



KASB Modaraba

An Islamic Financial Institution



اسلامی مالیاتی ادارہ

QUARTERLY REPORT MARCH 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
Syed Muhammad Rehmanullah
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
Syed Muhammad Rehmanullah
Syed Waseem-ul-Haq Haqqie

Chairman
Member
Member

Human Resource and Remuneration Committee

Farrukh S. Ansari
Syed Waseem-ul-Haq Haqqie
Syed Muhammad Rehmanullah
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

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:

83/A, Block-E/1, Main Boulevard
Gulberg-III, Lahore
Phone No.: 042-35790447-9 & 042-35790442

Islamabad Branch:

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

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DIRECTORS' REPORT



The Board of Directors of KASB Invest (Private) Limited, the Management Company of KASBModaraba is pleased to present the unaudited financial statements of the Modaraba for the 3rd Quarter ended March 31, 2017.

FINANCIAL HIGHLIGHTS

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

BALANCE SHEET	March 31, 2017 Rs "000"	June 30, 2016 Rs "000"
Total Assets	662,931	901,246
Total Liabilities	275,484	512,212
Net Assets	387,446	389,033

PROFIT & LOSS ACCOUNT	March 31, 2017 Rs "000"	March 31, 2016 Rs "000"
Gross Income	100,847	118,370
Operating & Financial Charges	(98,328)	(116,124)
Management Company Fee	(259)	(230)
Net Profit/Loss for the period	2,260	2,016
Earning per Modaraba Certificate (Rupees)	0.05	0.04

OPERATIONS AND PERFORMANCE

By the Grace of the Almighty Allah, the 3rd Quarter of the Modaraba ended with a positive bottom line with a net profit of Rs. 2.26 million (March 31, 2016: Rs 2.01 million). The gross income remained Rs100.85 million (March 31, 2016: Rs 118.37 million).

Due to limited liquidity available with the Modaraba, the management kept its focus on recovery from long outstanding accounts and as a result a reversal of provision of Rs9.00 million was booked during the period under review. Agricultural sector, however, remained our point of attention. The management is trying to cater to its liquidity requirements by obtaining further funding from financial institutions.

FUTURE PROSPECTS

The modaraba continues to explore non-traditional low risk business avenues and expects that these would yield above average returns for the stakeholders. The Modaraba is committed to manage its operations efficiently through the available resources and new credit lines /funds.

ACKNOWLEDGEMENT

The Board greatly appreciates the support and 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 Muhammad Rehmanullah

Director

Dated: April 28, 2017

Karachi.

ڈائریکٹرز رپورٹ

کے۔ اے۔ ایس۔ بی انوسٹ (پرائیویٹ) لمیٹڈ، انتظامی کمپنی برائے کے۔ اے۔ ایس۔ بی۔ مضاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کے 31 مارچ 2017 کو اختتام پذیر ہونے والی تیسری سہ ماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کیلئے مالیاتی جھلکیاں درج ذیل ہیں۔

30 جون 2016	31 مارچ 2017	بیلنس شیٹ
(000) روپے	(000) روپے	
901,246	662,931	کل اثاثہ جات
512,212	275,484	کل واجبات
389,033	387,446	خالص اثاثہ جات

31 مارچ 2016	31 مارچ 2017	نفع و نقصان کا حساب
(000) روپے	(000) روپے	
118,370	100,847	مجموعی آمدنی
(116,124)	(98,328)	انتظامی و مالیاتی اخراجات
(230)	(259)	مینجمنٹ کمپنی فیس
2,016	2,260	زیر جائزہ مدت کا خالص منافع
0.04	0.05	فی حصہ آمدنی

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے مضاربہ کی تیسری سہ ماہی 2.26 بلین روپے (31 مارچ 2016، 2.01 بلین روپے) کے خالص منافع کے ساتھ ایک مثبت نتیجے پر اختتام پذیر ہوئی۔ مجموعی آمدنی 100.85 بلین روپے (31 مارچ 2016، 118.37 بلین روپے) رہی۔

محدود مالی وسائل کی وجہ سے مضاربہ کی مینجمنٹ کی توجہ پرانے قرضہ جات کی وصولی پر مرکوز رہی جسکے نتیجے میں 9 بلین روپے مشکوک قرضہ جات سے وصول ہوئے۔ شعبہ زراعت البتہ ہمارے مطمح نظر رہا۔ مضاربہ کی انتظامیہ مالیاتی اداروں سے اسکی مالیاتی ضروریات کو پورا کرنے کی کوشش کر رہی ہے۔

