



**Interim Financial Statements
(Un-Audited)**
For the Quarter Ended March 31, 2015

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

Board of Directors	Mr. Nasir Ali Shah Bukhari	Chairman & Chief Executive Officer
	Mr. Tariq Riaz Malik	Director
	Syed Waseem ul Haq Haqqie	Director
	Mr. Irshad Ali Shaban Ali Kassim	Director
	Mr. Farrukh Shauket Ansari	Director
	Mr. Wu Qian	Director
	Mr. Liu Wei	Director

**Company Secretary &
Chief Financial Officer** Mr. Zia-ul-Haq

Auditors M/s. Ernst & Young Ford Rhodes Sidat Hyder
Chartered Accountants

Legal Advisor Ahmed & Qazi
Advocates & Legal Advisors

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

Bankers Soneri Bank Limited

**Registered Office
& Head Office** 90-91 Razia Sharif Plaza, Blue Area, Islamabad - 44000
Tel: (051) 2344422-23
Fax: (051) 2344424
Email: info.kcorp@kasb.com
Website: www.kasb.com/corporation

Corporate Office 8-C, Block 6, P.E.C.H.S Off: Shahr-e-Faisal, Karachi-75400.
Tel : (021) 34398852-5 , Fax : (021) 34398858

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

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, 2015.

Financial Performance

Profit and Loss Account	Mar 31, 2015
	Rs. (000)
Revenue	544
Expenses	(3,864)
Loss before tax	(3,320)
Taxation	(14)
Net loss	(3,334)
Loss per share (Rupee)	(0.01)

During the previous year the Company has made provision for impairment in the value amounting to Rs. 5,863 million on investments in KASB Bank Limited (the "Bank") as a result of amalgamation of the Bank with and into BankIslami Pakistan Limited, pursuant to sanction of Scheme of Amalgamation by the Federal Government on May 07, 2015. As at December 31, 2014, the Company held 83.62% shares of the Bank. The cost of the investment was Rs. 6,460 million.

In addition, the Company paid an aggregate advance of Rs. 981.410 million to the KASB Bank Limited against future issue of right shares. The KASB Bank Limited did not issue the right shares against the said advance and is now amalgamated with and into BankIslami Pakistan Limited, with effect from May 07, 2015, as per the Scheme of Amalgamation sanctioned by the Federal Government of Pakistan. Based on the legal advice, the Company is of the view that such advance has become a liability of BankIslami Pakistan Limited in pursuance of the Scheme of Amalgamation of the KASB Bank Limited with and into BankIslami Pakistan Limited, and hence, the Company has a legal right to recover this amount from BankIslami Pakistan Limited.

The Company and one of the sponsors of the Company had filed a suit (Suit No. 1102/2015) in the Honorable High Court of Sindh, wherein, the Company has prayed for restraining BankIslami Pakistan Limited from using or transferring the amount of advance for any purpose whatsoever during the pendency of the instant proceedings. Pursuant to the said suit, an order has been passed by the Honorable High Court of Sindh on July 01, 2015, whereby, the amount of the advance is required to be kept in the same position.

On November 14, 2014, the State Bank of Pakistan imposed a moratorium on KASB Bank Limited, causing all deposits over Rs. 300,000 to be frozen. During the moratorium, the Company succeeded in getting one of the largest investment houses in China, namely Cybernaut Group to acquire majority stake in KASB Bank through new equity cash injection to meeting the regulatory requirement.

However, despite the above valid offer from bona fide foreign investors, the Finance Division of the Government of Pakistan issued a sanction order of the Scheme of Amalgamation of the Bank with and into BankIslami Pakistan Limited, subsequent to the year end.

In view of the sanction order issued by the Federal Government, the SBP issued a notification on May 07, 2015 directing the de-scheduling of the Bank and further, also declared that the banking license of the Bank will stand cancelled with immediate effect. In accordance with the aforementioned Scheme of Amalgamation, the BankIslami Pakistan Limited was required to pay a token confirmation / consideration of Rs. 1,000/- for the entire shareholding to the shareholders of the Bank in proportion to their shareholding.

