



A Wholly Owned Subsidiary of
The Bank of Punjab

FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

QUARTERLY REPORT

JANUARY-SEPTEMBER 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 Operating Officer

Shiraz Butt

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 un-audited financial statements of First Punjab Modaraba along with Directors' Review for the quarter and nine months period ended September 30, 2025 to its valued certificate holders.

During the period under review, the Modaraba generated a gross revenues of Rs. 193.987 million as compared to total expenses amounting to Rs. 317.741 million. The total assets of the Modaraba stood at Rs. 1.80 billion, whereas total liabilities were recorded at Rs. 222.18 million.

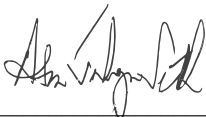
The parent entity, the Bank of Punjab continued commitment to strengthen the Modaraba's financial position, injected Rs. 2 billion as fresh subordinated funds against the settlement of existing credit facilities at floating rate linked to the 3-year VRR Ijarah Sukuk rate plus 50 basis points, reset on a semi-annual basis. This strategic capital injection significantly enhanced the Modaraba's equity base from Rs. 208 million to Rs. 1.582 billion. Furthermore, with the approval of the Registrar Modarabas, the Modaraba prudently repaid subordinated funds amounting to Rs. 500 million during the period, reflecting effective financial management and a proactive approach toward balance sheet optimization.

During the first nine months of 2025, Pakistan's economy demonstrated significant macroeconomic stabilization, with notable changes across key indicators. The government's continued fiscal reforms, a stable exchange rate, and support from an IMF program contributed to a substantial drop in inflation and improved investor confidence, with the PSX-100 Index rising. Despite the disruption caused by recent floods, economic activity has remained broadly stable.

Looking ahead, the Modaraba will continue to pursue quality asset growth, enhance operational efficiency, recovery of its infected portfolio and explore new avenues for Shariah-compliant financing and investment opportunities.

The Board acknowledges the efforts and dedication of the management team and staff for their continued commitment and professionalism. The Board also extends its gratitude to the certificate holders, customers, and other stakeholders for their continued support and confidence.

For & on behalf of the Board,



Asim Jahangir Seth
Chief Executive



Imran Bashir
Director

Lahore October 22, 2025

ڈائریکٹر کا جائزہ

پنجاب مضاربہ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز فرسٹ پنجاب مضاربہ کی بینیفٹ کینی، اپنے قابل قدر سر فیقلٹ ہولڈرز کو 30 ستمبر 2025 کو ختم ہونے والی سہ ماہی اور نو ماہ کی مدت کے ڈائریکٹرز کے جائزے کے ساتھ فرسٹ پنجاب مضاربہ کے غیر آڈٹ شدہ مالیاتی گوشواروں کو پیش کرنے پر خوش ہے۔

زیر جائزہ مدت کے دوران، مضاربہ نے 317.741 ملین روپے کے کل اخراجات کے مقابلے میں 193.987 ملین روپے کی مجموعی آمدنی حاصل کی۔ مضاربہ کے کل اثاثوں کی مالیت 1.80 ملین روپے تھی، جبکہ کل واجبات 222.18 ملین روپے ریکارڈ کیے گئے۔

بنیادی دارہ، بینک آف پنجاب، نے مضاربہ کی مالی پوزیشن کو مستحکم کرنے کے اپنے عزم کو برقرار رکھتے ہوئے، 2 ارب روپے کے نئے سب آرڈینینڈ فنڈز فراہم کیے، جو موجودہ قرضہ جاتی سہولیات کے تھپنے کے عوض دیے گئے۔ ان فنڈز پر منافع کا نرخ 3 سالہ دی آر آرا جاریہ سکورٹ کے ساتھ 50 ہیسر پوائنٹس کے اضافے پر مبنی ہے، جو ہر چھ ماہ بعد از سر نو متعین کیا جاتا ہے۔ اس حکمت عملی پر مبنی سرمایہ کاری سے مضاربہ کی ایکویٹی میں نمایاں اضافہ ہوا، جو 208 ملین روپے سے بڑھ کر 1.582 ارب روپے تک پہنچ گئی۔ مزید برآں، رجسٹرڈ مضاربہ کی منظوری سے مضاربہ نے اس مدت کے دوران 500 ملین روپے کے سب آرڈینینڈ فنڈز کی دانشدہانہ واجبی کی، جو خوش مالی نظم و نسق اور بیلنس شیٹ کی بہتری کے لیے فعال حکمت عملی کی عکاسی کرتی ہے۔

2025 کے پہلے نو مہینوں کے دوران، پاکستان کی معیشت نے کلیدی اشاریوں میں نمایاں تبدیلیوں کے ساتھ اہم ٹیکرو اکٹا سک حکام کا مظاہرہ کیا۔ حکومت کی مسلسل مالی اصلاحات، ایک مستحکم شرح مبادلہ، اور IMF پروگرام کی حمایت نے PSX-100 انڈیکس میں اضافے کے ساتھ، افراط زر میں خاطر خواہ کمی اور سرمایہ کاروں کے اعتماد کو بہتر بنانے میں اہم کردار ادا کیا۔ حالیہ سیلاب کی وجہ سے ہونے والی رکاوٹ کے باوجود، اقتصاد کی سرگرمی وسیع پیمانے پر مستحکم رہی ہے۔

آگے دیکھتے ہوئے، مضاربہ معیاری اثاثوں کی ترقی، آپریشنل کارکردگی کو بڑھانے، اپنے متاثرہ پورٹ فولیو کی بحالی اور شریعت کے مطابق فنڈنگ اور سرمایہ کاری کے مواقع کے لیے نئی راہیں تلاش کرنا جاری رکھے گا۔

بورڈ انتظامیہ کی ہم اور عملے کی مسلسل وابستگی اور پیشہ ورانہ مہارت کے لیے ان کی کوششوں اور لگن کا اعتراف کرتا ہے۔ بورڈ سر فیقلٹ ہولڈرز، صارفین اور دیگر اسٹیک ہولڈرز کے مسلسل تعاون اور اعتماد کے لیے ان کا شکریہ ادا کرتا ہے۔

بورڈ کے لیے اور اس کی جانب سے،



عمران بشیر
ڈائریکٹر



عاصم جہانگیر سیٹھ
چیف ایگزیکٹو

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

	Note	September 30, 2025 (Un-audited)	December 31, 2024 (Audited)
		Rupees	Rupees
ASSETS			
Non Current Assets			
Fixed assets under ijarah arrangement	6	163,282,413	185,227,848
Fixed assets under own use	7	4,172,121	3,571,658
Intangible assets		-	388,332
Long-term investment under musharakah arrangement	8	552,713,285	690,449,778
Long-term investment under murabahah arrangement	9	5,144,184	6,927,036
Long term deposits		1,422,494	1,422,494
Deferred tax asset		94,239,022	94,239,022
		820,973,519	982,226,168
Current Assets			
Short-term investment under murabahah arrangement	10	102,671,828	136,052,103
Current portion of non-current assets	11	425,640,372	430,279,088
Ijarah rentals receivable	12	39,464,664	76,994,055
Short term investment		4,000,000	109,816,508
Development properties		-	25,290,372
Advances, deposits, prepayments and other receivables	13	135,917,353	159,798,809
Income tax refundable from the Government		34,702,586	32,040,853
Cash and bank balances	14	240,343,460	23,080,100
		982,740,263	993,351,888
TOTAL ASSETS		1,803,713,782	1,975,578,056
EQUITY AND LIABILITIES			
Certificate Capital and Reserves			
Authorized certificate capital		500,000,000	500,000,000
50,000,000 (December 31, 2024; 50,000,000) modaraba certificates of Rs. 10 each			
Issued, subscribed and paid up certificate capital		340,200,000	340,200,000
34,020,000 (December 31, 2024; 34,020,000) modaraba certificates of Rs. 10 each			
Capital reserves		218,176,678	218,176,678
Revenue reserves - accumulated losses		(976,847,206)	(850,373,686)
Subordinated funds	15	2,000,000,000	500,000,000
Certificate Holders' Equity		1,581,529,472	208,002,992
Non Current Liabilities			
Redeemable capital	16	-	1,485,000,000
Long term security deposits		18,026,827	8,547,016
Deferred murabahah income		1,851,192	1,617,760
Post employment benefits		8,271,066	7,593,368
		28,149,085	1,502,758,144
Current Liabilities			
Current portion of non current liabilities		29,365,175	45,210,018
Accrued finance cost		56,749,873	103,723,983
Trade and other payables	17	78,347,362	89,030,847
Provision for levies		12,457,907	9,738,032
Unclaimed dividends		17,114,908	17,114,040
		194,035,225	264,816,920
Contingencies and Commitments	18	-	-
TOTAL EQUITY AND LIABILITIES		1,803,713,782	1,975,578,056


