



KASB Modaraba

An Islamic Financial Institution



اسلامی مالیاتی ادارہ

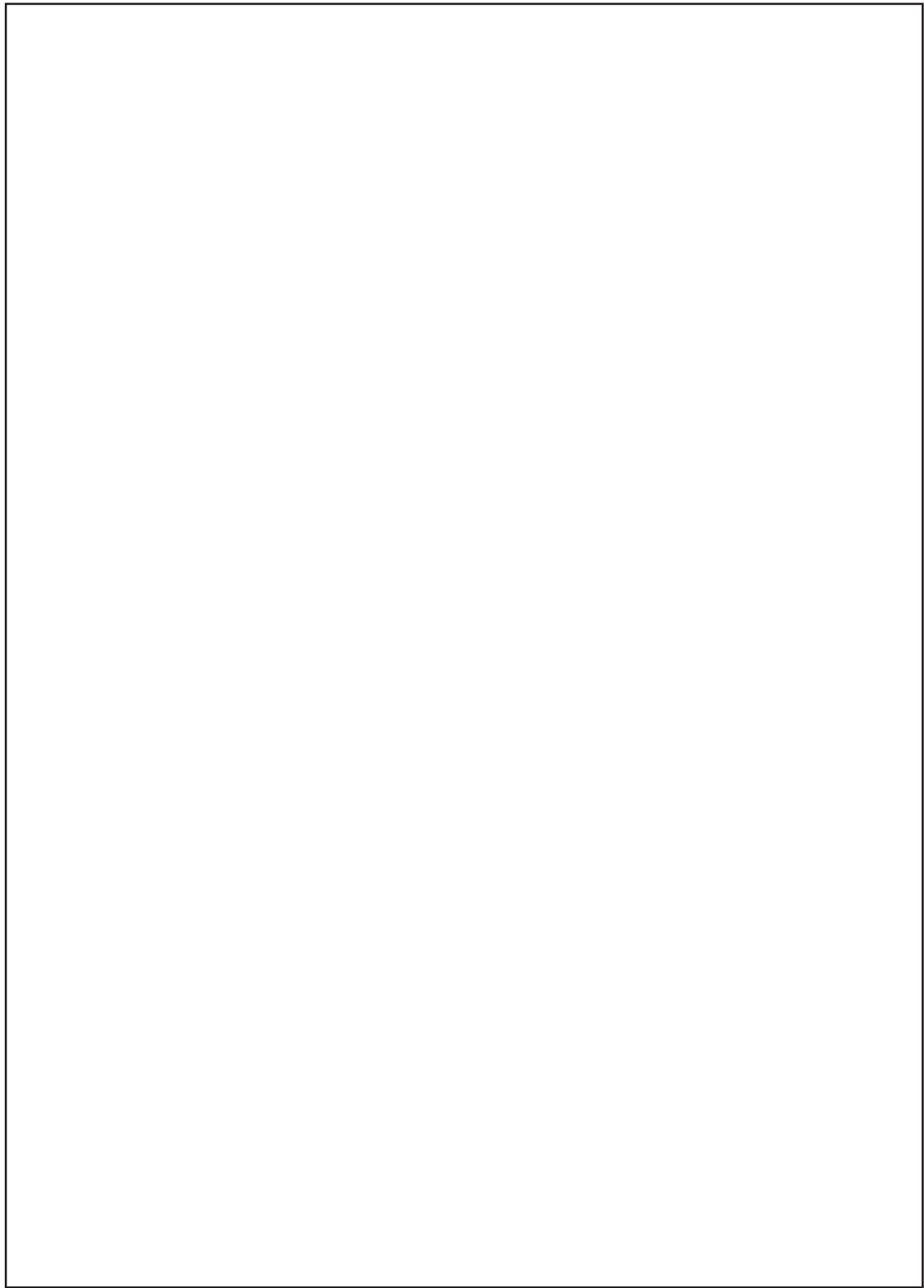
QUARTERLY REPORT  
SEPTEMBER 30, 2017

صاف اور شفاف آمدنی،  
سچا سکون ہے...



