



**QUARTERLY  
REPORT  
SEPTEMBER, 2022**

**FIRST IBL  
MODARABA**

## **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.

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# Corporate Information

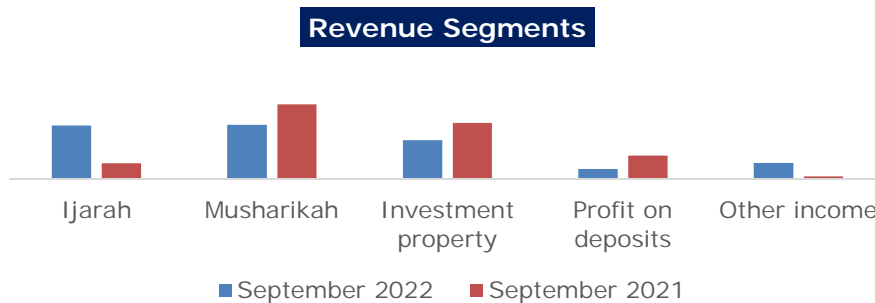
<b>Modaraba Management Company</b>	<b>IBL Modaraba Management (Pvt.) Limited</b>
<b>Board of Directors</b>	<b>Arslan Khan Khakwani Chairman Ibrahim Hassan Murad Director Iftikhar Hameed Khan Director Aamir Manzoor Chief Executive</b>
<b>Company Secretary</b>	<b>Hassan Fareed</b>
<b>Chief Financial Officer</b>	<b>Zeeshan Ahmed</b>
<b>Internal Auditor</b>	<b>Rana Rizwan Tariq</b>
<b>Sharia'ah Advisor</b>	<b>Dr. Salman Ahmed Khan</b>
<b>Legal Advisor</b>	<b>M/s. Holscott International [Legal services]</b>
<b>Bankers</b>	<b>Habib Bank Limited – Islamic Banking Meezan Bank Limited MCB Islamic Bank Limited The Bank of Punjab – Taqwa</b>
<b>Auditors to the Modaraba</b>	<b>Crow Hussain Chaudhury Chartered Accountants</b>
<b>Registrar</b>	<b>Corp Tec Associates (Pvt.) Limited 503 E, Johar Town, Lahore.</b>
<b>Registered/ Principal Office</b>	<b>Office No.4-L, Main Ferozpur Road, Gulberg3, Lahore. Telephone No. 042-35969435 &amp; 36</b>

# Directors' Report

On behalf of Board of Directors of IBL Modaraba Management (Pvt.) Ltd, the management company of First IBL Modaraba (FBLM), I am pleased to present Quarterly report with un-audited financial statements of FIBLM for the 1<sup>st</sup> quarter ended September 30, 2022.

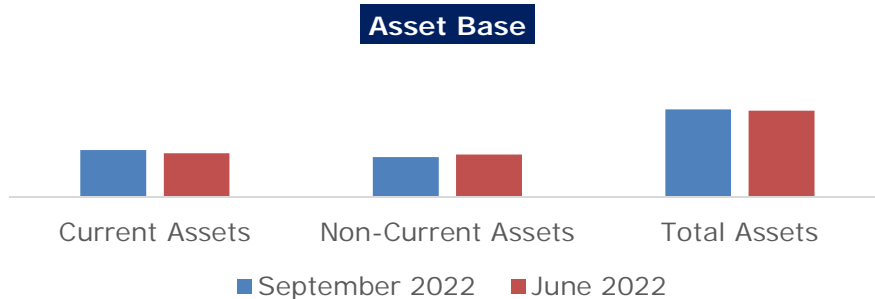
In presence of tough economic conditions, high inflation rates, low buying power, ban on imports, lingering supply constraints and other economic scenario, your Modaraba booked gross profit before tax of Rs.3.147 million as compared to profit of Rs. 1.674 million in the preceding period.

Segment wise contribution of operating income is as follows:



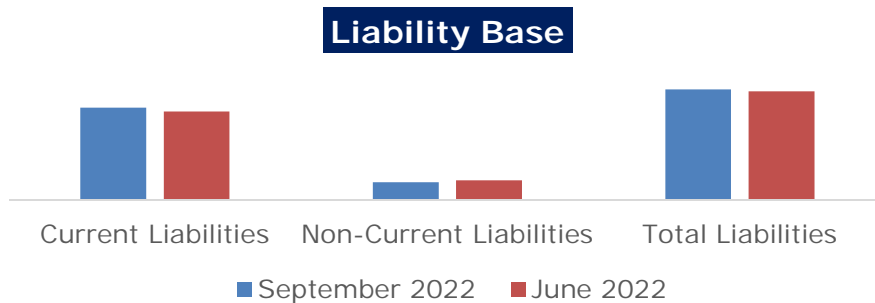
During the reporting period the management focused on investment of funds in ijarah segment to quality clients to generate more handsome return for its valued certificate holders.

Asset base highlights are as follows:



During the first quarter ended September 30, 2022 recoveries were smooth and subsequently invested in income generating segments.

Liability base highlights are as follows:



The primary focus of the management is on micro financing at better rate of return to enhance the profitability to give better returns to its certificate holders.

I would like to express my 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 the certificate holders and customers for entrusting their confidence on us and we assure them maintenance of adequate internal controls, providing personalize 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 management of First IBL Modaraba.

for & on behalf of the Board,

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**Aamir Manzoor**  
Chief Executive Officer  
October 27, 2022

## ڈائریکٹرز رپورٹ

میں، آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ جو کہ فرسٹ آئی بی ایل مضاربہ کی مینجمنٹ کمپنی ہے کے بورڈ آف ڈائریکٹرز کی طرف سے 30 ستمبر 2022 کو اختتام پذیر ہونے والی پہلی سہ ماہی کے، غیر تصدیق شدہ مالیاتی دستاویزات معہ ڈائریکٹرز رپورٹ، اپنے سرٹیفیکیٹ ہولڈرز کو پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔ مشکل معاشی حالات، بلند افراط زر، درآمدات پر پابندی، رسد میں تاخیر اور دیگر عوامل کے باوجود آپ کے مضاربہ نے پچھلے سال کے 1.674 ملین روپے قبل از ٹیکس منافع کے مقابلے میں 3.147 ملین روپے کا قبل از ٹیکس منافع کمایا۔ آپریٹنگ آمدنی کے طبقہ کی تفصیل درج ذیل ہے۔



دوران رپورٹنگ مدت، انتظامیہ نے اپنے قابل قدر سرٹیفیکیٹ ہولڈرز کے لئے بہتر منافع کمانے کے لئے اپنی توجہ اجارہ کے طبقہ میں سرمایہ کاری پر مرکوز رکھی۔ اثاثہ جات کی بنیادی جھلکیاں درج ذیل ہیں۔



30 ستمبر کو ختم ہونے والی سہ ماہی کے دوران واجبات کی وصولی مستحکم رہی اور وصولیوں کو بعد میں اجارہ جیسے بہتر آمدنی والے طبقات میں لگا دیا گیا۔ واجب الادا ذمہ داریوں کی بنیادی جھلکیاں درج ذیل ہیں۔



انتظامیہ کی بنیادی توجہ مائیکرو فنانسنگ جیسے زیادہ آمدنی پیدا کرنے والے طبقات میں سرمایہ کاری پر ہے تاکہ وہ اپنے سرٹیفیکیٹ ہولڈرز کے لئے بہتر منافع کما سکے۔ آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کا بورڈ، سیکورٹی اینڈ ایگزیکٹو کمیشن آف پاکستان، رجسٹرار 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 کلائنٹس کا نہایت مشکور ہے۔ جنہوں نے ہم پر بھروسہ کیا۔ بورڈ ان کو اندرونی نظام و ذاتی توجہ اور کارپوریٹ گورننس کے تمام شعبوں میں مثالی ماحول کو برقرار رکھنے کی یقین دہانی کر داتا 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

عام منظور

چیف ایگزیکٹو آفیسر

اکتوبر 27, 2022

**FIRST IBL MODARABA**  
**BALANCE SHEET**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30, 2022	June 30, 2022
Note	Rupees	Rupees
<b>ASSETS</b>		
<b>Current Assets</b>		
Bank balances	33,290,229	13,599,668
Short term investments	2,623,125	2,773,160
Ijarah rentals receivable	18,536	1,212,881
Short term Musharakah receivables	27,475,076	27,500,000
Advances, prepayments and other receivables	5,470,025	5,017,505
Advance income tax	1,240,768	1,317,777
Current portion of long term Musharakah receivables	44,210,603	54,413,221
	114,328,362	105,834,212
<b>Non-Current Assets</b>		
Long term Musharakah receivables	25,391,978	25,837,812
Long term advances and deposits	20,500	20,500
Investment property	50,833,543	52,083,550
Fixed assets under Ijarah arrangements	20,137,100	23,753,364
Fixed assets under own use	387,808	792,809
	96,770,929	102,488,035
<b>Total Assets</b>	<b>211,099,291</b>	<b>208,322,247</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Creditors, accrued and other liabilities	1,264,255	906,227
Musharaka finances	700,000	700,000
Current portion of non-current liabilities	2,811,745	2,525,855
Unpresented profit warrants	10,834,598	10,834,598
	15,610,598	14,966,680
<b>Non-Current Liabilities</b>		
Long term security deposits	3,015,632	3,353,880
	3,015,632	3,353,880
<b>Total Liabilities</b>	<b>18,626,230</b>	<b>18,320,560</b>
<b>NET ASSETS</b>	<b>192,473,062</b>	<b>190,001,687</b>
<b>REPRESENTED BY:</b>		
Certificate capital	216,875,000	216,875,000
Reserves	45,394,252	45,394,252
Accumulated loss	(72,176,415)	(74,820,117)
	190,092,837	187,449,135
Unrealized gain on revaluation of investments - Available for sale	2,380,224	2,552,552
	<b>192,473,062</b>	<b>190,001,687</b>
Contingencies and commitments		

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER



**FIRST IBL MODARABA**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30, 2022	September 30, 2021
	Rupees	Rupees
<b>INCOME FROM OPERATION</b>		
Income from Ijarah	2,603,244	532,730
Profit on Musharaka investments	2,627,335	2,480,597
	5,230,579	3,013,327
<b>OTHER INCOME</b>		
Income from investment property	1,873,860	1,873,860
Profit on deposits	490,985	785,028
Other income	421,558	1,532
	2,786,403	2,660,420
Reversal of provision on Musharakah income - net	361,142	98,090
<b>TOTAL INCOME</b>	<b>8,378,123</b>	<b>5,771,837</b>
<b>EXPENSES</b>		
Operating expenses	(3,206,803)	(3,644,492)
Depreciation on assets under Ijarah	(2,024,304)	(450,741)
Other operating expenses	-	(1,981)
	(5,231,107)	(4,097,214)
Profit before Modaraba Company's management fee	3,147,016	1,674,622
Modaraba company's management fee	(314,702)	-
Provision for worker's welfare fund	(62,940)	-
Profit before tax	2,769,374	1,674,622
Income tax expense	(125,672)	-
<b>Net (loss) / Profit after tax for the period</b>	<b>2,643,702</b>	<b>1,674,622</b>
Earnings per Modaraba Certificate - Basic and Diluted	0.12	0.08

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**FIRST IBL MODARABA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	<b>September 30, 2022</b>	<b>September 30, 2021</b>
	Rupees	Rupees
<b>Net Profit for the period</b>	2,643,702	1,674,622
<i>Other comprehensive income</i>		
<b>Items that may be reclassified subsequently to profit and loss</b>		
Unrealized loss in value of available for sale investments	(172,327)	(740,432)
Other comprehensive loss for the period	(172,327)	(740,432)
<b>Total Comprehensive Income for the period</b>	<b>2,471,375</b>	<b>934,190</b>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**FIRST IBL MODARABA**  
**CASH FLOW STATEMENT**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

