

Growth + Prosperity

First Punjab Modaraba

(An Islamic Financial Institution)



ACCELERATING GROWTH



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Corporate Profile

Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Khalid Siddiq Tirmizey	Chairman
Aamir Malik	Chief Executive
Khawaja Farooq Saeed	Director
Nadeem Amir	Director
Ijaz ur Rehman Qureshi	Director
Mahboob-ul-Hassan	Director

Chief Financial Officer & Company Secretary

Mudassar Kaiser Pal

Audit Committee

Khawaja Farooq Saeed	Chairman
Nadeem Amir	Member
Ijaz ur Rehman Qureshi	Member

Human Resource Committee

Ijaz ur Rehman Qureshi	Chairman
Nadeem Amir	Member
Aamir Malik	Member

Auditors of the Modaraba

Deloitte Yousaf Adil,
Chartered Accountants

Auditors of the Management Company

Hameed Chaudhry & Co.
Chartered Accountants

Bankers

The Bank of Punjab
Bank Alfalah Limited

Registrar

Hameed Majeed Associates (Pvt) Ltd.
H.M. House, 7-Bank Square,
The Mall, Lahore
Tel: (+92-42) 37235081-2

Registered Office

Mega Tower, Office No 100, 4th Floor 63-B,
Main Boulevard, Gulberg II, Lahore, Pakistan
PABX: (+92-42) 35777537
URL: www.punjabmodaraba.com.pk

Directors' Report

The Board of Directors of Punjab Modaraba Services (Pvt.) Limited, the Management Company of First Punjab Modaraba (the Modaraba), is pleased to present the half yearly results of the Modaraba, together with Directors' report, for half year ended December 31, 2017.

As reported by the State Bank, Pakistan's growth momentum remained strong on the back of higher growth rate of large scale manufacturing, increasing consumer demand, infrastructure projects keeping up the momentum, exports receipts recording a broad-based recovery after three years of decline and foreign direct investment inflows posting higher levels.

The FBR was also able to achieve the highest tax collection during the last five years, while stable conditions prevailed in the money and foreign exchange markets. Judged by the aforementioned metrics, Pakistan's economy is doing well, however there is dire need to address the longstanding structural reforms in the fiscal and external sectors.

The booking of fresh assets and recovery of non-performing loans enabled the Modaraba to achieve 13% growth in revenues in the period under review as compared with corresponding period. On the other hand, increase in expenditure was restricted to 11%. The result was evident in shape of encouraging increase of 46% in profit from core activities over the corresponding period. The Modaraba's continued trend of growing revenues and operational viability provides due sustainability for future. Resultantly, the bottom line remained positive to the tune of Rs.11.092 million.

Going forward, the growth in business by booking of fresh assets and development of new products and services will remain priority of the Management. The other fundamental objective of the Modaraba includes recovery from NPAs, through litigation and / or out-of-court settlement. The wholly owned subsidiary formed to undertake brokerage business is gradually gaining momentum. All efforts are being made by the Company to achieve break even in the earliest possible time.

The Board duly acknowledges the continuous guidance and support extended by the Registrar Modaraba, Securities & Exchange Commission of Pakistan and expects to be its beneficiary in future as well. The Board is also grateful for the persistent patronage extended by the certificate holders.

For and on behalf of the
Board of Directors



Chief Executive
Punjab Modaraba Services
(Private) Limited

Lahore: February 26, 2018

ڈائریکٹر رپورٹ

فرسٹ پنجاب مضاربہ کی انتظامی کمپنی، پنجاب مضاربہ سروسز (پرائیویٹ) لمیٹڈ کے ڈائریکٹر ان کی رپورٹ کے ساتھ مضاربہ کے نصف سالہ 31 دسمبر 2017ء کے نتائج پیش کرنے میں مسرت محسوس کرتے ہیں۔

اسٹیٹ بینک کی رپورٹ کے مطابق، پاکستان کی ترقی کی رفتار بوجہ بڑے پیمانے پر مینوفیکچررز کی ترقی کی شرح میں اضافہ، صارفین کی طلب میں اضافہ، انفراسٹرکچر کے منصوبوں میں تیزی، برآمدات میں تین سال کی کمی کے بعد وسیع البیاد بہتری اور غیر ملکی سرمایہ کاری میں اضافہ کے مضبوط رہی۔


ایف بی آر بھی گزشتہ پانچ سالوں میں سب سے زیادہ ٹیکس مجموعہ حاصل کرنے میں کامیاب رہا۔ جبکہ زری اور غیر ملکی تبادلہ بازاروں میں مستحکم حالات غالب رہے۔ مندرجہ بالا عوامل سے منبج ہے کہ پاکستان کی معیشت اچھی طرح سے کام کر رہی ہے، بہر طور مالی اور بیرونی شعبوں میں بنیادی اصلاحات کی سخت ضرورت ہے۔

تازہ اثاثوں کی بکنگ اور نادہندہ قرضوں کی وصولی کے باعث مضاربہ نے پچھلی مدت کے مقابلے میں آمدنی میں 13 فیصد اضافہ حاصل کیا۔ دوسری طرف اخراجات میں اضافہ 11 فیصد تک محدود تھا۔ نتیجاً بنیادی سرگرمیوں کا منافع 46 فیصد اضافہ کی شکل میں ظاہر ہوا۔ مضاربہ کی بڑھتی ہوئی آمدنی کا مسلسل رجحان اور عملیاتی استحکام مستقبل کے لیے مستقل استحکام فراہم کرتی ہے۔ لہذا 11.092 ملین روپے کا کل نفع مثبت شکل میں ظاہر ہوا۔

مستقبل میں نئے اثاثوں کی بکنگ اور نئی مصنوعات اور خدمات کے تعارف کے ذریعے کاروباری ترقی انتظامیہ کی ترجیح ہے۔ مضاربہ کا دوسرا بنیادی مقصد نادہندہ قرضوں کی بذریعہ مقدمے کی سماعت اور/یا عدالت سے باہر تصفیہ کے ذریعے مزید وصولی ہے۔ بروکرج کے لیے قائم کردہ کل ملکیتی ادارہ آہستہ آہستہ رفتار حاصل کر رہا ہے۔ کمپنی کی طرف سے ہر ممکن کوشش کی جا رہی ہے کہ کم سے کم مکمل مدت میں بریک ایون حاصل کیا جائے۔

بورڈ رجسٹر ارمضاربہ، سیکورٹیز اینڈ ایکسچینج کمیشن کی طرف سے مسلسل ہدایت اور حمایت کو تسلیم کرتا ہے اور امید ہے کہ مستقبل میں بھی اس سے مستفید ہوگا۔ بورڈ سٹوفیکٹیٹ ہولڈرز کی طرف سے مستقبل سرپرستی کے لیے بھی شکر گزار ہے۔

(منجانب بورڈ آف ڈائریکٹر (کے لیے)


چیف ایگزیکٹو

لاہور: 26 فروری 2018ء



Auditors' Report to the Certificate Holders on Review of Unconsolidated Condensed Interim Financial Information

Introduction

We have reviewed the accompanying unconsolidated condensed interim balance sheet of **First Punjab Modaraba** ("the Modaraba") as at December 31, 2017, the related unconsolidated condensed interim profit and loss account, unconsolidated condensed interim statement of comprehensive income, unconsolidated condensed interim cash flow statement, unconsolidated condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as "the interim financial information"). Management is responsible for the preparation and presentation of this unconsolidated condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this unconsolidated condensed interim financial information based on our review. The figures of the unconsolidated condensed interim profit and loss account and unconsolidated condensed interim statement of comprehensive income for the quarter ended December 31, 2017 and December 31, 2016 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2017.

