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CORPORATE INFORMATION

Board of Directors	Syed Waseem-ul- Haq Haqqie Syed Muhammad Rehmanullah Farrukh S. Ansari Rashid K. Siddiqui	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 Rashid K. Siddiqui	Chairman Member Member Member
Company Secretary & Chief Financial Officer	Aftab Afroz Mahmoodi	
Head of Internal Audit	Syed Shahid Owais	
Management Company	KASB Invest (Private) Limited	
Registered & Head Office	8-C, Block-6, PECHS, Off. Sharah-e-Faisal, Karachi. Tel: 021-34398852-5, 021-34370141	
Auditors	RSM Avais Hyder Liaquat Nauman Chartered Accounts	
Legal Advisor	Ahmed & Qazi	
Shariah Advisor	Mufti Muhammad Ibrahim Essa	
Bankers	Habib Bank Limited (Islamic Banking) Sindh Bank Limited Bank Islami Pakistan Limited Burj Bank Limited	
Share Registrar	Shares & Corporate Services (Pvt.) Limited Mehersons Estate, Talpur Road, Karachi. 74000 Tel: 021-32401634	

DIRECTOR'S REPORT

The Board of Directors of KASB Invest (Pvt) Limited (KIPL), the Management Company of First Prudential Modaraba are pleased to present the half yearly report together with condensed Interim Financial Statements, for the period ended December 31, 2014, duly reviewed by the statutory auditors.

As detailed in the Financial Statements for the year ended June 30, 2014, KIPL had taken over the management and administrative control of the Modaraba effective November 13, 2014. After taken over the control, in concurrence with SECP, the legal and financial due diligence of the modaraba was conducted. The outcome of the assignments warranted material adjustments in the financial statement for the year ended June 30, 2014. The delay in the finalization of the revised audited financial statements for the year June 30 2014 caused inordinate delay in the finalization of the financial statements of the subsequent periods.

KEY OPERATING / FINANCIAL HIGHLIGHTS

	(Rupees in millions)	
	December 31	
Half Year ended	2014	2013
Total Income from Operations :	31.12	29.61
Operating Expenses :	(16.25)	(22.37)
Unrealized Gain / (Loss) on re-measurement of Investment :	1.67	0.68
Reversal of impairment losses/provisions against doubtful receivables :	1.18	0.70
Operating Profit :	14.87	7.24
Management Company fee :	(1.59)	(0.86)
Net Profit/(Loss) for the period :	16.51	7.76
Earning per Modaraba Certificate (Re.) :	0.18	0.09

REVIEW OF OPERATIONS:

During the half year ended on 31st December 2014, the overall operating performance of First Prudential Modaraba reflects that gross operating Income increased by 5% and reached to Rs. 31.12 Million as against Rs. 29.61 Million during the corresponding period. On the expenditure side there is significant decrease of 27%. The Net Profit of the Modaraba increased by 113% to Rs. 16.51 Million from a profit of Rs. 7.76 Million in the corresponding period. During the period under review, the earning for the half year is Re. 0.18 per certificate showing an increase of 100%.

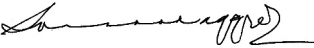
FUTURE OUTLOOK:

Our business strategy & approach are sound with a focus to enhance Shariah compliant business. We are confident that your Modaraba will Inshallah continue to improve profitability in future. With the self sufficiency in funds and better liquidity, we are looking forward to explore more profitable avenues for deployment of funds.

ACKNOWLEDGEMENT:

The Board of Directors would like to thank for continuous guidance and support extended by the Registrar Modaraba, Securities and Exchange Commission of Pakistan, the Karachi, Lahore and Islamabad Stock Exchanges. The Board is also thankful to its valued customers, certificate holders for reposing their confidence in the management of the Modaraba.

For & on behalf of the
Board of Directors



Syed Waseem-ul-Haq Haqqie
Chairman

Karachi.

