



KASB Modaraba
An Islamic Financial Institution



QUARTERLY REPORT
SEPTEMBER 2011

صاف اور شفاف آمدنی،
سچا سکون ہے...

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CORPORATE INFORMATION

Board of Directors

Syed Waseem-ul-Haq Haqqie
Syed Majeedullah Husaini
Mir Mujahid Ali Khan
Syed Muhammad Rehmanullah

Chairman
Chief Executive Officer
Director
Director

Company Secretary & Chief Financial Officer

Ms. Faiqa Naz

Management Company

KASB Invest (Private) Limited [Formerly KASB Modaraba Management (Private) Limited]

Auditors

Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Audit Committee

Syed Waseem-ul-Haq Haqqie
Syed Muhammad Rehmanullah
Mir Mujahid Ali Khan

Chairman
Member
Member

Bankers

KASB Bank Limited
Al-Baraka Islamic Bank
Burj Bank Limited
Meezan Bank
Summit Bank Limited
Bank Al-Falah Limited
Silk Bank Limited

Registered Office

80-C, 13th Commercial Street,
D.H.A. Phase II Extension
Karachi.
Telephone: 021-35313939-43

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

Ghulam Ali & Co.
Ahmed & Qazi

Branch Offices

Gulshan-e-Iqbal Branch - I

Mezzanine Floor,
Friends Paradise, SB-36,
Block No. 13-B, University Road,
Karachi.
Telephone: 021-34822814-18

Gulshan-e-Iqbal Branch - II

B-9, Allama Shabbir Ahmed Usmani Road
Gulshan-e-Iqbal, Block I
Opposite Shaheen Public School
Karachi
Phone No.: 021-34983034-35
Fax No. : 021-34965081

D.H.A. Branch

80-C, 13th Commercial Street,
D.H.A. Phase II Extension
Karachi.
Telephone: 021-35313939-43

Web Address

www.kasbmodaraba.com

E-mail

info.modaraba@kasb.com





DIRECTORS' REPORT



The Board of Directors of KASB Invest (Private) Limited [Formerly KASB Modaraba Management (Private) Limited], the management company of KASB Modaraba, is pleased to present the un-audited condensed interim financial statements for the quarter ended September 30, 2011.

FINANCIAL HIGHLIGHTS

Financial results for the period under review are summarized as under:

BALANCE SHEET	As at September 30, 2011	As at June 30, 2011
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Rupees in 000's

Murabaha Finance	582,095	480,436
Modaraba Finance	81,700	75,630
Musharaka Finance	55,495	42,798
Diminishing Musharaka	291,338	279,101
Investment in Finance Lease	4,963	7,329
Ijarah Assets	53,202	56,235
Total Assets	1,192,798	1,113,872
Net Assets	297,036	307,640

PROFIT AND LOSS ACCOUNT	For the quarter ended September 30, 2011	For the quarter ended September 30, 2010
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Rupees in 000's

Total Income	41,786	36,488
Total Operating and Financial Expenses	33,462	25,761
Operating Profit	8,324	10,727
Management Company Fee	(832)	(1,073)
Profit for the Period	7,492	9,654
Earning per Modaraba Certificate	0.26	0.34

DIRECTORS' REPORT



REVIEW OF OPERATIONS

By the Grace of Allah, KASB Modaraba has successfully completed its first quarter for the year ending June 30, 2012. The quarter closed with the net profit of Rs 7.49 million with return on equity of 9.91% and EPC of Rs 0.26 per certificate.

The Modaraba has once again managed to maintain a steady growth in all areas of its operations during the period under review. Rather than relying simply on Ijarah business, we have maintained a balanced spread of assets allocating resources to various forms of Islamic finance, thus leading the industry in terms of innovation and growth of Islamic products.

During the current quarter gross disbursements of Rs 435.73 million were made to different customers. However, the management has continued to adopt a cautious approach in its conduct of financing activities thus ensuring sustainable growth in profitability and help build a sound Institution for the extension of Islamic finance. Our deposits based on Certificate of Musharaka have generated additional liquidity to the tune of Rs.44.085 million during the current quarter.

