

Growth + Prosperity



First Punjab Modaraba
(An Islamic Financial Institution)



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Corporate Profile

Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Nadeem Amir	Chairman
Aamir Malik	Chief Executive
Ijaz ur Rehman Qureshi	Director
Umer Iqbal Sheikh	Director
Imran Bashir	Director
Samina Afsar	Director
Khawar Shahid Ansari	Director

Auditors of the Modaraba

EY Ford Rhodes
Chartered Accountants

Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.
Chartered Accountants

Chief Financial Officer & Company Secretary

Mudassar Kaiser Pal

Bankers

The Bank of Punjab
Bank Alfalah Limited

Audit Committee

Imran Bashir	Chairman
Ijaz ur Rehman Qureshi	Member
Samina Afsar	Member

Registrar

Hameed Majeed Associates (Pvt) Ltd.
H.M. House, 7-Bank Square,
The Mall, Lahore
Tel: (+92-42) 37235081-2

Human Resource Committee

Samina Afsar	Chairperson
Ijaz ur Rehman Qureshi	Member
Umer Iqbal Sheikh	Member
Aamir Malik	Member

Registered Office

Office No. 100, 3rd Floor National Tower,
Egerton Road, Lahore.
Postal Code No. 54600
PABX: (+92-42) 36365191
Fax: (+92-42) 36365193
E-mail: info@punjabmodaraba.com.pk
URL: www.punjabmodaraba.com.pk



DIRECTORS' REPORT

The Board of Directors of Punjab Modaraba Services (Pvt.) Limited, the Management Company of First Punjab Modaraba (the Modaraba), is pleased to present the quarterly results of the Modaraba, together with Directors' report, for quarter ended September 30, 2021.

According to the Asian Development Outlook 2021 Update, Pakistan's economic growth rebounded to 3.9% in fiscal year FY2021 (ending 30 June 2021) and is expected to reach 4.0% in FY2022 as business activity gradually resumes in the second year of the COVID-19 pandemic. The economy is expected to continue recovering in FY2022, supported by stronger private investment, improving business activity, a steady vaccine rollout, and economic stimulus measures for FY2022. Yet, significant uncertainty clouds the economic outlook over the course of the pandemic in Pakistan and worldwide.

The improvement in economic activity had its positive impact on performance of the Modaraba during period under review. The revenues increased by 13% than corresponding period, while expenditure side was kept under control showing reduction of 1.4% compared to corresponding period. Substantial amount of recovery from chronic non-performing assets also contributed towards positive bottom line. On aggregate basis, the Modaraba recorded profit after tax of Rs.5.054 million against profit of Rs.0.242 million in corresponding period.

Going forward, the Modaraba will continue its focus on business expansion by booking of fresh assets. At the same time all out efforts for recovery from NPAs, will remain top priority. The Modaraba, with objective of diversification of business model and revenue streams, is making progress on new business segment of real estate and construction. The wholly owned subsidiary, i.e. Punjab Capital Securities (Pvt) Limited continued its profitable operations in shape of net profit after tax of Rs.1.99 million during the period under consideration.

The Board acknowledges the continuous guidance and support extended by the Registrar Modaraba, Securities & Exchange Commission of Pakistan and expects to be its beneficiary in future as well. The Board is also thankful for the patronage extended by the certificate holders.

For and on behalf of the Board of Directors

(Aamir Malik)
CHIEF EXECUTIVE

(Ijaz ur Rehman Qureshi)
DIRECTOR

Lahore: October 29, 2021

ڈائریکٹرز کی رپورٹ

فرسٹ پنجاب مضاربہ (مضاربہ) کی مینجمنٹ کمیٹی پنجاب مضاربہ سروموز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز مضاربہ کے سرمایہ نتائج، ڈائریکٹرز کی رپورٹ کے ساتھ، 30 ستمبر 2021 کو ختم ہونے والی سہ ماہی کے لیے پیش کرنے پر خوش ہیں۔


ایشین ڈویلپمنٹ آڈٹ لک 2021 اپ ڈیٹ کے مطابق، پاکستان کی اقتصادی ترقی مالی سال 2021 (30 جون 2022 کو ختم ہونے والے) میں 9.3 فیصد تک پہنچ گئی اور مالی سال 2022 میں اس کے 4.0 فیصد تک پہنچنے کی توقع ہے کیونکہ COVID-19 وبائی بیماری کے دوسرے سال میں کاروباری سرگرمیوں میں بہتری، ایک مستحکم ویکسین کے اجراء، اور مالی سال 2022 کے لیے معاشی محرک اقدامات سے تعاون حاصل ہے۔ اس کے باوجود، اہم غیر یقینی صورتحال پاکستان اور دنیا بھر میں وبائی امراض کے دوران معاشی نقطہ نظر سے سوالات اٹھاری ہے۔


معاشی سرگرمیوں میں بہتری نے زیر جائزہ مدت کے دوران مضاربہ کی کارکردگی پر مثبت اثر ڈالا۔ پچھلی مدت کے مقابلے میں محصولات میں 13 فیصد اضافہ ہوا، جبکہ اخراجات کی طرف کنٹرول میں رکھا گیا جس میں اسی مدت کے مقابلے میں 1.4 فیصد کمی واقع ہوئی۔ دائمی نان فارمنگ اثاثوں سے ریکوری کی خاطر خواہ رقم نے بھی مثبت نتائج میں حصہ لیا۔ مجموعی بنیاد پر، مضاربہ نے پچھلی مدت میں 0.24 ملین روپے کے منافع کے مقابلے میں 5.054 ملین روپے کا بعد از ٹیکس منافع ریکارڈ کیا۔

آگے بڑھتے ہوئے، مضاربہ تازہ اثاثوں کی بنگ کے ذریعے کاروبار کی توسیع پر اپنی توجہ جاری رکھے گا۔ ساتھ ہی نادر ہنگاموں سے وصولی کے لیے تمام تر کوششیں اولین ترجیح رہیں گی۔ مضاربہ، کاروباری ماڈل اور آمدنی کے سلسلے کو متنوع بنانے کے مقصد کے ساتھ، ریسٹل اسٹیٹ اور تعمیرات کے نئے کاروباری طبقے پر پیش رفت کر رہا ہے۔ مکمل ملکیتی ذیلی کمپنی، یعنی پنجاب کینٹیل سکیورٹیز (پرائیویٹ) لمیٹڈ نے زیر نمونہ مدت کے دوران 1.9 ملین روپے کے بعد از ٹیکس خالص منافع کی شکل میں اپنے منافع بخش آپریشنز کو جاری رکھا۔

بورڈ رجسٹرار مضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے مسلسل رہنمائی اور تعاون کو تسلیم کرتا ہے اور مستقبل میں بھی اس سے مستفید ہونے کی امید کرتا ہے۔ بورڈ ٹھیکہ ہولڈرز کی طرف سے دی جانے والی سرپرستی کا بھی مشکور ہے۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے


(اعجاز الرحمن قریشی)
ڈائریکٹر


(عامر ملک)
چیف ایگزیکٹو

لاہور: 29 اکتوبر 2021



UNCONSOLIDATED BALANCE SHEET (UN-AUDITED) AS AT 30 SEPTEMBER 2021

	Note	30 Sep 2021 (Un- Audited) Rupees	30 June 2021 (Audited) Rupees
ASSETS			
Non current assets			
Tangible fixed assets	5		
- Ijarah assets	5.1	424,688,519	450,439,651
- Assets in own use	5.2	2,216,204	2,814,633
Intangible assets		-	402,186
Investment in subsidiary	6	76,500,000	76,500,000
Long term musharikhah investment - secured	7	148,805,786	220,934,378
Long term morabaha investment - secured	8	-	-
Long term deposits		203,444	203,444
Deferred tax asset		64,398,663	64,398,663
		716,812,616	815,692,955
Current assets			
Short term morabaha investment - secured	9	222,666,512	251,718,651
Current maturity of long term investment	10	371,068,242	347,528,148
Ijarah rental receivable	11	203,434,553	235,750,535
Development Properties - Land		29,271,510	6,975,000
Advances, deposits, prepayments and other receivable	12	196,257,433	174,482,949
Tax refund due from government		5,642,569	4,121,736
Cash and bank balances		57,979,706	111,748,425
		1,086,320,525	1,132,325,444
TOTAL ASSETS		1,803,133,141	1,948,018,399
EQUITY AND LIABILITIES			
Operating (loss) / profit before provision			
Authorized certificate capital			
50,000,000 (30 June 2021: 50,000,000) modaraba certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital			
34,020,000 (30 June 2021: 34,020,000) certificates of Rs. 10 each		340,200,000	340,200,000
Capital reserves		218,176,678	218,176,678
Revenue reserves		(408,603,306)	(413,657,696)
		149,773,372	144,718,982
Non current liabilities			
Long term security deposits		42,607,909	42,775,909
Deferred morabaha income		1,505,878	1,158,017
Long term musharikhah finance - secured	13	389,576,161	535,128,774
		433,689,948	579,062,700
Current liabilities			
Current maturity of non current liabilities		79,669,360	88,769,360
Redeemable capital - participatory and unsecured	14	1,013,490,498	1,014,101,593
Profit payable	15	20,145,018	23,762,005
Trade and other payables	16	86,442,710	78,716,761
Provision for taxation		2,555,150	1,519,913
Unclaimed profit		17,367,085	17,367,085
		1,219,669,821	1,224,236,717
TOTAL EQUITY AND LIABILITIES		1,803,133,141	1,948,018,399
CONTINGENCIES AND COMMITMENTS			
	16		

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)


Chief Financial Officer
Punjab Modaraba Services
(Private) Limited


Chief Executive
Punjab Modaraba Services
(Private) Limited


Director
Punjab Modaraba Services
(Private) Limited


Director
Punjab Modaraba Services
(Private) Limited



**UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Note	30 Sep 2021	30 Sep 2020
		Un-Audited	Un-Audited
		----- (Rupees) -----	
Income			
Income from ijarah rentals		27,681,931	15,264,909
Income from morabaha financing		529,413	2,928,835
Income from diminishing musharaka financing		13,944,096	17,984,945
Gain on disposal of fixed assets		936,474	190,405
Other income	18	1,923,478	3,403,613
		45,015,392	39,772,707
Expenses			
Administrative expenses	19	11,268,965	8,497,785
Finance cost	20	27,656,800	30,984,375
		38,925,765	39,482,160
Operating (loss) / profit before provision		6,089,627	290,547
Reversal for impairment of ijarah assets		-	-
Reversal / (Provision) against ijarah rentals		-	-
Reversal / (Provision) for musharakah investment		-	-
		-	-
Operating profit after provision and impairment		6,089,627	290,547
Modaraba Company's management fee		-	-
		6,089,627	290,547
Taxation	21	(1,035,237)	(49,393)
Profit for the Period		5,054,390	241,154
Earnings per certificate - basic and diluted	22	0.15	0.01

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

**For Punjab Modaraba Services (Private) Limited
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(Private) Limited



**UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Three Months Ended	
	30 Sep 2021	30 Sep 2020
	(Un-Audited)	(Un-Audited)
	----- (Rupees) -----	
Income for the Period	5,054,390	241,154
Other Comprehensive Income for the Period	-	-
Total comprehensive income for the Period	<u>5,054,390</u>	<u>241,154</u>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

**For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)**

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(Private) Limited



**UNCONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	30 Sep 2021	30 Sep 2020
Note	(Un-Audited)	(Un-Audited)
	Rupees	Rupees
Cash flow from operating activities		
Cash generated from operations	24 125,189,609	70,096,201
Profit paid on redeemable capital	(20,459,712)	(22,878,639)
Profit paid on musharikhah finances	(10,814,075)	(18,568,275)
Taxes paid	(1,520,833)	(37,256)
	(32,794,620)	(41,484,170)
Net cash used in operating activities	92,394,989	28,612,031
Cash flow from investing activities		
Proceeds from disposal of fixed assets	-	27,500
Purchase of fixed assets in own use	5 -	(204,280)
Net cash generated from / (used in) investing activities	-	(176,780)
Cash flow from financing activities		
Musharikhah finances-net	13 (145,552,613)	26,602,749
Redeemable capital-net	14 (611,095)	507,406
Profit distributed among the certificate holders	-	(8,592)
Net cash generated from financing activities	(146,163,708)	27,101,563
Net (decrease) / increase in cash and cash equivalents	(53,768,719)	55,536,814
Cash and cash equivalents at the beginning of the Period	111,748,425	25,102,916
Cash and cash equivalents at the end of the Period	13 57,979,706	80,639,730

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

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(Modaraba Management Company)**


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Director
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(Private) Limited


Director
Punjab Modaraba Services
(Private) Limited



UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	Certificate capital	Capital Reserve	Revenue Reserve	Total
		Statutory reserve	Accumulated loss	
-----Rupees-----				
Balance as at 01 July 2020	340,200,000	216,692,528	(419,594,296)	137,298,232
Profit for the period	-	-	241,154	241,154
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	241,154	241,154
Balance as at 30 September 2020	340,200,000	216,692,528	(419,353,142)	137,539,386
Balance as at 01 July 2021	340,200,000	218,176,678	(413,657,696)	144,718,982
Profit for the Period	-	-	5,054,390	5,054,390
Other comprehensive income for the Period	-	-	-	-
Total comprehensive income for the Period	-	-	5,054,390	5,054,390
Transfer to statutory reserves	-	-	-	-
Balance as at 30 September 2021	340,200,000	218,176,678	(408,603,306)	149,773,372

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

**For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)**

Chief Financial Officer
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(Private) Limited

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(Private) Limited

Director
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(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited



UNCONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2021

1 Status and nature of business

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed thereunder and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 3rd Floor, National Tower, Egerton Road, Lahore. The Modaraba commenced its operations from 23rd December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba is a perpetual, multi purpose and multi dimensional modaraba and is primarily engaged in the business of ijarah, musharika and morabaha financing, equity investment and other related business in accordance with the injunctions of Islam.

The Modaraba established its wholly owned subsidiary on November 29, 2016 as a private limited Company under the name of Punjab Capital Securities (Pvt) Limited. The Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

These condensed financial statements are the separate condensed financial statements of the Modaraba in which investments in subsidiary are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed financial statements are prepared separately.

1.1 Management's Assessment of Going Concern

In assessing the going concern status of the Modaraba, management has carefully assessed number of factors covering the performance of the business, business prospects and appetite of majority shareholder to continue financial support. Based on the analysis of these, management is comfortable that the Modaraba will be able to continue as a going concern in the foreseeable future.

During the period ended 30 September 2021, the Modaraba has earned a net profit of Rs. 5,054,390 which is mainly due to reduction in finance cost and reversal of provisions. The accumulated loss, net of reserves, as at 30 September 2021 amount to Rs. 190,426,628 (2021: Rs. 195,481,018) which exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates. Further the current liabilities of the Modaraba exceed its current assets by Rs. 162,620,806 as at 30 June 2021.

In order to address going concern issue in terms of section 23 of the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 (the Modaraba Ordinance), The Bank of Punjab (BOP) being the parent company of the Modaraba's Management Company' is providing enduring support and has confirmed that it shall continue to provide financial support to the Modaraba in order to mitigate liquidity risk. The Modaraba has obtained approval from the Securities & Exchange Commission of Pakistan dated 13 January 2021 to undertake Building, Construction and Real Estate activities. Accordingly, financial benefits shall be accrued in books of Modaraba in due course of time. Further, the Modaraba has made significant progress in terms of recovery from certain classified borrowers resulting in improvement of net equity in term of compliance of section 23 of the Modaraba Ordinance.

On the basis of support and the arrangements as outlined above and the business



plan prepared by the management, the management is of the view that no material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern and the Modaraba shall be able to operate on going concern basis in the foreseeable future. Consequently, these financial statements have been prepared reflecting these assumptions.

2 Basis of preparation

This unconsolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP prevail.

This unconsolidated condensed interim financial information is un-audited. This interim financial information of the Modaraba for the period ended 30 September 2021 has been prepared in accordance with the requirements of the International Accounting Standard (IAS)-34 " Interim Financial Reporting". This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended 30 June 2021.

This unconsolidated condensed interim financial information is being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

3 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the preceding year ended 30 June 2021.

4 Significant accounting estimates and judgements

The preparation of this unconsolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for year ended 30 June 2021.



5.2 Assets in own use

Description	COST			DEPRECIATION			NBV As at 30 Sep 2021	Depreciation Rate
	As at 1 July 2021	Additions	Disposal	As at 30 Sep 2021	Charge for the Period	Disposal		
Office Equipment	2,942,895	-	-	2,942,895	168,631	-	2,429,074	15% & 30%
Furniture &	2,199,000	-	-	2,199,000	65,708	-	1,470,173	15%
Vehicles	2,259,300	-	-	2,259,300	364,091	-	1,285,744	20%
	7,401,195	-	-	7,401,195	598,430	-	5,184,991	

Description	COST			DEPRECIATION			NBV As at 30 June 2021 (Rupees)	Depreciation Rate
	As at 1 July 2020	Additions	Disposal	As at 30 June 2021	Charge for the Year	Disposal		
Office Equipment	2,630,640	439,245	(126,990)	2,942,895	236,809	(126,990)	2,260,443	15% & 30%
Furniture &	2,358,733	34,400	(194,133)	2,199,000	232,210	(194,133)	1,404,465	15%
Vehicles	2,174,400	154,800	(69,900)	2,259,300	450,426	(67,697)	921,653	20%
	7,163,773	628,445	(391,023)	7,401,195	919,445	(388,820)	4,586,561	

5.2.1 The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 1,946,371 (30 June 2021: Rs. 1,946,371).



First Punjab Modaraba

6 Investment in subsidiary

As a result of Stock Exchange (Corporatization, Demutualization and Integration) Act 2012, the Modaraba acquired Trading Rights Entitlement Certificate (TREC) and the subsidiary has been setup to undertake brokerage business and thereby utilize the TREC. The Modaraba obtained permission from SECP vide letter dated October 21, 2016 to form a wholly owned subsidiary to undertake brokerage business and the subsidiary was incorporated on November 29, 2016. During the period, total investment in subsidiary remained at Rs. 76,500,000 (June 2021: Rs. 76,500,000).

	Note	30 Sep 2021 (Un-Audited) Rupees	30 June 2021 (Audited) Rupees
7 Long term musharikhah investment - secured			
Long term musharikhah investment		535,426,949	582,555,541
Less: Current portion of long term musharikhah investme	10	(386,621,163)	(361,621,163)
		148,805,786	220,934,378
8 Long term morabaha investment - secured			
Long term morabaha investment		9,008,222	9,008,220
Add: Unearned morabaha income		-	-
		9,008,222	9,008,220
Less: Current portion of long term morabaha investmen	10	(9,008,222)	(9,008,220)
		-	-
9 Short term morabaha investment-secured			
Short term morabaha Investment		456,722,013	486,122,013
Add: Unearned morabaha income		1,505,878	1,158,017
		458,227,891	487,280,030
Less: Provision for doubtful morabaha investment		(235,561,379)	(235,561,379)
		222,666,512	251,718,651
10 Current maturity of long term investment			
Current portion of long term musharikhah investment	7	386,621,163	361,621,163
Less: Provision against musharika investment		(15,761,143)	(15,761,143)
		370,860,020	345,860,020
		371,068,242	691,928,260
Current portion of long term morabaha investment	8	9,008,222	9,008,220
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		208,222	208,220
		371,068,242	346,068,240
11 Ijarah rental receivables			
Ijarah rental receivable		323,584,824	368,478,892
Less: Provision against ijarah rental receivable		(120,150,271)	(132,728,357)
		203,434,553	235,750,535
12 Advances, deposits, prepayments and other receivables			
Profit receivable			
- Morabaha investment		20,554,447	20,454,798
- Musharikhah investment		57,450,910	43,453,090
		78,005,357	63,907,887
Prepayments		7,390,486	4,952,103
Advances		2,620,704	2,795,704
Non-banking assets		8,486,298	8,486,298
Other receivables		110,882,880	106,929,156
		207,385,725	187,071,148
Less: Provision for other receivables		(11,128,292)	(11,128,292)
		196,257,433	175,942,859



- 13** The Modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs. 1,585 million (2021: Rs. 1,585 million) and tenor of 3 years. The facilities have expired on 26 October 2021 and are under process of renewal for another 3 years. These facilities are secured by way of first pari passu charge over present and future fixed assets of Modaraba for amount of Rs. 860 million, first pari passu charge over present and future current assets of Modaraba for an amount of Rs. 1,040 million and ranking charge over present and future current assets for an amount of Rs. 860 million. The estimated share of profit payable on musharikhah facilities is 3 month Kibor plus 25 bps per annum (2021: 3 month Kibor per annum).

Note	30 Sep 2021 (Audited) Rupees	(Un- Audited) Rupees	30 June 2021 (Audited) Rupees
14 Redeemable capital - participatory and unsecured			
Opening balance	1,014,101,593		1,013,549,225
Add: Issued during the year	-		552,368
Add: Re- issued during the year	1,000,000,000		1,000,000,000
Less: Redeemed during the year	(1,000,611,095)		(1,000,000,000)
	(611,095)		552,368
Closing balance	<u>1,013,490,498</u>		<u>1,014,101,593</u>
15 Profit payable			
Musharikhah finance	7,156,737		11,170,271
Redeemable capital	12,988,281		12,591,734
	<u>20,145,018</u>		<u>23,762,005</u>
16 Trade and other payables			
Accrued expenses	4,906,528		4,906,528
Tax deducted at source	1,121,478		1,289,173
Advances against ijarah / morabaha / musharikhah	55,048,835		42,759,127
Other payables	25,365,869		29,761,933
	<u>86,442,710</u>		<u>78,716,761</u>
17 Commitments			
17.1 Ijarah commitments approved but not disbursed as on balance sheet date amount to Rs. Nil (2021: Nil).			
17.2 Morabaha commitments approved but not disbursed as on balance sheet date amount to Rs. Nil (2021: Nil).			
17.3 Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs. Nil. (2021: Rs.10.85 million).			



First Punjab Modaraba

		Three Months Ended	
		30 Sep 2021	30 Sep 2020
		(Un-Audited)	(Un-Audited)
		Rupees	Rupees
18	Other income		
	Profit on bank deposits	1,149,214	716,941
	Processing fee	361,539	266,118
	Gain on settlement of musharikhah	222,725	955,054
	Gain on settlement of morabaha	-	1,300,000
	Miscellaneous income	190,000	165,500
		1,923,478	3,403,613
19	Operating expenses		
	Salaries and benefits	7,412,569	6,499,445
	Traveling and conveyance	39,354	8,380
	Depreciation - owned asset	598,430	150,645
	Amortization of Intangible Assets	402,186	-
	Legal and professional	551,551	240,672
	Printing and stationary	237,412	198,742
	Insurance	115,000	-
	Repair and maintenance	479,210	393,965
	Vehicle running and maintenance	48,630	75,123
	Power and utilities	427,066	336,067
	Entertainment expenses	198,240	203,897
	Advertisement	50,000	50,000
	Telephone and postage	108,677	112,216
	Corporate expenses	55,038	65,876
	Rent rates and taxes	101,600	8,950
	Selling and marketing expenses	381,094	125,005
	Miscellaneous expenses	62,908	28,802
		11,268,965	8,497,785
20	Finance cost		
	Financial charges on musharikhah	6,800,541	11,718,935
	Financial charges on redeemable capital	20,856,259	19,264,915
	Bank charges	-	525
		27,656,800	30,984,375
21	Taxation		
	Current Tax		
	- Current year	1,035,237	49,393
	Deferred		
	- Relating to origination and reversal of temporary differences	-	-
		1,035,237	49,393



22 Transactions with related parties

The related parties and associated undertakings comprise of The Bank of Punjab, Punjab Modaraba Services (Private) Limited and Punjab Capital Securities (Private) Limited. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

22.1 Balances outstanding at the end of period

	30 Sep 2021 (Un-Audited)	30 June 2021 (Audited)
	Rupees	Rupees
22.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)		
Musharikhah finances	389,576,161	535,128,774
Profit payable on musharikhah finances	7,156,737	11,170,271
Certificates of musharikhah	1,000,000,000	1,000,000,000
Profit payable on certificates of musharikhah	11,960,915	11,564,368

22.1.3 Punjab Capital Securities (Private) Limited (Subsidiary Company)

Investment in shares	76,500,000	76,500,000
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22.2 Transactions during the period

	Three Months ended	
	30 Sep 2021 (Un-Audited)	30 Sep 2020 (Un-Audited)
22.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)		
Bank charges	0	525
Profit charged on finances	6,800,541	11,718,935
Profit charged on certificates of Musharikhah	20,229,493	19,264,915

23 Reconciliation of liabilities arising from financing activities

	Balance as on 01 July 2021	Availed / Announced	Repaid / Redeemed	Balance as at 30 Sep 2021
Long term musharikhah finance	535,128,774	2,525,797,407	(2,671,350,020)	389,576,161
Dividend Payable	17,367,085	-	-	17,367,085
Redeemable capital	1,014,101,593	1,000,000,000	(1,000,611,095)	1,013,490,498
	1,566,597,452	3,525,797,407	(3,671,961,115)	1,420,433,744



First Punjab Modaraba

	September 30, 2021 Rupees	September 30, 2020 Rupees
24 Cash flow from operating activities		
Profit for the period	6,089,627	290,547
Adjustments for:		
Depreciation of ijarah assets	32,990,538	32,301,821
Depreciation of assets in own use	598,430	150,645
Amortization of Intangible Assets	334,788	-
Gain on disposal of Ijarah assets	(936,474)	(190,405)
Gain on disposal of Musharikhah assets	(222,725)	-
Financial charges on musharikhah finances	6,800,541	11,718,935
Financial charges on redeemable capital	20,856,259	19,264,915
	60,421,357	63,245,911
Operating profit before working capital changes	66,510,984	63,536,457
Working capital changes		
(Increase)/decrease in operating assets:		
Morabaha investment	29,399,998	(467,821)
Purchase of assets under ijarah arrangements	(17,009,900)	(20,732,427)
Investment in musharikhah-net	47,351,317	33,985,798
Purchase of Software	(1,200,000)	-
Purchase of assets-Development Properties	(29,271,510)	-
Proceeds from transfer of ijarah assets	10,706,968	723,282
Ijarah Rental Receivable - net	32,315,982	(12,241,654)
Advances, deposits, prepayments and other receivables	(12,139,577)	(13,710,330)
	60,153,278	(12,443,152)
Increase/(decrease) in operating liabilities:		
Security deposits - net	(9,268,000)	(278,700)
Trade and other payables	7,793,347	19,281,595
	(1,474,653)	19,002,895
Net changes in operating assets and operating liabilities	58,678,625	6,559,743
Cash generated from operations	125,189,609	70,096,201

25 Corresponding figures

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the period.

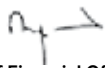
26 Date of authorization for issue

The unconsolidated financial statements of Modaraba were approved by the Directors of Modaraba Management Company and authorized for issue on October 29, 2021.

27 General

Figures have been rounded off to the nearest rupees unless otherwise provided.

**For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)**


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Punjab Modaraba Services
(Private) Limited


Director
Punjab Modaraba Services
(Private) Limited



CONSOLIDATED FINANCIAL INFORMATION

for the three months ended
September 30, 2021



**CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2021**

	Note	30 Sep 2021 (Un-Audited) Rupees	30 June 2021 (Audited) Rupees
ASSETS			
Non current assets			
Tangible fixed assets	5		
- Ijarah assets	5.1	424,688,519	450,439,651
- Assets in own use	5.2	3,184,298	3,800,610
Intangible assets	6	6,765,726	7,167,912
Development Properties - Land		29,271,510	6,975,000
Long Term Investment		20,533,912	20,533,912
Long term musharikhah investment - secured	7	148,805,786	220,934,378
Long term morabaha investment - secured	8	-	-
Long term deposits		8,395,471	3,295,435
Deferred tax asset		64,386,484	64,386,484
		706,031,706	777,533,382
Current assets			
Short term morabaha investment - secured	9	222,666,512	251,718,651
Current maturity of long term investment	10	371,068,242	346,068,240
Ijarah rental receivable		203,434,553	235,750,535
Trade Receivable		13,611,831	32,655,884
Advances, deposits, prepayments and other receivables	12	222,902,697	209,553,424
Tax refund due from government		8,513,763	7,255,755
Cash and bank balances		98,016,688	140,072,304
		1,140,214,286	1,223,074,793
		1,846,245,992	2,000,608,175
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Operating (loss) / profit before provision			
Authorized certificate capital			
50,000,000 (30 June 2021: 50,000,000) modaraba certificates of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital			
34,020,000 (30 June 2021: 34,020,000) certificates of Rs. 10 each		340,200,000	340,200,000
Capital reserves		218,176,678	218,176,678
Fair Value Reserve		9,774,741	9,774,741
Revenue reserves		(415,141,573)	(422,177,511)
		153,009,846	145,973,908
Non current liabilities			
Long term security deposits		42,607,909	42,775,909
Deferred morabaha income		1,505,878	-
Long term musharikhah finance - secured	13	389,576,161	535,128,774
		433,689,948	577,904,683
Current liabilities			
Current maturity of non current liabilities	14	79,669,360	89,927,377
Redeemable capital - participatory and unsecured		1,013,490,498	1,014,101,593
Profit payable	15	20,145,018	23,762,005
Trade and other payables	16	124,335,150	128,111,554
Provision for taxation		4,539,087	3,459,970
Unclaimed profit		17,367,085	17,367,085
		1,259,546,198	1,276,729,584
		1,846,245,992	2,000,608,175
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	17		

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

**For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)**


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(Private) Limited


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(Private) Limited


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(Private) Limited




**CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	30 Sep, 2021	30 Sep, 2020
Note	(Un-Audited)	(Un-Audited)
	----- (Rupees) -----	
Income		
Income from ijarah rentals	27,681,931	15,264,909
Income from morabaha financing	529,413	2,928,835
Income from diminishing musharaka financing	13,944,096	17,984,945
Revenue from Contract with Customers	6,896,393	5,051,308
Gain on disposal of fixed assets	936,474	190,405
Other income	2,442,063	4,051,533
18	52,430,370	45,471,935
Expenses		
Administrative expenses	16,273,372	12,518,978
Finance cost	27,660,292	30,987,960
	43,933,664	43,506,938
Operating (loss) / profit before provision	8,496,706	1,964,997
Reversal for impairment of ijarah assets	-	-
Reversal / (Provision) against ijarah rentals	-	-
Reversal / (Provision) for musharikhah investment	-	-
	-	-
Operating profit after provision and impairment	8,496,706	1,964,997
Modaraba Company's management fee	-	-
	8,496,706	1,964,997
Taxation	(1,460,768)	(112,534)
Profit for the Period	7,035,938	1,852,463
Earnings per certificate - basic and diluted	0.21	0.05

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

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(Private) Limited



**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	30 Sep, 2021	30 Sep, 2020
	(Un-Audited)	(Un-Audited)
	----- (Rupees) -----	
Income for the Period	7,035,938	1,852,463
Other Comprehensive Income for the Period	-	-
Total comprehensive income for the Period	<u>7,035,938</u>	<u>1,852,463</u>

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

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(Private) Limited



**UNCONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021**

	Note	30 Sep, 2021 (Un-Audited) Rupees	30 Sep, 2020 (Un-Audited) Rupees
Cash flow from operating activities			
Cash generated from operations	24	137,025,028	92,739,766
Profit paid on redeemable capital		(20,459,712)	(22,878,639)
Profit paid on musharikhah finances		(10,817,567)	(18,568,275)
Taxes paid		(1,639,657)	(37,256)
		(32,916,936)	(41,484,170)
Net cash used in operating activities		104,108,092	51,255,596
Cash flow from investing activities			
Proceeds from disposal of fixed assets		-	27,500
Purchase of fixed assets in own use	5.2	-	(204,280)
Net cash generated from / (used in) investing activities		-	(176,780)
Cash flow from financing activities			
Musharikhah finances-net	13	(145,552,613)	1,855,482
Redeemable capital-net	0	(611,095)	507,406
Profit distributed among the certificate holders		-	(8,592)
Net cash generated from financing activities		(146,163,708)	2,354,296
Net (decrease) / increase in cash and cash equivalents		(42,055,616)	53,433,112
Cash and cash equivalents at the beginning of the Period		140,072,304	69,445,617
Cash and cash equivalents at the end of the Period	13	98,016,688	122,878,729

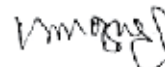
The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

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(Private) Limited



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

	Certificate capital	Capital Reserve		Revenue Reserve	Total
		Fair Value reserve	Statutory reserve	Accumulated loss	
-Rupees-					
Balance as at 01 July 2020	340,200,000	8,846,368	216,692,528	(435,710,622)	130,028,274
Profit for the period	-		-	1,852,463	1,852,463
Other comprehensive income for the period	-		-	-	-
Total comprehensive income for the period	-		-	1,852,463	1,852,463
Balance as at 30 September 2020	340,200,000	8,846,368	216,692,528	(433,858,159)	131,880,737
Balance as at 01 July 2021	340,200,000	9,774,741	218,176,678	(422,177,511)	145,973,908
Profit for the Period	-	-	-	7,035,938	7,035,938
Other comprehensive income for the Period	-		-	-	-
Total comprehensive income for the Period	-		-	7,035,938	7,035,938
Transfer to statutory reserves	-		-	-	-
Balance as at 30 September 2021	340,200,000	9,774,741	218,176,678	(415,141,573)	153,009,846

The attached notes 1 to 27 form an integral part of these unconsolidated financial statements.

For Punjab Modaraba Services (Private) Limited
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(Private) Limited



CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED) FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2021

1 The Group and its Operations

1.1 The "Group" consists of:

Parent

First Punjab Modaraba

Subsidiary Company

Punjab Capital Securities (Private) Limited

Percentage of holding	
Sep 30, 2021	June 30, 2021

100% 100%

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 3rd floor, National Tower, Egerton Road, Lahore. The Modaraba commenced its operations on 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikhah and Morabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam.

Punjab Capital Securities (Private) Limited

The Punjab Capital Securities (Private) Limited ("the Company") is registered under the repealed Companies Ordinance, 1984 (which is replaced by Companies Act 2017) as a company limited by shares on the 29th day of November 2016. The Company is mainly engaged in business of brokerage services, portfolio management and consultancy services. The registered office of the Company is situated at Room No 319, 3rd Floor, Lahore stock exchange (LSE) Building, Lahore.

2 Basis of Consolidation

The Group Financial Statements include the Financial Statements of the Modaraba and its subsidiary.

Subsidiary are fully consolidated from the date on which control is transferred to the Modaraba. They are deconsolidated from the date that control ceases. The financial statements of subsidiary have been consolidated on line by line basis. All significant inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

The Modaraba applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Modaraba recognizes any non-controlling interest in the acquiree on an acquisition- by-acquisition basis, at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. The Financial Statements of the Modaraba and its subsidiary are prepared upto the same reporting date using consistent accounting policies.

Any contingent consideration to be transferred by the Modaraba is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognized either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill, if any, is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in income statement. After initial recognition, is measured at carrying value i.e. cost at the date of acquisition less any accumulated impairment.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

When the Modaraba ceases to have control any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Modaraba had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.



2.1 Management's Assessment of Going Concern

In assessing the going concern status of the Modaraba, management has carefully assessed number of factors covering the performance of the business, business prospects and appetite of majority shareholder to continue financial support. Based on the analysis of these, management is comfortable that the Modaraba will be able to continue as a going concern in the foreseeable future.

During the three months period ended 30 September 2021, the Group has earned a net profit of Rs. 7,131,986 which is mainly due to reduction in finance cost and reversal of provisions. The accumulated loss, net of reserves, as at 30 September 2021 amount to Rs. 187,094,106 (2021: Rs. 194,226,092) which exceeds fifty percent of the total amount subscribed by the holders of the Modaraba Certificates. Further the current liabilities of the Group exceed its current assets by Rs. 119,331,912 as at 30 September 2021.

In order to address going concern issue in terms of section 23 of the Modaraba Companies and Modarabas (Flotation and Control) Ordinance, 1980 (the Modaraba Ordinance), The Bank of Punjab (BOP) being the parent company of the Modaraba's Management Company' is providing enduring support and has confirmed that it shall continue to provide financial support to the Modaraba in order to mitigate liquidity risk. The Modaraba has obtained approval from the Securities & Exchange Commission of Pakistan dated 13 January 2021 to undertake Building, Construction and Real Estate activities. Accordingly, financial benefits shall be accrued in books of Modaraba in due course of time. Further, the Modaraba has made significant progress in terms of recovery from certain classified borrowers resulting in improvement of net equity in term of compliance of section 23 of the Modaraba Ordinance.

On the basis of support and the arrangements as outlined above and the business plan prepared by the management, the management is of the view that no material uncertainty exists related to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern and the Modaraba shall be able to operate on going concern basis in the foreseeable future. Consequently, these financial statements have been prepared reflecting these assumptions.

3 Basis of preparation

This consolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP prevail.

This consolidated condensed interim financial information is un-audited. This interim financial information of the Modaraba for the period ended 30 September 2021 has been prepared in accordance with the requirements of the International Accounting Standard (IAS)-34 " Interim Financial Reporting". This condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended 30 June 2021.

This consolidated condensed interim financial information is being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

4 Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the preceding year ended 30 June 2021.

4.1 Significant accounting estimates and judgements

The preparation of this consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for year ended 30 June 2021.



	Note	30 Sep 2021 (Un-Audited) Rupees	30 June 2021 (Audited) Rupees
6 Intangible Assets			
LSE room		4,265,726	4,265,726
Trading right entitlement certificate (TREC)		2,500,000	2,500,000
Software - FPM		-	402,186
		<u>6,765,726</u>	<u>7,167,912</u>
7 Long term musharikah investment - secured			
Long term musharikah investment		535,426,949	582,555,541
Less: Current portion of long term musharikah investment	10	<u>(386,621,163)</u>	<u>(361,621,163)</u>
		<u>148,805,786</u>	<u>220,934,378</u>
8 Long term morabaha investment - secured			
Long term morabaha investment		9,008,222	9,008,220
Add: Unearned morabaha income	9	-	-
		9,008,222	9,008,220
Less: Current portion of long term morabaha investment	10	<u>(9,008,222)</u>	<u>(9,008,220)</u>
		<u>-</u>	<u>-</u>
9 Short term morabaha investment-secured			
Short term morabaha Investment		456,722,013	486,122,013
Add: Unearned morabaha income		1,505,878	1,158,017
		458,227,891	487,280,030
Less: Provision for doubtful morabaha investment		<u>(235,561,379)</u>	<u>(235,561,379)</u>
		<u>222,666,512</u>	<u>251,718,651</u>
10 Current maturity of long term investment			
Current portion of long term musharikah investment	7	386,621,163	361,621,163
Less: Provision against musharika investment		<u>(15,761,143)</u>	<u>(15,761,143)</u>
		370,860,020	345,860,020
		<u>371,068,242</u>	<u>691,928,260</u>
Current portion of long term morabaha investment	8	9,008,222	9,008,220
Less: Provision against morabaha investment		<u>(8,800,000)</u>	<u>(8,800,000)</u>
		208,222	208,220
		<u>371,068,242</u>	<u>346,068,240</u>
11 Ijarah rental receivables			
Ijarah rental receivable		323,584,824	368,478,892
Less: Provision against ijarah rental receivable		<u>(120,150,271)</u>	<u>(127,728,357)</u>
		<u>203,434,553</u>	<u>240,750,535</u>
12 Advances, deposits, prepayments and other receivables			
Profit receivable			
- Morabaha investment		20,554,447	20,454,798
- Musharikah investment		57,450,910	43,453,090
		78,005,357	63,907,887
Prepayments		7,481,912	4,953,529
Advances		2,620,704	2,795,704
Advances to Suppliers		28,990	28,990
Security Deposits		26,400,000	33,400,000
Non-banking assets		8,486,298	8,486,298
Accrued mark up on Margin Financing		124,848	180,149
Other receivables		110,882,880	106,929,156
		<u>234,030,989</u>	<u>220,681,713</u>
Less: Provision for other receivables		<u>(11,128,292)</u>	<u>(11,128,292)</u>
		<u>222,902,697</u>	<u>209,553,422</u>



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- 13 The Modaraba has availed musharikh finance facilities from The Bank of Punjab having approved limits of Rs. 1,585 million (2021: Rs. 1,585 million) and tenor of 3 years. The facilities have expired on 26 October 2021 and are under process of renewal for another 3 years. These facilities are secured by way of first pari passu charge over present and future fixed assets of Modaraba for amount of Rs. 860 million, first pari passu charge over present and future current assets of Modaraba for an amount of Rs. 1,040 million and ranking charge over present and future current assets for an amount of Rs. 860 million. The estimated share of profit payable on musharikh facilities is 3 month Kibor plus 25 bps per annum (2021: 3 month Kibor plus 25 bps per annum).

	Note	30 Sep 2021 (Un-Audited)	30 June 2021 (Audited)
		Rupees	Rupees
14 Current maturity of non current liabilities			
Current maturity of long term security deposits	14.1	79,669,360	88,769,360
Current maturity of deferred morabaha income	17	-	-
		<u>79,669,360</u>	<u>88,769,360</u>
15 Profit payable			
Musharikh finance		7,156,737	11,170,271
Redeemable capital		12,988,281	12,591,734
		<u>20,145,018</u>	<u>23,762,005</u>
16 Trade and other payables			
Accrued expenses		4,906,528	4,906,528
Trade Payable		33,303,719	35,763,822
Payable to NCCPL		-	7,925,163
Tax deducted at source		1,121,478	1,289,173
Advances against ijarah / morabaha / musharikhah		55,048,835	42,759,127
Other payables		29,954,590	35,467,741
		<u>124,335,150</u>	<u>128,111,554</u>
17 Commitments			
17.1 Ijarah commitments approved but not disbursed as on balance sheet date amount to Rs. Nil (2021: Nil).			
17.2 Morabaha commitments approved but not disbursed as on balance sheet date amount to Rs. Nil (2021 : Nil).			
17.3 Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs. Nil. (2021: Rs.10.85 million).			
		<u>30 Sep, 2021 (Un-Audited)</u>	<u>30 Sep, 2020 (Un-Audited)</u>
18 Other income			
Profit on bank deposits		1,151,074	889,510
Margin Finance Income		140,721	167,843
Processing fee		361,539	266,118
Return on exposure deposit with PSX		370,670	178,224
Gain on settlement of musharikhah		222,725	955,054
Gain on settlement of morabaha		-	1,300,000
Miscellaneous income		195,334	294,784
		<u>2,442,063</u>	<u>4,051,533</u>
19 Operating expenses			
Salaries and benefits		10,007,293	9,537,595
Traveling and conveyance		46,504	11,640
Depreciation - owned asset	5.2	644,963	210,209
Amortization of Intangible Assets		402,186	-
Legal and professional		598,801	495,172
Printing and stationary		240,616	198,742
Insurance		115,000	2,689
PSX, clearing house and CDC charges, etc.		346,131	273,442
Fee and subscription		244,153	89,293
Repair and maintenance		541,966	455,116
Vehicle running and maintenance		48,630	75,123
Power and utilities		603,809	485,013
Entertainment expenses		243,631	235,169
Advertisement		50,000	50,000
Telephone and postage		164,501	151,012
Corporate expenses		55,038	65,876
Rent rates and taxes		119,773	21,680
Selling and marketing expenses		1,734,919	118,705
Miscellaneous expenses		65,458	42,502
		<u>16,273,372</u>	<u>12,518,978</u>



	30 Sep, 2021 (Un-Audited)	30 Sep, 2020 (Un-Audited)		
20 Finance cost				
Financial charges on musharikah	6,800,541	11,718,935		
Financial charges on redeemable capital	20,856,259	19,264,915		
Bank charges	3,492	4,110		
	27,660,292	30,987,960		
21 Taxation				
Current Tax				
- Current year	1,460,768	112,534		
Deferred				
- Relating to origination and reversal of temporary differences	-	-		
	1,460,768	112,534		
22 Transactions with related parties				
The related parties and associated undertakings comprise of The Bank of Punjab, Punjab Modaraba Services (Private) Limited and Punjab Capital Securities (Private) Limited. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:				
22.1 Balances outstanding at the end of period	30 Sep 2021 (Un-Audited)	30 June 2021 (Audited)		
22.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)	Rupees	Rupees		
Musharikah finances	389,576,161	535,128,774		
Profit payable on musharikah finances	7,156,737	11,170,271		
Certificates of musharikah	1,000,000,000	1,000,000,000		
Profit payable on certificates of musharikah	11,960,915	11,564,368		
	Three Months ended			
	30 Sep, 2021 (Un-Audited)	30 Sep, 2020 (Un-Audited)		
22.2 Transactions during the period				
22.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)				
Bank charges	3,492	4,110		
Profit charged on finances	6,800,541	11,718,935		
Profit charged on certificates of Musharikah	20,229,493	19,264,915		
23 Reconciliation of liabilities arising from financing activities				
	Balance as on 01 July 2021	Availed / Announced	Repaid / Redeemed	Balance as at 30 Sep 2021
Long term musharikah finance	535,128,774	2,525,797,407	(2,671,350,020)	389,576,161
Dividend Payable	17,367,085	-	-	17,367,085
Redeemable capital	1,014,101,593	1,000,000,000	(1,000,611,095)	1,013,490,498
	1,566,597,452	3,525,797,407	(3,671,961,115)	1,420,433,744



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	30 Sep, 2021 (Un-Audited)	30 Sep, 2020 (Un-Audited)
	Rupees	Rupees
24 Cash flow from operating activities		
Profit for the period	8,496,706	1,964,997
Adjustments for:		
Depreciation of ijarah assets	32,990,538	32,301,821
Depreciation of assets in own use	644,963	210,209
Amortization of Intangible Assets	334,788	-
Gain on disposal of Ijarah assets	(936,474)	(190,405)
Gain on disposal of Musharikhah assets	(222,725)	-
Financial charges on musharikhah finances	6,679,185	11,718,935
Financial charges on redeemable capital	20,856,259	19,264,915
	60,346,534	63,305,475
Operating profit before working capital changes	68,843,240	65,270,471
Working capital changes		
(Increase)/decrease in operating assets:		
Morabaha investment	30,558,015	3,238,644
Purchase of assets under ijarah arrangements	(17,009,900)	(20,732,427)
Investment in musharikhah-net	47,351,317	48,451,005
Purchase of Software	(1,200,000)	-
Purchase of assets-Development Properties	(29,271,510)	-
Proceeds from transfer of ijarah assets	10,706,968	723,282
Ijarah Rental Receivable - net	32,315,982	(12,241,654)
Advances, deposits, prepayments and other receivables	13,994,624	(13,192,526)
	82,345,460	6,246,324
Increase/(decrease) in operating liabilities:		
Security deposits - net	(10,426,017)	(278,700)
Trade and other payables	(3,737,655)	21,501,670
	(14,163,672)	21,222,970
Net changes in operating assets and operating liabilities	68,181,788	27,469,294
Cash generated from operations	137,025,028	92,739,766

25 Corresponding figures

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the period.

26 Date of authorization for issue

The consolidated financial statements of Modaraba were approved by the Directors of Modaraba Management Company and authorized for issue on October 29, 2021.

27 General

Figures have been rounded off to the nearest rupees unless otherwise provided.

**For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)**

Chief Financial Officer
Punjab Modaraba Services
(Private) Limited

Chief Executive
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited



First Punjab Modaraba

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

(A wholly owned subsidiary of The Bank of Punjab)

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