Dated: July 13, 2015



**INDEPENDENT AUDITORS' REPORT TO THE
CERTIFICATE HOLDERS ON REVIEW OF
CONDENSED INTERIM FINANCIAL INFORMATION**

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

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

We have reviewed the accompanying condensed interim balance sheet of **FIRST PRUDENTIAL MODARABA** (the Modaraba) as at December 31, 2014, the related condensed interim profit and loss account, 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." A 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, 2014 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Emphasis of matter

Without qualifying our conclusion we draw attention to note 16.1 of the condensed financial information that the Modaraba has acquired certain properties against settlement of Morhaba facility and from defaulted parties, in prior years.

Other matters

The figures for the quarters ended December 31, 2014 and December 31, 2013 in the condensed interim profit and loss account has not been reviewed and we do not express a conclusion on them.

Other Offices at:

Lahore : 92(42) 3587 2731-3
Islamabad : 92(51) 211 4096-8
Rawalpindi : 92(51) 5193135
Faisalabad : 92(41) 854 1165/854 1965
Peshawar : 92(91) 527 8310/527 7205
Quetta : 92(81) 282 9809
Kabul : 93(799) 058155

RSM Avais Hyder Liaquat Nauman is a member of the RSM network. Each member of the RSM network is an independent accounting and advisory firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.



The financial statements of the Modaraba for the year ended June 30, 2014 and condensed interim financial information of the Modaraba for the six months period ended December 31, 2013 were audited and reviewed respectively by another firm of chartered accountants who expressed unqualified opinion with emphasis of matter paragraph on the financial statements of the Modaraba for the year ended June 30, 2014 and qualified conclusion with emphasis of matter paragraph on the condensed interim financial information of the Modaraba for the six months period ended December 31, 2013 vide their audit and review reports dated April 24, 2015 and February 27, 2014 respectively.

The modification in the condensed interim financial information of the Modaraba for the six months period ended December 31, 2013 pertained to non-provision of certain investments and advances, deposit and other receivables, which were provided in the financial statements of the Modaraba for the year ended June 30, 2014.

RSM Avais Hyder Liaquat Nauman
RSM Avais Hyder Liaquat Nauman
Chartered Accountants
Karachi
Dated: 13 July, 2015

Engagement Partner: Adnan Zaman

**CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014**

ASSETS	Note	(Unaudited)	(Audited)
		December 31, 2014 Rupees	June 30, 2014 Rupees
Current assets			
Cash and bank balances	5	219,216,690	190,144,619
Investments	6	74,739,149	80,824,460
Musharika, morabaha and other finance	7	-	-
Diminishing musharika	8	33,074,075	31,553,643
Ijarah rentals receivable	9	1,794,065	1,569,362
Advances, prepayments and other receivables	10	16,245,784	15,427,549
Receivable against sale of shares - net		-	6,666,393
Total current assets		345,069,763	326,186,026
Non - current assets			
Long term investments	11	19,807,267	14,188,377
Long term portion of diminishing musharika	8	38,398,106	55,770,669
Long term deposits	12	66,192	66,192
Loan and receivables	6.3	-	-
Intangible assets	13	291,715	541,716
Property and equipment - owned	14	21,761,656	22,525,317
Property, plant and equipment - ijarah	15	53,417,158	38,204,179
Investment properties	16	27,080,000	27,080,000
Total Non - Current Assets		160,822,094	158,376,450
TOTAL ASSETS		505,891,857	484,562,476
LIABILITIES			
Current liabilities			
Current portion of long term ijarah deposits		20,620,532	26,831,162
Accrued and other liabilities		11,081,522	5,441,098
Unclaimed profit distribution		24,878,874	25,282,315
Total current liabilities		56,580,928	57,554,575
Non-current liabilities			
Long term portion of ijarah deposits		9,806,500	4,019,350
TOTAL LIABILITIES		66,387,428	61,573,925
NET ASSETS		439,504,429	422,988,551
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		138,650,648	138,650,648
Accumulated loss		(571,322,819)	(587,838,697)
		439,504,429	422,988,551
Contingencies and commitments	17		

