

**FIRST NATIONAL BANK MODARABA
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Rupees	2022 Rupees
INCOME FROM OPERATIONS			
Profit on bank deposits		312,344	194,417
Profit on short term investments		28,816,081	13,817,771
		29,128,425	14,012,188
OTHER INCOME			
Reversal of provision charged for doubtful receivables	27	28,430,580	38,069,693
Suspension reversed during the year		3,636,571	1,150,931
Gain on termination of ijarah assets		-	3,476
Excess liabilities written back		2,474,169	-
Other income	24	510,871	218,000
		35,052,191	39,442,100
TOTAL INCOME		64,180,616	53,454,288
EXPENSES			
Operating expenses	25	(13,654,624)	(12,770,392)
Finance cost	26	(39,170,012)	(23,517,722)
Receivables adjusted		-	(3,711,773)
TOTAL EXPENSES		(52,824,636)	(39,999,887)
OPERATING PROFIT BEFORE PROVISIONS AND TAXATION		11,355,980	13,454,401
Provision charged for doubtful receivables	27	(5,754,612)	(9,889,939)
PROFIT BEFORE MANAGEMENT COMPANY'S FEE		5,601,368	3,564,462
Modaraba Company's management fee	28	(560,137)	(356,446)
Provision for Worker's Welfare Fund	18.1	(100,825)	(64,160)
PROFIT BEFORE TAXATION		4,940,406	3,143,856
Taxation	29	(839,869)	(534,456)
PROFIT AFTER TAXATION		4,100,537	2,609,400
EARNINGS PER MODARABA CERTIFICATE - BASIC AND DILUTED	30	0.16	0.10

The annexed notes 1 to 36 form an integral part of these financial statements.


DIRECTOR
National Bank Modaraba Management Company
Limited


DIRECTOR
National Bank Modaraba Management
Company Limited


DIRECTOR
National Bank Modaraba Management
Company Limited



CHIEF FINANCIAL OFFICER
National Bank Modaraba Management Company
Limited





- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, the statement of comprehensive income, cash flow statement and the statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 (XXXI of 1980) and the Modaraba Companies and Modaraba Rules, 1981, in the manner so required and respectively give a true and fair view of the state of the Modaraba's affairs as at June 30, 2023 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Emphasis of Matter

We draw attention to note 1.2 of the accompanied financial statements, which indicates that the Modaraba's current liabilities exceeded its current assets by Rs. 96.140 million, its net liabilities amounted to Rs. 55.579 million and its accumulated losses amounted to Rs. 349.343 million which exceeds its total subscribed certificate capital by Rs. 99.343 million. Further, short term running finance facility obtained from the National Bank of Pakistan (NBP) was expired on October 31, 2019 that has yet not been renewed and markup outstanding thereupon is also outstanding. Furthermore, after the issuance of order dated October 31, 2019 of Registrar Modaraba, the winding up petition has been filed on June 16, 2020 before the Honorable Modaraba Tribunal, Lahore. This situation indicates that a material uncertainty exists that may cast significant doubt on the Modaraba's ability to continue as going concern. Therefore, these financial statements have been prepared on the basis of estimated realizable/ settlement values of assets and liabilities respectively. Estimated realizable/ settlement values are based on the management's best estimate. Estimation involves judgment based on the latest available, reliable information, historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances. In future, these estimates may need revision if changes occur in the circumstances on which the estimates are based or as a result of new information. Hence, the ultimate values at which assets will be realized and liabilities will be settled may be different from those carried in these financial statements. Our opinion is not qualified in respect of this matter. 

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Adnan Rasheed
Lahore:
UDIN: AR202310701MNmXJ1vA4