2018.

18. TAXATION

As per the Second Schedule to the Income Tax Ordinance, 2001, the income of a non-trading modaraba is exempt from income tax provided that it distributes 90% of its profits to its certificate holders for the year after making appropriation for statutory reserves. The Modaraba intends to avail this exemption by distributing 90% of its profits to its certificate holders after making appropriation for statutory reserves. Accordingly, no provision in respect of current and deferred tax has been made in these condensed interim financial statements.

19. TRANSACTIONS WITH RELATED PARTIES

Relationship with Modaraba	Nature of Transactions	March 31, 2018	June 30, 2017
		Un-audited	Audited
		-----Rupees-----	
Balances with related parties			
Modaraba management company	Modaraba management fee payable	-	1,092,797
Modaraba management company	Issue of certificates at discount	98,946,390	98,946,390
Modaraba under common management	Receivable against reimbursement of expenses	2,848,435	1,125,666
Other Related Parties			
Key management personal	Redeemable capital	-	150,000
Key management personal	Accrued mark-up payable	-	340
		March 31, 2018	March 31, 2017
		(Un-audited)	
		-----Rupees-----	
Expense/(Income) for the period			
Modaraba management company	Modaraba management fee	-	252,261
Modaraba under common management	Reimbursement of expenses	(1,798,270)	(4,701,554)
Other associated companies			
KASB Corporation	Rent expense	-	2,442,000
Other related parties			
Key management personnel	Salaries and other benefits	-	1,925,000
Key management personnel	Financial charges	-	81,729
Payments/(Receipts) made during the period			
Modaraba management company	Modaraba management fee	298,857	982,633
Modaraba under common management	Reimbursement of expenses	-	(6,687,621)
Modaraba management company	Dividend paid	1,290,956	1,914,478
Other associated companies			
KASB Corporation	Rent expense	-	2,442,000
Other related parties			
Key management personnel	Salaries and other benefits	-	1,925,000
Key management personnel	Financial charges	-	81,389

20. GENERAL

20.1 Figures have been rounded off to the nearest Rupee.

20.2 Certain prior period figures have been reclassified for the purpose of comparison. However, there are no material reclassifications to the report.

21. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on April 25, 2018.

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:

C&K Management Associates (Pvt) Ltd.
404, Trade Tower, Abdullah Haroon Road
Karachi.

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

www.jamapunji.pk

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