



A Wholly Owned Subsidiary of
The Bank of Punjab

FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

HALF YEARLY ACCOUNTS

30 June 2025
(UN-AUDITED)

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CORPORATE PROFILE

Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Ijaz ur Rehman Qureshi	Chairman
Umer Iqbal Sheikh	Director
Imran Bashir	Director
Samina Afsar	Director
Rizwan Hameed	Director
Maqsood Ahmad	Director
Muhammad Umer Khan	Director
Asim Jahangir Seth	Chief Executive

Chief Financial Officer

Zeeshan Ahmed

Company Secretary

Muhammad Ilyas

Audit Committee

Imran Bashir	Chairman
Umer Iqbal Sheikh	Member
Muhammad Umer Khan	Member

Human Resource Committee

Samina Afsar	Chairperson
Rizwan Hameed	Member
Umer Iqbal Sheikh	Member

Board Risk Management Committee

Rizwan Hameed	Chairman
Umer Iqbal Sheikh	Member
Maqsood Ahmed	Member
Asim Jahangir Seth	Member

Auditors of the Mobaraba

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.
Chartered Accountants

Bankers

The Bank of Punjab
NRSP Microfinance Bank Limited
Bank Islami Pakistan Limited

Registrar

Hameed Majeed Associates (Pvt.) Ltd.
H.M House, 7-Bank Square,
The Mall, Lahore
Tel : (+92-42) 3723081-2

Registered Office

Office # 100, 3rd Floor, National Tower,
28-Egerton Road, Lahore.
Postal Code No. 54600
PABX: (+92-42) 3636191
FAX: (+92-42) 36365193
E-mail: info@punjabmodaraba.com.pk
URL: www.punjabmodaraba.com.pk

DIRECTORS' REVIEW

The Board of Directors of Punjab Modaraba Services (Private) Limited, the Management Company of First Punjab Modaraba, is pleased to present the half yearly financial statements (un-audited) of First Punjab Modaraba along with Directors' Review for the period ended June 30, 2025.

During the period under review, the Modaraba recorded gross income of Rupees 131.092 million against total expenses of Rupees 233.149 million. The total assets stood at Rupees 2.29 billion, while total liabilities were reported at Rupees 195.19 million.

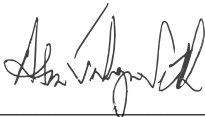
During the period under review, in line with commitment to support and strengthen the financial position of Modaraba, the parent institution, The Bank of Punjab (BOP), injected fresh subordinated funds of Rupees 2 billion to enhance the equity base which carried a floating rate mechanism of 3-years VRR Ijarah Sukuk rate plus 50 basis points, reset bi-annually. As a result, the equity base of the Modaraba boosted from Rupees 208 million to Rupees 2.104 billion. This strategic support from BOP is expected to significantly improve the Modaraba's financial flexibility and competitive positioning, particularly in the current economic environment where lending rates are trending downward following recent reductions in the policy rate by the State Bank of Pakistan.

In the first half of 2025, key economic reforms led to lower inflation, a reduced SBP policy rate, and improved investor confidence, with the KSE-100 Index rising. The successful first review of the \$7B IMF program in May 2025 and an upgrade in Pakistan's sovereign credit ratings followed improvements in fiscal deficits and debt sustainability. Real GDP grew to 2.7% in FY2025 (up from 2.5% in FY2024), driven by industrial and services sectors. Looking ahead to FY2026, the government targets 4.2% GDP growth and 7.5% inflation, though risks remain from energy tariffs and oil prices. Continued structural reforms and fiscal discipline are essential for sustained growth. Subsequent to reporting date; the Modaraba sought approval from the Commission for repayment of existing subordinated funds of Rupees 500 million that was carried a fixed pricing of 18.61% per annum keeping in mind prevailing financial and economic conditions in Pakistan. This reduction in pricing from 18.61% per annum to 11.14% per annum will significantly ease the financial burden on the Modaraba. The management is actively pursuing secure and income-generating investment opportunities to strengthen the Modaraba's profitability and long-term financial performance.

Subsequent to the June 30, 2025; Mr. Nadeem Amir and Mr. Khawar Shahid Ansari retired from the Board upon election of directors held on August 06, 2025. The Board expresses sincere gratitude for their valuable contributions to the growth and success of Modaraba. The Board warmly welcomes the newly appointed directors Mr. Rizwan Hameed, Mr. Muhammad Umer Khan, and Mr. Maqsood Ahmad and looks forward to their valuable contributions to the Modaraba's future growth.

The board expresses its appreciation and gratitude towards the certificate holders and customers for placing their trust in us. The Board also appreciates team of the Modaraba for their dedication and hard work for the growth of the Modaraba in all areas of its activities.

For & On behalf of Board,



Asim Jahangir Seth
Chief Executive



Imran Bashir
Director

Lahore September 30, 2025

ڈائریکٹرز کا جائزہ

پنجاب مضاربہ سرگرم (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز فرسٹ پنجاب مضاربہ کی انتظامی کمپنی، 30 جون 2025 کو ختم ہونے والی مدت کے لیے ڈائریکٹرز کے جائزے کے ساتھ فرسٹ پنجاب مضاربہ کے ششماہی مالیاتی گوشواروں (غیر آڈٹ شدہ) پیش کرنے پر خوش ہے۔

زیر جائزہ مدت کے دوران مضاربہ نے 233.149 ملین روپے کے کل اخراجات کے مقابلے میں 131.092 ملین روپے کی مجموعی آمدنی ریکارڈ کی۔ کل اثاثے 2.29 ملین روپے تھے، جبکہ مل و واجبات 195.19 ملین روپے تھے۔

زیر جائزہ مدت کے دوران مضاربہ کی مالیاتی پوزیشن کو سپورٹ کرنے اور مضبوط کرنے کے عزم کے مطابق، بنیادی ادارے، دی پبلک آف پنجاب (BOP) نے ایکویٹی میں کو بڑھانے کے لیے 2 ملین روپے کے نئے ماتحت فنڈز لگائے جس میں 3 سالہ VRR اجارہ کلور ریٹ کے علاوہ 50 سیس میں پوائنٹس کے ساتھ ایک فلوئنگ ریٹ مینجمنٹ تھا۔ نتیجے کے طور پر مضاربہ کی ایکویٹی میں 208 ملین روپے سے بڑھ کر 2.104 ملین روپے تک پہنچ گئی۔ بی او پی کی جانب سے اس اسٹریٹجک سپورٹ سے مضاربہ کی مالی چلک اور مسابقتی پوزیشن میں نمایاں بہتری کی توقع ہے، خاص طور پر موجودہ معاشی ماحول میں جہاں اسٹیٹ بینک آف پاکستان کی پالیسی ریٹ میں حالیہ کمی کے بعد شرح سود کی شرحیں نیچے کی طرف بڑھ رہی ہیں۔

2025 کی پہلی ششماہی میں بھاری اقتصادی اصلاحات کی وجہ سے افراط زر میں کمی، SBP کی پالیسی کی شرح میں کمی، اور KSE-100 انڈیکس میں اضافہ کے ساتھ سرمایہ کاروں کے اعتماد میں بہتری آئی۔ مئی 2025 میں \$7B IMF پروگرام کا کامیاب پہلا جائزہ اور پاکستان کی خود مختار کریڈٹ ریٹنگ میں اضافے کے بعد مالیاتی خسارے اور قرضوں کی پائیداری میں بہتری آئی۔ حقیقی جی ڈی پی مالی سال 2025 میں 2.7 فیصد تک بڑھی (مالی سال 2024 میں 2.5 فیصد سے زیادہ)، صنعتی اور خدمات کے شعبوں کے ذریعے کا فرما ہے۔ مالی سال 2026 کو دیکھتے ہوئے حکومت نے جی ڈی پی کی شرح نمو 4.2 فیصد اور افراط زر کو باندھ 7.5 فیصد رکھا ہے، حالانکہ توانائی کے نرخوں اور تیل کی قیمتوں سے خطرات برقرار ہیں۔ مسلسل ڈھانچہ جاتی اصلاحات اور مالیاتی نظم مضبوط پائیدار ترقی کے لیے ضروری ہیں۔

پورنگنگ تاریخ کے بعد مضاربہ نے کمیشن 500 ملین روپے کے موجودہ ماتحت فنڈز کی ادائیگی کے لیے منظوری مانگی جو پاکستان میں موجودہ مالیاتی اور اقتصادی حالات کو مدنظر رکھتے ہوئے 18.61 فیصد سالانہ مقررہ قیمت پر رکھی گئی تھی۔ قیمتوں میں کمی 18.61% سالانہ سے 11.14% سالانہ کرنے سے مضاربہ پر مالی بوجھ میں نمایاں کمی آئے گی۔ اختتامیہ مضاربہ کے منافع اور طویل مدتی مالیاتی کارکردگی کو مضبوط بنانے کے لیے محفوظ اور آمدنی پیدا کرنے والے سرمایہ کاری کے مواقع کو فعال طور پر تلاش کر رہی ہے۔

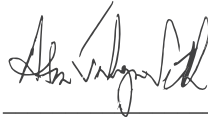
30 جون 2025 کے بعد، جناب ندیم عامر صاحب اور جناب خورشید انصاری صاحب 06 اگست 2025 کو ہونے والے ڈائریکٹرز کے انتخاب کے بعد بورڈ سے ریٹائر ہو گئے۔ بورڈ مضاربہ کی ترقی اور کامیابی میں ان کے گراں قدر تعاون کے لیے تہ دل سے شکر ادا کرتا ہے۔ بورڈ نے تعینات ہونے والے ڈائریکٹرز جناب رضوان حمید، جناب محمد عمر خان، اور جناب مقصود احمد کا پرستار خیر مقدم کرتا ہے اور مضاربہ کی مستقبل میں ترقی کے لیے ان کے گراں قدر تعاون کا منتظر ہے۔

بورڈ غوثیت ہولڈرز اور صارفین کے ہم پر اعتماد کرنے کے لیے شکر ادا کرتا ہے۔ بورڈ مضاربہ کی ٹیم کو اس کی سرگرمیوں کے تمام شعبوں میں مضاربہ کی ترقی کے لیے ان کی لگن اور محنت کی بھی تعریف کرتا ہے۔

بورڈ کے لیے اور اس کی جانب سے،



ڈائریکٹر



چیف ایگزیکٹو

لاہور: 30 ستمبر 2025

Half Yearly Accounts June 2025 [04]

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF FIRST PUNJAB MODARABA ON REVIEW OF INTERIM FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **FIRST PUNJAB MODARABA** ("the Modaraba") as at June 30, 2025 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-month period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matter

Pursuant to the requirement of Section 237(1)(b) of the Companies Act, 2017, only cumulative figures for the half year, presented in the second quarter accounts are subject to a limited scope review by the statutory auditors of the Modaraba. Accordingly, the figures of the condensed interim statement of profit and loss account and condensed interim statement of comprehensive income for the three months period ended June 30, 2025 and June, 30 2024 have not been reviewed by us.

The condensed interim financial statements for the half year ended June 30, 2024 and the annual financial statements for the year ended December 31, 2024 of the Modaraba were reviewed and audited by another firm of the chartered accountants who expressed an unmodified conclusion and opinion thereon vide their reports dated August 29, 2024 and June 30, 2025, respectively.

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

LAHORE

UDIN: RR2025100513d9n4DkRa

Dated: September 30,2025



CROWE HUSSAIN CHAUDHURY & CO.
Chartered Accountants

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT JUNE 30, 2025

		June 30,	December 31,
	Note	2025 (Un-audited) Rupees	2024 (Audited) Rupees
ASSETS			
Non Current Assets			
Fixed assets under ijarah arrangement	6	169,353,571	185,227,848
Fixed assets under own use	7	3,639,003	3,571,658
Intangible assets		58,394	388,332
Long-term investment under musharakah arrangement	8	587,332,059	690,449,778
Long-term investment under murabahah arrangement	9	5,904,424	6,927,036
Long term deposits		1,422,494	1,422,494
Deferred tax asset		94,239,022	94,239,022
		861,948,967	982,226,168
Current Assets			
Short-term investment under murabahah arrangement	10	124,852,085	136,052,103
Current portion of non-current assets	11	436,132,016	430,279,088
Ijarah rentals receivable	12	59,578,209	76,994,055
Short term investment		10,000,000	109,816,508
Development properties		16,068,855	25,290,372
Advances, deposits, prepayments and other receivables	13	145,112,228	159,798,809
Income tax refundable from the Government		32,481,927	32,040,853
Cash and bank balances	14	613,052,625	23,080,100
Total assets		1,437,277,945	993,351,888
		<u>2,299,226,912</u>	<u>1,975,578,056</u>
EQUITY AND LIABILITIES			
Certificate Capital and Reserves			
Authorized certificate capital			
50,000,000 (December 31, 2024: 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 (December 31, 2024: 34,020,000) modaraba certificates of Rs. 10 each		340,200,000	340,200,000
Capital reserves		218,176,678	218,176,678
Revenue reserves - accumulated losses		(954,350,342)	(850,373,686)
Subordinated funds	15	2,500,000,000	500,000,000
Certificate Holders' Equity		2,104,026,336	208,002,992
Non Current Liabilities			
Redeemable capital	16	-	1,485,000,000
Long term security deposits	17	18,026,827	8,547,016
Deferred murabahah income		2,384,082	1,617,760
Post employment benefits		8,271,066	7,593,368
		28,681,975	1,502,758,144
Current Liabilities			
Current portion of non current liabilities	18	34,358,102	45,210,018
Accrued finance cost		9,175,911	103,723,983
Trade and other payables		94,211,954	89,030,847
Provision for levies		11,657,726	9,738,032
Unclaimed dividends		17,114,908	17,114,040
		166,518,601	264,816,920
Contingencies and Commitments	19	-	-
		<u>2,299,226,912</u>	<u>1,975,578,056</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer


Director


Director

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

		Half Year Ended June 30,		Quarter Ended June 30,	
		2025	2024	2025	2024
Note		(Un-audited)			
		Rupees	Rupees	Rupees	Rupees
Income from Operations					
Income from ijarah rentals - net	20	17,770,598	42,351,567	10,346,097	16,233,688
Profit on murabahah financing		849,381	6,321,465	76,016	1,097,259
Profit on diminishing musharakah financing		98,971,861	104,237,768	48,400,378	56,547,437
Gain on sale of development properties		778,483	-	135,319	-
		118,370,323	152,910,800	58,957,810	73,878,384
Other Income					
Reversal of provision against ijarah rentals		177,721	1,037,693	172,564	950,393
Other income	21	12,544,466	75,226,929	(270,547)	40,731,187
		12,722,187	76,264,622	(97,983)	41,681,580
Total Income		131,092,510	229,175,422	58,859,827	115,559,964
Expenses					
Administrative and general expenses	22	42,978,534	37,664,741	26,978,700	19,981,745
Finance cost	23	182,749,717	184,283,682	91,649,425	92,159,263
Provision / (reversal) of provision against musharakah arrangement		7,421,221	1,244,886	(9,306,833)	1,624,798
Provision against murabahah arrangement		-	-	3,805,380	-
Reversal of provision against other receivables		-	(8,537,468)	-	(8,537,468)
		233,149,472	214,655,841	113,126,672	105,228,338
Operating (Loss) / Profit before Management Company's Fee		(102,056,962)	14,519,581	(54,266,845)	10,331,626
Modaraba management company's management fee		-	-	-	-
(Loss) / Profit before Levy and Taxation		(102,056,962)	14,519,581	(54,266,845)	10,331,626
Levy / final taxation		(1,919,694)	(2,107,562)	(1,194,744)	(952,364)
(Loss) / Profit before Taxation		(103,976,656)	12,412,019	(55,461,589)	9,379,262
Taxation		-	2,258,504	14,444,193	2,258,504
Net (Loss) / Profit for the Period		(103,976,656)	14,670,523	(41,017,396)	11,637,766
(Loss) / Earnings per Certificate - Basic and Diluted		(3.06)	0.43	(1.21)	0.34

The annexed notes from 1 to 28 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer


Director


Director

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED JUNE 30, 2025

	Half Year Ended June 30,		Quarter Ended June 30,	
	2025	2024	2025	2024
----- (Un-audited) -----				
	Rupees	Rupees	Rupees	Rupees
Net (Loss) / Profit for the Period	(103,976,656)	14,670,523	(41,017,396)	11,637,766
<i>Other comprehensive income</i>	-	-	-	-
Total Comprehensive (Loss) / Income for the Period	<u>(103,976,656)</u>	<u>14,670,523</u>	<u>(41,017,396)</u>	<u>11,637,766</u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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



Chief Financial Officer



Chief Executive Officer



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

Particulars	Issued Subscribed and Paid up Capital	Reserves			Subordinated funds	Total
		Capital Statutory Reserve	Revenue Accumulated Loss	Total Reserves		
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Balance as at December 31, 2023						
	340,200,000	218,176,678	(680,257,522)	(462,080,844)	500,000,000	378,119,156
Net profit for the period	-	-	14,670,523	14,670,523	-	14,670,523
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	14,670,523	14,670,523	-	14,670,523
Balance as at June 30, 2024 (un-audited)						
	340,200,000	218,176,678	(665,586,999)	(447,410,321)	500,000,000	392,789,679
Balance as at December 31, 2024						
	340,200,000	218,176,678	(850,373,686)	(632,197,008)	500,000,000	208,002,992
Net loss for the period	-	-	(103,976,656)	(103,976,656)	-	(103,976,656)
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(103,976,656)	(103,976,656)	-	(103,976,656)
Subordinated funds received	-	-	-	-	2,000,000,000	2,000,000,000
Balance as at June 30, 2025 (un-audited)						
	340,200,000	218,176,678	(954,350,342)	(736,173,664)	2,500,000,000	2,104,026,336

The annexed notes from 1 to 28 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer


Director


Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025

		Half Year Ended June 30,	
		2025	2024
	Note	Rupees	Rupees
Cash Generated from Operations	24	261,530,245	68,402,210
Profit paid on redeemable capital and Subordinated funds	23	(277,281,348)	(185,722,699)
Bank charges paid	23	(16,441)	(85,471)
Employees retirement benefits paid		(546,996)	-
Levy / final taxation paid		(1,277,424)	(8,195,678)
		<u>(279,122,209)</u>	<u>(194,003,848)</u>
Net Cash Used in Operating Activities		<u>(17,591,964)</u>	<u>(125,601,638)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from transfer of ijarah assets		6,021,692	67,237,786
Proceeds from security deposit on new ijarah facility		4,450,580	(43,008,579)
Purchase of fixed assets under ijarah arrangements	6	(21,635,950)	(108,212,928)
Purchase of fixed assets under own use	7	(754,189)	(141,500)
Proceeds from disposal of fixed assets under own use		-	22,329
Profit received on bank deposits		2,229,634	53,711,414
Short term investments		102,251,854	(37,297,905)
Net Cash Generated from / (Used in) Investing Activities		<u>92,563,621</u>	<u>(67,689,383)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated funds received	15	2,000,000,000	-
Redeemable capital paid	16	(1,485,000,000)	-
Reversal of unclaimed dividend		1,368	-
Unclaimed dividend paid		(500)	(59,954)
Net Cash Generated from / (Used in) Financing Activities		<u>515,000,868</u>	<u>(59,954)</u>
Net Increase / (Decrease) in Cash and Cash Equivalents		<u>589,972,525</u>	<u>(193,350,975)</u>
Cash and cash equivalents at the beginning of the period		23,080,100	233,544,957
Cash and Cash Equivalents at the End of the Period		<u><u>613,052,625</u></u>	<u><u>40,193,982</u></u>

The annexed notes from 1 to 28 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer


Director


Director

**NOTES TO AND FORMING PART OF
CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED JUNE 30, 2025**

Note 1**The Modaraba and its Operations**

First Punjab Modaraba ("the Modaraba") is a multi-purpose, perpetual and multi-dimensional Modaraba domiciled in Pakistan under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, and the rules made thereunder having a registered office at Office No. 100, 3rd floor, National Tower, 28-Egerton Road, Lahore. The Modaraba is managed by Punjab Modaraba Services (Private) Limited (the "Modaraba Company") which is a wholly owned subsidiary of The Bank of Punjab incorporated in Pakistan under the repealed Companies Act, 2017.

The Modaraba is listed on Pakistan Stock Exchange and commenced its operations on December 23, 1992, and is currently engaged in various Islamic mode of financing and operations including Ijarah, Musharakah and Murabaha arrangements. Modaraba has also 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.

Note 2**Basis of Preparation****2.1 Statement of compliance**

These condensed interim financial statements of the Modaraba have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan;
- Provisions of and directives issued under the Companies Act, 2017, Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021 for Modaraba and Prudential Regulations for Modarabas issued by the Securities and Exchange Commission of Pakistan (hereinafter referred to as the relevant laws).

Wherever, the requirements of the approved accounting standards differ from the relevant laws, the relevant laws have been followed.

Provisions of and directives issued by the Securities and Exchange Commission of Pakistan (SECP) under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Companies Act, 2017.

- 2.2** These condensed interim financial statements are unaudited and are being submitted to the certificate holders as required under section 237 of the Companies Act, 2017. However, these are subject to limited scope review by the external auditors as required by the act and listed companies (code of corporate governance) regulations 2019 (the regulations) and Rule 10 of the Modaraba companies and Modaraba Rules, 1981.
- 2.3** The condensed interim financial statements do not include all the information and disclosures required for full annual financial statements and should be read in conjunction with the annual audited financial statements of the Modaraba as at and for the year ended December 31, 2024.
- 2.4** The comparative statement of financial position presented in these condensed interim financial statements have been extracted from the annual audited financial statements of the Modaraba for the year ended December 31, 2024, whereas the comparative condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity are extracted from the un-audited condensed interim financial statements for the half year ended June 30, 2024.
- 2.5** The figures of the statement of condensed interim profit or loss and the statement of comprehensive income for the quarter ended June 30, 2025 and June 30, 2024 have not been reviewed.

2.6 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except otherwise stated.

2.7 Functional and presentation currency

These condensed interim financial statements are presented in Pak Rupees, which is the Modaraba's functional and presentation currency. All the figures have been rounded off to the nearest Rupees, unless otherwise stated.

Note 3

Material Accounting Policy Information

Material accounting policy information adopted in the preparation of these condensed interim financial statements (un-audited) are the same as those applied in the preparation of preceding annual financial statements of the Modaraba for the year ended December 31, 2024.

Note 4

Use of Estimates and Judgements

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and key sources of estimation are the same as those that were applied to the annual audited financial statements for the year ended December 31, 2024.

Note 5

Seasonality or Cyclicity of Operations

The operations of the Modaraba are not subject to any significant seasonality or cyclicity during the interim period.

Note 6

Fixed Assets under Ijarah Arrangement

	June 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	Rupees	Rupees
Opening written down value	185,227,848	148,068,219
Additions during the period / year	21,635,950	189,275,421
Transfers during the period / year - written down value	(7,904,120)	(102,524,375)
	198,959,678	234,819,265
Depreciation charge for the period / year	(29,606,107)	(49,591,417)
	<u>169,353,571</u>	<u>185,227,848</u>

Note 7

Fixed Assets under Own Use

	June 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	Rupees	Rupees
Opening written down value	3,571,658	4,066,485
Additions during the period / year	754,189	854,556
Deletions during the period / year - written down value	-	(88,361)
	4,325,847	4,832,680
Depreciation charge for the period / year	(686,844)	(1,261,022)
	<u>3,639,003</u>	<u>3,571,658</u>

Note 8

Long-Term Investment Under Musharakah Arrangement

	June 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	Rupees	Rupees
Investment under musharakah arrangement	1,067,140,429	1,147,396,206
Less: Expected credit loss against musharakah arrangement	(76,572,751)	(69,151,530)
Less: Current portion	(403,235,619)	(387,794,898)
	<u>587,332,059</u>	<u>690,449,778</u>

8.1 Expected credit losses against musharakah arrangement

Opening balance	69,151,530	26,621,425
Charge / (reversal) of provision during the period / year	7,421,221	(13,539,413)
Expected credit allowance on initial application of IFRS 9	-	56,069,518
Closing balance	<u>76,572,751</u>	<u>69,151,530</u>

Note 9

Long-Term Investment Under Murabahah Arrangement

	June 30, 2025	December 31, 2024
	(Un-audited)	(Audited)
	Rupees	Rupees
Investment under murabahah arrangement	50,453,468	61,001,309
Add: Unearned murabahah income	4,571,767	4,634,330
	55,025,235	65,635,639
Less: Expected credit loss against murabahah arrangement	(16,224,414)	(16,224,414)
Less: Current portion of long term murabahah arrangement	(30,708,712)	(39,467,619)
Less: Current portion of unearned murabahah income	(2,187,685)	(3,016,570)
	<u>5,904,424</u>	<u>6,927,036</u>

9.1 Expected credit losses against murabahah arrangement

Opening balance	16,224,414	8,800,000
Reversal of provision during the period / year	-	(35,419)
Expected credit allowance on initial application of IFRS 9	-	7,459,833
Closing balance	<u>16,224,414</u>	<u>16,224,414</u>

Note 10

Short-Term Investment Under Murabahah Arrangement

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		Rupees	Rupees
Secured			
Short-term investment under murabahah arrangement		338,226,337	349,426,355
Less: Expected credit losses against short term murabahah arrangement	10.1	<u>(213,374,252)</u>	<u>(213,374,252)</u>
		<u>124,852,085</u>	<u>136,052,103</u>

10.1 Expected credit losses against short term murabahah arrangement

Opening balance	213,374,252	202,459,373
Reversal of provision during the period / year	-	(4,094,017)
Expected credit allowance on initial application of IFRS 9	-	15,008,896
Closing balance	<u>213,374,252</u>	<u>213,374,252</u>

Note 11

Current Portion of Non-Current Assets

		June 30, 2025	December 31, 2024
		(Un-audited)	(Audited)
		Rupees	Rupees
Musharakah arrangement			
Current portion of long term investment		298,883,789	280,838,668
Principal due but not received		104,351,830	106,956,231
		403,235,619	387,794,899
Murabahah arrangement			
Current portion of long term investment		7,404,398	6,272,375
Principal due but not received		23,304,314	33,195,244
Current portion of unearned murabahah income		2,187,685	3,016,570
		32,896,397	42,484,189
		<u>436,132,016</u>	<u>430,279,088</u>

Note 12

Ijarah Rentals Receivable

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		Rupees	Rupees
Ijarah rentals receivable		139,705,241	157,298,808
Less: Provision against ijarah rentals receivable	12.1	<u>(80,127,032)</u>	<u>(80,304,753)</u>
		<u>59,578,209</u>	<u>76,994,055</u>

12.1 Provision against ijarah rentals receivable

Opening balance	80,304,753	78,258,490
(Reversal) / provision charged during the period / year	(177,721)	1,723,382
Allowance for Expected credit losses on adoption of IFRS 9	-	322,881
Closing balance	<u>80,127,032</u>	<u>80,304,753</u>

Note 13

Advances, Deposits, Prepayments and Other Receivables

		June 30, 2025	December 31, 2024
	Note	(Un-audited)	(Audited)
		Rupees	Rupees
Profit receivable against			
- Murabahah arrangement	13.1	-	414,536
- Musharakah arrangement	13.2	7,775,537	19,153,437
		7,775,537	19,567,973
Prepayments		3,217,968	3,482,490
Advances		1,187,766	1,137,766
Non-banking assets		21,060,000	21,060,000
Receivable from provident fund		2,720,329	2,418,150
Other receivables	13.3	198,653,431	201,635,233
		226,839,494	229,733,639
Less: Expected credit losses against advances and other receivables	13.4	<u>(89,502,803)</u>	<u>(89,502,803)</u>
		<u>145,112,228</u>	<u>159,798,809</u>

13.1 Murabahah arrangement

	June 30, 2025	December 31, 2024
	(Un-audited) Rupees	(Audited) Rupees
Profit receivable on murabahah arrangement	16,118,782	14,993,944
Less: Income suspended	(16,118,782)	(14,494,221)
Less: Allowance for Expected credit losses on adoption of IFRS 9	-	(85,187)
	<u>-</u>	<u>414,536</u>

13.2 Musharakah arrangement

Profit receivable on Musharakah arrangement	33,489,058	45,591,113
Less: Income suspended	(25,713,521)	(26,437,676)
	<u>7,775,537</u>	<u>19,153,437</u>

13.3 Other receivables

Receivable from Ijarah parties	45,689,075	46,102,952
Receivable from Musharakah parties	62,716,014	60,441,088
Receivable from Murabahah parties	30,608,230	29,996,430
Insurance receivable	301,157	1,970,753
Advance to employees	3,615,391	550,480
Sales tax receivable	451,248	242,726
Others	55,272,316	62,330,804
	<u>198,653,431</u>	<u>201,635,233</u>

13.4 Expected credit losses against advances and other receivables

Opening balance	89,502,803	67,316,336
Provision charged for the period / year	-	26,112,216
Allowance for Expected credit losses on adoption of IFRS 9	-	(3,925,749)
Closing balance	<u>89,502,803</u>	<u>89,502,803</u>

Note 14

Cash and Bank Balances

	June 30, 2025	December 31, 2024
	(Un-audited) Rupees	(Audited) Rupees
Cash in hands	250,455	46,564
Cash at banks		
-Current accounts	476,569,349	9,146,095
-Saving accounts	136,232,821	13,887,441
	<u>613,052,625</u>	<u>23,080,100</u>

Note 15

Subordinated Funds

This represents funds extended by The Bank of Punjab - parent company i.e. major sponsor under Musharakah Agreement dated October 27, 2023 and June 30, 2025 as a support to improve the equity base of the Modaraba and classified as equity under the provisions of Modaraba Regulations, 2021. These amounts are unsecured and repayable in three years time i.e. June 30, 2026 and June 30, 2028 respectively. Rate of profit range from 11.14% to 18.61% (2024: 18.61%) per annum payable semi-annually.

Note 16

Redeemable Capital

	June 30, 2025	December 31, 2024
	(Un-audited) Rupees	(Audited) Rupees
Participatory and unsecured		
Opening balance	1,485,000,000	1,485,000,000
Less: Funds paid during the year	(1,485,000,000)	-
Closing balance	<u>-</u>	<u>1,485,000,000</u>

16.1 This represents unsecured funds provided by the parent company, The Bank of Punjab, to finance the working capital requirements of the Modaraba. The facility was originally repayable over a period of three years and carried a profit rate of 18.61% per annum, payable semi-annually. The Modaraba has fully settled the outstanding balance during the period.

Note 17

Long Term Security Deposits

	Note	June 30, 2025 (Un-audited) Rupees	December 31, 2024 (Audited) Rupees
Long term security deposits against ijarah arrangements	17.1	50,197,244	50,740,464
Less: Current portion of security deposits		<u>(32,170,417)</u>	<u>(42,193,448)</u>
		<u>18,026,827</u>	<u>8,547,016</u>

17.1 This represents security deposits adjustable in respect of assets given under Ijarah arrangements (IFAS-2).

Note 18

Current Portion of Non-Current Liabilities

	Note	June 30, 2025 (Un-audited) Rupees	December 31, 2024 (Audited) Rupees
Current maturity of deferred Murabahah income		2,187,685	3,016,570
Current maturity of long term security deposits	17	<u>32,170,417</u>	<u>42,193,448</u>
		<u>34,358,102</u>	<u>45,210,018</u>

Note 19

Contingencies and Commitments**19.1 Contingencies**

As at June 30, 2025, there has been no material change in the status of contingencies as disclosed in the notes to the financial statements of the Modaraba for the year ended December 31, 2024.

In addition, the following new contingency has arisen subsequent to the year ended December 31, 2024:

The Deputy Commissioner Inland Revenue issued a show cause notice under section 161(1A) on June 05, 2025. This notice pertains for the tax year 2019. Through the notice, the DCIR required reconciliation of withholding tax deducted and deposited by the Modaraba while making payments to its vendors. The taxpayer duly responded along with complete documentary evidence but DCIR has not issued order to date.

19.2 Commitments

- There are no commitments during the year (2024: nil)

Note 20

Income from Ijarah Rentals - Net

	June 30, 2025 (Un-audited) Rupees	June 30, 2024 (Un-audited) Rupees
Income from ijarah rentals	47,376,705	64,367,176
Less: Depreciation on ijarah assets	(29,606,107)	(22,015,609)
	<u>17,770,598</u>	<u>42,351,567</u>

Note 21

Other Income

	June 30, 2025 (Un-audited) Rupees	June 30, 2024 (Un-audited) Rupees
Profit on bank deposits and short-term investments	5,092,587	56,821,294
Gain on transfer of ijarah assets	3,111,371	3,026,059
Processing fee	232,038	740,977
Documentation charges	313,850	743,100
Cheque return charges	972,500	366,000
Gain on settlement of Musharakah arrangements	1,823,465	1,390,248
Gain on settlement of Murabahah arrangements	-	9,000,000
Miscellaneous income	998,655	3,139,251
	<u>12,544,466</u>	<u>75,226,929</u>

Note 22

Administrative and General Expenses

	June 30, 2025 (Un-audited) Rupees	June 30, 2024 (Un-audited) Rupees
Salaries and benefits	24,865,239	22,571,901
Rent, rates and taxes	3,188,975	2,694,160
Insurance	2,836,002	744,677
Fee & subscription	1,412,570	1,637,179
Selling and marketing expenses	1,318,335	678,946
Repair & maintenance	1,180,307	1,711,814
Power and utilities	1,171,016	1,598,132
Legal and professional	1,001,060	559,057
Printing and stationery	615,868	774,426
Auditor's remuneration	250,000	250,000
Vehicle running and maintenance	672,417	819,216
Entertainment	997,370	809,993
Telephone and postage	643,473	727,841
Staff training	225,000	-
Corporate expenses	31,080	416,932
Traveling and conveyance	-	132,650
Depreciation of fixed assets under own use	686,844	688,397
Amortization of intangible assets	329,938	331,154
Income tax refundable from the Government written off	836,350	-
Miscellaneous expenses	716,690	518,266
	<u>42,978,534</u>	<u>37,664,741</u>

Note 23

Finance Cost

	June 30, 2025 (Un-audited) Rupees	June 30, 2024 (Un-audited) Rupees
Redeemable capital	135,980,463	137,800,677
Subordinated funds	46,752,813	46,397,534
Bank charges	16,441	85,471
	<u>182,749,717</u>	<u>184,283,682</u>

Note 24.

Cash Generated from Operations

		June 30, 2025	June 30, 2024
	Note	(Un-audited) Rupees	(Un-audited) Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before levy and taxation		(102,056,962)	14,519,581
Adjustment for:			
- Depreciation on fixed assets under ijarah arrangement	6	29,606,107	22,015,609
- Depreciation on fixed assets under own use	7	686,844	688,397
- Amortization of intangible assets		329,938	331,154
- Income from ijarah rentals - net		(17,770,598)	(42,351,567)
- Profit on diminishing musharakah financing		(98,971,861)	(104,237,768)
- Profit on murabahah financing		(849,381)	(6,321,465)
- Gain on transfer of fixed assets under ijarah arrangement	21	(3,111,371)	(3,026,059)
- Gain on sale of development properties		(778,483)	-
- Gain on settlement of investment under musharakah arrangement	21	(1,823,465)	(1,390,248)
- Gain on settlement of investment under murabahah arrangement	21	-	(9,000,000)
- Provision of expected credit losses against Musharakah arrangement	8.1	7,421,221	1,244,886
- Reversal of expected credit losses against Ijarah rental receivables	12.1	(177,721)	(1,037,693)
- Reversal of expected credit losses against other receivables		-	(8,537,468)
- Employees retirement benefits		1,224,694	445,444
- Profit on bank deposits	21	(5,092,587)	(56,821,294)
- Bank charges	23	16,441	85,471
- Income tax refundable from the Government written off	22	836,350	-
- Profit on redeemable capital and subordinated funds	23	182,733,276	184,198,211
		<u>94,279,404</u>	<u>(23,714,390)</u>
Operating profit before working capital changes		(7,777,558)	(9,194,809)
Decrease / (increase) in current assets:			
- Short-term investment under murabahah arrangement	10	11,200,018	-
- Long-term investment under murabahah arrangement	9	11,397,222	12,560,358
- Long-term investment under musharakah arrangement	8	181,051,103	(10,256,275)
- Development properties		10,000,000	(341,668)
- Ijarah rental receivables	12	35,364,165	100,223,210
- Advances, deposits, prepayments and other receivables	13	15,114,188	(10,246,375)
Increase / (decrease) in current liabilities:			
- Trade and other payables		5,181,107	(14,342,231)
		<u>269,307,803</u>	<u>77,597,019</u>
Cash generated from operations		<u>261,530,245</u>	<u>68,402,210</u>

Note 25

Transactions and Balances with Related Parties

Related parties comprise associated companies, related group companies, companies where directors also hold directorship, retirement benefits fund, directors and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the modaraba, directly or indirectly, including any director (whether executive or otherwise) of that modaraba. The modaraba in the normal course of business carries out transactions with various related parties. Details of transactions with related parties during the year, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Transactions during the year

Related party	Relationship	Nature of transaction	June 30, 2025	June 30, 2024
			(Un-audited) Rupees	(Un-audited) Rupees
The Bank of Punjab	Holding company of Modaraba's Management company	Redeemable capital paid	1,485,000,000	-
		Subordinated funds received	2,000,000,000	-
		Profit accrued on Subordinated fund	46,752,813	46,397,534
		Profit accrued on redeemable capital	135,980,463	137,800,677
		Profit paid on redeemable capital and subordinated fund	277,281,348	185,722,701
		Profit received on bank account with BOP	1,469,254	1,162,200
		Profit earned on bank account with BOP	1,268,475	1,383,034
Punjab Modaraba Services (Pvt) Limited	Management company	Rent expense of head office premises	3,039,500	2,681,910
		Rent paid of head office premises	4,534,552	2,234,925
Key Management Personnel	Key Management Personnel	Remuneration of key management personnel	2,843,044	7,245,156
		Facilities against Ijarah / Musharakah accrued	1,006,332	1,344,953
		Facilities against Ijarah / Musharakah paid	1,006,332	1,452,467
		Advance disbursed this year	3,823,000	1,200,602
		Advance repaid during the year	1,036,000	984,275
First Punjab Modaraba Employees Provident Fund Trust	Associated undertaking	Provident fund contributions paid	1,587,898	1,268,980
		Provident fund contributions accrued	1,285,719	2,546,462

Outstanding Balance as at:

		June 30, 2025	December 31, 2024
		(Un-audited) Rupees	(Audited) Rupees
The Bank of Punjab	Redeemable capital	-	1,485,000,000
	Subordinated funds	2,500,000,000	500,000,000
	Profit payable on redeemable capital	-	95,005,325
	Profit payable on subordinate funds	9,175,911	8,718,658
	Profit receivable on bank account with BOP	21,419	222,198
	Outstanding Modaraba certificates	47,880	47,880
	Bank accounts maintained with BOP	482,673,663	19,026,432
The Bank of Punjab Employees Gratuity Fund	Outstanding Modaraba certificates	50,995,000	50,995,000
Punjab Modaraba Services (Pvt.) Limited	Outstanding Modaraba certificates	133,206,940	133,206,940
	Prepaid rent of head office premises	1,495,052	-
Key Management Personnel	Outstanding amount against ijarah / Musharakah	-	-
	Advances to employees	2,956,000	169,000
First Punjab Modaraba Employees Provident Fund Trust	Receivable from provident fund	2,720,329	2,418,150

25.1 No remuneration has been paid by the Modaraba to the chief executive officer and directors of Modaraba (2024: nil).

25.2 The Modaraba carries out transactions with related parties at commercial terms and conditions as per the Modaraba's policy.

Note 26

Financial Risk Management

The Modaraba's financial risk management objectives and policies are consistent with those disclosed in preceding audited financial statements for the year ended December 31, 2024.

Note 27

Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved by the Board of Directors of the Modaraba for issuance on September 30, 2025.

Note 28

General

Corresponding figures are rearranged / reclassified for better presentation and comparison. Following re-arrangement / reclassification has been made in these financial statements (un-audited):

Nature**Statement of profit or loss**

	From	To	Amount
Gain on disposal of assets	Gain on disposal of assets	Other income (Note 21)	3,111,371



Chief Financial Officer

Chief Executive Officer

Director

Director



FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

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