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

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

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**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

INCOME	Note	Half year ended		Quarter ended	
		December 31 2014 Rupees	December 31 2013 Rupees	December 31 2014 Rupees	December 31 2014 Rupees
Ijarah rentals earned		6,930,257	12,591,889	3,492,567	6,024,980
Return on bank deposits		8,069,078	8,379,726	4,189,569	4,139,623
Income on diminishing musharika		5,487,499	5,254,722	2,545,385	3,372,385
Gain on sale of investments		8,647,085	2,861,423	3,450,113	1,211,249
Dividend income		1,864,610	809,321	826,220	394,591
Rental income from an investment property		105,000	90,000	45,000	45,000
Other income		20,666	(372,323)	(110,330)	(359,823)
		31,124,195	29,614,758	14,438,524	14,828,005
Unrealized gain / (loss) on changes in fair value of held for trading investments-at fair value through profit and loss	6.2	1,671,189	680,076	3,261,667	2,201,244
Reversal of impairment losses / provision against doubtful receivables - net		1,178,499	700,606	90,162	700,606
		33,973,883	30,995,440	17,790,352	17,729,855
EXPENDITURE					
Depreciation on ijarah assets		(6,384,318)	(13,465,574)	(2,640,696)	(6,618,217)
Administrative expenses		(9,499,063)	(8,729,554)	(5,119,454)	(4,715,842)
Workers welfare fund		(317,940)	(176,006)	(200,153)	(176,006)
Bank and other charges		(47,420)	-	(22,530)	-
		(16,248,741)	(22,371,134)	(7,982,833)	(11,510,065)
Profit for the period		17,725,142	8,624,306	9,807,519	6,219,790
Modaraba company's management fee		(1,589,699)	(862,431)	(980,752)	(862,431)
Sales tax on management fee		(238,455)	-	(147,113)	-
Profit before taxation		15,896,988	7,761,875	8,679,653	5,357,359
Provision for taxation	18	-	-	-	-
Profit after taxation		15,896,988	7,761,875	8,679,653	5,357,359
Other comprehensive income		618,890	-	-	-
Total comprehensive income for the period		16,515,878	7,761,875	8,679,653	5,357,359
Earnings per certificate		0.18	0.09	0.10	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


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**CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	<u>Half year ended</u>	
	December 31, 2014 Rupees	December 31, 2013 Rupees
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,896,988	7,761,875
Adjustments for non - cash changes and other items		
Dividend income	(1,864,610)	(809,321)
Loss on disposal - ijarah assets	402,226	644,397
Loss on disposal - own assets	-	(1,691)
Unrealized gain on remeasurement of held for trading investments	(1,671,189)	(680,076)
Gain on sale of investments	(8,647,085)	(2,861,423)
Reversal of impairment losses / provision against doubtful receivables - net	(1,178,499)	(700,606)
Depreciation - own assets	763,663	1,582,928
Depreciation - ijarah assets	6,384,318	13,465,574
Amortization - intangibles	250,001	332,136
Unwinding of interest - term deposit receipt	-	(271,137)
	<u>10,335,813</u>	<u>18,462,656</u>
Cash flows before movement in working capital		
(Increase) / decrease in current assets		
Musharika, morabaha and other finance	90,162	2,839,678
Diminishing musharika	15,852,131	(20,012,871)
Ijarah rentals receivable	(224,703)	102,524
Advances, prepayments and other receivables	(938,495)	(373,226)
Receivable against sale of shares - net	6,666,393	-
	<u>21,445,488</u>	<u>(17,443,895)</u>
Increase / (decrease) in current liabilities		
Long term deposits	(423,480)	(2,565,525)
Accrued and other liabilities	5,640,424	237,592
	<u>5,216,944</u>	<u>(2,327,933)</u>
Cash generated from / (used in) operations	36,998,245	(1,309,172)
Income tax paid	-	(63,534)
Net cash generated from / (used in) operating activities	<u>36,998,245</u>	<u>(1,372,706)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received	1,984,870	809,321
Investments encashed - net	11,403,574	(2,667,515)
Proceeds from disposal - ijarah assets	9,088,823	4,468,406
Purchase of own assets	-	(42,000)
Proceeds from disposal - own assets	-	2,500
Purchase of computer softwares	-	-
Purchase of ijarah assets	<u>(30,000,000)</u>	<u>(5,000,000)</u>
Net cash used in from investing activities	<u>(7,522,733)</u>	<u>(2,429,288)</u>

	<u>Half year ended</u>	
	December 31, 2014 Rupees	December 31, 2013 Rupees
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distribution	(403,441)	(14,887,410)
Net cash used in financing activities	<u>(403,441)</u>	<u>(14,887,410)</u>
Net increase / (decrease) in cash and cash equivalents (A+B+C)	29,072,071	(18,689,404)
Cash and cash equivalents at beginning of the period	190,144,619	224,519,535
Cash and cash equivalents at end of the period	<u>219,216,690</u>	<u>205,830,131</u>

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


CHIEF EXECUTIVE

For KASB Invest (Private) Limited
(Management Company)


DIRECTOR

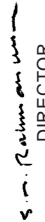

DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Reserves					
	Certificate capital	Capital		Revenue		Total
		Statutory Reserve	Unrealized gain / (loss) on available for sale investments	Accumulated loss	Sub total	
Balance at July 1, 2013	872,176,600	138,650,648	(3,210,918)	(491,939,769)	(495,150,687)	515,676,561
Comprehensive income						
Profit for the half year ended December 31, 2013	-	-	-	7,761,875	7,761,875	7,761,875
Other comprehensive income for the half year ended December 31, 2013	-	-	-	-	-	-
Total comprehensive income for the half year ended December 31, 2013	-	-	-	7,761,875	7,761,875	7,761,875
Transfer to statutory reserve	-	-	-	(20,060,062)	(20,060,062)	(20,060,062)
Distribution @ 2.3 % declared for the year ended June 30, 2013	-	-	(3,210,918)	(504,237,956)	(507,448,874)	503,378,374
Balance as at December 31, 2013	872,176,600	138,650,648	(3,210,918)	(491,939,769)	(495,150,687)	515,676,561
Balance at July 1, 2014	872,176,600	138,650,648	(3,576,338)	(584,262,359)	(587,838,697)	422,988,551
Comprehensive income						
Profit for the half year ended December 31, 2014	-	-	-	15,896,988	15,896,988	15,896,988
Other comprehensive income for the half year ended December 31, 2014	-	-	618,890	-	618,890	618,890
Total comprehensive income for the half year ended December 31, 2014	-	-	618,890	15,896,988	16,515,878	16,515,878
Transfer to statutory reserve	-	-	-	(2,957,448)	(571,322,819)	439,504,429
Balance as at December 31, 2014	872,176,600	138,650,648	(2,957,448)	(568,365,371)	(571,322,819)	439,504,429

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


CHIEF EXECUTIVE

For KASB Invest (Private) Limited
(Management Company)

DIRECTOR


DIRECTOR

**CONDENSED NOTES TO INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

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 8 C Block 6, PECHS, Shahrah e Faisal, Karachi. The Modaraba is listed on Karachi, Lahore and Islamabad 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. BASIS OF PREPARATION

2.1 STATEMENT OF COMPLIANCE

The condensed interim financial statements for the six months period ended December 31, 2014 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). The 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 Modaraba's annual Financial Statements for the year ended June 30, 2014. The figures for the half year ended December 31, 2014 have been subjected to limited scope review by the auditors as required by the Code of Corporate Governance.

2.2 This condensed interim financial statements comprises of the condensed interim balance sheet as at December 31, 2014 and the 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 and the notes forming part thereof for the half year ended December 31, 2014 which have been subjected to a review but not audited.

