



**Interim Financial Statements  
(Un-Audited)  
For the Quarter Ended March 31, 2014**

## ***Our Vision***

To be a leading investment company, governed by shareholder returns and managed in line with the highest ethical standards.



## **Our Commitment**

We will maintain financial discipline and adhere to professional and moral codes. In the operation of the company, we will comply with all rules and regulations set down by the supervisory authorities.

## **Company information**

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<b>Board of Directors</b>	Mr. Nasir Ali Shah Bukhari	Chairman & Chief Executive Officer
	Syeda Mubashira Bukhari Khwaja	Director
	Mr. Tariq Riaz Malik	Director
	Syed Waseem ul Haq Haqqie	Director
	Mr. Irshad Ali Shaban Ali Kassim	Director
	Ms. Sophie Lui	Director

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**Chief Financial Officer** Mr. Muhammad Aamir Ahmadani

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**Company Secretary** Mr. Zia-ul-Haq

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**Auditors** M/s Ernst & Young Ford Rhodes Sidat Hyder & Co.  
(Chartered Accountants)

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**Legal Advisor** Ahmed & Qazi

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<b>Audit Committee</b>	Mr. Tariq Riaz Malik	Chairman
	Syed Waseem ul Haq Haqqie	Member
	Mr. Irshad Ali Shaban Ali Kassim	Member

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**Bankers** KASB Bank Limited  
Soneri Bank Limited

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**Registered Office &  
Head Office** 90-91 Razia Sharif Plaza Blue Area Islamabad - 44000  
Tel: (051) 2826181-82  
Fax: (051) 2826184  
Email: info.kcorp@kasb.com  
Website: www.kasb.com/corporation

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**Corporate Office** 24-C, Shahbaz Commercial Lane 2, Main Khayaban-e-Shahbaz,  
D.H.A, Phase VI, Karachi.  
Tel : (021) 35349167-69, Fax : (021) 35349166

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**Share Registrar** THK Associates (Pvt.) Limited  
2nd Floor, State Life Building No. 3, Dr. Ziauddin Ahmed Road,  
Karachi, 75530. P.O.Box No. 8533  
Tel: (92-21) 111-000-322  
Fax: (92-21) 35655595  
Email: info@thk.com.pk  
Website: www.thk.com.pk

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## **DIRECTORS' REPORT TO THE MEMBERS**

We are pleased to present the Directors' Report and financial statements of KASB Corporation Limited for the quarter ended March 31, 2014.

### **Financial Performance for the Quarter 2014**

<b>Profit and Loss Account</b>	<b>Mar 31, 2014</b>
	<b>Rs. (000)</b>
Revenue	4,751
Expenses	(9,346)
Loss before tax	(4,595)
Taxation	(67)
Loss after tax	(4,662)
Earnings per share (Rupee)	(0.01)

### **Changes in Board Composition**

Subsequent to quarter end, Muzaffar Ali Shah Bukhari has tendered his resignation from the Board. The Board will appoint a new director to fill the casual vacancy within prescribed time.

### **Acknowledgement**

The Directors wish to record their gratitude to the Company's valued clients, shareholders and business partners for their continued trust and confidence, Securities and Exchange Commission of Pakistan and other regulatory authorities for their guidance. The Board would also like to record their appreciation to the employees of the Company for their commitment and dedication.

For and on behalf of the Board of Directors.

Dated: June 7, 2014  
Karachi



**Nasir Ali Shah Bukhari**  
Chairman/ CEO

## Condensed Interim Statement of Financial Position

As at March 31, 2014

	Note	March 31, 2014 Un-audited	December 31, 2013 Audited
		----- (Rupees) -----	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances		4,263,379	1,455,739
Short term Investments	4	198,216,242	288,936,479
Short term loans		10,000,000	10,000,000
Prepayments and other receivables		4,888,117	4,726,608
Deferred tax assets - net		68,159,513	68,169,488
Advance taxation - net		2,743,715	2,732,760
<b>Total current assets</b>		<b>288,270,966</b>	<b>376,021,073</b>
<b>Non-current assets</b>			
Long term investments	5	7,001,649,941	7,001,649,941
Long term deposits		240,400	239,035
Property and equipment		62,436,114	62,652,451
<b>Total non-current assets</b>		<b>7,064,326,455</b>	<b>7,064,541,427</b>
<b>TOTAL ASSETS</b>		<b>7,352,597,421</b>	<b>7,440,562,501</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accrued expenses and other liabilities		14,286,482	22,588,980
Short term loan - unsecured		205,000,000	280,000,000
<b>Total current liabilities</b>		<b>219,286,482</b>	<b>302,588,980</b>
<b>Non-current liabilities</b>			
Advance against further issue of shares		1,045,051,000	1,045,051,000
<b>TOTAL LIABILITIES</b>		<b>1,264,337,482</b>	<b>1,347,639,980</b>
<b>NET ASSETS</b>		<b>6,088,259,939</b>	<b>6,092,922,521</b>
<b>REPRESENTED BY:</b>			
Issued, subscribed and paid-up capital		5,577,730,900	5,577,730,900
Reserve on Amalgamation		1,123,402,769	1,123,402,769
Accumulated loss		(612,873,730)	(608,211,148)
		<b>6,088,259,939</b>	<b>6,092,922,521</b>
Contingencies and commitments	6		

