



A Wholly Owned Subsidiary of
The Bank of Punja

FIRST PUNJAB MODARABA

(An Islamic Financial Institution)

**HALF YEARLY
ACCOUNTS** | **2024**
30 JUNE 2024 (UN-AUDITED)



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CORPORATE PROFILE

Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Nadeem Amir Chairman

Ijaz ur Rehman Qureshi Director

Umer Iqbal Sheikh Director

Imran Bashir Director

Samina Afsar Director

Khawar Shahid Ansari Director

Mudassar Kaiser Pal Chief Executive (A)

Chief Financial Officer

Zeeshan Ahmed

Company Secretary

Mahboob Ahmad

Audit Committee

Imran Bashir Chairman

Ijaz ur Rehman Qureshi Member

Samina Afsar Member

Human Resource Committee

Samina Afsar Chairperson

Ijaz ur Rehman Qureshi Member

Umer Iqbal Sheikh Member

Imran Bashir Member

Board Risk Management Committee

Ijaz ur Rehman Qureshi Chairman

Umer Iqbal Sheikh Member

Auditors of the Modaraba

Kreston Hyder Bhimji & Co.
Chartered Accountants

Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.

Chartered Accountants

Bankers

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

Registrar

Hameed Majeed Associates (Pvt.) Ltd.

H.M House, 7-Bank Square,

The Mall, Lahore

Tel : (+92-42) 37235081-2

Registered Office

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

Postal Code No. 54600

PABX : (+92-42) 36365191

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 [PMSL], the Management Company of First Punjab Modaraba, takes great pleasure in presenting half yearly Financial Statements (un-audited) of First Punjab Modaraba [FPM] along with the director's review for a period ended June 30, 2024 to its valued certificate holder.

The economic landscape of Pakistan encountered numerous challenges, including high inflation, elevated interest rates, rising fuel prices, political instability, low purchasing power, and increasing uncertainties. Despite these formidable circumstances, your Modaraba showed resilience by achieving a net profit after tax of Rs.14.67 million, an improvement compared to loss of Rs.11.24 million in previous period.

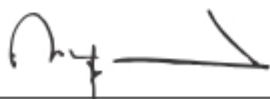
The results of FPM, demonstrated intensions of the management and steps taken by it, such as deploying funds in high income generating segments and to high quality cliental. The bottom line was supplemented by impact of substantial recoveries made as a result of extra efforts put in by management during period under consideration.

Going forward, the current economic conditions characterized by low purchasing power and high inflation, will be tackled by management with cautious implementation of concrete steps, focusing on investments in income-generating segments and making all out efforts to convert its non-earning assets in to earning assets.

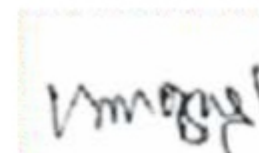
The Board express its gratitude to the Securities & Exchange Commission of Pakistan, Registrar Modarabas and State Bank of Pakistan for providing us their usual support and guidance. The Board also pays gratitude to certificate holders and customers for entrusting their confidence on us.

Finally the Board appreciates the dedication and hard work put in by the management and staff of First Punjab Modaraba.

For & on behalf of the Board,



Chief Executive Officer (A)



Director

Date: August 29, 2024

ڈائریکٹرز کا جائزہ

فرسٹ پنجاب مضاربہ کی مینجمنٹ کمیٹی، پنجاب مضاربہ سروسز (پرائیویٹ) لمیٹڈ (PMSL) کے بورڈ آف ڈائریکٹرز، ڈائریکٹرز کے جائزے کے ساتھ فرسٹ پنجاب مضاربہ (FPM) کے قابل قدر ٹھیکیت ہولڈرز کو 30 جون 2024 کو ختم ہونے والی مدت کے لیے ششماہی مالیاتی گوشوارے (غیر آڈٹ شدہ) پیش کرنے میں، بہت خوشی محسوس کرتے ہیں۔

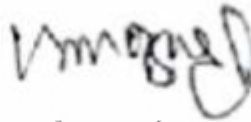
پاکستان کے معاشی منظر نامے کو بے شمار چیلنجز کا سامنا کرنا پڑا، جن میں بلند افراط زر، بلند شرح سود، ایندھن کی بڑھتی ہوئی قیمتیں، سیاسی عدم استحکام، قوت خرید، اور بڑھتی ہوئی غیر یقینی صورتحال شامل ہیں۔ ان سنگین حالات کے باوجود، آپ کے مضاربہ نے 14.67 ملین روپے کے بعد از ٹیکس خالص منافع حاصل کر کے مشکل حالات پر جلد قابو پانے کا مظاہرہ کیا، جو کہ گزشتہ مدت میں 11.24 ملین روپے کے نقصان کے مقابلے میں بہتری ہے۔

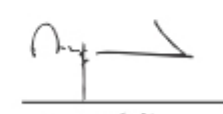
FPM کے نتائج، انتظامیہ کی نیتوں اور اس کی طرف سے اٹھائے گئے اقدامات کو ظاہر کرتے ہیں، جیسے کہ زیادہ آمدنی پیدا کرنے والے طبقوں اور اعلیٰ معیار کے صارفین کے لیے فنڈز کی تہیناتی۔ زیر نظر مدت کے دوران انتظامیہ کی طرف سے کی جانے والی اضافی کوششوں کے نتیجے میں گئی خاطر خواہ ریکوریوں کے اثرات سے خالص منافع کو پورا کیا گیا۔

آگے بڑھتے ہوئے، موجودہ معاشی حالات جن کی خصوصیت کم قوت خرید اور زیادہ افراط زر ہے، انتظامیہ کی جانب سے ٹھوس اقدامات پر محتاط عمل درآمد کے ساتھ، آمدنی پیدا کرنے والے طبقات میں سرمایہ کاری پر توجہ مرکوز کرنے اور اپنے غیر کمزور اثاثوں کو کمزور اثاثوں میں تبدیل کرنے کی تمام تر کوششیں کی جائیں گی۔

بورڈ ممبر ڈیوڈ ایڈمز کی سربراہی میں آف پاکستان، رجسٹرار مضاربہ اور اسٹیٹ بینک آف پاکستان کا شکریہ ادا کرتا ہے کہ انہوں نے ہمیں اپنی معمول کی مدد اور رہنمائی فراہم کی۔ بورڈ ٹھیکیت ہولڈرز اور صارفین کا بھی شکریہ ادا کرتا ہے جنہوں نے ہم پر اعتماد کیا ہے۔

آخر میں بورڈ فرسٹ پنجاب مضاربہ کی انتظامیہ اور عملے کی لگن اور محنت کو سراہتا ہے۔


ڈائریکٹر

بورڈ کے لیے اور اس کی جانب سے،

چیف ایگزیکٹو (A)

تاریخ: 29 اگست 2024

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE CERTIFICATE HOLDERS OF THE FIRST PUNJAB MODARABA
REPORT 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, 2024, and the related condensed interim statement of profit and loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement, and notes to the financial statements for the six month period then ended (**here-in-after referred to as the "interim financial statements"**). Modaraba Management Company 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 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 accounting and reporting standards as applicable in Pakistan for interim financial reporting.

