

FIRST PAK MODARABA

**QUARTERLY REPORT
MARCH 31, 2022**

**MANAGED BY
AWWAL MODARABA MANAGEMENT LIMITED**

Vision

Awwal Modaraba Management Limited (AMML) will play a role in the economic process and development of Pakistan by providing a range of advisory services and financial support, through Sharia compliant modes; to viable projects in high growth, capital starved sectors of the economy.

Mission

Awwal Modaraba Management Limited (AMML) aims to be at the vanguard of innovation in modaraba management services, offering the best solutions to our customers, value to our certificate holders and modaraba investors, complemented with a challenging, equal opportunity to our employees.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Khalid Aziz Mirza	Chairman	Independent Director
Mr. Shahid Ghaffar		Independent Director
Ms. Ayesha Aziz		Non-Executive Director
Mr. Abdul Jaleel Shaikh		Non-Executive Director
Mr. Saiyid Najam Rizvi		Non-Executive Director
Mr. Karim Hatim		Chief Executive Officer

Audit Committee

Mr. Shahid Ghaffar	Chairman
Mr. Khalid Aziz Mirza	Member
Mr. Abdul Jaleel Shaikh	Member
Mr. Saiyid Najam Rizvi	Member

Human Resource and Remuneration Committee

Mr. Khalid Aziz Mirza	Chairman
Ms. Ayesha Aziz	Member
Mr. Karim Hatim	Member

Company Secretary

Ms. Misbah Asjad

Chief Financial Officer

Mr. Aftab Afroz Mahmoodi

Auditor

Grant Thornton Anjum Rehman, Chartered Accountants

Bankers

Habib Bank Limited
Dubai Islamic Bank

Certificate Registrar

THK Associates (Private) Limited.
Plot No: 32-C, Jami Commercial, Street No: 2,
DHA, Phase-VII, Karachi, Tel: 021-111-000-322
Fax: 021-35310190, E-mail: sfc@thk.com.pk

Legal Advisor

Ahmed & Qazi
S & B Durrani Law Associates

Shariah Advisor

Al-Hamd Shariah Advisory Services (Pvt) Limited

Registered & Head Office :

3rd Floor, Horizon Vista, Plot No:
Commercial 10, Block-4, Clifton, Karachi
Phone : 021- 35361215-9,Fax: 021-
35374275

Directors' Report

For the nine months period ended 31 March 2022

On behalf of the Board of Directors of Awwal Modaraba Management Limited, the management company of First Pak Modaraba, we are pleased to present Directors' Report together with the unaudited financial results of First Pak Modaraba for the nine months period ended 31 Mar 2022.

Economy

Our economy faces several challenges this year arising from necessary monetary tightening to recent political turmoil in the country. According to Pakistan Bureau of Statistics, during 9MFY22, exports are up 25% to US\$23.298 billion while imports have risen by 49% to US\$58.691 billion, which has pushed trade deficit up by 70% to US\$35.39 billion. Oil prices remain high on back of Russia-Ukraine conflict fuelling both inflation and creating pressure on trade balance. Foreign exchange reserves fell to US\$18.5 billion in March 2022, with significant decline in SBP reserves to US\$12 billion largely due to debt repayments and government payments pertaining to settlement of an arbitration award related to a mining project. Some of this decline in reserves is expected to be reversed as official creditors renew their loans. Currency pressures led PKR to depreciate to all time low of PKR 186 a US\$, taking cumulative depreciation to 15.3% since start of fiscal year.

The recent political crisis has added to the uncertainty in the economic environment on policy direction and stability. According to SBP, heightened domestic political uncertainty contributed to a 5 percent depreciation in the rupee and a sharp rise in domestic secondary market yields as well as Pakistan's Eurobond yields and CDS spreads since the last MPC meeting. Pakistan is undergoing its seventh review under the IMF's Extended Fund Facility program, which has disbursed USD 3 billion out of the total USD 6 billion. The future of continuity of program now depends on policies of new government and political situation of the Country in coming days.

State Bank of Pakistan increased the Policy Rate to 250 basis points in the last Monetary Policy meeting on April 07, 2022. Average inflation forecasts have been revised upwards to slightly above 11 percent in FY22 before moderating in FY23. The current account deficit is still expected to be around 4 percent of GDP in FY22. While the non-oil current account balance has continued to improve, the overall current account remains dependent on global commodity prices.

Financial Performance

The outstanding portfolio size more than doubled to PKR 75.12 million at March 31, 2022 (June 30, 2021: PKR 36.14 million) with corresponding fall in liquid assets to PKR 39.64 million. Asset quality remains satisfactory. Revenues were recorded at PKR 10.45 million in 3Q2022 compared to PKR 3.74 million in corresponding period last year due to larger portfolio size. Total expenses for the period were contained at PKR 4.76 million. The Modaraba posted profit after tax for the period at PKR 1.56 million compared to loss of Rs.0.66 million in the corresponding period with provision of tax of PKR 0.3 Million (previously nil) with change in tax regime.

Post-merger, we expect cost structure to considerably improve by eliminating the operational inefficiency of maintaining three separate Modarabas.

Future Plans

As apprised earlier, the Board of Directors has decided to merge First Pak Modaraba and KASB Modaraba with and into First Prudential Modaraba. The intention is to cut costs and achieve an economic size to make the merged Modaraba more competitive in the current business and tax environment. Currently regulatory and legal formalities are being complied with and we expect the merger to conclude during the next few months.

Governance

There has been no change in the Board of Directors of Awwal Modaraba Management Limited during the period under review.

Acknowledgement

The Board would like to acknowledge and appreciate Securities and Exchange Commission of Pakistan and Registrar Modaraba for their continuous guidance and support. We would like to avail this opportunity to thank its customers and investors for placing their trust in the Modaraba.