The annexed notes from 1 to 27 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 NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2025

Note	September 30, 2025		September 30, 2024	
	Nine Months	Three Months	Nine Months	Three Months
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	Rupees	Rupees	Rupees	Rupees
Income from Operations				
Income from ijarah rentals - net	23,444,437	5,673,839	51,378,079	9,026,512
Profit on murabahah financing	1,171,512	322,131	14,587,141	8,265,676
Profit on diminishing musharakah financing	139,033,666	40,061,805	166,452,722	62,214,954
Gain on sale of development properties	1,209,628	431,145	-	-
	164,859,242	46,488,919	232,417,942	79,507,142
Other Income				
Reversal of provision against ijarah rentals	937,190	759,469	1,054,993	17,300
Other income	28,190,438	15,645,972	109,055,189	33,828,260
	29,127,628	16,405,441	110,110,182	33,845,560
Total Income	193,986,870	62,894,360	342,528,124	113,352,702
Expenses				
Administrative and general expenses	63,513,127	20,534,593	56,861,707	19,162,305
Finance cost	254,204,798	71,455,081	277,443,506	93,159,824
Provision / (reversal) of provision against musharakah arrangement	4,195,122	(3,226,099)	1,244,886	-
(Reversal) / provision against murabahah arrangement	(4,172,532)	(4,172,532)	(11,616,410)	-
Provision / (reversal) of provision against other receivables	-	-	-	(3,078,942)
	317,740,515	84,591,043	323,933,689	109,243,187
Operating (Loss) / Profit before Management Company's Fee	(123,753,645)	(21,696,683)	18,594,435	4,109,515
Modaraba management company's management fee	-	-	-	-
(Loss) / Profit before Levy and Taxation	(123,753,645)	(21,696,683)	18,594,435	4,109,515
Levy / final taxation	(2,719,875)	(800,181)	(3,158,190)	(1,050,628)
(Loss) / Profit before Taxation	(126,473,520)	(22,496,864)	15,436,245	3,058,887
Taxation	-	-	4,752,724	2,494,220
Net (Loss) / Profit for the Period	(126,473,520)	(22,496,864)	20,188,969	5,553,107
(Loss) / Earnings per Certificate - Basic and Diluted	(3.72)	(0.66)	0.59	0.16


The annexed notes from 1 to 27 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	September 30, 2025		September 30, 2024	
	Nine Months	Three Months	Nine Months	Three Months
	Un-Audited	Un-Audited	Un-Audited	Un-Audited
	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>	<u>Rupees</u>
Net (Loss) / Profit for the Period	(126,473,520)	(22,496,864)	20,188,969	5,553,107
Other comprehensive income	-	-	-	-
Total Comprehensive (Loss) / Income for the Period	<u>(126,473,520)</u>	<u>(22,496,864)</u>	<u>20,188,969</u>	<u>5,553,107</u>

The annexed notes from 1 to 27 form an integral part of these financial statements.