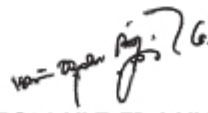
Other matter

The figures of the condensed interim statement of profit and loss and other comprehensive income for the quarter ended June 30, 2024 have not been reviewed and we do not express a conclusion on them.

The engagement partner on the review resulting in this independent auditor's report is Mr. Shabir Ahmad, FCA.

Lahore: August 29, 2024

UDIN:RR2024107660Rim6DM8x


KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

FIRST PUNJAB MODARABA
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT 30 JUNE 2024

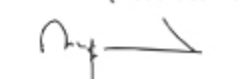
	Note	30 June 2024 (Un-Audited) Rupees	31 December 2023 (Audited) Rupees
ASSETS			
Non current assets			
Tangible fixed assets			
- Ijarah assets	5.1	170,053,809	148,068,219
- Assets in own use	5.2	3,497,259	4,066,485
Intangible assets	6	724,453	1,055,607
Long term musharikhah investment - secured	7	570,352,532	458,544,566
Long term morabaha investment - secured	8	6,777,834	13,502,006
Long term deposits	9	1,422,494	203,444
Deferred tax asset	10	111,916,481	109,657,977
		864,744,862	735,098,304
Current assets			
Short term morabaha investment - secured	11	173,447,518	173,447,518
Current maturity of long term investment	12	370,593,994	369,755,675
Ijarah rental receivable	13	54,528,715	111,362,665
Short term investment	14	387,297,905	350,000,000
Development properties	15	50,038,252	49,696,584
Advances, deposits, prepayments and other receivables	16	187,853,086	156,788,162
Income tax refund due from government - net		18,249,373	10,053,695
Cash and bank balances	17	40,193,981	233,544,957
		1,282,202,824	1,454,649,256
TOTAL ASSETS		2,146,947,686	2,189,747,560
EQUITY AND LIABILITIES			
Authorized certificate capital 50,000,000 (2023: 50,000,000) modaraba certificates of Rs. 10 each	18	500,000,000	500,000,000
Issued, subscribed and paid-up certificate capital 34,020,000 (2023: 34,020,000) modaraba certificates of Rs. 10 each		340,200,000	340,200,000
Capital reserves	19	218,176,678	218,176,678
Revenue reserves - accumulated losses	19	(665,586,999)	(680,257,522)
Subordinated funds	20	500,000,000	500,000,000
Total equity		392,789,679	378,119,156
Non current liabilities			
Redeemable capital - participatory and unsecured	21	1,485,000,000	1,485,000,000
Long term security deposits	22	5,980,000	2,140,000
Deferred morabaha income	23	4,281,144	5,881,661
Staff retirement benefits - gratuity	24	9,716,943	9,271,499
		1,504,978,087	1,502,293,160
Current liabilities			
Current maturity of non current liabilities	25	51,990,089	98,326,302
Profit payable	26	101,776,308	103,300,796
Trade and other payables	27	71,809,485	86,151,716
Provision for levies		6,473,508	4,365,946
Unclaimed dividend		17,130,530	17,190,484
		249,179,920	309,335,244
CONTINGENCIES AND COMMITMENTS	28		
TOTAL EQUITY AND LIABILITIES		2,146,947,686	2,189,747,560

The annexed notes 1 to 41 form an integral part of these financial statements.

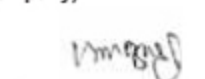
For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)




Chief Financial Officer



Chief Executive Officer



Director



Director

FIRST PUNJAB MODARABA
CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE SIX MONTHS ENDED JUNE 30, 2024

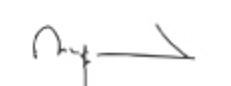
	Note	2024		2023	
		Six Months Ended June 30 (Un-Audited)	Three Months Ended June 30 (Un-Audited)	Six Months Ended June 30 (Un-Audited)	Three Months Ended June 30 (Un-Audited)
		Rupees	Rupees	Rupees	Rupees
INCOME					
Income from ijarah rentals		42,351,567	16,233,688	27,187,018	11,563,610
Income from morabaha financing		6,321,465	1,097,259	7,687,832	4,712,036
Income from diminishing musharikhah financing		104,237,768	56,547,437	94,993,803	48,574,180
Gain / (loss) on disposal of assets		3,026,059	2,482,754	3,822,262	602,006
Other income	29	72,200,870	38,248,433	33,496,640	23,434,135
		228,137,729	114,609,571	167,187,555	88,885,967
EXPENSES					
Administrative and general expenses	30	37,664,741	19,981,745	30,769,949	17,171,592
Finance cost	31	184,283,682	92,159,263	168,188,649	95,157,580
		221,948,423	112,106,348	198,958,598	112,329,172
OPERATING PROFIT / (LOSS) BEFORE PROVISIONS		6,189,306	2,503,223	(31,771,043)	(23,443,205)
Reversal of provision / (Provision) against ijarah rentals - net	13.1	1,037,693	950,393	2,945,822	(728,636)
Reversal of provision against morabaha investments - net		-	-	9,044,500	3,060,000
(Provision) / Reversal of provision against musharikhah investments - net	12.1	(1,244,886)	(1,624,798)	451,477	451,477
Reversal of provision against other receivables	16.1	8,537,468	8,537,468	-	-
		8,330,275	7,863,063	12,441,799	2,782,841
OPERATING PROFIT / (LOSS) AFTER REVERSAL OF PROVISION / PROVISION		14,519,581	10,366,286	(19,329,244)	(20,660,364)
MODARABA MANAGEMENT COMPANY'S MANAGEMENT FEE		-	-	-	-
PROFIT / (LOSS) BEFORE INCOME TAX AND LEVIES		14,519,581	10,366,286	(19,329,244)	(20,660,364)
LEVIES	32	(2,107,562)	(952,364)	(5,539,667)	(5,313,377)
PROFIT / (LOSS) BEFORE INCOME TAX		12,412,019	9,413,922	(24,868,911)	(25,973,741)
INCOME TAX	33	22,58,504	22,58,504	13,628,041	13,628,041
PROFIT / (LOSS) AFTER INCOME TAX FOR THE PERIOD		14,670,523	5,534,930	14,670,523	(12,345,700)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD		-	-	-	-
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		14,670,523	11,672,426	(11,240,870)	(12,345,700)
EARNING / (LOSS) PER CERTIFICATE - BASIC AND DILUTED	34	0.43	0.34	(0.33)	(0.36)