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# CORPORATE INFORMATION

## Board of Directors

Syed Waseem-ul-Haq Haqqie  
Aftab Afroz Mahmoodi  
Amer Maqbool  
Farrukh S. Ansari

Chairman  
Chief Executive Officer  
Director  
Director

## CFO & Company Secretary

Syed Shahid Owais

## Head of Internal Audit

Zia-ul-Haq

## Management Company

KASB Invest (Private) Limited

## Auditors

RSM Avais Hyder Liaquat Nauman  
Chartered Accountants

## Audit Committee

Farrukh S. Ansari  
Amer Maqbool  
Syed Waseem-ul-Haq Haqqie

Chairman  
Member  
Member

## Human Resource and Remuneration Committee

Farrukh S. Ansari  
Syed Waseem-ul-Haq Haqqie  
Amer Maqbool  
Aftab Afroz Mahmoodi

Chairman  
Member  
Member

## 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

## Shariah Advisor

Mufti Abdul Sattar Laghari

## 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 No. 105, 1st Floor Ashrafiya Plaza,  
Main Market Gulberg-2 Main Bailevard, Lahore.  
Phone No.: 042-35790446 & 042-35790447

## 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](http://www.kasbmodaraba.com)

## E-mail

[sales.mod@kasb.net](mailto:sales.mod@kasb.net) | [takaful.mod@kasb.net](mailto: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 unaudited condensed interim financial statements for the first quarter ended September 30, 2017 to the Certificate Holders.

### FINANCIAL HIGHLIGHTS

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

As on and for the first quarter ended September 30, 2017 Rupees in '000'	
Total assets	566,669
Current Assets	471,411
Non-Current Assets	95,257
Net Assets	392,034
Gross Revenue	20,025
Modaraba Management Company Fee	58
Net Profit	578
Earning Per Certificate	0.01
Transferred to Statutory Reserve	115

### OPERATIONS AND PERFORMANCE

By the Grace of Allah, KASB Modaraba has successfully completed its quarter ended September 30, 2017. The period closed with net Profit of Rs 0.6 Million as compared to Rs 1.6 million in the corresponding quarter of the previous year. Operating and administrative expenses decreased to Rs 12.5 million from Rs 15.1 million of the corresponding quarter of previous year. Financial Charges also decreased to Rs 3.0 million as compared to Rs 8.1 million of the previous year quarter.

The decline in profit is due to shrunk volume of new business as a consequence of limited liquidity available during the period. This is because of restriction imposed by Securities & Exchange Commission of Pakistan on mobilization of Certificates of Musharakah. The management is optimistic expects that the matter would be favorably considered by the Commission which would help to beefing up the resources.

### FUTURE PROSPECTS

With the aim and strategy of growing with Sharia compliant businesses, we would keep exploring and opting high yield businesses. We trust that we would keep going as per our short and longer term plans for the future and would endeavor to outperform our existing results and ratings with innovative approach that would result in better returns for the Certificate holders.

### BOARD OF DIRECTORS

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

### ACKNOWLEDGEMENT

The Board greatly appreciates the support co-operation of the regulatory authorities, certificate holders, customers and bankers and looks forward to their continued support and advice in future.

We pray to Almighty Allah for the success of your Modaraba.

For and behalf of Board of Directors

**Syed Waseem-ul-Haq Haqqie**  
Chairman  
Dated: October 30, 2017  
Karachi.

### ڈائریکٹرز رپورٹ

کے۔ اے۔ ایس۔ بی انویسٹ (پرائیویٹ) لمیٹڈ، انتظامی کمپنی برائے کے۔ اے۔ ایس۔ بی مضاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کی 30 ستمبر 2017 کو اختتام پذیر ہونے والی سہ ماہی کا عبوری ملخص غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

