



FIRST PRUDENTIAL MODARABA

QUARTERLY REPORT
FOR THE PERIOD ENDED
MARCH 31, 2017 (UN-AUDITED)

If undelivered please return to :

First Prudential Modaraba

16-C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi.
Tel: 021-35171786-89

Managed by:

KASB Invest (Private) Limited

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CORPORATE INFORMATION

Board of Directors	Syed Waseem -ul- Haq Haqqie Syed Muhammad Rehmanullah Farrukh S. Ansari Aftab Afroz Mahmoodi	Chairman Director Director Chief Executive Officer
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
Chief Financial Officer	Syed Shahid Owais	
Company Secretary	Syed Shahid Owais	
Head of Internal Audit	Zia - ul - Haq	
Management Company	KASB Invest (Private) Limited	
Registered & Head Office	16-C, Main Khayaban-e-Bukhari, Phase VI, DHA, Karachi. Tel: 021-35171786-89	
Auditors	RSM Avais Hyder Liaquat Nauman Chartered Accountants	
Legal Advisor	Ahmed & Qazi	
Shariah Advisor	Mufti Muhammad Ibrahim Essa	
Bankers	Habib Bank Limited (Islamic Banking) Sindh Bank Limited Summit Bank Limited	
Share Registrar	C & K Management Associates (Pvt) Ltd. 404, Trade Tower, Abdullah Haroon Road, Karachi. Tel: 35687839, 35685930	

DIRECTORS' REPORT

The Board of Directors of KASB Invest (Private) Limited, the Management Company of First Prudential Modaraba 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:-

	March 31, 2017 Rs "000"	June 30, 2016 Rs "000"
BALANCE SHEET		
Cash and bank balances	142,518	241,497
Investments	11,421	26,486
Diminishing Musharakah Finance	93,105	40,037
Ijarah Assets	58,004	89,520
Musharaka, Murabaha & other finances	30,762	-
Total Assets	511,811	512,087
Net Assets	447,423	452,391
	March 31, 2017 Rs "000"	March 31, 2016 Rs "000"
PROFIT & LOSS ACCOUNT		
Gross Income	70,724	39,744
Operating & Financial Charges	(59,959)	(24,038)
Management Company Fee	(1,110)	(1,620)
Net Profit/Loss for the period	9,655	14,086
Earning per Modaraba Certificate (Rupees)	0.11	0.16

OPERATIONS AND PERFORMANCE

By the Grace of the Almighty Allah, the 3rd quarter of the financial year of the Modaraba ended at a net profit of Rs 9.65million (March 31, 2016; Rs 14.08 million). Earning per Certificate was Rs 0.11Per Certificate (March 31, 2016: Rs 0.16 per Certificate).

During the period, modaraba increased its investment in Diminishing Musharaka Finance from Rs 40.04 million as on June 30, 2016 to Rs93.10 million as on March 31, 2017. No fresh provision was required to be made against receivables during the current period. This is because of management's conservative approach and vigorous follow-ups on financing avenues.

The management has continued to adopt a cautious approach in its conduct of financing activities for better future prospects.

FUTURE PROSPECTS

Your Modaraba would keep investing in secured low risk sharia compliant business avenues for long term profitability. We have adopted a cautious yet vigorous approach towards recovery from financing facilities for uninterrupted cash flows and returns for the stakeholders.

The formalities of filing application with the concerned authorities for proposed merger of First Pak Modaraba and First Prudential Modaraba are in process.

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 & on behalf of the
Board of Directors