The annexed notes 1 to 41 form an integral part of these financial statements.

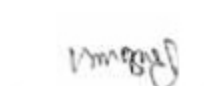
For Punjab Modaraba Services (Private) Limited
(Modaraba Management Company)




Chief Financial Officer



Chief Executive Officer



Director



Director

**FIRST PUNJAB MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2024**

	Issued subscribed and paid up Certificate capital	Capital Reserve		Subordinated funds	Revenue Reserve		Total equity
		Statutory reserve	Reserve		Accumulated loss		
Rupees							
Balance as at January 01, 2023	340,200,000	218,176,678	-	-	(570,903,001)	(12,526,323)	
Loss after income tax for the period	-	-	-	-	(11,240,870)	(11,240,870)	
Other comprehensive income for the period	-	-	-	-	(11,240,870)	(11,240,870)	
Total comprehensive loss for the period	-	-	-	-	(22,481,740)	(22,481,740)	
Balance as at June 30, 2023	340,200,000	218,176,678	-	-	(582,143,871)	(23,767,193)	
Balance as at January 01, 2024	340,200,000	218,176,678	500,000,000	(680,257,522)	378,119,156		
Profit after income tax for the period	-	-	-	14,670,523	14,670,523		
Other comprehensive income for the period	-	-	-	-	-		
Total comprehensive income for the period	-	-	-	14,670,523	14,670,523		
Balance as at June 30, 2024	340,200,000	218,176,678	500,000,000	(665,586,999)	392,789,629		

The annexed notes 1 to 41 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

FIRST PUNJAB MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2024

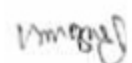
	Note	30 June 2024 (Un-Audited) Rupees	30 June 2023 (Un-Audited) Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Cash generated from operations	39	25,393,631	71,581,464
Finance charges paid on redeemable capital		(185,722,699)	(132,611,472)
Bank charges paid		(85,471)	(62,007)
Income tax paid		(8,195,678)	47,559
		(194,003,848)	(132,625,920)
Net cash used in operating activities		(168,610,217)	(61,044,456)
Proceeds from transfer of ijarah assets		67,237,785	18,430,472
Purchase of assets under Ijarah arrangements	5.1	(108,212,928)	(26,728,913)
Purchase of assets in own use	5.2	(141,500)	(2,632,500)
Proceeds from disposal of assets in own use		22,329	1,000,000
Proceeds from disposal of subsidiary company		-	76,500,000
Profit received on bank deposits		53,711,414	10,498,783
Changes in short term investments made during the year - net		(37,297,905)	-
Net cash (used in) / generated from investing activities		(24,680,805)	77,067,842
CASH FLOW FROM FINANCING ACTIVITIES			
Dividend paid to the certificate holders during the period		(59,954)	-
Net cash used in from financing activities		(59,954)	-
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		(193,350,976)	16,023,386
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		233,544,957	26,675,787
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	17	40,193,981	42,699,173

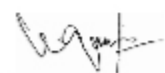
The annexed notes 1 to 41 form an integral part of these financial statements.

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


Chief Financial Officer


Chief Executive Officer


Director


Director

FIRST PUNJAB MODARABA**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE SIX MONTHS ENDED JUNE 30, 2024****1 STATUS AND NATURE OF BUSINESS**

First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed there under and is managed by Punjab Modaraba Services (Private) Limited (the Modaraba Management Company) which is a wholly-owned subsidiary of The Bank of Punjab. The registered office of the Modaraba is situated at Office No. 100, 3rd floor, National Tower, 28-Egerton Road, Lahore. The Modaraba commenced its operations on December 23, 1992. The Modaraba is listed on the Pakistan Stock Exchange Limited.

Modaraba established its wholly-owned subsidiary on November 29, 2016 as a Private Limited Company under the name of Punjab Capital Securities (Private) Limited. The registered office of Punjab Capital Securities (Private) Limited was situated at 3rd Floor, LSE Plaza, 19-Khayabane Aiwane Iqbal, Lahore. The Company was mainly engaged in the business of brokerage services, portfolio management and consultancy services. During the year ended December 31, 2023, 100% stake in wholly owned subsidiary was sold to ultimate parent i.e. The Bank of Punjab against total consideration of Rs. 85.487 million.

The Modaraba is perpetual and multi-dimensional and is primarily engaged in the business of Ijarah, Musharikhah and Morabaha financing, equity investment and other related businesses under the injunctions of Islam. Modaraba has obtained approval of the Securities & Exchange Commission of Pakistan to undertake Building, Construction and Real Estate activity by insertion of a new clause for this purpose in the prospectus of the Modaraba on January 13, 2021.

2 STATEMENT OF COMPLIANCE

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

- 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 as are notified under the Companies Act, 2017;
- 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; and
- Requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981 and Modaraba Regulations, 2021.

Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, the Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, Islamic Financial Accounting Standards (IFAS), the Companies Act, 2017 and 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 differ from IAS 34, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981, Modaraba Regulations, 2021, IFAS, the Companies Act, 2017 and 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 have been followed.

The disclosures made in these condensed interim financial statements are based on the requirements of the International Accounting Standard (IAS) 34: 'Interim Financial Reporting'. These condensed interim financial statements does not include all the disclosures required for a full set of financial statements and should be read in conjunction with the annual published audited financial statements of Modaraba for the year ended December 31, 2023.

The comparative statement of financial position presented in these condensed interim financial statements has been extracted from the published audited financial statements of Modaraba for the year ended December 31, 2023, whereas the comparative statement of profit and loss and other comprehensive income, statement of changes in equity and cash flow statement have been extracted from the condensed interim financial statements of the Modaraba for the period ended June 30, 2023.

These condensed interim financial statements are being submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

3 BASIS OF PREPARATION

3.1 Basis of measurement

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

3.2 Functional and presentation currency

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

4 MATERIAL ACCOUNTING POLICIES

The accounting policies adopted and the methods of computation of balances used in the preparation of these condensed interim financial statements are the same as those that were applied in the preparation of the annual published audited financial statements of the Modaraba for the year ended December 31, 2023.

4.1 Significant accounting estimates and judgments

The preparation of these financial statements in conformity with the approved accounting standards as applicable in Pakistan requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires the management to exercise judgments in application of the Modaraba's accounting policies. The estimates, judgments and associated assumptions are based on the management's experience and various other factors that are believed to be reasonable under the circumstances. These estimates and assumptions are reviewed on an on-going basis.

The significant judgments, estimates and assumptions made in applying the Modaraba's accounting policies and the factors used in making those estimates were the same as those that were applied to the annual published audited financial statements for the year ended December 31, 2023.

4.2 Initial application of standards, amendments or an interpretation to existing standards

New standards, amendments and interpretation to published approved accounting and reporting standards which are effective during the half year ended June 30, 2024

There are certain amendments and interpretation to approved accounting and reporting standards which are mandatory for the Modaraba's annual accounting period which began on January 01, 2024. However, these do not have any significant impact on the Modaraba's financial reporting and, therefore, have not been detailed in these condensed interim financial statements, except for:

The Securities and Exchange Commission of Pakistan (SECP), through S.R.O. 229 (1) 2019 (dated February 14, 2019) has adopted IFRS9 Financial Instruments', effective from June 30, 2019. However, for modarabas SECyas deferred the application of IFRS 9 from time to time, thus making it applicable for the reporting period year ending on or after June 30, 2024. The Modaraba has adopted IFRS 9 for the period ending June 30, 2024.

IFRS 9, Financial Instruments addresses the classification and measurement of financial assets and financial liabilities and the application of an 'Expected Credit Losses' (ECL). In particular, the application of new impairment requirements i.e. Expected Credit Loss (ECL) requires all modarabas to establish provisions for expected future credit losses.

Management has assessed the impact of IFRS 9 on its portfolio of advances / investments and concluded that new impairment model does not have any material impact on these condensed interim financial statements of the Modaraba for the half year ended June 30, 2024. However, management is continually evaluating its impact, if any, on the operations of the Modaraba subsequent to the reporting date and the impact becomes material it will be accounted for in the financial statements for the year ended December 31, 2024.

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

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

4.3 Financial risk management policies

The financial risk management objectives and policies adopted by the Modaraba are consistent with those disclosed in the annual published audited financial statements of the Modaraba for the year ended December 31, 2023.

5.2 Assets in own use

Description	COST			DEPRECIATION			NET BOOK VALUE			Life Years
	As at 1 January 2024	Additions	Disposal	As at 30 June 2024	As at 1 January 2024	Change for the period	Disposal	As at 30 June 2024	As at 30 June 2024	
Office equipment	4,749,645	141,500	(150,000)	4,741,145	3,404,291	342,407	(127,671)	3,619,027	1,122,118	3 to 7
Furniture and fixtures	2,283,900	-	-	2,283,900	2,029,677	50,218	-	2,079,895	204,005	7
Vehicles	4,330,800	-	-	4,330,800	1,863,892	295,772	-	2,159,664	2,171,136	5
2024	11,364,345	141,500	(150,000)	11,355,845	7,297,860	688,397	(127,671)	7,858,586	3,497,259	
	(Rupees)									
Description	COST			DEPRECIATION			NET BOOK VALUE			Life Years
	As at 1 January 2023	Additions	Disposal	As at 31 December 2023	As at 1 January 2023	Change for the Year	Disposal	As at 31 December 2023	As at 31 December 2023	
Office equipment	4,749,645	-	-	4,749,645	2,761,397	642,894	-	3,404,291	1,345,354	3 to 7
Furniture and fixtures	2,283,400	20,500	-	2,283,900	1,779,808	249,869	-	2,029,677	254,223	7
Vehicles	2,450,800	2,612,000	(732,000)	4,330,800	1,949,770	646,122	(732,000)	1,863,892	2,466,308	5
2023	9,483,845	2,632,500	(732,000)	11,364,345	6,490,975	1,538,885	(732,000)	7,297,860	4,066,485	

5.2.1 The cost of fully depreciated assets that are still in use amount to Rs. 4,676,170 (December 31, 2023; Rs. 2,106,790).

5.2.2 Detail of operating fixed assets disposed of during the year is as follows:

Description	Cost	Accumulated Depreciation	Net Book value	Sale Proceeds	Gain / (Loss)	Mode of Disposal
2024						
Office equipment	150,000	127,671	22,329	22,329	-	A mobile phone was sold to the previous CEO at its book value.
2023						
Vehicle	732,000	732,000	-	1,000,000	1,000,000	Open market