2.3 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2014 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2014 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 half year ended December 31, 2013 have been extracted from the condensed interim financial statements for the half year ended December 31, 2013 which were subjected to a review but not audited.

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, 2014 .

	Note	Unaudited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
6.2 Unrealized Gain on changes in fair value of held for trading investments			
Weighted average cost of investments		72,365,210	83,043,827
Unrealized gain on changes in fair value of held for trading investments		1,671,189	(3,255,191)
Market value of investments		<u>74,036,399</u>	<u>79,788,636</u>
6.3 Other receivable- considered good			
Term deposit receipt		10,000,000	10,000,000
Less : Amortization charges - other receivable		(2,000,000)	(2,000,000)
Less : Amount received in earlier period		(2,183,609)	(807,508)
Total receivable		5,816,391	7,192,492
Installments received during the period / year		(333,334)	(1,376,101)
		5,483,057	5,816,391
Provision against doubtful recoveries		(4,780,307)	(4,780,567)
		<u>702,750</u>	<u>1,035,824</u>

7. Musharika, morabaha and other finance

Musharika and morabaha finance

- considered good		-	-
- considered doubtful		356,815,406	356,905,568
		356,815,406	356,905,568
Less: Provision against doubtful amounts	7.1	(356,815,406)	(356,905,568)
		-	-
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)
		-	-
		-	-

7.1 Movement in provision

	December 31, 2014			June 30, 2014		
	Principal	Profit	Total	Principal	Profit	Total
	-----Rupees-----					
Opening balance	190,580,624	166,324,944	356,905,568	178,832,495	167,844,137	346,676,632
Reversal of provision / provision during the period / year	(48,415)	(41,747)	(90,162)	11,748,129	(1,519,193)	10,228,936
Written-off during the period	-	-	-	-	-	-
Closing balance	<u>190,532,209</u>	<u>166,283,197</u>	<u>356,815,406</u>	<u>190,580,624</u>	<u>166,324,944</u>	<u>356,905,568</u>

		Unaudited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
8. DIMINISHING MUSHARIKA			
Diminishing musharika			
Principal		70,377,212	86,823,244
Profit		1,094,969	501,068
		71,472,181	87,324,312
Less: Long term portion of diminishing musharika		(38,398,106)	(55,770,669)
		<u>33,074,075</u>	<u>31,553,643</u>

8.1 These carry profit rate ranging from 13.08% to 14.68% (2013: 12.8% to 14.68%) per annum and are repayable on monthly basis over a maximum period of 3 years.

9. IJARAH RENTALS RECEIVABLE

Considered good		1,794,065	1,569,362
Considered doubtful		23,994,027	23,994,027
		25,788,092	25,563,389
Less: Provision for doubtful receivables	9.1	(23,994,027)	(23,994,027)
		<u>1,794,065</u>	<u>1,569,362</u>

9.1 Movement in provision for doubtful receivables

Opening balance		23,994,027	23,115,511
Charge during the period		-	1,180,455
Reversal during the period		-	(301,939)
Closing balance		<u>23,994,027</u>	<u>23,994,027</u>

10. ADVANCES, PREPAYMENTS AND OTHER RECEIVABLES

	Considered Good		Considered Doubtful		Total	
	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014	December 31, 2014	June 30, 2014
	-----Rupees-----					
Advance						
Income tax	13,423,605	13,373,756	-	-	13,423,605	13,373,756
To staff	33,999	100,659	1,814,000	1,814,000	1,847,999	1,914,659
Prepayments	300,380	265,715	-	-	300,380	265,715
Other receivables from						
Brokers on account of sale of shares	-	-	65,619,558	65,619,558	65,619,558	65,619,558
Prudential Securities Limited	10.1	-	18,432,273	18,432,273	18,432,273	18,432,273
A Bank	10.2	-	10,241,347	10,241,347	10,241,347	10,241,347
Return on deposits with banks and other finance	1,074,404	1,313,486	-	-	1,074,404	1,313,486
Others	1,413,397	373,933	13,177,945	13,177,945	14,591,342	13,551,878
Sub total	16,245,784	15,427,549	109,285,123	109,285,123	125,530,907	124,712,672
Provision for doubtful receivables	10.3	-	(109,285,123)	(109,285,123)	(109,285,123)	(109,285,123)
		<u>16,245,784</u>	<u>15,427,549</u>	<u>-</u>	<u>16,245,784</u>	<u>15,427,549</u>