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



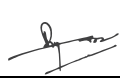
Chief Financial Officer



Chief Executive Officer



Director



Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025

Particulars	Issued, Subscribed and Paid up Capital	Reserves			Subordinated funds	Total
		Capital	Revenue	Total Reserves		
		Statutory Reserve	Accumulated Loss			
	Ruppes	Ruppes	Ruppes	Ruppes	Ruppes	Ruppes
Balance as at 1 st January 2024	340,200,000	218,176,678	(680,257,522)	(462,080,844)	500,000,000	378,119,156
Net profit for the period	-	-	20,188,969	20,188,969	-	20,188,969
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	20,188,969	20,188,969	-	20,188,969
Balance as at September 30, 2024 (Un-Audited)	340,200,000	218,176,678	(660,068,553)	(441,891,875)	500,000,000	398,308,125
Balance as at January 01, 2025	340,200,000	218,176,678	(850,373,686)	(632,197,008)	500,000,000	208,002,992
Net loss for the period	-	-	(126,473,520)	(126,473,520)	-	(126,473,520)
Other comprehensive loss for the period	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(126,473,520)	(126,473,520)	-	(126,473,520)
Subordinated funds Repaid	-	-	-	-	(500,000,000)	(500,000,000)
Subordinated funds received	-	-	-	-	2,000,000,000	2,000,000,000
Balance as at September 30, 2025 (Un-Audited)	340,200,000	218,176,678	(976,847,206)	(758,670,528)	2,000,000,000	1,581,529,472

The annexed notes from 1 to 27 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 NINE MONTHS ENDED SEPTEMBER 30, 2025

	Note	September 30, 2025 (Un-audited)	September 30, 2024 (Un-audited)
		Rupees	Rupees
Cash Generated from Operations	23	397,441,626	26,972,483
Profit paid on redeemable capital and Subordinated funds	22	(301,142,940)	(323,497,884)
Bank charges paid	22	(35,968)	(134,112)
Employees retirement benefits paid		(546,996)	-
Levy / final taxation paid		(2,661,733)	(21,350,873)
		<u>(304,387,637)</u>	<u>(344,982,869)</u>
Net Cash Used in Operating Activities		93,053,989	(318,010,386)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from transfer of ijarah assets		21,194,093	90,158,307
Proceeds from security deposit on new ijarah facility		4,450,580	-
Purchase of fixed assets under ijarah arrangements	6	(34,673,150)	(162,012,928)
Purchase of fixed assets under own use	7	(1,665,639)	(414,111)
Proceeds from disposal of fixed assets under own use		-	2,585,387
Profit received on bank deposits		11,846,522	85,883,922
Short term investments		108,056,096	113,064,407
Net Cash Generated from / (Used in) Investing Activities		109,208,502	129,264,984
CASH FLOWS FROM FINANCING ACTIVITIES			
Subordinated funds received	15	2,000,000,000	-
Subordinated funds paid		(500,000,000)	-
Redeemable capital paid	16	(1,485,000,000)	-
Reversal of unclaimed dividend		1,369	-
Unclaimed dividend paid		(500)	(67,115)
Net Cash Generated from / (Used in) Financing Activities		15,000,869	(67,115)
Net Increase / (Decrease) in Cash and Cash Equivalents		217,263,360	(188,812,517)
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		240,343,460	44,732,440


The annexed notes from 1 to 27 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 NINE MONTHS ENDED SEPTEMBER 30, 2025**

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.

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 (Flotation 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 nine months ended September 30, 2024.

2.5 Basis of measurement

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

2.6 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.

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.

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.

5 Seasonality or Cyclicity of Operations

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

		September 30, 2025 (Un-audited) Rupees	December 31, 2024 (Audited) Rupees
	Note		
6 Fixed Assets under Ijarah Arrangement			
Opening written down value		185,227,848	148,068,219
Additions during the period / year		34,673,150	189,275,421
Transfers during the period / year - written down value		(13,935,512)	(102,524,375)
		205,965,486	234,819,265
Depreciation charge for the period / year		(42,683,073)	(49,591,417)
		<u>163,282,413</u>	<u>185,227,848</u>
7 Fixed Assets under Own Use			
Opening written down value		3,571,658	4,066,485
Additions during the period / year		1,665,639	854,556
Deletions during the period / year - written down value		-	(88,361)
		5,237,297	4,832,680
Depreciation charge for the period / year		(1,065,176)	(1,261,022)
		<u>4,172,121</u>	<u>3,571,658</u>
8 Long-Term Investment Under Musharakah Arrangement-Secured			
Investment under musharakah arrangement		1,018,647,183	1,147,396,206
Less: Expected credit loss against musharakah arrangement	8.1	(73,346,652)	(69,151,530)
Less: Current portion		<u>(392,587,246)</u>	<u>(387,794,898)</u>
		<u>552,713,285</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		4,195,122	(13,539,413)
Expected credit allowance on initial application of IFRS 9		-	56,069,518
Closing balance		<u>73,346,652</u>	<u>69,151,530</u>
9 Long-Term Investment Under Murabahah Arrangement -Secured			
Investment under murabahah arrangement		50,475,274	61,001,309
Add: Unearned murabahah income		3,946,450	4,634,330
		54,421,724	65,635,639
Less: Expected credit loss against murabahah arrangement	9.1	(16,224,414)	(16,224,414)
Less: Current portion of long term murabahah arrangement		(30,957,868)	(39,467,619)
Less: Current portion of unearned murabahah income		(2,095,258)	(3,016,570)
		<u>5,144,184</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>
10 Short-Term Investment Under Murabahah Arrangement -Secured			
Short-term investment under murabahah arrangement		311,873,548	349,426,355
Less: Expected credit losses against short term murabahah arrangement	10.1	(209,201,720)	(213,374,252)
		<u>102,671,828</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		(4,172,532)	(4,094,017)
Expected credit allowance on initial application of IFRS 9		-	15,008,896
Closing balance		<u>209,201,720</u>	<u>213,374,252</u>