In view of the Board of Directors of the Company, the above actions do not only constitute unconstitutional deprivation of property of the Company and shareholders; but are also reflective of abuse and misuse of Section 47 of the Banking Companies Ordinance, 1962. Further the valuation was never shared with the board of the Bank and the Sponsors. It is a clear deprivation of the property rights of the Shareholders of the Bank and the Company.

Notwithstanding and without prejudice to the above, in July 2015, the Company has filed a constitutional petition (CP No. D-3076/2015, Nasir Ali Shah Bokhari and 2 others Vs Federation of Pakistan and others) in the Honorable High Court of Sindh at Karachi against the Federation of Pakistan and others by challenging the above Scheme of Amalgamation of KASB Bank Limited and the underlying valuation of its net assets, as the valuation report of the independent valuer was not shared with the Board of Directors of KASB Bank Limited. The petition is currently pending adjudication in the Honorable Sindh High Court and the Sindh High Court has not given its final verdict till the submission of the said valuation report.

Change in Board composition

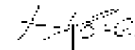
During the quarter, Ms. Sophie Liu and Ms. Mubashira Bukhari Khwaja tendered their resignations from the office of Directorship. In their places, Mr. Liu Wei and Mr. Wu Qian have been coopted to fill the casual vacancy.

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: August 26, 2015
Karachi



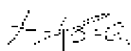
Nasir Ali Shah Bukhari
Chairman/ CEO

Condensed Interim Statement of Financial Position


As at March 31, 2015

	Note	March 31, 2015 (Un-audited)	December 31, 2014 (Audited)
		----- (Rupees) -----	
ASSETS			
Current assets			
Cash and bank balances		7,354,126	4,705,408
Prepayments and other receivables		3,075,006	4,637,186
Advance taxation - net		3,177,348	3,024,702
Total current assets		13,606,480	12,367,296
Non-current assets			
Long term investments	4	1,106,971,632	1,106,971,632
Long term deposits		240,400	240,400
Property and equipment		61,634,510	61,831,576
Total non-current assets		1,168,846,542	1,169,043,608
TOTAL ASSETS		1,182,453,022	1,181,410,904
LIABILITIES			
Current liabilities			
Accrued expenses and other liabilities		15,697,368	11,330,113
Loan from Sponsor/Director - unsecured		10,000,000	10,000,000
Total current liabilities		25,697,368	21,330,113
Non-current liabilities			
Advance against further issue of shares		1,045,051,000	1,045,051,000
Deffered tax liability - net		6,271,996	6,263,602
TOTAL LIABILITIES		1,077,020,364	1,072,644,715
NET ASSETS		105,432,658	108,766,189
REPRESENTED BY			
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		(6,595,701,011)	(6,592,367,480)
		105,432,658	108,766,189
Contingencies and commitments	5		

The annexed notes from 1 to 8 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, 2015

	Quarter / Period Ended	
	March 31,	2014
	2015	2014
	----- (Rupees) -----	
INCOME		
Mark-up on bank balances and short term loans	94,284	470,764
Realised gain on sale of investments	-	237,869
Unrealised gain on revaluation of investments	-	4,041,894
Other operating income	450,000	-
	544,284	4,750,527
EXPENSES		
Administrative and operating expenses	3,666,348	4,105,777
Financial charges	197,630	5,240,236
	3,863,978	9,346,013
Loss before taxation	(3,319,694)	(4,595,486)
Taxation		
Current	5,443	57,121
Deferred	8,394	9,975
	13,837	67,096
Loss after taxation	(3,333,531)	(4,662,582)
Loss per share - basic and diluted	(0.01)	(0.01)

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements



Chief Executive Officer

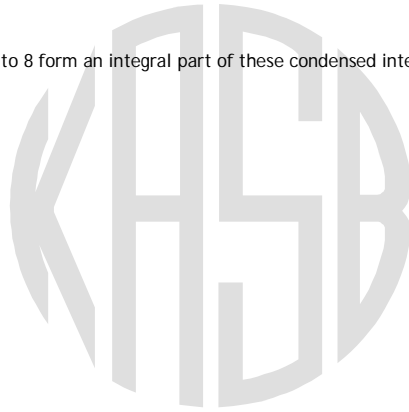


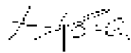
Director

Condensed Interim Statement of Comprehensive Income (Un-Audited)
for the quarter / period ended March 31, 2015