ACKNOWLEDGEMENT

The Board would like to place on record its appreciation for the dedication and hard work put in by the employees of the Modaraba. The Board would also like to express its appreciation for the guidance and support provided by Registrar Modaraba and Securities & Exchange Commission of Pakistan (SECP).

We also take this opportunity to express our special gratitude to our certificate holders and clients for their continued support and co-operation.

Syed Waseem Haqqie
Chairman

October 26, 2011





CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)



AS AT SEPTEMBER 30, 2011

	September 30, 2011	June 30, 2011
	Note	
ASSETS		
(Rupees)		
Current assets		
Cash and bank balances	56,612,521	109,826,648
Short-term investments	4.1 17,309,033	13,383,500
Current portion of murabaha finance - gross	5 436,982,142	413,289,799
Modaraba finance	6 81,699,738	75,630,285
Musharaka finance	7 55,495,410	42,797,914
Current portion of diminishing musharaka finance	8 103,190,685	121,415,169
Current portion of net investment in finance lease	9 3,481,883	5,789,101
Ijarah rentals receivable	10 4,606,965	3,157,976
Advances, deposits, prepayments and other receivables	7,802,779	6,035,316
Accrued profit	7,274,144	8,771,821
Stores	114,487	117,337
Taxation recoverable	13 1,064,630	1,027,528
Total current assets	775,634,415	801,244,895
Non-current assets		
Long-term deposits	528,000	528,000
Long-term investments	4.2 18,710,875	18,956,750
Long-term portion of murabaha finance - gross	5 145,113,222	67,148,231
Long-term portion of diminishing musharaka finance	8 188,147,286	157,685,470
Long-term portion of net investment in finance lease	9 1,481,555	1,539,982
Ijarah assets	53,202,204	56,235,042
Fixed assets in own use	9,980,430	10,534,090
Total non-current assets	417,163,572	312,827,565
Total Assets	1,192,797,987	1,113,872,460
LIABILITIES		
Current liabilities		
Deposits	550,870,000	506,035,000
Short-term finance	63,804,806	61,854,561
Current maturity of security deposits	5,509,072	7,366,054
Creditors, accrued and other liabilities	39,118,171	29,669,716
Current portion of deferred murabaha income	5 33,013,853	27,734,291
Unclaimed profit distribution	706,878	706,878
Total current liabilities	693,122,560	633,386,520
Non-current liabilities		
Long-term deposits	149,235,000	149,985,000
Security deposits	5,904,814	4,873,872
Long-term portion of deferred murabaha income	5 48,913,222	17,448,231
Deferred liabilities - staff gratuity	586,299	541,182
Total non-current liabilities	202,639,335	172,846,285
Total Liabilities	895,761,915	806,232,805
NET ASSETS	297,036,072	307,639,655
REPRESENTED BY		
CAPITAL AND RESERVES		
Certificate capital		
Authorised:		
50,000,000 (June 30, 2011: 50,000,000) certificates of Rs 10/- each	500,000,000	500,000,000
Issued, subscribed and paid-up capital		
	282,744,000	282,744,000
Statutory reserve	42,053,680	40,555,253
Accumulated loss	(27,761,588)	(15,659,598)
CONTINGENCIES AND COMMITMENTS	14	
	297,036,072	307,639,655

The annexed notes 1 to 18 form an integral part of these financial statements.

