

FIRST NATIONAL BANK MODARABA
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2021

	Note	Half Year Ended		Quarter Ended	
		December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
		Rupees	Rupees	Rupees	Rupees
Income from Operations					
Ijarah rentals earned / income from ijarah finance		-	987,193	-	410,163
Profit on diminishing musharaka financing		-	48,277	-	14,189
Profit on murabaha investments		-	1,250,396	-	1,250,396
Profit on bank deposits		78,131	61,769	31,390	17,565
Profit on short term investments		5,630,860	3,364,269	3,933,116	1,178,958
		5,708,991	5,711,904	3,964,506	2,871,271
Other Income					
Reversal of provision charged for doubtful receivables	18	34,185,791	524,003	12,103,050	(1,375,997)
Suspension reversed during the period		1,151,081	-	-	-
(Loss) / gain on adjustment of ijarah and owned assets		-	-	-	(118,011)
Other income		287,990	-	286,032	(46,707)
		35,624,862	524,003	12,389,082	(1,540,715)
Total Income		41,333,853	6,235,907	16,353,588	1,330,556
Expenses					
Depreciation on ijarah assets		-	(902,032)	-	21,815
Operating expenses		(7,156,001)	(7,950,333)	(3,437,720)	(3,719,652)
Finance cost		(9,796,921)	(8,574,712)	(5,402,725)	(4,248,438)
Total Expenses		(16,952,922)	(17,427,077)	(8,840,445)	(7,946,275)
Operating Profit / (Loss) before Provisions and Taxation		24,380,931	(11,191,170)	7,513,143	(6,615,719)
Provision charged for doubtful receivables - net		(9,176,980)	-	-	-
		15,203,951	(11,191,170)	7,513,143	(6,615,719)
Modaraba Company's management fee		(1,520,395)	-	(751,314)	-
Provision for worker's welfare fund		(273,671)	-	(135,236)	-
Profit / (Loss) before Taxation		13,409,885	(11,191,170)	6,626,593	(6,615,719)
Taxation		(2,279,680)	-	(2,279,680)	-
Profit / (Loss) for the Period		11,130,205	(11,191,170)	4,346,913	(6,615,719)
Profit / (Loss) per Certificate - Basic and Diluted		0.45	(0.45)	0.17	(0.26)

The annexed notes from 1 to 23 form an integral part of these condensed interim financial statements (un-audited).

National Bank Modaraba Management Company Limited
(Modaraba Management Company)



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



CHIEF FINANCIAL OFFICER

Emphasis of Matter

We draw attention to note 1.2, of the accompanied condensed interim financial statements, which indicates that the Modaraba has earned profit before Modaraba Management's Company fee amounting to Rs. 15.204 million which is primarily due to the reversal of provisions charged for doubtful receivables. However, the Modaraba's current liabilities exceeded its current assets by Rs. 84.123 million, its net liabilities amounted to Rs. 51.108 million and its accumulated losses amounted to Rs. 344.136 million.

Refer to Note 14, the short-term financing facility obtained from National Bank of Pakistan has not been renewed since October 31, 2019 and markup thereupon is also outstanding as disclosed in Note 14 to the financial statements. Moreover, after the issuance of Registrar Modaraba's order dated October 31, 2019, the winding up petition was filed on June 16, 2020 before the Honorable Modaraba Tribunal, Lahore. These matters indicate 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 conclusion is not qualified in respect of this matter.

The engagement partner on the review resulting in this independent auditor's review report is Amin Ali.

LAHORE
Dated:

CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants