



FIRST IBL MODARABA HALF YEARLY REPORT DECEMBER 31, 2019

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CORPORATE INFORMATION

Modaraba Management Company

IBL Modaraba Management (Pvt.) Limited

Board of Directors

Arslan Khan Khakwani	Chairman/ Director
Ibrahim Hassan Murad	Director
Naveed Amin	Director
Shiraz Butt	Director

Chief Executive

Shiraz Butt

Company Secretary

Hassan Fareed

Chief Financial Officer

Zeeshan Ahmed

Internal Auditor

Husnain Shafqat

Audit Committee

Naveed Amin	Chairman
Arslan Khan Khakwani	Member
Ibrahim Hassan Murad	Member

Sharia'ah Advisor

Dr. Salman Ahmed Khan

Legal Advisor

M/s. Holscott International [Legal Services]

Auditors to Modaraba

M/s. RSM Avas Hayder Liaquat Nauman & Co.
Chartered Accountants

Bankers

Habib Bank Limited – Islamic Banking
Meezan Bank Limited
MCB Islamic Bank Limited

Registrar

Corp Tec Associates (Pvt.) Limited
503 E, Johar Town, Lahore.

Registered Office

Office No. 513, 5th Floor, Alhafeez Business
Center, 89-b-III, Gulberg 3, Lahore

Principal Office

Office No. 513, 5th Floor, Alhafeez Business
Center, 89-b-III, Gulberg 3, Lahore.

DIRECTORS' REPORT

The Board of Directors of M/s IBL Modaraba Management (Private) Limited [IBLMM], the Management Company of First IBL Modaraba [FIBLM], is pleased to present the half yearly reviewed (un audited) results of First IBL Modaraba for the period ended December 31, 2019 along with Directors' Report to its certificate holders.

Recent change in government, implementation of their new policies really affected the financial sector business. It is expected that due to reforms in economic policies and economic indicators financial sector will grow in future.

Despite of competition with giant financial institutions and commercial banks modaraba showed tremendous progress during the half year ended December 31, 2019 and reported net profit of Rs. 2.641 million as compare to the loss of Rs. 2.461 million in the corresponding period.

High inflationary trend effect and increase in overhead cost nationwide, modaraba managed to reduce its operational expenses by 28.42%. Total expenses were booked amounting to Rs.11.913 million as compared to Rs.16.645 million in the corresponding period.


Total assets during the period under review were stood at Rs.226.687 million as compared to Rs.229.73 million in corresponding period. Whereas total liabilities were decrease by 7.43% amounting to Rs.35.88 million as compared to Rs.38.76 million.

In the competitive and tough business environment of the country the management is focused and committed to enhance the profitability and is putting its best efforts through working on improved / new business ideas based on modern technological business methodologies.

I would like to express my gratitude to the Securities & Exchange Commission of Pakistan, Registrar Modarabas, State Bank of Pakistan and NBFIs & Modaraba Association of Pakistan for providing us their usual support and guidance. The board appreciates and pays gratitude to the certificate holders and customers for entrusting their confidence on us and we assure them maintenance of adequate internal controls, providing personalized services and also to maintain an ideal environment of good corporate governance in all areas of the activities.

Finally the board appreciates the dedication and hard work put in by the team of First IBL Modaraba.

for & on behalf of the Board,



Shiraz Butt

Chief Executive

Date: February 26, 2020

ڈائریکٹرز رپورٹ

میں، بورڈ آف ڈائریکٹرز کی طرف سے آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ آئی بی ایل مضاربہ کی مینجمنٹ کمپنی ہے 31 دسمبر 2019 کو اختتام پذیر ہونیوالی ششماہی کے، غیر تصدیق شدہ نظر ثانی شدہ مالیاتی دستاویزات معہ ڈائریکٹرز رپورٹ، اپنے سرٹیفیکیٹ ہولڈر کو پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

گورنمنٹ کی تبدیلی اور انکی نئی پالیسیوں پر عمل درآمد کی نے مالیاتی سیکٹر کے کاروبار پر بہت اثر ڈالا۔ امید کی جاتی ہے کہ نئی اقتصادی اصطلاحات سے کاروبار کو فروغ ملے گا۔

بڑے مالیاتی اداروں اور کمرشل بینکوں کے ساتھ مقابلے کے باوجود مضاربہ نے دسمبر 2019 کو اختتام پذیر ہونیوالی ششماہی میں زبردست کارکردگی دیکھائی اور گزشتہ مدت کے 2.461 ملین روپے کے نقصان کے مقابلے میں 2.641 ملین روپے آمدن دیکھائی۔

ملک میں بڑھتی ہوئی افراط زر کی شرح میں اور آپریشنل اخراجات میں اضافے کے باوجود، مضاربہ کے اخراجات میں 28.42% کمی ہوئی۔ کل اخراجات پچھلے سال کے 16.645 ملین روپے کے مقابلے میں 11.913 ملین روپے رہے۔

پہلی ششماہی کے دوران مضاربہ کے اثاثات پچھلے سال کے 229.73 ملین روپے کے مقابلے میں 226.687 ملین روپے رہے جبکہ مالیاتی ذمہ داریوں میں 7.43 فیصد کمی ہوئی جو پچھلے سال کے 38.76 ملین روپے کے مقابلے میں 35.88 ملین روپے رہیں۔

سخت کاروباری حالات میں انتظامیہ کا منشور منافع میں اضافہ ہے اور اسکے لئے نئے، بہتر اور جدید کاروباری طریقہ کار پر کام جاری ہے۔

آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کا بورڈ، سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان، رجسٹرڈ مضاربہ، اسٹیٹ بینک آف پاکستان اور این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان کا، انکی ہمیشہ کی طرح حمایت اور رہنمائی کیلئے شکر گزار ہے۔

بورڈ اپنے سرٹیفیکیٹ ہولڈرز اور گاہکوں کا نہایت مشکور ہے۔ جنہوں نے ہم پر بھروسہ کیا اور ان کو اندرونی نظام و ذاتی توجہ اور کارپوریٹ گورننس کے تمام شعبوں میں مثالی ماحول کو برقرار رکھنے کی یقین دہانی کرواتا ہے۔

بورڈ، مضاربہ کی مینجمنٹ اور کارکنان کی سخت محنت اور لگن کو جو انہوں نے مضاربہ کے ہر شعبے میں ترقی کیلئے کی ہے، کو سراہتا ہے۔

منتظم فرسٹ آئی بی ایل مضاربہ



شیراز بٹ

چیف ایگزیکٹو

26 فروری 2020

INDEPENDENT AUDITORS' REPORT TO THE CERTIFICATE HOLDERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of First IBL Modaraba”) as at December 31, 2019 the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for six months period ended (here-in-after referred to as the “the interim financial information”). Management of Modaraba Company is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying 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.

Basis for Qualified Conclusion

Our review indicates that:

We were unable to verify receivable balances aggregating to Rs. **0.845** million (June 30, 2019 Rs.5.511 million) included in “Advances, prepayments and other receivables” owing to non-availability of related records/information.

Qualified Conclusion

Based on our review, except for the possible effects of matter described in preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2019 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

RSM Avas Hyder Liaquat Nauman

Chartered Accountants

Islamabad

Dated: 26 February, 2020

Engagement Partner: Nauman Mehmood

SHARI'AH ADVISOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2019

I have conducted the Shari'ah review of First IBL Modaraba managed by IBL Modaraba Management (Pvt.) Ltd. for the half year ended December 31, 2019 in accordance with requirement of the Shari'a Compliance and Shari'ah Audit Mechanism for Modaraba.

I acknowledge and certify that as Sharia Advisor of the Modaraba, the financial arrangements, contracts and transactions entered into by the company with its customers, stake holders and participants are in compliance with the requirements of Sharia rules and principles.

During the review I have verified the following in compliance with Shariah mechanism:

- The transactions of Diminishing Musharakah were reviewed on random selection basis.
- Declarations, description of assets, relevant purchase invoices, sequence and order of the documents and time difference between purchases and declaration where applicable were reviewed to obviate the possibility of fictitious transactions.
- Sharia Compliance Checklists (SCC) of transactions was also reviewed on random basis.
- During the period, credit approvals, customer-specific transaction process flows, text of documents and security documents were reviewed to ensure Shariah compliance while offering financing products to the customers.
- Random physical inspections and concrete measures were taken to verify the purchase evidences and invoices of financing transactions, thus further improving the quality of internal controls.
- Other related documents and procedures followed by different functional areas were found proper.
- During the period onsite training has been given to the staff.

Recommendations

New products should be introduced to enhance the product line to promote the Islamic finance i.e. Salam, Istisna.

Conclusion

In this context of detailed Shari'ah review carried by the undersigned for the Half Year ended December 31, 2019, transactions during the period executed by FIBLM were found satisfactory as required by Shari'ah Audit Mechanism.

S/D

Dr. Mufti Salman Ahmad Khan

Shari'ah Advisor

February 26, 2020

FIRST IBL MODARABA**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)****AS AT DECEMBER 31, 2019**

	Note	December 31, 2019 (Un-audited) Rupees	June 30, 2019 (Audited) Rupees
ASSETS			
Current Assets			
Bank balances		16,748,961	32,047,734
Ijarah rentals receivable	5	959,379	1,300,470
Advances, prepayments and other receivables		8,929,623	13,054,147
Short term investments	6	15,249,764	2,548,212
Current portion of long term musharaka receivables		61,794,996	50,705,110
		103,682,723	99,655,673
Non-Current Assets			
Long term musharaka receivables		23,283,936	20,179,814
Long term advances and deposits		2,619,260	2,619,260
Investment property	7	64,583,620	67,083,634
Fixed assets under ijarah arrangements	8	29,630,285	36,846,759
Fixed assets under own use	9	2,887,233	3,348,799
		123,004,334	130,078,266
Total Assets		226,687,057	229,733,939
LIABILITIES			
Current Liabilities			
Creditors, accrued and other liabilities		524,623	1,773,892
Musharaka profit payable		1,430,192	1,430,192
Musharaka finances		700,000	700,000
Current portion of long term security deposits		18,022,380	14,372,460
Unpresented profit warrants		10,672,600	10,480,524
		31,349,795	28,757,068
Non-Current Liabilities			
Long term security deposits		4,539,600	10,011,110
Total Liabilities		35,889,395	38,768,178
NET ASSETS		190,797,662	190,965,761
REPRESENTED BY:			
Certificate capital	10	216,875,000	216,875,000
Reserves		46,966,132	46,305,510
Accumulated loss		(73,043,469)	(72,214,749)
Contingencies and commitments	11	-	-
		190,797,662	190,965,761

The annexed notes from 1 to 15 form an integral part of this condensed interim financial statements.

S/D**Chief Executive****S/D****Director****S/D****Director**

First IBL Modaraba

FIRST IBL MODARABA CONDENSED INTERIM PROFIT & LOSS ACCOUNT (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Rupees				
INCOME FROM OPERATION				
Income from ijarah	4,639,010	4,917,839	1,712,113	2,704,246
Profit on murabaha investment	-	14,734	-	101
Profit on musharaka investments	5,073,896	3,144,141	3,229,304	1,814,821
Income from investment property	3,747,720	3,747,720	1,873,860	1,873,860
Profit on modaraba certificate, term deposit receipts and bank deposits	490,237	352,223	99,214	352,137
Income from short term investments	40,929	429,813	49,289	462,240
	13,991,792	12,606,470	6,963,780	7,207,405
OTHER INCOME				
Reversal of provision against non-performing musharaka receivable	-	32,288	-	213,601
Other income	563,190	1,545,033	109,270	805,700
	563,190	1,577,321	109,270	1,019,301
TOTAL INCOME	14,554,982	14,183,791	7,073,050	8,226,706
EXPENSES				
Operating expenses	(8,123,785)	(9,802,069)	(4,143,230)	(5,277,237)
Depreciation on assets under ijarah	(3,749,435)	(6,818,661)	(1,710,123)	(3,358,770)
Other operating expenses	(40,475)	(24,550)	-	(13,750)
	(11,913,695)	(16,645,280)	(5,853,353)	(8,649,757)
Net Profit/ (loss) for the period	2,641,288	(2,461,489)	1,219,698	(423,051)
Earnings/ (loss) per Modaraba Certificate - Basic and Diluted	0.12	(0.11)	0.56	(0.02)

The annexed notes from 1 to 15 form an integral part of this condensed interim financial statements.

S/D
Chief Executive

S/D
Director

S/D
Director

FIRST IBL MODARABA
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended		Quarter Ended	
	December 31, 2019	December 31 2018	December 31, 2019	December 31, 2018
		(Un-audited) Rupees	(Un-audited) Rupees	(Un-audited) Rupees
Net Profit/ (loss) for the period	2,641,288	(2,461,489)	1,219,698	(423,051)
Other comprehensive income	-			
Items that may be reclassified subsequently to profit and loss				
Unrealized Profit/(loss) in value of available for sale investments	660,614	(1,470,818)	791,235	(1,101,665)
Total Comprehensive Income/ (loss) for the period	<u>3,301,902</u>	<u>(3,932,307)</u>	<u>2,010,933</u>	<u>(1,524,716)</u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial statements.

S/D

Chief Executive

S/D

Director

S/D

Director

FIRST IBL MODARABA
CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

	Half Year Ended	
	December 31, 2019	December 31, 2018
	Rupees	Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	2,641,288	(2,461,489)
Adjustments for:		
- Depreciation of fixed assets under own use	489,066	436,646
- Depreciation of investment properties	2,500,014	2,500,014
- Depreciation of fixed assets under ijarah arrangements	3,749,435	6,818,661
- Gain on disposal of short term investments available for sale	(40,929)	(1,470,818)
- Gain on termination of ijarah arrangements	174,179	(171,948)
- Gain on disposal of fixed asset under use	2,200	-
- Profit on bank deposits	(490,237)	(352,223)
	<u>6,383,728</u>	<u>7,760,332</u>
Operating profit before working capital changes	9,025,015	5,298,843
(Increase) / Decrease in operating assets and liabilities		
Advances, prepayments and other receivables	4,218,415	(1,258,789)
Ijarah rentals receivable	(341,091)	(492,160)
Musharaka receivables	(3,104,122)	(32,520,416)
Short term musharaka receivable	(11,089,886)	53,857,958
Long term murabaha receivable	-	500,000
Deferred murabaha income	-	(17,600)
Long term security deposits - ijarah	(1,821,590)	3,113,700
Creditors, accrued and other liabilities	(1,249,270)	(237,064)
Net cash (used in) / generated from changes in working capital	<u>(13,387,543)</u>	<u>22,945,629</u>
Cash Generated from Operations	(4,362,528)	28,244,472
Income taxes paid	(93,892)	(41,339)
Profit received on bank deposits	<u>490,237</u>	<u>352,223</u>
Net Cash Generated from Operating Activities	(3,966,182)	28,555,356
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets under ijarah arrangements	-	(10,956,000)
Purchase of fixed assets under own use	(27,500)	(982,190)
Proceeds from disposal of fixed assets under own use	-	-
Proceeds from disposal of assets on termination / completion of ijarahs	4,866,461	1,618,130
Short term investments - net	(12,701,552)	1,041,005
Long term loans and deposits	-	-
Net Cash Used in Investing Activities	(7,862,591)	(9,279,055)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(3,470,000)	(978)
Net Cash used in Financing Activities	<u>(3,470,000)</u>	<u>(978)</u>
Net Decrease in Cash and Cash Equivalents	(15,298,773)	19,275,323
Cash and cash equivalents at the beginning of the period	32,047,734	23,503,774
Cash and Cash Equivalents at the end of the Period	<u><u>16,748,961</u></u>	<u><u>42,779,097</u></u>

The annexed notes from 1 to 15 form an integral part of this condensed interim financial statements.

S/D

Chief Executive

S/D

Director

S/D

Director

FIRST IBL MODARABA
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2019

Particulars	Certificate Capital	Reserves			Accumulated loss	Total Equity
		Statutory reserve	Unrealized gain on revaluation of available for sale investments	Sub Total		
Rupees						
Balance as at June 30, 2018	216,875,000	43,068,493	5,317,207	48,385,700	(75,981,293)	189,279,407
Total comprehensive loss for the six months period ended December 31, 2018	-	-	(1,470,818)	(1,470,818)	(2,461,489)	(3,932,307)
Balance as at December 31, 2018	216,875,000	43,068,493	3,846,389	46,914,882	(78,442,782)	185,347,100
Balance as at June 30, 2019	216,875,000	44,010,129	2,295,381	46,305,510	(72,214,749)	190,965,761
Total comprehensive (loss) / profit for the six months period ended December 31, 2019	-	-	660,614	660,614		660,614
Net profit for the period	-	-	-	-	2,641,288	2,641,288
Profit distribution for the year ended June 30, 2019	-	-	-	-	(3,470,000)	(3,470,000)
Balance as at December 31, 2019	216,875,000	44,010,129	2,955,995	46,966,124	(73,043,461)	190,797,663

The annexed notes from 1 to 15 form an integral part of this condensed interim financial statements.

S/D

Chief Executive

S/D

Director

S/D

Director

FIRST IBL MODARABA NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE HALF YEAR ENDED DECEMBER 31, 2018

Note 1

General Information

First IBL Modaraba ("the Modaraba") is a multi purpose, perpetual and multi dimensional Modaraba formed under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 and rules framed thereunder, having its registered office at Office No. 514, 5th floor, 89/B-3, Al-Hafeez Business Center, Gulberg III, Lahore. The Modaraba is managed by IBL Modaraba Management (Private) Limited (Modaraba Management Company) incorporated in Pakistan under the Companies Act, 2017 and registered with the Registrar of Modaraba Companies.

The Modaraba is listed on Pakistan Stock Exchange Limited (PSX). It commenced its operations on October 19, 1989 and is currently engaged in various Islamic modes of financing and operations including Ijarah, Musharaka and Murabaha arrangements.

Note 2

Basis of Preparation

- 2.1** This condensed interim financial information has been prepared in accordance with the directives issued by the Securities & Exchange Commission of Pakistan (SECP) and is in compliance with the International Accounting Standard - 34 (Interim Financial Reporting) and being submitted to
- 2.2** This financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2019. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2019; whereas, comparative profit and loss account, statement of comprehensive income, cash flows statement and statement of changes in equity are extracted from unaudited interim financial information for the half year ended on
- 2.3** This financial information has been prepared under the historical cost convention, except for short term investments that are measured at fair value in accordance with the requirements of International Accounting Standard - 39 (Financial Instruments: Recognition and Measurement).
- 2.4** This condensed interim financial information is unaudited. However, a limited scope review of this interim financial information has been performed by the external auditors of the Modaraba in accordance with the requirements of the Code of Corporate Governance and they have issued their
- 2.5** This condensed interim financial information is presented in Pak Rupees, which is the Modaraba's functional and presentational currency. All the figures have been rounded off to the nearest Pak Rupees unless stated otherwise.

Note 3

Accounting Policies

The accounting policies adopted for the preparation of this condensed interim financial information are consistent with those applied in the preparation of annual audited financial statements of Modaraba for the

Note 4

Taxation

Under the current tax law, the income of non-trading modarabas is exempt from tax provided that they distribute ninety (90) percent of their profits as cash dividend to the certificate holders out of current period's total profit after appropriating statutory reserves. Where such profits are not distributed, provision for tax is made on taxable income at the current tax rates applicable to Modaraba after taking into account the available tax exemptions and tax credits, if any. As the management is intending to follow the aforesaid policy for profit distribution for the current year, no provision with respect to current and deferred taxation has been made in these condensed interim financial statements.

Note 5

Ijarah Rentals Receivable

		December 31, 2019	June 30, 2019
		(Un-audited)	(Audited)
		Rupees	Rupees
Considered good		959,379	1,300,470
Considered doubtful	5.2	9,700,570	9,876,185
		10,659,949	11,176,655
Provision against doubtful ijarah rentals		(9,700,570)	(9,876,185)
		959,379	1,300,470

5.1 These represent rentals receivable against assets given under Ijarah arrangements.

5.2 Movement in provision against doubtful ijarah rentals is as follows:

Opening balance	9,876,185	8,902,560
Addition during the period	435,145	1,060,210
Reversed during the period	(610,760)	(86,585)
	(175,615)	973,625
Closing balance	9,700,570	9,876,185

Note 6

Short Term Investments

Investments in listed equity securities are classified as:

- Available for sale	6.1	2,956,046	2,295,423
- At fair value through profit or loss	6.2	293,718	252,789
- Investment in TDR		12,000,000	
		15,249,764	2,548,212

6.1 Available for sale

December 31, 2019	June 30, 2019	Name of entity		
(Un-audited)	(Audited)			
No. of shares/ certificates				
Holdings are in ordinary				
15,662	15,662	The Searle Company Limited	2,956,046	2,295,423

6.2 At fair value through profit or loss

Holdings are in ordinary shares				
219	219	IBL Health Care	16,380	7,335
200	200	Attock Refinery Limited	22,338	15,454
100,000	100,000	First Punjab Modaraba	255,000	230,000
100,419	100,419		293,718	252,789

Note 7

Investment Property**Cost**

Opening balance	100,000,465	100,000,465
Additions during the year	-	-
Closing balance	100,000,465	100,000,465

Accumulated Depreciation

Opening balance	(32,916,831)	(27,916,803)
Charged during the year	(2,500,014)	(5,000,028)
Closing balance	(35,416,845)	(32,916,831)
	64,583,620	67,083,634

7.1 The Modaraba depreciates investment property on straight line basis @ 5% per annum.

The fair value of investment property as at June 30, 2019 was estimated to be Rs. 102.769 million, as per the latest valuation report by an independent valuer.

Note 8

Fixed Assets Under Ijarah Arrangements

Written down value at beginning of the period / year	36,846,759	40,132,004
Additions at cost	-	10,956,000
Less: Written down value of assets disposed off	(3,467,039)	(1,446,182)
	33,379,720	49,641,822
Less: Depreciation charged during the period / year	(3,749,435)	(12,795,063)
	<u>29,630,285</u>	<u>36,846,759</u>

Note 9

Fixed Assets Under Own use

Operating fixed assets	2,887,233	3,348,799
	<u>2,887,233</u>	<u>3,348,799</u>
Written down value at beginning of the period / year	3,348,799	2,250,284
Additions at cost	27,500	2,093,500
Less: Written down value of assets disposed off	-	(74,422)
	3,376,299	4,269,362
Less: Depreciation charged during the period / year	(489,066)	(920,563)
	<u>2,887,233</u>	<u>3,348,799</u>

Note 10

Issued, Subscribed and Paid up Certificate Capital

December 31, 2019 (Un-audited)	June 30, 2019 (Audited)		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
Authorized:				
<u>50,000,000</u>	<u>50,000,000</u>	Modaraba Certificates of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid-up:				
20,000,000	20,000,000	Modaraba Certificates of Rs. 10 each issued as fully paid in cash	200,000,000	200,000,000
1,687,500	1,687,500	Modaraba Certificates of Rs. 10 each issued as fully paid bonus certificate	16,875,000	16,875,000
<u>21,687,500</u>	<u>21,687,500</u>		<u>216,875,000</u>	<u>216,875,000</u>

10.1 There was no movement in certificate capital during the period/year.**10.2** Certificates of the Modaraba held by associates / related parties are as under:

December 31, 2019 (Un-audited)	June 30, 2019 (Audited)		December 31, 2019 (Un-audited)	June 30, 2019 (Audited)
2,030,905	2,030,905	IBL Modaraba Management (Private) Limited	20,309,050	20,309,050
3,070,000	3,070,000	University of Management and Technology	30,700,000	30,700,000
<u>5,100,905</u>	<u>5,100,905</u>		<u>51,009,050</u>	<u>51,009,050</u>

Note 11

Contingencies and Commitments

There were no material contingencies and commitments outstanding as at the statement of financial position date (June 30, 2019: Nil).

Note 12

Balances and Transactions with Related Parties

- 12.1** The Modaraba Management Company is entitled to a remuneration for services rendered to the Modaraba under the provisions of the Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 upto a maximum of 10% per annum of the net annual profits of the Modaraba. The Modaraba records the management fee payable on the basis of annual profits in its financial statements.
- 12.2** Related parties comprise the Management Company, major certificate holders of the Modaraba and their close family members, directors and key management personnel of the Management Company and their close family members and entities with common directors or under common management.
- 12.3** Details of transactions with related parties and balances with them as at the period end are as follows:

Transactions during the period	Relationship	December 31, 2019	December 31, 2018
IBL Modaraba Management (Private) Limited			
Management fee paid during the period	Management Company	223,131	-
University of Management and Technology			
Rent of Library Building received	Holds 14.15% of the paid up certificates of Modaraba	3,747,720	3,747,720
Outstanding Balance at the half year ended:			
Payable to Modaraba management company		-	4,783

Note 13

Segment Analysis**13.1 Geographical segments**

The Modaraba's assets are employed and its income is derived in Pakistan.

13.2 Business segments

	December 31, 2019 (Un-audited)		June 30, 2019 (Audited)	
	Rupees	%	Rupees	%
Musharaka receivable and profit on musharaka receivable				
Media advertising	30,592,832	35.96%	25,671,911	36.22%
Construction	14,672,715	17.25%	18,341,076	25.87%
Individual	39,813,385	46.80%	26,871,937	37.91%
	<u>85,078,932</u>	<u>100.00%</u>	<u>70,884,924</u>	<u>100.00%</u>
Ijarah receivable				
Individuals	956,139	99.66%	1,061,935	81.66%
Others	3,240	0.34%	238,535	18.34%
	<u>959,379</u>	<u>100.00%</u>	<u>1,300,470</u>	<u>100%</u>

Investment in ijarah under (IFAS-2)

Individuals	18,763,045	63.32%	24,772,289	67.23%
Medical and pharmaceuticals	1,439,766	4.86%	1,439,766	3.91%
Media advertising	3,560,004	12.01%	3,560,002	9.66%
Leasing	283,906	0.96%	283,905	0.77%
Hotel	120,000	0.40%	120,000	0.33%
Engineering	60,000	0.20%	60,000	0.16%
Others	5,403,564	18.24%	6,610,817	17.94%
	<u>29,630,285</u>	<u>100.00%</u>	<u>36,846,779</u>	<u>100.00%</u>

Note 14

Date of Authorization for Issue

This condensed interim financial information (un-audited) has been approved by the Board of Directors of IBL Modaraba Management (Private) Limited and authorized for issue on February 26, 2020.

Note 15

General

No significant re-arrangements have been made in comparative condensed interim financial information (un-audited).

S/D

Chief Executive

S/D

Director

S/D

Director