



A Wholly Owned Subsidiary of  
The Bank of Punjab

**FIRST PUNJAB MODARABA**

*(An Islamic Financial Institution)*

# NINE MONTHS ACCOUNTS **2024**

**30 SEPTEMBER (UN AUDITED)**



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## CORPORATE PROFILE

### Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Nadeem Amir	Chairman
Mudassar Kaiser Pal	Chief Executive
Ijaz ur Rehman Qureshi	Director
Umer Iqbal Sheikh	Director
Imran Bashir	Director
Samina Afsar	Director
Khawar Shahid Ansari	Director

### 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
Mudassar Kaiser Pal	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

### 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](mailto:info@punjabmodaraba.com.pk)  
URL : [www.punjabmodaraba.com.pk](http://www.punjabmodaraba.com.pk)

## **Directors' Review**

The Board of Directors of Punjab Modaraba Services (Private) Limited, the Management Company of First Punjab Modaraba, takes pleasure in presenting Financial Statements (un-audited) of First Punjab Modaraba (FPM) along with the director's review for nine months ended September 30, 2024 to its valued certificate holder.

In the face of fiscal consolidation, monetary tightening, geopolitical tensions, persistently high inflation, and weakened consumer buying power, your Modaraba was able to maintain sustainability. The Modaraba achieved a net profit after tax of Rs.20.18 million. This marks a significant improvement compared to the previous period's losses of Rs.38.83 million.

The business performance has been primarily driven by strengthening relationships with selective clientele and establishing new partnerships with reputable entities. The strategic fund deployment in high-income-generating segments, engagement with premium clientele, and committed recovery initiatives, contributed towards positive bottom line during the period under consideration.

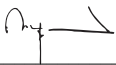
Management continues to exercise prudent risk management, close monitoring and evaluating the credit profiles and repayment capacities of borrowers at time of facility approval. Regular oversight ensures that risk exposure remains under control.

The measures undertaken by the management, along with the Modaraba's improved financial position, are expected to provide foundation for future profit growth and recoveries from non-performing portfolios.

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,



**Mudassar Kaiser Pal**  
Chief Executive Officer



**Imran Bashir**  
Director

Date: October 29, 2024



## ڈائریکٹرز کا جائزہ

پنجاب مضاربہ سروسز (پرائیویٹ) لمیٹڈ کے بورڈ آف ڈائریکٹرز، جو کہ فرسٹ پنجاب مضاربہ کی مینجمنٹ کمپنی ہے، اپنے معزز شیئہ کلیٹ، ہولڈرز کے لئے نو ماہ (30 ستمبر، 2024 تک) کی مدت کے مالیاتی گوشوارے (بغیر آڈٹ شدہ) اور ڈائریکٹرز کا جائزہ پیش کرتے ہوئے خوشی محسوس کر رہا ہے۔

مالیاتی استحکام، مالیاتی ترقی، جغرافیائی سیاسی تنازعات، مسلسل بلند افراط زر، اور صارفین کی خریداری کی طاقت میں کمی کے باوجود، آپ کے مضاربہ نے اپنے استحکام کو برقرار رکھا۔ مضاربہ نے ٹیکس کے بعد 20.18 ملین روپے کا خالص منافع حاصل کیا، جو پچھلے دورانیے کے 38.83 ملین روپے کے نقصان کے مقابلے میں ایک اہم بہتری ہے۔

کاروباری کارکردگی کا محور منتخب کلائنٹ کے ساتھ تعلقات کو مضبوط بنانا اور معتبر اداروں کے ساتھ نئے تعلقات قائم کرنا تھا۔ اعلیٰ آمدنی والے شعبوں میں سرمایہ کاری، ممتاز کلائنٹ کے ساتھ معاملات اور مقررہ وصولی کی کاوشوں نے اس مدت کے دوران مثبت نتائج حاصل کرنے میں اہم کردار ادا کیا۔

