

# First Punjab Modaraba

*(An Islamic Financial Institution)*

(UN-AUDITED)  
**QUARTERLY ACCOUNTS**  
March 31, 2019



Growth + Prosperity



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## Corporate Profile

### Board of Directors

Punjab Modaraba Services (Pvt.) Ltd.

Khalid Siddiq Tirmizey	Chairman
Amir Malik	Chief Executive
Nadeem Amir	Director
Ijaz ur Rehman Qureshi	Director
Mahboob-ul-Hassan	Director
Umer Iqbal Sheikh	Director

### Chief Financial Officer & Company Secretary

Mudassar Kaiser Pal

### Audit Committee

Nadeem Amir	Member
Ijaz ur Rehman Qureshi	Member

### Human Resource Committee

Ijaz ur Rehman Qureshi	Chairman
Nadeem Amir	Member
Amir Malik	Member

### Auditors of the Modaraba

EY Ford Rhodes  
Chartered Accountants

### Auditors of the Management Company

Shinewing Hameed Chaudhry & Co.  
Chartered Accountants

### Bankers

The Bank of Punjab  
Bank Alfalah Limited  
Meezan Bank Limited

### Registrar

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

### Registered Office

Office No. 100, 3<sup>rd</sup> Floor, National Tower,  
28-Egerton Road, Lahore.  
Tel: (+92-42) 36305131  
Fax: (+92-42) 36305131  
E-mail: info@punjabmodaraba.com.pk  
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 nine monthly results of the Modaraba, together with Directors' report, for nine months ended March 31, 2019.

As reported by the State Bank, real GDP growth during FY19 is likely to moderate significantly, mainly due to slowdown in the growth of the agriculture sector and stabilization measures taken to preserve macroeconomic stability. Moreover, given that public development spending is unlikely to pick up anytime soon, the full year outlook for manufacturing activities remains subdued. Meanwhile on the external financing front, the efforts of the government have started to materialize in the shape of bilateral inflows having an important role in meeting the external financing gap for FY19; thereby, relieving pressure on the foreign exchange reserves.

The Modaraba persisted with its policy of booking fresh assets during the period under review and remained successful in booking significant amount of fresh assets. The results were reflected in 37% increase in total revenue as compared with corresponding period. However, the sharp and continuing rise in overall profit rates caused significant increase in financial cost and kept profitability under pressure. The immediate effect of rising profit rates is being partially absorbed by revision of lending rates and is expected to be normalized further going forward. The recovery of non-performing assets also contributed well in net profit before tax of Rs.14.187 million.

The wholly owned subsidiary was able to show positive bottom line despite lackluster performance of capital market during the period under review. Going forward, the performance of the Company is expected to improve further gradually.

The Modaraba will continue with its strategy of business growth by booking of fresh assets and development of new products and services in future. All out efforts for recovery from NPAs, through litigation and / or out-of-court settlement will also continue to remain the other area of focus.

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

For and on behalf of the Board of Directors

**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

**Director**  
Punjab Modaraba Services  
(Private) Limited

Lahore: April 26, 2019

## ڈائریکٹرز کی رپورٹ

پنجاب مدار بہ سروسز پرائیویٹ لمیٹڈ، فرسٹ پنجاب مدار بہ کی مینجمنٹ کمپنی، کے ڈائریکٹر 31 مارچ 2019 کو ختم ہوئے 9 ماہ کے نتائج پیش کرنے میں مسرت محسوس کرتے ہیں۔

اسٹیٹ بینک کی رپورٹ کے مطابق، مالی سال 2019 کے درمیان حقیقی GDP کی ترقی میں نمایاں طور پر کمی کا امکان ہے۔ بنیادی طور پر زراعت کے شعبے کی ترقی میں کمی اور بڑے پیمانے پر اقتصادی استحکام کو برقرار رکھنے کے لئے اقدامات کی وجہ سے۔ اس کے علاوہ چونکہ عوامی ترقی کے اخراجات کو کسی بھی وقت بڑھانے کا امکان نہیں ہے لہذا مصنوعات کی پیداوار بھی سالانہ بنیادوں پر معمولی نظر آتی ہے۔ دریں اثنا بیرونی محاذ پر، حکومت کی کوششوں نے دو طرفہ آمدورفت کی شکل میں مماثلت شروع کر دی ہے جو مالی سال 2019 کے لئے خارجی مالیاتی فرق کو پورا کرنے میں اہم کردار ادا کرے گی۔ اسی طرح غیر ملکی کرنسی کے ذخائر پر دباؤ کم ہوگا۔

مدار بہ نے مدت کے دوران تازہ اثاثوں کی بکنگ کی پالیسی پر زور دیا اور اہم مقدار میں اضافی اثاثوں کی بکنگ میں کامیاب رہے۔ پچھلی مدت کے مقابلے میں مجموعی آمدنی میں 37 فیصد اضافہ ہوا تاہم مجموعی طور پر شرح منافع میں تیز اور مسلسل اضافے کی وجہ سے مالیاتی لاگت میں نمایاں اضافہ ہوا اور منافع پر دباؤ رہا۔ بڑھتے ہوئے منافع کی شرح کا فوری اثر جزوی طور پر قرضوں کی شرح کی نظر ثانی سے جذب کیا جا رہا ہے اور ان کے آگے بڑھنے کی امید ہے۔ غیر فعال ہونے والے اثاثوں کی وصولی نے 14.187 ملین روپے کے قبل از ٹیکس خالص منافع میں بھی حصہ لیا۔

گزشتہ مدت کے دوران مکمل ملکیت کا ماتحت ادارہ سرمایہ کاری کی مارکیٹ کی معمولی کارکردگی کے باوجود مثبت نتیجہ ظاہر کرنے میں کامیاب رہا۔ مستقبل میں کمپنی کی کارکردگی آہستہ آہستہ بہتر بنانے کی توقع ہے۔

مدار بہ تازہ اثاثوں کی بکنگ اور مستقبل میں نئی مصنوعات اور خدمات کی تشکیل سے کاروباری ترقی کی اپنی حکمت عملی جاری رکھے گا۔ ناہندگان کی جانب سے وصولی کے لئے تمام کوششیں، مقدمہ بازی اور یا عدالت سے باہر بھی تصفیہ کے ذریعے توجہ مرکوز ہے۔

بورڈ نے باقاعدگی سے رجسٹر اور مدار بہ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی مسلسل رہنمائی اور حمایت کو تسلیم کیا اور مستقبل میں بھی اسی طرح فائدہ حاصل کرنے کی توقع ہے۔ بورڈ سٹریٹجی کیٹ ہولڈرز کی سرپرستی کے لئے بھی شکر گزار ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
ڈائریکٹر

  
چیف ایگزیکٹو

لاہور: 26 اپریل 2019



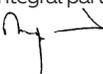
## Unconsolidated Condensed Interim Balance Sheet

As at 31 March, 2019

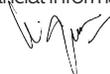
ASSETS	Note	31 March 2019 (Un-Audited) Rupees	30 June 2018 (Audited) Rupees
<b>Non current assets</b>			
Tangible fixed assets	5	364,378,518	225,737,910
Ijarah assets		3,371,965	2,489,560
Assets in own use		76,500,000	76,500,000
Investment in subsidiary	6	444,005,534	442,297,062
Long term musharikhah investment - secured	7	11,048,008	17,509,825
Long term morabaha investment - secured	8	692,900	692,900
Long term deposits		61,834,231	61,834,231
Deferred tax asset		961,831,156	827,061,488
<b>Current assets</b>			
Short term morabaha investment - secured	9	308,887,708	253,021,469
Current maturity of long term investment	10	423,302,164	459,309,170
Advances, deposits, prepayments and other receivables		91,254,322	106,986,472
Ijarah rental receivable		301,777,751	295,654,829
Tax refundable		3,628,484	3,657,066
Cash and bank balances		28,910,983	47,169,012
		1,157,761,412	1,165,798,018
<b>TOTAL ASSETS</b>		<b>2,119,592,568</b>	<b>1,992,859,506</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Authorized certificate capital 50,000,000 modaraba certificates of Rs. 10 each		500,000,000	500,000,000
Issued, Subscribed and paid-up Certificate Capital 34,020,000 certificates of Rs. 10 each		340,200,000	340,200,000
Capital Reserves		215,447,495	215,447,495
Revenue Reserves		(357,487,879)	(352,253,538)
		198,159,616	203,393,957
<b>Non current liabilities</b>			
Security deposits		52,791,677	21,029,947
Long term musharikhah finance-secured	11	1,297,707,218	1,193,495,035
		1,350,498,895	1,214,524,982
<b>Current liabilities</b>			
Current maturity of long term security deposits		91,302,825	91,501,375
Deferred morabaha income		7,047,867	5,118,043
Redeemable capital - participatory and unsecured		403,000,000	400,000,000
Profit payable	12	36,731,918	21,538,172
Trade and other payables		13,172,439	39,476,576
Unclaimed profit		18,406,768	16,361,577
Provision for taxation		1,272,240	944,824
		570,934,057	574,940,567
<b>Contingencies and commitments</b>	13		
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,119,592,568</b>	<b>1,992,859,506</b>

The attached notes 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  
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(Private) Limited



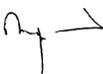
**Unconsolidated Condensed Interim Profit and Loss Account(Un-Audited)**

For the nine months ended March 31, 2019

Note	2019		2018	
	Nine months from July to March	Three months from January to March	Nine months from July to March	Three months from January to March
----- (Rupees) -----				
<b>Income</b>				
Ijarah rentals	83,690,163	32,671,261	48,711,943	13,296,961
Profit on morabaha investment	3,963,108	1,452,453	3,152,899	710,553
Profit on musharikhah investment	74,414,576	30,768,357	69,482,353	23,050,142
Gain on disposal of fixed assets	5,807,910	1,140,532	1,320,488	-
Other income	10,583,065	3,477,133	7,025,952	3,978,428
	<b>178,458,822</b>	<b>69,509,736</b>	129,693,635	41,036,084
<b>Expenses</b>				
Operating expenses	14 26,186,985	9,511,412	24,141,984	8,383,744
Depreciation of ijarah assets	43,086,677	15,874,398	27,205,394	8,079,690
Finance cost	15 102,922,790	41,067,722	68,208,279	23,011,770
	<b>172,196,452</b>	<b>66,453,532</b>	119,555,657	39,475,204
<b>Operating profit/(loss) before provision</b>	<b>6,262,370</b>	<b>3,056,204</b>	10,137,978	1,560,880
Provision / (Reversal) for impairment of ijarah assets	12,872,346	-	4,099,506	3,477,500
Provision / (Reversal) for musharikhah investment	(4,947,175)	-	(49,370)	-
	<b>(7,925,171)</b>	-	(4,050,136)	(3,477,500)
<b>Operating profit after provision and impairment</b>	<b>14,187,541</b>	<b>3,056,204</b>	14,188,114	5,038,380
<b>Modaraba Company's management fee</b>	-	-	-	-
	<b>14,187,541</b>	<b>3,056,204</b>	14,188,114	5,038,380
<b>Taxation</b>	16 (2,411,882)	(519,555)	2,099,286	156,736
<b>Profit for the period</b>	<b>11,775,659</b>	<b>2,536,649</b>	16,287,400	5,195,116
<b>Earnings per certificate - basic and diluted</b>	<b>0.35</b>	<b>0.07</b>	0.48	0.15

The attached notes 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 (Un-Audited)

For the nine months ended March 31, 2019

	2019		2018	
	Nine months from July to March	Three months from January to March	Nine months from July to March	Three months from January to March
<b>Income</b>	----- (Rupees) -----			
Profit for the period	<b>11,775,659</b>	<b>2,536,649</b>	16,287,400	5,195,116
Other comprehensive income for the period	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>11,775,659</b>	<b>2,536,649</b>	16,287,400	5,195,116

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

**Chief Executive**  
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(Private) Limited

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(Private) Limited



## Unconsolidated Statement of Changes in Equity (Un-Audited)

For the nine months ended March 31, 2019

	Certificate capital	Capital Reserve Statutory reserves	Revenue Reserve Accumulated loss	Total
----- (Rupees) -----				
<b>Balance as at July 1, 2017</b>	340,200,000	209,696,682	(358,246,791)	191,649,891
Profit for the period	-	-	16,287,400	16,287,400
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	16,287,400	16,287,400
Transactions with owners				
Profit distribution for the year ended 30 June 2017 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
<b>Balance as at March 31, 2018</b>	<u>340,200,000</u>	<u>209,696,682</u>	<u>(358,969,391)</u>	<u>190,927,291</u>
<b>Balance as at July 1, 2018</b>	<b>340,200,000</b>	<b>215,447,495</b>	<b>(352,253,538)</b>	<b>203,393,957</b>
Profit for the period	-	-	11,775,659	11,775,659
Transactions with owners				
Final dividend for the year ended June 30, 2018 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
<b>Balance as at March 31, 2019</b>	<u><b>340,200,000</b></u>	<u><b>215,447,495</b></u>	<u><b>(357,487,879)</b></u>	<u><b>198,159,616</b></u>

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

**Chief Executive**  
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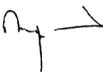
## Unconsolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the nine months ended March 31, 2019

	Note	31 March 2019 (Un-audited) Rupees	31 March 2018 (Un-audited) Rupees
<b>Cash flow from operating activities</b>			
<b>Cash generated from operations</b>	17	(48,363,401)	63,720,200
Profit paid on certificates of musharikhah		(23,692,468)	(18,852,737)
Profit paid on musharikhah finances		(64,036,576)	(49,509,835)
Taxes paid		(2,055,884)	(2,765,679)
		(89,784,928)	(71,128,251)
<b>Net cash (used in) / generated from operating activities</b>		(138,148,329)	(7,408,051)
<b>Cash flow from investing activities</b>			
Musharikhah investment redeemed		300,369,823	140,489,902
Musharikhah investment made		(271,231,153)	(173,683,043)
Proceeds from disposal of fixed assets		58,000	1,108,617
Investment in subsidiary		-	(26,500,000)
Purchase of fixed assets in own use		(1,553,744)	(884,844)
<b>Net cash used in from investing activities</b>		27,642,926	(59,469,368)
<b>Cash flow from financing activities</b>			
Musharikhah finances obtained		104,212,183	72,054,947
Redeemable capital issued		3,000,000	-
Profit distributed among the certificate holders		(14,964,809)	(15,903,098)
<b>Net cash generated from financing activities</b>		92,247,374	56,151,849
<b>Net increase in cash and cash equivalents</b>		(18,258,029)	(10,725,570)
<b>Cash and cash equivalents at the beginning of the period</b>		47,169,012	41,752,816
<b>Cash and cash equivalents at the end of the period</b>		28,910,983	31,027,246

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

  
**Chief Executive**  
Punjab Modaraba Services  
(Private) Limited

  
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## Notes to the Unconsolidated Condensed Interim Financial Information (Un-audited)

For the nine months ended March 31, 2019

### 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 (wholly owned subsidiary of The Bank of Punjab), a company incorporated in Pakistan. The registered office of the Modaraba is situated at 3rd Floor, National Tower, Egerton Road, Lahore. The Modaraba commenced its operations from 23rd December 1992. The Modaraba is listed on Pakistan Stock Exchange.

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

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 Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

These condensed financial statements are the separate condensed financial statements 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 financial statements are 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 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 prevail.

This unconsolidated condensed interim financial information is un-audited. This interim financial information of the Modaraba for the period ended 31 March 2019 has been prepared in accordance with the requirements of the International Accounting Standard (IAS)-34 "Interim Financial Reporting". This 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 30 June 2018.

This unconsolidated condensed interim financial information is being 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 31st March 2019 has been extracted from the audited financial statements of the Modaraba for the year ended 30 June 2018, whereas the comparative profit and loss account and statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the unconsolidated condensed interim financial information for the period ended 31st March 2018.



### 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 30 June 2018.

New / Revised Standards, Interpretations and Amendments

The Modaraba has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 40- Transfers to Investment Property (Amendments)

IFRS 2- Share based Payments – Classification and Measurement (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

IFRS 15 - Revenue from Contracts with Customers

Further, IFRS - 9 “Financial Instruments” replaces IAS - 39 “Financial Instruments: Recognition and Measurement” for annual periods beginning on or after 1 July 2018. However, the Securities and Exchange Commission of Pakistan vide its notification dated 14 February 2019 has deferred the applicability of IFRS - 9 on interim period ending before 30 June 2019. Therefore, these unconsolidated condensed interim financial statements do not include the impact of adoption of the standard.

The adoption of the above revision, amendments and interpretations of the standards did not have any material effect on the unconsolidated condensed interim financial statements. Such change does not financially impact these unconsolidated condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Modaraba expects that such improvements to the standards do not have any material impact on the Modaraba’s unconsolidated condensed interim financial statements for the period.

### 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 year ended 30 June 2018.

	Note	31 March 2019 (Un-audited) Rupees	30 June 2018 (Audited) Rupees
<b>5 Tangible fixed assets</b>			
Ijarah assets	5.1	<b>364,378,518</b>	225,737,910
Assets in own use	5.2	<b>3,371,965</b>	2,489,560
		<b>367,750,483</b>	228,227,470



**5.1 Ijarah assets**

March 2019 (Un-Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE			
	As at 1 July 2018	Additions	Transfer	As at 31 Mar 2019	Charge for the period	Transfer	As at 31 Mar 2019	Reversal for the period	Transfer	As at 31 Mar 2019	As at 31 Mar 2019	Depreciation Rate	
	-----Rupees-----												
Plant and machinery	641,915,470	943,000	(1,774,500)	641,083,970	7,414,700	(1,525,232)	511,420,580	29,593,102	(9,000,000)	-	20,593,102	109,070,288	As per term
Vehicle	220,786,051	172,837,255	(10,135,047)	383,488,259	27,997,718	(387,675)	138,128,972	1,104,397	-	-	1,104,397	244,254,890	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	20,608,226	9,713,500	(3,955,505)	26,366,221	10,824,297	(2,856,890)	15,312,881	-	-	-	-	11,053,340	As per term
	<b>896,862,351</b>	<b>183,493,755</b>	<b>(15,865,052)</b>	<b>1,064,491,054</b>	<b>640,426,942</b>	<b>(4,769,797)</b>	<b>678,415,037</b>	<b>30,687,499</b>	<b>(9,000,000)</b>	<b>-</b>	<b>21,687,499</b>	<b>364,378,518</b>	

June - 2 0 1 8 (Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE			
	As at 1 July 2017	Additions	Transfer	As at 30 June 2018	Charge for the year	Transfer	As at 30 June 2018	Reversal for the year	Transfer	As at 30 June 2018	As at 30 June 2018	Depreciation Rate	
	-----Rupees-----												
Plant and machinery	748,140,470	52,835,000	(159,060,000)	641,915,470	1,760,7889	(139,235,718)	505,531,112	30,604,048	(622,006)	(588,940)	29,593,102	106,791,256	As per term
Vehicle	204,006,260	47,787,791	(51,008,000)	220,786,051	25,741,253	(24,458,809)	110,518,929	1,104,397	-	-	1,104,397	109,162,725	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	16,687,789	10,295,000	(6,374,563)	20,608,226	10,039,119	(5,240,518)	10,824,297	-	-	-	-	9,783,929	As per term
	<b>982,587,123</b>	<b>110,917,791</b>	<b>(196,442,563)</b>	<b>896,862,351</b>	<b>37,541,162</b>	<b>(168,935,045)</b>	<b>640,426,942</b>	<b>31,708,445</b>	<b>(622,006)</b>	<b>(588,940)</b>	<b>30,687,499</b>	<b>225,737,910</b>	

**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.

**5.1.2** The Gross Carrying amount (cost) of fully depreciated assets that are still in use Rs. 634,195,971 (30 June 2018 : Rs. 633,608,701).



**5.2 Assets in own use**

March 2019 (Un-Audited)

Description	COST			DEPRECIATION			NET BOOK VALUE			Depreciation Rate %
	As at 1 July 2018	As at 31 Mar 2019	As at 1 July 2018	Charge for the period	Disposal	As at 31 Mar 2019	As at 31 Mar 2019	As at 31 Mar 2019		
Office Equipment	2,449,802	2,502,576	1,661,704	300,379	(105,500)	1,857,183	1,857,183	645,393	15% & 30%	
Furniture & Fixtures	1,976,956	1,976,956	913,667	161,184	-	1,074,851	1,074,851	902,105	15%	
Vehicles	801,900	1,376,570	163,727	190,276	-	354,003	354,003	1,824,467	20%	
	5,228,658	1,553,744	2,739,098	652,439	(105,500)	3,286,037	3,286,037	3,371,965		

June 2018 (Audited)

Description	COST			DEPRECIATION			NET BOOK VALUE			Depreciation Rate %
	As at 1 July 2017	As at 30 June 2018	As at 1 July 2017	Charge for the year	Disposal	As at 30 June 2018	As at 30 June 2018	As at 30 June 2018		
Office Equipment	3,519,497	2,449,802	2,378,207	434,072	(1,150,575)	1,661,704	1,661,704	788,098	15% & 30%	
Furniture & Fixtures	1,782,590	1,976,956	697,833	215,834	-	913,667	913,667	1,063,289	15%	
Vehicles	1,624,088	732,000	1,588,770	129,145	(1,554,188)	163,727	163,727	638,173	20%	
	6,926,175	1,007,246	4,664,810	779,051	(2,704,763)	2,739,098	2,739,098	2,489,560		

**5.2.1** The Gross Carrying amount (cost) of fully depreciated assets that are still in use Rs. 1,459,609 (30 June 2018 : Rs. 1,119,609).



