



FIRST PAK MODARABA

HALF YEARLY REPORT
FOR THE HALF YEAR ENDED
December 31, 2018
(Un-audited)

MANAGED BY

KASB INVEST (PRIVATE) LIMITED

CORPORATE INFORMATION

Board of Directors

Muzaffar Ali Shah Bukhari
Farrukh S. Ansari
Amer Maqbool

Chairman
Director
Director/Chief Executive Officer

Chief Financial Officer

Aftab Afroz Mahmoodi

Company Secretary

Syed Shahid Owais

Auditor

RSM Avasi Hyder (Pvt.) Limited

Internal Auditor

EY Ford Rhodes

Audit Committee

| | |
|---------------------------|----------|
| Farrukh S. Ansari | Chairman |
| Muzaffar Ali Shah Bukhari | Member |

Human Resource and Remuneration Committee

| | |
|---------------------------|----------|
| Farrukh S. Ansari | Chairman |
| Muzaffar Ali Shah Bukhari | Member |
| Amer Maqbool | Member |

Certificate Transfer Office

F.D. Registrar Services (SMC-Pvt) Limited
Office No: 1705, 17th Floor, Saima Trade Tower- A, , I.I. Chundrigar Road Karachi.
Phone # 9221-32271905-6, Fax # 9221-32621233

Legal Advisor

Ahmed & Qazi

Shariah Advisor

Al-Hamad Shariah Advisory Services (Pvt) Limited

Registered Office & Head Office

19-C, Shahbaz Lane # 2, Phase VI,
Defence Housing Authority, Karachi
Phone: 021-35847921, 021-35847841

DHA Branch Office

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

Lahore Branch Office

Office No. 318 3rd Floor,
Lahore Stock Exchange Building,
19 Khayaban-e-Awan-e-Iqbal,
Lahore.

Islamabad Branch Office

Basement, 90-91, Razia Sharif Plaza,
Jinnah Avenue, Blue Area, F-7,
Islamabad.
Phone: 051-2344422-24

www.firstpakmodaraba.com

DIRECTORS' REPORT

The Board of Directors of KASB Invest (Private) Limited, the Management Company of First Pak Modaraba is pleased to present the half yearly unaudited financial statements of the Modaraba for the half year ended December 31, 2018.

FINANCIAL HIGHLIGHTS

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

| BALANCE SHEET | December 31, 2018 Rs “000” | June 30, 2018 Rs “000” |
|---|---------------------------------------|---------------------------------------|
| Cash & Bank balance | 11,400 | 15,591 |
| Investments | 117 | 1,270 |
| Diminishing Musharaka Finance | 42,693 | 31,606 |
| Ijarah Assets | 12,886 | 20,673 |
| Total Assets | 73,902 | 75,477 |
| PROFIT & LOSS ACCOUNT | December 31, 2018 Rs “000” | December 31, 2017 Rs “000” |
| Gross Income | 7,155 | 4,346 |
| Operating & Financial Charges | (5,808) | (2,810) |
| Management Company Fee | (121) | (138) |
| Net Profit for the period | 1,211 | 1,378 |
| Earning per Modaraba Certificate (Rupees) | 0.10 | 0.11 |

OPERATIONS AND PERFORMANCE

By the grace of Almighty Allah, the half year ended December 31, 2018 ended successfully. The Modaraba registered net profit of Rs.1.2 million as compared to net profit of Rs.1.4 million for the corresponding period of the last year. Earning per certificate is Rs.0.10 as compared to Rs.0.11 for the corresponding period of the last year.

The management is committed towards continuous improvement of the operating and financial performance of the Modaraba for its long term sustainability and to meet the expectations of the stakeholders especially the certificate holders.

FUTURE PROSPECTS

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 with innovative approach that would result in better returns for the Certificate holders.

ACKNOWLEDGEMENT

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

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

**For & on behalf of the
Board of Directors**

-sd-
Chairman
Dated: February 22, 2019
Karachi

-sd-
Director

ڈائریکٹرز رپورٹ

کے اے ایس بی انویسٹ (پرائیویٹ) لمیٹڈ مینجمنٹ کمپنی برائے فرسٹ پاک مضاربہ، کے بورڈ آف ڈائریکٹرز انتہائی مسرت کے ساتھ مضاربہ کے 31 دسمبر 2018 کو اختتام پذیر ہونے والی ششماہی کا غیر آڈٹ شدہ مالیاتی گوشوارہ پیش کر رہا ہے۔

مالیاتی جھلکیاں

زیر جائزہ مدت کے لئے مالیاتی جھلکیوں کا خلاصہ درج ذیل ہے:-

| بیلنس شیٹ | 31 دسمبر 2018 روپے ”...“ میں | 30 جون 2018 روپے ”...“ میں |
|---------------------------|---------------------------------|---------------------------------|
| نقد اور بینک بیلنس | 11,400 | 15,591 |
| سرمایہ کاری | 117 | 1,270 |
| شرکت متناقصہ | 42,693 | 31,606 |
| اجارہ اثاثہ جات | 12,886 | 20,673 |
| مجموعی اثاثہ جات | 73,902 | 75,477 |
| نفع و نقصان کا حساب | 31 دسمبر 2018 روپے ”...“ میں | 31 دسمبر 2017 روپے ”...“ میں |
| مجموعی آمدنی | 7,155 | 4,346 |
| انتظامی و مالیاتی اخراجات | (5,808) | (2,810) |
| مینجمنٹ کمپنی فیس | (121) | (138) |
| خالص منافع برائے سہ ماہی | 1,211 | 1,378 |
| فی حصہ منافع (روپے) | 0.10 | 0.11 |

انتظامی کارکردگی

اللہ تعالیٰ کے فضل و کرم سے فرسٹ پاک مضاربہ کی پہلی ششماہی کامیابی سے اختتام پذیر ہوئی۔ موجودہ مدت 1.2 ملین روپے کا خالص منافع ہوا جو کہ سال گزشتہ اسی مدت کے دوران 1.4 ملین روپے تھا۔ فی حصہ آمدنی 0.10 روپے رہی جو کہ اسی مدت میں سال گزشتہ 0.11 روپے تھی۔ انتظامیہ مضاربہ کی انتظامی و مالیاتی ترقی اور دیر پا

استحکام کے لئے ہر عزم ہے۔ اور تمام اسٹیک ہولڈرز خصوصاً حصہ داروں کے لئے بہتر معاوضے کے لئے ہر اُمید ہے۔

مستقبل کے امکانات

شریعت کے مطابق کاروبار کے ذریعے ترقی کرنے کا مقصد اور حکمتِ 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 طرز 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۔

اعتراف

بورڈ ریگولیٹری اتھارٹی، حصہ داروں، کسٹمرز اور بینکرز کی معاونت اور تعاون کو بہت 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 دُعا گو ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

-sd-

ڈائریکٹر

-sd-

چیئر مین

22 فروری 2019ء

کراچی

INDEPENDENT REPORT ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION
TO THE CERTIFICATE HOLDERS OF FIRST PAK MODARABA

RSM Avasi Hyder Liaquat Nauman
Chartered Accountants

407, Progressive Plaza, Beaumont Road
Karachi, 75530 - Pakistan

T: +92 (21) 35655975-6

F: +92 (21) 3565-5977

W: www.rsm-pakistan.pk

Introduction

We have reviewed the accompanying condensed interim balance sheet of FIRST PAK MODARABA as at December 31, 2018, the related condensed interim profit and loss account and condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management of Modaraba Company is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." Review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.


Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The figures for the quarters ended December 31, 2018 and December 31, 2017 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

- Sd -

 Chartered Accountants
Karachi
Dated:

Engagement Partner: Adnan Zaman

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

FIRST PAK MODARABA
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2018

| | | (Unaudited) December 31, 2018 | (Audited) June 30, 2018 |
|---|------|-------------------------------------|-------------------------------|
| ASSETS | | | |
| | Note | Rupees | |
| Current Assets | | | |
| Cash and bank balances | 6 | 11,399,753 | 15,590,972 |
| Investments | 7 | 116,734 | 1,270,784 |
| Current portion of diminishing musharika | 8 | 21,820,210 | 17,957,016 |
| Morabaha finance | 9 | - | - |
| Ijarah rentals receivable | 10 | 136,118 | 179,503 |
| Advances, deposits, prepayments and other receivables | 11 | 985,489 | 581,121 |
| Tax refundable - considered good | | 4,929,854 | 4,929,854 |
| Total Current Assets | | 39,388,158 | 40,509,250 |
| Non - Current Assets | | | |
| Property and equipment -Ijarah | 12 | 12,886,285 | 20,672,913 |
| Property and equipment - owned | 13 | 559,348 | 600,012 |
| Long term portion of diminishing musharika | 8 | 20,872,777 | 13,649,007 |
| Advance and deposits | | 195,750 | 45,750 |
| Total Non - Current Assets | | 34,514,160 | 34,967,682 |
| TOTAL ASSETS | | 73,902,318 | 75,476,932 |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Accrued and other liabilities | | 1,994,462 | 1,911,201 |
| Unclaimed profit distribution | | 5,481,278 | 4,814,302 |
| | | 7,475,740 | 6,725,503 |
| Non-Current Liabilities | | | |
| Long term deposits | | 4,409,000 | 6,189,000 |
| TOTAL LIABILITIES | | 11,884,740 | 12,914,503 |
| NET ASSETS | | 62,017,578 | 62,562,429 |
| REPRESENTED BY | | | |
| Certificate holders' equity | | | |
| Certificate Capital | | 125,400,000 | 125,400,000 |
| Statutory reserve | | 26,286,994 | 26,044,844 |
| Accumulated loss | | (89,669,416) | (88,882,415) |
| | | 62,017,578 | 62,562,429 |
| Contingencies and commitments | 14 | | |

The annexed notes from 1 to 20 form an integral part of this condensed interim financial state

For KASB Invest (Private) Limited
(Management Company)

| | | | |
|-----------------|-------------------------|----------|----------|
| -sd- | -sd- | -sd- | -sd- |
| CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR |

FIRST PAK MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT & CONDENSED INTERIM STATEMENT OF OTHER
COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| Note | Half Year Ended December 31, | | Quarter Ended December 31, | |
|---|---------------------------------|--------------------|-------------------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| | Rupees | | | |
| INCOME | | | | |
| Return on PLS accounts | 379,344 | 316,765 | 194,642 | 168,805 |
| Income on diminishing musharika | 2,507,495 | 3,061,884 | 1,370,527 | 1,420,353 |
| Ijarah rentals | 3,327,399 | 854,923 | 1,475,433 | 467,701 |
| Other income | 985,944 | 255,685 | 383,903 | 86,132 |
| | <u>7,200,182</u> | <u>4,489,257</u> | <u>3,424,505</u> | <u>2,142,991</u> |
| Unrealised loss on remeasurement of held for trading investments | <u>(44,851)</u> | <u>(143,244)</u> | <u>(7,764)</u> | <u>(52,687)</u> |
| | 7,155,331 | 4,346,013 | 3,416,741 | 2,090,304 |
| EXPENDITURE | | | | |
| Administrative expenses | (3,191,924) | (2,134,073) | (1,881,085) | (993,936) |
| Depreciation on Ijarah assets | (2,591,628) | (648,125) | (1,228,314) | (324,063) |
| Workers welfare fund | (24,215) | (27,556) | (5,425) | (13,609) |
| | <u>(5,807,767)</u> | <u>(2,809,754)</u> | <u>(3,114,824)</u> | <u>(1,331,608)</u> |
| Profit for the period | 1,347,564 | 1,536,259 | 301,917 | 758,696 |
| Modaraba Company's Management Fee | (121,075) | (137,781) | (27,126) | (68,044) |
| Provision for sales tax on management | (15,740) | (20,667) | (3,527) | (10,206) |
| Profit before taxation | 1,210,749 | 1,377,811 | 271,264 | 680,446 |
| Provision for taxation | - | - | - | - |
| Profit after taxation | 1,210,749 | 1,377,811 | 271,264 | 680,446 |
| Other Comprehensive income | - | - | - | - |
| Total comprehensive income for the period | <u>1,210,749</u> | <u>1,377,811</u> | <u>271,264</u> | <u>680,446</u> |
| Earnings per certificate | <u>0.10</u> | <u>0.11</u> | <u>0.02</u> | <u>0.05</u> |

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited
(Management Company)

| | | | |
|---------------------------------------|---|--------------------------------|--------------------------------|
| <u>-sd-</u> CHIEF EXECUTIVE | <u>-sd-</u> CHIEF FINANCIAL OFFICER | <u>-sd-</u> DIRECTOR | <u>-sd-</u> DIRECTOR |
|---------------------------------------|---|--------------------------------|--------------------------------|

FIRST PAK MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| | <u>Half Year Ended</u> | |
|---|------------------------|----------------------|
| | December 31, 2018 | December 31, 2017 |
| | ————— Rupees ————— | |
| A. CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before taxation | 1,210,749 | 1,377,811 |
| Adjustments for non-cash changes and other items: | | |
| -Unrealised loss on remeasurement of 'held for trading investments | 44,851 | 143,244 |
| -Depreciation on ijarah assets | 2,591,628 | 648,125 |
| -Depreciation-owned | 40,664 | 9,560 |
| | <u>2,677,143</u> | <u>800,929</u> |
| | <u>3,887,892</u> | <u>2,178,740</u> |
| Cash flows before movements in working capital | | |
| (Increase) / Decrease in operating assets | | |
| -Diminishing Musharika | (11,086,964) | 4,153,794 |
| -Ijarah rentals receivable | 43,385 | (33,580) |
| -Advances, prepayments and other receivables | (520,003) | (66,612) |
| | <u>(11,563,582)</u> | <u>4,053,602</u> |
| (Decrease) / Increase in operating liabilities | | |
| -Long term Ijarah deposits | (1,780,000) | 1,787,500 |
| -Accrued and other liabilities | 83,261 | (350,857) |
| | <u>(1,696,739)</u> | <u>1,436,643</u> |
| Cash (used in) / generated from operations | <u>(9,372,429)</u> | <u>7,668,985</u> |
| -Income tax paid / adjustment | (34,365) | (37,861) |
| Net cash (used in) / generated from operating activities | <u>(9,406,794)</u> | <u>7,631,124</u> |
| B. CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Capital work in progress | - | (150,000) |
| Investments encashed / (made) -net | 1,109,199 | - |
| Proceeds from sale of / (Purchase of) Ijarah assets | 5,195,000 | (10,475,000) |
| Net cash generated from / (used in) investing activities | <u>6,304,199</u> | <u>(10,625,000)</u> |
| C. CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Profit distribution | (1,088,624) | (1,496,159) |
| Net cash used in financing activities | <u>(1,088,624)</u> | <u>(1,496,159)</u> |
| Net decrease in cash and cash equivalents (A+B+C) | <u>(4,191,219)</u> | <u>(4,490,035)</u> |
| Cash and cash equivalents at July 01 | 15,590,972 | 16,157,822 |
| Cash and cash equivalents at December 31 | <u>11,399,753</u> | <u>11,667,787</u> |

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited
(Management Company)

-sd-

CHIEF EXECUTIVE

-sd-

**CHIEF FINANCIAL
OFFICER**

-sd-

DIRECTOR

-sd-

DIRECTOR

FIRST PAK MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

| | Certificate capital | Statutory reserve* | Accumulated loss | Total |
|--|--------------------------------|-------------------------------|-----------------------------|-------------------|
| | —————Rupees————— | | | |
| Balance as at July 1, 2017 (Audited) | 125,400,000 | 25,602,220 | (88,521,111) | 62,481,109 |
| Profit for the period ended December 31, 2017 | - | - | 1,377,811 | 1,377,811 |
| Final dividend Re.0.17 per certificate for the year ended June 30, 2017 | - | - | (2,131,800) | (2,131,800) |
| Transfer to statutory reserve | - | 275,562 | (275,562) | - |
| Balance as at December 31, 2017 (Unaudited) | <u>125,400,00</u> | <u>25,877,78 0</u> | <u>(89,550,662</u> | <u>61,727,12</u> |
| Balance as at July 1, 2018 (Audited) | 125,400,000 | 26,044,844 | (88,882,415) | 62,562,429 |
| Profit for the period ended December 31, 2018 | - | - | 1,210,749 | 1,210,749 |
| Final dividend Re.0.14 per certificate for the year ended June 30, 2018 | - | - | (1,755,600) | (1,755,600) |
| Transfer to statutory reserve | - | 242,150 | (242,150) | - |
| Balance as at December 31, 2018 (Unaudited) | <u>125,400,000</u> | <u>26,286,994</u> | <u>(89,669,416)</u> | <u>62,017,578</u> |

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

The annexed notes from 1 to 20 form an integral part of this condensed interim financial statements.

For KASB Invest (Private) Limited
(Management Company)

| | | | |
|------------------------|--|-----------------|-----------------|
| _____ -sd- | _____ -sd | _____ -sc | _____ -sd- |
| CHIEF EXECUTIVE | CHIEF FINANCIAL OFFICER | DIRECTOR | DIRECTOR |

FIRST PAK MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** First Pak 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 Royal Management Services (Pvt.) Limited. In pursuance of instructions received from Securities and Exchange Commission of Pakistan (SECP), KASB Invest (Private) Limited (the Management Company) has taken over the management and administrative control of First Pak Modaraba effective from November 13, 2017.
- 1.2** The registered office of First Pak Modaraba is situated at 19- C, Shahbaz Lane # 2, Phase VI, DHA, Karachi. The Modaraba is listed on Pakistan Stock Exchange. 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** The Financial Statements is presented in Pak Rupees, which is the Modaraba's functional and presentation currency.
- 1.4** On february 21, 2018, the board of directors of the Management Company has decided to merge and amalgamate the

2 STATEMENT OF COMPLIANCE

- 2.1** These condensed interim financial statements have been prepared in accordance with International Accounting Standard
- 2.2** These condensed interim financial statements do not include all the information and disclosures required in the annual
- 2.3** This condensed interim financial statements comprises of the condensed interim balance sheet as at December 31, 2018
- 2.4** The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2018

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted for the preparation of this condensed interim financial statements are the same as those applied in preparing the financial statements of the Modaraba for the year ended June 30, 2018.

- 3.1** The accounting policies and methods of computation adopted in the preparation of these condensed interim financial
- 3.2** Change in accounting standards, interpretations and amendments to published approved accounting and reporting
- a) **New standards, amendments to approved accounting standards and interpretations that are effective during the six month and quarter ended December 31, 2018**

There are certain amendments and an interpretation to approved accounting and reporting standards which are mandatory for the modaraba's annual accounting period which began on July 1, 2018. However, these do not have any significant impact on the modaraba's financial reporting and, therefore, have not been detailed in these condensed interim financial

In addition to new standards, IFRS 15 have become applicable to the modaraba effective July 1, 2018. Because of these new standards certain changes to the modaraba's accounting policies have been made in light of the following paragraphs:

- IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 Revenue, IAS 11 Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which

The changes laid down by these standard do not have any significant impact on these condensed interim financial

- 3.3 New standards, amendments to approved accounting standards and interpretations that are not yet effective**

There is a new standard, certain amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the modaraba's annual accounting periods beginning on or after July 1, 2019. However, these will not have any significant impact on the financial reporting of the modaraba and, therefore, have not been disclosed in these condensed interim financial statements.

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

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 fair value.

| 6 CASH AND BANK BALANCES | Note | Unaudited December 31, 2018 | Audited June 30, 2018 |
|--------------------------|------|-----------------------------------|-----------------------------|
| | | -----Rupees----- | |
| Cash in hand | | 2,900 | 7,230 |
| Cash at banks | | | |
| Current accounts | | 1,830,486 | 1,140,461 |
| Savings accounts | 6.1 | 9,566,367 | 14,443,281 |
| | | 11,396,853 | 15,583,742 |
| | | 11,399,753 | 15,590,972 |

6.1 Effective mark-up rate in respect of PLS accounts ranges from 3.90% to 4.12% (June 2018: 3.90% to 3.90%) per annum.

7 INVESTMENTS

| | | | |
|---|-----|---------|-----------|
| Available for sale | 7.1 | - | - |
| Held for trading at fair value through profit or loss account | 7.2 | 116,734 | 1,270,784 |
| | | 116,734 | 1,270,784 |

7.1 Available for sale

Fully paid ordinary shares of Rs 10 each.

| Unaudited December 31, 2018 | Audited June 30, 2018 | | | |
|-----------------------------------|-----------------------------|------------------------------------|-------------------------------|-------------|
| | | Number of Shares | Name of company | |
| | | Unquoted securities | | |
| | | | Prudential Securities Limited | |
| 487,500 | 487,500 | Cost | 4,875,000 | 4,875,000 |
| | | Less: Permanent Diminution (7.1.1) | (4,875,000) | (4,875,000) |
| | | | - | - |

7.1.1 The operations of Prudential Securities Limited remained suspended that indicates a significant and prolonged decline in the fair value of this investment below carrying value resulting in an objective evidence of impairment. Therefore, the investment has been

7.2 Held for trading at fair value through profit or loss account

Unless stated otherwise, the holdings are in the fully paid ordinary shares / certificates / units of Rs 10/- each.

| Unaudited December 31, 2018 | Audited June 30, 2018 | | Unaudited December 31, 2018 | Audited June 30, 2018 |
|-----------------------------------|-----------------------------|---------------------------------|------------------------------------|-----------------------------|
| | | Number of Certificates / Shares | Name of Company | -----Rupees----- |
| | | | Open-end Mutual Funds | |
| - | 82,324 | | Meezan Balanced Fund | 1,270,784 |
| | | | Investment in shares | |
| | | | Cement | |
| 600 | - | | Kohat Cement | 50,964 |
| | | | Steel | |
| 1,000 | - | | International Steels Ltd | 65,770 |
| | | | Suspended / Delisted Company | |
| 120,000 | 120,000 | | Prudential Investment Bank Limited | - |
| | | | Pakistan Industrial & Commercial | |
| 279,749 | 279,749 | | Leasing Limited | - |
| | | | 116,734 | 1,270,784 |

| | | Unaudited December 31, 2018 | Audited June 30, 2018 |
|---|---|-----------------------------------|-----------------------------|
| | | -----Rupees----- | |
| 7.2.1 Unrealized loss on changes in fair value of held for trading investments | | | |
| Weighted average cost of investments | | 161,585 | 1,395,399 |
| Unrealized loss on changes in fair value of held for trading investments | | (44,851) | (124,615) |
| Market value of investments | | <u>116,734</u> | <u>1,270,784</u> |
| 8 DIMINISHING MUSHARIKA | | | |
| Diminishing Musharika | 8.1 | 42,692,987 | 31,606,023 |
| Less: Current portion of diminishing musharika | | (21,820,210) | (17,957,016) |
| | | <u>20,872,777</u> | <u>13,649,007</u> |
| 8.1 | These finance carry profit rate ranged from 12.50% to 17.00% per annum and are payable on monthly basis over a period from 3 to 4 years. | | |
| 9 MORABAHA FINANCE | | | |
| Morabaha finance - Unsecured | 9.1 | 15,319,705 | 15,319,705 |
| Less: Provision for doubtful morabaha finance | | (15,319,705) | (15,319,705) |
| | | <u>-</u> | <u>-</u> |
| 9.1 | This include amount of Morabaha finance receivable from five different parties outstanding since many years. As per term of agreement, the profit against these finance ranged from 16.5% to 20%, however, based on the guidelines of prudential regulation for Modaraba, the principal and profit against these finances have been fully provided and suspended accordingly. | | |
| 10 IJARAH RENTALS RECEIVABLE | | | |
| Considered good | | 136,118 | 179,503 |
| Considered doubtful | | <u>119,542</u> | <u>119,542</u> |
| | | 255,660 | 299,045 |
| Less: Provision for doubtful receivables | | (119,542) | (119,542) |
| | | <u>136,118</u> | <u>179,503</u> |
| 11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Considered good | | | |
| Profit Receivable on Diminishing Musharakah | | 130,993 | 61,991 |
| Advance income tax | | 308,350 | 273,985 |
| Advance to staff | | 253,400 | 61,750 |
| Prepayments | | 221,734 | 148,082 |
| Profit receivable on bank deposits | | 68,012 | 32,313 |
| Others | | 3,000 | 3,000 |
| | | <u>985,489</u> | <u>581,121</u> |
| Considered doubtful | | | |
| Amount due from PSL | | 11,476,377 | 11,476,377 |
| Amount due from PCML | | 999,832 | 999,832 |
| Amount due from Royal Management Services(Pvt) Ltd | | 886,442 | 886,442 |
| Profit receivable on Morabaha finance | | 4,028,913 | 4,028,913 |
| | | <u>17,391,564</u> | <u>17,391,564</u> |
| | | 18,377,053 | 17,972,685 |
| Less: Provision for doubtful receivables | | (17,391,564) | (17,391,564) |
| | | <u>985,489</u> | <u>581,121</u> |
| 12 PROPERTY AND EQUIPMENT - IJARAH | | | |
| | | -----Rupees----- | |
| Net Book value | | <u>12,886,285</u> | <u>20,672,913</u> |
| Details of addition / (disposal) during the period | | | |
| Addition | | - | 19,935,000 |
| Deletion | | (5,195,000) | - |
| 13 PROPERTY AND EQUIPMENT - OWN | | | |
| Net Book value | | <u>559,348</u> | <u>600,012</u> |
| Details of addition / (disposal) during the period | | | |
| Addition | | - | 610,759 |
| Deletion | | - | (83,500) |

14 CONTINGENCIES AND COMMITMENTS

There were no contingencies and commitments as at December 31, 2018.

15 MODARABA COMPANY'S MANAGEMENT FEE

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

16 PROVISION FOR TAXATION

The income of the Modaraba is exempt from tax provided that not less than 90% of total profits in the year as reduced by the amount transferred to statutory reserve, required under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, are distributed amongst the certificate holders. Since section 113 of the Income Tax Ordinance, 2001 is not applicable on the Modaraba, no provision for taxation has been made in these financial statements.

17 RELATED PARTY TRANSACTIONS

| RELATED PARTY TRANSACTIONS | | Unaudited December 31, 2018 | Unaudited December 31, 2017 |
|--|----------------------------|-----------------------------------|-----------------------------------|
| Relationship with the Company | Nature of Transactions | | |
| | | -----Rupees----- | |
| Expense for the period | | | |
| Modaraba Management Company | Management fee | <u>121,075</u> | <u>137,781</u> |
| Modaraba under common management | Sharing of common expenses | <u>703,947</u> | <u>-</u> |
| Provident Fund | Contribution made | <u>34,482</u> | <u>25,860</u> |
| Payments made during the period | | | |
| Modaraba Management Company | Management fee | <u>221,312</u> | <u>106,596</u> |
| Provident Fund | Contribution made | <u>34,482</u> | <u>25,860</u> |
| Balance as at the end of period | | | |
| | | Unaudited December 31, 2018 | Audited June 30, 2018 |
| | | -----Rupees----- | |
| Modaraba Management Company | Management fee (Payable) | <u>121,075</u> | <u>221,312</u> |
| Modaraba under common management | Sharing of common expenses | <u>703,947</u> | <u>-</u> |

18 DATE OF AUTHORIZATION OF ISSUE

These condensed interim financial statements has been authorized for issue on February 22, 2019 by the Board of Directors of the KASB Invest (Private) Limited.

19 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of appropriate presentation. There have been no significant reclassification in these financial statements.

20 GENERAL

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited
(Management Company)

| | | | |
|-----------------|-------------------------|----------|----------|
| -sd- | -sd- | -sd- | -sd- |
| Chief Executive | Chief Financial Officer | DIRECTOR | DIRECTOR |



www.jamapunji.pk



**Be aware, Be alert,
Be safe**

Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 🔍 Scam meter*
- 🎮 Jamapunji games*
- 💰 Tax credit calculator*
- 🏢 Company Verification
- 📋 Insurance & Investment Checklist
- ❓ FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📊 Financial calculator
- 📱 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 📖 Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

jamapunji.pk [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices