

First IBL Modaraba

Quarterly Report
March 31, 2021

www.jamapunji.pk



Key features:

Licensed Entities Verification

Scam motor*

Jamapunji games*

Tax credit calculator*

Company Verification

Insurance & Investment Checklist

FAQs Answered

Stock trading simulator
(based on live feed from KSE)

Knowledge center

Risk profiler*

Financial calculator


Subscription to Alerts (event
notifications, corporate and
regulatory actions)

Jamapunji application for
mobile device

Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

Corporate Information

Modaraba Management Company

IBL Modaraba Management (Pvt.) Limited

Board of Directors

Arslan Khan Khakwani	Chairman
Ibrahim Hassan Murad	Director

Company Secretary

Hassan Fareed

Chief Financial Officer

Zeeshan Ahmed

Audit Committee

Arslan Khan Khakwani	Member
Ibrahim Hassan Murad	Member

Sharia'ah Advisor

Dr. Salman Ahmed Khan

Legal Advisor

M/s. Holscott International [Legal services]

Bankers

Habib Bank Limited – Islamic Banking
Meezan Bank Limited
MCB Islamic Bank Limited
The Bank of Punjab - Taqwa

Registrar

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

Registered/ Principal Office

Office No.412, 4th Floor, 89/B-3, Al Hafeez
Business Center, Gulberg 3, Lahore.

MISSION STATEMENT

Our mission is to strive for continued excellence in providing quality services to the business community as a whole, with the ultimate goal to increase the value of certificate holders.

VISION STATEMENT

Our vision is to establish First IBL Modaraba as the benchmark reference for all Islamic Financial Institutions for the provision of financial services in line with increasing needs of our esteemed customers and to become the premier financial service organization that provides the highest level of quality service while remaining innovative and responsive to ever-changing customer demands.

CORPORATE STRATEGY

We, First IBL Modaraba, being a multi purposes Modaraba and an Islamic financial institution, are engaged in various Shari'ah compliant products, namely; financing through Ijarah, Murabahah and Musharakah arrangements and investments in Shari'ah compliant securities.

In order to maintain diversified business activities in different sectors of economy, we do not only focus them for Corporate and SMEs Sectors but we also facilitate proprietorship and partnership firms and the individuals in their businesses, which play an effective and important role in the markets.

Keeping in light the present micro and macro economic scenarios in the country, we maintain and apply cautious and well maintained risk management policies in extending the new business rather we target the selective/ quality clientele so as to minimize the risk of default in the repayments.

Directors' Report

Directors' Report

The Board of Directors of M/s IBL Moadaraba Management (Private) Limited [IBLMM], the Management Company of First IBL Modaraba [FIBLM], is pleased to present the quarterly results of First IBL Modaraba for the nine month's period ended March 31, 2021 along with directors' report to its certificate holders.

During the current economic scenario and third wave of COVID -19, during the nine month's period ended March 31, 2021, FIBLM recorded/ showed noticeable performance. Against total income of Rs. 18.68 million in March 2021 FIBLM reported operating expenses of Rs.17.04 million.

Despite of inflationary effects and frequent increase in day to day operational cost, FIBLM team successfully managed to sustain its expenses and recorded reduction of 3.43% as compared to the preceding period.

Total assets of FIBLM during the period were maintained at Rs.209.20 million as compare to Rs.229.05 million reported in audited financial statements for the period ended June 30, 2020.

Total liabilities of FIBLM during the period were stood at Rs.17.57 million as compare to Rs.36.73 million reported in audited financial statements for the period ended June 30, 2020.

During the period under review your modaraba recovered major part of unverifiable receivables amounting to Rs.0.719 million. Amount reported in financial period June 30, 2020 as unverifiable receivables was Rs.0.845 million.

The board would like to express its gratitude to the Securities & Exchange Commission of Pakistan, Registrar Modarabas, State Bank of Pakistan and NBFI & Modaraba Association of Pakistan for providing us their usual support and guidance.

The board appreciates and pays gratitude to its certificate holders and customers for entrusting their confidence on us and assure them maintenance of adequate internal controls, personalize services and also to maintain an ideal environment of good corporate governance in all areas of the activities.

The Board also appreciates team of the Modaraba for their dedication and hard work for the growth of the Modaraba in all areas of its activities.

for & On behalf of
The Board of Directors of
IBL Modaraba Management (Pvt.) Limited:

Director
April 26, 2020

ڈائریکٹرز رپورٹ

میسرز آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ آئی بی ایل مضاربہ کی مینجمنٹ کمپنی ہے، کے بورڈ آف ڈائریکٹرز، فرسٹ آئی بی ایل مضاربہ کے نو ماہ کے مالی نتائج معہ دستاویزات، ڈائریکٹرز رپورٹ جو کہ 31 مارچ 2021 کو اختتام پزیر ہوتے ہیں، اپنے سرٹیفکیٹ ہولڈرز کو پیش کرتے ہوئے خوشی محسوس کرتا ہے۔

موجودہ معاشی صورتحال اور کووڈ 19 کی تیسری لہر کے دوران نو ماہ پر ختم ہونیوالی مدت 31 مارچ 2021 میں مضاربہ نے 18.68 ملین روپے کی آمدن کے مقابلے میں 17.04 ملین روپے کے اخراجات دیکھائے۔

افراط زر میں بڑھوتری اور روزمرہ آپریشن کی لاگت میں ہونے والے اضافے کے باوجود مضاربہ نے پچھلے سال کے مقابلے میں اپنے اخراجات میں 3.43 فیصد کمی دیکھائی۔

فرسٹ آئی بی ایل کے موجودہ اثاثہ جات 209.20 ملین روپے ریکارڈ کیے گئے جو کہ پچھلے مالی سال 30 جون 2020 کو 229.05 ملین روپے تھے۔

موجودہ واجب الادا ذمہ داریاں 17.57 ملین روپے رہی جو کہ پچھلے سال 30 جون 2020 پر 36.73 ملین روپے تھیں۔

زیر جائزہ مدت کے دوران مضاربہ نے 0.719 ملین روپے کی ناقابل تصدیق وصولیاں کیں۔ مالی سال 2020 میں ناقابل تصدیق وصولیوں کی رقم 0.845 ملین روپے تھی۔

آئی بی ایل مضاربہ مینجمنٹ پرائیویٹ لمیٹڈ سیکورٹی اینڈ ایکسچینج کمیشن آف پاکستان، رجسٹرڈ مضاربہ، اسٹیٹ بینک آف پاکستان اور این بی ایف آئی اینڈ مضاربہ ایسوسی ایشن آف پاکستان کا ہمیشہ کی طرح حمایت اور راہنمائی کے لیے شکر گزار ہے۔

بورڈ اپنے سرٹیفکیٹ ہولڈرز اور گاہکوں کا انتہائی مشکور ہے۔ جنہوں نے ہم پر بھروسہ کیا اور ہم انکو اندرونی نظام و انتظام و ذاتی توجہ اور احسن کارکردگی کے تمام شعبوں میں مثالی ماحول کو برقرار رکھنے کی یقین دہانی کرواتے ہیں۔

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

منتظم فرسٹ آئی بی ایل مضاربہ

ڈائریکٹر

مورخہ 26 اپریل، 2021

First IBL Modaraba Quarterly Report March 2021

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2021

	Note	March 2021 Rupees	June 2020 Rupees
ASSETS			
Current Assets			
Bank balances		29,702,034	44,158,744
Ijarah rentals receivable	3	79,040	1,236,779
Advances, prepayments and other receivables	4	6,758,537	8,361,685
Short term investments	5	4,240,003	3,355,166
Short term musharaka receivables		8,000,000	8,000,000
Current portion of musharikah receivable		41,458,364	27,239,348
		90,237,978	92,351,722
Non-Current Assets			
Long term musharikah receivables		49,476,932	42,627,904
Long term advances and deposits		2,619,260	2,619,260
Investment property	6	58,333,585	62,083,606
Fixed assets under ijarah arrangements	7	6,847,705	26,969,167
Fixed assets under own use	8	1,688,793	2,407,796
		118,966,275	136,707,733
Total Assets		209,204,253	229,059,455
LIABILITIES			
Current Liabilities			
Creditors, accrued and other liabilities		193,696	1,373,540
Musharaka profit payable		-	1,430,192
Musharaka finances		700,000	700,000
Current portion of non-current liabilities		5,776,400	18,889,980
Unpresented profit warrants		10,885,228	10,670,220
		17,555,323	33,063,932
Non-Current Liabilities			
Long term security deposits		18,250	3,672,000
		18,250	3,672,000
Total Liabilities		17,573,573	36,735,932
NET ASSETS		191,630,680	192,323,523
REPRESENTED BY:			
Certificate capital		216,875,000	216,875,000
Reserves		48,679,641	47,930,997
Accumulated loss		(73,923,961)	(72,482,474)
Contingencies and commitments		-	-
		191,630,680	192,323,523

