



A Wholly Owned Subsidiary of
The Bank of Punjab

FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

QUARTERLY ACCOUNTS | 2024

31 MARCH, 2024 (UN-AUDITED)



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CORPORATE PROFILE

Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

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

Chief Financial Officer

Zeeshan Ahmed

Company Secretary

Mudassar Kaiser Pal

Audit Committee

Imran Bashir	Chairman
Ijaz ur Rehman Qureshi	Member
Samina Afsar	Member

Human Resource Committee

Samina Afsar	Chairperson
Ijaz ur Rehman Qureshi	Member
Umer Iqbal Sheikh	Member
Imran Bashir	Member

Board Risk Management Committee

Ijaz ur Rehman Qureshi	Chairman
Umer Iqbal Sheikh	Member

Auditors of the Modaraba

Kreston Hyder Bhimji & Co.
Chartered Accountants

Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.
Chartered Accountants

Bankers

The Bank of Punjab
NRSP Microfinance Bank Limited
BankIslami Pakistan Limited
U Microfinance Bank Limited

Registrar

Hameed Majeed Associates (Pvt.) Ltd.

H.M House, 7-Bank Square,
The Mall, Lahore

Tel : (+92-42) 37235081-2

Registered Office

Office # 100, 3rd Floor, National Tower,
28-Egerton Road, Lahore.

Postal Code No. 54600

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URL : www.punjabmodaraba.com.pk

Directors' Report

On behalf of the Board of Directors of Punjab Modaraba Services (Pvt.) Ltd., the management company of First Punjab Modaraba, we are delighted to present unaudited financial statements for the period ended March 31, 2024.

Owing to timely and effective policy measures, the economy showed a moderate recovery in fiscal year 2024, despite facing challenges such as fiscal consolidation, monetary tightening, geo political tensions.

On back of resumption of fresh business and recoveries from non-performing assets, the Modaraba was able to record after tax profit of Rs. 3.023 million, a significant improvement from the Rs. 1.104 million recorded in the previous reporting period. During the reporting period, the management primarily focused on investing funds in the Musharikhah segment to generate returns for its valued certificate holders.

Further, the management made significant efforts to recover its classified portfolio, successfully reclaiming significant amounts from it. The recovered amount was subsequently invested in income-generating segments. The management's foremost priority is vehicle financing, strategically focused on achieving superior rates of return, with minimum risk involved.

The board expresses its sincere appreciation to Registrars Modarabas and other stake holders for their unwavering support and guidance. The board also extends its gratitude to the certificate holders and customers for placing their trust in us.

The Board acknowledges and commends the dedication and diligent efforts exerted by the management team of First Punjab Modaraba.

For & on behalf of the Board.



Imran Bashir
Director



Ijaz Ur Rehman Qureshi
Director



Umer Iqbal Sheikh
Director

Date: June 24, 2024

ڈائریکٹرز کی رپورٹ

فرسٹ پنجاب مضار بہ کی انتظامی کمیٹی، پنجاب مضار بہ سرسوز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، مجھے 31 مارچ 2024 کو ختم ہونے والی پہلی سہ ماہی کے غیر آڈٹ شدہ مالیاتی گوشوارے پیش کرتے ہوئے خوشی ہو رہی ہے۔

بروقت اور موثر پالیسی اقدامات کی وجہ سے، مالیاتی استحکام، مالیاتی ترقی، جغرافیائی سیاسی تاویحیے چیلنجوں کا سامنا کرنے کے باوجود، مالی سال 2024 میں معیشت نے معتدل بحالی کا مظاہرہ کیا۔

نئے کاروبار کے دوبارہ شروع ہونے اور غیر فعال اثاثوں سے وصولیوں کی وجہ سے مضاربہ 3.023 ملین روپے کے بعد از ٹیکس منافع کو ریکارڈ کرنے میں کامیاب رہا اور پچھلے سال کے مقابلے میں نمایاں بہتری رہی۔ گزشتہ رپورٹنگ مدت میں 1.104 ملین روپے منافع ریکارڈ کیا گیا تھا۔

رپورٹنگ کی مدت کے دوران، انتظامیہ نے بنیادی طور پر اپنے قابل قدر سٹوکیٹ ہولڈرز کے لیے منافع پیدا کرنے کے لیے مشارک کے حصے میں فنڈز کی سرمایہ کاری پر توجہ مرکوز کی۔