For KASB Invest (Private) Limited
Formerly KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	September 30, 2011	September 30, 2010
	(Rupees)	
Income from leasing operations	2,408,158	2,953,261
Profit on Musharaka finance	1,256,385	1,634,562
Profit on Murabaha finance	20,619,054	13,350,764
Profit on Modaraba finance	717,540	7,515,884
Profit on Diminishing Musharaka finance	13,253,827	6,683,199
Profit on Sukuk bonds - Held to maturity	725,016	670,346
Profit on bank deposits	1,605,284	2,370,999
Gain on sale of marketable securities - net	588,431	573,890
Unrealised (diminution)/appreciation on remeasurement of investment classified as financial assets 'at fair value through profit or loss'	139,776	-
	41,293,473	35,752,905
Financial charges	(23,820,898)	(18,242,527)
	17,472,575	17,510,377
Allowance for potential Musharaka & Ijarah losses	-	-
	17,472,575	17,510,377
Other income	492,509	735,183
Administrative and operating expenses	(9,640,603)	(7,518,233)
	6,324,481	10,727,327
Modaraba Management Company fee	(832,448)	(1,072,733)
Profit before taxation	7,492,033	9,654,594
Taxation		
- current	-	-
- deferred	-	-
Profit after taxation	7,492,033	9,654,594
Earnings per certificate	0.26	0.34

The annexed notes 1 to 18 form an integral part of these financial statements.

For KASB Invest (Private) Limited
Formerly KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director





CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011



	September 30, 2011	September 30, 2010
	----- (Rupees) -----	
Profit after taxation	7,492,033	9,654,594
Other comprehensive Income / (loss)		
Unrealised appreciation on remeasurement of investments classified as 'available for sale'	-	220,652
Total comprehensive income for the period	<u>7,492,033</u>	<u>9,875,246</u>

The annexed notes 1 to 18 form an integral part of these financial statements.

For KASB Invest (Private) Limited
Formerly KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011



	September 30, 2011	September 30, 2010
Rupees		
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	7,492,033	9,654,594
Adjustments for non-cash charges and other items:		
Dividend income	(78,000)	(197,000)
(Gain) on sale of marketable securities - net	(568,431)	(573,890)
Unrealised (appreciation) / diminution in the value of investments	(139,778)	-
Depreciation	7,083,157	6,709,496
Amortisation	85,599	83,349
Provision for Workers' Welfare Fund	149,841	193,092
Gratuity expense	45,117	41,658
Financial charges	23,820,898	18,242,527
Deferred income	(11,964)	-
	<u>37,878,472</u>	<u>34,153,826</u>
(Increase) / decrease in assets		
Net investment in finance lease	2,365,645	14,106,031
Musharaka finance	(12,697,496)	46,867,964
Murabaha finance	(101,659,334)	(72,408,449)
Modaraba finance	(6,069,451)	85,370,233
Diminishing Musharaka finance	(12,237,332)	(54,163,552)
Ijarah rentals receivable	(1,448,989)	(66,858)
Advances, deposits, prepayments and other receivables	(1,767,463)	(16,988,787)
Accrued profit	1,497,777	(146,112)
Stores	2,850	250
	<u>(132,013,793)</u>	<u>2,570,720</u>
Increase / (decrease) in liabilities		
Security deposits on lease contracts	(846,040)	(2,678,465)
Deferred murabaha income	34,746,353	2,408,653
Creditors, accrued and other liabilities	(6,512,331)	10,672,197
	<u>27,387,962</u>	<u>10,402,385</u>
Purchase of Ijarah assets	(3,349,500)	(208,000)
Taxes paid	(36,702)	(35,380)
Financial charges paid	(26,253,117)	(23,004,541)
	<u>(29,639,319)</u>	<u>(23,247,921)</u>
Net cash generated / (utilised) in operating activities	<u>(96,386,658)</u>	<u>23,879,010</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(96,345)	(83,400)
Sales proceeds from disposal of fixed assets	23,100	-
Dividends received	78,000	197,000
Purchase of investments - net	(2,969,449)	662,986
Net cash generated / (utilised) in investing activities	<u>(2,964,694)</u>	<u>776,586</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term Musharaka finance	2,050,225	(124,750,359)
Deposits	44,085,000	103,730,000
Net cash (utilised) / generated from financing activities	<u>46,135,225</u>	<u>(21,020,359)</u>
Net Increase / (decrease) in cash and cash equivalents	<u>(53,216,127)</u>	<u>3,635,237</u>
Cash and cash equivalents at the beginning of the period	109,828,648	59,225,467
Cash and cash equivalents at the end of the period	<u>56,612,521</u>	<u>62,860,704</u>

The annexed notes 1 to 18 form an integral part of these financial statements.