### مالیاتی جھلکیاں

زیر جائزہ مدت کی مالیاتی جھلکیاں درج ذیل ہیں

برائے 30 ستمبر 2017 اور اس پر ختم ہونے والی سہ ماہی  
روپے '000' میں

566,669	کل اثاثہ جات
471,411	رواں اثاثہ جات
95,257	غیر موجودہ اثاثہ جات
392,034	خالص اثاثہ جات
20,025	مجموعی آمدنی
58	انتظامی کمپنی کا معاوضہ
578	خالص منافع
0.01	فی حصہ آمدنی
115	موضوعی تخصیص میں تبادلہ

### انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے کے۔ اے۔ ایس۔ بی مضاربہ کی پہلی سہ ماہی کامیابی سے اختتام پذیر ہوئی۔ موجودہ مدت 0.6 ملین روپے کے خالص منافع کے ساتھ بند ہوئی جو کہ گذشتہ سال کی اسی سہ ماہی میں 1.6 ملین روپے تھا۔ انتظامی اخراجات گذشتہ سال کی اسی سہ ماہی کے 15.10 ملین روپے سے گھٹ کر موجودہ سہ ماہی میں 12.5 ملین روپے رہے۔ مالیاتی اخراجات گذشتہ سال کی اسی سہ ماہی میں 8.10 ملین روپے کے مقابلے میں موجودہ سہ ماہی میں 3.00 ملین روپے رہے۔

دوران مدت محدود مالی ذخائر ہونے کے باعث مضاربہ کا کاروباری حجم کم رہا جسکی وجہ سے منافع میں کمی واقع ہوئی۔ اس کی وجہ سے کیو آر ایف ایچ کیو کمیشن آف پاکستان کی جانب سے سرٹیفیکیٹ آف مشارکہ (COM) کے اجراء پر عائد محدود پابندی ہے۔ تاہم ہماری انتظامیہ ریگولیٹری اتھارٹی کے ساتھ قریبی رابطے میں ہے اور یہ امید کی جاسکتی ہے کہ یہ ادارہ ہمارے حق میں بہتر فیصلہ کرے گا جس سے مضاربہ کی مالی حالت میں بہتری آئے گی۔

### مستقبل کے امکانات

شریعت کے مطابق کاروبار کے ذریعے ترقی کرنے کے مقصد اور حکمت عملی کے ساتھ ہم اعلیٰ پیداواری اور منافع بخش کاروبار کی تلاش اور جستجو کرتے رہیں گے۔

ہم اس یقین کے ساتھ آگے بڑھتے رہیں گے کہ ہمارے قلیل المیعاد اور طویل المدت اہداف حاصل ہو جائیں۔ ہم جدید تر کاروبار کے ساتھ جدوجہد میں مصروف رہیں گے تاکہ موجودہ کاروباری نتائج اور درجہ بندی کے مقابلے میں بہتر نتائج حاصل کر سکیں۔ جس کے ذریعے حصہ داروں کو بہتر منافع پہنچا سکیں۔

### بورڈ آف ڈائریکٹرز

سید محمد رحمان اللہ ڈائریکٹر، کے۔ اے۔ ایس۔ بی انویسٹ (پرائیویٹ) لمیٹڈ مستعفی ہوئے اور جناب عامر مقبول کا چٹاؤ مجوزہ ڈائریکٹر کی حیثیت سے کیا گیا جو سیکورٹیز اینڈ ایکسچینج کمیشن کی منظوری سے مشروط ہے۔

### اعتراف

بورڈ ریکورڈنگ، اتھارٹی، حصص یافتگان کسٹروں اور بینکران کی معاونت اور تعاون کو بے حد سراہتا ہے اور مستقبل میں بھی ان کی معاونت اور مشورے کا منتظر رہے گا۔ ہم اللہ کے حضور آپ کے مضاربہ کی کامیابی کے لئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید وسیم الحق  
چیرمین