	Note	30-Jun-24 Un-Audited Rupees	31-Dec-23 Audited Rupees
6 INTANGIBLE ASSETS			
Computer software			
Cost		4,495,000	4,495,000
Accumulated amortization			
Balance as at January 01,		(3,439,393)	(2,772,750)
Amortization for the period	30	(331,154)	(666,643)
		(3,770,547)	(3,439,393)
Balance as at June 30, 2024 / December 31, 2023		724,453	1,055,607
Life (Years)		3	3
7 LONG TERM MUSHARIKAH INVESTMENT - SECURED			
Long term musharika investment		919,739,091	805,245,048
Less: Current portion of long term musharika investment	12	(349,386,559)	(346,700,482)
		570,352,532	458,544,566
8 LONG TERM MORABAHA INVESTMENT - SECURED			
Long term morabaha investment		52,294,564	58,533,457
Add: Unearned morabaha income		12,357,016	13,445,167
		64,651,580	71,978,624
Less: Current portion of long term morabaha investment	12	(49,797,874)	(50,913,112)
		14,853,706	21,065,512
Less: Current portion of unearned morabaha income	12	(8,075,872)	(7,563,506)
		6,777,834	13,502,006
9 LONG TERM DEPOSITS			
Punjab Modaraba Services (Private) Limited (PSML)	9.1	1,219,050	-
Others	9.2	203,444	203,444
		1,422,494	203,444
9.1 This represents a security deposit remitted to PSML, a related party, for the leased premises.			
9.2 This represents non-interest bearing security deposits paid to Lahore Electric Supply Company, Pakistan Mobile Communication Limited and Central Depository Company of Pakistan.			
10 DEFERRED TAX	10.1	111,916,481	109,657,977
10.1 The management, based on their projections assessment of future taxable profits, believes that Modaraba will be able to achieve sufficient taxable profits in the future to adjust the recognized deferred tax assets and accordingly has recorded the asset on such basis as of June 30, 2024.			
11 SHORT TERM MORABAHA INVESTMENT-SECURED			
Short term morabaha investment		375,906,891	375,906,891
Less: Provision for doubtful morabaha investment	11.1	(202,459,373)	(202,459,373)
		173,447,518	173,447,518
11.1 Provision for doubtful morabaha investment			
Opening balance		202,459,373	211,503,873
Reversals during the period		-	(9,044,500)
		-	(9,044,500)
Closing balance		202,459,373	202,459,373

	Note	31-Jun-23 Un-Audited Rupees	31-Dec-23 Audited Rupees
12 CURRENT MATURITY OF LONG TERM INVESTMENTS			
Current portion of long term musharikhah investment	7	219,682,168	197,507,829
Principal due but not received	7	129,704,391	149,192,653
Less: Provision against musharikhah investment	12.1	(27,866,311)	(26,621,425)
		<u>101,838,080</u>	<u>122,571,228</u>
		<u>321,520,248</u>	<u>320,079,057</u>
Current portion of long term morabaha investment	8	15,429,222	28,566,696
Principal due but not received	8	34,368,652	22,346,416
Add: Unearned morabaha income	8	8,075,872	7,563,506
Less: Provision against morabaha investment	12.2	(8,800,000)	(8,800,000)
		<u>33,644,524</u>	<u>21,109,922</u>
		<u>370,593,994</u>	<u>369,755,675</u>
12.1 Provision against musharikhah investment			
Opening balance		26,621,425	28,287,798
Charged / (reversed) during the period		1,244,886	(1,666,373)
Closing balance		<u>27,866,311</u>	<u>26,621,425</u>
12.2 Provision against long term morabaha investment			
Opening balance		8,800,000	8,800,000
Change during the period		-	-
Closing balance		<u>8,800,000</u>	<u>8,800,000</u>
13 IJARAH RENTAL RECEIVABLES			
Ijarah rental receivable		131,749,512	189,621,155
Less: Provision against Ijarah rental receivable	13.1	(77,220,797)	(78,258,490)
		<u>54,528,715</u>	<u>111,362,665</u>
13.1 Provision against Ijarah rental receivable			
Opening balance		78,258,490	78,667,052
Charge for the period		492	6,360,932
Reversal of provision during the period		(1,038,185)	(6,769,494)
Closing balance		<u>77,220,797</u>	<u>78,258,490</u>

14 SHORT TERM INVESTMENTS

	Rupees-2024				
	First Habib Modaraba	NRSP Microfinance Bank Limited	Bank Islami Pakistan Limited	U Microfinance Bank Limited	Total
Opening balance	250,000,000	67,000,000	33,000,000	-	350,000,000
Investments made during the period	-	-	37,297,905	-	37,297,905
Matured during the period	-	-	-	-	-
Closing balance	<u>250,000,000</u>	<u>67,000,000</u>	<u>70,297,905</u>	<u>-</u>	<u>387,297,905</u>
	Rupees-2023				
	First Habib Modaraba	NRSP Microfinance Bank Limited	Bank Islami Pakistan Limited	U Microfinance Bank Limited	Total
Opening balance	200,000,000	-	-	-	200,000,000
Investments made during the year	300,000,000	133,000,000	33,000,000	50,000,000	516,000,000
Matured during the year	(250,000,000)	(66,000,000)	-	(50,000,000)	(366,000,000)
Closing balance	<u>250,000,000</u>	<u>67,000,000</u>	<u>33,000,000</u>	<u>-</u>	<u>350,000,000</u>

14.1 These carrying mark-up at a rate ranging from 18.75% to 24.15% (2023: 16.5% to 24.15%) per annum.

	Note	30-Jun-24 Un-Audited Rupees	31-Dec-23 Audited Rupees	
15 DEVELOPMENT PROPERTIES				
Constructed		40,881,224	40,881,225	
Un-constructed		9,157,028	8,815,359	
		<u>50,038,252</u>	<u>49,696,584</u>	
15.1	Development properties are stated at the lower of cost and net realizable value (NRV).			
16 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES				
Profit receivable				
- Morabaha investment		8,000,679	5,319,857	
- Musharikah investment		27,336,964	22,194,533	
		<u>35,337,643</u>	27,514,390	
Prepayments		7,231,990	1,830,921	
Advances		9,502,713	6,794,757	
Non-banking assets		13,945,000	-	
Receivable from provident fund		2,122,867	2,349,847	
Other receivables		178,491,741	185,614,583	
		<u>246,631,954</u>	224,104,498	
Less: Provision against other receivables	16.1	(58,778,868)	(67,316,336)	
		<u>187,853,086</u>	<u>156,788,162</u>	
16.1	Provision against other receivables			
Opening balance		67,316,336	9,955,643	
(Reversal) / charge during the period		(8,537,468)	57,360,693	
Closing balance		<u>58,778,868</u>	<u>67,316,336</u>	
17 CASH AND BANK BALANCES				
Cash at banks				
- Current accounts		18,717,823	10,621,161	
- Deposit accounts		159,607	1,382,743	
- Savings accounts		21,095,862	221,168,588	
- Current account with State Bank of Pakistan		99,974	99,974	
		<u>40,073,266</u>	233,272,466	
Cash in hand		120,715	272,491	
		<u>40,193,981</u>	<u>233,544,957</u>	
18 AUTHORIZED, ISSUED, SUBSCRIBED AND PAID-UP MODARABA CERTIFICATE CAPITAL				
Authorized certificate capital				
50,000,000 modaraba certificates of Rs.10 each		500,000,000	500,000,000	
18.1	Issued, subscribed and paid-up certificate capital			
	2024 Numbers	2023 Numbers		
	20,000,000	20,000,000	Modaraba certificates of Rs. 10 each fully paid in cash	
	14,020,000	14,020,000	Modaraba certificates of Rs. 10 each issued as fully paid bonus certificates	
	<u>34,020,000</u>	<u>34,020,000</u>		
			<u>340,200,000</u>	
			<u>340,200,000</u>	
18.2	Following certificates held by associated companies of the Modaraba:			
	2024		2023	
	Number of certificates	Rupees	Number of certificates	Rupees
Punjab Modaraba Services (Pvt.) Limited	13,320,694	133,206,940	13,320,694	133,206,940
The Bank of Punjab Employees Gratuity Fund	5,099,500	50,995,000	5,099,500	50,995,000
The Bank of Punjab	4,788	47,880	4,788	47,880
	<u>18,424,982</u>	<u>184,249,820</u>	<u>18,424,982</u>	<u>184,249,820</u>

	Note	30-Jun-24 Un-Audited Rupees	31-Dec-23 Audited Rupees
19 RESERVES			
Capital reserve			
Statutory reserve	19.1	218,176,678	218,176,678
Revenue reserves			
Accumulated loss		<u>(665,586,999)</u>	<u>(680,257,522)</u>
		<u>(447,410,321)</u>	<u>(462,080,844)</u>
19.1	Statutory reserve represents profit set aside to comply with the Modaraba Regulations, 2021 issued by SECP.		
20 SUBORDINATED FUNDS		<u>500,000,000</u>	<u>500,000,000</u>
	This represents funds extended by The Bank of Punjab - parent company i.e. major sponsor under Musharikh Agreement dated October 27, 2023 as a support to improve the equity base of the Modaraba and classified as equity under the provisions of Modaraba Regulations, 2021. This amount is unsecured, repayable in three years time i.e. June 30, 2026 and carries profit at the rate of 18.61% per annum payable semi-annually.		
21 REDEEMABLE CAPITAL - PARTICIPATORY AND UNSECURED			
Certificate of musharikhah - unsecured	21.1	<u>1,485,000,000</u>	<u>1,485,000,000</u>
	This represents funds provided by the Bank of Punjab - parent company to finance the working capital requirements of the Modaraba. This amount is unsecured, repayable in three years time and carries profit at the rate of 18.61% per annum payable semi-annually.		
22 LONG TERM SECURITY DEPOSITS			
Long term security deposits against Ijarah		49,894,217	92,902,796
Less: Current maturity of security deposits	25	<u>(43,914,217)</u>	<u>(90,762,796)</u>
		<u>5,980,000</u>	<u>2,140,000</u>
23 DEFERRED MORABAHA INCOME			
Deferred morabaha income - long term	23.1	12,357,016	13,445,167
Less: Current maturity of deferred morabaha income	25	<u>(8,075,872)</u>	<u>(7,563,506)</u>
		<u>4,281,144</u>	<u>5,881,661</u>
23.1	These represent receivables against morabaha transactions on deferred payment basis at profit margin which ranges from 19.02% to 26.41% per annum (2023 : 19.02% to 25.59%).		
24 STAFF RETIREMENT BENEFITS - GRATUITY			
	24.1	<u>9,716,943</u>	<u>9,271,499</u>
	The Modaraba operates an approved funded gratuity scheme for all of its permanent employees. Actuarial valuation of the scheme is carried out every year and the latest actuarial valuation was carried out as at December 31, 2023 using the Projected Unit Credit Method.		
25 CURRENT MATURITY OF NON CURRENT LIABILITIES			
Current maturity of long term security deposits	22	43,914,217	90,762,796
Current maturity of deferred morabaha income	23	8,075,872	7,563,506
		<u>51,990,089</u>	<u>98,326,302</u>
26 PROFIT PAYABLE			
Redeemable capital - participatory and unsecured		93,465,540	95,092,002
Subordinated funds		8,310,768	8,208,794
		<u>101,776,308</u>	<u>103,300,796</u>
27 TRADE AND OTHER PAYABLES			
Accrued expenses	27.1	1,480,285	5,700,135
Tax deducted at source		453,822	680,792
Advances against Ijarah / morabaha / musharikhah		32,503,827	18,322,724
Other payables		37,371,551	61,448,065
		<u>71,809,485</u>	<u>86,151,716</u>

27.1 This includes an amount of Rs. 446,985(2023: Rs. 4,916,835) in respect of rent of head office payable to Punjab Modaraba Services (Pvt.) Limited - Modaraba Management Company

28 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 year ended December 31, 2023.

	Note	30-Jun-24 Un-Audited Rupees	30-Jun-23 Un-Audited Rupees
29 OTHER INCOME			
Profit on bank deposits		56,821,294	21,833,365
Processing fee		740,977	678,804
Documentation charges		743,100	470,250
Cheque return charges		366,000	428,000
Gain on disposal of subsidiary		-	8,987,000
Gain on settlement of musharikhah		1,390,248	907,449
Gain on settlement of morabaha		9,000,000	-
Miscellaneous income		3,139,251	191,772
		<u>72,200,870</u>	<u>33,496,640</u>
30 ADMINISTRATIVE AND GENERAL EXPENSES			
Salaries and benefits		22,571,901	18,711,056
Traveling and conveyance		132,650	203,664
Legal and professional		559,057	172,866
Printing and stationary		774,426	437,620
Insurance		744,677	2,778,996
Fee and subscription		1,637,179	2,858,781
Auditor's remuneration		250,000	260,000
Repair and maintenance		1,711,814	791,355
Vehicle running and maintenance		819,216	586,422
Power and utilities		1,598,132	969,469
Entertainment		809,993	469,719
Advertisement		-	23,000
Telephone and postage		727,841	449,925
Corporate expenses		416,932	265,911
Rent, rates and taxes		2,694,160	2,870
Selling and marketing expenses		678,946	669,666
Depreciation - assets in use	5.2	688,397	656,707
Amortization of intangible assets	6	331,154	331,183
Miscellaneous expenses		518,266	130,739
		<u>37,664,741</u>	<u>30,769,949</u>
31 FINANCE COST			
Financial charges on redeemable capital		137,800,677	168,126,642
Financial charges on subordinated funds		46,397,534	-
Bank charges		85,471	62,007
		<u>184,283,682</u>	<u>168,188,649</u>

	Note	30-Jun-24 Un-Audited Rupees	30-Jun-23 Un-Audited Rupees
32 LEVIES			
Minimum tax		2,107,562	2,135,737
- For the period		-	3,403,930
- Prior period		<u>2,107,562</u>	<u>5,539,667</u>

This represents portion of minimum tax paid under section 113 and final tax on dividend income under section 150 of Income Tax Ordinance, 2001 (ITO, 2001), representing levy in terms of requirements of IFRIC 21//AS 37.

33 INCOME TAX			
Current		-	-
Deferred (charge) / credit	10	2,258,504	13,628,041
		<u>2,258,504</u>	<u>13,628,041</u>

34 EARNING / (LOSS) PER CERTIFICATE - BASIC AND DILUTED

		June 30, 2024 Un-Audited	June 30, 2023 Un-Audited
34.1 Basic loss per certificate			
Profit / (loss) after taxation for the period	(Rupees)	14,670,523	(11,240,870)
Weighted average number of ordinary certificates outstanding during the period	(Numbers)	34,020,000	34,020,000
Earning / (loss) per certificate - basic and diluted	(Rupees)	0.43	(0.33)

34.2 Diluted

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

35 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	Direct certificate holding in %age	
			June 30, 2024	December 31, 2023
The Bank of Punjab	Holding Company of Modaraba Management Company	Common Management and Control / Ultimate parent	0.01%	0.01%
Punjab Modaraba Services (Pvt.) Limited	Associate	Modaraba Management Company	39.16%	39.16%
The Bank of Punjab Employees Gratuity Fund	Associate	Common Management	14.99%	14.99%
Mr. Mudassar Kaiser Pal	Key management personnel	Key management personnel	-	-
Mr. Saqib Shamim	Key management personnel	Key management personnel	-	-
Mr. Zaashan Ahmed	Key management personnel	Key management personnel	-	-

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

June 30, 2024
Un-Audited
Rupees

June 30, 2023
Un-Audited
Rupees

The Bank of Punjab	Holding Company of Modaraba Company	Redeemable capital - participatory and unsecured received during the year Redeemable capital - participatory and unsecured rolled over during the year Profit paid on certificates of musharakah Profit earned from bank accounts maintained with BOP Sale of subsidiary - sales proceed Gain on sale of subsidiary company	-	-	1,965,000,000	1,825,000,000
Punjab Modaraba Services (Pvt.) Limited	Modaraba Management Company	Rent expense of head office premises	2,681,910	-	-	-
Key Management Personnel	Key Management Personnel	Remuneration of key management personnel	7,245,156	-	7,603,198	7,603,198
		Staff loans disbursed during the year	-	600,000	-	600,000
		Staff loans repaid during the year	3,722,525	1,338,779	-	1,338,779
First Punjab Modaraba Employees Provident Fund Trust	Associate	Provident fund contributions paid to the fund	1,268,980	-	-	527,836

Balances with the related parties	Names of related parties	Relationship	Nature of balances	June 30, 2024	December 31, 2023
				Un-Audited Rupees	Audited Rupees
The Bank of Punjab	Holding Company of Modaraba Company		Redeemable capital - participatory and unsecured	1,485,000,000	1,485,000,000
			Profit payable on redeemable capital - participatory and unsecured	93,465,540	95,092,002
			Subordinated funds / loans	500,000,000	500,000,000
			Profit payable on subordinate funds / loans	8,310,768	8,208,794
			Outstanding Modaraba certificates	47,880	47,880
			Bank accounts maintained with BOP	19,123,278	28,973,167
			Outstanding Modaraba certificates	50,995,000	50,995,000
			Outstanding Modaraba certificates	133,206,940	133,206,940
			Head office rent payable	446,985	4,916,835
			Security deposit against leased premises	1,219,050	-
Key Management Personnel	Key Management Personnel		Outstanding loan under Musharakah and Ijarah arrangements during the period	4,297,984	8,019,579
			Advance against monthly contribution	2,122,867	2,349,847
First Punjab Modaraba Employees Provident Fund Trust	Associate				

35.1 No remuneration has been paid by the Modaraba to the chief executive and directors of Modaraba Company (2023: nil).

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

36 FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences can arise between carrying values and the fair value estimates.

Underlying the definition of fair value is the presumption that the Modaraba is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

International Financial Reporting Standard 13, 'Fair Value Measurement' requires the Modaraba to classify assets using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As of reporting date, there were no financial instruments which were measured at fair values in these financial statements.

During the year, there were no transfers between level 1 and level 2 fair value measurements, and no transfers into and out of level 3 fair value measurement.

The following table shows the carrying amounts and fair values of all financial assets and financial liabilities, including their levels in the fair value hierarchy.

	As at June 30, 2024 (Un-Audited)							
	Carrying Value			Fair Value				
	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees		Rupees	Rupees				
Financial assets								
Long term musharikhah investment - secured	570,352,532	-	-	570,352,532	-	-	-	-
Long term morabaha investment - secured	6,777,834	-	-	6,777,834	-	-	-	-
Long term security deposits	1,422,494	-	-	1,422,494	-	-	-	-
Short term morabaha investment - secured	173,447,518	-	-	173,447,518	-	-	-	-
Current maturity of long term investment	370,593,994	-	-	370,593,994	-	-	-	-
Ijarah rental receivable	54,528,715	-	-	54,528,715	-	-	-	-
Short term investment	387,297,905	-	-	387,297,905	-	-	-	-
Profit and other receivables	157,173,383	-	-	157,173,383	-	-	-	-
Cash and bank balances	40,193,981	-	-	40,193,981	-	-	-	-
	1,761,788,356	-	-	1,761,788,356	-	-	-	-
Financial liabilities								
Subordinated funds	-	-	500,000,000	500,000,000	-	-	-	-
Redeemable capital - participatory and unsecured	-	-	1,485,000,000	1,485,000,000	-	-	-	-
Profit payable	-	-	101,776,308	101,776,308	-	-	-	-
Trade and other payables	-	-	38,851,836	38,851,836	-	-	-	-
Unclaimed dividend	-	-	17,130,530	17,130,530	-	-	-	-
	-	-	2,142,758,674	2,142,758,674	-	-	-	-

	As at December 31, 2023 (Audited)							
	Carrying Value			Fair Value				
	Loans and Receivables	Other Financial Assets	Other Financial Liabilities	Total	Level 1	Level 2	Level 3	Total
	Rupees		Rupees	Rupees				
Financial assets								
Long term mushankah investment - secured	458,544,566	-	-	458,544,566	-	-	-	-
Long term morabaha investment - secured	13,502,006	-	-	13,502,006	-	-	-	-
Long term security deposits	203,444	-	-	203,444	-	-	-	-
Short term morabaha investment - secured	173,447,518	-	-	173,447,518	-	-	-	-
Current maturity of long term investment	369,755,675	-	-	369,755,675	-	-	-	-
Ijarah rental receivable	111,362,665	-	-	111,362,665	-	-	-	-
Short term investment	350,000,000	-	-	350,000,000	-	-	-	-
Profit and other receivables	148,162,484	-	-	148,162,484	-	-	-	-
Cash and bank balances	233,544,957	-	-	233,544,957	-	-	-	-
	<u>1,858,523,315</u>	-	-	<u>1,858,523,315</u>	-	-	-	-
Financial liabilities								
Subordinated funds	-	-	500,000,000	500,000,000	-	-	-	-
Redeemable capital - participatory and unsecured	-	-	1,485,000,000	1,485,000,000	-	-	-	-
Profit payable	-	-	103,300,796	103,300,796	-	-	-	-
Trade and other payables	-	-	67,148,200	67,148,200	-	-	-	-
Unclaimed dividend	-	-	17,190,484	17,190,484	-	-	-	-
	-	-	<u>1,672,639,480</u>	<u>1,672,639,480</u>	-	-	-	-

36.1 The Modaraba has not disclosed the fair values for these financial assets, as these are either short term in nature or repriced periodically. Therefore, their carrying amounts are a reasonable approximation of fair value.

37 SEGMENT REPORTING

As per IFRS 8 - 'Operating Segments', operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief executive officer of the management company has been identified as the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

The Chief Executive Officer is responsible for the Modaraba's entire product portfolio and considers the business to have a single operating segment. The Modaraba's asset allocation decisions are based on a single integrated investment strategy and the Modaraba's performance is evaluated on an overall basis.

The internal reporting provided to the Chief Executive Officer for the Modaraba's assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of the approved accounting standards as applicable in Pakistan.

The Modaraba is domiciled in Pakistan. All of the Modaraba's income is from investments in entities incorporated in Pakistan. All non-current assets of the Modaraba are located in Pakistan as at the reporting date.

The Modaraba revenue is not depending upon single customer and there is no single customer from whom modaraba is generating more than 10% of total revenue.

	Note	June 30, 2024 Un-Audited Rupees	December 31, 2023 Audited Rupees
38 Cash and cash equivalents at the end of the year			
Cash and bank balances	17	<u>40,193,981</u>	<u>233,544,957</u>

	Note	June 30, 2024 Un-Audited Rupees	June 30, 2023 Un-Audited Rupees
39 CASH GENERATED FROM OPERATIONS			
Profit / (loss) for the period before income tax		14,519,581	(19,329,244)
Adjustments for non cash other items:			
Depreciation of ijarah assets	5.1	22,015,609	48,678,108
Depreciation of assets in own use	5.2	688,397	656,707
Amortization of intangible assets	6	331,154	331,183
(Gain) / loss on disposal of ijarah assets		(3,026,059)	(2,822,262)
(Gain) / loss on disposal of assets in own use		-	(1,000,000)
(Gain) / loss on disposal of Musharikhah investment	29	(1,390,248)	(907,449)
(Gain) / loss on disposal of Morabaha investment	29 & 11.1	(9,000,000)	(9,044,500)
(Gain) / loss on disposal of non-banking assets		-	-
(Gain) / loss on disposal of subsidiary		-	(8,987,000)
Provision for gratuity		445,444	-
Provision / (reversal) for musharikhah investment	12.1	1,244,886	-
(Reversal) / Provision for Ijarah rental receivables	13.1	(1,037,693)	(2,945,822)
(Reversal) / Provision against other receivables	16.1	(8,537,468)	-
Profit on bank deposits	29	(56,821,294)	(21,833,365)
Bank charges	31	85,471	62,007
Financial charges on redeemable capital and subordinated funds	31	184,198,211	168,064,635
		129,196,409	170,252,242
Operating profit before working capital changes		143,715,990	150,922,998
Working capital changes:			
(Increase)/decrease in operating assets:			
Morabaha financing - net		6,238,893	21,252,714
Musharikhah financing - net		(114,494,043)	(43,761,224)
Development properties - net		(341,668)	(10,559,073)
Ijarah rental receivables - net		57,871,643	28,813,568
Advances, deposits, prepayments and other receivables		(10,246,375)	(85,588,709)
		(60,971,551)	(89,842,724)
Increase / (decrease) in operating liabilities:			
Security deposits against ijarah assets		(43,008,579)	11,329,943
Trade and other payables		(14,342,231)	(828,753)
		(57,350,810)	10,501,190
Net changes in operating assets and operating liabilities		(118,322,361)	(79,341,534)
Cash generated from operations		25,393,630	71,581,464

40 GENERAL

The figures of the condensed interim statement of profit and loss and other comprehensive income for the three months ended June 30, 2024 and June 30, 2023 have not been subjected to limited scope review by the auditors as the scope of review covered only cumulative figures.

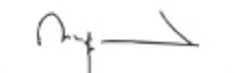
41 DATE OF AUTHORIZATION FOR ISSUE

The condensed interim financial statements were approved by the Board of Directors of Modaraba Company and authorized for issue on August 29, 2024

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



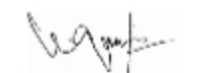
Chief Financial Officer



Chief Executive Officer



Director



Director



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

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

PABX : +(92-42)36365191 - 93

Add : Office No.100, 3rd Floor, National Tower,
28-Egerton Road, Lahore-Pakistan

Website : www.punjabmodaraba.com.pk