On behalf of the Board



Karim Hatim
Chief Executive



Saiyid Najam Rizvi
Director

Date: 21st April, 2022

ڈائریکٹر رپورٹ:

31 مارچ 2022 کو ختم ہونے والی نو ماہ کی مدت کے لیے

فرسٹ پاک مضاربہ کی انتظامی کمپنی اول مضاربہ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 مارچ 2022 کو ختم ہونے والی نو ماہ کی مدت کے لیے فرسٹ پاک مضاربہ کے غیر آڈٹ شدہ مالیاتی نتائج کے ساتھ ڈائریکٹرز کی رپورٹ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

معیشت:

ہماری معیشت کو اس سال کئی چیلنجوں کا سامنا ہے جو کہ ضروری مالیاتی کھچاؤ سے ملک میں حالیہ سیاسی بحران سے پیدا ہوئے ہیں۔ پاکستان پیرو آف سٹیٹسٹکس کے مطابق، 9MFY22 کے دوران، برآمدات %25 بڑھ کر 23.298 بلین امریکی ڈالر جبکہ درآمدات %49 اضافے سے 58.691 بلین امریکی ڈالر تک پہنچ گئی ہیں، جس سے تجارتی خسارہ %70 بڑھ کر 35.39 بلین امریکی ڈالر تک پہنچ گیا ہے۔ روس، یوکرین تنازعہ کی وجہ سے تیل کی قیمتیں بلند ہیں جس سے افراط زر میں اضافہ ہوا ہے اور تجارتی توازن پر دباؤ پڑا ہے۔ مارچ 2022 میں غیر ملکی زرمبادلہ کے ذخائر کم ہو کر US\$18.5bn ہو گئے، SBP کے ذخائر نمایاں کمی کے ساتھ US\$12bn ہو گئے جس کی بڑی وجہ قرضوں کی ادائیگی اور کان کنی کے منصوبے سے متعلق ثالثی کے فیصلے سے حکومتی ادائیگی ہے۔ سرکاری قرض دہندگان کے قرضوں کی تجدید کے نتیجے میں ذخائر میں اس کمی میں سے کچھ واپسی کی توقع ہے۔ کرنسی کے دباؤ کی وجہ سے 186PKR فی امریکی ڈالر کی کم ترین قدر پر آ گیا، جس سے مالی سال کے آغاز سے مجموعی فرسودگی %15.3 ہو گئی۔

حالیہ سیاسی بحران نے معاشی ماحول میں پالیسی کی سمت اور استحکام کے حوالے سے غیر یقینی صورتحال کو مزید بڑھا دیا ہے۔ SBP کے مطابق، بڑھتی ہوئی سیاسی غیر یقینی صورتحال نے روپے کی قدر میں 5 فیصد کمی اور مقامی ثانوی مارکیٹ کی شرح میں تیزی سے اضافے کے ساتھ ساتھ پاکستان کی یورو بانڈ کی شرح اور CDS کی آخری MPC میٹنگ کے بعد سے اضافہ میں اہم کردار ادا کیا۔ پاکستان آئی ایم ایف کے توسیعی فنڈ سہولت پروگرام کے تحت اپنے ساتویں جائزے سے گزر رہا ہے، جس نے کل 6 بلین امریکی ڈالر میں سے 3 بلین امریکی ڈالر ادا کیے ہیں۔ پروگرام کے تسلسل کا مستقبل اب نئی حکومت کی پالیسیوں اور آنے والے دنوں میں ملک کی سیاسی صورتحال پر منحصر ہے۔

اسٹیٹ بینک آف پاکستان نے 07 اپریل 2022 کو آخری مانیٹری پالیسی میٹنگ میں پالیسی ریٹ کو 250 پیسے پوائنٹس تک بڑھا دیا۔ 2023 میں متوقع اعتدال سے پہلے 2022 میں اوسط افراط زر کا تخمینہ 11 فیصد سے تھوڑا اوپر کر دیا گیا ہے۔ مالی سال 22 میں کرنٹ اکاؤنٹ خسارہ اب بھی جی ڈی پی کے 4 فیصد کے قریب رہنے کی توقع ہے۔ جبکہ نان آئل کرنٹ اکاؤنٹ بیلنس میں مسلسل بہتری آئی ہے، مجموعی کرنٹ اکاؤنٹ کا انحصار عالمی اجناس کی قیمتوں پر ہے۔

مالیاتی کارکردگی:

بقایا پورٹ فولیو کا حجم 31 مارچ 2022 (30 جون 2021: 36.14 PKR ملین) 75.12 ملین PKR ہو گیا ہے۔ جس میں نقد اثاثوں میں اسی طرح کی کمی 39.64 PKR ملین ہو گئی۔ اثاثوں کا معیار تسلی بخش ہے۔ 3Q2022 میں 10.45 ملین روپے ریونیوریکارڈ کیے گئے جو کہ پچھلے سال اسی مدت میں 3.74 PKR ملین کے مقابلے میں بڑے پورٹ فولیو کے سائز کی وجہ سے ہے۔ اس مدت کے کل اخراجات 4.76 PKR ملین تھے۔ مضاربہ نے اس مدت کے لئے 1.56 ملین کا بعد از ٹیکس منافع حاصل کیا جبکہ ٹیکس نظام میں تبدیلی سے 0.03 PKR ملین (پہلے صفر) کے ٹیکس کی فراہمی کا ی گئی۔ پچھلے سال اسی مدت میں 0.66 ملین روپے کا نقصان تھا۔

انضمام کے بعد ہم توقع کرتے ہیں کہ تین الگ الگ مضاربہ کو برقرار رکھنے کی آپریشنل نااہلی کو ختم کر کے لاگت کے ڈھانچے میں کافی بہتری آئے گی۔
مستقبل کے منصوبے

جیسا کہ پہلے بتایا جا چکا ہے، بورڈ آف ڈائریکٹرز نے فرسٹ پاک مضاربہ اور کے اے ایس بی مضاربہ کو فرسٹ پروڈیشنل مضاربہ کے ساتھ ضم کرنے کا فیصلہ کیا ہے موجودہ کاروبار اور ٹیکس کے ماحول میں ضم شدہ مضاربہ کو مزید مسابقتی بنانے کے لئے اخراجات کو کم کرنا اور معاشی حجم حاصل کرنا مقصود ہے۔ فی الحال ریگولیٹری اور قانونی ضابطوں کی تعمیل کی جا رہی ہے اور ہم توقع رکھتے ہیں کہ انضمام مگلے چند ہفتوں میں مکمل ہو جائے گا۔

گورننس

زیر نظر مدت کے دوران اول مضاربہ مینجمنٹ لمیٹڈ کے بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں کی گئی ہے۔

اعتراف

بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور رجسٹرڈ مضاربہ کی مسلسل رہنمائی اور تعاون کا اعتراف کرنا چاہتا ہے۔ ہم مضاربہ پر اعتماد کرنے کے لیے اس کے صارفین اور سرمایہ کاروں کا شکریہ ادا کرنے کے لیے اس موقع سے فائدہ اٹھانا چاہتے ہیں۔

بورڈ کی جانب سے

سید نجم رضوی

ڈائریکٹر

کریم حاتم

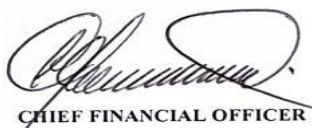
چیف ایگزیکٹو

تاریخ: 21 اپریل، 2022

FIRST PAK MODARABA
CONDENSED INTERIM FINANCIAL POSITION
AS AT MARCH 31, 2022

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
		----- Rupees -----	
ASSETS	Note		
Current Assets			
Cash and bank balances	6	39,643,594	55,959,696
Investments	7	-	9,320,598
Modaraba Term Deposit		-	13,500,000
Current portion of diminishing musharakah	13	23,306,268	11,545,417
Morabaha finance	8	-	-
Ijarah rentals receivable	9	-	162
Advances, deposits, prepayments and other receivables	10	8,040,410	6,044,861
Tax refundable - considered good		4,201,277	4,201,277
		<u>75,191,549</u>	<u>100,572,011</u>
Non - Current Assets			
Ijarah Assets	11	6,252,780	6,917,598
Fixed assets- in own use	12	109,872	231,120
Long term portion of Diminishing Musharakah	13	45,562,731	17,674,555
Long term advances	14	107,475	-
		<u>52,032,858</u>	<u>24,823,273</u>
TOTAL ASSETS		<u>127,224,407</u>	<u>125,395,284</u>
LIABILITIES			
Current Liabilities			
Musharaka Finance	15	-	50,000,000
Short Term Finance	16	50,000,000	-
Accrued and other liabilities	17	4,967,262	3,074,594
Unclaimed profit distribution		5,895,393	5,895,393
Provision for taxation	23	(290,301)	-
Current portion of ijarah deposits	18	400,000	2,550,000
		<u>60,972,354</u>	<u>61,519,987</u>
Non-Current Liabilities			
Long term ijarah deposits	18	2,062,500	1,500,580
TOTAL LIABILITIES		<u>63,034,854</u>	<u>63,020,567</u>
NET ASSETS		<u>64,189,553</u>	<u>62,374,717</u>
REPRESENTED BY			
Authorized certificate capital			
15,000,000 (June 30 2021:15,000,000) modaraba certificates of Rs.10/- each	19	150,000,000	150,000,000
Issued, subscribed and paid-up certificate capital			
12,540,000 modaraba certificates of rupees 10/- each		125,400,000	125,400,000
Statutory reserve		26,882,394	26,570,182
Accumulated loss		(83,792,214)	(85,041,063)
		<u>68,490,180</u>	<u>66,929,119</u>
Deficit on revaluation of investments	7.3	(4,875,000)	(4,554,402)
		<u>63,615,180</u>	<u>62,374,717</u>
Contingencies and commitments	20	574,373	

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


CHIEF FINANCIAL OFFICER

For Awwal Modaraba Management Limited
(Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

FIRST PAK MODARABA
CONDENSED INTERIM PROFIT OR LOSS ACCOUNT - (Un-audited)
FOR THE PERIOD ENDED MARCH 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----			
INCOME				
Income from deposits with Banks	1,579,035	2,523,566	499,721	1,186,415
Income from Modaraba term deposit	496,320	-	13,130	-
Income from Investment in Sukuk	485,430	-	49,354	-
Income from Diminishing Musharakah Finance	5,505,336	1,689,406	2,444,341	564,759
Ijarah rentals	1,550,682	1,218,387	532,108	316,184
Other income	714,784	469,696	202,750	80,547
	10,331,587	5,901,055	3,741,404	2,147,905
Unrealised gain / (loss) on remeasurement of fair value through profit or loss investments	-	33,930	-	(7,650)
(Provision) / Reversal against doubtful receivable - net	119,542	-	-	-
	10,451,129	5,934,985	3,741,404	2,140,255
EXPENDITURE				
Administrative expenses	(4,759,174)	(5,601,375)	(1,468,749)	(2,138,165)
Financial charges	(2,570,247)	-	(1,545,780)	-
Depreciation on Ijarah assets	(1,233,318)	(997,460)	(409,359)	(178,525)
	(8,562,739)	(6,598,835)	(3,423,888)	(2,316,690)
Profit for the year	1,888,390	(663,850)	317,516	(176,435)
Management Company's Remuneration	21	-	-	-
Provision for sales tax on Management Company's Remuneration	-	-	-	-
Provision for Sindh Workers' Welfare Fund	22	(37,028)	(6,227)	-
Profit before taxation	1,851,362	(663,850)	311,289	(176,435)
Provision for taxation				
- Current	23	(290,301)	(48,811)	-
- Prior	-	-	-	-
Profit after taxation	1,561,061	(663,850)	262,478	(176,435)
Earnings per certificate - Basic and diluted	24	0.12	(0.05)	0.02
		(0.01)		(0.01)

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


CHIEF FINANCIAL OFFICER

For Awwal Modaraba Management Limited
(Management Company)


CHIEF EXECUTIVE OFFICER



DIRECTOR


DIRECTOR

FIRST PAK MODARABA
CONDENSED ITERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Nine months ended		Quarter ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	----- Rupees -----			
Profit after taxation	1,561,061	(663,850)	262,478	(176,435)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	1,561,061	(663,850)	262,478	(176,435)

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


CHIEF FINANCIAL OFFICER

For Awwal Modaraba Management Limited
 (Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

FIRST PAK MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2022

	March 31, 2022 Un-Audited	March 31, 2021 Un-Audited
----- Rupees -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	1,851,362	(663,850)
Adjustments for non-cash changes and other items:		
Un-realised gain on remeasurement of		
-Dividend income	-	(3,000)
investments at FVTPL	-	(33,930)
Gain on disposal of ijarah assets	-	(119,361)
Financial Charges	2,570,247	-
-Depreciation on ijarah assets	1,233,318	1,072,457
-Amortization on intangible assets	121,248	-
	3,924,813	916,166
Cash flows before movements in working capital	5,776,175	252,316
Decrease / (Increase) in operating assets		
-Diminishing Musharakah	(39,649,027)	(5,947,432)
-Ijarah rentals receivable	162	60,225
-Advances, prepayments and other receivables	(1,735,861)	(477,239)
	(41,384,726)	(6,364,446)
Increase / (Decrease) in operating liabilities		
-Current Portion of ijarah deposits	-	-
-Long term ijarah deposits	(1,588,080)	(355,000)
-Musharaka finance	(50,000,000)	50,000,000
-Short term Finance	50,000,000	-
-Accrued and other liabilities	1,892,668	133,537
	304,588	49,778,537
Cash generated from / (used in) operations	(35,303,963)	43,666,407
-Income tax paid / adjustment	(367,163)	-
Financial Charges paid	(2,570,247)	-
Net cash generated / (used in) from operating activities	(38,241,373)	43,666,407
CASH FLOWS FROM INVESTING ACTIVITIES		
-Dividend received	-	3,000
-Modaraba term deposit	13,500,000	-
-Purchase of intangible assets	-	(185,000)
-Purchase of Ijarah assets	(2,250,000)	-
Sales proceed against sukuk certificate	9,000,000	-
-Sale proceeds from Ijarah assets	1,681,500	941,852
Net cash (used in)/generated from investing activities	21,931,500	759,852
CASH FLOWS FROM FINANCING ACTIVITIES		
Profit distribution	-	(946,981)
Net increase in cash and cash equivalents	(16,309,873)	43,479,278
Cash and cash equivalents at the beginning of the period	55,959,696	42,267,091
Cash and cash equivalents at the end of the period	39,649,823	85,746,369

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


 CHIEF FINANCIAL OFFICER

For Awwal Modaraba Management Limited
 (Management Company)

 CHIEF EXECUTIVE OFFICER


 DIRECTOR


 DIRECTOR

FIRST PAK MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2022

	Reserve			Total
	Capital		Revenue	
	Certificate Capital	Statutory reserve	Accumulated loss	
	----- Rupees -----			
Balance at July 01, 2020	125,400,000	26,516,621	(83,875,907)	68,040,714
Final cash dividend @ Re.0.11 per certificate for the year ended June 30, 2020			(1,379,400)	(1,379,400)
Total comprehensive loss for the period	-	-	(663,850)	(663,850)
Balance at March 31, 2021 (Un- Audited)	125,400,000	26,516,621	(85,919,157)	65,997,464
Balance at July 01, 2021 (Audited)	125,400,000	26,570,182	(85,041,063)	66,929,119
Total comprehensive income for the period	-	-	1,561,061	1,561,061
Transfer to statutory reserve	-	312,212	(312,212)	-
Balance at March 31, 2022 (Un-Audited)	125,400,000	26,882,394	(83,792,214)	68,490,180

* Statutory reserve represents profit set aside to comply with the Modaraba Regulations issued by the SECP.

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


CHIEF FINANCIAL OFFICER

For Awwal Modaraba Management Limited
(Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

**FIRST PAK MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022**

1 LEGAL STATUS AND NATURE OF BUSINESS

First Pak Modaraba (the Modaraba) is a multipurpose, perpetual Modaraba. The Modaraba is registered under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and the Modaraba Companies and Modaraba Rules, 1981 and was managed by Royal Management Services (Private) Limited. In pursuance of instructions received from Securities and Exchange Commission of Pakistan (SECP), KASB Invest (Private) Limited (KIPL) had taken over the management and administrative control of the Modaraba effective from 11/13/2014

The Registrar (Modarabas), with the approval of the SECP, vide order dated April 03, 2019 appointed an Administrator of the Modaraba to take over and manage the affair of the Modaraba in place of KIPL. As per terms of the order, all the powers and duties of the Modaraba Management Company as well as those of its Board of Directors assumed by the Administrator. The term of the Administrator, for holding the Modaraba office, was initially for the period of six months which was gradually enhanced till February 03, 2020 as directed by the SECP

The Registrar (Modarabas), with the approval of the Securities & Exchange Commission of Pakistan, vide order dated January 31, 2020 appointed Awwal Modaraba Management Limited (AMML) to take over and manage the affair of the Modaraba. AMML has taken over the management and administrative control of First Pak Modaraba effective from February 03, 2020

The registered office of First Pak Modaraba is situated at 3rd floor, Horizon Vista, Plot No. 10 Commercial, Block No. 4, Scheme No.5, Clifton, Karachi. The Modaraba is listed on Pakistan Stock Exchange. The Modaraba is currently engaged in various modes of Islamic fundings and businesses which include ijarah financing, deployment of fund in Musharakah, morabaha and investment in securities

- 1.1 The Board of Directors of the Modaraba Management Company in their meeting held on October 25, 2021 principally decided to merge the three modarabas i.e. First Pak Modaraba, First Prudential Modaraba and KASB Modaraba into one modaraba to operate as single unit. As a consequence of the scheme of merger, the business, functions, contracts, policies, proceedings, undertakings, assets, liabilities, etc. of the Modaraba shall be merged into single unit at a specific date. Since there will be no change in nature of financial assets in hold after amounts of scheme of merger arrangement, no adjustments are expected to the carrying assets and liabilities of the Modaraba. Legal and other formalities to effect the proposed merger are in process. It is further decided that the surviving entity would be First Prudential Modaraba.