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

Chief Executive

Director

Director

First IBL Modaraba Quarterly Report March 2021

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
"Rupees"				
INCOME FROM OPERATIONS				
Income from ijarah	781,120	1,760,470	3,491,905	6,399,480
Profit on musharaka investments	3,130,736	3,547,407	8,483,737	8,621,303
Income from investment property	1,873,860	1,873,860	5,621,580	5,621,580
Profit on deposits	49,875	464,026	714,787	954,263
Income from short term investments	81,362	-	136,193	-
	5,916,953	7,645,763	18,448,202	21,596,626
OTHER INCOME				
Other income	69,558	-	232,588	563,190
	69,558	-	232,588	563,190
TOTAL INCOME	5,986,511	7,645,763	18,680,790	22,159,816
EXPENSES				
Operating expenses	(3,844,861)	(4,201,800)	(12,490,155)	(12,325,585)
Depreciation on assets under ijarah	(617,925)	(1,447,976)	(2,698,483)	(5,197,411)
Financial Charges	-	-	(1,069,808)	-
Other operating expenses	(25,675)	(129,981)	(787,975)	(129,527)
	(4,488,461)	(5,779,757)	(17,046,421)	(17,652,523)
Operating Profit	1,498,050	1,866,007	1,634,369	4,507,294
Charge of modaraba management fee	(149,805)	-	(163,437)	-
Workers's welfare fund	(26,965)	-	(29,419)	-
Net Profit for the Period	1,321,280	1,866,007	1,441,513	4,507,294
Profit per Modaraba Certificate - Basic and Diluted	0.061	0.086	0.066	0.208

The annexed notes form an integral part of these condensed interim financial information (un-audited).

Chief Executive

Director

Director

First IBL Modaraba Quarterly Report March 2021

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	Quarter Ended		Nine months ended	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
"Rupees"				
Net Profit/ (Loss) for the Period	1,321,280	1,866,007	1,441,513	4,507,294
<i>Other comprehensive income</i>				
Items that may be reclassified subsequently to profit and loss				
Net unrealized gain / (loss) in value of available for sale investments	(34,456)	(499,452)	748,644	161,162
	(34,456)	(499,452)	748,644	161,162
Total Comprehensive Income for the Period	1,286,824	1,366,555	2,190,157	4,668,456

The annexed notes form an integral part of these condensed interim financial information (un-audited).

Chief Executive

Director

Director

First IBL Modaraba Quarterly Report March 2021

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

	March 31, 2021 Rupees	June 30, 2020 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit for the period	1,441,513	4,002,844
Adjustments for:		
- Depreciation of fixed assets under own use	718,996	968,504
- Depreciation of investment properties	3,750,021	5,000,028
- Depreciation of fixed assets under ijarah arrangements	2,698,492	6,410,553
- Provision in respect of profit on musharaka facilities	(600,000)	
- Suspension made against ijarah rentals - net	178,400	
- Reversal of suspension on ijarah rentals	-	
- Revaluation gain on investment at fair value through profit or loss	(136,193)	17,964
- Worker's Welfare Fund	29,419	
- Gain on disposal of fixed assets under own use	-	(2,200)
- Finance cost	1,069,808	
- Gain on termination of ijarah arrangements	(70,563)	(174,179)
- Profit on bank deposits	(714,787)	(1,704,204)
	<u>6,923,593</u>	<u>10,516,466</u>
Operating profit before working capital changes	8,365,106	14,519,310
Decrease / (increase) in current assets:		
- Advances, prepayments and other receivables	1,832,003	4,466,678
- Ijarah rentals receivable	1,157,739	63,691
- Short term musharakah receivables	-	15,465,762
Decrease in current liabilities:		
- Musharakah profit payable	(1,430,192)	
- Creditors, accrued and other liabilities	(1,179,844)	(400,352)
Net cash Generated from / (Used in) changes in working capital	379,706	19,595,779
Cash Generated from Operations	8,744,812	34,115,089
<i>Increase in non-current assets:</i>		
Long term musharakah receivables	(21,068,044)	(22,448,090)
<i>Decrease in non-current liabilities:</i>		
Long term security deposits - ijarah	-	(1,821,590)
Income taxes paid	(228,855)	225,784
Financial charges paid	(1,069,808)	-
Profit received on bank deposits	714,787	1,704,204
Net Cash Used in Operating Activities	(12,907,108)	11,775,397
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets under own use	-	(27,500)
Proceeds from disposal of assets on termination / completion of ijarahs	1,358,711	171,217
Proceeds from disposal of assets under own use		2,200
Receipt of customers' security deposits	36,380	
Purchase of ijarah assets	(276,700)	
Short term investments - net	-	
Net Cash Generated From / (Used in) Investing Activities	1,118,391	145,917
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(2,667,992)	189,696
Net Cash used in Financing Activities	(2,667,992)	189,696
Net Decrease in Cash and Cash Equivalents	(14,456,709)	12,111,010
Cash and cash equivalents at the beginning of the period	44,158,744	32,047,734
Cash and Cash Equivalents at the end of the Period	29,702,035	44,158,744

The annexed notes from 1 to 16 form an integral part of this condensed interim financial statements (un-audited).