		September 30, 2025 (Un-audited) Rupees	December 31, 2024 (Audited) Rupees
	Note		
11 Current Portion of Non-Current Assets			
Musharakah arrangement			
Current portion of long term investment		288,518,800	280,838,668
Principal due but not received		104,068,446	106,956,231
		392,587,246	387,794,899
Murabahah arrangement			
Current portion of long term investment		6,920,318	6,272,375
Principal due but not received		24,037,550	33,195,244
Current portion of unearned murabahah income		2,095,258	3,016,570
		33,053,126	42,484,189
		425,640,372	430,279,088
12 Ijarah Rentals Receivable			
Ijarah rentals receivable		118,558,287	157,298,808
Less: Provision against ijarah rentals receivable	12.1	(79,093,623)	(80,304,753)
		39,464,664	76,994,055
12.1 Provision against ijarah rentals receivable			
Opening balance		80,304,753	78,258,490
(Reversal) / provision charged during the period / year		(1,211,130)	1,723,382
Allowance for Expected credit losses on adoption of IFRS 9		-	322,881
Closing balance		79,093,623	80,304,753
13 Advances, Deposits, Prepayments and Other Receivables			
Profit receivable against			
- Murabahah arrangement	13.1	4,240,532	414,536
- Musharakah arrangement	13.2	8,441,644	19,153,437
		12,682,176	19,567,973
Prepayments		2,590,947	3,482,490
Advances		1,187,766	1,137,766
Non-banking assets		21,060,000	21,060,000
Receivable from provident fund		2,516,179	2,418,150
Other receivables	13.3	185,383,088	201,635,233
		212,737,980	229,733,639
Less: Expected credit losses against advances and other receivables	13.4	(89,502,803)	(89,502,803)
		135,917,353	159,798,809
13.1 Murabahah arrangement			
Profit receivable on murabahah arrangement		20,662,501	14,993,944
Less: Income suspended		(16,421,968)	(14,494,221)
Less: Allowance for Expected credit losses on adoption of IFRS 9		-	(85,187)
		4,240,532	414,536
13.2 Musharakah arrangement			
Profit receivable on Musharakah arrangement		37,466,205	45,591,113
Less: Income suspended		(29,024,561)	(26,437,676)
		8,441,644	19,153,437
13.3 Other receivables			
Receivable from Ijarah parties		42,552,064	46,102,952
Receivable from Musharakah parties		62,847,940	60,441,088
Receivable from Murabahah parties		30,981,975	29,996,430
Advance to employees		3,380,297	550,480
Sales tax receivable		594,042	242,726
Others		45,026,770	64,301,557
		185,383,088	201,635,233

		September 30, 2025 (Un-audited) Rupees	December 31, 2024 (Audited) Rupees
	Note		
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		89,502,803	89,502,803
14 Cash and Bank Balances			
Cash in hand		116,851	46,564
Cash at banks			
-Current accounts		7,610,667	9,146,095
-Saving accounts		232,615,942	13,887,441
		240,343,460	23,080,100
15 Subordinated Funds			
This represents funds extended by The Bank of Punjab - parent company i.e. major sponsor under Musharakah Agreement dated 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, 2028. Rate of profit range from 11.14% (2024: 18.61%) per annum payable biannually.			
16 Redeemable Capital			
Participatory and unsecured			
Opening balance	16.1	1,485,000,000	1,485,000,000
Less: Funds paid during the period		(1,485,000,000)	-
Closing balance		-	1,485,000,000
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.		
17 Trade and Other Payables			
Accrued expenses		184,800	28,500
Tax deducted at source		361,585	177,559
Advances against ijarah / morabahah / musharikah		61,340,461	43,730,458
Other payables		16,460,516	45,094,330
		78,347,362	89,030,847
18 Contingencies and Commitments			
There is no change in the status of contingencies and commitments as reported in the annual audited financial statements of Modaraba for the period ended December 31, 2024.			
		September 30, 2025 Un-Audited Rupees	September 30, 2024 Un-Audited Rupees
19 Income from Ijarah Rentals - Net			
Income from ijarah rentals		66,127,510	86,202,478
Less: Depreciation on ijarah assets		(42,683,073)	(34,824,399)
		23,444,437	51,378,079
20 Other Income			
Profit on bank deposits and short-term investments		15,080,657	76,995,299
Gain on transfer of ijarah assets		7,068,774	14,640,855
Processing fee		458,075	1,149,601
Documentation charges		512,550	1,082,350
Cheque return charges		1,415,500	1,157,000
Gain on settlement of Musharakah arrangements		2,493,569	1,652,441
Gain on settlement of Murabahah arrangements		-	9,000,000
Miscellaneous income		1,161,313	3,377,643
		28,190,438	109,055,189

	September 30, 2025 Un-Audited Rupees	September 30, 2024 Un-Audited Rupees
21 Administrative and General Expenses		
Salaries and benefits	36,373,470	33,399,988
Rent, rates and taxes	5,900,619	4,035,115
Insurance	3,417,133	1,218,415
Fee & subscription	1,947,938	2,410,029
Selling and marketing expenses	1,372,271	1,518,392
Repair & maintenance	1,799,191	2,351,147
Power and utilities	2,174,225	2,896,522
Legal and professional	2,047,910	916,520
Printing and stationery	1,624,788	1,371,363
Auditor's remuneration	250,000	313,500
Vehicle running and maintenance	898,440	1,168,296
Entertainment	1,254,050	1,043,200
Telephone and postage	1,082,547	1,253,225
Corporate expenses	53,616	536,566
Traveling and conveyance	41,513	249,197
Depreciation of fixed assets under own use	1,065,176	996,901
Amortization of intangible assets	388,332	499,037
Income tax refundable from government written off	836,350	-
Miscellaneous expenses	985,560	684,294
	63,513,127	56,861,707
22 Finance Cost		
Redeemable capital	135,980,465	223,008,983
Subordinated funds	118,188,365	54,300,411
Bank charges	35,968	134,112
	254,204,798	277,443,506

		September 30, 2025	September 30, 2024
		Un-Audited	Un-Audited
	Note	Rupees	Rupees
23 Cash Generated from Operations			
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss) / Profit before levy and taxation		(123,753,645)	18,594,435
Adjustment for:			
- Depreciation of ijarah assets	6	42,683,073	34,824,399
- Depreciation of assets in own use	7	1,065,176	996,901
- Amortization of intangible assets		388,332	499,037
- (Gain) / loss on disposal of Ijarah assets	20	(7,068,774)	(12,034,123)
- (Gain) / loss on disposal of assets in own use		-	(2,628,500)
- (Gain) / loss on disposal of Musharikah investment	20	(2,493,569)	(1,652,441)
- (Gain) / loss on disposal of Morabaha investment	20	-	(9,000,000)
- (Gain) / loss on disposal of non-banking assets		-	21,768
- Provision for gratuity		1,224,694	(3,071,089)
- Provision / (reversal) for musharikah investment		4,195,122	1,244,886
- (Reversal) / Provision for morabahah investment		(4,172,532)	-
- (Reversal) / Provision for Ijarah rental receivables		(937,190)	(1,054,993)
- (Reversal) / Provision against other receivables		-	(11,616,410)
- Gain on Development Properties		(1,209,628)	-
- Profit on bank deposits	20	(15,080,657)	(76,995,299)
- Bank charges		35,968	134,112
- Financial charges on redeemable capital and subordinated funds		254,168,830	277,309,394
		<u>272,798,845</u>	<u>196,977,642</u>
Operating profit before working capital changes		149,045,200	215,572,077
Decrease / (increase) in current assets:			
- Morabaha financing - net		48,078,842	(1,049,002)
- Musharikah financing - net		128,749,023	(170,894,107)
- Development properties - net		25,290,372	(488,781)
- Ijarah rental receivables - net		37,529,391	43,308,111
- Advances, deposits, prepayments and other receivables		24,876,002	(11,847,674)
Increase / (decrease) in operating liabilities:			
- Security deposits against ijarah assets		(5,443,720)	(38,254,103)
- Trade and other payables		(10,683,485)	(9,374,038)
		<u>248,396,426</u>	<u>(188,599,594)</u>
Cash generated from operations		397,441,266	26,972,483