انتظامیہ محتاط رسک مینجمنٹ، قرض لینے والوں کے کریڈٹ پروفائلز کا جائزہ لینے اور ادائیگی کی صلاحیت کو غور میں رکھتے ہوئے نگرانی کا عمل جاری رکھے ہوئے ہے، تاکہ خطرات کو کنٹرول میں رکھا جاسکے۔

انتظامیہ کی طرف سے کئے گئے اقدامات اور مضاربہ کی بہتر مالی حالت آئندہ منافع میں اضافے اور ناقابل وصول قرضوں سے وصولیوں کے لئے بنیاد فراہم کرنے کی توقعات کو مزید تقویت دیتے ہیں۔

بورڈ سکیورٹیز اینڈ انویسٹمنٹ کمیشن آف پاکستان، رجسٹرڈ مضاربہ اور اسٹیٹ بینک آف پاکستان کا ان کے مسلسل تعاون اور رہنمائی کے لئے شکریہ ادا کرتا ہے۔ بورڈ شیئہ کلیٹ ہولڈرز اور صارفین کا شکریہ ادا کرتا ہوں جنہوں نے ہم پر اعتماد کیا۔

آخر میں، بورڈ فرسٹ پنجاب مضاربہ کی انتظامیہ اور عملے کی انتھک محنت اور لگن کی قدر کرتا ہے۔

بورڈ کی جانب سے،

چیف ایگزیکٹو آفیسر

Emran Bhatti

عمران بٹیر  
ڈائریکٹر

M. Y. Ali

مدثر قیصر ہال  
چیف ایگزیکٹو آفیسر

تاریخ: 29 اکتوبر، 2024

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)  
AS AT SEPTEMBER 30, 2024**

	Note	September 30, 2024 (Un-Audited)	December 31, 2023 (Audited)
		<u>Rupees</u>	<u>Rupees</u>
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible fixed assets			
- <i>Ijarah assets</i>	5.1	197,132,561	148,068,219
- <i>Assets in own use</i>	5.2	3,526,811	4,066,485
Intangible assets		556,570	1,055,607
Long term musharikhah investment - secured	6	626,752,596	458,544,566
Long term morabaha investment - secured	7	11,962,261	13,502,006
Long term deposits		1,422,494	203,444
Deferred tax asset	8	114,410,701	109,657,977
		<u>955,763,994</u>	<u>735,098,304</u>
<b>Current assets</b>			
Short term morabaha investment - secured	9	173,447,518	173,447,518
Current maturity of long term investment		370,593,994	369,755,675
Ijarah rental receivable	10	69,109,547	111,362,665
Short term investment		236,935,593	350,000,000
Development properties		50,185,365	49,696,584
Advances, deposits, prepayments and other receivables	11	180,534,822	156,788,162
Income tax refund due from government - net		27,038,622	10,053,695
Cash and bank balances	12	44,732,440	233,544,957
		<u>1,152,577,902</u>	<u>1,454,649,256</u>
<b>TOTAL ASSETS</b>		<u><b>2,108,341,896</b></u>	<u><b>2,189,747,560</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Authorized certificate capital</b>			
50,000,000 (2023: 50,000,000) modaraba certificates of Rs. 10 each			
		<u>500,000,000</u>	<u>500,000,000</u>
<b>Issued, subscribed and paid-up certificate capital</b>			
34,020,000 (2023: 34,020,000) modaraba certificates of Rs. 10 each			
		<u>340,200,000</u>	<u>340,200,000</u>
<b>Capital reserves</b>			
Revenue reserves - accumulated losses			
		<u>218,176,678</u>	<u>218,176,678</u>
Subordinated funds			
		<u>(660,068,553)</u>	<u>(680,257,522)</u>
<b>Total equity</b>		<u><b>500,000,000</b></u>	<u><b>500,000,000</b></u>
<b>Non current liabilities</b>			
Redeemable capital - participatory and unsecured			
		<u>1,485,000,000</u>	<u>1,485,000,000</u>
Long term security deposits			
		<u>10,734,476</u>	<u>2,140,000</u>
Deferred morabaha income			
		<u>2,177,676</u>	<u>5,881,661</u>
Staff retirement benefits - gratuity			
		<u>6,200,410</u>	<u>9,271,499</u>
		<u>1,504,112,562</u>	<u>1,502,293,160</u>
<b>Current liabilities</b>			
Current maturity of non current liabilities			
		<u>51,990,089</u>	<u>98,326,302</u>
Profit payable			
		<u>57,112,307</u>	<u>103,300,796</u>
Trade and other payables			
	13	<u>76,537,254</u>	<u>86,151,716</u>
Provision for levies			
		<u>3,158,190</u>	<u>4,365,946</u>
Unclaimed dividend			
		<u>17,123,369</u>	<u>17,190,484</u>
		<u>205,921,209</u>	<u>309,335,244</u>
<b>CONTINGENCIES AND COMMITMENTS</b>	14	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>2,108,341,896</b></u>	<u><b>2,189,747,560</b></u>