S. M. Rehmanullah
Syed Muhammad Rehmanullah

Karachi.
Dated: April 28, 2017

ڈائریکٹرز رپورٹ

کے۔ اے۔ ایس۔ این۔ پی۔ انویسٹ (پرائیویٹ) لمیٹڈ، انتظامی کمپنی برائے فرسٹ پروڈینشل مضاربہ، کے بورڈ آف ڈائریکٹرز انتظامی مسرت کے ساتھ مضاربہ کی 31 مارچ 2017 کو اختتام پذیر ہوئی، مالی تیسری سہ ماہی کا عبوری خلاصہ 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	ٹینس جیٹ
241,497	142,518	نقد اور بینک بیلنس
26,486	28,627	سرمایہ کاری
40,037	93,105	شرکت متعلقہ مالیات
89,520	58,004	امدادی اثاثہ جات
.....	30,762	مشارکہ، مراہضہ و دیگر مالیات
512,087	511,811	کل اثاثہ جات
452,391	447,423	خالص اثاثہ جات
2016 مارچ 31	2017 مارچ 31	تعلقہ نقصان کا حساب
39,744	70,724	مجموعی آمدنی
(24,038)	(59,959)	انتظامی و مالیاتی اخراجات
(1,620)	(1,110)	نقصان کٹائی نہیں
14,086	9,655	خالص نتائج برائے موجودہ مدت
0.16	0.11	فی حصہ آمدنی

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے مضاربہ کی تیسری سہ ماہی کے نتائج 9.65 ملین روپے (31 مارچ 2016، 14.08 ملین روپے) کے خالص نتائج کے ساتھ مثبت رہے۔ فی حصہ آمدنی 0.11 روپے رہی (مارچ 31، 2016، 0.16 روپے)۔

دوران مدت مضاربہ نے شرکت متعلقہ مالیات میں سرمایہ کاری 30 جون 2016 کو 40.04 ملین روپے سے بڑھ کر 31 مارچ 2017 کو 93.10 ملین روپے تک پہنچائی۔ دوران مدت قابل وصول قرضہ جات کے مد میں کوئی رقم منگھوک فراہم نہیں کی گئی۔ اسکی بنیادی وجہ انتظامیہ کا قدامت پسند نقطہ نظر اور قابل وصول قرضہ جات کی مضبوط نگرانی ہے۔

مضاربہ نے بہتر امکانات کے حصول کی غرض سے سرمایہ کاری میں محتاط طرز عمل کو جاری رکھا۔

آپکا مضاربہ دیر پامانغ کے لئے محفوظ کم آمدنی سے مزین مواقعوں کی تلاش کرتا رہیگا۔ مضاربہ اپنی قدامت پسند طرز کے ذریعے قابل وصول قرضہ جات کی وصولی کی کوشش جاری رکھے گا تاکہ منجمد ہوئے پرانے قرضہ جات کی وصولی سے مالیاتی ضرورت پوری کی جاسکیں اور کاروباری اہداف حاصل کئے جاسکیں۔

فرسٹ پروڈینشل مضاربہ اور فرسٹ پاک مضاربہ کے مجوزہ انضمام کی متعلقہ اداروں میں درخواست کے سلسلے میں تمام رسمی الاگو کارہائیاں زیر نظر ہیں۔

اعتراف

بورڈ ریگولیٹری اتھارٹی، حصص یافتگان، کسٹرز اور بینکران کی معاونت اور تعاون کو لیے حد سہرا جتا ہے اور مستقبل میں بھی ایسی 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

ڈائریکٹر
کراچی
28 اپریل 2017

**CONDENSED INTERIM BALANCE SHEET (UN-AUDITED)
AS AT MARCH 31, 2017**

	Note	Un-audited March 31, 2017 Rupees	Audited June 30, 2016 Rupees
ASSETS			
Current assets			
Cash and bank balances	5	142,518,700	241,497,285
Investments	6	11,421,930	10,358,161
Musharika, morabaha and other finance	7	30,762,169	-
Current portion of diminishing musharika	8	58,812,709	30,644,746
Ijarah rentals receivable		26,262,933	12,572,462
Receivable against sale of agriculture produce		27,811,518	27,811,518
Advances, prepayments and other receivables		66,211,507	35,106,490
Total current assets		363,801,467	357,990,662
Non - current assets			
Long term investments	9	17,204,686	16,127,831
Long term portion of diminishing musharika	8	34,292,596	9,392,423
Long term deposits		566,192	66,192
Property and equipment - own use	10	18,741,531	19,789,783
Property, plant and equipment - ijarah	11	58,004,319	89,519,677
Investment properties	12	19,200,000	19,200,000
Total Non - Current Assets		148,009,324	154,095,906
TOTAL ASSETS		511,810,790	512,086,568
LIABILITIES			
Current liabilities			
Current portion of ijarah deposits		7,560,531	13,139,781
Accrued and other liabilities		11,456,363	9,787,552
Unclaimed profit distribution		34,093,223	27,187,774
Total current liabilities		53,110,117	50,115,107
Non-current liabilities			
Long term portion of ijarah deposits		11,277,403	9,580,800
TOTAL LIABILITIES		64,387,520	59,695,907
NET ASSETS		447,423,271	452,390,661
REPRESENTED BY			
Certificate capital			
Authorized certificate capital			
87,217,660 modaraba certificates of rupees 10/- each		872,176,600	872,176,600
Issued, subscribed and paid-up certificate capital			
87,217,660 modaraba certificates of rupees 10/- each		872,176,600	872,176,600
Statutory reserve		150,178,210	148,247,223
Accumulated loss		(574,931,539)	(568,033,162)
		447,423,271	452,390,661
Contingencies and commitments	13		