For KASB Invest (Private) Limited
Formerly KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director





CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011



	Certificate Capital	Statutory Reserve	Unrealised appreciation / (diminution) on remeasurement of investments classified as 'available-for-sale'	Accumulated Loss	Total
	Rupees -				
Balance as at July 01, 2010	282,744,000	20,485,977	(665,295)	(27,812,042)	274,752,640
Total comprehensive income for the quarter ended September 30, 2010	-	-	220,852	9,654,594	9,875,246
Profit distribution for the year ended June 30, 2010 @ Rs. 0.28 per certificate	-	-	-	(7,916,832)	(7,916,832)
Transfer to statutory reserve	-	1,930,919	-	(1,930,919)	-
Balance as at September 30, 2010	282,744,000	22,416,896	(444,643)	(28,005,189)	278,711,054
Balance as at July 01, 2011	282,744,000	40,555,253	-	(15,659,598)	307,639,655
Total comprehensive income for the quarter ended September 30, 2011	-	-	-	7,492,033	7,492,033
Profit distribution for the year ended June 30, 2011 @ Rs. 0.64 per certificate	-	-	-	(18,095,818)	(18,095,818)
Transfer to statutory reserve	-	1,498,407	-	(1,498,407)	-
Balance as at September 30, 2011	282,744,000	42,053,660	-	(27,781,588)	297,038,072

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

For KASB Invest (Private) Limited
Formerly KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

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



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

1. LEGAL STATUS AND NATURE OF BUSINESS

KASB 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 (Formerly KASB Modaraba Management (Private) Limited), a company incorporated in Pakistan. The address of its registered office is 80-C, 13th Commercial Street, DHA Phase-II, Extension, Karachi. The Management Company is a subsidiary of KASB Bank Limited, which holds 3,985,000 shares out of total issued capital of 4,150,000 shares of KASB Invest (Private) Limited (Formerly KASB Modaraba Management (Private) Limited).

The Modaraba is a multipurpose perpetual modaraba and is primarily engaged in ijrah financing, finance leasing, diminishing musharaka, musharaka financing, murabahah financing, modaraba financing and investing in listed securities. The Modaraba is listed on the Karachi and Lahore Stock Exchanges.

2. BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved Accounting Standards comprise of such International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board as are notified under the Companies Ordinance, 1984, 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). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, 1981 and directives issued by the SECP differ with the requirements of IFRS, the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Rules, 1981 or directives issued by the SECP prevail.

These condensed interim financial statements comprise of a condensed interim balance sheet, condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof. The disclosures made in these financial statements here, however, been limited based on the requirements of International Accounting Standard 34, "Interim Financial Reporting". These do not include all the information and disclosures made in the annual published financial statements and thereof should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2011.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and method of computation of balances adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statement for the year ended June 30, 2011.

4. INVESTMENTS

4.1 Short Term Investments

	Note	Un-audited September 30, 2011	Audited June 30, 2011
----- Rupees -----			
Held for trading			
Equity securities - listed	4.1.1	3,677,858	-
		3,677,858	-
Available for sale			
Ordinary Shares - Un-listed	4.1.2	13,000,000	13,000,000
		13,000,000	13,000,000
Held to maturity			
Current portion of sukuk bonds - unlisted	4.2	831,375	383,500
		831,375	383,500
		17,309,033	13,383,500

4.1.1 Held for trading

Equity Securities - Listed

Name of Investee Company	Number of Shares				Balance as at September 30, 2011 (Un-audited)		
	As at July 01, 2011	Purchases during the period	Bonus/ right issue	Sales/ Write-off during the period	As at September 30, 2011	Carrying Value	Market Value
----- Rupees -----							