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 information 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 unconsolidated condensed interim financial information as of and for the six months period ended December 31, 2017 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Deloitte Yousaf Adil
Chartered Accountants

Engagement Partner:
Rana M. Usman Khan

Lahore: February 26, 2018



Unconsolidated Condensed Interim Balance Sheet

As at December 31, 2017

	Note	Un-Audited 31 December 2017 Rupees	Audited 30 June 2017 Rupees
ASSETS			
Non current assets			
Tangible fixed assets	5		
Ijarah assets		149,139,982	178,857,852
Assets in own use		2,849,133	2,261,365
Intangible assets	6	300,000	300,000
Investment in a subsidiary	7	76,500,000	50,000,000
Long term musharikhah investment - secured		459,549,852	498,621,872
Long term morabaha investment - secured	8	3,565,015	5,564,055
Long term deposits		692,900	692,900
Deferred tax asset		59,566,830	56,068,827
		752,163,712	792,366,871
Current assets			
Short term morabaha investment - secured	9	244,125,975	248,704,746
Current maturity of long term investment	10	431,522,195	413,179,367
Advances, deposits, prepayments and other receivables		96,015,441	85,391,781
Ijarah rental receivable		277,411,055	288,766,810
Tax refundable		3,657,066	3,657,066
Cash and bank balances		89,533,807	41,752,816
		1,142,265,539	1,081,452,586
TOTAL ASSETS		1,894,429,251	1,873,819,457
EQUITY AND LIABILITIES			
Capital and reserves			
Authorized certificate capital		500,000,000	500,000,000
50,000,000 modaraba certificates of Rs. 10 each			
Certificate capital		340,200,000	340,200,000
Reserves		(154,467,825)	(148,550,109)
		185,732,175	191,649,891
Non current liabilities			
Security deposits		7,250,547	6,476,650
Long term musharikhah finance-secured	11	1,154,244,392	1,101,205,546
		1,161,494,939	1,107,682,196
Current liabilities			
Current maturity of long term security deposits		91,302,825	112,632,222
Deferred morabaha income		2,497,453	2,181,896
Redeemable capital - participatory and unsecured		400,000,000	400,000,000
Profit payable	12	18,776,222	19,581,961
Trade and other payables		17,495,509	24,152,979
Unclaimed profit		17,037,212	15,253,486
Provision for taxation		92,916	684,826
		547,202,137	574,487,370
Contingencies and commitments	13		
TOTAL EQUITY AND LIABILITIES		1,894,429,251	1,873,819,457

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive

Punjab Modaraba Services
(Private) Limited

Chief Financial Officer

Punjab Modaraba Services
(Private) Limited

Director

Punjab Modaraba Services
(Private) Limited

Director

Punjab Modaraba Services
(Private) Limited

Unconsolidated Condensed Interim Profit and Loss Account

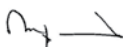
For the six months period ended December 31, 2017 (Un-audited)

Note	2017		2016	
	July to December	Three months from October to December	July to December	Three months from October to December
	Rupees	Rupees	Rupees	Rupees
Income				
Ijarah rentals	35,414,984	19,316,772	40,584,001	19,699,615
Profit on morabaha investment	2,442,346	947,588	4,163,848	2,025,193
Profit on musharikhah investment	46,432,211	24,432,808	29,740,901	16,770,717
Gain on disposal of fixed assets	1,320,488	226,223	56,748	-
Other income	3,047,524	1,577,627	3,402,055	2,329,413
	88,657,553	46,501,018	77,947,553	40,824,938
Expenses				
Operating expenses	14 15,758,240	8,476,371	12,756,142	7,222,979
Depreciation of ijarah assets	19,125,704	9,760,690	22,219,725	10,499,490
Finance cost	15 45,196,509	22,385,004	37,099,057	19,379,796
	80,080,453	40,622,065	72,074,924	37,102,265
Operating profit before provision	8,577,100	5,878,953	5,872,629	3,722,673
Reversal for provision against morabaha investment	-	-	(1,100,004)	(670,000)
Reversal for impairment of ijarah assets	(622,006)	(622,006)	-	-
Provision/(reversal of provision) for musharikhah investment	49,370	49,370	(3,002,000)	(3,002,000)
	572,636	572,636	4,102,004	3,672,000
Operating profit after provision and impairment	9,149,736	6,451,589	9,974,633	7,394,673
Modaraba Company's management fee	-	-	-	-
	9,149,736	6,451,589	9,974,633	7,394,673
Taxation	16 1,942,548	(157,664)	3,622,191	1,439,696
Profit for the period	11,092,284	6,293,925	13,596,824	8,834,369
Earnings per certificate - basic and diluted	0.33	0.19	0.40	0.26

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive
Punjab Modaraba Services
(Private) Limited



Chief Financial Officer
Punjab Modaraba Services
(Private) Limited



Director
Punjab Modaraba Services
(Private) Limited



Director
Punjab Modaraba Services
(Private) Limited



Unconsolidated Condensed Interim Statement of Comprehensive Income

For the six months period ended December 31, 2017 (Un-audited)

	2017		2016	
	July to December	Three months from October to December	July to December	Three months from October to December
	Rupees	Rupees	Rupees	Rupees
Profit for the period	11,092,284	6,293,925	13,596,824	8,834,369
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	11,092,284	6,293,925	13,596,824	8,834,369

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive
Punjab Modaraba Services
(Private) Limited

Chief Financial Officer
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Unconsolidated Condensed Interim Cash Flow Statement

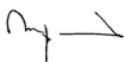
For the six months period ended December 31, 2017 (Un-audited)

		Six Months Ended	
	Note	31 December 2017 Rupees	31 December 2016 Rupees
Cash flow from Operating activities			
Cash generated from operations	17	58,117,238	(246,978,039)
Proceeds from transfer of ijarah assets		26,496,639	9,674,856
Profit paid on reedemable capital - certificates of musharikhah		(12,602,738)	(4,799,315)
Profit paid on musharikhah finances		(33,399,510)	(28,239,728)
Taxes paid		(2,147,365)	(2,053,370)
		(21,652,974)	(25,417,557)
Net cash generated from / (used in) operating activities		36,464,264	(272,395,596)
Cash flow from investing activities			
Proceeds from disposal of fixed assets		996,501	-
Investment in a subsidiary		(26,500,000)	-
Purchase of fixed assets in own use		(992,346)	(285,750)
Net cash used in investing activities		(26,495,845)	(285,750)
Cash flow from financing activities			
Musharikhah finances obtained		53,038,846	104,074,506
Issue of redeemable capital		-	200,000,000
Profit paid to the certificate holders		(15,226,274)	(15,904,406)
Net cash generated from financing activities		37,812,572	288,170,100
Net increase in cash and cash equivalents		47,780,991	15,488,754
Cash and cash equivalents at the beginning of the period		41,752,816	30,064,994
Cash and cash equivalents at the end of the period		89,533,807	45,553,748

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.



Chief Executive
Punjab Modaraba Services
(Private) Limited



Chief Financial Officer
Punjab Modaraba Services
(Private) Limited



Director
Punjab Modaraba Services
(Private) Limited



Director
Punjab Modaraba Services
(Private) Limited



Unconsolidated Condensed Interim Statement of Changes in Equity

For the six months period ended December 31, 2017 (Un-audited)

	Certificate Capital	Statutory Reserve	Accumulated loss	Total
	Rupees	Rupees	Rupees	Rupees
Balance as at July 1, 2016	340,200,000	204,119,707	(362,587,234)	181,732,473
Profit for the period	-	-	13,596,824	13,596,824
Other comprehensive income for the period	-	-	-	-
Final dividend for the year ended June 30, 2016 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
Balance as at December 31, 2016	340,200,000	204,119,707	(366,000,410)	178,319,297
Balance as at July 1, 2017	340,200,000	209,696,682	(358,246,791)	191,649,891
Profit for the period	-	-	11,092,284	11,092,284
Other comprehensive income for the period	-	-	-	-
Final dividend for the year ended June 30, 2017 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
Balance as at December 31, 2017	340,200,000	209,696,682	(364,164,507)	185,732,175

The annexed notes from 1 to 24 form an integral part of this unconsolidated condensed interim financial information.

Chief Executive
Punjab Modaraba Services
(Private) Limited

Chief Financial Officer
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited



Notes to the Unconsolidated Condensed Interim Financial Information

For the six months period ended December 31, 2017 (Un-audited)

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 thereunder and is managed by Punjab Modaraba Services (Private) Limited ('the Management Company'). The Management Company is a wholly owned subsidiary of The Bank of Punjab. The registered office of the Modaraba is situated at 4th Floor, Mega Tower, Gulberg II, Lahore. The Modaraba commenced its operations from 23rd December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba established its wholly owned subsidiary on November 29, 2016 as a private limited company under the name of Punjab Capital Securities (Pvt) Limited ("the Subsidiary"). The subsidiary is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

The Modaraba is a perpetual, multi purpose and multi dimensional modaraba and is primarily engaged in the business of ijarah, musharikhah and morabaha financing, equity investment and other related business in accordance with the injunctions of Islam.

This condensed interim financial information is the separate condensed interim financial information of the Modaraba in which investments in subsidiary are accounted for on the basis of direct equity interest rather than on the basis of reported results. Consolidated condensed interim financial information is prepared separately.

2. Basis of preparation

This unconsolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP shall prevail.

The Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, the Securities and Exchange Commission of Pakistan (SECP) has notified through Circular No. 23 dated October 04, 2017 that companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, this unconsolidated condensed interim financial information has been prepared under the Companies Ordinance, 1984 as notified through the Circular No. 17/2017 dated October 06, 2017 issued by the Institute of Chartered Accountants of Pakistan.



This unconsolidated condensed interim financial information is un-audited. This unconsolidated condensed interim financial information of the Modaraba for the six months period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS)-34 "Interim Financial Reporting". This unconsolidated condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2017.

This unconsolidated condensed interim financial information is submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

The comparative balance sheet presented in this unconsolidated condensed interim financial information as at December 31, 2017 has been extracted from the audited financial statements of the Modaraba for the year ended June 30, 2017, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity has been extracted from the unconsolidated condensed interim financial information for the six months period ended December 31, 2016.

2.1 Standards, amendments and interpretations to published approved accounting standards

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Modaraba's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this unconsolidated condensed interim financial information of the modaraba except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities and IFRS 15: Revenue from Contract with Customers, which will replace IAS 18: Revenue. The Securities and Exchange Commission of Pakistan (SECP) has notified that IFRS 9 and IFRS 15 would be applicable for periods beginning on or after July 01, 2018. Management is in a process of determining impact of the said standards on the future financial statements.

3. Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this unconsolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the preceding year ended June 30, 2017.

4. Significant accounting estimates and judgements

The preparation of this unconsolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2017.



5. Tangible fixed assets

Ijarah assets
Assets in own use

Note	Dec-17 Rupees	Jun-17 Rupees
5.1	149,139,982	178,857,852
5.2	2,849,133	2,261,365
	<u>151,989,115</u>	<u>181,119,217</u>

5.1 Ijarah assets

December 2017 (Un - Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		
	As at 1 July 2017	Additions	Transfer	As at 31 December 2017	As at 1 July 2017	Charge for the period	Transfer	As at 31 December 2017	As at 1 July 2017	Reversal for the period	Transfer	As at 31 December 2017
-----Rupees-----												
Plant and machinery	748,140,470	6,335,000	(89,060,000)	595,415,470	643,006,041	392,851	(139,218,805)	504,179,887	30,604,048	-	-	60,631,535
Vehicle	204,006,260	3,337,338	(28,718,000)	178,625,598	109,236,485	13,675,768	(23,350,544)	99,561,709	1,104,397	-	-	1,104,397
Cessna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	13,552,604	-	-	-	-
Consumer products	16,687,789	5,900,647	(2,260,910)	20,327,526	6,025,696	5,057,285	(1,304,410)	9,778,571	-	-	-	10,548,955
	<u>982,187,123</u>	<u>15,572,985</u>	<u>(190,038,910)</u>	<u>807,921,198</u>	<u>771,820,826</u>	<u>19,125,704</u>	<u>(163,873,759)</u>	<u>627,072,771</u>	<u>31,708,445</u>	<u>-</u>	<u>-</u>	<u>149,139,982</u>