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

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

4

**CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED)
For the Period Ended March 31, 2017**

	Note	March 31, 2017	March 31, 2016	March 31, 2017	March 31, 2016
.....Nine months ended..... Quarter ended.....					
Rupees					
INCOME					
Ijarah rentals earned		43,489,459	6,260,807	5,087,908	2,052,403
Return on deposits with bank		6,617,102	11,287,940	1,717,116	3,227,401
Income on diminishing musharika		4,642,897	6,504,704	2,655,804	1,728,644
Income on morabaha		7,280,160	-	1,743,034	-
Capital gain on sale of investments		-	213,575	-	-
Dividend income		687,994	1,048,193	119,250	357,750
Rental income from investment property		685,800	195,000	613,800	45,000
Gain on sale of agriculture produce		-	921,084	-	921,084
Other income		3,671,730	2,090,930	1,223,855	68,239
		67,075,142	28,522,233	13,160,767	8,400,521
Unrealized gain on investments - held for trading at fair value through profit or loss		1,063,769	860,740	700,892	156,906
Reversal of provision against workers' welfare fund		2,585,673	-	-	-
Reversal of provision against doubtful receivables - net		-	10,361,317	-	5,333,257
		70,724,584	39,744,290	13,861,659	13,890,684
EXPENDITURE					
Depreciation on ijarah assets		(40,283,623)	(5,128,849)	(4,401,993)	(1,674,100)
Administrative expenses		(19,399,055)	(18,565,502)	(5,027,525)	(6,350,373)
Workers welfare fund		(193,099)	(281,722)	(77,624)	(103,139)
Bank and other charges		(83,556)	(62,219)	(27,001)	(13,098)
		(59,959,332)	(24,038,292)	(9,534,142)	(8,140,710)
Profit for the year		10,765,251	15,705,998	4,327,517	5,749,974
Modaraba company's management fee	14	(965,493)	(1,408,610)	(388,118)	(515,693)
Sales tax on management fee		(144,824)	(211,291)	(58,218)	(77,354)
Profit before taxation		9,654,934	14,086,097	3,881,180	5,156,927
Provision for taxation	15	-	-	-	-
Profit after taxation		9,654,934	14,086,097	3,881,180	5,156,927
Other comprehensive income					
Unrealized gain on remeasurement of investments classified as 'available for sale'		1,076,855	792,413	133,139	-
Total comprehensive income for the year		10,731,789	14,878,510	4,014,319	5,156,927
Earnings per certificate		0.11	0.16	0.04	0.06

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

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

5

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)