	<u>Quarter Ended</u>	
	<u>March 31,</u>	
	<u>2015</u>	<u>2014</u>
	----- (Rupees) -----	
Loss for the period	(3,333,531)	(4,662,582)
Other comprehensive income / (loss)	-	-
Total comprehensive loss for the period	<u>(3,333,531)</u>	<u>(4,662,582)</u>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements





Chief Executive Officer



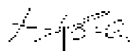
Director

Condensed Interim Cash Flow Statement (Un-Audited)

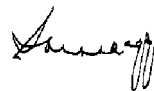
for the quarter / period ended March 31, 2015

	<u>Quarter / Period Ended</u>	
	<u>March 31,</u>	
	<u>2015</u>	<u>2014</u>
	----- (Rupees) -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(3,319,694)	(4,595,486)
Adjustments for:		
Depreciation	197,066	216,337
Financial charges	197,630	5,240,236
Unrealised gain on revaluation of investments	-	(4,014,894)
Realized gain on sale of investments	-	(237,869)
	<u>(2,924,998)</u>	<u>(3,418,676)</u>
Changes in operating assets / liabilities		
Prepayments and other receivables	1,562,180	(161,510)
Accrued expenses and other liabilities	4,169,995	(8,302,496)
	<u>5,732,175</u>	<u>(8,464,006)</u>
Cash generated / (used in) from operations	2,807,177	(11,882,682)
Financial charges paid	(370)	(5,240,236)
Taxes paid	(158,089)	(68,077)
	<u>(158,459)</u>	<u>(5,308,313)</u>
Net cash generated / (used in) operating activities	2,648,718	(17,190,995)
CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from disposal of investments	-	95,000,000
Long terms loans repaid	-	(75,000,000)
Deposits	-	(1,365)
Net cash generated from investing activities	-	19,998,635
Net Increase in cash and cash equivalents	2,648,718	2,807,640
Cash and cash equivalents at beginning of the period	4,705,408	1,455,739
Cash and cash equivalents at end of the period	<u>7,354,126</u>	<u>4,263,379</u>

The annexed notes from 1 to 8 form an integral part of these condensed interim financial statements



Chief Executive Officer

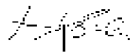


Director

Condensed Interim Statement of Changes in Equity (Un-Audited)
for the quarter / period ended March 31, 2015

	Share capital	Reserve on amalgamation	Un-appropriated profit / (loss)	Total
----- (Rupees) -----				
Balance as at December 31, 2013	5,577,730,900	1,123,402,769	(608,211,148)	6,092,922,521
Loss for the period	-	-	(4,662,582)	(4,662,582)
Balance as at March 31, 2014	<u>5,577,730,900</u>	<u>1,123,402,769</u>	<u>(612,873,730)</u>	<u>6,088,259,939</u>
Balance as at December 31, 2014	5,577,730,900	1,123,402,769	(6,592,367,480)	108,766,189
Loss for the period	-	-	(3,333,531)	(3,333,531)
Balance as at March 31, 2015	<u>5,577,730,900</u>	<u>1,123,402,769</u>	<u>(6,595,701,011)</u>	<u>105,432,658</u>

The annexed notes from 1 to 8 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, 2015

1. LEGAL STATUS AND OPERATIONS

- 1.1** KASB 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), on the application of the Company, 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 as at March 31, 2015.

Subsidiaries	% holding (Direct)	% holding (Indirect)	% holding (Cumulative)
KASB Bank Limited (now BankIslami Pakistan Limited)	83.62	-	83.62
KASB Funds Limited	46.14	43.89	90.03
KASB Capital Limited	78.22	21.78	100
KASB Securities Limited	0.70	77.12	77.82
KASB Modaraba	0.63	71.52	72.15
My Solutions Corporation Limited	-	100	100
Structured Venture (Private) Limited	-	100	100

- 1.4** Subsequent to the year end, the Federal Government, in terms of the provisions of section 47 of the Banking Companies Ordinance, 1962 has sanctioned a Scheme for the Amalgamation of the Company's major subsidiary KASB Bank Limited with and into BankIslami Pakistan Limited with effect from May 07, 2015. In terms of the said Scheme of Amalgamation, the Company's shares in KASB Bank Limited stand cancelled and retired (also refer note 4.1.1). As a consequence, the cumulative holding of the Company in various subsidiary companies reduced as under:

Subsidiaries	% holding (As of May 7, 2015)
KASB Bank Limited (now BankIslami Pakistan Limited)	-
KASB Funds Limited	46.14
KASB Capital Limited	78.22
KASB Securities Limited	0.70
KASB Modaraba	0.63
My Solutions Corporation Limited	-
Structured Venture (Private) Limited	-

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, 2014.

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, 2015.

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, 2014.

	Note	March 31, 2015 Un-audited	December 31, 2014 Audited
4. LONG TERM INVESTMENTS			
Subsidiary companies	4.1	1,106,971,632	1,106,971,632
Available for sale investments	4.2	-	-
		1,106,971,632	1,106,971,632
4.1 SUBSIDIARY COMPANIES			
KASB Bank Limited (Now BankIslami Pakistan Limited) (quoted)		6,460,001,505	6,460,001,505
[1,631,302,898 shares of Rs.10/- each (31 December 2014: 1,631,302,898 shares) of Rs. 10/- each]			
Less: Provision for impairment	4.1.1	(6,460,000,668)	(6,460,000,668)
		837	837
Advance against further issue of shares	4.1.2	981,410,000	981,410,000
KASB Funds Limited (unquoted)			
[14,848,484 shares (31, December 2014: 14,848,484 shares) of Rs. 10/- each]			
Less: Provision for impairment		111,666,670	111,666,670
		(74,903,146)	(74,903,146)
KASB Securites Limited (quoted)		36,763,524	36,763,524
[700,000 shares (31, December 2014: 700,000 shares) of Rs. 10/- each]			
		2,525,932	2,525,932
KASB Capital Limited (unquoted)			
[1,016,500 shares (31, December 2014: 1,016,500 shares) of USD 1/- each]			
		85,386,000	85,386,000
KASB Modaraba (quoted)			
[304,389 shares (31, December 2014: 304,389 shares) of Rs. 10/- each]			
		885,339	885,339
		1,106,971,632	1,106,971,632
4.2 AVAILABLE FOR SALE INVESTMENT			
KASB Invest (Private) Limited [Unquoted]	4.2.1	1,500,000	1,500,000
Less: Provision for impairment		(1,500,000)	(1,500,000)
		-	-

- 4.1.1** As referred to in note 1.4 of the condensed interim financial statements, the Federal Government, in terms of the provisions of Section 47 of the Banking Companies Ordinance, 1962 has sanctioned a Scheme of Amalgamation of the Company's major subsidiary (KASB Bank Limited) with and into BankIslami Pakistan Limited with effect from May 07, 2015. In terms of the said Scheme of Amalgamation, the Company's shares in KASB Bank Limited stand cancelled and retired. Further, in terms of the said Scheme of Amalgamation, the shareholders of the KASB Bank Limited shall receive a compensation / consideration of Rs. 1,000/- for the entire shareholding of the KASB Bank Limited in proportion to their shareholding. Accordingly, the Company is entitled to a compensation of Rs. 837/- against its shareholding in the KASB Bank Limited.

Based on the above event, the Company has fully adjusted the cost of its investment against the impairment provision held thereagainst.

Notwithstanding and without prejudice to the above, in July 2015, the Company has filed a constitutional petition (CP No. D-3076/2015, Nasir Ali Shah Bokhari and 2 others Vs Federation of Pakistan and others) in the Honorable High Court of Sindh at Karachi against the Federation of Pakistan and others by challenging the above Scheme of Amalgamation of KASB Bank Limited and the underlying valuation of its net assets, as the valuation report of the independent valuer was not shared with the Board of Directors of the KASB Bank Limited. The petition is currently pending adjudication in the Honorable Sindh High Court and the Sindh High Court has not given its final verdict till the submission of the said valuation report.

- 4.1.2** The Company paid an aggregate advance of Rs. 981.410 million to the KASB Bank Limited against future issue of right shares. The KASB Bank Limited did not issue the right shares against the said advance and is now amalgamated with and into BankIslami Pakistan Limited, with effect from May 07, 2015, as per the Scheme of Amalgamation sanctioned by the Federal Government of Pakistan. Based on the legal advice, the Company is of the view that such advance has become a liability of BankIslami Pakistan Limited in pursuance of the Scheme of Amalgamation of the KASB Bank Limited with and into BankIslami Pakistan Limited, and hence, the Company has a legal right to recover this amount from BankIslami Pakistan Limited.

The Company and one of the sponsors of the Company had filed a suite (Suit No. 1102/2015) in the Honorable High Court of Sindh, wherein, the Company has prayed for restraining BankIslami Pakistan Limited from using or transferring the amount of advance for any purpose whatsoever during the pendency of the instant proceedings. Pursuant to the said suit, an order has been passed by the Honorable High Court of Sindh on July 01, 2015, whereby, the amount of the advance is required to be kept in the same position.

In view of the above pending legal proceedings, no provision against the advance of Rs. 981.410 million has been considered necessary in these condensed interim financial statements, as the management is confident about the favorable outcome of the legal proceedings.

- 4.2.1** During the previous year, KASB Invest (Private) Limited issued right shares which were renounced by the Company. Accordingly, the shareholding of the Company in KASB Invest (Private) Limited reduced from 99.63 % to 13.72 %. Hence, KASB Invest (Private) Limited has been classified as an 'available for sale' investment.

5. CONTINGENCIES AND COMMITMENTS

The status of contingencies and commitments remained unchanged as disclosed in the financial statements for the year ended December 31, 2014.

6. 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:

	March 31, 2015 Un-audited	December 31, 2014 Audited
	----- (Rupees) -----	
Balances		
Bank balances	2,298,125	2,268,520
Investment in subsidiary companies	1,106,971,632	1,106,971,632
Laon payable	19,300,000	15,300,000
Markup receivables on deposits	346	404
Markup payable on loan	1,294,029	1,096,769
Dividend Receivable	-	73,053
Rent receivable	350,000	-
Other Receivables	1,609,459	3,218,919

	March 31, 2015 Un-audited	December 31, 2014 Audited
	----- (Rupees) -----	
Transactions		
Income		
Markup on deposits and short term loan	32,491	157,873
Return on investments	-	273,869
Dividends received	73,053	-
Rent received	100,000	-
Expenses		
Financial Charges	-	300
Markup on loan	-	14,300,000
Custody charges	28,098	10,126
	March 31, 2015 Un-audited	March 31, 2014 Un-audited
	----- (Rupees) -----	
Key management personnel		
Remuneration paid to key management personnel	-	1,500,000
Others		
Contribution paid to employees' provident fund	9,249	19,248
Reimbursements	46,088	43,561
Service income	1,609,460	-
Sale of investment	-	95,000,000
Long term loan repaid	-	75,000,000

7. DATE OF AUTHORIZATION

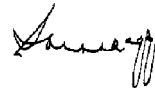
These condensed interim financial statements were authorized for issue in the Board of Directors meeting held on August 26, 2015.

8. GENERAL

- 8.1 The figures of the corresponding period have been rearranged wherever necessary for the purpose of better presentation and comparison.
- 8.2 Figures have been rounded off to the nearest rupee.



Chief Executive Officer



Director



Registered Office: 90-91 Razia Shariff Plaza, Blue Area, Islamabad - 44000
Tel: (051) 2344422-3 Fax: (051) 2344424

Corporate Office: 8-C, Block 6, P.E.C.H.S Off: Shahrah-e-Faisal, Karachi-75400.
Tel : (021) 34398852-5 , Fax : (021) 34398858
Email: info.kcorp@kasb.com
Website: www.kasb.com/corporation