30 October 2017

کراچی۔



# CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)

AS AT SEPTEMBER 30, 2017



	Note	September 30,	June 30,
		2017	2017
		Un-audited	Audited
		----- (Rupees) -----	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	28,928,715	22,604,098
Modaraba finance	6	49,366,347	50,959,603
Musharaka finance	7	12,500,000	12,900,000
Current portion of long term murabaha finance- gross	8	129,930,242	136,607,391
Current portion of long term diminishing musharaka finance	9	94,749,317	108,016,846
Ijarah rentals receivable		536,345	562,271
Receivable against sale of Agricultural produce		18,200,140	18,200,140
Other assets		36,173,465	36,173,465
Advances, prepayments and other receivables		53,943,628	55,228,925
Property acquired in satisfaction of financing facility		47,082,936	47,082,936
		<u>471,411,135</u>	<u>488,335,675</u>
<b>Non-current assets</b>			
Long-term murabaha finance - gross	8	11,573,821	13,438,136
Long-term diminishing musharaka finance	9	36,379,609	45,192,049
Long-term deposits		772,300	685,300
Ijarah assets	10	27,898,311	32,493,132
Fixed assets	11	15,822,321	16,751,759
Capital work-in-progress		2,811,090	2,811,090
		<u>95,257,452</u>	<u>111,371,466</u>
<b>TOTAL ASSETS</b>		<u>566,668,587</u>	<u>599,707,141</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Current portion of redeemable capital	12	59,305,000	73,105,000
Current portion of long term finance		25,133,451	25,133,451
Current portion of long term security deposits		5,773,650	9,712,299
Current portion of long term deferred murabaha income		334,351	2,025,184
Creditors, accrued and other liabilities		26,949,972	25,554,967
Unclaimed profit distribution		2,052,810	2,105,731
<b>Total current liabilities</b>		<u>119,549,234</u>	<u>137,636,632</u>
<b>Non-current liabilities</b>			
Long-term portion of redeemable capital	12	14,000,000	27,100,000
Long-term finance		31,416,815	37,700,178
Long-term security deposits		4,078,824	560,675
Long-term portion of deferred murabaha income		499,930	499,930
Deferred liabilities - staff gratuity		5,089,720	4,753,720
		<u>55,085,289</u>	<u>70,614,503</u>
<b>TOTAL LIABILITIES</b>		<u>174,634,523</u>	<u>208,251,135</u>
<b>NET ASSETS</b>		<u>392,034,064</u>	<u>391,456,006</u>
<b>REPRESENTED BY</b>			
<b>CAPITAL AND RESERVES</b>			
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	13	480,664,800	480,664,800
Discount on issuance of certificates		(98,960,400)	(98,960,400)
Statutory reserve		83,620,751	83,505,139
Accumulated loss		(73,291,087)	(73,753,533)
<b>CONTINGENCIES AND COMMITMENTS</b>	14	<u>392,034,064</u>	<u>391,456,006</u>

The annexed notes 1 to 19 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017



	September 30, 2017	September 30, 2016
	-----Rupees-----	
<b>Note</b>		
Income/(loss) from:		
- leasing operations	3,987,981	13,953,821
- murabaha finance	2,637,299	7,907,021
- diminishing musharaka finance	5,593,655	12,873,676
- sukuk bonds	-	27,084
- bank deposits	290,000	591,970
	<u>12,508,935</u>	<u>35,353,572</u>
Financial charges	<u>(3,020,875)</u>	<u>(8,063,100)</u>
Murabaha, Musharaka, Modaraba finance - direct cost	<u>(8,000)</u>	<u>(1,070,083)</u>
Depreciation on assets under ijarah arrangements	<u>(3,847,260)</u>	<u>(11,933,455)</u>
	<u>(6,876,135)</u>	<u>(21,066,638)</u>
	<u>5,632,800</u>	<u>14,286,934</u>
Other income	<u>7,516,490</u>	<u>2,578,908</u>
Administrative and operating expenses	<u>(12,493,194)</u>	<u>(15,070,627)</u>
	<u>(4,976,704)</u>	<u>(12,491,719)</u>
	<u>656,096</u>	<u>1,795,215</u>
Modaraba management fee	<u>(57,806)</u>	<u>(158,169)</u>
Services sales tax	<u>(8,671)</u>	<u>(23,725)</u>
Provision for Workers' Sindh Welfare Fund	<u>(11,561)</u>	<u>(31,634)</u>
<b>Profit before taxation</b>	<u>578,058</u>	<u>1,581,687</u>
Taxation	15 -	-
<b>Net profit for the period</b>	<u>578,058</u>	<u>1,581,687</u>
<b>Earning per certificate</b>	<u>0.01</u>	<u>0.03</u>

The annexed notes 1 to 19 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF  
COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017



	September 30, 2017	September 30, 2016
	----- Rupees -----	
Net profit for the period	578,058	1,581,687
Total comprehensive income for the period	<u>578,058</u>	<u>1,581,687</u>

The annexed notes 1 to 19 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)



Chief Executive



Director



Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)  
FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017



Note	September 30, 2017	September 30, 2016
	-----Rupees-----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	578,058	1,581,687
<b>Adjustments for non-cash charges and other items:</b>		
Gain on disposal of ijarah assets	(106,766)	(79,829)
Depreciation	4,776,693	12,704,602
Gratuity expense	336,000	589,360
Financial charges	3,020,875	8,063,100
	8,026,802	21,277,233
<b>(Increase) / decrease in assets</b>		
Musharaka finance	400,000	-
Murabaha finance	8,541,464	54,984,230
Modaraba finance	1,593,256	7,100,000
Ijarah rentals receivable	25,926	(5,360,905)
Diminishing Musharaka	22,079,969	24,996,912
Advances, deposits, prepayments and other receivables	1,285,297	10,740,242
Long-term deposits	(87,000)	-
	33,838,912	92,460,479
<b>Increase / (decrease) in liabilities</b>		
Security deposits	(420,500)	45,000
Deferred murabaha income	(1,690,833)	(3,440,558)
Creditors, accrued and other liabilities	1,395,009	(12,829,734)
	(716,324)	(16,225,292)
Staff Gratuity paid	-	(175,037)
Financial charges paid	(3,020,875)	(8,063,100)
	(3,073,796)	(8,238,137)
<b>Net cash generated from / (utilised in) operating activities</b>	<b>38,653,652</b>	<b>90,855,970</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Sales proceeds from disposal of Ijarah assets	854,328	1,622,918
Purchase of Ijarah Assets	-	(450,000)
<b>Net cash generated from investing activities</b>	<b>854,328</b>	<b>1,172,918</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Term Financing	(6,283,363)	-
Deposits	(26,900,000)	(100,365,000)
<b>Net cash (utilised in) / generated from financing activities</b>	<b>(33,183,363)</b>	<b>(100,365,000)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>6,324,617</b>	<b>(8,336,112)</b>
Cash and cash equivalents at the beginning of the period	22,604,098	48,704,707
<b>Cash and cash equivalents at the end of the period</b>	<b>5 28,928,715</b>	<b>40,368,595</b>

The annexed notes 1 to 19 form an integral part of these financial statements.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director

# CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017



	Certificate Capital	Discount on Issuance of certificates	Statutory Reserve	Accumulated Loss	Total
	Rupees				
<b>Balance as at July 01, 2016</b>	480,664,800	(98,960,400)	82,591,086	(75,262,347)	389,033,139
Profit for the quarter ended September 30, 2016	-	-	-	1,581,687	1,581,687
Transfer to statutory reserve	-	-	790,844	(790,844)	-
<b>Balance as at September 30, 2016</b>	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>83,381,930</u>	<u>(74,471,504)</u>	<u>390,614,826</u>
<b>Balance as at July 01, 2017</b>	480,664,800	(98,960,400)	83,505,139	(73,753,533)	391,456,006
Profit for the quarter ended September 30, 2017	-	-	-	578,058	578,058
Transfer to statutory reserve	-	-	115,612	(115,612)	-
<b>Balance as at September 30, 2017</b>	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>83,620,751</u>	<u>(73,291,087)</u>	<u>392,034,064</u>

The annexed notes 1 to 19 form an integral part of these financial statements.