مستقبل کے امکانات

مضاربہ غیر روایتی اور کم ریسک والی کاروباری راہیں دریافت کرنے میں مصروف عمل ہے تاکہ حصہ داروں کو بہتر منافع فراہم کیا جاسکے۔ مالی وسائل میں اضافہ کرنے کے لئے ہم مختلف لمبائی کی کمپنیوں سے فنڈنگ کے انتظامات کر رہے ہیں۔

اعتراف

بورڈ ریگولیشنز اور تھارٹی، حصص یافتگان، کسٹمرز اور بینکران کی معاونت اور تعاون کو بے حد سراہتا ہے اور مستقبل میں بھی انکی معاونت اور مشورے کا منتظر رہیگا۔ ہم اللہ تعالیٰ کے حضور آپ کے مضاربہ کی کامیابی کے لئے دعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

سید محمد رحمن اللہ

ڈائریکٹر

کراچی۔

28 اپریل 2017

CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)



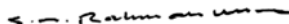
AS AT MARCH 31, 2017

ASSETS	Note	March 31,	June 30,
		2017	2016
		Un-audited	Audited
		------(Rupees)-----	
Current assets			
Cash and bank balances	5	28,629,521	48,704,707
Modaraba finance		54,257,989	53,746,587
Musharaka finance	6	13,100,000	14,100,000
Current portion of long term murabaha finance- gross	7	176,908,642	174,380,177
Current portion of long term diminishing musharaka finance	8	110,293,391	168,567,091
Net investment in finance lease		28,756	28,756
Receivable against sale of Agricultural produce		18,200,140	18,200,140
Ijarah rentals receivable		13,197,977	3,824,204
Advances, prepayments and other receivables		59,836,090	62,396,463
Property acquired in satisfaction of financing facility		47,082,936	47,082,936
		521,535,442	591,031,061
Non-current assets			
Long-term murabaha finance - gross	7	11,399,930	92,985,970
Long-term diminishing musharaka finance	8	85,323,520	147,515,621
Long-term deposits		1,060,300	1,060,300
Ijarah assets		26,146,930	52,764,940
Fixed assets	9	17,465,240	15,887,663
		141,395,920	310,214,494
TOTAL ASSETS		662,931,362	901,245,555
LIABILITIES			
Current liabilities			
Current portion of redeemable capital	10	83,970,000	225,860,000
Current portion of long-term finance		23,038,997	-
Current portion of long term security deposits		5,620,999	5,640,999
Current portion of long term deferred murabaha income		4,290,393	5,289,448
Creditors, accrued and other liabilities		37,907,273	55,473,002
Unclaimed profit distribution		3,054,274	2,943,902
Total current liabilities		157,881,936	295,207,351
Non-current liabilities			
Long-term portion of redeemable capital	10	58,770,000	199,090,000
Long-term finance		46,077,994	-
Security deposits		6,034,825	6,271,450
Long-term portion of deferred murabaha income		499,930	6,075,981
Deferred liabilities - staff gratuity		6,219,761	5,567,634
		117,602,510	217,005,065
TOTAL LIABILITIES		275,484,446	512,212,416
NET ASSETS		387,446,916	389,033,139
REPRESENTED BY			
CAPITAL AND RESERVES			
Certificate capital			
Authorised:			
50,000,000 (June 30, 2016: 50,000,000) certificates of Rs. 10/- each		500,000,000	500,000,000
Issued, subscribed and paid-up capital	11	480,664,800	480,664,800
Discount on issuance of certificates		(98,960,400)	(98,960,400)
Statutory reserve		83,720,634	82,591,086
Accumulated loss		(77,978,118)	(75,262,347)
CONTINGENCIES AND COMMITMENTS	12	387,446,916	389,033,139

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

For KASB Invest (Private) Limited
(Management Company)