Chief Executive

Director

Director

First IBL Modaraba Quarterly Report March 2021

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED MARCH 31, 2021

Particulars	Certificate Capital	Reserves			Accumulated loss	Total Equity
		Statutory reserve	Unrealized gain on revaluation of available for sale investments	Subtotal		
Rupees						
Balance as at June 30, 2019	216,875,000	44,010,129	2,295,381	46,305,510	(72,214,749)	190,965,761
Comprehensive income for the year						
Net profit for the year	-	-	-		4,002,844	4,002,844
Other comprehensive income for the year	-	-	824,918	824,918	-	824,918
Total comprehensive income for the year	-	-	824,918	824,918	4,002,844	4,827,762
Transferred to statutory reserve	-	800,569	-	800,569	(800,569)	-
Profit distribution for the year 2019					(3,470,000)	(3,470,000)
Balance as at June 30, 2020	216,875,000	44,810,698	3,120,299	47,930,997	(72,482,474)	192,323,523
Comprehensive income for the period						
Net profit for the period	-	-	-		1,441,513	1,441,513
Other comprehensive loss for the period	-	-	748,644	748,644	-	748,644
Total comprehensive loss for the period	-	-	748,644	748,644	1,441,513	2,190,157
Profit distribution for the year 2020					(2,883,000)	(2,883,000)
Balance as at March 31, 2021	216,875,000	44,810,698	3,868,943	48,679,641	(73,923,961)	191,630,680

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

Chief Executive

Director

Director

First IBL Modaraba Quarterly Report March 2021

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED) FOR THE NINE MONTHS PERIOD ENDED MARCH 31, 2021

Note 1

The accounting policies adopted for the preparation of these financial statements are consistent with those applied for the preparation of preceding annual publishing accounts.

Note 2

These unaudited financial statements have been prepared and circulated under the directives of Securities and Exchange Commission of Pakistan.

Note 3

Ijarah Rentals Receivable

		March 2021 (Un-audited)	June 2020 (Audited)
	Note	"Rupees"	
Considered good		79,040	1,236,779
Considered doubtful	3.1	9,522,170	9,700,570
		9,601,210	10,937,349
Accumulated impairment		(9,522,170)	(9,700,570)
		<u>79,040</u>	<u>1,236,779</u>

3.1 This represent rentals receivable against assets leased out under ijarah arrangements.

3.2 Movement in accumulated impairment is as follows:

As at the beginning of the period / year	9,700,570	9,876,185
Recognized during the period / year	705,000	435,145
Reversed during the period / year	(883,400)	(610,760)
	(178,400)	(175,615)
As at end of the period / year	<u>9,522,170</u>	<u>9,700,570</u>

Note 4

Advances, Prepayments and Other Receivables

Advance income tax	1,665,849	1,436,994
Advance against employees	570,544	571,309
Prepayments	163,126	211,260
	2,399,519	2,219,563
Accrued profit:		
- Profit receivable on musharaka receivables	4,605,125	4,054,532
- Less: Profit held in suspense account	(2,569,089)	(1,969,089)
	2,036,036	2,085,443
Accrued profit on murabaha receivable	-	-
Other receivables:		
- Others	2,322,981	4,056,679
	2,322,981	4,056,679
	<u>6,758,537</u>	<u>8,361,685</u>

Note 5

Short Term Investment

	Note		
Available for sale	5.1	3,868,985	3,120,341
At fair value through profit or loss	5.2	371,018	234,825
		<u>4,240,003</u>	<u>3,355,166</u>

5.1 Available for sale

(Un-audited) March 31, 2021	(Audited) June 30, 2020	Name of entity
-----------------------------------	-------------------------------	----------------

No. of shares/ Certificates

Holdings are in ordinary certificates / shares of Rupees 10 each.

15,662	15,662	The Searle Company Limited	3,868,985	3,120,341
<u>15,662</u>	<u>15,662</u>		<u>3,868,985</u>	<u>3,120,341</u>

First IBL Modaraba Quarterly Report March 2021

5.2 At fair value through profit or loss

(Un-audited) March 31, 2021	(Audited) June 30, 2020	Name of entity
-----------------------------------	-------------------------------	----------------

No. of shares/ Certificates

Holdings are in ordinary certificates / shares of Rupees 10 each.

200	200	Attock Refinery Limited
100,000	100,000	First Punjab Modaraba
219	219	IBL Healthcare
<u>100,419</u>	<u>100,419</u>	

(Un-audited) March 2021	(Audited) June 2020
"Rupees"	
51,076	17,864
300,000	200,000
19,942	16,961
<u>371,018</u>	<u>234,825</u>

Note 6 Investment Property

Cost

Opening balance

Additions

Closing balance

Note

100,000,465	100,000,465
-	-
<u>100,000,465</u>	<u>100,000,465</u>

Accumulated Depreciation

Opening balance

Charged during the period / year

Closing balance

6.1

(37,916,859)	(32,916,831)
(3,750,021)	(5,000,028)
(41,666,880)	(37,916,859)
<u>58,333,585</u>	<u>62,083,606</u>

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

Note 7 Fixed Assets Under Ijarah Arrangements

Written down value at the beginning of the period / year

Additions at cost

Less: Written down value of assets disposed off

Less: Depreciation charged during the period / year

26,969,167	36,846,759
276,700	-
(17,699,679)	(3,467,039)
<u>9,546,188</u>	<u>33,379,720</u>
(2,698,483)	(6,410,553)
<u>6,847,705</u>	<u>26,969,167</u>

Note 8 Fixed Assets Under Own Use

Written down value at the beginning of the period / year

Additions at cost

Less: Written down value of assets disposed off

Less: Depreciation charged during the period / year

2,407,796	3,348,799
-	27,500
-	(20,000)
<u>2,407,796</u>	<u>3,356,299</u>
(719,003)	(948,503)
<u>1,688,793</u>	<u>2,407,796</u>

Note 10 Contingencies and Commitments

10.1 Contingencies

There were no known contingencies as at March 31, 2021 (June 30, 2020: Nil).

10.2 Commitments

The Modaraba has not made any capital commitments as at March 31, 2021 (June 30, 2020 : Nil).

First IBL Modaraba Quarterly Report March 2021

Note 11

RELATED PARTY TRANSACTIONS

The related parties of the Modaraba comprise of its Management Company, major certificate holders of the Modaraba and their close family members, directors of the management company and their close family members and entities with common directors or under common management.

Transactions during the period	Relationship	March 31, 2021	March 31, 2020
IBL Modaraba Management (Private) Limited			
Management fee paid during the period	Management Company	444,760	223,131
Dividend paid during the period		288,586	324,945
Management fee accrued during the period		163,437	-
University of Management & Technology			
Rent of library building	Holds 14.15% of the paid up certificates of Modaraba	5,621,580	5,621,580

	March 31, 2021	March 31, 2020
Outstanding Balance:		
Payable to Management company	163,437	-

Note 12

Segment Analysis

12.1 Geographical segments

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

12.2 Business segments

	March 31, 2021		June 30, 2020	
	Rupees	%	Rupees	%
Musharaka receivable				
Media advertising	61,662,531	62.33%	56,045,078	71.98%
Construction	18,973,467	19.18%	11,990,661	15.40%
Others	9,225,000	9.32%	-	0.00%
Individuals	9,074,299	9.17%	9,831,513	12.63%
	98,935,296	100%	77,867,252	100%
	-		-	

Ijarah receivable

Individuals	79,040	100.00%	1,174,779	94.99%
Others	-	0.00%	62,000	5.01%
	79,040	100%	1,236,779	100%
	-		-	

First IBL Modaraba Quarterly Report March 2021

Investment in ijarah under (IFAS-2)

Individuals	4,657,381	68.01%	18,058,553	67%
Medical and pharmaceuticals	777,253	11.35%	1,177,266	4.37%
Media advertising		0.00%	2,560,004	9.49%
Leasing	283,905	4.15%	283,905	1.05%
Hotel	120,000	1.75%	120,000	0.44%
Engineering	60,000	0.88%	60,000	0.22%
Others	949,166	13.86%	4,709,439	17.46%
	<u>6,847,705</u>	<u>100%</u>	<u>26,969,167</u>	<u>100%</u>
	-		-	

Note 13

Date of Authorization for Issue

These financial statements were authorized for issue on April 26, 2021 by the Board of Directors of IBL Modaraba Management (Private) Limited (the Management Company).

Note 14

General

Corresponding figures have been rearranged, wherever necessary during the period. No material rearrangements were made in these financial statements.

Chief Executive

Director

Director