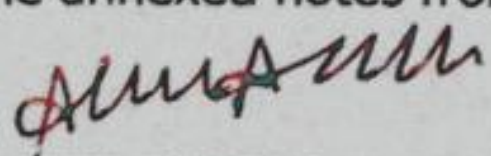
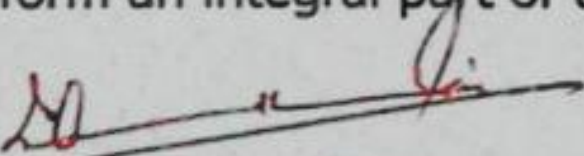
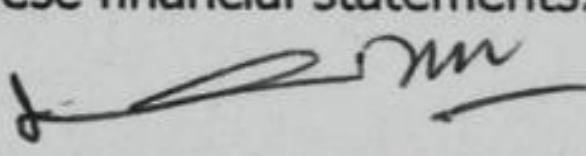
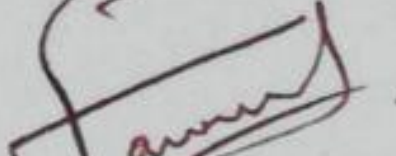


FIRST NATIONAL BANK MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2020

	Note	2020 Rupees	2019 Rupees
INCOME FROM OPERATIONS			
Ijarah rentals earned / income from ijarah finance		2,561,756	8,444,363
Profit on diminishing musharaka financing		100,312	1,709,031
Profit on murabaha investments		-	67,948
Profit on bank deposits		311,733	920,506
Profit on disposal of ijarah assets		-	679,410
Profit on disposal of owned assets		-	30,000
Profit on short term investment		11,711,175	6,369,850
		14,684,976	18,221,108
OTHER INCOME			
Reversal of provision charged for doubtful receivables - net	32	1,902,510	4,000,003
Excess liabilities written back		6,746,296	-
Other income	29	18,036	39,034
		8,666,842	4,039,037
TOTAL INCOME		<u>23,351,818</u>	<u>22,260,145</u>
EXPENSES			
Depreciation on ijarah assets	19	(6,636,208)	(14,795,254)
Operating expenses	30	(14,910,330)	(15,137,194)
Loss on disposal of ijarah assets		(314,746)	-
Finance cost	31	(28,557,431)	(22,425,017)
Excess receivable written off		(3,984,547)	-
TOTAL EXPENSES		<u>(54,403,262)</u>	<u>(52,357,465)</u>
OPERATING LOSS BEFORE PROVISIONS AND TAXATION		(31,051,444)	(30,097,320)
Provision charged for doubtful receivables - net	32	(3,020,340)	(5,619,044)
Impairment loss on ijarah assets - net	19	-	-
Modaraba Company's management fee	33	(34,071,784)	(35,716,364)
LOSS BEFORE TAXATION		<u>(34,071,784)</u>	<u>(35,716,364)</u>
Taxation	34	-	-
NET LOSS FOR THE YEAR		<u>(34,071,784)</u>	<u>(35,716,364)</u>
LOSS PER CERTIFICATE - BASIC AND DILUTED	35	<u>(1.36)</u>	<u>(1.43)</u>

The annexed notes from 1 to 43 form an integral part of these financial statements.





CHIEF EXECUTIVE OFFICER **DIRECTOR** **DIRECTOR** **CHIEF FINANCIAL OFFICER**

Modaraba;

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2020 and of the loss, comprehensive loss, its cash flows and changes in equity for the year then ended; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note 1.2 of the accompanied financial statements, which indicates that the Modaraba incurred a net loss of Rs. 34.071 million during the year ended June 30, 2020. As of that date the Modaraba's current liabilities exceeded its current assets by Rs. 102.825 million, its net liabilities amounted to Rs. 63.161 million and its accumulated losses amounted to Rs. 357.116 million. The short term running facility obtained from National Bank of Pakistan (NBP) was expired on October 31, 2019 that has yet not been renewed and markup outstanding thereupon is also outstanding. Moreover, after the issuance of order dated October 31, 2019 of Registrar Modaraba, the winding up petition has been filed on June 16, 2020 before the Honorable Modaraba Tribunal, Lahore. This situation indicates that a material uncertainty exists that may cast significant doubt on the Modaraba's ability to continue as going concern. Therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Estimated realizable / settlement values are based on the management's best estimate. Estimation involves judgment based on the latest available, reliable information, historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realized and liabilities will be settled may be different from those carried in these financial statements. Our opinion is not qualified in respect of this matter.

LAHORE
Dated:

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Amin Ali)