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director

**Condensed Interim Profit & Loss Account (Un-Audited)**

For the quarter / period ended March 31, 2014

	Quarter / Period Ended	
	March 31,	
	2014	2013
	----- (Rupees) -----	
	Restated	
<b>INCOME</b>		
Mark-up on bank balances and short term loans	470,764	1,447,425
Mark-up on investments	-	1,407,878
Realised gain on sale of investments	237,869	6,819,669
Unrealised gain / (loss) on revaluation of investments	4,041,894	(2,365,982)
Other operating Income	-	495,000
	<b>4,750,527</b>	<b>7,803,991</b>
<b>EXPENSES</b>		
Administrative and operating expenses	4,105,777	7,199,081
Financial charges	5,240,236	6,943,246
	<b>9,346,013</b>	<b>14,142,327</b>
<b>Loss before taxation</b>	<b>(4,595,486)</b>	<b>(6,338,336)</b>
<b>Taxation</b>		
Current	57,121	(231,349)
Deferred	9,975	19,624
	<b>67,096</b>	<b>(211,725)</b>
<b>Loss after taxation</b>	<b>(4,662,582)</b>	<b>(6,126,611)</b>
<b>Loss per share - basic and diluted</b>	<b>(0.01)</b>	<b>(0.01)</b>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director

**Condensed Interim Statement of Comprehensive Income** (Un-Audited)  
For the quarter / period ended March 31, 2014

	Quarter / Period Ended	
	March 31,	
	2014	2013
	Restated	
	(Rupees)	
Loss for the period	(4,662,582)	(6,126,611)
<b>Other comprehensive income / (loss)</b>	-	-
<b>Total comprehensive loss for the period</b>	<u>(4,662,582)</u>	<u>(6,126,611)</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive Officer



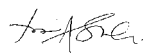
Director

### **Condensed Interim Cash Flow Statement (Un-Audited)**

For the quarter / period ended March 31, 2014

	<b>Quarter / Period Ended</b>	
	<b>March 31,</b>	
	<b>2014</b>	<b>2013</b>
	<b>Restated</b>	
	----- (Rupees) -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(4,595,486)	(6,338,336)
<b>Adjustment for:</b>		
Depreciation	216,337	233,567
Financial charges	5,240,236	6,943,246
Unrealised (gain) / loss on revaluation of investments	(4,041,894)	2,365,982
Realized gain on sale of investments	(237,869)	(6,819,670)
	(3,418,676)	(3,615,211)
<b>Changes in operating assets / liabilities</b>		
Prepayments and other receivables	(161,510)	2,999,990
Accrued expenses and other liabilities	(8,302,496)	6,563,946
	(8,464,006)	9,563,937
<b>Cash (used in) / generated from operations</b>	(11,882,682)	5,948,725
Financial charges paid	(5,240,236)	(6,943,246)
Taxes paid	(68,077)	(822,415)
	(5,308,313)	(7,765,661)
<b>Net cash (used in) / operating activities</b>	(17,190,995)	(1,816,936)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of investments	-	(182,185,310)
Proceeds from disposal of investments	95,000,000	182,187,742
Short term loans	-	5,000,000
Long term loans repaid	(75,000,000)	-
Deposits	(1,365)	-
<b>Net cash generated from investing activities</b>	19,998,635	5,002,431
<b>Net increase in cash and cash equivalents</b>	2,807,640	3,185,496
<b>Cash and cash equivalents at beginning of the period</b>	1,455,739	36,829,715
<b>Cash and cash equivalents at end of the period</b>	4,263,379	40,015,211

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive Officer



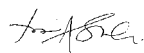
Director



**Condensed Interim Statement of Changes in Equity (Un-Audited)**  
For the quarter / period ended March 31, 2014

	Share capital	Reserve on amalgamation	Un-appropriated profit / (loss)	Total
	----- (Rupees) -----			
Balance as at December 31, 2012 - Restated	5,577,730,900	1,123,402,769	10,727,625	6,711,861,294
<b>Total comprehensive loss for the period</b>				
Loss for the period	-	-	(6,126,611)	(6,126,611)
<b>Balance as at March 31, 2013</b>	<u>5,577,730,900</u>	<u>1,123,402,769</u>	<u>4,601,014</u>	<u>6,705,734,683</u>
Balance as at December 31, 2013	5,577,730,900	1,123,402,769	(608,211,148)	6,092,922,521
<b>Total comprehensive loss for the period</b>				
Loss for the period	-	-	(4,662,582)	(4,662,582)
<b>Balance as at March 31, 2014</b>	<u>5,577,730,900</u>	<u>1,123,402,769</u>	<u>(612,873,730)</u>	<u>6,088,259,939</u>