Fully paid ordinary shares of Rs.10 each unless stated otherwise

Engro Corporation Limited	-	27,000	-	27,000	-	-	-	
Pakistan Petroleum Limited	-	17,000	2,400	-	19,400	3,637,880	3,677,858	139,778
Total equity securities - listed						3,637,880	3,677,858	139,778

4.1.2 Ordinary Shares - Un-listed

Name of Investee Company

Name of Investee Company	No. of shares	2011	
		Cost per share	Total
----- Rupees -----			
(Fully paid ordinary shares of Rs.10/- each)			
New Horizon Exploration & Production Limited (6.93%) (Related Party)	2,600,000	5	13,000,000





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



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

**4.2 Long Term Investment
Held to maturity
Sukuk bonds -unlisted**

Name of investee company	Number of certificates			Profit / mark-up rate	Carrying Value		
	As at July 01, 2011	Purchases during the period	Sales during the period		As at September 30, 2011	Balance as at September 30, 2011 (Un-audited)	Balance as at June 30, 2011 (audited)
Sukuk bond of Rs. 5,000 each unless stated otherwise							
Kohat Cement Company Limited	2,000	-	-	2,000	14.55% (3M KIBOR + 1.80%)	8,980,000	8,980,000
Maple Leaf Cement Factory Limited	2,000	-	-	2,000	13.72% (3M KIBOR + 1.00%)	9,987,250	9,987,250
Maple Leaf Cement Factory Limited	75	-	-	75	13.72% (3M KIBOR + 1.00%)	375,000	375,000
Total sukuk bonds						19,342,250	19,342,250
Less: Current portion of sukuk bonds						(631,378)	(383,500)
						18,710,875	18,958,750

----- Rupees -----
Un-audited **Audited**
September 30, 2011 **June 30, 2011**
----- Rupees -----

5. MURABAHA FINANCE

Murabaha receivables - gross	582,095,384	480,438,030
Less: Provision for non-performing assets	-	-
Murabaha finance- due after one year	582,095,384	480,438,030
Current portion of murabaha finance	145,113,222	67,148,231
Less:		
Deferred murabaha income	79,828,875	45,180,522
Due after one year	46,913,222	17,448,231
Current portion of deferred murabaha income	33,013,653	27,734,291
Current portion of murabaha finance - net	403,988,489	385,555,588

----- Rupees -----
Un-audited **Audited**
September 30, 2011 **June 30, 2011**
----- Rupees -----

6. MODARABA FINANCE

Modaraba finance	81,689,736	76,630,285
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The Modaraba has provided funds under modaraba arrangements on profit and loss sharing basis. The profit / loss is to be shared in pre-agreed ratios. On termination date, the accounts of the modaraba are drawn up in accordance with accepted accounting principles and the profit / loss is worked out and shared in agreed proportion.

----- Rupees -----
Un-audited **Audited**
September 30, 2011 **June 30, 2011**
----- Rupees -----

7. MUSHARAKA FINANCE

Musharaka receivables	56,087,380	43,404,758
Provision for non-performing assets	(521,850)	(808,844)
Musharaka finance- due after one year	56,495,410	42,797,914
Current portion of musharaka finance	-	-
	55,495,410	42,797,914

8. DIMINISHING MUSHARAKA

Diminishing musharaka receivables - gross	364,188,047	352,051,754
Less: Unearned income	72,858,078	72,851,115
Diminishing musharaka finance- due after one year	291,337,971	279,100,639
Current portion of diminishing musharaka finance	188,147,286	157,685,470
	103,190,685	121,415,169

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



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

9. NET INVESTMENTS IN FINANCE LEASE

	UN-AUDITED			AUDITED		
	September 30, 2011			June 30, 2011		
	Later than			Later than		
	Not later than one year	one year and less than five years	Total	Not later than one year	Later than one year and less than five years	Total
	----- Rupees -----					
Minimum lease payments receivable	2,401,173	1,090,038	3,481,211	3,567,299	1,162,032	4,709,331
Add: Residual value of leased assets	1,486,000	410,050	1,876,050	2,887,240	410,050	3,097,290
	3,887,173	1,490,088	5,357,261	6,244,539	1,562,082	7,806,621
Less: Unearned lease income	(107,075)	(8,633)	(115,808)	(180,457)	(22,100)	(202,557)
Suspended income	(80,627)	-	(80,627)	(72,287)	-	(72,287)
Allowance for potential lease losses	(197,588)	-	(197,588)	(202,694)	-	(202,694)
	3,481,883	1,481,455	4,963,338	5,789,101	1,539,982	7,329,083

10. IJARAH RENTAL RECEIVABLES

	Un-audited September 30, 2011	Audited June 30, 2011
	----- Rupees -----	
Ijarah rental receivables - considered good	4,606,985	3,157,978
- considered doubtful	8,250	15,825
	4,613,215	3,173,801
Less: Provision for non-performing Ijarah receivables assets	(8,250)	(15,825)
	4,606,985	3,157,978

11. IJARAH ASSETS

Details of addition during the period as follows:

Additions to Ijarah assets

- Plant & machinery	2,752,000	-
- Equipment	38,500	-
- Motor vehicles	559,000	208,000

11.1 No disposal of Ijarah assets were made during the quarter ended September 30, 2011.

12. OPERATING FIXED ASSETS

Details of addition / (disposals) during the period as follows:

Addition to fixed assets

- Electrical equipment	96,345	35,200
- Equipment	-	38,000
- Computers	-	10,200

Disposal during the period

- Electrical equipment	31,500	-
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13. TAXATION

As per the current tax law, income of 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. As the management intends to follow the policy of distributing 90% of its profit for the current year, no provision in respect of current and deferred taxation has been made in these condensed interim financial statements.

14. CONTINGENCIES AND COMMITMENTS

14.1 The Modaraba has provided guarantees amounting to Rs. Nil (June 30, 2011: Rs. 8,100,000) on behalf of customers to various banks.

14.2 There were no contingencies as at September 30, 2011.

15. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Modaraba comprise of its Management Company, associated companies, directors of the Management Company and key management personnel. Transactions with related parties other than remuneration and benefits to key management personnel (which are employed by the Management Company) under the terms of their employment are as follows:





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



FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2011

	<i>Un-audited</i> September 30, 2011	<i>Audited</i> June 30, 2011
	----- Rupees -----	
15.1 Transactions during the period		
Management Company		
Modaraba management fee	832,448	4,459,839
Associated companies		
Income on bank deposits	372,551	4,647,027
Financial charges	2,200,346	17,137,821
Rent expense	109,149	425,950
Brokerage expense	-	-
Custodian charges	-	6,092
Other Related Parties		
Finance lease rentals	762,199	2,105,052
İjarah rentals	60,556	200,964

	<i>Un-audited</i> September 30, 2011	<i>Audited</i> June 30, 2011
	----- Rupees -----	
15.2 Transaction outstanding at the period end		
Management Company		
Modaraba management fee payable	832,448	4,459,839
Associated companies		
Cash and bank balances	13,338,349	17,704,578
Certificate of Musharaka	17,000,000	17,300,000
Accrued profit on deposits	8,912	9,171
Short-term musharaka finance	63,904,806	61,854,681
Accrued mark-up payable	2,051,879	3,903,444
Custodian charges payable	4,080	4,080
Rent payable	-	-
Other Related Parties		
Finance lease rentals	203,302	972,010
İjarah rentals	185,148	235,704
Investment in unlisted shares	13,000,000	13,000,000

16. CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary, for the purpose of comparison.

17. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on October 26, 2011.

18. GENERAL

Figures have been rounded off to the nearest rupee.

For KASB Invest (Private) Limited
Formerly KASB Modaraba Management (Private) Limited
(Management Company)

Chief Executive

Director

Director