For the Period Ended March 31, 2017

	March 31, 2017 Rupees	March 31, 2016 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	9,654,934	14,086,097
Adjustments for non-cash changes and other items:		
Dividend income	(687,994)	(1,048,193)
Unrealised (gain) on changes in fair value of held for trading investments - at fair value through profit and loss	(1,063,769)	(860,740)
Reversal against doubtful receivables - net	-	(10,361,317)
Capital gain on sale of investments	-	(213,575)
(Gain) on disposal-ijarah assets	-	(784,261)
(Gain) on disposal-own assets	(16)	(600,000)
Depreciation-own use assets	1,066,170	1,201,741
Depreciation on ijarah assets	40,283,623	5,128,849
Amortization - intangibles	-	41,713
	<u>39,598,014</u>	<u>(7,495,783)</u>
Cash flows before movements in working capital	49,252,948	6,590,314
(Increase) / decrease in operating assets		
Musharika, morabaha and other finance	(30,762,169)	10,361,317
Diminishing musharika	(53,068,136)	16,819,842
Receivable against sale of agriculture produce	-	(31,661,725)
Ijarah rentals receivable	(13,690,471)	84,635
Advances, prepayments and other receivables	(31,270,009)	401,237
Advance for purchase of agriculture produce	-	(50,259,359)
	<u>(128,790,785)</u>	<u>(54,254,053)</u>
(Decrease) / increase in operating liabilities		
Ijarah deposits	(3,882,647)	(6,931,772)
Accrued and other liabilities	1,668,811	(4,297,908)
	<u>(2,213,836)</u>	<u>(11,229,680)</u>
Income tax paid	(81,751,673)	(58,893,419)
Net cash (used in) operating activities	<u>(82,086,683)</u>	<u>(60,691,669)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	687,994	690,443
Investments - net	-	1,865,975
Proceeds from disposal - ijarah assets	6,624,249	7,906,877
Purchase of own use assets	(37,400)	(248,515)
Purchase of ijarah assets	(15,392,514)	(1,220,000)
Proceeds from disposal - own use assets	19,500	600,000
Net cash (used in) / generated from investing activities	<u>(8,098,171)</u>	<u>9,594,780</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distribution	(8,793,730)	(17,315,443)
Net cash used in financing activities	(8,793,730)	(17,315,443)
Net (decrease) in cash and cash equivalents (A+B+C)	(98,978,585)	(68,412,332)
Cash and cash equivalents at July 1	241,497,285	315,062,081
Cash and cash equivalents at March 31, 2017	<u>142,518,700</u>	<u>246,649,749</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

6

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

For the Period Ended March 31, 2017


	Reserves			
	Certificate capital	Capital Reserve	Unrealized gain / (loss) on available for sale investments	Total
Balance at July 1, 2015 (Audited)	872,176,600	144,083,929	(2,785,079)	(562,529,235)
Comprehensive income	-	-	-	-
Profit for nine months ended March 31, 2016	-	-	792,413	792,413
Other comprehensive income for nine months ended March 31, 2016	-	-	-	-
Total comprehensive income for nine months ended March 31, 2016	-	-	792,413	792,413
Final dividend @ Rs. 0.23 per certificate for the year ended June 30, 2015	-	-	-	-
Transfer to statutory reserve	-	2,817,219	-	-
Balance at March 31, 2016 (Un-audited)	<u>872,176,600</u>	<u>146,901,148</u>	<u>(1,992,666)</u>	<u>(571,320,419)</u>
Comprehensive income	-	-	-	-
Profit for nine months ended March 31, 2017	-	-	-	-
Other comprehensive income for nine months ended March 31, 2017	-	-	1,076,855	1,076,855
Total comprehensive income for nine months ended March 31, 2017	-	-	1,076,855	1,076,855
Final dividend @ Rs. 0.18 per certificate for the year ended June 30, 2016	-	-	-	-
Transfer to statutory reserve	-	1,930,987	-	-
Balance at March 31, 2017 (Un-audited)	<u>872,176,600</u>	<u>150,176,210</u>	<u>(1,020,184)</u>	<u>(570,495,866)</u>
Comprehensive income	-	-	-	-
Profit for nine months ended March 31, 2017	-	-	-	-
Other comprehensive income for nine months ended March 31, 2017	-	-	-	-
Total comprehensive income for nine months ended March 31, 2017	-	-	-	-
Final dividend @ Rs. 0.18 per certificate for the year ended June 30, 2016	-	-	-	-
Transfer to statutory reserve	-	-	-	-
Balance at March 31, 2017 (Un-audited)	<u>872,176,600</u>	<u>148,247,223</u>	<u>(2,097,039)</u>	<u>(568,033,162)</u>
Comprehensive income	-	-	-	-
Profit for nine months ended March 31, 2017	-	-	-	-
Other comprehensive income for nine months ended March 31, 2017	-	-	-	-
Total comprehensive income for nine months ended March 31, 2017	-	-	-	-
Final dividend @ Rs. 0.18 per certificate for the year ended June 30, 2016	-	-	-	-
Transfer to statutory reserve	-	-	-	-
Balance at March 31, 2017 (Un-audited)	<u>872,176,600</u>	<u>146,901,148</u>	<u>(1,992,666)</u>	<u>(571,320,419)</u>

*Statutory reserve represents profit set aside to comply with the Prudential Regulations for Modarabas issued by the SECP.

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

 For KASB Invest (Private) Limited
(Management Company)


 CHIEF EXECUTIVE


 DIRECTOR


 DIRECTOR

7

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
(UN-AUDITED)

For the Period Ended March 31, 2017

1. LEGAL STATUS AND NATURE OF BUSINESS

1.1 First Prudential Modaraba (the Modaraba) is a multipurpose, perpetual Modaraba. The Modaraba is registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 and was managed by Prudential Capital Management Limited (PCML). In pursuance of instructions received from Securities and Exchange Commission of Pakistan (SECP), KASB Invest (Private) Limited has taken over the management and administrative control of First Prudential Modaraba effective from November 13, 2014.

1.2 The registered office of the Modaraba is situated at 16-C, Khayaban-e-Bukhari, Bukhari Commercial Area, Phase VI, DHA, Karachi. The Modaraba is listed on Karachi, Lahore and Islamabad Stock Exchanges (now Pakistan Stock Exchange post demutualization of all Stock Exchanges). The Modaraba is currently engaged in various modes of Islamic fundings and businesses which include ijarah financing, deployment of fund in musharika, morabaha and investment in securities.

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

2. STATEMENT OF COMPLIANCE

2.1 The condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Securities and Exchange Commission of Pakistan (the Modaraba regulations).

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.

2.3 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2016 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2016 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 March 31, 2016 have been extracted from the condensed interim financial statements for the period ended March 31, 2016.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding published financial statements of the Modaraba for the year ended June 30, 2016.

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, 2016.

5. BASIS OF PREPARATION

These condensed interim financial statements have been prepared under the historical cost convention, except for certain investments which have been measured at fairvalue.

	Note	UN-AUDITED March 31 2017 Rupees	AUDITED June 30 2016 Rupees
5. CASH AND BANK BALANCES			
Cash in hand		10,000	10,219
Cash at banks			
Current accounts	5.1	16,696,296	9,785,822
Saving accounts		125,812,404	231,701,244
		<u>142,508,700</u>	<u>241,487,066</u>
		<u>142,518,700</u>	<u>241,497,285</u>
5.1 Effective mark-up rate in respect of saving accounts ranges from 2.40 % to 6.15 % per annum (June 30, 2016: 2.00% to 7.00%) per annum.			
6. INVESTMENTS			
Held for trading at fair value through profit or loss			
- in quoted securities	6.1 & 6.2	10,719,440	9,655,671
Loan and receivables			
Receivable against TDR - considered good	6.3	702,490	702,490
		<u>11,421,930</u>	<u>10,358,161</u>
6.1 Unless stated otherwise, the holdings are in the fully paid ordinary shares/ certificates/ units of Rs 10 each.			
		March 31, 2017	June 30, 2016
		UN-AUDITED March 31 2017 Rupees	AUDITED June 30 2016 Rupees
Number of Shares/Certificates	Name of Investee Company/Modaraba		
525	Personal Goods (Textile) Nishat Mills Limited	86,729	56,647
79,500	Electricity The Hub Power Company Limited	10,419,270	9,544,770
1,495	Multiutilities (Gas and Water) Sui Northern Gas Pipeline Limited	213,441	54,254
348	Suspended/ Delisted Companies Hussain Industries Limited	-	-
1,670,720	Prudential Stock Fund	-	-
360,000	Zeal-Pak Cement Factory Limited	-	-
		<u>10,719,440</u>	<u>9,655,671</u>
6.2 Unrealized gain on changes in fair value of held for trading investments			
Weighted average cost of investments		9,655,671	7,538,613
Unrealized gain on changes in fair value of held for trading investments		<u>1,063,769</u>	<u>2,117,058</u>
Market value of investments		<u>10,719,440</u>	<u>9,655,671</u>
6.3 Other receivable- considered good			
Term deposit receipt as at December 06, 2012		10,000,000	10,000,000
Less : Amortization charges		(2,000,000)	(2,000,000)
Less : Received in earlier period		(2,516,943)	(2,516,943)
Total receivable		<u>5,483,057</u>	<u>5,483,057</u>
Installments received during the period / year		-	-
Net receivable		<u>5,483,057</u>	<u>5,483,057</u>
Provision against doubtful recoveries		<u>(4,780,567)</u>	<u>(4,780,567)</u>
		<u>702,490</u>	<u>702,490</u>

Note	UN-AUDITED March 31 2017 Rupees	AUDITED June 30 2016 Rupees
7. MUSHARIKA , MORABAHA AND OTHER FINANCE		
Musharika and morabaha finance		
- considered good	30,762,169	-
- considered doubtful	341,704,089	341,704,089
	372,466,258	341,704,089
Less: Provision against doubtful amounts	(341,704,089)	(341,704,089)
	30,762,169	-
Other finance - unsecured		
- considered good	-	-
- considered doubtful	11,002,281	11,002,281
	11,002,281	11,002,281
Less: Provision against doubtful amounts	(11,002,281)	(11,002,281)
	-	-
	30,762,169	-

7.1 Movement in provision	March 31, 2017		Total	June 30, 2016		Total
	Principal	Profit		Principal	Profit	
	-----Rupees-----					
Opening balance	178,770,745	162,933,344	341,704,089	189,394,002	164,621,404	354,015,406
Reversal of provision during the period / year	-	-	-	(10,623,257)	(1,688,060)	(12,311,317)
Closing balance	178,770,745	162,933,344	341,704,089	178,770,745	162,933,344	341,704,089

8. Diminishing musharika

Diminishing musharika		
Principal	92,999,080	39,366,602
Profit	106,225	670,567
	93,105,305	40,037,169
Less: long term portion of diminishing musharika	(34,292,596)	(9,392,423)
	58,812,709	30,644,746

8.1 These carry profit rate ranging from 10.06% to 18.00% (June 30, 2016: 14.67% to 16.80%) per annum and are repayable on monthly basis over a maximum period of three years.

9. Long term investments

Available for sale	9.1	7,279,540	6,202,685
Listed entity	9.2	9,925,146	9,925,146
Unlisted companies		17,204,686	16,127,831

9.1 Listed entities	UN-AUDITED March 31 2017 Rupees	AUDITED June 30 2016 Rupees	UN-AUDITED March 31 2016 Rupees	AUDITED June 30 2015 Rupees
Number of units				
Number of Shares/Certificates	391,583	391,583		
Name of Investee Company/Modaraba				
Meezan Balance Fund			6,202,685	5,585,843
Carrying value			1,076,855	616,842
Unrealized gain			7,279,540	6,202,685

9.2 Unlisted companies	UN-AUDITED March 31 2016 Rupees	AUDITED June 30 2015 Rupees
Number of shares of Rs.10 each		
1,107,244	1,107,244	
Prudential Securities Limited (PSL)		
Cost	4,173,707	4,173,707
Less: Impairment	(4,173,707)	(4,173,707)
	-	-
Prudential Discount and Guarantee House Ltd.		
191,700	191,700	
Cost	1,041,815	1,041,815
Less: Impairment	(1,041,815)	(1,041,815)
	-	-
Lahore Stock Exchange Limited		
843,975	843,975	
Cost	12,764,715	12,764,715
Add/ (less): Fair value adjustment	(2,839,569)	(2,839,569)
	9,925,146	9,925,146
	9,925,146	9,925,146

9.2.1 Movement of impairment

Opening balance	5,215,522	5,215,522
Impairment charge during the period/ year	-	-
Closing balance	5,215,522	5,215,522

The breakup value of shares of Prudential Securities Limited was Rs. 3.77 per share based on last available audited financial statements for the year ended June 30, 2008.