مزید برآں، انتظامیہ نے اپنے نادہندہ پورٹ فولیو کو بحال کرنے کے لیے اہم کوششیں کیں، اور کامیابی کے ساتھ اس سے قابل قدر وصولی کی۔ برآمد شدہ رقم بعد میں آمدنی پیدا کرنے والے حصوں میں لگائی گئی۔ انتظامیہ کی اولین ترجیح گاڈ یوں کی مالی فراہمی ہے، جس میں کم از کم خطرے کے ساتھ، اعلیٰ شرح منافع کے حصول پر حکمت عملی سے توجہ دی گئی ہے۔

بورڈ رچسز اور مضاربہ اور دیگر اسٹیک ہولڈرز کو ان کی غیر متزلزل حمایت اور رہنمائی کے لیے تہہ دل سے خراج تحسین پیش کرتا ہے۔ بورڈ سٹوکیٹ ہولڈرز اور صارفین کا بھی شکریہ ادا کرتا ہے کہ انہوں نے ہم پر اعتماد کیا۔

بورڈ فرسٹ پنجاب مضاربہ کی انتظامیہ ٹیم کی لگن اور محنتی کاوشوں کا اعتراف اور تعریف کرتا ہے۔

بورڈ کے لیے اور اس کی جانب سے۔



عمران بشیر
ڈائریکٹر



اعجاز الرحمن قریشی
ڈائریکٹر



عمر اقبال شیخ
ڈائریکٹر

تاریخ: 24 جون 2024

FIRST PUNJAB MODARABA
STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT 31 MARCH 2024

	Note	31 March 2024 (Un-Audited)	31 Dec 2023 (Audited)
		Rupees	Rupees
ASSETS			
Non current assets			
Tangible fixed assets			
- Ijarah assets	6.1	133,799,595	148,068,219
- Assets in own use	6.2	3,681,158	4,066,485
Intangible assets		890,512	1,055,607
Long term musharikhah investment - secured	7	444,569,586	458,544,566
Long term morabaha investment - secured	8	23,634,240	13,502,006
Long term deposits		203,444	203,444
Deferred tax asset		109,657,977	109,657,977
		716,436,512	735,098,304
Current assets			
Short term morabaha investment - secured	9	193,947,814	173,447,518
Current maturity of long term investment	10	328,944,637	369,755,675
Ijarah rental receivable	11	94,016,310	111,362,665
Short Term Investment		384,870,000	350,000,000
Development properties - Land		49,917,874	49,696,584
Advances, deposits, prepayments and other receivables	12	149,097,335	156,788,162
Tax refund due from government		13,436,667	10,053,695
Cash and bank balances	13	191,682,340	233,544,957
		1,405,912,977	1,454,649,256
		2,122,349,489	2,189,747,560
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Authorized certificate capital			
50,000,000 (31 Dec 2023: 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 (31 Dec 2023: 34,020,000) certificates	14	340,200,000	340,200,000
Capital reserves	15	218,176,678	218,176,678
Revenue reserves	15	(677,224,765)	(680,257,522)
Subordinated Fund	16	500,000,000	500,000,000
		381,151,913	378,119,156
Non current liabilities			
Long term security deposits		2,140,000	2,140,000
Deferred morabaha income		5,245,558	5,881,661
Staff Retirement benefit-gratuity		9,597,124	9,271,499
Redeemable capital - participatory and unsecured	17	1,485,000,000	1,485,000,000
		1,501,982,682	1,502,293,160
Current liabilities			
Current maturity of non current liabilities		91,858,329	98,326,302
Deferred morabaha income		2,955,480	-
Profit payable	18	52,695,140	103,300,796
Trade and other payables	19	73,503,976	86,151,716
Provision for taxation		1,071,439	4,365,946
Unclaimed profit		17,130,530	17,190,485
		239,214,894	309,335,245
		2,122,349,489	2,189,747,560
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			

The attached notes 1 to 30 form an integral part of these unconsolidated financial statements.

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



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR



DIRECTOR

FIRST PUNJAB MODARABA
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

	Note	Mar-24 Un-Audited Rupees	Mar-23 Un-Audited Rupees
Income			
Income from ijarah rentals	20	26,117,879	15,623,408
Income from morabaha financing		5,224,206	2,975,796
Income from diminishing musharaka financing		47,690,331	46,419,623
Gain on disposal of fixed assets		543,305	3,220,256
Other income	21	33,952,437	10,062,505
		<u>113,528,158</u>	<u>78,301,588</u>
Expenses			
Administrative expenses	22	17,682,996	13,598,357
Finance cost	23	92,124,419	73,031,069
		<u>109,807,415</u>	<u>86,629,426</u>
Operating loss before provision		<u>3,720,743</u>	<u>(8,327,838)</u>
Reversal / (provision) against ijarah rentals - net		87,300	3,674,458
Reversal / (Provision) for morabaha investment		-	5,984,500
Reversal / (Provision) for musharika investment		379,912	-
		<u>467,212</u>	<u>9,658,958</u>
OPERATING PROFIT AFTER PROVISION AND IMPAIRMENT		<u>4,187,955</u>	<u>1,331,120</u>
Modaraba Company's management fee		-	-
PROFIT BEFORE INCOME TAX AND LEVIES		<u>4,187,955</u>	<u>1,331,120</u>
LEVIES	24	(1,155,198)	(226,290)
PROFIT AFTER INCOME TAX FOR THE PERIOD		<u><u>3,032,757</u></u>	<u><u>1,104,830</u></u>
OTHER COMPREHENSIVE INCOME FOR THE PERIOD			
Other Comprehensive Income for the period		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u><u>3,032,757</u></u>	<u><u>1,104,830</u></u>
EARNING PER CERTIFICATE - BASIC AND DILUTED		<u><u>0.09</u></u>	<u><u>0.03</u></u>

The attached notes 1 to 30 form an integral part of these unconsolidated financial statements.

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



 CHIEF FINANCIAL OFFICER



 DIRECTOR



 DIRECTOR



 DIRECTOR

**FIRST PUNJAB MODARABA
STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024**

	Capital Reserve Statutory reserve	Subordinated Fund Rupees	Revenue Reserve Accumulated loss	Total
Balance as at 31 Dec 2022 -Previously reported	340,200,000	-	(558,326,241)	50,437
Correction of error	-	-	(12,576,771)	(12,576,771)
Balance as at 31 Dec 2022-Restated	340,200,000	-	(570,903,012)	(12,526,334)
Profit / (Loss) for the period	-	-	1,104,830	1,104,830
Total comprehensive loss for the period	-	-	1,104,830	1,104,830
Balance as at 31 March 2023-Restated	340,200,000	-	(569,798,182)	(11,421,504)
Balance as at 01 Jan 2024	340,200,000	500,000,000	(680,257,522)	378,119,156
Profit for the period	-	-	3,032,757	3,032,757
Total comprehensive income for the period	-	-	3,032,757	3,032,757
Balance as at 31 March 2024	340,200,000	500,000,000	(677,224,765)	381,151,913

The attached notes 1 to 30 form an integral part of these unconsolidated financial statements.

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

CHIEF FINANCIAL OFFICER

DIRECTOR

DIRECTOR

DIRECTOR

FIRST PUNJAB MODARABA
CASH FLOW STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2024

<u>Note</u>	<u>Mar-24</u> <u>Un-Audited</u> <u>Rupees</u>	<u>Mar-23</u> <u>Un-Audited</u> <u>Rupees</u>
Cash flow from operating activities		
Cash generated from operations	28	132,222,501
Profit paid on redeemable capital	(142,730,075)	(63,379,015)
Taxes paid	(3,466,731)	(1,552,814)
	<u>(146,196,806)</u>	<u>(64,931,829)</u>
Net cash generated from / (used in) operating activities	(13,974,306)	32,395,947
Cash flow from investing activities		
Proceeds from disposal of fixed assets	-	1,000,000
Purchase of assets under ijarah arrangements	(2,825,032)	(15,751,651)
Proceeds from disposal of ijarah assets	4,643,461	15,626,424
Purchase of Software	-	166,650
Profit received on bank deposits	5,223,215	-
Purchase of fixed assets in own use	6.2	(22,000)
Net cash generated from investing activities	(27,828,356)	1,019,423
Cash flow from financing activities		
Profit distributed among the certificate holders	(59,955)	-
Net cash generated from financing activities	(59,955)	-
Net (decrease) / increase in cash and cash equivalents	(41,862,617)	33,415,370
Cash and cash equivalents at the beginning of the period	233,544,957	26,675,787
Cash and cash equivalents at the end of the period	13	191,682,340
		60,091,157

The attached notes 1 to 30 form an integral part of these unconsolidated financial statements.

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



 CHIEF FINANCIAL OFFICER



 DIRECTOR



 DIRECTOR



 DIRECTOR

FIRST PUNJAB MODARABA**NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2024****1 STATUS AND NATURE OF BUSINESS**

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 (the Modaraba Management Company) which is a wholly owned subsidiary of The Bank of Punjab. The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower, 28-Egerton Road, Lahore. The Modaraba commenced its operations on December 23, 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 Murabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam. Modaraba has obtained approval of the Securities & Exchange Commission of Pakistan to undertake Building, Construction and Real Estate activity by insertion of a new clause for this purpose in prospectus of the Modaraba on January 13, 2021.

2 BASIS OF PREPARATION**2.1 Statement of compliance**

These financial statements have been prepared in accordance with the approved accounting and reporting standards as applicable in Pakistan. The approved accounting standards as applicable in Pakistan comprises of:

- o International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- o Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan;
- o Requirements of the Modaraba Companies and Modaraba (Flotation and & Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and the Modaraba Regulations, 2021; and
- o Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and the Companies Act, 2017.

Wherever the requirements of the Modaraba Companies and Modaraba (Flotation and & Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021 and Islamic Financial Accounting Standards (IFAS) and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and the Companies Act, 2017 differ from IFRS Standards, the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS and provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980 and the Companies Act, 2017 have been followed.

The SECP has issued directive (vide SRO 431 (I) / 2007 dated May 22, 2007) that Islamic Financial Accounting Standard 2 (IFAS 2) shall be followed in preparation of the financial statements by Companies and Modarabas while accounting for Lease Financing transactions as defined by the said standard. The Modaraba has adopted the said standard.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for defined benefit obligation i.e. gratuity at the present value of the obligation determined through actuarial valuation and discussed further in the respective policy note.

Permissible Islamic financial products including Murabaha (as a liability) and Musharikhah have been used by the Modaraba, in line with similar industry practices. The accounting and presentation of the same are in line with the substance of the transaction and are limited to the extent of actual amount of facility utilized and mutually agreed mark-up / profit thereon. Accordingly, purchases, sales and Musharikhah profits / reserves are not reflected in these financial statements except for Murabaha facility (as an asset) which has been accounted for in line with Islamic Financial Accounting Standard - 1.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee (Rs.) which is the Modaraba's functional and presentation currency. All financial information presented in Pakistan Rupees has been rounded to the nearest rupee unless otherwise indicated.

2.4 Critical accounting estimates, judgments and assumptions

The preparation of financial statements in conformity with the accounting and reporting standards as applicable in Pakistan requires the use of certain critical accounting estimates. In addition, it requires management to exercise judgment in the process of applying the Modaraba's accounting policies. The areas involving a high degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are documented.

The revisions to accounting estimates (if any) are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3 NEW STANDARDS, INTERPRETATIONS OF AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations of and amendments to published approved accounting standards that are effective in the current period:

There are certain amendments to the published approved accounting standards that are effective in the current period. However, these do not have any significant impact on the Modaraba's operations and, therefore, have not been detailed in these financial statements.

3.2 Standards, interpretations and amendments to published approved accounting standards that are not yet effective:

There are certain other new and amended standards, interpretations and amendments that are mandatory for the Modaraba's accounting periods beginning on or after January 01, 2024 but are considered not to be relevant or will not have any significant effect on the Modaraba's operations and are, therefore, not detailed in these financial statements.

The SECP has deferred the effective date of applicability of International Financial Reporting Standard 9 - Financial Instruments for Modarabas for reporting period ending on or after June 30, 2024 via SRO 1827 (I) / 2022 dated September 29, 2022. The provision against investment under Musharikhah, Morabaha and Ijarah has been determined in accordance with requirements of the Modaraba Regulations, 2021 issued by the Securities and Exchange Commission of Pakistan (SECP).

However, Modaraba is currently in the process of analyzing the potential impact of changes required in classification and measurement of financial instruments and the impact of expected loss model on adoption of the standard.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous year except for the changes, if any, explained below:

4.1 Assets in own use

Measurement

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes all expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the Modaraba and the cost of the items can be measured reliably. All other repairs and maintenance expenses are charged to the statement of profit and loss and other comprehensive income as and when incurred.

Depreciation

Depreciation on all operating fixed assets is charged to statement of profit and loss and other comprehensive income by applying the straight line method so as to write off the depreciable amount of the assets over their estimated useful lives at the rates given in Note 5.1. The residual values and useful lives are reviewed by the management at each financial year end and adjusted if impact on depreciation is significant. Depreciation on additions is charged from the date on which the assets are available for use and on disposals up to the date on which the assets are disposed off.

4.2 Intangible assets

Measurement

Intangible assets having a finite useful life are stated at cost less accumulated amortization and accumulated impairment losses, if any. Subsequent costs are included in the assets' carrying amounts or recognized as separate assets, as appropriate, only where it is probable that the future economic benefits associated with the assets will flow to the Modaraba and the cost of the items can be measured reliably. The useful lives and amortization method are reviewed and adjusted, as appropriate, at each reporting date. Amortization is charged when the asset is available for use as intended by management.

5 Taxation

Income tax comprises of current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity (if any), and in which case the tax amounts are recognized directly in other comprehensive income or equity.

	Note	Mar-24	Dec-23
		Rupees	Rupees
6 Tangible fixed assets			
Ijarah assets	6.1	133,799,995	148,038,219
Assets in own use	6.2	3,881,159	4,666,485
		<u>137,681,153</u>	<u>152,704,704</u>

Description	31-03-2024 (UN-AUDITED)										Depreciation Rate %	
	COST					DEPRECIATION						As at 31-March-2024
	As at 1-Jan-2024	Additions	Transfer	As at 31-March-2024	As at 1-Jan-2024	Change for the Period	Transfer	As at 31-March-2024	Reversal for the Period	Transfer		
Plant and machinery	314,207,190	-	(6,003,395)	305,203,885	242,843,226	5,420,654	(6,013,561)	242,250,319	-	-	62,853,566	As per term
Vehicle	270,854,609	2,297,032	(45,115,472)	228,036,169	210,008,611	77,953	(39,006,894)	178,999,670	-	-	49,006,489	As per term
Consumer products	139,707,680	528,000	(10,226,000)	130,009,680	112,849,423	6,408,283	(11,057,556)	108,200,150	-	-	21,899,530	As per term
	<u>724,769,479</u>	<u>2,825,032</u>	<u>(61,344,877)</u>	<u>665,249,734</u>	<u>575,701,260</u>	<u>11,906,890</u>	<u>(65,138,011)</u>	<u>530,450,138</u>	<u>-</u>	<u>-</u>	<u>133,799,995</u>	

Description	31-12-2023 (AUDITED)										Depreciation Rate %	
	COST					DEPRECIATION						As at 31-Dec-2023
	As at 1-Jan-2023	Additions	Transfer	As at 31-Dec-2023	As at 1-Jan-2023	Change for the Year	Transfer	As at 31-Dec-2023	Reversal for the Year	Transfer		
Plant and machinery	383,956,167	1,050,000	(73,798,977)	311,207,190	306,362,146	5,448,522	(70,987,442)	242,843,226	-	-	68,363,984	As per term
Vehicle	367,088,224	13,856,913	(110,142,528)	270,854,609	265,275,008	40,660,040	(87,926,437)	218,008,611	-	-	52,845,998	As per term
Consumer products	155,101,180	12,995,000	(26,368,500)	139,707,680	95,342,410	39,415,745	(21,906,732)	112,849,423	-	-	26,898,257	As per term
	<u>906,095,571</u>	<u>28,051,913</u>	<u>(272,330,005)</u>	<u>721,769,479</u>	<u>668,969,564</u>	<u>85,524,308</u>	<u>(180,822,611)</u>	<u>573,701,260</u>	<u>-</u>	<u>-</u>	<u>148,038,219</u>	

6.2 Assets in own use

Description	31-03-2024 (UN-AUDITED)						Life Year		
	COST			DEPRECIATION					
	As at 1 Jan 2024	As at 31-March-2024	Disposal	As at 1 Jan 2024	Charge for the Period	Disposal			
Office Equipment	4,749,645	4,749,645	-	3,404,291	142,028	-	3,546,319	1,203,326	3 to 7
Furniture & Fixtures	2,283,900	2,283,900	-	2,029,677	26,759	-	2,056,436	227,464	7
Vehicles	4,330,800	4,330,800	-	1,863,892	216,540	-	2,080,432	2,250,368	5
	<u>11,364,345</u>	<u>11,364,345</u>	-	<u>7,297,860</u>	<u>385,327</u>	-	<u>7,683,187</u>	<u>3,681,156</u>	
Description	31-12-2023 (AUDITED)						Life Year		
	COST			DEPRECIATION					
	As at 1 Jan 2023	As at 31 Dec 2023	Disposal	As at 1 Jan 2023	Charge for the Year	Disposal			

Office Equipment	4,749,645	4,749,645	-	2,761,397	642,894	-	3,404,291	1,345,354	3 to 7
Furniture & Fixtures	2,263,400	2,283,900	20,500	1,779,808	249,869	-	2,029,677	254,223	7
Vehicles	2,450,800	2,612,000	(732,000)	1,949,770	646,122	(732,000)	1,863,892	2,466,908	5
	<u>9,463,845</u>	<u>2,632,500</u>	<u>(732,000)</u>	<u>6,490,975</u>	<u>1,538,885</u>	<u>(732,000)</u>	<u>7,297,860</u>	<u>4,066,485</u>	

	Note	31-Mar-24 Un-Audited	31-Dec-23 Audited
7 Long term musharikhah investment - secured			
Long term musharikhah investment		775,498,424	805,245,048
Less: Current portion of long term musharikhah investment	10	(330,928,838)	(346,700,482)
		<u>444,569,586</u>	<u>458,544,566</u>
8 Long term morabaha investment - secured			
Long term morabaha investment		42,372,338	58,533,457
Add: Unearned morabaha income		14,699,126	13,445,167
		57,071,464	71,978,624
Less: Current portion of long term morabaha investment	10	(26,313,112)	(50,913,112)
		30,758,352	21,065,512
Less: Current portion of unearned morabaha income	10	(7,124,112)	(7,563,506)
		<u>23,634,240</u>	<u>13,502,006</u>
9 Short term morabaha investment-secured			
Short term morabaha Investment		395,775,163	375,906,891
Add: Unearned morabaha income		632,024	-
		396,407,187	375,906,891
Less: Provision for doubtful morabaha investment	9.3	(202,459,373)	(202,459,373)
		<u>193,947,814</u>	<u>173,447,518</u>
10 Current maturity of long term investment			
Current portion of long term musharikhah investment	7	330,928,838	346,700,482
Less: Provision against musharika investment		(26,621,425)	(26,621,425)
		304,307,413	320,079,057
Current portion of long term morabaha investment	8	26,313,112	50,913,112
Add: Unearned morabaha income	8	7,124,112	7,563,506
Less: Provision against morabaha investment		(8,800,000)	(8,800,000)
		24,637,224	49,676,618
		<u>328,944,637</u>	<u>369,755,675</u>
11 Ijarah rental receivables			
Ijarah rental receivable		172,377,500	189,621,155
Less: Provision against ijarah rental receivable		(78,361,190)	(78,258,490)
		<u>94,016,310</u>	<u>111,362,665</u>
12 Advances, deposits, prepayments and other receivables			
Profit receivable			
- Morabaha investment		-	5,319,857
- Musharikhah investment		22,276,458	22,194,533
		22,276,458	27,514,390
Prepayments		3,815,200	1,830,921
Advances		7,863,549	6,794,757
Receivable from Provident Fund		1,460,854	2,349,847
Other receivables		180,997,610	185,614,583
		216,413,671	224,104,498
Less: Provision for other receivables		(67,316,336)	(67,316,336)
		<u>149,097,335</u>	<u>156,788,162</u>
13 Cash and bank balances			
Cash at banks			
- Current accounts	13.1	40,579,400	10,621,161
- Deposit accounts		4,972,583	1,382,743
- Savings accounts		145,469,877	221,168,588
- Current account with State Bank of Pakistan	13.2	99,974	99,974
		191,121,834	233,272,466
Cash in hand		560,506	272,491
		<u>191,682,340</u>	<u>233,544,957</u>