2 STATEMENT OF COMPLIANCE

- 2.1 The condensed interim financial statements have been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting" as applicable in Pakistan and the requirements of Modaraba Companies and Modaraba (Floatation and Control) Ordinance 1980, Modaraba Companies and Modaraba Rules, 1981 and Prudential Regulations for Modaraba and directives issued by Securities and Exchange Commission of Pakistan (the Modaraba regulations)
- 2.2 This condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the financial statements of the Modaraba for the year ended June 30, 2021
- 2.3 The comparative condensed balance sheet, presented in this condensed interim financial statements, as at June 30, 2021 has been extracted from the annual audited financial statements of the Modaraba for the year ended June 30, 2021 whereas the comparative condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the period ended March 31, 2021 have been extracted from the condensed interim financial statements for the period ended March 31, 2021

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Modaraba in the preparation of these condensed interim financial statements are the same as those applied in preparation of the preceding published financial statements of the Modaraba for the year ended June 30, 2021

4 ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the condensed interim financial statements in conformity with approved accounting standards require management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

In preparing the condensed interim financial statements, the significant judgments made by management in applying the Modaraba's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the preceding published annual financial statements of the Modaraba as at and for the year ended June 30, 2021.

5 BASIS OF PREPARATION

These condensed interim financial statements have been prepared under the historical cost convention, except for:

- Certain investments carried at fair value
- Certain loans and receivables which have been measured at amortized cost

FIRST PAK MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		(Un-Audited)	(Audited)
		March 31,	June 30,
		2022	2021
	Note	----- Rupees -----	
6 CASH AND BANK BALANCES			
Cash in hand		-	83
Cash at banks-			
current accounts		2,237,469	2,237,469
saving accounts	6.1	37,406,125	53,722,144
		<u>39,643,594</u>	<u>55,959,613</u>
		<u>39,643,594</u>	<u>55,959,696</u>

6.1 Rate of return in respect of PLS accounts ranges from 3.70% to 6.25% (June 2021: 5.77% to 6.25%) per annum.

		(Un-Audited)	(Audited)
		March 31,	June 30,
		2022	2021
	Note	----- Rupees -----	
7 INVESTMENTS			
Fair Value Through Other Comprehensive Income (FVTOCI)			
-in Sukuk certificates (Unquoted)		-	9,320,598
-in Unquoted securities	7.1	-	-
Fair Value Through Profit or Loss (FVTPL)			
-in quoted securities	7.2	-	-
		<u>-</u>	<u>9,320,598</u>
		<u>-</u>	<u>-</u>

7.1 Investment in Unquoted securities

Fully paid ordinary shares of Rs 10 each.

		(Un-Audited)	(Audited)
		March 31,	June 30,
		2022	2021
		----- Rupees -----	
Number of Shares	Name of company		
Unquoted securities			
	Prudential Securities Limited		
487,500	487,500 Cost	4,875,000	4,875,000
	Less: Loss on re-measurement	(4,875,000)	(4,875,000)
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

7.1.1 The operations of Prudential Securities Limited remained suspended that indicates a significant and prolonged decline in the fair value of this investment below carrying value resulting in an objective evidence of impairment. Therefore, the investment has been considered as fully impaired.

7.2 - Investment in Quoted securities

Unless stated otherwise, the holdings are in the fully paid ordinary shares / certificates / units of Rs 10/- each.

		(Un-Audited)	(Audited)
		March 31,	June 30,
		2022	2021
		----- Rupees -----	
Number of Certificates / Shares	Name of Company		
	Suspended / Delisted Company		
120,000	120,000 Prudential Investment Bank Ltd	-	-
	Pakistan Industrial & Commercial		
279,749	279,749 Leasing Limited	-	-
		<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
		----- Rupees -----	
7.3 Deficit on revaluation of investments classified as fair value through OCI investments			
Deficit on re-measurement of unquoted securities	7.1	(4,875,000)	(4,875,000)
Surplus on re-measurement of investment in sukuk certificates		-	320,598
		<u>(4,875,000)</u>	<u>(4,554,402)</u>
Deficit on revaluation at the beginning of the period/ year		(4,554,402)	(4,875,000)
Gain on remeasurement during the period		39,402	-
Reversal of unrealized gain on disposal of sukuk certificates		(360,000)	320,598
		<u>(4,875,000)</u>	<u>(4,554,402)</u>
		(Un-Audited) March 31, 2022	(Audited) June 30, 2021

8 MORABAHA FINANCE

Note

----- Rupees -----

Morabaha finance - Unsecured	8.1	15,319,705	15,319,705
Less: Provision for doubtful morabaha finance		(15,319,705)	(15,319,705)
		<u>-</u>	<u>-</u>

8.1 This include amount of Morabaha finance receivable from five different parties outstanding since many years. As per terms of the agreement, the profit against these finance ranged from 16.5% to 20%, however, based on the guidelines of Modaraba regulations 2021, the principal and profit against these finances have been fully provided and suspended accordingly.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
		----- Rupees -----	
9 IJARAH RENTALS RECEIVABLE			
Considered good		-	162
Considered doubtful		-	119,542
		<u>-</u>	<u>119,704</u>
Less: Provision for doubtful receivables	9.1	-	(119,542)
		<u>-</u>	<u>162</u>
9.1 MOVEMENT OF PROVISION			
Opening balance		119,542	119,542
Reversal of provision during the year		(119,542)	-
		<u>-</u>	<u>119,542</u>

10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note		
----- Rupees -----			
Considered good			
Advance against purchase of assets		5,839,000	3,400,000
Profit Receivable on Diminishing Musharakah		280,075	101,330
Advance income tax		1,435,512	1,068,349
Deposits		37,500	37,500
Advance to staff - current portion - Secured	10.1 & 14	75,204	16,495
Prepayments		162,026	164,416
Profit receivable on investments		-	135,103
Profit receivable on bank deposits		205,420	254,803
Others		5,673	866,865
		8,040,410	6,044,861
Considered doubtful			
Amount due from PSL	10.2	11,476,377	11,476,377
Amount due from PCML	10.3	999,832	999,832
Amount due from Royal Management Services (Private) Limited	10.4	886,442	886,442
Profit receivable on Morabaha finance	8.1	4,028,913	4,028,913
		<u>17,391,564</u>	<u>17,391,564</u>
		25,431,974	23,436,425
Less: Provision for doubtful receivables		<u>(17,391,564)</u>	<u>(17,391,564)</u>
		<u>8,040,410</u>	<u>6,044,861</u>

10.1 & The balances are secured against Provident Fund (PF) balances of employees.

10.2 This represents amount receivable from Prudential Securities Limited (PSL) on account of advance for purchase of securities amounting to Rs. 1.0 million (June 2021: 1.0 million) and other receivable of Rs. 10.476 million (June 2021: 10.476). Since the operations of PSL were suspended and keeping in view the remote chance of recovery, provision against the full amount has been recorded.

10.3 This represents receivable from Pearl Capital Management Limited (PCML). The operations of PCML has been suspended by PSX. A claim was lodged with the PSX for the recovery of the said amount which was rejected on the grounds of having been filed after the lapse of the last date for the submission of claims as notified by PSX. Hence, provision has been made against the total amount of claim.

10.4 This represents receivable from Royal Management Services (Private) Limited (Ex-management Company) in respect of various expenses paid on their behalf. Provision has been made against the total amount of receivable as the chances of the recovery are remote.

FIRST PAK MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

11 PROPERTY AND EQUIPMENT - IJARAH

March 31, 2022	Cost		Depreciation				Carrying value at March 31, 2022	Rate %
	As at July 1, 2021	Additions/ (Disposals)	As at March 31, 2022	Accumulated at July 1, 2021	For the year	Accumulated at March 31, 2022		
-----Rupees-----								
Vehicle	11,719,000	2,250,000 (5,719,000)	8,250,000	4,801,402	1,233,318 (4,037,500)	1,997,220	6,252,780	25-33.33
	11,719,000	(3,469,000)	8,250,000	4,801,402	1,233,318	6,034,720	6,252,780	

June 30, 2021	Cost		Depreciation				Carrying value at June 30, 2021	Rate %
	As at July 1, 2020	Additions/ (disposals)	As at June 30, 2021	Accumulated at July 1, 2020	For the year	Accumulated at June 30, 2021		
-----Rupees-----								
Vehicle	8,819,000	5,000,000 (2,100,000)	11,719,000	4,934,229	1,144,683 (1,277,510)	4,801,402	6,917,598	25-33.33
	8,819,000	2,900,000	11,719,000	4,934,229	1,144,683 (1,277,510)	4,801,402	6,917,598	

FIRST PAK MODARABA
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

			(Audited)	(Audited)
			March 31, 2021	June 30, 2021
			----- Rupees -----	
12	PROPERTY AND EQUIPMENT - OWNED			
	Tangible assets	Note 12.1	-	-
	Intangible assets	Note 12.2	109,872	231,120
			<u>109,872</u>	<u>231,120</u>

12.1 Tangible assets

		March 31, 2022							
		Cost		Depreciation					
		As at July 1, 2021	Additions/ (Disposals)	As at March 31, 2022	Accumulated at July 1, 2021	For the year (on disposals)	Accumulated at March 31, 2022	Carrying value at March 31, 2022	Rate %
		-----Rupees-----							
	Office equipment	387,329	-	387,329	387,329	-	387,329	-	33.33
	Furniture and fixtures	572,197	-	572,197	572,197	-	572,197	-	10
		<u>959,526</u>	-	<u>959,526</u>	<u>959,526</u>	-	<u>959,526</u>	-	
		June 30, 2021							
		Cost		Depreciation					
		As at July 1, 2020	Additions/ (Disposals)	As at June 30, 2021	Accumulated at July 1, 2020	For the year (on disposals)	Accumulated at June 30, 2021	Carrying value at June 30, 2021	Rate %
		-----Rupees-----							
	Office equipment	387,329	-	387,329	387,329	-	387,329	-	33.33
	Furniture and fixtures	572,197	-	572,197	572,197	-	572,197	-	10
		<u>959,526</u>	-	<u>959,526</u>	<u>959,526</u>	-	<u>959,526</u>	-	

12.2 Intangible assets

		March 31, 2022							
		Cost		Accumulated Amortization			Book value		
		As at 01 July 2021	Additions/ Deletions	As at March 31, 2022	As at 01 July 2021	Charge for the year	As at March 31, 2022	As at March 31, 2022	Rate of amortization %
		----- (Rupees) -----							
	Computer software	485,000	-	485,000	253,880	121,248	375,128	109,872	33.33
		June 30, 2021							
		Cost		Accumulated Amortization			Book value		
		As at 01 July 2020	Additions/ Deletions	As at 30 June 2021	As at 01 July 2020	Charge for the year	As at 30 June 2021	As at 30 June 2021	Rate of amortization %
		----- (Rupees) -----							
	Computer software	300,000	185,000	485,000	133,685	120,195	253,880	231,120	33.33

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- Rupees -----	
13 DIMINISHING MUSHARIKA			
Considered good	13.1	68,868,999	29,219,972
Less: Current Portion of Diminishing Musharakah		<u>(23,306,268)</u>	<u>(11,545,417)</u>
		<u>45,562,731</u>	<u>17,674,555</u>

13.1 These finance carry profit rate ranged from 12.54% to 19.00% (June 2021:12.57% to 19.00%)per annum and are payable on monthly basis over a period from 3 to 4 years. All diminishing musharaka arrangements are secured against hypothecation of assets, personal guarantees and promisory notes.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- Rupees -----	
14 LONG TERM ADVANCES			
Advance to staff		182,679	16,495
Due within one year shown under current assets	14.1 & 10	<u>(75,204)</u>	<u>(16,495)</u>
		<u>107,475</u>	<u>-</u>

14.1 The balances are secured against Provident Fund (PF) balances of employees.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
	Note	----- Rupees -----	
15 MUSHARAKA FINANCE			
	15.1	<u>-</u>	<u>50,000,000</u>

15.1 The Pak Brunei Investment Company Limited (PBICL) extended callable / convertible financing line of Rs.250 million to the Modaraba under Musharaka arrangement. As per the terms of the Agreement Rs.50 million was disbursed on January 28, 2021, which was fully repaid along with return on the date of maturity i.e., December 31, 2021.

The return on finance was based on sharing of profit before tax and management fee in the ratio of PBICL investment to total Musharaka Capital (i.e., the sum of PBICL finance and Modaraba equity as on September 30, 2020).

The facility was secured by way of hypothecation charge on all movable assets and receivables and mortgage of immovable property of the Modaraba.

		March 31, 2022 Un-Audited	June 30, 2021 Audited
	Note	----- Rupees -----	
16 SHORT TERM FINANCE			
	16.1	<u>50,000,000</u>	<u>-</u>

16.1 The Modaraba has availed finance facility of Rs. 50 million under Wakala Agreement dated December 30, 2021 from Pak Brunei Investment Company Ltd (PBICL). As per terms of the agreement, PBICL acts as Muwakkil (the principal) and Modaraba is the Wakil (the agent) to execute the Shariah Compliant transactions through and as a part of the Wakil's pool of assets for deployment of funds under the extended facility.

The facility shall be matured on December 31, 2022 and may thereafter be extended by a further period or periods of one year each if approved by both parties. Return to the Muwakkil on investment is expected at 3 Month KIBOR+2% per annum.

The facility is secured by way of First Hypothecation charge on all present and future assets of the Modaraba equivalent to PKR.66,666,667/- with 25% margin.

		(Un-Audited) March 31, 2022	(Audited) June 30, 2021
17 ACCRUED AND OTHER LIABILITIES	Note	----- Rupees -----	
Workers welfare fund		233,050	196,022
Management Company's remuneration	17.1	3,482	30,263
Return on musharaka finance		-	99,992
Auditors' remuneration		150,000	185,000
Shariah Advisor fee		169,499	163,000
Charity fund	17.2	3,710	215,810
Takaful		651,271	368,019
Advance against customer's share in financing		2,401,125	-
Other payables		<u>1,348,896</u>	<u>1,816,488</u>
		<u>4,961,033</u>	<u>3,074,594</u>

17.1 The Sindh Revenue Board (SRB) has imposed Sindh Sales Tax (SST) on the Modaraba Management Company's remuneration with effect from November 01, 2011. However, certain modaraba management companies have approached the Honourable Sindh High Court (the Court) and Appellate Tribunal of SRB, challenging the levy of SST on management company's remuneration. The Modaraba Management Company has not received any demand notice from SRB for payment of SST on Management Company's remuneration and accordingly, based on legal advisor's opinion, obtained by one of the Modaraba under common management can neither file any petition challenging the levy of SST on Management Company's remuneration nor can join the proceedings of pending petition in the Court. As a matter of abundant caution the management is accruing SST on Management Company's remuneration and will discharge the liability on direction of the Court based on outcome of the petition filed by other modaraba management companies.

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
17.2 Movement of charity fund	----- Rupees -----	
Opening balance	215,810	112,443
Add: Amount credited during the period	<u>53,710</u>	<u>103,367</u>
	269,520	215,810
Less: Paid during the period	<u>(265,810)</u>	<u>-</u>
Closing balance	<u>3,710</u>	<u>215,810</u>

	(Un-Audited) March 31, 2022	(Audited) June 30, 2021
18 LONG TERM DEPOSITS	----- Rupees -----	
Ijarah security deposits	2,462,500	4,050,580
Less: current maturity	<u>(400,000)</u>	<u>(2,550,000)</u>
	<u>2,062,500</u>	<u>1,500,580</u>

	(Un-audited) March 31, 2022	(Audited) June 30, 2021	(Un-audited) March 31, 2022	(Audited) June 30, 2021
19 CERTIFICATE CAPITAL	----- Rupees -----			
Number of Certificates				
<u>15,000,000</u>	15,000,000		<u>150,000,000</u>	150,000,000
		Authorised		
		Issued, subscribed and paid-up		
<u>10,000,000</u>	10,000,000	Modaraba certificates of Rs.10/- each fully paid in cash	<u>100,000,000</u>	100,000,000
<u>2,540,000</u>	2,540,000	Modaraba certificates of Rs.10/- each	<u>25,400,000</u>	25,400,000
<u>12,540,000</u>	<u>12,540,000</u>		<u>125,400,000</u>	<u>125,400,000</u>

As at March 31, 2022, Awwal Modaraba Managerent Limited held 1,254,000 (June 2021: 1,254,000) certificates of Rs. 10 each.

20 CONTINGENCIES AND COMMITMENTS

During the year 2018, some of the modarabas in the sector have received letter from Assistant Commissioner, Sindh Revenue Board (SRB), whereby it came to their notice that these Modarabas are engaged in providing / rendering taxable services which falls under the Second Schedule of Sindh Sales Tax on Services Act, 2011 (the Act), and the sales tax on such services, i.e. on lease rentals / lease financing transactions remains outstanding. The modarabas who have received the said letter, collectively decided that under the supervision of NBF1 & Modaraba Association Pakistan, a petition against the same be filed through a common legal counsel in the Honorable High Court of Sindh (HCS) challenging levy of Services Sales Tax on lease rental/ lease financing transactions including the vires of various headings of the Second Schedule of the Act. Being similar in nature of business it was expected that the same type of letter shall be received by First Pak Modaraba. Therefore, management has taken cautious approach and become a party in collective effort undertaken by the other modarabas.

21 MANAGEMENT COMPANY'S REMUNERATION

The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 up to a maximum of 10% per annum of the net annual profits of the Modaraba.

Management records accrual in respect of remuneration of the Management Company out of the net annual profit of the Modaraba on the basis of annual audited accounts. Therefore, no Management Company's Remuneration has been accrued in these condensed interim financial statements.

22 SINDH WORKER'S WELFARE FUND

The Sindh Assembly passed a bill on May 4, 2015 and notified Sindh Worker's Welfare Act 2014 on June 4, 2015. As per the said Act the applicability of Sindh Worker's Welfare Fund is effective from the financial year of the entities ended on or after December 31, 2013. Accordingly provision has been made at the rate of 2% (June 30, 2021 : 2%) of profit before taxation or taxable income , whichever is higher , effective after June 30, 2014.

	(Un-Audited) March 31, 2022	(Audited) March 31, 2021
23 PROVISION FOR TAXATION	----- Rupees -----	
Current	290,301	-
Prior	-	-
	<u>290,301</u>	<u>-</u>

The tax exemption by virtue of Clause 100 of Part I of the Second Schedule to the Income Tax Ordinance, 2001 has been withdrawn through the Tax Laws (Second amendment), 2021 dated March 21, 2021 which is subsequently adopted in Finance Act, 2021.

Provision for current taxation is based on taxable income for the period at the current rates of taxation after taking into account applicable tax credits, rebates and exemptions available, if any.

	(Un-Audited) March 31, 2022	(Audited) March 31, 2021
24 EARNINGS PER CERTIFICATE - BASIC AND DILUTED	----- Rupees -----	
Profit for the period	1,561,061	(663,850)
Weighted average number of ordinary certificates	12,540,000	12,540,000
Earnings / (Loss) per certificate -basic and diluted*	<u>0.12</u>	<u>(0.05)</u>

*The Modaraba does not have any dilutive potential shares in issue as at the period end.

25 RELATED PARTY TRANSACTIONS

The related parties of the Modaraba comprise of the Management Company and its Holding Company, Modarabas under common management (Awwal Modaraba, KASB Modaraba and First Prudential Modaraba) other associated companies, staff retirement funds, Directors and Key Management Personnel. Transactions with related parties are carried out at agreed rates.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Modaraba considers its Chief Financial Officer and Business Heads to be its key management personnel. There are no transactions with key management personnel other than their terms of employment / entitlement. Details of certificate holding of Holding Company, Management Company, Directors, Key Management Personnel and their family members are disclosed in pattern of certificate holding included in the annual report of the Modaraba.

Transactions and balances with related parties during the period other than those disclosed elsewhere in the financial statements are given below:

Name of the company / individual	Relationship with the Modaraba	Nature of Transactions	March 31,	June 30,
			2022	2021
			-----Rupees-----	
Balances with related parties				
Pak Brunei Investment Company Limited	Holding Company of the Management Company	Modaraba Term Deposit	-	13,500,000
		Accrued return on modraba term deposit	-	63,025
		Musharika Finance	-	(50,000,000)
		Accrued return on musharaka finance	-	(99,992)
		Short Term Finance	(50,000,000)	-
		Accrued shared service cost	(80,979)	(80,979)
Awwal Modaraba Mangement Limited	Modaraba management company	Management Company's remuneration	(3,482)	(30,263)
Awwal Modaraba	Modaraba under common management	Payable against sharing of common expenses	(142,416)	(140,375)
KASB Modaraba	Modaraba under common management	Payable against sharing of common expenses	(69,093)	(282,468)
First Prudential Modaraba	Modaraba under common management	Payable against sharing of common expenses	14,323	(69,347)
Expense/(income) for the period			March 31,	March 31,
			2022	2021
			-----Rupees-----	
First Pak Modaraba - Provident Fund Trust	Staff provident fund	Contribution made	68,371	66,942
Pak Brunei Investment Company Limited	Holding Company of the Management Company	Return on modraba term deposit	(496,320)	-
		Return on musharaka finance	2,565,965	-
		Musharika Finance	-	-
		Shared services cost	729,567	256,122
Awwal Modaraba	Modaraba under common management	Sharing of common expenses	322,529	526,828
KASB Modaraba	Modaraba under common management	Sharing of common expenses	207,279	363,544
First Prudential Modaraba	Modaraba under common management	Sharing of common expenses	21,777	251,250
Jubilee Life Insurance Co. Ltd	Other related party	Takaful premium	135,629	-
Payments (receipts) during the period				
First Pak Modaraba - Provident Fund Trust	Staff provident fund	Contribution made	68,371	66,942
Pak Brunei Investment Company Limited	Holding Company of the Management Company	Receipt against novation of diminishing musharaka finance facility	(9,000,000)	-
		Modaraba Term Deposit	(13,500,000)	-
		Return on modraba term deposit	(559,345)	-
		Short Term Finance	(50,000,000)	-
		Musharika Finance	50,000,000	(50,000,000)
		Return on Short Term Finance	1,546,027	-
		Return on Musharika Finance	1,119,930	-
		Shared service cost	729,567	-
Awwal Modaraba Mangement Limited	Modaraba management company	Management Company's remuneration	33,745	-
Awwal Modaraba	Modaraba under common management	Sharing of common expenses	320,488	-
KASB Modaraba	Modaraba under common management	Sharing of common expenses	420,654	649,533
First Prudential Modaraba	Modaraba under common management	Sharing of common expenses	105,447	323,609
Jubilee Life Insurance Co. Ltd	Other related party	Takaful premium	135,629	-

26 CORRESPONDING FIGURES


Corresponding figures have been rearranged and reclassified, wherever necessary for the purposes of comparison and better presentation. However, no significant rearrangements or reclassification have been made in these financial statements during the current year.

27 GENERAL

Figures have been rounded off to the nearest Rupee.

28 DATE OF AUTHORIZATION OF ISSUE

These financial statements has been authorized for issue on April 21, 2022 by the Board of Directors of Awwal Modaraba Management Limited.


CHIEF FINANCIAL OFFICER

For Awwal Modaraba Management Limited
(Management Company)


CHIEF EXECUTIVE OFFICER


DIRECTOR


DIRECTOR

FIRST PAK MODARABA

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**QUARTERLY
REPORT
MARCH 31, 2022**