**6 Investment in subsidiary**

As a result of 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, total investment in Subsidiary remains at Rs. 76,500,000 (June 30, 2018: Rs. 76,500,000).

	<b>Note</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>30 June 2018 (Audited) Rupees</b>
<b>7 Long term musharikhah investment - secured</b>			
Long term morabaha investment		<b>862,635,861</b>	905,484,057
Less: Current maturity		<b>(418,630,327)</b>	(463,186,995)
		<b>444,005,534</b>	442,297,062
<b>8 Long term morabaha investment - secured</b>			
Long term morabaha investment		<b>21,521,257</b>	26,545,141
Add: Unearned morabaha income		<b>2,998,588</b>	4,649,209
		<b>24,519,845</b>	31,194,350
Less: Current maturity		<b>(4,671,837)</b>	(4,884,525)
		<b>19,848,008</b>	26,309,825
Less: Provision for doubtful morabaha investment		<b>(8,800,000)</b>	(8,800,000)
Total long term morabaha investment net		<b>11,048,008</b>	17,509,825
<b>9 Short term morabaha investment-secured</b>			
Short term morabaha Investment		<b>540,439,808</b>	488,114,013
Add: Unearned morabaha income		<b>4,009,279</b>	468,835
		<b>544,449,087</b>	488,582,848
Less: Provision for doubtful finances		<b>(235,561,379)</b>	(235,561,379)
		<b>308,887,708</b>	253,021,469
<b>10 Current maturity of long term investment</b>			
Morabaha investment		<b>3,179,993</b>	3,179,993
Add: Unearned morabaha income		<b>1,491,844</b>	1,704,532
		<b>4,671,837</b>	4,884,525
Musharikhah investment		<b>432,339,853</b>	463,186,995
Less: Provision against musharika investment		<b>(13,709,526)</b>	(8,762,350)
		<b>418,630,327</b>	454,424,645
		<b>423,302,164</b>	459,309,170



## 11 Long term musharikhah finance-secured

During the period the modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs.1,585 million (June 30, 2018: Rs.1,405 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, 2018: 3 Month-KIBOR).

	<b>Note</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>30 June 2018 (Audited) Rupees</b>
<b>12 Profit payable</b>			
Musharikhah finance		<b>31,266,561</b>	18,323,102
Redeemable capital		<b>5,465,357</b>	3,215,070
		<b>36,731,918</b>	21,538,172

## 13 Contingencies and commitments

### 13.1 Contingencies

There are no significant changes in contingent liabilities since the last published financial statements as at June 30, 2018.

### 13.2 Commitments

Musharikhah commitments that have been approved, but not disbursed as on balance sheet date, amount to Rs. 58.686 million. (June 30, 2018:Rs. 41.38)

	<b>Note</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>31 March 2018 (Un-audited) Rupees</b>
<b>14 Operating expenses</b>			
Salaries and benefits		<b>18,563,089</b>	14,923,295
Traveling and conveyance		<b>189,356</b>	156,169
Legal and professional		<b>185,870</b>	438,000
Printing and stationary		<b>534,566</b>	876,951
Insurance		<b>210,380</b>	384,632
Fee and subscription		<b>1,645,800</b>	1,323,332
Auditor's remuneration		<b>267,470</b>	277,470
Repair and maintenance		-	546,272
Vehicle running and maintenance		<b>602,937</b>	636,346
Power and utilities		<b>662,547</b>	708,759
Entertainment expenses		<b>398,958</b>	428,031
Advertisement		-	73,399
Telephone and postage		<b>269,745</b>	411,671
Corporate expenses		<b>300,650</b>	339,930
Rent rates and taxes		-	98,800
Selling and marketing expenses		<b>1,013,115</b>	970,550
Miscellaneous expenses		<b>690,063</b>	959,516
Depreciation-own asset		<b>652,439</b>	588,861
		<b>26,186,985</b>	24,141,984



# First Punjab Modaraba

	Note	31 March 2019 (Un-audited) Rupees	31 March 2018 (Un-audited) Rupees
<b>15 Finance cost</b>			
Financial charges on musharikhah		76,948,281	49,266,048
Financial charges on redeemable capital		25,942,755	18,852,060
Bank charges		31,754	90,171
		<b>102,922,790</b>	<b>68,208,279</b>
<b>16 Taxation</b>			
<b>Current Tax</b>			
- Current period		(2,411,882)	(2,361,594)
<b>Deferred</b>			
- Relating to origination and reversal of temporary differences		-	4,460,880
		<b>(2,411,882)</b>	<b>2,099,286</b>
<b>17 Cash flow from operating activities</b>			
Profit for the period		14,187,541	14,188,114
Adjustments for:			
Depreciation of ijarah assets		42,757,892	27,205,394
Depreciation of assets in own use		652,439	588,861
Gain/loss on sale of financing assets		(5,768,809)	(201,488)
Gain/loss on disposal of owned assets		(39,100)	(1,119,000)
Provision/(Reversal) against ijarah assets		(12,872,346)	(4,099,506)
Provision/(Reversal) against musharikhah investment		4,947,175	49,370
Profit on musharikhah/modaraba finances		76,948,281	49,266,048
Profit on certificates of musharikhah		25,974,509	18,852,060
		<b>132,600,041</b>	<b>90,541,739</b>
<b>Operating profit before working capital changes</b>		<b>146,787,582</b>	<b>104,729,853</b>
<b>Working capital changes</b>			
(Increase)/decrease in operating assets:			
Moraraba investment		(47,261,910)	28,202,175
Purchase of assets under ijarah arrangements		(183,493,755)	(25,165,934)
Proceeds from transfer of ijarah assets		16,864,064	32,439,513
Ijarah Rental Receivable - net		(2,250,576)	
Advances, deposits, prepayments and other receivables		15,732,151	(34,438,715)
		<b>(200,410,026)</b>	<b>1,037,039</b>
Increase/(decrease) in operating liabilities:			
Security deposits - net		31,563,180	(18,733,000)
Trade and other payables		(26,304,137)	(23,313,692)
		<b>5,259,043</b>	<b>(42,046,692)</b>
		<b>(195,150,983)</b>	<b>(41,009,653)</b>
Cash generated from operations		<b>(48,363,401)</b>	<b>63,720,200</b>



**18 Transactions with related parties**

<b>18.1 Balance outstanding at the end of period</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>30 June 2018 (Audited) Rupees</b>
<b>18.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Musharikhah finances	<b>1,297,707,218</b>	1,193,495,035
Profit payable on musharikhah finances	<b>31,266,561</b>	18,323,102
Certificates of musharikhah	<b>400,000,000</b>	400,000,000
Profit payable on certificates of musharikhah	<b>5,465,357</b>	3,215,070
<b>18.1.2 Punjab Modaraba Services (Private) Limited Management fee</b>	<b>-</b>	3,079,239
<b>18.1.3 Punjab Capital Securities (Pvt.) Ltd.</b>	<b>76,500,000</b>	76,500,000
<b>18.2 Transactions during the period</b>	<b>July to March 2019 (Un-audited) Rupees</b>	<b>July to March 2018 (Un-audited) Rupees</b>
<b>18.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Bank charges	<b>31,754</b>	90,171
Profit charged on finances	<b>76,948,281</b>	49,266,048
Profit charged on certificates of Musharikhah	<b>25,821,180</b>	18,852,06
<b>18.2.1 Management fee paid</b>	<b>3,079,239</b>	2,672,036

**19 Reconciliation of liabilities arising from financing activities**

	<b>Audited 30 June 2018</b>	<b>Availed During the period</b>	<b>Repaid / Redeemed During the period</b>	<b>Un-audited 31 March 2018</b>
	----- (Rupees) -----			
Long Term Musharikhah Finance - Secured	1,193,495,035	1,007,867,075	(903,654,892)	1,297,707,218
Redeemable Capital - Participatory and Unsecured	400,000,000	408,000,000	(405,000,000)	403,000,000

**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.



# First Punjab Modaraba

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

The carrying amounts of all the financial instruments reflected in these financial statements 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 30 June 2018.

## 22 Date of authorization

This unaudited interim financial information for the period ended 31 March 2019 was authorized for issue by the Board of Directors of the Management Company on 26 April, 2019.

## 23 Corresponding figures

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the year except as given below:

Description	From	To	2017 (Rupees)
Advance paid for Software	Intangibles	Advances, deposits, prepayments and other receivables	900,000

## 24 General

Figures have been rounded off to the nearest rupee.

**Chief Financial officer**  
Punjab Modaraba Services  
( Private ) Limited

**Chief Executive**  
Punjab Modaraba Services  
( Private ) Limited

**Director**  
Punjab Modaraba Services  
( Private ) Limited

**Director**  
Punjab Modaraba Services  
( Private ) Limited



**CONSOLIDATED  
FINANCIAL INFORMATION**  
for the nine months ended  
31 March, 2019



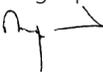
**Consolidated Condensed Interim Balance Sheet**

As at 31 March, 2019

	Note	31 March 2019 (Un-Audited) Rupees	30 June 2018 (Audited) Rupee
<b>ASSETS</b>			
<b>Non current assets</b>			
Tangible fixed assets	5		
Ijarah assets		364,378,518	225,737,910
Assets in own use		4,918,139	4,287,718
Intangible assets	6	7,175,000	6,500,000
Shares Available for Sale		10,308,698	10,308,698
Long term musharikhah investment - secured	7	444,005,534	442,297,062
Long term morabaha investment - secured	8	11,048,008	17,509,825
Long term deposits		2,771,309	2,771,309
Deferred tax asset		61,834,231	61,834,231
		<b>906,439,437</b>	<b>771,246,753</b>
<b>Current assets</b>			
Short term morabaha investment - secured	9	308,887,708	253,021,468
Current maturity of long term investment	10	423,302,164	459,309,170
Advances, deposits, prepayments and other receivables		121,824,121	125,208,450
Ijarah rental receivable		301,777,751	295,654,829
Tax refundable		3,628,484	4,137,232
Cash and bank balances		90,784,552	78,128,117
		<b>1,250,204,780</b>	<b>1,215,459,266</b>
<b>TOTAL ASSETS</b>		<b>2,156,644,217</b>	<b>1,986,706,019</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Authorized certificate capital 50,000,000 modaraba certificates of Rs. 10 each		<b>500,000,000</b>	<b>500,000,000</b>
Issued, Subscribed and paid-up Certificate Capital 34,020,000 certificates of Rs. 10 each		<b>340,200,000</b>	<b>340,200,000</b>
Capital Reserves		<b>211,960,411</b>	<b>211,960,411</b>
Revenue Reserves		<b>(368,447,752)</b>	<b>(365,244,416)</b>
		<b>183,712,659</b>	<b>186,915,995</b>
<b>Non current liabilities</b>			
Security deposits		<b>52,791,677</b>	<b>21,029,947</b>
Long term musharikhah finance-secured	11	<b>1,297,707,218</b>	<b>1,193,495,035</b>
		<b>1,350,498,895</b>	<b>1,214,524,982</b>
<b>Current liabilities</b>			
Current maturity of long term security deposits		<b>91,302,825</b>	<b>91,501,375</b>
Deferred morabaha income		<b>7,047,867</b>	<b>5,118,043</b>
Redeemable capital - participatory and unsecured		<b>403,000,000</b>	<b>400,000,000</b>
Profit payable	12	<b>36,731,918</b>	<b>21,538,172</b>
Trade and other payables		<b>64,529,331</b>	<b>49,745,181</b>
Unclaimed profit		<b>18,406,768</b>	<b>16,361,577</b>
Provision for taxation		<b>1,413,954</b>	<b>1,000,694</b>
		<b>622,432,663</b>	<b>585,265,042</b>
<b>Contingencies and commitments</b>			
	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,156,644,217</b>	<b>1,986,706,019</b>

The attached notes 1 to 23 form an integral part of this consolidated 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



**Consolidated Condensed Interim Profit and Loss Account(Un-Audited)**

For the nine months ended 31 March, 2019

Note	2019		2018	
	Nine months from July to March	Three months from January to March	Nine months from July to March	Three months from January to March
----- (Rupees) -----				
<b>Income</b>				
Ijarah rentals	83,690,163	32,671,261	48,711,943	13,296,961
Profit on morabaha investment	3,963,108	1,452,453	3,152,899	710,553
Profit on musharikah investment	74,414,576	30,768,357	69,482,353	23,050,142
Income from Brokrage	7,630,487	2,556,683	2,317,997	1,661,109
Gain on disposal of fixed assets	5,807,910	1,140,532	1,320,488	-
Other income	13,826,990	4,557,784	7,777,361	4,284,950
	<b>189,333,234</b>	<b>73,147,070</b>	132,763,041	43,003,714
<b>Expenses</b>				
Operating expenses	14 35,613,157	12,828,717	29,667,357	10,466,753
Depreciation of ijarah assets	43,086,677	15,874,398	27,205,394	8,079,690
Finance cost	15 102,929,182	41,070,510	68,214,846	23,011,770
	<b>181,629,016</b>	<b>69,773,625</b>	125,087,597	41,558,213
<b>Operating profit/(loss) before provision</b>	<b>7,704,218</b>	<b>3,373,445</b>	7,675,444	1,445,501
Provision / (Reversal) for impairment of ijarah assets	12,872,346	-	4,099,506	3,477,500
Provision / (Reversal) for musharikah investment	(4,947,175)	-	(49,370)	-
Other Provision / (Reversal)	-	-	-	-
	<b>(7,925,171)</b>	-	(4,050,136)	(3,477,500)
<b>Operating profit after provision and impairment</b>	<b>15,629,389</b>	<b>3,373,445</b>	11,725,580	4,923,001
<b>Modaraba Company's management fee</b>	-	-	-	-
	<b>15,629,389</b>	<b>3,373,445</b>	11,725,580	4,923,001
<b>Taxation</b>	16 (2,497,725)	(548,318)	3,702,918	(294,142)
<b>Profit for the period</b>	<b>13,131,664</b>	<b>2,825,127</b>	15,428,498	4,628,859
<b>Earnings per certificate - basic and diluted</b>	<b>0.39</b>	<b>0.08</b>	0.45	0.14

The attached notes 1 to 23 form an integral part of this consolidated 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