The annexed notes from 1 to 9 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Director

**Notes to the condensed interim financial statements (Un-Audited)**  
For the quarter / period ended March 31, 2014

**1. LEGAL STATUS AND OPERATIONS**

**1.1** KASB Corporation Limited (formerly Sigma Corporation Limited) [the Company] was incorporated in Pakistan on April 11, 1996 as a Public Limited Company and received certificate of commencement of business on January 27, 1997 and is listed on the Karachi Stock Exchange since 1997. The registered office of the Company is situated at 90-91 Razia Sharif Plaza, Blue area, Islamabad.

**1.2** On May 31, 2012, the Securities and Exchange Commission of Pakistan (SECP) de-registered the Company as a Non-banking Finance Company (NBFC) and revoked its license to carry on leasing business vide letter NLA/PRDD/SCD/Sigma/2012-704. On June 22, 2012, the SECP has issued certificate of change of name of the Company from "Sigma Leasing Corporation Limited" to "Sigma Corporation Limited". On September 05, 2013, SECP has issued certificate for change of name of the Company from "Sigma Corporation Limited" to "KASB Corporation Limited". Pursuant to the said discontinuation of leasing business in 2012, the Company's core business is now to undertake portfolio investment management and investment in other financial instruments.

**1.3** Following are the subsidiaries of the Company:

Subsidiaries	% holding (direct)	% holding (indirect)	% holding (Cumulative)
KASB Bank Limited	83.62	-	83.62
KASB Funds Limited	46.14	43.89	90.03
KASB Invest (Private) Limited	3.61	96.02	99.63
KASB Capital Limited (formerly KASB International Limited)	78.22	21.78	100.00
KASB Securities Limited	0.70	77.12	77.82
KASB Modaraba	1.08	51.60	52.68
My Solutions Corporation Limited	-	100.00	100.00
Structured Venture (Private) Limited	-	100.00	100.00

**2. BASIS OF PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS**

**2.1** These condensed interim financial statements are unaudited and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard (IAS) - 34 "Interim Financial Reporting", as applicable in Pakistan. 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 financial statements of the Company for the year ended December 31, 2013.

**2.2** These are separate financial statements of the Company. The Securities and Exchange Commission of Pakistan (SECP) has granted exemption to the Company from consolidating its subsidiaries (as mentioned in note 1.3) subject to certain conditions applicable to the annual and half yearly financial statements, which the Company has made arrangements for compliance. In compliance with the SECP exemption letter, the Company will present the consolidated financial statements for the year ended December 31, 2014.

**2.3** During the year 2013, the Board of Directors approved change of accounting year of the Company from June 30 to December 31 in accordance with the requirements of the Companies Ordinance, 1984 and the Company has also sought approval from the Federal Board of Revenue for change of tax year for the merged entity. Accordingly, these are first quarter financial statements of the Company as at March 31, 2014.

**3. ACCOUNTING POLICIES**

The accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in preparation of financial statements for the preceding year ended December 31, 2013.

**4. SHORT TERM INVESTMENTS**

Investments at fair value through profit or loss

		March 31, 2014 Un-audited			December 31, 2013 Audited
----- (Rupees) -----					
Number of Units / Certificates	Name of mutual funds (related party)	Cost	Market value	Cost	Market value
March 31, 2014 Un-audited	December 31, 2013 Audited				
169,790.5115	898,670.0706	16,723,491	17,426,585	90,000,000	91,910,583
1,746,002.0127	1,910,983.5402	167,681,537	175,011,734	187,191,794	191,213,013
81,226.6994	81,226.6994	4,908,148	5,777,923	4,908,148	5,812,883
		189,313,176	198,216,242	282,099,942	288,936,479
		8,903,066	-	6,836,537	-
		198,216,242	198,216,242	288,936,479	288,936,479