June 2017 (Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		
	As at 1 July 2016	Additions	Transfer	As at 30 June 2017	As at 1 July 2016	Charge for the year	Transfer	As at 30 June 2017	As at 1 July 2016	Reversal for the year	Transfer	As at 30 June 2017
-----Rupees-----												
Plant and machinery	1,023,734,417	744,270	(276,338,217)	748,140,470	892,839,379	7,283,448	(257,116,786)	643,006,041	31,122,606	(235,982)	(282,576)	74,530,381
Vehicle	216,298,087	21,852,319	(34,144,146)	204,006,260	109,397,966	28,431,577	(28,593,057)	109,236,485	1,104,397	-	-	95,665,378
Cessna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	13,552,604	-	-	-	-
Consumer products	2,900,623	15,836,239	(2,049,073)	16,687,789	38,515	6,729,007	(741,826)	6,025,696	-	-	-	10,662,093
	<u>1,256,485,731</u>	<u>38,432,828</u>	<u>(312,531,436)</u>	<u>982,387,123</u>	<u>1,015,828,464</u>	<u>42,444,032</u>	<u>(286,451,669)</u>	<u>771,820,826</u>	<u>32,227,003</u>	<u>(235,982)</u>	<u>(282,576)</u>	<u>178,857,852</u>

5.1.1 Transfers represent the assets disposed through negotiation after expiry / termination of Ijarah. However, in view of large number of disposals, detail of each disposal has not been given.



December 2017 (Un-Audited)

June 2017 (Audited)Half Yearly Accounts December 2017 / Page 14



		31 December 2017 (Un-Audited) Rupees	30 June 2017 (Audited) Rupees
6. Intangible assets			
Work in progress	6.1	300,000	300,000
		300,000	300,000
6.1 Work in progress			
Balance as at 1 July	6.1.1	300,000	300,000
Additions		-	-
Balance as at 31 December		300,000	300,000

6.1.1 This includes advance paid by Modaraba against purchase of software.

7. Investment in a subsidiary

7.1 As a result of the Stock Exchange (Corporatization, Demutualization and Integration) Act 2012, the Modaraba acquired Trading Rights Entitlement Certificate (TREC) and the subsidiary has been setup to undertake brokerage business and thereby utilize the TREC. The Modaraba obtained permission from SECP vide letter dated October 21, 2016 to form a wholly owned subsidiary to undertake brokerage business and the subsidiary was incorporated on November 29, 2016. During the period, First Punjab Modaraba made a further investment of Rs. 26,500,000, making a total investment of Rs. 76,500,000.

	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
8. Long term morabaha investment - secured		
Long term morabaha investment	22,669,090	35,940,617
Add: Unearned morabaha income	1,524,112	1,150,448
	24,193,202	37,091,065
Less: Current maturity	(11,828,187)	(22,727,010)
	12,365,015	14,364,055
Less: Provision for doubtful morabaha investment	(8,800,000)	(8,800,000)
Total long term morabaha investment net	3,565,015	5,564,055
9. Short term Morabaha investment-secured		
Short term morabaha investment	478,714,013	483,234,677
Add: Unearned morabaha income	973,341	1,031,448
	479,687,354	484,266,125
Less: Provision for doubtful morabaha investment	(235,561,379)	(235,561,379)
	244,125,975	248,704,746



	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
10. Current maturity of long term investment		
Morabaha investment	11,828,187	22,727,010
	11,828,187	22,727,010
Musharikah investment	428,452,903	399,161,883
Less: Provision against musharika investment	(8,758,895)	(8,709,526)
	419,694,008	390,452,357
	431,522,195	413,179,367

11. Long term musharikah finances - secured

During the period the Modaraba has availed musharikah finance facilities from The Bank of Punjab having approved limits of Rs.1,205 million (June 30, 2017: Rs.1,505 million). These facilities are secured by way of first pari passu charge over present and future fixed assets of Modaraba for amount of Rs. 860 million and first pari passu charge over present and future current assets of Modaraba for an amount of Rs. 1,040 million. The estimated share of profit payable on musharikah facilities is 3 Month-KIBOR (June 30, 2017: 3 Month-KIBOR).

	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
12. Profit Payable		
Musharikah finance	15,819,800	16,625,545
Redeemable capital	2,956,422	2,956,416
	18,776,222	19,581,961

13. Contingencies and commitments

13.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statements for the year ended June 30, 2017.

13.2 Commitments

Musharikah commitments that have been approved, but not disbursed as on balance sheet date, amount to Rs. 58.686 million. (June 30, 2017:Rs. 32.38 million)



	31 December 2017 (Un-audited) Rupees	31 December 2016 (Un-audited) Rupees
14. Operating expenses		
Salaries and benefits	9,990,586	9,390,563
Traveling and conveyance	67,824	55,540
Legal and professional	381,922	550,679
Printing and stationary	427,144	211,717
Insurance	253,877	64,683
Fee and subscription	829,484	372,577
Auditor's remuneration	267,470	229,500
Repair and maintenance	384,375	157,024
Vehicle running and maintenance	71,321	126,539
Power and utilities	569,287	-
Entertainment expenses	203,316	181,744
Advertisement	73,399	-
Telephone and postage	198,809	263,751
Corporate expenses	190,035	280,518
Rent rates and taxes	98,800	75,000
Selling and marketing expenses	803,337	350,712
Miscellaneous expenses	550,177	275,617
Depreciation-asset in own use	397,077	169,978
	15,758,240	12,756,142
15. Finance cost		
Financial charges on musharikhah	32,522,373	30,278,022
Financial charges on redeemable capital	12,602,744	6,743,154
Bank charges	71,392	77,881
	45,196,509	37,099,057
16. Taxation		
Current		
- Current period	(1,555,455)	(1,667,203)
Deferred		
- Relating to origination and reversal of temporary differences	3,498,003	5,289,394
	1,942,548	3,622,191



	31 December 2017 (Un-audited) Rupees	31 December 2016 (Un-audited) Rupees
17. Cash generated from operations		
Profit for the period	9,149,736	9,974,633
Adjustments for:		
Depreciation of ijarah assets	19,125,704	22,219,725
Depreciation of assets in own use	397,077	169,978
Gain on disposal of fixed assets	(1,320,488)	(56,748)
Reversal for provision against morabaha investment	-	(1,100,004)
Reversal for impairment of ijarah assets	(622,006)	-
Provision / (reversal of provision) for musharikah investment	49,370	(3,002,000)
Profit on long term musharikah finance	32,522,373	30,278,022
Profit on redeemable capital - certificates of musharikah	12,674,136	6,821,035
	62,826,166	55,330,008
Operating profit before working capital changes	71,975,902	65,304,641
Working capital changes		
Decrease / (increase) in operating assets:		
Musharikah investment	9,780,999	(258,753,499)
Morabaha investment	17,792,191	8,737,651
Purchase of ijarah assets	(15,572,985)	(30,580,090)
Ijarah rentals receivable, advances, deposits, prepayments and other receivables	1,354,101	(25,144,196)
	13,354,306	(305,740,134)
Decrease in operating liabilities:		
Security deposits refunded	(20,555,500)	(6,297,522)
Trade and other payables	(6,657,470)	(245,024)
	(27,212,970)	(6,542,546)
	(13,858,664)	(312,282,680)
Cash generated from operations	58,117,238	(246,978,039)



	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
18. Transactions with related parties		
18.1 Balance outstanding at the end of period		
18.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)		
Musharikah finances	1,154,244,392	1,101,205,546
Profit payable on musharikah finances	15,819,800	16,625,545
Redeemable capital - participatory and unsecured - certificates of musharikah	400,000,000	400,000,000
Profit payable on certificates of musharikah	2,956,422	2,956,416
18.1.2 Punjab Capital Securities (Pvt) Ltd. (Wholly owned Subsidiary of Modaraba)		
Investment	76,500,000	50,000,000
	July to December 2017 (Un-audited) Rupees	July to December 2016 (Un-audited) Rupees
18.2 Transactions during the period		
18.2.1 The Bank of Punjab (Holding Company of Modaraba's Management Company)		
Bank charges	71,392	77,881
Profit charged on finances	32,522,373	30,278,022
Profit charged on certificates of musharikah	12,602,744	6,743,154
18.2.2 Punjab Capital Securities (Pvt) Ltd. (Wholly owned Subsidiary of Modaraba)		
Investment made	26,500,000	-

19. Reconciliation of liabilities arising from financing activities

	Audited June 30, 2017 Rupees	Availed during the period Rupees	Repaid/Redeemed during the period Rupees	Un-audited December 31, 2017 Rupees
Long term musharikah finance-secured	1,101,205,546	378,103,158	(325,064,312)	1,154,244,392
Redeemable capital - participatory and unsecured	400,000,000	400,000,000	(400,000,000)	400,000,000
	1,501,205,546	778,103,158	(725,064,312)	1,554,244,392



20. Fair value of financial instruments

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.

At reporting date, the Modaraba does not hold any financial instruments which are required to be measured under any valuation method and which fall under any of the levels in the prescribed hierarchy.

The carrying amounts of all the financial instruments reflected in this unconsolidated condensed interim financial information approximate their fair value.

21. Financial risk management

The Modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2017.

22. Date of authorization

This unconsolidated condensed interim financial information was authorized for issue by the Board of Directors of the Modaraba Management Company on February 26, 2018.

23. Corresponding figures

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

24. General

Figures have been rounded off to the nearest rupee.

Chief Executive
Punjab Modaraba Services
(Private) Limited

Chief Financial Officer
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited



**CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION
for the six months period ended
December 31, 2017 (Un-Audited)**



Consolidated Condensed Interim Balance Sheet

As at December 31, 2017

	Note	Un-Audited 31 December 2017 Rupees	Audited 30 June 2017 Rupees
ASSETS			
Non current assets			
Tangible fixed assets	5	149,139,983	178,857,852
Ijarah assets		4,845,419	4,474,964
Assets in own use		9,300,000	9,300,000
Intangible assets	6	10,853,107	10,308,698
Shares available for sale		459,549,852	498,621,872
Long term musharika investment - secured	7	3,565,015	5,564,055
Long term morabaha investment - secured		2,769,809	992,900
Long term deposits		59,566,830	56,068,827
Deferred tax asset		699,590,015	764,189,168
Current assets			
Short term morabaha investment - secured	8	244,125,975	248,704,746
Current maturity of long term investment	9	431,522,195	413,179,367
Advances, deposits, prepayments and other receivables		104,879,021	85,823,591
Ijarah rental receivable		277,411,055	288,766,810
Tax refundable		3,664,036	3,660,903
Cash and bank balances		128,456,071	59,707,426
		1,190,058,353	1,099,842,843
TOTAL ASSETS		1,889,648,368	1,864,032,011
EQUITY AND LIABILITIES			
Capital and reserves			
Authorized certificate capital		500,000,000	500,000,000
50,000,000 modaraba certificates of Rs. 10 each		340,200,000	340,200,000
Certificate capital		(166,532,046)	(158,700,182)
Reserves		173,667,954	181,499,818
Non current liabilities			
Security deposits		7,250,547	6,476,650
Long term musharika finance-secured	10	1,154,244,392	1,101,205,546
		1,161,494,939	1,107,682,196
Current liabilities			
Current maturity of long term security deposits		91,302,825	112,632,222
Deferred morabaha income		2,497,453	2,181,896
Redeemable capital - participatory and unsecured		400,000,000	400,000,000
Profit payable	11	18,776,222	19,581,961
Trade and other payables		24,778,847	24,515,606
Unclaimed profit		17,037,212	15,253,486
Provision for taxation	12	92,916	684,826
		554,485,475	574,849,997
Contingencies and commitments			
TOTAL EQUITY AND LIABILITIES		1,889,648,368	1,864,032,011

The attached notes 1 to 23 form an integral part of this condensed interim financial information.

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(Private) Limited

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Director
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Consolidated Condensed Interim Profit and Loss Account

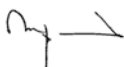
For the six months period ended December 31, 2017 (Un-audited)

Note	2017		2016	
	July to December	Three months from October to December	July to December	Three months from October to December
	Rupees	Rupees	Rupees	Rupees
Income				
Ijarah rentals	35,414,984	19,316,772	40,584,001	19,699,615
Profit on morabaha investment	2,442,346	947,588	4,163,848	2,025,193
Profit on musharikah investment	46,432,211	24,432,808	29,740,901	16,770,717
Gain on disposal of fixed assets	1,320,488	1,210,716	56,748	-
Income from brokerage	790,133	-	-	-
Other income	3,469,512	1,999,615	3,402,055	2,329,413
	89,869,674	47,907,499	77,947,553	40,824,938
Expenses				
Operating expenses	13 19,295,250	10,131,255	12,756,132	7,222,979
Depreciation of ijarah assets	19,125,704	9,760,690	22,219,735	10,499,490
Finance cost	14 45,203,076	22,386,305	37,099,057	19,379,796
	83,624,030	42,278,250	72,074,924	37,102,265
Operating profit/(loss) before provision	6,245,644	5,629,249	5,872,629	3,722,673
Provision / (Reversal) for morabaha investment	-	-	(1,100,004)	(670,000)
Provision / (Reversal) for impairment of ijarah assets	(622,006)	(622,006)	-	-
Provision / (Reversal) for musharikah investment	49,370	49,370	(3,002,000)	(3,002,000)
	572,636	572,636	4,102,004	3,672,000
Operating profit after provision and impairment	6,818,280	6,201,885	9,974,633	7,394,673
Modaraba Company's management fee	-	-	-	-
Taxation	15 6,818,280 1,815,447	6,201,885 (277,522)	9,974,633 3,622,191	7,394,673 1,439,696
Profit for the period	8,633,727	5,924,363	13,596,824	8,834,369
Earnings per certificate - basic and diluted	0.25	0.17	0.40	0.26

The attached notes 1 to 23 form an integral part of this condensed interim financial information.



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(Private) Limited



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Punjab Modaraba Services
(Private) Limited



Director
Punjab Modaraba Services
(Private) Limited



Director
Punjab Modaraba Services
(Private) Limited



Consolidated Condensed Interim Statement of Comprehensive Income

For the six months period ended December 31, 2017 (Un-audited)

	2017		2016	
	July to December	Three months from October to December	July to December	Three months from October to December
	Rupees	Rupees	Rupees	Rupees
Income for the period	8,633,727	5,924,363	13,596,824	8,834,369
Gain on revaluation of available for sale investments	544,409	-	-	-
Total comprehensive income for the period	9,178,136	5,924,363	13,596,824	8,834,369

The attached notes 1 to 23 form an integral part of this condensed interim financial information.

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Consolidated Condensed Interim Cash Flow Statement

For the six months period ended December 31, 2017 (Un-audited)

	Note	Six Months Ended 31 December 2017 Rupees	31 December 2016 Rupees
Cash flow from Operating activities			
Cash generated from operations	16	69,360,683	27,454,316
Profit paid on certificates of musharikhah		(12,602,738)	(4,799,315)
Profit paid on musharikhah finances		(33,406,077)	(28,239,728)
Taxes paid		(2,277,599)	(2,053,370)
		(48,286,414)	(35,092,413)
Net cash (used in) / generated from operating activities		21,074,269	(7,638,097)
Cash flow from investing activities			
Musharikhah investment		9,879,739	(264,757,499)
Proceeds from disposal of fixed assets		996,501	-
Purchase of fixed assets in own use		(1,014,436)	(285,750)
Net cash (used in) from investing activities		9,861,804	(265,043,249)
Cash flow from financing activities			
Musharikhah finances		53,038,846	104,074,506
Redeemable capital		-	200,000,000
Profit distributed among the certificate holders		(15,226,274)	(15,904,406)
Net cash generated from financing activities		37,812,572	288,170,100
Net increase in cash and cash equivalents		68,748,645	15,488,754
Cash and cash equivalents at the beginning of the period		59,707,426	30,064,994
Cash and cash equivalents at the end of the period		128,456,071	45,553,748

The attached notes 1 to 23 form an integral part of this condensed interim financial information.

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Consolidated Condensed Interim Statement of Changes in Equity

For the six months period ended December 31, 2017 (Un-audited)

	Certificate Capital Rupees	Statutory Reserve Rupees	Accumulated loss Rupees	Total Rupees
Balance as at July 1, 2016	340,200,000	204,119,707	(362,587,234)	181,732,473
Profit for the period	-	-	13,596,824	13,596,824
Other comprehensive income for the period	-	-	-	-
Final dividend for the year ended June 30, 2016 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
Balance as at December 31, 2016	340,200,000	204,119,707	(366,000,410)	178,319,297
Balance as at July 1, 2017	340,200,000	207,475,176	(366,175,358)	181,499,818
Profit for the period	-	-	8,633,727	8,633,727
Other comprehensive income for the period	-	-	544,409	544,409
	-	-	9,178,136	9,178,136
Final dividend for the year ended June 30, 2017 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
Balance as at December 31, 2017	340,200,000	207,475,176	(374,007,222)	173,667,954

The attached notes 1 to 23 form an integral part of this condensed interim financial information.

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(Private) Limited

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(Private) Limited



Notes to the Consolidated Condensed Interim Financial Information

For the six months period ended December 31, 2017 (Un-audited)

1. The group and its operations

1.1 The "Group" Consists of:

Holding Company

- First Punjab Modaraba

Subsidiary Company	Percentage of holding	
	December 2017	June 2017
Punjab Capital Securities (Pvt.) Limited	100	100

Brief profiles of the Holding Company and subsidiaries are as follows:

1.2 Status and Nature of Business

First Punjab Modaraba Group ("the Group") comprises First Punjab Modaraba (the Modaraba) and a wholly owned subsidiary Punjab Capital Securities (Pvt) Ltd. 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 (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 4th floor, Mega Tower Main Boulevard Gulberg, Lahore. The Modaraba commenced its operations on 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

The Modaraba is a perpetual and multi-dimensional Modaraba and is primarily engaged in the business of Ijarah, Musharikah and Morabaha financing, equity investment and other related businesses in accordance with the injunctions of Islam.

Punjab Capital Securities (Private) Limited was incorporated on November 29, 2016 as a private limited Company under the Companies Ordinance, 1984. The Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services. The company is wholly owned subsidiary of First Punjab Modaraba.

2. Basis of preparation

This consolidated condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Approved accounting standards comprise of such International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board and Islamic Financial Accounting Standards (IFAS) issued by the Institute of Chartered Accountants of Pakistan as are notified under the Companies Ordinance, 1984, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by the SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP shall prevail.



The Companies Act, 2017 was enacted on May 30, 2017 and came into force at once. Subsequently, the Securities and Exchange Commission of Pakistan (SECP) has notified through Circular No. 23 dated October 04, 2017 that companies whose financial year closes on or before December 31, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Therefore, this consolidated condensed interim financial information has been prepared under the Companies Ordinance, 1984 as notified through the Circular No. 17/2017 dated October 06, 2017 issued by the Institute of Chartered Accountants of Pakistan.

This consolidated condensed interim financial information is un-audited. This consolidated condensed interim financial information of the Modaraba for the six months period ended December 31, 2017 has been prepared in accordance with the requirements of the International Accounting Standard (IAS)-34 "Interim Financial Reporting". This consolidated condensed interim financial information does not include all the information and disclosures required in a full set of financial statements and should be read in conjunction with the annual published financial statements of the Modaraba for the year ended June 30, 2017.

This consolidated condensed interim financial information is submitted to the certificate holders as required under the Rule 10 of Modaraba Companies and Modaraba Rules, 1981.

The comparative balance sheet presented in this consolidated condensed interim financial information as at December 31, 2017 has been extracted from the audited financial statements of the Modaraba for the year ended June 30, 2017, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity has been extracted from the consolidated condensed interim financial information for the six months period ended December 31, 2016.

2.1 Standards, amendments and interpretations to published approved accounting standards

There are certain standards, interpretations and amendments to approved accounting standards which have been published and are mandatory for the Modaraba's accounting period beginning on or after July 01, 2018. None of these amendments are expected to have a significant effect on this consolidated condensed interim financial information of the modaraba except for IFRS 9: Financial Instruments, which will replace IAS 39: Financial Instruments: Recognition and Measurement of Financial assets and Financial liabilities and IFRS 15: Revenue from Contract with Customers, which will replace IAS 18: Revenue. The Securities and Exchange Commission of Pakistan (SECP) has notified that IFRS 9 and IFRS 15 would be applicable for periods beginning on or after July 01, 2018. Management is in process of determining impact of the said standards on the future financial statements.

3. Significant accounting policies

The accounting policies and methods of computation adopted for the preparation of this consolidated condensed interim financial information are the same as those applied in the preparation of the financial statements of the Modaraba for the preceding year ended June 30, 2017.

4. Significant accounting estimates and judgements

The preparation of this consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgements made by management in applying the Modaraba's accounting policies and the key sources of estimation were the same as those that were applied to the financial statements for the year ended June 30, 2017.

5. Tangible fixed assets

Ijarah assets
Assets in own use

Note	Dec-17 Rupees	Jun-17 Rupees
5.1	149,139,982	178,857,852
5.2	4,845,419	4,474,964
	153,985,402	183,332,816

5.1 Ijarah assets

	December 2017 (Un - Audited)													
	COST				DEPRECIATION				IMPAIRMENT				NET BOOK VALUE	
Description	As at 1 July 2017	Additions	Transfer	As at 31 December 2017	As at 1 July 2017	Charge for the period	Transfer	As at 31 December 2017	As at 1 July 2017	Reversal for the period	Transfer	As at 31 December 2017	As at 30 June 2017	Depreciation Rate
	-----Rupees-----													
Plant and machinery	748,140,470	6,335,000	(159,060,000)	595,415,470	643,006,041	392,651	(139,218,805)	503,979,419	30,604,048	-	-	30,604,048	55,092,003	As per term
Vehicle	204,006,260	3,337,338	(28,718,000)	178,625,598	109,236,485	13,675,768	(23,350,544)	99,762,716	1,104,397	-	-	1,104,397	83,449,025	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	16,687,789	5,900,647	(2,260,910)	20,327,526	6,025,696	5,057,285	(1,304,410)	9,778,571	-	-	-	-	10,548,955	As per term
	982,387,123	15,572,985	(190,038,910)	807,921,198	771,820,826	19,125,704	(163,873,759)	627,072,770	31,708,445	-	-	31,708,445	149,139,983	
	June 2 0 1 7 (Audited)													
	COST				DEPRECIATION				IMPAIRMENT				NET BOOK VALUE	
Description	As at 1 July 2016	Additions	Transfer	As at 30 June 2017	As at 1 July 2016	Charge for the year	Transfer	As at 30 June 2017	As at 1 July 2016	Reversal for the year	Transfer	As at 30 June 2017	As at 30 June 2017	Depreciation Rate
	-----Rupees-----													
Plant and machinery	1,023,754,417	744,270	(276,338,217)	748,140,470	892,859,379	7,283,448	(257,116,786)	643,006,041	31,122,606	(235,982)	(282,576)	30,604,048	74,530,381	As per term
Vehicle	216,298,087	21,852,319	(34,144,146)	204,006,260	109,397,966	28,431,577	(28,593,057)	109,236,485	1,104,397	-	-	1,104,397	93,665,378	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	2,900,623	15,836,239	(2,049,073)	16,687,789	38,515	6,729,007	(741,826)	6,025,696	-	-	-	-	10,662,093	As per term
	1,256,485,731	38,432,828	(312,531,436)	982,387,123	1,015,828,464	42,444,032	(286,451,669)	771,820,826	32,227,003	(235,982)	(282,576)	31,708,445	178,857,851	

5.1.1 Transfers represent the assets disposed through negotiation after expiry / termination of Ijarah. However, in view of large number of disposals, detail of each disposal has not been given.



5.2 Assets in own use

December 2 0 1 7 (Un-Audited)

Description	COST			DEPRECIATION			Net Book Value	
	As at 1 July 2017	Additions	Transfer	As at 31 December 2017	Charge for the period	Transfer	As at 31 December 2017	Depreciation Rate
	-----Rupees-----							
Office Equipment	5,384,589	109,570	-	5,494,159	2,643,794	-	3,069,737	15% & 30%
Furniture & Fixtures	2,450,225	172,866	-	2,623,091	751,374	-	895,809	15%
Vehicles	1,624,088	732,000	(1,515,388)	840,700	1,588,770	(1,507,887)	146,985	20%
	9,458,902	1,014,436	(1,515,388)	8,957,950	4,983,938	(1,507,887)	4,112,531	

June 2 0 1 7 (Audited)

Description	COST			DEPRECIATION			Net Book Value	
	As at 1 July 2016	Additions	Transfer	As at 30 June 2017	Charge for the year	Transfer	As at 30 June 2017	Depreciation Rate
	-----Rupees-----							
Office Equipment	2,726,499	2,877,590	(219,500)	5,384,589	2,350,288	(219,500)	2,643,794	15% & 30%
Furniture & Fixtures	810,840	1,639,385	-	2,450,225	621,491	-	751,374	15%
Vehicles	1,624,088	-	-	1,624,088	1,569,267	-	1,588,770	20%
	5,161,427	4,516,975	(219,500)	9,456,902	4,541,046	(219,500)	4,983,938	

	31 December 2017 (Un-Audited) Rupees	30 June 2017 (Audited) Rupees
6. Intangible assets		
Trading Rights Entitlement Certificate and Room at Lse Plaza	35,648,757	35,648,757
	35,648,757	-
Less: Impairment	(26,648,757)	(26,648,757)
	9,000,000	9,000,000
Computer software	-	-
Work in progress 6.1	300,000	300,000
	9,300,000	9,300,000

6.1 This includes advance paid by Modaraba against purchase of software.

	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
7. Long term morabaha investment - secured		
Long term morabaha investment	22,669,090	35,940,617
Add: Unearned morabaha income	1,524,112	1,150,448
	24,193,202	37,091,065
Less: Current maturity	(11,828,187)	(22,727,010)
	12,365,015	14,364,055
Less: Provision for doubtful morabaha investment	(8,800,000)	(8,800,000)
Total long term morabaha investment net	3,565,015	5,564,055
8. Short term Morabaha investment-secured		
Short term morabaha investment	478,714,013	483,234,677
Add: Unearned morabaha income	973,341	1,031,448
	479,687,354	484,266,125
Less: Provision for doubtful morabaha investment	(235,561,379)	(235,561,379)
	244,125,975	248,704,746



	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
9. Current maturity of long term investment		
Morabaha investment	10,257,834	22,727,010
Add: Unearned morabaha income	1,570,353	-
	11,828,187	22,727,010
Musharikhah investment	428,452,903	399,161,883
Less: Provision against musharika investment	(8,758,895)	(8,709,526)
	419,694,008	390,452,357
	431,522,195	413,179,367

10. Long term musharikhah finances - secured

During the period the modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs.1,205 million (June 30, 2017: Rs.1,505 million). These facilities are secured by way of first pari passu charge over present and future fixed assets of Modaraba for amount of Rs. 860 million and first pari passu charge over present and future current assets of Modaraba for an amount of Rs. 1,040 million. The estimated share of profit payable on musharikhah facilities is 3 Month-KIBOR (June 30, 2017: 3 Month-KIBOR).