For KASB Invest (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 30 SEPTEMBER 2017

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 .

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.

3. BASIS OF MEASUREMENT

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.

These financial statements are presented in Pak Rupees, which is Modaraba's functional and presentation currency.

4. 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.

		September 30, 2017	June 30, 2017
		Un-audited	Audited
	Note	----- (Rupees) -----	
<b>5. CASH AND BANK BALANCES</b>			
Cash at bank in :			
- current accounts		6,452,232	4,235,654
- saving accounts	5.1	22,235,135	18,181,250
		<u>28,687,367</u>	<u>22,416,904</u>
Cash in hand		129,152	97,498
Stamp papers		112,196	89,696
		<u>28,928,715</u>	<u>22,604,098</u>

- 5.1 These carry profit rates ranging from 4.00% to 6.10% (June 30, 2017: 4.00% to 6.10%)

6. 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.

Modaraba Finance includes an aggregate outstanding balance of Rs. 6.71 million on account of a modaraba transaction with customer. Due to the financial difficulty of the said customer, the underlying asset was sold in prior year to settle this transaction and the postdated cheques of Rs. 2.1 million were also received from the customer. During year Rs. 1.5 million were received and Rs. 4.35 million were recovered subsequently. The management believes that the remaining balance will also be recovered in due course.

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



FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	September 30, 2017 Un-audited	June 30, 2017 Audited
<b>7. MUSHARAKA FINANCE</b>	<b>Note</b>	<b>----- (Rupees) -----</b>
Musharaka finance - considered good	28,102,297	28,502,297
Less: Provision for non-performing musharaka arrangements	<u>(15,602,297)</u>	<u>(15,602,297)</u>
	<u>12,500,000</u>	<u>12,900,000</u>
7.1	The Modaraba has provided funds under musharaka arrangements on profit and loss sharing basis. Musharaka arrangements are secured against property mortgage and personal guarantees.	
<b>8. MURABAHA FINANCE</b>		
Murabaha finance - considered good and secured	141,504,063	150,045,527
- considered doubtful	<u>44,327,865</u>	<u>44,327,865</u>
	<u>185,831,928</u>	<u>194,373,392</u>
Less: provision for non-performing murabaha arrangements	<u>(44,327,865)</u>	<u>(44,327,865)</u>
	<u>141,504,063</u>	<u>150,045,527</u>
Murabaha finance- due after one year	<u>(11,573,821)</u>	<u>(13,438,136)</u>
Current portion of murabaha finance	<u>129,930,242</u>	<u>136,607,391</u>
8.1	The Profit rates on these murabaha arrangements range from 12.00% to 20.00% . All murabaha arrangements are secured against hypothecation of assets, personal guarantees and Promissory notes.	
<b>9. DIMINISHING MUSHARAKA</b>		
Diminishing musharaka finance - gross	147,002,409	173,551,526
Less: Unearned income	<u>(15,873,483)</u>	<u>(20,342,631)</u>
	<u>131,128,926</u>	<u>153,208,895</u>
Diminishing musharaka finance- due after one year	<u>(36,379,609)</u>	<u>(45,192,049)</u>
Current portion of diminishing musharaka finance	<u>94,749,317</u>	<u>108,016,846</u>
9.1	The Profit rates on these diminishing musharaka arrangements range from 9.51% to 21% (June 30, 2017: 9.51% to 21.00%). All diminishing musharaka arrangements are secured against hypothecation of assets , personal guarantees and promissory notes.	
<b>10. IJARAH ASSETS</b>	<u>27,898,311</u>	<u>32,493,132</u>
10.1 Details of addition / (disposals) during the period as follows:		
<b>Addition to ijarah assets</b>		
- Equipment	-	-
- Plant and machinery	-	-
- Motor vehicles	-	2,267,500
- Vehicles	-	-
	<u>-</u>	<u>2,267,500</u>
<b>Disposal during the period</b>		
- Equipment	-	296,000
- Plant and machinery	-	-
- Motor vehicles	<u>2,102,500</u>	<u>21,272,686</u>
	<u>2,102,500</u>	<u>21,568,686</u>

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



FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

	September 30, 2017 Unaudited	June 30, 2017 Audited
	-----Rupees-----	
<b>11. FIXED ASSETS</b>	<b><u>15,822,321</u></b>	<b><u>16,751,759</u></b>

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

**Addition to fixed assets**

- Office equipment	-	-
- Electrical equipment	-	1,177,392
- Furniture & fixture	-	-
- Plant & Machinery	-	3,227,600
- Vehicles	-	-
	<u>-</u>	<u>4,404,992</u>

**12. REDEEMABLE CAPITAL**

Redeemable Capital	<b>73,305,000</b>	100,205,000
Long-term portion of redeemable capital	<b>(14,000,000)</b>	(27,100,000)
	<u><b>59,305,000</b></u>	<u>73,105,000</u>

12.1 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%)

**13. ISSUED, SUBSCRIBED AND PAID-UP**

September 30, 2017	June 30, 2017		September 30, 2017	June 30, 2017
Number of certificates			-----Rupees-----	
<b>24,958,400</b>	24,958,400	Modaraba Certificates of Rs. 10/- each fully paid in cash	<b>249,584,000</b>	249,584,000
<b>3,316,000</b>	3,316,000	Modaraba Certificates of Rs. 10/- each issued as fully paid bonus certificates	<b>33,160,000</b>	33,160,000
<b>19,792,080</b>	19,792,080	Modaraba Certificates of Rs. 10/- each issued at 50% discount as right certificates	<b>197,920,800</b>	197,920,800
<u><b>48,066,480</b></u>	<u>48,066,480</u>		<u><b>480,664,800</b></u>	<u>480,664,800</u>

**14. CONTINGENCIES AND COMMITMENTS**

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

**15. 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.

**16. TRANSACTIONS WITH RELATED PARTIES**

Relationship with Modaraba	Nature of Transactions	September 30, 2017 Un-audited	June 30, 2017 Audited
		-----Rupees-----	
<b>Balances with related parties</b>			
Modaraba management company	Modaraba management fee payable	<b>356,663</b>	1,092,797
Modaraba management company	Issue of certificates at discount	<b>98,946,390</b>	98,946,390
Modaraba under common management	Receivable against reimbursement of expenses	<b>2,594,260</b>	1,125,666
<b>Other Related Parties</b>			
Key management personal	Redeemable capital	<b>100,000</b>	150,000
Key management personal	Accrued mark-up payable	-	340



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



FOR THE THREE MONTHS PERIOD ENDED 30 SEPTEMBER 2017

		For the quarter ended	
		September 30, 2017	September 30, 2016
		(Un-audited)	
		-----Rupees-----	
<b>Expense/(Income) for the period</b>			
Modaraba management company	Modaraba management fee	66,477	181,894
Modaraba under common management	Reimbursement of expenses	1,544,094	1,787,196
<b>Other associated companies</b>			
KASB Corporation	Rent expense	-	540,000
<b>Other related parties</b>			
Key management personnel	Salaries and other benefits	-	1,155,000
Key management personnel	Financial charges	-	27,087

**17. FINAL DIVIDEND**

The Board of Directors have approved dividend for the year ended June 30, 2017 of Re. 0.07 per certificate (2016: Re. 0.08 per certificate), amounting to Rs. 3,364,654 (2016: Rs. 3,845,318) at their meeting held on 06-10-2017. The financial statements do not include the effect of the above which will be accounted for in the period in which it is declared.

**18. GENERAL**

**18.1 Figures have been rounded off to the nearest Rupee.**

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

**19. DATE OF AUTHORIZATION**

These condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on 30 October 2017.

For KASB Invest (Private) Limited  
(Management Company)

Chief Executive

Director

Director



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