Chief Executive


Director


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017



Note	Nine months period ended 31 March		Quarter ended 31 March	
	2017	2016	2017	2016
	-----Rupees-----		-----Rupees-----	
Income/(loss) from:				
- leasing operations	29,302,792	15,961,898	4,552,671	3,811,916
- musharaka finance	-	4,219,869	-	36,000
- murabaha finance	22,072,056	31,277,083	8,050,225	12,806,493
- modaraba finance	-	3,704,611	-	1,500,000
- diminishing musharaka finance	33,685,964	45,604,839	9,659,925	14,163,126
- banola project	-	614,056	-	614,056
- takaful commission income	-	435,865	-	-
- sukuk bonds	27,084	324,441	-	208,927
- bank deposits	1,667,899	5,313,807	503,335	808,278
	86,755,795	107,456,469	22,766,156	33,948,796
Financial charges	(21,552,295)	(40,513,008)	(8,548,941)	(13,033,109)
Murabaha and Modaraba finance - direct cost	(4,021,720)	(1,687,202)	(2,679,102)	(204,648)
Depreciation on assets under ijarah arrangements	(27,453,920)	(13,624,195)	(4,312,721)	(3,644,217)
	(53,027,935)	(55,824,405)	(15,540,764)	(16,881,974)
	33,727,860	51,632,064	7,225,392	17,066,822
Other income	4,278,737	10,914,514	764,176	3,022,755
Reversal of provision against doubtful receivable	9,000,000	-	6,000,000	-
Reversal of provision against worker's welfare fund	813,550	-	-	-
Waivers/Write offs	-	(4,102,627)	-	(4,102,627)
Administrative and operating expenses	(45,256,075)	(56,158,566)	(13,790,333)	(16,666,743)
	(31,163,788)	(49,346,679)	(7,026,157)	(17,746,615)
	2,564,072	2,285,385	199,235	(679,793)
Modaraba management fee	(225,909)	(200,155)	(17,516)	47,732
Services sales tax	(33,886)	(30,023)	(2,627)	7,160
Provision for Workers' Welfare Fund	(45,182)	(40,031)	(3,503)	9,546
Profit before taxation	2,259,095	2,015,176	175,589	(615,355)
Taxation	-	-	-	-
Net profit for the period	2,259,095	2,015,176	175,589	(615,355)
Earning per certificate	0.05	0.04	0.00	(0.01)

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

For KASB Invest (Private) Limited
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM STATEMENT OF
COMPREHENSIVE INCOME (UN-AUDITED)



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017

	for nine months ended		Quarter ended	
	31 March		31 March	
	2017	2016	2017	2016
	----- Rupees -----			
Net profit for the period	2,259,095	2,015,176	175,589	(615,355)
Other comprehensive income				
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>				
Actuarial gain on defined benefit plans	-	1,580,048	-	-
Total comprehensive income for the period	<u>2,259,095</u>	<u>3,595,224</u>	<u>175,589</u>	<u>(615,355)</u>

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

For KASB Invest (Private) Limited
(Management Company)

Chief Executive

Director

Director

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017



	Nine months period ended March 31, 2017	Nine months period ended March 31, 2016
Note	-----Rupees-----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	2,259,095	2,015,176
Adjustments for non-cash charges and other items:		
Gain on disposal of Ijarah assets	(92,263)	(1,103,458)
Depreciation	29,865,080	15,926,920
Amortisation	416,250	146,250
Gratuity expense	1,718,485	1,503,742
Reversal of provision for Worker's Welfare Fund	(813,550)	-
Provision for Workers' Welfare Fund	45,182	40,031
Financial charges	21,552,295	40,513,008
	52,691,479	57,026,493
(Increase) / decrease in assets		
Net investment in finance lease	-	70,000
Musharaka finance	1,000,000	31,240,084
Murabaha finance	79,057,575	35,217,039
Modaraba finance	(511,402)	(2,564,837)
Ijarah rentals receivable	(9,373,773)	1,655,313
Diminishing Musharaka	120,465,801	10,984,241
Receivable against sale of Agricultural produce	-	(17,404,413)
Advance for purchase of Agricultural produce	-	(31,588,769)
Advances, deposits, prepayments and other receivables	2,560,373	(24,963,601)
Accrued profit	-	(11,947,274)
Long-term deposits	-	(375,000)
	193,198,574	(9,677,217)
Increase / (decrease) in liabilities		
Security deposits	(256,626)	(1,119,351)
Deferred murabaha income	(6,575,105)	(5,758,566)
Creditors, accrued and other liabilities	(17,565,729)	24,192,476
	(24,397,460)	17,314,559
Taxes paid	-	(290,468)
Dividend paid	(3,734,946)	(4,180,686)
Staff Gratuity paid	(1,066,358)	(75,968)
Financial charges paid	(21,552,295)	(36,440,701)
	(26,353,599)	(40,987,823)
Net cash generated from / (utilised in) operating activities	197,398,089	25,691,188
CASH FLOW FROM INVESTING ACTIVITIES		
Sales proceeds from disposal of Ijarah assets	1,523,852	12,594,072
Proceeds from sale of investments	-	3,609,452
Purchase of fixed Assets	(3,636,618)	(4,846,460)
Purchase of Ijarah Assets	(2,267,500)	(7,530,000)
Net cash generated from investing activities	(4,380,266)	3,827,064
CASH FLOW FROM FINANCING ACTIVITIES		
Deposits	(282,210,000)	27,922,000
Term Financing	69,116,991	-
Net cash (utilised in) / generated from financing activities	(213,093,009)	27,922,001
Net (decrease) / increase in cash and cash equivalents	(20,075,186)	57,440,253
Cash and cash equivalents at the beginning of the period	48,704,707	145,845,016
Cash and cash equivalents at the end of the period	5 28,629,521	203,285,269