The annexed notes 1 to 24 form an integral part of these financial statements.

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



CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR

**CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME (UN-AUDITED)  
FOR NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2024**

Note	September 30, 2024		September 30, 2023	
	Nine Months	Three Months	Nine Months	Three Months
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Income from ijarah rentals	51,378,079	9,026,512	35,485,720	8,298,702
Income from morabaha financing	14,587,141	8,265,676	11,960,964	4,273,132
Income from diminishing musharikah financing	166,452,722	62,214,954	150,315,513	55,321,710
Gain on disposal of assets	14,640,855	11,616,135	5,687,124	1,864,862
Other income	94,414,334	22,212,125	49,676,722	16,180,082
	341,473,131	113,335,402	253,126,043	85,938,488
<b>EXPENSES</b>				
Administrative and general expenses	56,861,707	19,196,966	46,353,211	15,583,262
Finance cost	277,443,506	93,159,824	265,114,041	96,925,392
	334,305,213	112,322,129	311,467,252	112,508,654
<b>OPERATING PROFIT / (LOSS) BEFORE PROVISIONS</b>	7,167,918	1,013,273	(58,341,209)	(26,570,166)
(Provision)/ Reversal against ijarah rental - net	1,054,993	17,300	2,959,623	13,801
(Provision)/ Reversal against murabaha investments - net	-	-	9,044,500	-
(Provision)/ Reversal against musharikah investments - net	(1,244,886)	-	451,477	-
(Provision)/ Reversal against other receivables	11,616,410	3,078,942	-	-
	11,426,517	3,096,242	12,455,600	13,801
<b>PROFIT / (LOSS) BEFORE INCOME TAX AND LEVIES</b>	18,594,435	4,109,515	(45,885,609)	(26,556,365)
<b>LEVIES</b>	(3,158,190)	(1,050,628)	(6,578,449)	(1,038,782)
<b>PROFIT / (LOSS) BEFORE INCOME TAX</b>	15,436,245	3,058,886	(52,464,058)	(27,595,147)
<b>INCOME TAX</b>	4,752,724	2,494,220	13,628,041	-
<b>PROFIT / (LOSS) AFTER INCOME TAX FOR THE PERIOD</b>	20,188,969	5,553,107	(38,836,017)	(27,595,147)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD</b>	20,188,969	5,553,107	(38,836,017)	(27,595,147)
<b>EARNING / (LOSS) PER CERTIFICATE - BASIC AND DILUTED</b>	0.59	0.16	(1.14)	(0.81)

The annexed notes 1 to 24 form an integral part of these financial statements.