10.1 This amount includes Rs. 17,889,240/- paid as advance for purchase of securities to Prudential Securities Limited (PSL). Remaining amount of Rs. 543,033/- is blocked in CDC-sub account of the said broker against various shares.

Operations of PSL had been ceased by Karachi Stock Exchange Limited (KSE) and the Modaraba has filed a claim with the KSE of Rs. 18 million along with margin deposit of Rs. 3 million included in long term deposits.

10.2 This represents an unauthorised amount debited to Modaraba's account by a scheduled commercial bank on behalf of a party considered to be a group company. The Modaraba filed a suit for recovery under the Financial Institutions (Recovery of Finances) Ordinance, XLVI of 2001 which was decreed against the Modaraba only due to the reason that it was time-barred. Management filed an appeal in the Sindh High Court against the judgment of the Banking Court. The Sindh High Court has set aside the decree of the Banking Court with the directions that the Banking Court, in the first instance, shall decide the application for leave to defend moved by the Bank. The case is under process with the Banking Court.

	Note	(Unaudited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
10.3 Movement in provision for doubtful receivables			
Opening balance		109,285,123	90,852,850
Provision made		-	18,432,273
Reversal of provision		-	-
Closing balance		<u>109,285,123</u>	<u>109,285,123</u>
11. Long term investments			
Available for sale			
Listed entity	11.1	10,489,192	4,870,302
Unlisted companies	11.2	<u>9,318,075</u>	<u>9,318,075</u>
		<u>19,807,267</u>	<u>14,188,377</u>

11.1 Listed entities

	Un-Audited 31 December 2014	Audited 30 June 2014	Un-Audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
48,134	48,116			
			4,870,302	5,000,000
			-	(129,698)
			<u>438,369</u>	-
			<u>5,308,671</u>	<u>4,870,302</u>
361,012	-		5,000,000	-
			-	-
			<u>180,521</u>	-
			<u>5,180,521</u>	-

11.2 Unlisted companies

	Un-Audited 31 December 2014	Audited 30 June 2014		Un-Audited 31 December 2014 Rupees	Audited 30 June 2014 Rupees
Number of shares of Rs. 10					
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)
				-	-
191,700	191,700		Prudential Discount and Guarantee House Limited Cost	1,041,815	1,041,815
			Less: Impairment	(1,041,815)	(1,041,815)
				-	-
843,975	843,975		Lahore Stock Exchange Limited Cost	12,764,715	12,764,715
			Less: Fair value adjustment	(3,446,640)	(3,446,640)
				<u>9,318,075</u>	<u>9,318,075</u>
				<u>9,318,075</u>	<u>9,318,075</u>

11.2.1 Movement of impairment

Opening balance	4,173,707	4,173,707
Impairment charge during the period / year	-	-
Closing balance	<u>4,173,707</u>	<u>4,173,707</u>

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.