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

For KASB Invest (Private) Limited
(Management Company)

Chief Executive

Director

Director

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



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017

	Certificate Capital	Discount on Issuance of certificates	Statutory Reserve	Accumulated Loss	Total
	Rupees				
Balance as at June 01, 2015 (Audited)	480,664,800	(98,960,400)	78,468,762	(74,938,981)	385,234,181
Net profit for the period	-	-	-	2,015,176	2,015,176
Other comprehensive income	-	-	-	1,580,048	1,580,048
Profit distribution for the year ended June 30, 2015 @ Rs. 0.11 per certificate	-	-	-	(5,287,313)	(5,287,313)
Transfer to statutory reserve	-	-	1,007,588	(1,007,588)	-
Balance as at March 31, 2016 (Unaudited)	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>79,476,350</u>	<u>(77,638,658)</u>	<u>383,542,092</u>
Balance as at July 01, 2016 (Audited)	480,664,800	(98,960,400)	82,591,086	(75,262,347)	389,033,139
Net profit 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)
Transfer to statutory reserve	-	-	1,129,548	(1,129,548)	-
Balance as at March 31, 2017 (Unaudited)	<u>480,664,800</u>	<u>(98,960,400)</u>	<u>83,720,634</u>	<u>(77,978,118)</u>	<u>387,446,916</u>

The annexed notes form an integral part of these condensed interim 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 QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 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, D.H.A., 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 Limited.

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, 2016.

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, 2016:

Note	March 31, 2017	June 30, 2016
	Un-audited	Audited
	----- (Rupees) -----	
5. CASH AND BANK BALANCES		
Cash at bank in :		
- current accounts	5,245,932	2,936,985
- saving accounts	23,155,638	45,557,869
	28,401,570	48,494,854
Cash in hand	138,255	140,157
Stamp papers	89,696	69,696
	28,629,521	48,704,707

- 5.1 These carry profit rates ranging from 4% to 6.10% (June 30, 2016: 4% to 6.40%)

6. MUSHARAKA FINANCE

Musharaka finance - considered good	-	-
- considered doubtful	28,702,297	38,702,297
	28,702,297	38,702,297
Less: Provision for non-performing musharaka arrangements	(15,602,297)	(24,602,297)
	13,100,000	14,100,000

- 6.1 The Modaraba has provided funds under musharaka arrangements on profit and loss sharing basis. As per agreement rate of profit was 17.50% per annum. Musharaka arrangements are secured against mortgage of property and personal guarantees.

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



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017

	March 31, 2017 Un-audited	June 30, 2016 Audited
	-----Rupees-----	
7. MURABAHA FINANCE		
Murabaha receivables - considered good	188,308,572	267,366,147
- considered doubtful	44,327,865	44,327,865
	<u>232,636,437</u>	311,694,012
Less: provision for non-performing murabaha arrangements	(44,327,865)	(44,327,865)
	<u>188,308,572</u>	267,366,147
Murabaha finance- due after one year	(11,399,930)	(92,985,970)
Current portion of murabaha finance	<u>176,908,642</u>	<u>174,380,177</u>
7.1	The Profit rates on these murabaha arrangements range from 12.50% to 20.00% (June 30, 2016: 12.50% to 20.00%). All murabaha Arrangements are secured against mortgage of properties, personal guarantees and Promissory notes.	
8. DIMINISHING MUSHARAKA		
Diminishing musharaka receivables - gross	225,486,608	374,819,656
Less: Unearned income	29,869,697	58,736,944
	<u>195,616,911</u>	316,082,712
Diminishing musharaka finance- due after one year	(85,323,520)	(147,515,621)
Current portion of diminishing musharaka finance	<u>110,293,391</u>	<u>168,567,091</u>
8.1	The Profit rates on these diminishing musharaka arrangements range from 9.51% to 21% (June 30, 2016: 9.51% to 21.00%). All diminishing musharaka arrangements are secured against hypothecation of assets , personal guarantees and promissory notes.	
9. FIXED ASSETS		
Tangible assets	16,956,728	14,962,900
Intangible assets	508,512	924,763
	<u>17,465,240</u>	<u>15,887,663</u>
9.1	Details of addition / (disposals) during the period as follows:	
Addition to fixed assets-(cost)		
- Office equipment	-	229,142
- Electrical equipment	-	1,185,773
- Furniture & fixture	-	1,890,236
- Computers	-	616,309
- Machinery	-	-
	<u>3,636,618</u>	-
	<u>3,636,618</u>	<u>3,921,460</u>
10. REDEEMABLE CAPITAL		
Certificate of Musharaka	142,740,000	424,950,000
Long-term portion of deposits	(58,770,000)	(199,090,000)
	<u>83,970,000</u>	<u>225,860,000</u>
10.1	The estimate share of profit payable on certificate of musharaka ranges from 6.00% to 8.50% (June 30, 2016: 7.25% to 11.75%)	
11. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL		
The modaraba during year 2015, issued 70% right certificates of Rs.10/- each at a discounted price of Rs.5/- each amounting to Rs. 98,960,400 out of which 85% certificates were subscribed by the management company as underwriter to the issue.		

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



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017

12. CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at March 31, 2017

13. 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.

14. TRANSACTIONS WITH RELATED PARTIES

The related parties and associated undertakings comprise the modaraba management company [KASB Invest (Pvt.) Ltd], modaraba under common management (First Prudential Modaraba & First Pak Modaraba), directors and key management personal. 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 Modaraba	Nature of Transactions	March 31, 2017	June 30, 2016
		Un-audited	Audited
		-----Rupees-----	
Balances with related parties			
Modaraba management company	Modaraba management fee payable	67,740	948,134
Modaraba management company	Issue of certificates at discount	98,946,390	98,946,390
Modaraba under common management	Receivable against reimbursement of expenses	4,701,554	-
Other related parties			
Key management personnel	Certificate of Musharaka	150,000	2,700,000
Key management personnel	Accrued mark-up payable	340	41,527
		Nine months ended	
		March 31, 2017	March 31, 2016
		-----Rupees-----	
		----- (Un-audited) -----	
Expense/(Income) for the period			
Modaraba management company	Modaraba management fee	252,261	230,178
Modaraba under common management	Reimbursement of expenses	(4,701,554)	(3,457,580)
Other associated companies			
KASB Corporation	Rent expense	2,442,000	1,620,000
Other related parties			
Key management personnel	Salaries and other benefits	1,925,000	3,457,580
Key management personnel	Financial charges	81,729	780,415
Payments/(Receipts) made during the period			
Modaraba management company	Modaraba management fee	982,633	1,115,475
Modaraba under common management	Reimbursement of expenses	(6,687,621)	(1,487,372)
Modaraba management company	Dividend paid	1,914,478	2,665,888
Other associated companies			
KASB Corporation	Rent expense	2,442,000	1,620,000
Other related parties			
Key management personnel	Salaries and other benefits	1,925,000	3,457,580
Key management personnel	Financial charges	81,389	58,549

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



FOR THE QUARTER AND NINE MONTHS PERIOD ENDED 31 MARCH 2017

15. GENERAL

15.1 Figures have been rounded off to the nearest Rupee.

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

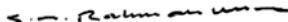
16. DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by Board of Directors of the Management Company on April 28, 2017

For KASB Invest (Private) Limited
(Management Company)



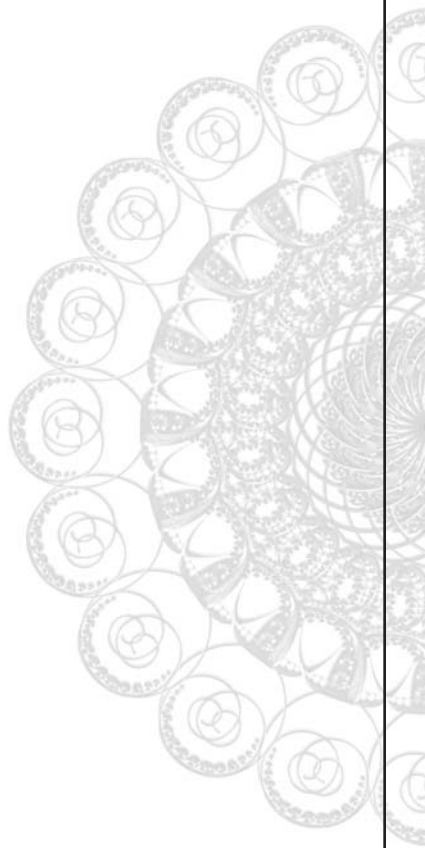
Chief Executive



Director



Director





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