## Consolidated condensed Interim Statement of Comprehensive Income (Un-Audited)

For the nine months ended 31 March, 2019

	2019		2018	
	Nine months from July to March	Three months from January to March	Nine months from July to March	Three months from January to March
	----- (Rupees) -----			
<b>Income</b>				
Income for the period	13,131,664	2,825,127	15,428,498	4,628,859
Gain on revaluation of available for sale investments	675,000	-	367,174	-
<b>Total comprehensive income for the period</b>	<b>13,806,664</b>	<b>2,825,127</b>	<b>15,795,672</b>	<b>4,628,859</b>

The attached notes 1 to 23 form an integral part of this consolidated 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



## Consolidated Statement of Changes in Equity (Un-Audited)

For the nine months ended 31 March, 2019

	Certificate capital	Capital Reserve Statutory reserves	Revenue Reserve Accumulated loss	Total
----- (Rupees) -----				
<b>Income</b>				
<b>Balance as at July 1, 2017</b>	340,200,000	207,475,176	(366,175,358)	181,499,818
Profit for the period	-	-	15,428,498	15,428,498
Other comprehensive income for the period	-	-	367,174	367,174
Transactions with owners				
Final dividend for the year ended June 30, 2017 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
<b>Balance as at March 31, 2018</b>	<u>340,200,000</u>	<u>207,475,176</u>	<u>(367,389,686)</u>	<u>180,285,490</u>
<b>Balance as at July 1, 2018</b>	<b>340,200,000</b>	<b>211,960,411</b>	<b>(365,244,416)</b>	<b>186,915,995</b>
Profit for the period	-	-	<b>13,131,664</b>	<b>13,131,664</b>
Other comprehensive income for the period	-	-	<b>675,000</b>	<b>675,000</b>
Transactions with owners				
Final dividend for the year ended June 30, 2018 at Rs. 0.5 per certificate	-	-	(17,010,000)	(17,010,000)
<b>Balance as at March 31, 2019</b>	<u><b>340,200,000</b></u>	<u><b>211,960,411</b></u>	<u><b>(368,447,752)</b></u>	<u><b>183,712,659</b></u>

The attached notes 1 to 23 form an integral part of this consolidated 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



## Consolidated Condensed Interim Cash Flow Statement (Un-Audited)

For the nine months ended 31 March, 2019

	Note	31 March 2019 (Un-audited) Rupees	31 March 2018 (Un-audited) Rupees
<b>Cash flow from Operating activities</b>			
Cash generated from operations	17	(17,895,212)	53,719,477
Proceeds from Transfer of Ijara assets		(23,692,468)	-
Profit paid on certificates of musharikhah		(64,042,968)	(18,852,737)
Profit paid on musharikhah finances		(1,575,717)	(49,516,402)
Taxes paid		(89,311,153)	(3,040,843)
		(107,206,365)	(71,409,982)
<b>Net cash (used in) / generated from operating activities</b>		<b>(107,206,365)</b>	<b>(17,690,505)</b>
<b>Cash flow from investing activities</b>			
Musharikhah investment redeemed		300,369,823	140,489,902
Musharikhah investment made		(271,231,153)	(173,683,043)
Proceeds from disposal of fixed assets		58,000	1,108,617
Purchase of fixed assets in own use		(1,581,244)	(932,934)
		27,615,426	(33,017,458)
<b>Net cash used in from investing activities</b>		<b>27,615,426</b>	<b>(33,017,458)</b>
<b>Cash flow from financing activities</b>			
Musharikhah finances		104,212,183	72,054,947
Redeemable capital		3,000,000	-
Profit distributed among the certificate holders		(14,964,809)	(15,903,098)
		92,247,374	56,151,849
<b>Net cash generated from financing activities</b>		<b>92,247,374</b>	<b>56,151,849</b>
<b>Net increase in cash and cash equivalents</b>		<b>12,656,435</b>	<b>5,443,886</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>78,128,117</b>	<b>59,707,426</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>90,784,552</b>	<b>65,151,312</b>

The attached notes 1 to 23 form an integral part of this consolidated 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 Consolidated Condensed Interim Financial Information (Un-audited)

For the nine months ended 31 March, 2019

### 1 THE GROUP AND ITS OPERATIONS

#### 1.1 The "Group" Consist of :

##### Holding Company

##### - First Punjab Modaraba

Percentage of holding	Mar-19	Jun-18
Subsidiary Company	100	100
Punjab Capital Securities (Pvt.) Limited		

Brief profiles of the holding company and subsidiaries are as follows :

#### 1.2 Status and nature of business

First Punjab Modaraba (the Group) Comprises First Punjab Modaraba (the Modaraba) and a wholly owned subsidiary, Punjab Capital Securities (Pvt) Limited. First Punjab Modaraba (the Modaraba) was formed under the Modaraba Companies and Modaraba (Flotation 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 office No. 100, 3rd floor, National Tower Egerton Road, Lahore. The Modaraba commenced its operations from 23 December 1992. The Modaraba is listed on Pakistan Stock Exchange.

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

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 Company is mainly engaged in the business of brokerage services, portfolio management and consultancy services.

### 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 (Flotation 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 (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 and the directives issued by SECP differ with the requirements of IFRSs or IFAS, the requirements of the Modaraba Companies and Modaraba (Flotation and Control) Ordinance, 1980, Modaraba Companies and Modaraba Rules, 1981 or the directives issued by the SECP prevail.

This Consolidated condensed interim financial information is un-audited. This Consolidated Condensed interim financial information of the Modaraba for the period ended 31 March 2019 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 30 June 2018.

This Consolidated condensed interim financial information is being 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 31 March 2019 has been extracted from the audited Consolidated financial statements of the Modaraba for the year ended 30 June 2018, whereas the comparative profit and loss account and statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the Consolidated condensed interim financial information for the period ended 31 March 2018.



### 3 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these consolidated condensed interim financial statements are the same as those applied in the preparation of the financial statements for the year ended 30 June 2018, except as follows:  
New / Revised Standards, Interpretations and Amendments

The Modaraba has adopted the following amendments and interpretation of IFRSs which became effective for the current period:

IAS 40- Transfers to Investment Property (Amendments)

IFRS 2- Share based Payments – Classification and Measurement (Amendments)

IFRIC 22 - Foreign Currency Transactions and Advance Consideration

IFRS 15 - Revenue from Contracts with Customers

Further, IFRS - 9 “Financial Instruments” replaces IAS - 39 “Financial Instruments: Recognition and Measurement” for annual periods beginning on or after 1 July 2018. However, the Securities and Exchange Commission of Pakistan vide its notification dated 14 February 2019 has deferred the applicability of IFRS - 9 on interim period ending before 30 June 2019. Therefore, these consolidated condensed interim financial statements do not include the impact of adoption of the standard.

The adoption of the above revision, amendments and interpretations of the standards did not have any material effect on the condensed interim financial statements. Such change does not financially impact these unconsolidated condensed interim financial statements.

In addition to the above standards and interpretations, improvements to various accounting standards have also been issued by the IASB and are generally effective for current period. The Modaraba expects that such improvements to the standards do not have any material impact on the Modaraba’s consolidated condensed interim financial statements for the period.

### 4 Significant accounting estimates and judgements

The preparation of these consolidated condensed interim financial statements require 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 year ended 30 June 2018.

	Note	31 March 2019 (Un-audited) Rupees	30 June 2018 (Audited) Rupees
<b>5 Tangible fixed assets</b>			
Ijarah assets	5.1	<b>364,378,518</b>	225,737,910
Assets in own use	5.2	<b>4,918,139</b>	4,287,718
		<b>369,296,657</b>	230,025,628



**5.1 Ijarah assets**

December 2018 (Un-Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate As per term %	
	As at 1 July 2018	Additions	Transfer	As at 31 Mar 2019	Charge for the period	Transfer	As at 31 Mar 2019	Reversal for the period	Transfer	As at 31 Mar 2019	As at 31 Mar 2019		
Plant and machinery	641,915,470	245,000	(1,654,500)	640,505,970	4,968,766	(1,482,796)	509,017,082	29,593,102	(9,000,000)	-	20,593,102	110,895,786	As per term
Vehicle	220,786,051	109,078,000	(2,076,283)	327,787,768	17,536,385	(698,896)	127,356,418	1,104,397	-	-	1,104,397	199,326,953	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	20,608,226	6,658,500	(25,699)	27,241,027	4,701,129	-	15,531,426	-	-	-	-	11,709,601	As per term
	896,862,351	115,981,500	(3,756,482)	1,009,087,369	27,212,280	(2,181,692)	665,457,530	30,697,499	(9,000,000)	-	21,697,499	321,932,340	

June - 2018 (Audited)

Description	COST			DEPRECIATION			IMPAIRMENT			NET BOOK VALUE		Depreciation Rate As per term %	
	As at 1 July 2017	Additions	Transfer	As at 30 June 2018	Charge for the year	Transfer	As at 30 June 2018	Reversal for the year	Transfer	As at 30 June 2018	As at 30 June 2018		
Plant and machinery	748,140,470	52,835,000	(159,060,000)	641,915,470	1,760,789	(139,235,718)	505,531,112	30,604,048	(622,006)	(388,940)	29,593,102	106,791,256	As per term
Vehicle	204,006,260	4,778,791	(31,008,000)	220,786,051	25,741,253	(24,458,809)	110,518,929	1,104,397	-	-	1,104,397	109,162,725	As per term
Cessna aircraft	13,552,604	-	-	13,552,604	-	-	13,552,604	-	-	-	-	-	As per term
Consumer products	16,687,789	10,295,000	(6,374,563)	20,608,226	10,039,119	(5,240,518)	10,824,297	-	-	-	-	9,783,929	As per term
	982,387,123	110,917,791	(196,442,563)	896,862,351	37,541,162	(168,935,045)	640,426,942	31,708,445	(622,006)	(388,940)	30,697,499	225,737,910	

**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.

**5.1.2** The gross carrying amount (cost) of fully depreciated assets that are still in use is Rs. 634,195,971 (30 June 2018: Rs. 633,608,701).



**5.2 Assets in own use**

March 2019 (Un-Audited)										
Description	COST			DEPRECIATION			NET BOOK VALUE			
	As at 1 July 2018	As at 31 Mar 2019	Disposal	As at 1 July 2018	Charge for the period	Disposal	As at 31 Mar 2019	As at 31 Mar 2019	Depreciation Rate	
									%	
				-----Rupees-----						
Office Equipment	3,156,804	3,209,578	(124,400)	1,823,958	362,857	(105,500)	2,081,315	1,128,263	15% & 30%	
Furniture & Fixtures	2,698,441	2,725,941	-	1,061,259	225,924	-	1,287,183	1,438,758	15%	
Vehicles	801,900	1,376,570	-	163,727	190,276	-	354,003	1,824,467	20%	
Computer Products	1,175,180	1,175,180	-	495,663	152,866	-	648,529	526,651	20%	
	<b>7832,325</b>	<b>1,581,244</b>	<b>(124,400)</b>	<b>3,544,607</b>	<b>931,923</b>	<b>(105,500)</b>	<b>4,371,030</b>	<b>4,918,139</b>		

June 2018 (Audited)										
Description	COST			DEPRECIATION			NET BOOK VALUE			
	As at 1 July 2017	As at 30 June 2018	Disposal	As at 1 July 2017	Charge for the year	Disposal	As at 30 June 2018	As at 30 June 2018	Depreciation Rate	
									%	
				-----Rupees-----						
Office Equipment	3,156,804	3,209,578	(124,400)	1,823,958	362,857	(105,500)	2,081,315	1,128,263	15% & 30%	
Furniture & Fixtures	2,698,441	2,725,941	-	1,061,259	225,924	-	1,287,183	1,438,758	15%	
Vehicles	801,900	1,376,570	-	163,727	190,276	-	354,003	1,824,467	20%	
Computer Products	1,175,180	1,175,180	-	495,663	152,866	-	648,529	526,651	20%	
	<b>7832,325</b>	<b>1,581,244</b>	<b>(124,400)</b>	<b>3,544,607</b>	<b>931,923</b>	<b>(105,500)</b>	<b>4,371,030</b>	<b>4,918,139</b>		

**5.2.1** The Gross Carrying amount (cost) of fully depreciated assets that are still in use Rs. 1,459,609 (30 June 2018 : Rs. 1,119,609).



	Note	31 March 2019 (Un-audited) Rupees	30 June 2018 (Audited) Rupees
<b>6. Intangible assets</b>			
Brokrage Assets	6.1	7,175,000	6,500,000
		<u>7,175,000</u>	<u>6,500,000</u>
<b>6.1</b> Brokrage Assets include trading Rights Entitlement Certificate and Room at LSE Building.			
<b>7 Long term musharikhah investment - secured</b>			
Long term morabaha investment		862,635,861	905,484,057
Less: Current maturity		(418,630,327)	(463,186,995)
		<u>444,005,534</u>	<u>442,297,062</u>
<b>8 Long term morabaha investment - secured</b>			
Long term morabaha investment		21,521,257	26,545,141
Add: Unearned morabaha income		2,998,588	4,649,209
		<u>24,519,845</u>	<u>31,194,350</u>
Less: Current maturity		(4,671,837)	(4,884,525)
		<u>19,848,008</u>	<u>26,309,825</u>
Less: Provision for doubtful morabaha investment		(8,800,000)	(8,800,000)
Total long term morabaha investment net		<u>11,048,008</u>	<u>17,509,825</u>
<b>9 Short term morabaha investment-secured</b>			
Short term morabaha Investment		540,439,808	488,114,013
Add: Unearned morabaha income		4,009,279	468,834
		<u>544,449,087</u>	<u>488,582,847</u>
Less: Provision for doubtful finances		(235,561,379)	(235,561,379)
		<u>308,887,708</u>	<u>253,021,468</u>
<b>10 Current maturity of long term investment</b>			
Morabaha investment		3,179,993	3,179,993
Add: Unearned morabaha income		1,491,844	1,704,532
		<u>4,671,837</u>	<u>4,884,525</u>
Musharikhah investment		432,339,853	463,186,995
Less: Provision against musharika investment		(13,709,526)	(8,762,350)
		<u>418,630,327</u>	<u>454,424,645</u>
		<u>423,302,164</u>	<u>459,309,170</u>



**11 Long term musharikhah finance-secured**

During the period the modaraba has availed musharikhah finance facilities from The Bank of Punjab having approved limits of Rs.1,585 million (June 30, 2018: Rs.1,405 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, 2018: 3 Month-KIBOR).

	<b>Note</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>30 June 2018 (Audited) Rupees</b>
<b>12 Profit payable</b>			
Musharikhah finance		<b>31,266,561</b>	18,323,102
Redeemable capital		<b>5,465,357</b>	3,215,070
		<b>36,731,918</b>	21,538,172

**13 Contingencies and commitments**

**13.1 Contingencies**

There are no significant changes in contingent liabilities since the last published financial statements as at June 30, 2018.

**13.2 Commitments**

Musharikhah commitments that have been approved, but not disbursed as on balance sheet date, amount to Rs. 58.686 million. (June 30, 2018:Rs. 41.38)

	<b>Note</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>31 March 2018 (Un-audited) Rupees</b>
<b>14 Operating expenses</b>			
Salaries and benefits		<b>25,775,057</b>	18,876,295
Traveling and conveyance		<b>210,936</b>	156,169
Legal and professional		<b>486,847</b>	438,000
Printing and stationary		<b>534,566</b>	1,174,324
Insurance		<b>218,668</b>	384,632
Fee and subscription		<b>2,419,964</b>	1,323,332
Auditor's remuneration		<b>267,470</b>	277,470
Repair and maintenance		<b>40,728</b>	546,272
Vehicle running and maintenance		<b>602,937</b>	636,346
Power and utilities		<b>937,176</b>	708,759
Entertainment expenses		<b>467,857</b>	428,031
Advertisement		-	73,399
Telephone and postage		<b>348,227</b>	411,671
Corporate expenses		<b>300,650</b>	339,930
Rent rates and taxes		<b>13,027</b>	98,800
Selling and marketing expenses		<b>1,278,303</b>	1,470,550
Miscellaneous expenses		<b>778,821</b>	1,459,516
Depreciation-own asset		<b>931,923</b>	863,861
		<b>35,613,157</b>	29,667,357



	Note	31 March 2019 (Un-audited) Rupees	31 March 2018 (Un-audited) Rupees
<b>15 Finance cost</b>			
Financial charges on musharikhah		76,948,281	49,266,048
Financial charges on redeemable capital		25,942,755	18,852,060
Bank charges		38,146	96,738
		<b>102,929,182</b>	<b>68,214,846</b>
<b>16 Taxation</b>			
<b>Current Tax</b>			
- Current period		(2,497,725)	(2,641,536)
<b>Deferred</b>			
- Relating to origination and reversal of temporary differences		-	6,344,454
		<b>(2,497,725)</b>	<b>3,702,918</b>
<b>17 Cash flow from operating activities</b>			
Profit for the period		15,629,389	11,725,580
Adjustments for:			
Depreciation of ijarah assets		42,757,892	27,205,394
Depreciation of assets in own use		931,923	934,338
Gain/loss on sale of financing assets		(5,768,810)	(201,488)
Gain/loss on disposal of owned assets		(39,100)	(1,119,000)
Provision/(Reversal) against ijarah assets		(12,872,346)	(4,099,506)
Provision/(Reversal) against musharikhah investment		4,947,175	49,370
Other provisions		-	-
Profit on musharikhah/morabaha finances		76,948,281	49,272,615
Profit on certificates of musharikhah		25,980,901	18,852,060
		<b>132,885,916</b>	<b>90,893,783</b>
<b>Operating profit before working capital changes</b>		<b>148,515,305</b>	<b>102,619,363</b>
<b>Working capital changes</b>			
(Increase)/decrease in operating assets:			
Morabaha investment		(47,261,911)	28,202,175
Purchase of assets under ijarah arrangements		(183,493,755)	(25,165,934)
Proceeds from transfer of ijarah assets		16,864,064	32,439,496
Ijarah Rental Receivable - net		(2,250,576)	-
Long term deposits		-	(1,776,909)
Advances, deposits, prepayments and other receivables		3,388,331	(55,799,330)
		<b>(212,753,847)</b>	<b>(22,100,502)</b>
Increase/(decrease) in operating liabilities:			
Security deposits refunded		31,563,180	(18,733,000)
Trade and other payables		14,780,150	(8,066,384)
		<b>46,343,330</b>	<b>(26,799,384)</b>
		<b>(166,410,517)</b>	<b>(48,899,886)</b>
<b>Cash generated from operations</b>		<b>(17,895,212)</b>	<b>53,719,477</b>



# First Punjab Modaraba

## 18 Transactions with related parties

<b>18.1 Balance outstanding at the end of period</b>	<b>31 March 2019 (Un-audited) Rupees</b>	<b>30 June 2018 (Audited) Rupees</b>
<b>18.1.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Musharikhah finances	<b>1,297,707,218</b>	1,193,495,035
Profit payable on Musharikhah finances	<b>31,266,561</b>	18,323,102
Certificates of Musharikhah	<b>400,000,000</b>	400,000,000
Profit payable on Certificates of Musharikhah	<b>5,465,357</b>	3,215,070
<b>18.1.2 Punjab Modaraba Services (Private) Limited Profit distribution</b>	<b>-</b>	<b>3,079,239</b>
<b>18.2 Transactions during the period</b>		
	<b>July to March 2019 (Un-Audited) Rupees</b>	<b>July to March 2018 (Un-Audited) Rupees</b>
<b>18.2.1 The Bank of Punjab (Holding company of Modaraba's Management Company)</b>		
Bank charges	<b>38,146</b>	96,738
Profit charged on finances	<b>76,948,281</b>	49,266,048
Profit charged on certificates of Musharikhah	<b>25,821,180</b>	18,852,060
<b>18.2.2 Management fee paid</b>	<b>3,079,239</b>	<b>2,672,036</b>

## 19 Reconciliation of liabilities arising from financing activities

	<b>Audited 30 June 2018</b>	<b>Availed During the period</b>	<b>Repaid / Redeemed During the period</b>	<b>Un-audited 31 March 2019</b>
	-----	-----	-----	-----
	----- (Rupees) -----			
Long Term Musharikhah Finance - Secured	1,193,495,035	1,007,867,075	(903,654,892)	1,297,707,218
Redeemable Capital - Participatory and Unsecured	400,000,000	408,000,000	(405,000,000)	403,000,000

## 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 falls under any of the levels in the prescribed hierarchy.



The carrying amounts of all the financial instruments reflected in these financial statements 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 30 June 2018.

**22 Date of authorization**

This unaudited interim financial information for the period ended 31 March 2019 was authorized for issue by the Board of Directors of the Management Company on 26 April, 2019.

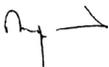
**23 Corresponding figures**

Corresponding figures have been rearranged or reclassified wherever necessary for the purpose of comparison and better presentation. However, no significant reclassifications have been made during the year except as given below:

Description	From	To	2017 (Rupees)
Advance paid for Software	Intangibles	Advances, deposits, prepayments and other receivables	900,000

**24 General**

Figures have been rounded off to the nearest rupee.

  
**Chief Financial officer**  
 Punjab Modaraba Services  
 ( Private ) Limited

  
**Chief Executive**  
 Punjab Modaraba Services  
 ( Private ) Limited

  
**Director**  
 Punjab Modaraba Services  
 ( Private ) Limited

  
**Director**  
 Punjab Modaraba Services  
 ( Private ) Limited

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## **First Punjab Modaraba**

Managed by:

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

(A wholly owned subsidiary of The Bank of Punjab)

 Office No.100, 3<sup>rd</sup> Floor, National Tower,  
28-Egerton Road, Lahore.

 (+92-42) 36305131

 [www.punjabmodaraba.com.pk](http://www.punjabmodaraba.com.pk)