Note	March 31, 2014 Un-audited	December 31, 2013 Audited
----- (Rupees) -----		
<b>5. LONG TERM INVESTMENTS</b>		
Subsidiary companies	7,001,649,941	7,001,649,941
<b>5.1 SUBSIDIARY COMPANIES</b>		
<b>KASB Bank Limited (quoted)</b> [1,631,302,898 shares of Rs. 10/- each (31 December 2013: 1,631,302,898 shares of Rs. 10/- each)] Advance against further issues of shares	6,460,001,505 981,410,000 7,441,411,505 (597,077,505) 6,844,334,000	6,460,001,505 981,410,000 7,441,411,505 (597,077,505) 6,844,334,000
Less: Provision of impairment		
<b>KASB Funds Limited (unquoted)</b> [14,848,484 shares (31 December 2013: 14,848,484) of Rs. 10/- each] Less: Provision for impairment	111,666,670 (43,148,000) 68,518,670	111,666,670 (43,148,000) 68,518,670
<b>KASB Investment (Private) Limited (unquoted)</b> [150,000 shares (31 December 2013: 150,000 shares) of Rs. 10/- each] Less: Provision for impairment	1,500,000 (1,500,000) -	1,500,000 (1,500,000) -
Carried forward	6,912,852,670	6,912,852,670

	<b>March 31, 2014 Un-audited</b>	<b>December 31, 2013 Audited</b>
	----- (Rupees) -----	
Brought forward	<b>6,912,852,670</b>	6,912,852,670
<b>KASB Securities Limited (quoted)</b> [700,000 shares (31 December 2013: 700,000 shares) of Rs. 10/- each]	<b>2,525,932</b>	2,525,932
<b>KASB Capital Limited (formerly KASB International Limited) (unquoted)</b> [1,016,500 shares (31 December 2013: 1,016,500) of USD 1/- each]	<b>85,386,000</b>	85,386,000
<b>KASB Modaraba (quoted)</b> [304,389 shares (31 December 2013: 304,389 shares) of Rs. 10/- each]	<b>885,339</b>	885,339
	<b><u>7,001,649,941</u></b>	<b><u>7,001,649,941</u></b>

**6. CONTINGENCIES AND COMMITMENTS**

The status of contingencies and commitments remained unchanged as disclosed in the financial statements for the year ended December 31, 2013.

**7. TRANSACTIONS WITH RELATED PARTIES**

Related parties of the company comprise associates, retirement benefit fund, major shareholders, directors and key management personnel and their close family members. Transactions/ balances with related parties are summarized as follows:

	<b>March 31, 2014 Un-audited</b>	<b>December 31, 2013 Audited</b>
	----- (Rupees) -----	
<b>Balances</b>		
Bank Balances	<b>4,166,968</b>	1,344,429
Short term loans	<b>10,000,000</b>	10,000,000
Investment in mutual funds	<b>198,216,242</b>	288,936,479
Investment in subsidiary companies	<b>7,001,649,941</b>	7,001,649,941
Loan payable	<b>207,800,000</b>	282,800,000
Markup receivable on deposits and short term loans	<b>716,728</b>	404,274
Markup payable on loan	<b>5,054,795</b>	14,115,068
Other receivables	<b>3,218,919</b>	3,218,919
	<b><u>March 31, 2014 Un-audited</u></b>	<b><u>March 31, 2013 Un-audited</u></b>
<b>Transactions</b>	----- (Rupees) -----	
<b>Income</b>		
Markup on deposits and short term loans	<b>157,873</b>	1,297,935
Return on investments	<b>237,869</b>	8,079,944
<b>Expenses</b>		
Financial charges	<b>300</b>	600
Markup on loan	<b>14,300,000</b>	-
Brokerage commission	-	49,278
CDC custody charges	<b>10,126</b>	-
Advisory service fee	-	1,500,000

	<b>March 31, 2014</b>	<b>March 31, 2013</b>
	<b>Un-audited</b>	<b>Un-audited</b>
		<b>Restated</b>
	----- (Rupees) -----	
<b>Key management personnel</b>		
Remuneration paid to key management personnel	1,500,000	-
<b>Others</b>		
Contribution paid to employees' provident fund	19,248	32,850
Reimbursements	43,561	37,486
Purchase of investments	-	182,185,310
Sale of investments	95,000,000	182,187,742
Short term loans - recovered	-	5,000,000
Long term loans repaid	75,000,000	-

**8. DATE OF AUTHORIZATION**

These interim condensed financial statements were authorized for issue in the Board of Directors meeting held on June 7, 2014.

**9. GENERAL**

**9.1** The results for the corresponding period have been restated to reflect the merged position of the Company. The merger of the Company with KASB Finance (Private) Limited was retrospectively effective from September 26, 2012 as fully explained in note 1.4 to the financial statements of the Company as at December 31, 2013.

**9.2** Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director



Registered Office: 90-91 Razia Sharif Plaza, Blue Area, Islamabad - 44000  
Tel: (051) 2826181-82 Fax: (051) 2826184

Corporate Office: 24-C, Shahbaz Commercial Lane 2, Main Khayaban-e-Shahbaz, DHA Phase VI, Karachi  
Tel: +92 21 35349167-69 Fax: +92 21 35349166  
Email: [info.kcorp@kasb.com](mailto:info.kcorp@kasb.com)  
Website: [www.kasb.com/corporation](http://www.kasb.com/corporation)