	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
11. Profit Payable		
Musharikhah finance	15,819,800	16,625,545
Redeemable capital	2,956,422	2,956,416
	18,776,222	19,581,961

12. Contingencies and commitments

12.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statements for the year ended June 30, 2017.

12.2 Commitments

Musharikhah commitments that have been approved, but not disbursed as on balance sheet date, amount to Rs. 58.686 million. (June 30, 2017:Rs. 32.38 million)



	31 December 2017 (Un-audited) Rupees	31 December 2016 (Un-audited) Rupees
13. Operating expenses		
Salaries and benefits	12,548,060	9,390,563
Traveling and conveyance	71,224	55,540
Legal and professional	575,959	550,679
Printing and stationary	488,978	211,717
Insurance	300,641	64,683
Fee and subscription	869,484	372,577
Auditor's remuneration	267,470	229,500
Repair and maintenance	462,950	157,024
Vehicle running and maintenance	71,321	126,539
Power and utilities	618,560	-
Entertainment expenses	248,530	181,744
Advertisement	73,399	-
Telephone and postage	198,809	263,751
Corporate expenses	275,032	280,518
Rent rates and taxes	111,212	75,000
Selling and marketing expenses	803,337	350,712
Miscellaneous expenses	550,177	275,606
Depreciation-own asset	636,480	169,979
Brokerage transaction cost	123,627	-
	19,295,250	12,756,132
14. Finance cost		
Financial charges on musharikhah	32,522,373	30,278,022
Financial charges on redeemable capital	12,602,744	6,743,154
Bank charges	77,959	77,881
	45,203,076	37,099,057
15. Taxation		
Current		
- Current period	(1,682,556)	(1,667,203)
Deferred		
- Relating to origination and reversal of temporary differences	3,498,003	5,289,394
	1,815,447	3,622,191



	31 December 2017 (Un-audited) Rupees	31 December 2016 (Un-audited) Rupees
16. Cash flow from operating activities		
Profit for the period	6,818,280	9,974,633
Adjustments for:		
Depreciation of ijarah assets	19,125,704	22,219,725
Depreciation of assets in own use	636,480	169,978
Gain on disposal of fixed assets	(1,320,488)	(56,748)
Provision/(Reversal) against doubtful morabaha investment	-	1,100,004
Provision/(Reversal) against ijarah assets	(622,006)	-
Provision/(Reversal) against musharikhah investment	(49,370)	3,002,000
Other provisions	-	-
Profit on musharikhah/morabaha finances	32,522,373	30,278,022
Profit on certificates of musharikhah	12,680,703	6,821,035
	62,973,396	63,534,016
Operating profit before working capital changes	69,791,676	73,508,649
Working capital changes		
(Increase)/decrease in operating assets:		
Morabaha investment	17,792,191	6,537,643
Purchase of ijarah assets	(15,572,985)	(30,580,090)
Proceeds from transfer of ijarah assets	26,496,638	9,674,856
Long term deposits	(1,776,909)	-
Advances, deposits, prepayments and other receivables	(7,077,669)	(25,144,196)
	19,861,266	(39,511,787)
Increase/(decrease) in operating liabilities:		
Security deposits refunded	(20,555,500)	(6,297,522)
Trade and other payables	263,241	(245,024)
	(20,292,259)	(6,542,546)
	(430,993)	(46,054,333)
Cash generated from operations	69,360,683	27,454,316



	31 December 2017 (Un-audited) Rupees	30 June 2017 (Audited) Rupees
17. Transactions with related parties		
17.1 Balance outstanding at the end of period		
17.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)		
Musharikah finances	1,154,244,392	1,101,205,546
Profit payable on musharikah finances	15,819,800	16,625,545
Redeemable capital	400,000,000	400,000,000
Profit payable on redeemable capital	2,956,422	2,956,416
17.1.2 Punjab Modaraba Services (Private) Limited Management fee	-	2,672,036
	July to December 2017 (Un-audited) Rupees	July to December 2016 (Un-audited) Rupees
17.2 Transactions during the period		
17.2.1 The Bank of Punjab (Holding Company of Modaraba's Management Company)		
Bank charges	77,959	77,881
Profit charged on finances	32,522,373	30,278,022
Profit charged on redeemable capital	12,602,744	6,743,154

18. Reconciliation of liabilities arising from financing activities

	Audited June 30, 2017 Rupees	Availed during the period Rupees	Repaid/Redeemed during the period Rupees	Un-audited December 31, 2017 Rupees
Long term musharikah finance-secured	340,200,000	378,103,158	(325,064,312)	393,238,846
Redeemable capital - participatory and unsecured	400,000,000	400,000,000	(400,000,000)	400,000,000
	740,200,000	778,103,158	(725,064,312)	793,238,846



19. Fair value of financial instruments

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.

At reporting date, the Modaraba does not hold any financial instruments which are required to be measured under any valuation method and which fall under any of the levels in the prescribed hierarchy.

The carrying amounts of all the financial instruments reflected in this consolidated condensed interim financial information approximate their fair value.

20. Financial risk management

The Modaraba's financial risk management objectives and policies are consistent with that disclosed in the financial statements as at and for the year ended June 30, 2017.

21. Date of authorization

This consolidated condensed interim financial information was authorized for issue by the Board of Directors of the Modaraba Management Company on February 26, 2018.

22. Corresponding figures

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation.

23. General

Figures have been rounded off to the nearest rupee.

Chief Executive
Punjab Modaraba Services
(Private) Limited

Chief Financial Officer
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited

Director
Punjab Modaraba Services
(Private) Limited



First Punjab Modaraba

Managed By:

Punjab Modaraba Services (Pvt) Ltd.

(A wholly owned subsidiary of The Bank of Punjab)

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