

FIRST NATIONAL BANK MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
INCOME FROM OPERATIONS			
Ijarah rentals earned / income from ijarah finance		1,314,070	2,561,756
Profit on diminishing musharaka financing		3,519	100,312
Profit on murabaha income		2,287,522	-
Profit on bank deposits		136,628	311,733
Profit on short term investment		7,628,387	11,711,175
		11,370,126	14,684,976
OTHER INCOME			
Reversal of provision charged for doubtful receivables - net	31	29,389,969	1,902,510
Suspension reversed during the year		1,229,821	-
Gain on termination of ijarah assets		6,843,717	-
Excess liabilities written back		1,000,635	6,746,296
Other income	28	-	18,036
		38,464,142	8,666,842
TOTAL INCOME		<u>49,834,268</u>	<u>23,351,818</u>
EXPENSES			
Depreciation on ijarah assets	19	(1,147,041)	(6,636,208)
Operating expenses	29	(14,353,438)	(14,910,330)
Loss on termination of ijarah assets		-	(314,746)
Finance cost	30	(18,326,786)	(28,557,431)
Excess receivable written off		-	(3,984,547)
TOTAL EXPENSES		<u>(33,827,265)</u>	<u>(54,403,262)</u>
OPERATING PROFIT / (LOSS) BEFORE PROVISIONS AND TAXATION		16,007,003	(31,051,444)
Provision charged for doubtful receivables - net	31	(14,490,266)	(3,020,340)
PROFIT / (LOSS) BEFORE MANAGEMENT COMPANY'S FEE		1,516,737	(34,071,784)
Modaraba Company's management fee	32	(151,674)	-
Provision for Worker's Welfare Fund		(27,301)	-
PROFIT / (LOSS) BEFORE TAXATION		1,337,762	(34,071,784)
Taxation	33	(227,420)	-
NET PROFIT / (LOSS) FOR THE YEAR		<u>1,110,342</u>	<u>(34,071,784)</u>
EARNINGS / (LOSS) PER MODARABA CERTIFICATE - BASIC AND DILUTED	34	<u>0.04</u>	<u>(1.36)</u>

The annexed notes from 1 to 40 form an integral part of these financial statements.

For National Bank Modaraba Management Company Limited
(Modaraba Management Company)

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CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR


CHIEF FINANCIAL OFFICER

- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2021 and of the profit, comprehensive profit, its cash flows and changes in equity for the year then ended; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note 1.2 of the accompanied financial statements, which indicates that the Modaraba's current liabilities exceeded its current assets by Rs. 95.187 million, its net liabilities amounted to Rs. 62.095 million and its accumulated losses amounted to Rs. 354.710 million. The short term running facility obtained from National Bank of Pakistan (NBP) was expired on October 31, 2019 that has yet not been renewed and markup outstanding thereupon is also outstanding. Moreover, after the issuance of order dated October 31, 2019 of Registrar Modaraba, the winding up petition has been filed on June 16, 2020 before the Honorable Modaraba Tribunal, Lahore. This situation indicates that a material uncertainty exists that may cast significant doubt on the Modaraba's ability to continue as going concern. Therefore, these financial statements have been prepared on the basis of estimated realizable / settlement values of assets and liabilities respectively. Estimated realizable / settlement values are based on the management's best estimate. Estimation involves judgment based on the latest available, reliable information, historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realized and liabilities will be settled may be different from those carried in these financial statements. Our opinion is not qualified in respect of this matter.

LAHORE
Dated:

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

(Engagement Partner: Amin Ali)