9.2.2 Due to adverse financial condition of the investee Company, investments have been fully impaired.

9.2.3 This represent non-Shari'ah compliant shares acquired against the surrender of Lahore Stock Exchange Limited (LSE) membership card. Under the current circumstances the active market is not available for such shares as LSE has not listed yet, therefore the net asset value based valuation has been considered as the closest estimate of the fair value of the shares. The Modaraba has recognized a fair value adjustment based on latest available financial information of the investee company.

10. Property and equipment - owned	18,741,531	19,789,783
10.1 Details of addition / (disposal) during the period		
Addition		
-Furniture and fixtures	-	207,015
-Computer equipment	37,400	-
-Vehicle	-	41,500
	37,400	248,515
Disposal		
-Vehicle	(83,500)	(1,144,576)
	(83,500)	(1,144,576)

	Note	UN-AUDITED March 31 2017 Rupees	AUDITED June 30 2016 Rupees
11. Property, plant and equipment - ijarah		<u>58,004,319</u>	<u>89,519,677</u>
11.1 Details of addition / (disposal) during the period			
Addition			
-Plant & Machinery		15,392,514	51,018,781
-Vehicle		<u>-</u>	<u>25,220,000</u>
		<u>15,392,514</u>	<u>76,238,781</u>
Disposal			
-Vehicle		<u>(17,417,700)</u>	<u>(33,788,828)</u>
		<u>(17,417,700)</u>	<u>(33,788,828)</u>
12. Investment properties			
Opening balance	12.1	19,200,000	26,550,000
Deletions		-	(8,250,000)
Unrealized gain on measurement of investment property		-	900,000
Closing balance		<u>19,200,000</u>	<u>19,200,000</u>

12.1 These includes properties which are acquired by the Modaraba against settlement of Morahaba facility and from defaulted parties, in prior years.

13. CONTINGENCIES AND COMMITMENTS

The taxation officer while making assessment in respect of the tax years 2006, 2007 and 2008 disallowed certain expenses on account of apportionment between normal and presumptive income and created an additional demand of Rs. 6.53 million.

The Modaraba had filed appeals with CIT (Appeals) against the said order, which is pending.

No provision has been made in the financial statements in this regard as management is confident that ultimate outcome of the appeals in question will be in favor of the Modaraba.

14. MODARABA COMPANY'S MANAGEMENT FEE

The management fee is calculated @ 10% on profit before tax.

15. TAXATION

The income of the Modaraba is exempt from tax, provided not less than 90% of their profits are distributed to the certificate holders. The management intends to distribute the profit and accordingly no provision for tax has been made in the current period. The Modaraba is also exempt from the provisions of section 113 (minimum tax) under clause 11 of Part IV of the Second Schedule of the Income Tax Ordinance, 2001.

16. RELATED PARTY TRANSACTIONS

The related parties and associated undertakings comprise the modaraba management company [KASB Invest (Private) Limited], modaraba under common management (KASB Modaraba) First Prudential Modaraba staff provident fund, directors and key management personnel. Modaraba, in the normal course of business carries out transactions with these related parties at arm's length prices. Significant transactions with related parties are as follows: -

Relationship with Modaraba	Nature of Transactions	Un-Audited March 31, 2017 Rupees	Un-Audited March 31, 2016 Rupees
Balances with related parties			
Staff provident fund	Contribution made	-	-
Modaraba management company	Management fee	446,336	2,393,894
Modaraba under common management	Sharing of common expenses	3,581,618	5,825,882
Expense for the period			
Staff provident fund	Contribution made	165,135	98,348
Modaraba management company	Management fee	1,110,317	1,619,901
Modaraba under common management	Sharing of common expenses	5,368,814	4,113,831
Payments made during the period			
Staff provident fund	Contribution made	165,135	98,348
Modaraba management company	Management fee	1,280,545	3,124,137
Modaraba under common management	Sharing of common expenses	5,075,369	7,158,532

17. DATE OF AUTHORISATION OF ISSUE

This condensed interim financial statements have been authorized for issue on April 28, 2017 by the Board of Directors of the KASB Invest (Private) Limited.

18. GENERAL

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR