

Growth + Prosperity



**First Punjab Modaraba**  
*(An Islamic Financial Institution)*

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## CONSOLIDATED CONDENSED INTERIM FINANCIAL STATMENTS

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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

EY Ford Rhodes

Chartered Accountants

### Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.

Chartered Accountants

### Bankers

The Bank of Punjab

Bank Alfalah Limited

### Chief Financial Officer & Company Secretary

Mudassar Kaiser Pal

### Registrar

Hameed Majeed Associates (Pvt) Ltd.

H.M. House, 7-Bank Square,

The Mall, Lahore

Tel: (+92-42) 37235081-2

### Audit Committee

Imran Bashir	Chairman
Nadeem Amir	Member
Ijaz ur Rehman Qureshi	Member

### Human Resource Committee

Ijaz ur Rehman Qureshi	Chairman
Nadeem Amir	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](mailto:info@punjabmodaraba.com.pk)

URL: [www.punjabmodaraba.com.pk](http://www.punjabmodaraba.com.pk)

### Auditors of the Modaraba

## 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, 2020.

The economy likely recovered in start of this financial year after GDP growth slowed significantly in FY 2020. The industrial production rebounded, mainly due to healthier manufacturing activity. Moreover, average remittances growth surged in the quarter, which, coupled with easing containment measures, boosted private spending.

The economy should rebound in FY 2021 as the impact of the pandemic gradually fades and domestic demand recovers. Moreover, structural reforms should boost investment, while foreign demand is expected to pick up in tandem with the global economic recovery. However, an uptick in new Covid-19 cases has prompted a snap-back of some restrictions which might dampen the economy again, going forward.

The recovery in economic activity showed its positive signs on performance of the Modaraba. Though the revenue side remained 20% lesser than corresponding period due to impact of COVID19, the marked reduction of 43% in financial cost provided huge relief. The administrative cost was kept under check and showed reduction of 3% compared to corresponding period. On aggregate basis, the Modaraba recorded positive bottom line of Rs.0.241 million against loss of Rs.9.171 million in corresponding period.

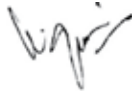
Going forward, the Modaraba will continue with strategy of growth in business by booking of fresh assets on a cautious note, while recovery from NPAs, will remain top priority. At the same time, diversification of business model and revenue streams will be primary consideration. The wholly owned subsidiary, i.e. Punjab Capital Securities (Pvt) Limited also achieved profitability of Rs.1.611 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 on receiving end for the same 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: December 02, 2020

## ڈائریکٹرز کی رپورٹ

پنجاب موداربا سروسز (پرائیویٹ) لمیٹڈ جو فرسٹ پنجاب موداربا کی انتظامی کمپنی ہے، اس کے بورڈ آف ڈائریکٹرز 30 ستمبر 2020 کو ختم ہونے والے سہ ماہی کے نتائج اور ڈائریکٹر رپورٹ مسرت کے ساتھ پیش کرتے ہیں۔

مالی سال 2020 میں GDP کی نمونیاں طور پر کم ہونے کے بعد اس مالی سال کے آغاز میں معیشت کی بحالی کا امکان ہے۔ صنعتی پیداوار میں بہتری ہوگی اور اس کی بنیادی وجہ صحت مند مینوفیکچرنگ سرگرمی ہے۔ مزید ازاں اس سہ ماہی میں ترسیل زر کی اوسط نمو میں اضافہ ہوا، جس نے نجی اخراجات میں آسانی کے ساتھ اضافہ کیا۔

مالی سال 2021 میں معیشت کی بحالی ہونی چاہئے کیونکہ وبائی مرض کا اثر آہستہ آہستہ ختم ہوتا جا رہا ہے اور ملکی طلب میں تیزی آرہی ہے۔ مزید ازاں ساختی اصلاحات سے سرمایہ کاری کو فروغ دینا چاہیے جبکہ عالمی معاشی بحالی کے ساتھ غیر ملکی مانگ میں بھی اضافے کی توقع کی جا رہی ہے۔ تاہم COVID-19 کے نئے معاملات میں پابندیاں لگیں گی جو آگے بڑھتے ہوئے معیشت کو ایک بار پھر سست روی کا شکار کر سکتی ہیں۔

معاشی سرگرمیوں میں بحالی نے مضاربہ کی کارکردگی پر اپنے مثبت علامات ظاہر کئے باوجود اس کہ COVID-19 کے اثرات کی وجہ سے آمدنی کا درجہ پچھلے دورانیہ سے 20 فیصد کم رہا لیکن مالی لاگت میں 43 فیصد کی نمایاں کمی نے بڑی مدد فراہم کی۔ انتظامی لاگت کو قابو میں رکھا گیا اور پچھلی مدت کے مقابلے میں 3 فیصد کی ظاہر کی گئی۔ مجموعی لحاظ سے مضاربہ نے پچھلی مدت کے 9.11 ملین روپے کے نقصان کے مقابلے میں 0.241 ملین روپے کا مثبت منافع حاصل کیا۔

آگے بڑھتے ہوئے موداربا احتیاط کے ساتھ تازہ اثاثوں کی بکنگ کر کے کاروبار میں اضافے کی حکمت عملی کو جاری رکھیں گے جبکہ نادہندگان سے بازیابی اولین ترجیح رہے گی، ساتھ ساتھ کاروباری ڈھانچے اور آمدنی کے سلسلے میں تنوع پر غور ہوگا۔ زیر ملکیت ذیلی ادارہ پنجاب کسپٹل سیکورٹیز (پرائیویٹ) لمیٹڈ نے اس عرصے کے دوران 1.611 ملین روپے منافع بھی حاصل کیا۔

بورڈ، رجسٹرار موداربا اور سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے دی گئی مستقل رہنمائی اور مدد کے لئے شکر گزار ہے اور مستقبل میں بھی اس کی توقع کرتا ہے۔ بورڈ، اپنے سٹیفیکٹیٹ ہولڈرز کی جانب سے دی گئی سرپرستی کا بھی شکر گزار ہے۔

منجانب/ برائے بورڈ آف ڈائریکٹرز

چیف ایگزیکٹو

ڈائریکٹر

لاہور، 02 دسمبر 2020

**UNCONSOLIDATED BALANCE SHEET (UN-AUDITED)**

AS AT 30 SEPTEMBER 2020

	Note	30 Sep 2020 (Un-Audited) Rupees	30 June 2020 (Audited) Rupee
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible fixed assets	5		
- Ijarah assets	5.1	497,806,814	509,909,085
- Assets in own use	5.2	3,133,971	3,107,836
Investment in subsidiary	6	76,500,000	76,500,000
Long term musharika investment - secured	7	181,217,973	228,414,227
Long term morabaha investment - secured	8	1,532,581	8,821,104
Long term deposits		203,444	203,444
Deferred tax asset		64,398,663	64,398,663
		<b>824,793,446</b>	<b>891,354,359</b>
<b>Current assets</b>			
Short term morabaha investment - secured	9	291,302,421	290,546,077
Current maturity of long term investment	10	434,797,157	412,794,668
Ijarah rental receivable		285,129,078	272,887,424
Advances, deposits, prepayments and other receivables		185,560,124	187,551,827
Tax refund due from government		3,773,610	3,736,354
Cash and bank balances		80,639,730	25,102,916
		<b>1,281,202,120</b>	<b>1,192,619,266</b>
<b>TOTAL ASSETS</b>		<b>2,105,995,566</b>	<b>2,083,973,625</b>
<b>EQUITY AND LIABILITIES</b>			
Authorized certificate capital			
50,000,000 (30 June 2020: 50,000,000) modaraba certificates of Rs. 10 each		<b>500,000,000</b>	<b>500,000,000</b>
Issued, subscribed and paid-up certificate capital			
"34,020,000 (30 June 2020: 34,020,000) certificates of " Rs. 10 each		<b>340,200,000</b>	<b>340,200,000</b>
Capital reserves		216,692,528	216,692,528
Revenue reserves		(419,353,142)	(419,594,296)
		<b>137,539,386</b>	<b>137,298,232</b>
<b>Non current liabilities</b>			
Long term security deposits		60,228,873	61,340,259
Deferred morabaha income		3,442,157	4,206,452
Long term musharika finance - secured	11	676,145,657	648,738,613
		<b>739,816,687</b>	<b>714,285,324</b>
<b>Current liabilities</b>			
Current maturity of non current liabilities		86,535,343	85,702,657
Redeemable capital - participatory and unsecured		1,014,056,631	1,013,549,225
Profit payable	13	27,279,274	37,742,338
Trade and other payables		83,269,103	77,937,508
Provision for taxation		49,393	-
Unclaimed profit		17,449,749	17,458,341
		<b>1,228,639,493</b>	<b>1,232,390,069</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,105,995,566</b>	<b>2,083,973,625</b>

**CONTINGENCIES AND COMMITMENTS**

The attached notes 1 to 22 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



# First Punjab Modaraba

## UNCONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the three months ended 30 September 2020

	Note	30 Sep 2020 (Un-Audited) Rupees	30 Sep 2019 (Un-Audited) Rupee
<b>Income</b>			
Income from ijarah rentals		15,264,909	9,991,506
Income from morabaha financing		2,928,835	3,761,359
Income from diminishing musharaka financing		17,984,945	34,436,381
Gain on disposal of fixed assets		190,405	398,605
Other income		3,403,613	1,078,629
		<b>39,772,707</b>	<b>49,666,480</b>
<b>Expenses</b>			
Administrative expenses	15	8,497,785	8,743,012
Finance cost	16	30,984,375	53,604,839
		<b>39,482,160</b>	<b>62,347,851</b>
Operating (loss) / profit before provision		<b>290,547</b>	<b>(12,681,371)</b>
Reversal / (Provision) for musharika investment		-	3,509,713
		-	3,509,713
<b>Operating profit after provision and impairment</b>		<b>290,547</b>	<b>(9,171,658)</b>
<b>Modaraba Company's management fee</b>		-	-
<b>Taxation</b>	17	<b>(49,393)</b>	<b>3,641,437</b>
<b>Profit for the period</b>		<b>241,154</b>	<b>(5,530,221)</b>
<b>Earnings per certificate - basic and diluted</b>		<b>0.01</b>	<b>(0.16)</b>

The attached notes 1 to 22 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 STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months ended 30 September 2020

	July to Sep 2020 (Un-Audited) Rupees	July to Sep 2019 (Un-Audited) Rupees
Income for the period	241,154	(5,530,221)
Other Comprehensive Income for the Period	-	-
<b>Total comprehensive Income for the period</b>	<b>241,154</b>	<b>(5,530,221)</b>

The attached notes 1 to 22 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 STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the three months ended 30 September 2020

	Certificate capital	Capital Reserve Statutory reserves	Revenue Reserve Accumulated loss	Total
	(Rupees)			
Balance as at 01 July 2019	340,200,000	216,692,528	(364,283,405)	192,609,123
Profit for the period	-	-	(5,530,221)	(5,530,221)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(5,530,221)	(5,530,221)
Balance as at 30 September 2019	340,200,000	216,692,528	(369,813,626)	187,078,902
<b>Balance as at 01 July 2020</b>	<b>340,200,000</b>	<b>216,692,528</b>	<b>(419,594,296)</b>	<b>137,298,232</b>
<b>Profit for the period</b>	<b>-</b>	<b>-</b>	<b>241,154</b>	<b>241,154</b>
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>241,154</b>	<b>241,154</b>
<b>Balance as at 30 September 2020</b>	<b>340,200,000</b>	<b>216,692,528</b>	<b>(419,353,142)</b>	<b>137,539,386</b>

The attached notes 1 to 22 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 CASH FLOW STATEMENT (UN-AUDITED)

For the three months ended 30 September 2020

	Note	30 Sep 2020 (Un-Audited) Rupees	30 Sep 2019 (Un-Audited) Rupees
<b>Cash flow from operating activities</b>			
<b>Cash generated from operations</b>	18	<b>36,110,403</b>	51,709,192
Profit paid on redeemable capital		(22,878,639)	(13,039,716)
Profit paid on musharikhah finances		(18,568,275)	(34,612,246)
Taxes paid		(37,256)	(393,428)
		<b>(41,484,170)</b>	(48,045,390)
<b>Net cash used in operating activities</b>		<b>(5,373,767)</b>	3,663,802
<b>Cash flow from investing activities</b>			
Investment in musharikhah-net		<b>33,985,798</b>	53,126,049
Proceeds from disposal of fixed assets		<b>27,500</b>	-
Purchase of fixed assets in own use	5.2	<b>(204,280)</b>	-
<b>Net cash generated from / (used in) investing activities</b>		<b>33,809,018</b>	53,126,049
<b>Cash flow from financing activities</b>			
Musharikhah finances-net		<b>26,602,749</b>	(23,106,821)
Redeemable capital-net		<b>507,406</b>	(42,000,000)
Profit distributed among the certificate holders		<b>(8,592)</b>	(2,418)
<b>Net cash generated from financing activities</b>		<b>27,101,563</b>	(65,109,239)
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>55,536,814</b>	(8,319,388)
<b>Cash and cash equivalents at the beginning of the period</b>		<b>25,102,916</b>	43,024,878
<b>Cash and cash equivalents at the end of the period</b>	13	<b>80,639,730</b>	34,705,490

The attached notes 1 to 25 form an integral part of these unconsolidated condensed interim 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



## NOTES TO THE UNCONSOLIDATED CONDENSED INTERIM FINANCIAL STATEMENTS

For the three months ended 30 September 2020

### 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.

### 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 31 March 2019 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 2020.

These unconsolidated condensed interim financial statements are being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

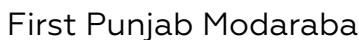
### 3 Significant accounting policies

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 2020.

### 4 Significant accounting estimates and judgements

The preparation of these unconsolidated condensed interim financial statements require 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 2020.

	<b>Note</b>	<b>30 Sep 2020 (Un-Audited) Rupees</b>	<b>30 June 2020 (Audited) Rupees</b>
<b>5 Tangible fixed assets</b>			
Ijarah assets	<b>5.1</b>	<b>497,806,814</b>	509,909,085
Assets in own use	<b>5.2</b>	<b>3,133,971</b>	3,107,836
		<b>500,940,785</b>	513,016,921



## September 2020 (Un-Audited)

June - 2020(Audited)

**5.1.1** Transfers represent the assets disposed through negotiation after expiry / termination of Ijarah. However, in view of large number of disposals, detail of each disposal has not been given.

**5.1.2** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 553,815,454 (30 June 2020 : Rs. 553,815,454).

**5.1.3** Impairment is reversed on the basis of recovery made from classified party and in accordance with Prudential regulations issued by Securities and Exchange Commission of Pakistan.

## 5.2 Assets in own use

September 2020 (Un-Audited)

Description	COST		DEPRECIATION				NET BOOK VALUE		Depreciation Rate
	As at 1 July 2020	Additions	Disposal	As at 30 Sep 2020	As at 1 July 2020	Charge for the period	Disposal	As at 30 Sep 2020	
	-----Rupees-----								
Office Equipment	2,630,640	-	-	2,630,640	2,155,057	58,800	-	2,213,857	15% & 30%
Furniture & Fixtures	2,358,733	49,480	-	2,408,213	1,361,956	59,503	-	1,421,459	15%
Vehicles	2,174,400	154,800	(27,500)	2,301,700	538,924	32,342	-	571,266	20%
	7,163,773	204,280	(27,500)	7,340,553	4,055,937	150,645	-	4,206,582	
									</

June 2020 (Audited)

Description	COST		DEPRECIATION				NET BOOK VALUE		
	As at 1 July 2019	Additions	Disposal	As at 30 June 2020	As at 1 July 2019	Charge for the year	Disposal	As at 30 June 2020	Depreciation Rate
	-----Rupees-----								
Office Equipment	2,585,910	44,730	-	2,630,640	1,862,471	292,586	-	2,155,057	15% & 30%
Furniture & Fixtures	1,976,956	381,777	-	2,358,733	1,127,236	234,720	-	1,361,956	15%
Vehicles	2,174,400	-	-	2,174,400	409,358	129,566	-	538,924	20%
	6,737,266	426,507	-	7,163,773	3,399,065	656,872	-	4,055,937	
								3,107,836	

**5.2.1** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 1,459,609 (30 June 2020 : Rs. 1,459,609).



## 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 remains at Rs. 76,500,000 (2020: Rs. 76,500,000).

	Note	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>7 Long term musharikhah investment - secured</b>			
Long term musharikhah investment		616,908,634	650,894,432
Less: Current portion of long term musharikhah investment	10	(435,690,661)	(422,480,205)
		<u>181,217,973</u>	<u>228,414,227</u>
<b>8 Long term morabaha investment - secured</b>			
Long term morabaha investment		21,711,249	21,619,598
Add: Unearned morabaha income		1,696,938	2,077,112
		<u>23,408,187</u>	<u>23,696,710</u>
Less: Current portion of long term morabaha investment	10	(19,489,038)	(12,489,038)
Less: Current portion of unearned morabaha income	10	(2,386,568)	(2,386,568)
		<u>1,532,581</u>	<u>8,821,104</u>
<b>9 Short term morabaha investment-secured</b>			
Short term morabaha Investment		522,772,013	521,591,548
Add: Unearned morabaha income		4,091,787	4,515,908
		<u>526,863,800</u>	<u>526,107,456</u>
Less: Provision for doubtful morabaha investment		(235,561,379)	(235,561,379)
		<u>291,302,421</u>	<u>290,546,077</u>
<b>10 Current maturity of long term investment</b>			
Current portion of long term musharikhah investment	7	435,690,661	422,480,205
Less: Provision against musharika investment		(13,969,110)	(15,761,143)
		<u>421,721,551</u>	<u>406,719,062</u>
Current portion of long term morabaha investment	8	19,489,038	12,489,038
Add: Unearned morabaha income	8	2,386,568	2,386,568
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		<u>13,075,606</u>	<u>6,075,606</u>
		<u>434,797,157</u>	<u>412,794,668</u>



## 11 Long term musharikhah finance - secured

The Modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs. 1,585 million (2018: Rs. 1,405 million) maturing latest by 30 November 2020. 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 per annum (2020: 3 month KIBOR per annum).

## 12 Redeemable capital - participatory and unsecured

The Certificates of Musharaka have been issued with a maturity of upto 3 months. The share of profit payable ranges from 5.35% to 13.60% per annum (2020: 5.35% to 13.75%).

	<b>30 Sep 2020 (Un-audited) Rupees</b>	<b>30 June 2020 (Audited) Rupees</b>
<b>13 Profit payable</b>		
Musharikhah finance	<b>11,836,341</b>	18,685,681
Redeemable capital	<b>15,442,933</b>	19,056,657
	<b>27,279,274</b>	37,742,338

## 14 Contingencies and commitments

### 14.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statements as at 30 June 2020.

### 14.2 Commitments

**14.2.1** Musharikhah commitments approved but not disbursed as on balance sheet date amount to Rs.Nil (2020: Rs.Nil).





	30 Sep 2020 (Un-audited) Rupees	30 Sep 2019 (Un-Audited) Rupees
<b>15 Operating expenses</b>		
Salaries and benefits	6,499,445	6,952,614
Traveling and conveyance	8,380	21,263
Depreciation - owned asset	150,645	128,850
Legal and professional	240,672	133,723
Printing and stationary	198,742	116,556
Fee and subscription	6,300	127,204
Repair and maintenance	393,965	300,529
Vehicle running and maintenance	75,123	32,524
Power and utilities	336,067	258,546
Entertainment expenses	203,897	181,610
Advertisement	50,000	-
Telephone and postage	112,216	111,567
Corporate expenses	65,876	7,358
Rent rates and taxes	8,950	1,040
Selling and marketing expenses	118,705	330,760
Miscellaneous expenses	28,802	38,868
	<b>8,497,785</b>	<b>8,743,012</b>
<b>16 Finance cost</b>		
Financial charges on musharikah	11,718,935	39,527,326
Financial charges on redeemable capital	19,264,915	14,077,513
Bank charges	525	-
	<b>30,984,375</b>	<b>53,604,839</b>
<b>17 Taxation</b>		
<b>Current tax</b>		
-Current tax	49,393	-
<b>Deferred</b>		
- Relating to origination and reversal of temporary differences	-	3,641,437
	<b>49,393</b>	<b>3,641,437</b>

	30 Sep 2020 (Un-audited) Rupees	30 Sep 2019 (Un-Audited) Rupees
<b>18 Cash flow from operating activities</b>		
Profit for the period	290,547	(9,171,658)
Depreciation of ijarah assets	32,301,821	16,370,202
Depreciation of assets in own use	150,645	128,859
Gain on disposal of Ijarah assets	(190,405)	(398,605)
(Reversal) / Provision for musharikah investment	-	(3,509,713)
Financial charges on musharikah finances	11,718,935	39,527,326
Financial charges on redeemable capital	19,264,915	14,077,513
	63,245,911	66,195,572
<b>Operating profit before working capital changes</b>	<b>63,536,458</b>	<b>57,023,914</b>
<b>Working capital changes</b>		
(Increase)/decrease in operating assets:		
Morabaha investment	(467,821)	31,902,369
Purchase of assets under ijarah arrangements	(20,732,427)	(12,295,900)
Proceeds from transfer of ijarah assets	723,282	376,335
Ijarah Rental Receivable - net	(12,241,654)	(3,409,055)
Advances, deposits, prepayments and other receivables	(13,710,330)	(14,751,087)
	(46,428,950)	1,822,662
Increase/(decrease) in operating liabilities:		
Security deposits - net	(278,700)	1,327,913
Trade and other payables	19,281,595	(8,465,297)
	19,002,895	(7,137,384)
<b>Net changes in operating assets and operating liabilities</b>	<b>(27,426,055)</b>	<b>(5,314,722)</b>
<b>Cash generated from operations</b>	<b>36,110,403</b>	<b>51,709,192</b>



## 19 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:

19.1 Balance outstanding at the end of period	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>19.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Musharikhah finances	676,145,657	648,738,613
Profit payable on musharikhah finances	11,836,341	18,685,681
Certificates of musharikhah	1,000,507,406	1,000,000,000
Profit payable on certificates of musharikhah	15,442,933	17,742,455
<b>19.1.2 Punjab Modaraba Services (Private) Limited (Management Company)</b>		
Management fee	-	-
<b>19.1.3 Punjab Capital Securities (Private) Limited (Subsidiary Company)</b>		
Investment in shares	76,500,000	76,500,000
	30 Sep 2020 (Un-audited) Rupees	30 Sep 2019 (Un-audited) Rupees

## 19.2 Transactions during the period

<b>19.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Bank charges	525	-
Profit charged on finances	11,718,935	39,527,326
Profit charged on certificates of Musharikhah	19,264,915	13,082,613
<b>19.2.2 Punjab Modaraba Services (Pvt.) Limited (Management Company)</b>		
Management fee paid	-	-

## 20 Financial risk management

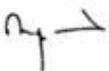
The Modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2020.

## 21 Date of authorization

This unaudited interim financial information for the period ended 30 September 2020 was authorized for issue by the Board of Directors of the Management Company on 02 December 2020.

## 22 General

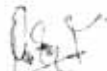
Figures have been rounded off to the nearest rupees unless otherwise provided.



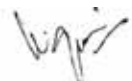
**Chief Financial Officer**  
Punjab Modaraba Services  
( Private ) Limited



**Chief Executive**  
Punjab Modaraba Services  
( Private ) Limited



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



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



**CONSOLIDATED  
FINANCIAL INFORMATION**  
for the three months ended  
September 30, 2020



## Consolidated Balance Sheet (Un-Audited)

As at September 30, 2020

### ASSETS

#### Non current assets

	Note	30 Sep 2020 (Un-Audited) Rupees	30 June 2020 (Audited) Rupees
Tangible fixed assets	5		
- Ijarah assets	5.1	497,806,814	509,909,085
- Assets in own use	5.2	4,298,640	4,332,069
Intangible Assets	6.0	6,765,726	6,765,726
Long Term Investment		19,605,539	19,605,539
Long term musharikhah investment - secured	7	181,217,973	228,414,227
Long term morabaha investment - secured	8	1,532,581	8,821,104
Long term deposits		2,381,853	2,381,853
Deferred tax asset		64,398,663	64,398,663
		<b>778,007,789</b>	<b>844,628,266</b>

#### Current assets

Short term morabaha investment - secured	9	291,302,421	290,546,077
Current maturity of long term investment	10	434,797,157	412,794,668
Trade Receivable		13,773,389	8,983,643
Ijarah rental receivable		285,129,078	272,887,424
Advances, deposits, prepayments and other receivables		195,859,699	196,617,173
Tax refund due from government		6,015,558	5,945,010
Cash and bank balances		122,878,729	69,445,617
		<b>1,349,756,031</b>	<b>1,257,219,612</b>
		<b>2,127,763,820</b>	<b>2,101,847,878</b>

### TOTAL ASSETS

### EQUITY AND LIABILITIES

#### Operating (loss) / profit before provision

#### Authorized certificate capital

50,000,000 (30 June 2020: 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 2020: 34,020,000) certificates of  
Rs. 10 each

**340,200,000**

**340,200,000**

Capital reserves

**216,692,528**

**216,692,528**

Fair Value Reserve

**8,846,368**

**8,846,368**

Revenue reserves

**(433,858,159)**

**(435,710,622)**

**131,880,737**

**130,028,274**

#### Non current liabilities

Long term security deposits		<b>60,228,873</b>	<b>61,340,259</b>
Deferred morabaha income		<b>3,442,157</b>	<b>4,206,452</b>
Long term musharikhah finance - secured	11	<b>676,145,657</b>	<b>648,738,613</b>
		<b>739,816,687</b>	<b>714,285,324</b>

#### Current liabilities

Current maturity of non current liabilities		<b>86,535,343</b>	<b>85,702,657</b>
Redeemable capital - participatory and unsecured		<b>1,014,056,631</b>	<b>1,013,549,225</b>
Profit payable	13	<b>27,279,274</b>	<b>37,742,338</b>
Trade and other payables		<b>110,251,214</b>	<b>102,700,069</b>
Provision for taxation		<b>494,185</b>	<b>381,651</b>
Unclaimed profit		<b>17,449,749</b>	<b>17,458,341</b>
		<b>1,256,066,396</b>	<b>1,257,534,280</b>
		<b>2,127,763,820</b>	<b>2,101,847,878</b>

### TOTAL EQUITY AND LIABILITIES

### CONTINGENCIES AND COMMITMENTS

14

The attached notes 1 to 22 form an integral part of these consolidated condensed interim financial statements.

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

## CONSOLIDATED PROFIT AND LOSS ACCOUNT (UN-AUDITED)

For the three months ended 30 September 2020

	Note	30 Sep 2020 (Un-Audited) Rupees	30 sep 2019 (Un-Audited) Rupee
<b>Income</b>			
Income from ijarah rentals		15,264,909	9,991,506
Income from morabaha financing		2,928,835	3,761,359
Income from diminishing musharaka financing		17,984,945	34,436,381
Revenue from Contract with Customers		5,051,308	1,340,848
Gain on disposal of fixed assets		190,405	398,605
Other income		4,051,533	1,985,893
		45,471,935	51,914,592
<b>Expenses</b>			
Administrative expenses	15	12,518,978	11,617,693
Finance cost	16	30,987,960	53,608,297
		43,506,938	65,225,990
Operating (loss) / profit before provision		1,964,997	(13,311,398)
Reversal / (Provision) for musharika investment		-	3,509,713
		-	3,509,713
<b>Operating profit after provision and impairment</b>		1,964,997	(9,801,685)
<b>Modaraba Company's management fee</b>		-	-
		1,964,997	(9,801,685)
<b>Taxation</b>	17	(112,534)	3,625,146
<b>Profit for the period</b>		1,852,463	(6,176,539)
<b>Earnings per certificate - basic and diluted</b>	18	0.05	(0.18)

The attached notes 1 to 22 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



## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the three months ended 30 September 2020

	Sep 2020 (Un-Audited) Rupees	Sep 2019 (Un-Audited) Rupees
Income for the period	1,852,463	(6,176,539)
Other Comprehensive Income for the Period	-	-
<b>Total comprehensive Income for the period</b>	<b>1,852,463</b>	<b>(6,176,539)</b>

The attached notes 1 to 22 form an integral part of these consolidated financial statements.

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

**Chief Financial Officer**  
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(Private) Limited

**Chief Executive**  
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(Private) Limited

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

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





## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the three months ended 30 September 2020

	Certificate capital	Fair Value reserve	Capital Reserve Statutory reserve	Revenue Reserve Accumulated loss	Total
	(Rupees)				
<b>Balance as at 01 July 2019</b>	<b>340,200,000</b>	<b>8,846,368</b>	<b>216,692,528</b>	<b>(379,965,427)</b>	<b>185,773,469</b>
Profit for the period	-	-	-	(6,176,539)	(6,176,539)
Other comprehensive income for the Period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(6,176,539)	(6,176,539)
<b>Balance as at 30 September 2019</b>	<b>340,200,000</b>	<b>8,846,368</b>	<b>216,692,528</b>	<b>(379,965,427)</b>	<b>185,773,469</b>
<b>Balance as at 01 July 2020</b>	<b>340,200,000</b>	<b>8,846,368</b>	<b>216,692,528</b>	<b>(435,710,622)</b>	<b>130,028,274</b>
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
<b>Balance as at 30 September 2020</b>	<b>340,200,000</b>	<b>8,846,368</b>	<b>216,692,528</b>	<b>(433,858,159)</b>	<b>131,880,737</b>

The attached notes 1 to 22 form an integral part of these consolidated financial statements.

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

  
**Chief Financial Officer**  
Punjab Modaraba Services  
(Private) Limited

  
**Chief Executive**  
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(Private) Limited

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

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



## CONSOLIDATED CASH FLOW STATEMENT (UN-AUDITED)

For the three months ended 30 September 2020

	Note	30 Sep 2020 (Un-Audited) Rupees	30 Sep 2019 (Un-Audited) Rupees
<b>Cash flow from operating activities</b>			
<b>Cash generated from operations</b>	18	44,288,761	54,542,277
Profit paid on redeemable capital		(22,878,639)	(13,043,174)
Profit paid on musharikhah finances		(18,568,275)	(34,877,276)
Taxes paid		(37,256)	(480,178)
		(41,484,170)	(48,045,390)
<b>Net cash used in operating activities</b>		2,804,591	6,141,649
<b>Cash flow from investing activities</b>			
Investment in musharikhah-net		48,451,005	53,126,049
Proceeds from disposal of fixed assets		27,500	-
Investment in subsidiary		-	-
Purchase of fixed assets in own use		(204,280)	-
<b>Net cash generated from / (used in) investing activities</b>		48,274,225	53,126,049
<b>Cash flow from financing activities</b>			
Musharikhah finances-net		1,855,482	(23,106,821)
Redeemable capital-net		507,406	(42,000,000)
Profit distributed among the certificate holders		(8,592)	(2,418)
<b>Net cash generated from financing activities</b>		2,354,296	(65,109,239)
<b>Net (decrease) / increase in cash and cash equivalents</b>		53,433,112	(5,841,541)
<b>Cash and cash equivalents at the beginning of the period</b>		69,445,617	77,720,149
<b>Cash and cash equivalents at the end of the period</b>	13	122,878,729	71,878,608

The attached notes 1 to 25 form an integral part of these unconsolidated condensed interim 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



## Notes to the Consolidated Financial Information (Un-audited)

For the three months ended September 30, 2020

### 1 THE GROUP AND ITS OPERATIONS

#### 1.1 The "Group" Consist of :

**Parent**

**- First Punjab Modaraba**

Subsidiary Company	Percentage of holding	
	Sep 2020	June 2020
<b>Punjab Capital Securities (Pvt.) Limited</b>	<b>100%</b>	<b>100%</b>

First Punjab Modaraba (the Group) Comprises First Punjab Modaraba (the Modaraba) and a wholly owned subsidiary, Punjab Capital Securities (Pvt) Limited. 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 office No. 100, 4th floor, Mega Tower Main Boulevard Gulberg, Lahore. The Modaraba commenced its operations from 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

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.

### 2 Basis of preparation

This condensed interim consolidated financial information is un-audited. This condensed interim consolidated financial information of the Group for the quarter ended September 30, 2020 has been prepared in accordance with the requirements of the international Accounting Standard (IAS)-34 "Interim Financial Reporting".

### 3 Accounting policies

The accounting policies and methods of computation adopted for the preparation of this condensed consolidated 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 2020.

### 4 Significant accounting estimates and judgements

The preparation of this 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 the year ended June 30, 2020.

	Note	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>5 Tangible fixed assets</b>			
Ijarah assets	5.1	497,806,814	509,909,085
Assets in own use	5.2	4,298,640	4,332,069
		<b>502,105,454</b>	<b>514,241,154</b>

## 5.1 Ijarah assets

September 2020 (Un-Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		%			
	As at 1 July 2020	Additions	Transfer	As at 30 Sep 2020	As at 1 July 2020	Charge for the period	Transfer	As at 30 Sep 2020	As at 1 July 2020	Reversal for the period	Transfer		As at 30 Sep 2020	As at 30 Sep 2020	Depreciation Rate
	-----Rupees-----														
Plant and machinery	538,775,141	440,000	-	539,215,141	420,683,996	7,982,555	-	428,666,551	20,593,102	-	-	20,593,102	89,955,488	As per term	
Vehicle	551,190,599	4,258,227	-	555,448,826	177,825,101	14,072,355	-	191,897,456	1,104,397	-	-	1,104,397	362,446,973	As per term	
Cesna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term	
Consumer products	64,211,924	16,034,200	(750,000)	79,496,124	24,061,983	10,246,911	(217,123)	34,091,771	-	-	-	-	45,404,353	As per term	
	1,167,730,268	20,732,427	(750,000)	1,187,712,695	636,123,684	32,301,821	(217,123)	668,208,382	21,697,499	-	-	21,697,499	497,806,814		

June - 2020 (Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE				
	As at 1 July 2019	Additions	Transfer	As at 30 June 2020	As at 1 July 2019	Charge for the year	Transfer	As at 30 June 2020	As at 1 July 2019	Reversal for the year	Transfer	As at 30 June 2020	As at 30 June 2020	Depreciation Rate
	-----Rupees-----													
Plant and machinery	642,157,200	7,068,305	(110,450,364)	538,775,141	513,388,434	9,944,191	(102,648,629)	420,683,996	20,593,102	-	-	20,593,102	97,498,043	As per term
Vehicle	394,687,833	270,220,536	(113,717,770)	551,190,599	150,755,909	67,094,817	(40,025,625)	177,825,101	1,104,397	-	-	1,104,397	372,261,101	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	24,103,475	49,824,249	(9,715,800)	64,211,924	11,395,583	19,818,157	(715,1757)	24,061,983	-	-	-	-	40,149,941	As per term
	1,074,501,112	327,113,090	(233,883,934)	1,167,730,268	689,092,530	96,857,166	(149,826,011)	636,123,684	21,697,499	-	-	21,697,499	509,909,085	

**5.1.1** Transfers represent the assets disposed through negotiation after expiry / termination of Ijarah. However, in view of large number of disposals, detail of each disposal has not been given.

**5.1.2** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 553,815,454 (30 June 2020 : Rs. 553,815,454).

**5.1.3** Impairment is reversed on the basis of recovery made from classified party and in accordance with Prudential regulations issued by Securities and Exchange Commission of Pakistan.



## 5.2 Assets in own use

September 2020 (Un-Audited)

Description	COST			DEPRECIATION			NET BOOK VALUE		Depreciation Rate	
	As at 1 July 2020	Additions	Disposal	As at 30 Sep 2020	As at 1 July 2020	Charge for the period	Disposal	As at 30 Sep 2020		As at 30 Sep 2020
	-----Rupees-----									
	%									
Office Equipment	3,370,492	-	-	3,370,492	2,471,629	86,107	-	2,557,736	812,756	15% & 30%
Furniture & Fixtures	3,107,718	49,480	-	3,157,198	1,674,161	75,751	-	1,749,912	1,407,286	15%
Vehicles	2,174,400	154,800	(27,500)	2,301,700	538,940	32,342	-	571,282	1,730,418	20%
Vehicles	1,212,980	-	-	1,212,980	848,791	16,009	-	864,800	348,180	20%
	9,865,590	204,280	(27,500)	10,042,370	5,553,521	210,209	-	5,743,730	4,298,640	

June 2020 (Audited)

Description	COST			DEPRECIATION			NET BOOK VALUE		Depreciation Rate
	As at 1 July 2019	Additions	Disposal	As at 1 July 2019	Charge for the year	Disposal	As at 30 June 2020	As at 30 June 2020	
									%
Office Equipment	3,306,762	63,730	-	2,106,783	364,846	-	2,471,629	898,863	15% & 30%
Furniture & Fixtures	2,725,941	381,777	-	1,362,975	311,186	-	1,674,161	1,433,557	15%
Vehicles	2,174,400	-	-	409,374	129,566	-	538,940	1,635,460	20%
Vehicles	1,175,180	37,800	-	699,501	149,290	-	848,791	364,189	20%
	9,382,283	483,307	-	4,578,633	954,888	-	5,533,521	4,332,069	

**5.2.1** The Gross Carrying amount (cost) of fully depreciated assets that are still in use amounts to Rs. 1,459,609 (30 June 2020 : Rs. 1,459,609).

	Note	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>6 Intangible assets</b>			
Brokrage Assets	6.1	6,765,726	6,765,726
Computer Software		-	-
Work in progress	6.2	-	-
		<u>6,765,726</u>	<u>6,765,726</u>

**6.1** Brokrage Assets include trading Rights Entitlement Certificate and Room at LSE Building.

**6.1** This Includes advance paid by Modaraba aganst purchase of software.

	Note	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>7 Long term musharikhah investment - secured</b>			
Long term musharikhah investment		616,908,634	650,894,432
Less: Current portion of long term musharikhah investment	10	(435,690,661)	(422,480,200)
		<u>181,217,973</u>	<u>228,414,232</u>

**8 Long term morabaha investment - secured**

Long term morabaha investment  
Add: Unearned morabaha income

21,711,249	21,619,598
1,696,938	2,077,112
<b>23,408,187</b>	<b>23,696,710</b>

Less: Current portion of long term  
morabaha investment

10	(19,489,038)	(12,489,038)
	<u>3,919,149</u>	<u>12,527,118</u>

Less: Current portion of unearned  
morabaha income

10	(2,386,568)	(2,386,568)
	<u>1,532,581</u>	<u>8,821,104</u>

**9 Short term morabaha investment-secured**

Short term morabaha Investment  
Add: Unearned morabaha income

522,772,013	521,591,548
4,091,787	4,515,908

Less: Provision for doubtful morabaha investment

526,863,800	526,107,456
(235,561,379)	(235,561,379)
<u>291,302,421</u>	<u>290,546,077</u>



	Note	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>10 Current maturity of long term investment</b>			
Current portion of long term musharikhah investment		435,690,661	422,480,205
Less: Provision against musharika investment		(13,969,110)	(15,761,143)
		421,721,551	406,719,062
		434,797,157	819,513,730
Current portion of long term morabaha investment		19,489,038	12,489,038
Add: Unearned morabaha income		2,386,568	2,386,568
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		13,075,606	6,075,606
		434,797,157	412,794,668
<b>11 Long term musharikhah finance secured</b>			
<p>The Modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs. 1,585 million (2018: Rs. 1,405 million) maturing latest by 30 November 2020. 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 per annum (2020: 3 month KIBOR per annum).</p>			
<b>12 Redeemable capital - participatory and unsecured</b>			
<p>The Certificates of Musharaka have been issued with a maturity of upto 3 months. The share of profit payable ranges from 5.35% to 13.60% per annum (2020: 5.35% to 13.75%).</p>			
	Note	30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>13 Profit Payable</b>			
Musharikhah Finance		11,836,341	18,685,681
Redeemable Capital		15,442,933	19,056,657
		27,279,274	37,742,338



## 14 Contingencies and commitments

### 14.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statement as at June 30, 2020.

### 14.2 Commitments

**14.2.1** Musharikah commitments approved but not disbursed as on balance sheet date amount to Rs.Nil (2020: Rs.Nil).

	<b>Note</b>	<b>30 Sep 2020 (Un-audited) Rupees</b>	<b>30 Sep 2019 (Un-audited) Rupees</b>
<b>15 Adminstrative expenses</b>			
Salaries and benefits		<b>9,537,595</b>	9,185,529
Traveling and conveyance		<b>11,640</b>	24,263
Depreciation - owned asset	5.2	<b>210,209</b>	201,641
Legal and professional		<b>495,172</b>	188,723
Printing and stationary		<b>198,742</b>	116,556
Insurance		<b>2,689</b>	3,998
Fee and subscription		<b>89,293</b>	214,417
PSX, Clearing house and CDC charges, etc.		<b>273,442</b>	145,932
Repair and maintenance		<b>455,116</b>	341,709
Vehicle running and maintenance		<b>75,123</b>	32,524
Power and utilities		<b>485,013</b>	394,539
Entertainment expenses		<b>235,169</b>	220,258
Advertisement		<b>50,000</b>	-
Telephone and postage		<b>151,012</b>	140,242
Corporate expenses		<b>65,876</b>	7,358
Rent rates and taxes		<b>21,680</b>	2,980
Selling and marketing expenses		<b>118,705</b>	357,856
Miscellaneous expenses		<b>42,502</b>	39,168
		<b>12,518,978</b>	11,617,693
<b>16 Finance cost</b>			
Financial charges on musharikah		<b>11,718,935</b>	39,527,326
Financial charges on redeemable capital		<b>19,264,915</b>	14,077,513
Bank charges		<b>4,110</b>	3,458
		<b>30,987,960</b>	53,608,297
<b>17 Taxation</b>			
<b>Current Tax</b>			
- Current year		<b>112,534</b>	(16,291)
<b>Deferred</b>			
- Relating to origination and reversal of temporary differences		-	3,641,437
		<b>112,534</b>	3,625,146





# First Punjab Modaraba

	Note	30 Sep 2020 (Un-audited) Rupees	30 Sep 2019 (Un-audited) Rupees
<b>18 Cash flow from operating activities</b>			
Profit for the period		1,964,997	(9,801,685)
Adjustments for:			
Depreciation of ijarah assets		32,301,821	16,370,202
Depreciation of assets in own use		210,209	201,643
Gain on disposal of Ijarah assets		(190,405)	(398,605)
(Reversal) / Provision for musharikhah investment		-	(3,509,713)
Financial charges on musharikhah finances		11,718,935	39,530,784
Financial charges on redeemable capital		19,264,915	14,077,513
		63,305,475	66,271,824
Operating profit before working capital changes		65,270,472	56,470,139
<b>Working capital changes</b>			
(Increase)/decrease in operating assets:			
Morabaha investment		3,238,644	31,902,369
Purchase of assets under ijarah arrangements		(20,732,427)	(12,295,900)
Proceeds from transfer of ijarah assets		723,282	376,335
Ijarah Rental Receivable - net		(12,241,654)	(3,409,055)
Advances, deposits, prepayments and other receivables		(13,192,526)	(7,643,734)
		(42,204,681)	8,930,015
Increase/(decrease) in operating liabilities:			
Security deposits - net		(278,700)	1,327,913
Trade and other payables		21,501,670	(12,185,790)
		21,222,970	(10,857,877)
<b>Net changes in operating assets and operating liabilities</b>		(20,981,711)	(1,927,862)
<b>Cash used in operating activities</b>		44,288,761	54,542,277
<b>19 Balances outstanding at the end of Period</b>			
		30 Sep 2020 (Un-audited) Rupees	30 June 2020 (Audited) Rupees
<b>19.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>			
Musharikhah finances		676,145,657	674,289,650
Profit payable on musharikhah finances		11,836,341	18,685,681
Certificates of musharikhah		1,000,507,406	1,000,000,000
Profit payable on certificates of musharikhah		15,442,933	17,742,455
<b>19.1.2 Punjab Modaraba Services (Private) Limited (Management Company)</b>			
Management fee		-	-



	<b>30 Sep 2020 (Un-audited) Rupees</b>	<b>30 Sep 2019 (Un-audited) Rupees</b>
<b>19.2 Transactions during the period</b>		
<b>19.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Bank charges	<b>4,110</b>	-
Profit charged on finances	<b>11,718,935</b>	39,527,326
Profit charged on certificates of Musharikah	<b>19,264,915</b>	13,082,613
<b>19.2.2 Punjab Modaraba Services (Private) Limited (Management Company)</b>		
Management fee paid	-	-

## 20 Financial risk management

The Modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended 30 June 2020.

## 21 Date of authorization

This unaudited interim financial information for the period ended 30 September 2020 was authorized for issue by the Board of Directors of the Management Company on 02 December 2020

## 22 General

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

**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)

Office No. 100, 3rd Floor, National Tower, 28-Egerton Road, Lahore, Postal Code No. 54000, PAKISTAN

**Phone:** 042-36305131 **Fax:** 042-36305131

**email:** [info@punjabmodaraba.com.pk](mailto:info@punjabmodaraba.com.pk) **Website:** [www.punjabmodaraba.com.pk](http://www.punjabmodaraba.com.pk)