			31-Mar-24 Un-Audited	31-Dec-23 Audited																																							
	Note		Rupees	Rupees																																							
14		Authorized, Issued, Subscribed and Paid-up Modaraba Certificate Capital																																									
		Authorized certificate capital																																									
		50,000,000 modaraba certificates of Rs.10 each	<u>500,000,000</u>	<u>500,000,000</u>																																							
14.1		Issued, subscribed and paid-up certificate capital																																									
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">31-Mar-24 Un-Audited</th> <th style="width: 20%; text-align: center;">31-Dec-23 Audited</th> <th style="width: 30%;"></th> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">----(Number of certificates)----</td> <td></td> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">20,000,000</td> <td style="text-align: right;">20,000,000</td> <td>Modaraba Cetificates of Rs. 10/- fully paid on cash</td> </tr> <tr> <td></td> <td style="text-align: right;">14,020,000</td> <td style="text-align: right;">14,020,000</td> <td>Modaraba Cetificates of Rs. 10/- issued as bonus certificates</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>34,020,000</u></td> <td style="text-align: right;"><u>34,020,000</u></td> <td></td> </tr> </tbody> </table>		31-Mar-24 Un-Audited	31-Dec-23 Audited			----(Number of certificates)----				20,000,000	20,000,000	Modaraba Cetificates of Rs. 10/- fully paid on cash		14,020,000	14,020,000	Modaraba Cetificates of Rs. 10/- issued as bonus certificates		<u>34,020,000</u>	<u>34,020,000</u>		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;"></th> <th style="width: 20%; text-align: center;">31-Mar-24 Un-Audited</th> <th style="width: 20%; text-align: center;">31-Dec-23 Audited</th> <th style="width: 30%;"></th> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">Rupees</td> <td></td> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: right;">200,000,000</td> <td style="text-align: right;">200,000,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;">140,200,000</td> <td style="text-align: right;">140,200,000</td> <td></td> </tr> <tr> <td></td> <td style="text-align: right;"><u>340,200,000</u></td> <td style="text-align: right;"><u>340,200,000</u></td> <td></td> </tr> </tbody> </table>		31-Mar-24 Un-Audited	31-Dec-23 Audited			Rupees				200,000,000	200,000,000			140,200,000	140,200,000			<u>340,200,000</u>	<u>340,200,000</u>	
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	Note		31-Mar-24 Un-Audited	31-Dec-23 Audited																																							
15		Reserves	Rupees	Rupees																																							
		Capital reserve																																									
		Statutory reserve	218,176,678	218,176,678																																							
		Revenue reserves																																									
		Accumulated loss	<u>(677,224,765)</u>	<u>(680,257,522)</u>																																							
			<u>(459,048,087)</u>	<u>(462,080,844)</u>																																							
16		Subordinated Funds	<u>500,000,000</u>	<u>500,000,000</u>																																							
		This represent funds extended by The Bank of Punjab - Parent company as a support to improve equity base of the Modaraba.																																									
17		Redeemable capital - participatory and unsecured	<u>1,485,000,000</u>	<u>1,485,000,000</u>																																							
		Redeemable capital - participatory and unsecured																																									
18		Profit payable																																									
		Redeemable capital - participatory and unsecured	39,421,805	95,092,002																																							
		Subordinated Funds	13,273,335	8,208,794																																							
			<u>52,695,140</u>	<u>103,300,796</u>																																							
19		Trade and other payables																																									
		Accrued expenses	500,000	5,700,135																																							
		Tax deducted at source	1,713,277	680,792																																							
		Advances against ijarah / morabaha / musharikah	19,092,567	18,322,724																																							
		Other payables	52,114,373	61,448,065																																							
	19.1		<u>73,420,217</u>	<u>86,151,716</u>																																							

	31-Mar-24 Un-Audited Rupees	31-Mar-23 Un-Audited Rupees
20 Income from ijarah rentals		
Ijarah income	38,024,769	43,226,910
Less: Depreciation on ijarah assets	<u>(11,906,890)</u>	<u>(27,603,502)</u>
	<u>26,117,879</u>	<u>15,623,408</u>
21 Other income		
Profit on bank deposits	28,870,139	9,072,189
Processing fee	218,110	384,825
Cheque return charges	183,500	224,000
Gain on settlement of musharikhah	4,290,011	-
Miscellaneous income	<u>390,677</u>	<u>381,491</u>
	<u>33,952,437</u>	<u>10,062,505</u>
22 Administrative expenses		
Salaries and benefits	10,623,143	9,412,580
Traveling and conveyance	293,138	87,971
Depreciation - owned asset	6.2 316,705	399,920
Amortization of Intangible Assets	165,095	166,650
Legal and professional	162,393	58,043
Printing and stationary	327,676	154,767
Insurance	350,620	535,380
Fee and subscription	870,116	939,884
Repair and maintenance	334,422	324,511
Vehicle running and maintenance	287,607	209,234
Power and utilities	558,665	339,646
Entertainment expenses	406,833	315,919
Telephone and postage	504,581	205,882
Corporate expenses	320,132	87,728
Rent rates and taxes	1,353,205	-
Selling and marketing expenses	746,992	206,757
Miscellaneous expenses	<u>61,673</u>	<u>153,485</u>
	<u>17,682,996</u>	<u>13,598,357</u>
23 Finance cost		
Financial charges on redeemable capital	68,900,338	73,007,361
Financial charges on subordinated funds	23,198,767	-
Bank charges	<u>25,314</u>	<u>23,708</u>
	<u>92,124,419</u>	<u>73,031,069</u>
24 LEVIES		
Current Tax		
-Minimum Tax	1,071,439	226,290
-WWF	<u>83,759</u>	<u>-</u>
	<u>1,155,198</u>	<u>226,290</u>

25 Earning per certificate

25.1 Basic

Basic earnings per certificate are calculated by dividing the net profit for the period by the weighted average number of certificates outstanding during the year as follows:

	31-Mar-24 Un-Audited Rupees	31-Mar-23 Un-Audited Rupees
Profit for the Period	3,032,757	1,104,830
Weighted average number of ordinary certificates	34,020,000	34,020,000
Earning per certificate	0.09	0.03

25.2 Diluted

No figure for diluted earnings per certificate has been presented as the Modaraba has not issued any instruments which would have an impact on earnings per certificate when exercised.

26 Transactions with related parties

Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:

26.1 Balances outstanding at the end of period

26.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)

	31-Mar-24 Un-Audited Rupees	31-Dec-23 Audited Rupees
Subordinated Funds	500,000,000	500,000,000
Certificates of musharikhah	1,485,000,000	1,485,000,000
Profit payable on certificates of musharikhah	39,421,805	95,092,002
Profit payable on Subordinated fund	13,273,335	8,208,794
Outstanding Modaraba certificates	47,880	47,880
Bank balance maintained with BOP	45,551,983	12,003,904

26.1.2 The Bank of Punjab-Employees Gratuity Fund

Outstanding Modaraba Certificates	50,995,000	50,995,000
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26.1.3 Punjab Modaraba Services (Pvt) Limited

Outstanding Modaraba Certificates	133,206,940	133,206,940
Office Rent Payable	6,257,790	4,916,835

26.2 Transactions during the period

26.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)

	31-Mar-24 Un-Audited Rupees	31-Mar-23 Un-Audited Rupees
Bank charges	25,314.00	23,708.00
Profit charged on certificates of Musharikhah	68,900,338	73,007,361
Profit charged on Subordinated Fund	23,198,767	-

26.2.2 Punjab Modaraba Services (Pvt) Limited

Office Rent	1,340,955	-
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28	Note	31-Mar-24 (Un-Audited) Rupees	31-Mar-23 (Un-Audited) Rupees
Cash flow from operating activities			
	Profit / (Loss) for the year	4,187,955	1,331,120
	Adjustments for:		
	Depreciation of ijarah assets	11,906,890	27,603,502
	Depreciation of assets in own use	385,327	399,920
	Amortization of Intangible Assets	165,095	166,650
	Gain on disposal of Ijarah assets	(543,305)	(2,220,256)
	Gain on disposal of Musharikah assets	(4,290,011)	-
	Gain on disposal of owned assets	-	(1,000,000)
	(Reversal) / Provision for morabaha investment	-	(5,984,500)
	(Reversal) / Provision for musharikah investment	(379,912)	-
	(Reversal) / Provision for Ijara investment	(87,300)	(3,674,458)
	Accrual of Profit on bank deposits	(28,870,139)	-
	Financial charges on redeemable capital	68,900,338	-
	Financial charges on Subordinated funds	23,198,767	73,007,361
		70,385,750	88,298,219
	Operating profit before working capital changes	74,573,705	89,629,339
	Working capital changes		
	(Increase)/decrease in operating assets:		
	Morabaha investment	(6,668,633)	2,916,833
	Investment in musharikah-net	29,746,624	125,598,800
	Development Properties - Land	(221,290)	(7,783,525)
	Ijarah Rental Receivable - net	17,243,655	(12,277,648)
	Advances, deposits, prepayments and other receivables	7,175,113	(109,895,631)
		47,275,469	(1,441,171)
	Increase / (decrease) in operating liabilities:		
	Security deposits - net	6,028,579	(5,379,943)
	Trade and other payables	4,344,748	14,519,551
		10,373,327	9,139,608
	Net changes in operating assets and operating liabilities	57,648,796	7,698,437
	Cash generated from operations	132,222,501	97,327,776

29 **Date of authorization for issue**

The financial statements of Modaraba were approved by the Directors of Modaraba Management Company and authorized for issue on June 24, 2024

30 **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



DIRECTOR



DIRECTOR



DIRECTOR



A Wholly Owned Subsidiary of
The Bank of Punjab

**FIRST
PUNJAB
MODARABA**
(An Islamic Financial Institution)

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

PABX : +(92-42)36365191 - 93

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Website : www.punjabmodaraba.com.pk