24 RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

Following are the related parties of the Modaraba:

Name of related parties	Nature of relationship	Basis of relationship		
		September 30, 2025 Un-Audited	September 30, 2024 Un-Audited	
The Bank of Punjab Punjab Modaraba Services (Pvt.) Limited The Bank of Punjab Employees Gratuity Fund Key Management Personnel	Holding Company of Modaraba Management Company Associate Associate Employment	0.01%	0.01%	
		39.16%	39.16%	
		14.99%	14.99%	
		-	-	
The Modaraba enters into transactions with related parties in the ordinary course of business and on substantially the same terms as for comparable transactions with person of similar standing. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the term of employment are as follows:				
Transactions with the related parties				
Names of related parties	Relationship	September 30, 2025 Un-Audited Rupees	September 30, 2024 Un-Audited Rupees	
The Bank of Punjab	Holding Company of Modaraba Company	Redeemable capital paid	1,485,000,000	-
		Redeemable capital - participatory and unsecured rolled over	-	1,485,000,000
		Subordinated funds received	2,000,000,000	-
		Subordinated funds paid	500,000,000	-
Punjab Modaraba Services (Pvt.) Limited Key Management Personnel	Modaraba Management Company Key Management Personnel	Profit paid on certificates of musharabah and Subordinated fund	301,178,908	323,631,995
		Profit earned from bank accounts maintained with BOP	1,406,746	1,383,034
		Rent expense of Head office premises	5,749,235	4,022,865
		Remuneration of key management personnel	16,436,980	9,682,168
First Punjab Modaraba Employees Provident Fund Trust Balances with the related parties	Associate	Staff loans disbursed	8,200,000	5,464,000
		Staff loans repaid	1,604,588	2,572,132
		Provident fund contributions paid to the fund	1,268,980	1,268,980
		Profit paid on certificates of musharabah and Subordinated fund	965,095	1,268,980
Nature of balances		September 30, 2025 Un-Audited Rupees	December 31, 2024 Audited Rupees	
The Bank of Punjab	Holding Company of Modaraba Company	Redeemable capital - participatory and unsecured	-	1,485,000,000
		Profit payable on redeemable capital - participatory and unsecured	-	95,005,325
		Subordinated fund	2,000,000,000	500,000,000
		Profit payable on subordinate fund	56,749,873	8,718,568
The Bank of Punjab Employees Gratuity Fund Punjab Modaraba Services (Pvt.) Limited	Associate Modaraba Company	Outstanding Modaraba certificates	47,880	47,880
		Bank accounts maintained with BOP	9,784,295	19,026,432
		Outstanding Modaraba certificates	50,995,000	50,995,000
		Outstanding Modaraba certificates	133,206,940	133,206,940
Key Management Personnel	Key Management Personnel	Prepaid Office Rent	766,053	-
		Security deposit against leased premises	1,219,050	1,219,050
First Punjab Modaraba Employees Provident Fund Trust	Associate	Outstanding loan under Musharabah and Ijarah arrangements during the period	12,067,880	8,662,553
		Advance against monthly contribution	2,516,179	2,418,150

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

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

25 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.

26 Date of Authorization for Issue

These condensed interim financial statements (un-audited) are approved by the Board of Directors of the Modaraba Company for issuance on October 22, 2025.

27 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 20)	7,068,774



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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