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

11.2.3 This represent the 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.

12. Long term deposits

Margin deposit		
Other deposits	3,000,000	3,000,000
	<u>66,192</u>	<u>66,192</u>
Less: Provision against doubtful amounts	3,066,192	3,066,192
	<u>(3,000,000)</u>	<u>(3,000,000)</u>
	<u>66,192</u>	<u>66,192</u>

13. INTANGIBLE ASSETS

LSE - Trading right entitlement certificate (TREC)		
Computer softwares	13.1 5,344,352	5,344,352
	13.2 <u>291,715</u>	<u>541,716</u>
	5,636,067	5,886,068
Impairment of TREC	<u>(5,344,352)</u>	<u>(5,344,352)</u>
	<u>291,715</u>	<u>541,716</u>

13.1 As per section 16 of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, every TREC holder was required to register itself as a broker within two years of the date of demutualization i.e., by August 26, 2014, failure to which would've resulted in the lapse of TREC. The impairment was recorded as the Modaraba did not register itself as a broker before the expiry of the said date.

	(Unaudited) December 31, 2014 Rupees	(Audited) June 30, 2014 Rupees
13.2 Computer softwares		
Opening balance period / year	541,716	1,205,538
Computer softwares purchased during the period	-	-
Amortization	(250,000)	(663,822)
Carrying value	<u>291,715</u>	<u>541,716</u>

14. PROPERTY AND EQUIPMENT - OWN

There is no addition and disposal in assets in own use, during the period

	Additions		Disposals (W.D.V)	
	(Unaudited) December 31, 2014	(Audited) June 30, 2014	(Unaudited) December 31, 2014	(Audited) June 30, 2014
	-----Rupees-----			
Office equipment and appliances	-	99,100	-	-
Furniture and fixtures	-	21,000	-	-
Computer equipment	-	-	-	(791)
Motor vehicles	-	-	-	(1,673,650)
	<u>-</u>	<u>120,100</u>	<u>-</u>	<u>(1,674,441)</u>

15. Property, plant and equipment - ijarah

Following additions and disposals in Ijarah assets, were made during the period

	Additions		Disposals (W.D.V)	
	(Unaudited) December 31, 2014	(Audited) June 30, 2014	(Unaudited) December 31, 2014	(Audited) June 30, 2014
	-----Rupees-----			
Vehicles	<u>30,000,000</u>	<u>5,615,000</u>	<u>(2,395,084)</u>	<u>(14,215,240)</u>

	Note	(Unaudited) December 31, 2013 Rupees	(Audited) June 30, 2013 Rupees
16. INVESTMENT PROPERTIES			
Opening balance	16.1	27,080,000	41,194,500
Additions		-	-
Unrealized gain on measurement of Investment Property		-	(14,114,500)
Closing balance		<u>27,080,000</u>	<u>27,080,000</u>

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

17. 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 orders pending final decision.

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 favour of the Modaraba.

18. 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.

19. RELATED PARTY TRANSACTIONS

Related parties comprise of associated undertakings and directors of the Modaraba Management Company. Modaraba, in the normal course of business carries out transactions with these related parties. Significant transactions with related parties are as follows: -

Relationship with Modaraba	Nature of Transactions	Un-Audited December 31, 2014 Rupees	Un-Audited December 31, 2013 Rupees
		Provident fund	Contribution made
*Chief executive officer	Perquisites	-	102,669
*Modaraba management company	Dividend paid	-	2,419,877
	Management fee	1,589,699	862,431

* Corresponding period figures represents amounts pertains to previous management company.

20. DATE OF AUTHORISATION OF ISSUE

This condensed interim financial statements have been authorised for issue on 13 July, 2015 by the Board of Directors of the KASB Invest Limited.

21. FIGURES

Figures have been rounded off to the nearest Rupee.

For KASB Invest (Private) Limited
(Management Company)


CHIEF EXECUTIVE


DIRECTOR


DIRECTOR

FIRST PRUDENTIAL MODARABA

**HALF YEARLY REPORT
FOR THE PERIOD ENDED
DECEMBER 31, 2014 (UN-AUDITED)
(REVIEWED BY EXTERNAL AUDITORS)**

If undelivered please return to :

First Prudential Modaraba

8-C, Block-6, PECHS, Off. Sharah-e-Faisal, Karachi.
Tel: 021-34398852-5, 021-34370141

Managed by :
KASB Invest (Private) Limited