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


  
CHIEF FINANCIAL OFFICER


  
CHIEF EXECUTIVE OFFICER


  
DIRECTOR


  
DIRECTOR

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024**

	Issued subscribed and paid up Certificate capital	Capital Reserve Statutory reserve	Subordinated Funds	Revenue Reserve Accumulated loss	Total equity
	Rupees-----				
Balance as at January 1, 2023-Restated	340,200,000	218,176,678	-	(570,903,001)	(12,526,323)
Loss after income tax for the period	-	-	-	(38,836,017)	(38,836,017)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive loss for the period	-	-	-	(38,836,017)	(38,836,017)
Balance as at September 30, 2023	340,200,000	218,176,678	-	(609,739,018)	(51,362,340)
<b>Balance as at January 01, 2024</b>	<b>340,200,000</b>	<b>218,176,678</b>	<b>500,000,000</b>	<b>(680,257,522)</b>	<b>378,119,156</b>
Profit after income tax for the period	-	-	-	20,188,969	20,188,969
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	20,188,969	20,188,969
<b>Balance as at September 30, 2024</b>	<b>340,200,000</b>	<b>218,176,678</b>	<b>500,000,000</b>	<b>(660,068,553)</b>	<b>398,308,125</b>

The annexed notes 1 to 24 form an integral part of these financial statements.



CHIEF FINANCIAL OFFICER



DIRECTOR



DIRECTOR

**CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)  
FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2024**

		September 30, 2024 (Un-Audited) Rupees	September 30, 2023 (Un-Audited) Rupees
Note			
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Cash generated from operations</b>	22	26,972,484	291,385,628
Finance charges paid on redeemable capital		(323,497,884)	(258,961,334)
Bank charges paid		(134,112)	(147,264)
Income tax paid		(21,350,873)	2,406,572
		(344,982,868)	(256,702,026)
<b>Net cash used in operating activities</b>		(318,010,384)	34,683,602
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Proceeds from transfer of ijarah assets		90,158,307	23,470,287
Purchase of assets under Ijarah arrangements	5.1	(162,012,928)	(27,853,913)
Purchase of assets in own use	5.2	(414,111)	(2,632,500)
Proceeds from disposal of assets in own use		2,585,384	1,000,000
Proceeds from disposal of subsidiary company		-	-
Purchase of intangible assets		-	-
Profit received on bank deposits		85,883,922	17,148,603
Changes in short term investments made during the year - net		113,064,407	(214,000,000)
<b>Net cash (used in) / generated from investing activities</b>		129,264,982	(202,867,523)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Changes in redeemable capital - participatory and unsecured (net)	18	-	160,000,000
Dividend paid to the certificate holders during the period		(67,115)	(791)
<b>Net cash used in from financing activities</b>		(67,115)	159,999,209
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>		(188,812,518)	(8,184,712)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		233,544,957	26,675,787
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	12	44,732,440	18,491,075

The annexed notes 1 to 24 form an integral part of these financial statements.

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


  
 CHIEF FINANCIAL OFFICER


  
 CHIEF EXECUTIVE OFFICER


  
 DIRECTOR


  
 DIRECTOR

## NOTES TO AND FORMING PART OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 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.

The Modaraba is perpetual and multi-dimensional and is primarily engaged in the business of Ijarah, Musharikah 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 September 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 POLICY INFORMATION

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 nine months ended September 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 IFRS 9 'Financial Instruments' effective from June 30, 2019. However, for modarabas SECP has deferred the application of IFRS 9 from time to time, thus making it applicable for the reporting period / year ending on or after September 30, 2024. The Modaraba has adopted IFRS 9 for the period ending September 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 do not have any material impact on these condensed interim financial statements of the Modaraba for the nine months ended September 30, 2024. However, management is continually evaluating its impact, if any, on the operations of the Modaraba subsequent to the reporting date and if 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 Tangible fixed assets		Note	Rupees	Rupees	DEPRECIATION			NET BOOK VALUE	Life Years
					As at 1 January 2024	Charge for the period	Disposal	As at 30 September 2024	
Ijarah assets		5.1	197,132,561	148,068,219					
Assets in own use		5.2	3,526,811	4,066,485					
			<u>200,659,372</u>	<u>152,134,704</u>					
5.1 Ijarah assets									
Description	COST			DEPRECIATION			NET BOOK VALUE		Life Years
	As at 1 January 2024	Additions	Disposals	As at 30 September 2024	As at 1 January 2024	Charge for the period	Disposal	As at 30 September 2024	
Plant and machinery	311,357,190	38,139,000	(116,818,305)	232,677,885	242,843,226	547,504	(55,788,326)	187,602,404	As per lease term
Vehicles	270,704,609	112,072,032	(98,364,472)	284,412,169	218,008,611	17,100,561	(84,716,887)	150,392,285	As per lease term
Consumer products	139,707,680	11,801,896	(29,413,000)	122,096,576	112,849,423	17,176,334	(25,966,377)	104,059,380	As per lease term
2024	<u>721,769,479</u>	<u>162,012,928</u>	<u>(244,595,777)</u>	<u>639,186,630</u>	<u>573,701,260</u>	<u>34,824,399</u>	<u>(166,471,590)</u>	<u>442,054,069</u>	
NET BOOK VALUE									
Description	As at 1 January 2023	Additions	Disposals	As at 31 December 2023	As at 1 January 2023	Charge for the year	Disposals	As at 31 December 2023	Life Years
Plant and machinery	383,956,167	1,050,000	(73,648,977)	311,357,190	308,382,146	5,448,522	(70,987,442)	242,843,226	As per lease term
Vehicles	367,038,224	13,958,913	(110,292,528)	270,704,609	265,775,008	40,660,040	(87,926,437)	218,008,611	As per lease term
Consumer products	155,101,180	12,995,000	(28,388,500)	139,707,680	95,342,410	39,415,745	(21,908,732)	112,849,423	As per lease term
2023	<u>906,095,571</u>	<u>28,003,913</u>	<u>(212,330,005)</u>	<u>721,769,479</u>	<u>608,999,564</u>	<u>85,524,307</u>	<u>(180,827,611)</u>	<u>573,701,260</u>	

5.1.1 The cost of fully depreciated Ijarah assets that are still in use amount to Rs. 406,197,440. (December 31, 2023; Rs. 475,817,063).



5.2 Assets in own use

Description	COST			DEPRECIATION			NET BOOK VALUE	
	As at 1 January 2024	Additions	Disposal	As at 1 January 2024	Charge for the period	Disposal	As at 30 September 2024	As at 30 September 2024
	(Rupees)							
Office equipment	4,749,645	414,111	(150,000)	5,013,756	481,993	(193,116)	3,693,168	1,320,588
Furniture and fixtures	2,283,900	-	(14,100)	2,269,800	70,004	(14,100)	2,085,581	184,219
Vehicles	4,330,800	-	(1,372,500)	2,958,300	1,863,892	(1,372,500)	936,296	2,022,004
2024	11,364,345	414,111	(1,536,600)	10,241,856	7,297,860	(1,579,716)	6,715,045	3,526,811

Description	COST			DEPRECIATION			NET BOOK VALUE	
	As at 1 January 2023	Additions	Disposal	As at 31 December 2023	Charge for the year	Disposal	As at 31 December 2023	As at 31 December 2023
	(Rupees)							

Office equipment	4,749,645	-	-	4,749,645	2,761,397	642,894	-	3,404,291	1,345,354
Furniture and fixtures	2,263,400	20,500	-	2,283,900	1,779,808	249,869	-	2,029,677	254,223
Vehicles	2,450,800	2,612,000	(732,000)	4,330,800	1,949,770	646,122	(732,000)	1,863,892	2,466,908
2023	9,463,845	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
----- Rupees -----						
2024				2,650,829	2,628,500	A mobile phone
Office equipment	1,536,600	1,579,716	(43,116)			
2023						
Vehicle	732,000	732,000	-	1,000,000	1,000,000	Open market

		September 30, 2024 Un-Audited Rupees	December 31, 2023 Audited Rupees
	Note		
<b>6 LONG TERM MUSHARIKAH INVESTMENT - SECURED</b>			
Long term musharikaah investment		976,139,155	805,245,048
Less: Current portion of long term musharikaah investment		(349,386,559)	(346,700,482)
		<u>626,752,596</u>	<u>458,544,566</u>
<b>7 LONG TERM MORABAHA INVESTMENT - SECURED</b>			
Long term morabaha investment		59,086,220	58,533,457
Add: Unearned morabaha income		10,749,787	13,445,167
		<u>69,836,007</u>	<u>71,978,624</u>
Less: Current portion of long term morabaha investment		(49,797,874)	(50,913,112)
		<u>20,038,133</u>	<u>21,065,512</u>
Less: Current portion of unearned morabaha income		(8,075,872)	(7,563,506)
		<u>11,962,261</u>	<u>13,502,006</u>
<b>8 DEFERRED TAX</b>			
Deferred tax asset		114,410,701	109,657,977
Ijarah assets		8,566,131	32,733,501
Assets in own use		(402,115)	302,402
Provision against financing / investments		34,634,871	34,634,871
Staff retirement benefits-Gratuity		1,798,119	2,688,735
Available tax losses		69,813,696	39,298,468
Deferred tax asset at the end of the period		114,410,701	109,657,977
Deferred tax asset at the beginning of the period		(109,657,977)	(61,046,067)
Deferred tax related OCI items		-	901,450
Deferred tax credited / (charged) to profit or loss	19	<u>4,752,725</u>	<u>49,513,360</u>
<b>8.1</b>	The management, based on their projections and 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 September 30, 2024.		
<b>9 SHORT TERM MORABAHA INVESTMENT-SECURED</b>			
Short term morabaha investment		375,906,891	375,906,891
Less: Provision for doubtful morabaha investment	9.1	(202,459,373)	(202,459,373)
		<u>173,447,518</u>	<u>173,447,518</u>
<b>9.1 Provision for doubtful morabaha investment</b>			
Opening balance		202,459,373	211,503,873
Reversals during the period		-	(9,044,500)
		<u>-</u>	<u>(9,044,500)</u>
Closing balance		<u>202,459,373</u>	<u>202,459,373</u>
<b>10 IJARAH RENTAL RECEIVABLES</b>			
Ijarah rental receivable		146,313,044	189,621,155
Less: Provision against ijarah rental receivable		(77,203,497)	(78,258,490)
		<u>69,109,547</u>	<u>111,362,665</u>
<b>11 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Profit receivable			
- Morabaha investment		4,064,435	5,319,857
- Musharikaah investment		22,468,009	22,194,533
		<u>26,532,444</u>	<u>27,514,390</u>
Prepayments		8,141,908	1,830,921
Advances		14,325,233	6,794,757
Non-banking assets		13,917,500	-
Receivable from provident fund		2,122,867	2,349,847
Other receivables		171,194,797	185,614,583
		<u>236,234,748</u>	<u>224,104,498</u>
Less: Provision against other receivables		(55,699,926)	(67,316,336)
		<u>180,534,822</u>	<u>156,788,162</u>

		September 30, 2024	December 31, 2023
	Note	Un-Audited Rupees	Audited Rupees
<b>12 CASH AND BANK BALANCES</b>			
Cash at banks		21,103,029	10,621,161
- Current accounts		23,204,471	1,382,743
- Deposit accounts		185,537	221,168,588
- Savings accounts		99,974	99,974
- Current account with State Bank of Pakistan		44,593,012	233,272,466
Cash in hand		139,428	272,491
		<u>44,732,440</u>	<u>233,544,957</u>
<b>13 TRADE AND OTHER PAYABLES</b>			
Accrued expenses		28,500	5,700,135
Tax deducted at source		1,121,748	680,792
Advances against ijarah / morabaha / musharika		34,668,412	18,322,724
Other payables		40,718,593	61,448,065
		<u>76,537,254</u>	<u>86,151,716</u>
<b>14 CONTINGENCIES AND COMMITMENTS</b>			
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			
<b>15 OTHER INCOME</b>		September 30, 2024	September 30, 2023
		Un-Audited	Un-Audited
Profit on bank deposits		76,995,299	37,035,887
Processing fee		1,149,601	795,396
Documentation charges		1,082,350	527,750
Cheque return charges		1,157,000	628,500
Gain on disposal of subsidiary		-	8,987,000
Gain on settlement of musharika		1,652,441	920,293
Gain on settlement of morabaha		9,000,000	189,098
Miscellaneous income		3,377,643	592,798
		<u>94,414,334</u>	<u>49,676,722</u>
<b>16 ADMINISTRATIVE AND GENERAL EXPENSES</b>			
Salaries and benefits		33,399,988	27,435,419
Traveling and conveyance		249,197	291,237
Legal and professional		916,520	718,687
Printing and stationary		1,371,363	1,221,497
Insurance		1,218,415	3,791,867
Fee and subscription		2,410,029	4,216,162
Auditor's remuneration		313,500	387,033
Repair and maintenance		2,351,147	842,667
Vehicle running and maintenance		1,168,296	815,308
Power and utilities		2,896,522	1,916,962
Entertainment		1,043,200	877,493
Advertisement		102,400	98,000
Telephone and postage		1,253,225	883,620
Corporate expenses		536,566	271,628
Rent, rates and taxes		4,035,115	5,070
Selling and marketing expenses		1,415,992	699,666
Depreciation - assets in use		996,901	1,116,293
Amortization of intangible assets	5.2	499,037	498,914
Miscellaneous expenses		684,294	265,688
		<u>56,861,707</u>	<u>46,353,211</u>
<b>17 FINANCE COST</b>			
Financial charges on redeemable capital		223,008,983	264,966,777
Financial charges on subordinated funds		54,300,411	-
Bank charges		134,112	147,264
		<u>277,443,506</u>	<u>265,114,041</u>

**18 LEVIES****Minimum tax**

- For the period
- Prior period

September 30, 2024	September 30, 2023
Un-Audited	Un-Audited
3,158,190	3,174,519
-	3,403,930
<b>3,158,190</b>	<b>6,578,449</b>

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/IAS 37.

**19 INCOME TAX**

Current

Deferred tax

**Note**

September 30, 2024	September 30, 2023
Un-Audited	Un-Audited
Rupees	Rupees
-	-
4,752,724	13,628,041
<b>4,752,724</b>	<b>13,628,041</b>

**20 EARNING / (LOSS) PER CERTIFICATE - BASIC AND DILUTED****20.1 Basic profit / (loss) per certificate**

Profit / (loss) after taxation for the period

Weighted average number of ordinary certificates outstanding during the period

Earning / (loss) per certificate - basic and diluted

(Rupees)

(Numbers)

(Rupees)

September 30, 2024	September 30, 2023
Un-Audited	Un-Audited
20,188,969	(38,836,017)
34,020,000	34,020,000
0.59	(1.14)

**20.2 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.

## 21 RELATED PARTIES AND TRANSACTIONS WITH RELATED PARTIES

Following are the related parties of the Modaraba:

Name of related parties	Nature of relationship	Basis of relationship	September 30, 2024	September 30, 2023
			Direct certificate holding in %age	
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%
Key Management Personnel	Employment	Employment	-	-
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			September 30, 2024	September 30, 2023
Names of related parties	Relationship	Nature of transactions	Un-Audited	Un-Audited
			Rupees	Rupees
The Bank of Punjab	Holding Company of Modaraba Company	Redeemable capital - participatory and unsecured received during the year	-	1,985,000,000
		Redeemable capital - participatory and unsecured rolled over during the year	1,485,000,000	1,825,000,000
		Profit paid on certificates of musharikaht and Subordinated fund	323,631,995	259,108,598
		Profit earned from bank accounts maintained with BOP	1,383,034	3,219,912
		Sale of subsidiary - sales proceed Gain on sale of subsidiary company	-	85,487,000 8,987,000
Punjab Modaraba Services (Pvt.) Limited	Modaraba Management Company	Rent expense of head office premises	4,022,865	-
		Remuneration of key management personnel	9,682,168	7,603,198
		Staff loans disbursed during the year	5,464,000	600,000
Key Management Personnel	Key Management Personnel	Staff loans repaid during the year	2,572,132	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		September 30, 2024		December 31, 2023	
Names of related parties	Relationship	Nature of balances	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	48,801,539	95,092,002	
		Subordinated fund	500,000,000	500,000,000	
		Profit payable on subordinate fund	8,310,768	8,208,794	
The Bank of Punjab Employees Gratuity Fund Punjab Modaraba Services (Pvt.) Limited	Associate Modaraba Company	Outstanding Modaraba certificates	47,880	47,880	
		Bank accounts maintained with BOP	19,123,278	28,973,167	
		Outstanding Modaraba certificates	50,995,000	50,995,000	
		Outstanding Modaraba certificates	133,206,940	133,206,940	
Key Management Personnel	Key Management Personnel	Head office rent payable	446,985	4,916,835	
		Security deposit against leased premises	1,219,050	-	
		Outstanding loan under Musharakah and ijarah arrangements during the period	8,246,050	8,019,579	
		Advance against monthly contribution	2,122,867	2,349,847	

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

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

**22 CASH GENERATED FROM OPERATIONS**

		September 30, 2024	September 30, 2023
	Note	Un-Audited Rupees	Un-Audited Rupees
Profit / (loss) for the period before income tax		18,594,435	(45,885,609)
<b>Adjustments for non cash other items:</b>			
Depreciation of ijarah assets	5.1	34,824,399	68,160,260
Depreciation of assets in own use	5.2	996,901	1,116,293
Amortization of intangible assets		499,037	498,914
(Gain) / loss on disposal of Ijarah assets		(12,034,123)	(4,687,124)
(Gain) / loss on disposal of assets in own use		(2,628,500)	(1,000,000)
(Gain) / loss on disposal of Musharikah investment		(1,652,441)	(920,293)
(Gain) / loss on disposal of Morabaha investment		(9,000,000)	-
(Gain) / loss on disposal of non-banking assets		21,768	-
(Gain) / loss on disposal of subsidiary		-	(8,987,000)
Provision for gratuity		(3,071,089)	-
Provision / (reversal) for musharikah investment		1,244,886	(451,477)
Provision / (reversal) for Morabaha investment		-	(9,044,500)
(Reversal) / Provision for Ijarah rental receivables		(1,054,993)	(2,959,623)
(Reversal) / Provision against other receivables		(11,616,410)	-
Profit on bank deposits		(76,995,299)	(37,035,887)
Bank charges		134,112	147,264
Financial charges on redeemable capital and subordinated funds		277,309,394	264,819,513
		196,977,642	269,656,340
<b>Operating profit before working capital changes</b>		<b>215,572,077</b>	<b>223,770,731</b>
<b>Working capital changes:</b>			
<b>(Increase)/decrease in operating assets:</b>			
Morabaha financing - net		(1,049,002)	41,463,482
Musharikah financing - net		(170,894,107)	(32,338,048)
Development properties - net		(488,781)	(10,683,226)
Proceeds from transfer of Subsidiary		-	76,500,000
Ijarah rental receivables - net		43,308,111	34,667,984
Advances, deposits, prepayments and other receivables		(11,847,674)	(57,804,963)
		(140,971,453)	51,805,229
<b>Increase / (decrease) in operating liabilities:</b>			
Security deposits against ijarah assets		(38,254,103)	16,576,693
Trade and other payables		(9,374,038)	(767,025)
		(47,628,141)	15,809,668
<b>Net changes in operating assets and operating liabilities</b>		<b>(188,599,594)</b>	<b>67,614,897</b>
<b>Cash generated from operations</b>		<b>26,972,484</b>	<b>291,385,628</b>

**23 GENERAL**

Figures have been rounded off to the nearest rupees unless otherwise provided.

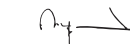
**24 DATE OF AUTHORIZATION FOR ISSUE**

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

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



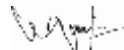
CHIEF FINANCIAL OFFICER



CHIEF EXECUTIVE OFFICER



DIRECTOR



DIRECTOR



A Wholly Owned Subsidiary of  
The Bank of Punjab

# FIRST PUNJAB MODARABA

*(An Islamic Financial Institution)*

Managed By:

**Punjab Modaraba Services (Pvt) Ltd.**

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