	September 30, 2022	September 30, 2021
Note	Rupees	Rupees
<b>Profit for the period</b>	2,643,702	1,674,622
Adjustment for:		
- Depreciation on fixed assets under own use	107,146	234,396
- Depreciation on investment property	1,250,007	1,250,007
- Depreciation on fixed assets under Ijarah arrangements	2,024,304	450,741
- Provision/ (Reversal) of Musharaka profit held in suspense account	(361,142)	-
- Revaluation loss/ (gain) on investment at fair value through profit or loss	(22,291)	1,981
- Provision for management fee	314,702	-
- Provision for worker welfare fund	62,940	-
- Gain on termination of Ijarah arrangements	(255,190)	(32)
- Gain on disposal of fixed assets	(143,345)	-
- Profit on term deposit receipts and bank deposits	(490,985)	(785,028)
	<u>2,486,146</u>	<u>1,152,065</u>
<b>Operating profit before working capital changes</b>	5,129,848	2,826,687
Decrease / (Increase) in assets:		
- Advances, prepayments and other receivables	(452,520)	(510,515)
- Ijarah rentals receivable	1,194,345	86,500
- Musharaka receivables	10,673,292	3,247,252
Increase/ (Decrease) in operating liabilities:		
- Long term security deposits	(52,358)	34,280
- Creditors, accrued and other liabilities	358,028	(31,339)
<b>Net changes in working capital</b>	11,720,787	2,826,178
<b>Cash generated from operations</b>	<u>16,850,635</u>	<u>5,652,865</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Cash generated from operations</b>	16,850,635	5,652,865
Purchase of fixed assets under Ijarah arrangements	(796,300)	(171,400)
Proceeds from disposal of assets on terminating Ijarah	2,752,690	-
Proceeds from disposal of fixed assets under own use	441,213	-
Income taxes paid	(48,663)	(160,010)
<b>Net Cash generated from Operating Activities</b>	2,348,940	(331,410)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Profit on term deposit receipts and bank deposits	490,985	785,028
<b>Net Cash (used in) / generated from Investing Activities</b>	490,985	785,028
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Dividends paid	(0)	(49,307)
<b>Net Cash used in Financing Activities</b>	(0)	(49,307)
<b>Net (Decrease) / Increase in Cash and Cash Equivalents</b>	19,690,560	6,057,176
Cash and cash equivalents at the beginning of the period	13,599,668	52,113,573
<b>Cash and Cash Equivalents at the End of the period</b>	<u>33,290,229</u>	<u>58,170,750</u>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**FIRST IBL MODARABA**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

Particulars	Certificate Capital	Reserves		Total Equity
		Capital		
		Statutory reserve	Accumulated loss	
Rupees				
<b>Balance as at June 30, 2021</b>	216,875,000	45,394,252	(72,853,017)	189,416,235
<b>Comprehensive income for the year</b>				
Net profit for the year	-	-	(1,967,100)	(1,967,100)
<b>Total comprehensive income for the year</b>	-	-	(1,967,100)	(1,967,100)
<b>Balance as at June 30, 2022</b>	216,875,000	45,394,252	(74,820,117)	187,449,135
<b>Comprehensive income for the period</b>				
Net profit for the period	-	-	2,643,702	2,643,702
<b>Total comprehensive income for the period</b>	-	-	2,643,702	2,643,702
<b>Balance as at September 30, 2022</b>	<b><u>216,875,000</u></b>	<b><u>45,394,252</u></b>	<b><u>(72,176,415)</u></b>	<b><u>190,092,837</u></b>

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER

**FIRST IBL MODARABA  
NOTES TO THE ACCOUNTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

**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**

**Short Term Investments**

Investments in listed equity securities are classified as:

- At fair value through OCI
- At fair value through profit or loss

	September 30, 2022	June 30, 2022
	"Rupees"	
Note		
4.1	2,380,267	2,552,594
4.2	242,858	220,566
	2,623,125	2,773,160

**3.1 Available for sale**

**September 2018      June 2018      Name of entity**

**No. of shares/ Certificates**

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

23,414	23,414	The Searle Company Limited	2,380,267	2,552,594
23,414	23,414		2,380,267	2,552,594

**3.2 At fair value through profit or loss**

**Name of entity**

**No. of shares/ Certificates**

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

250	250	Attock Refinery Limited	36,805	43,944
262	262	IBL Healthcare Limited	12,053	13,622
100,000	100,000	First Punjab Modaraba	194,000	163,000
100,512	100,512		242,858	220,566

**Note 4**

**Advances, Prepayments and Other Receivables**

Advance to employees (Unsecured - Considered good)  
Prepayments

Accrued profit:

- Profit receivable on Musharaka receivables
- Less: Profit held in suspense account

Profit receivable on saving account  
Dividend receivable  
Other receivables

	September 30, 2022	June 30, 2022
	"Rupees"	
	30,000	85,401
	743,145	168,136
	773,145	253,537
	7,362,037	7,981,247
	(4,414,078)	(4,775,220)
	2,947,959	3,206,027
	294,993	104,017
	3,419	3,419
	1,450,508	1,450,505
	5,470,025	5,017,505

**Note 5**

**Creditors, accrued and other liabilities**

Accrued Expenses  
Payable to the Modaraba Management Company  
Workers Welfare Fund Payable  
Other liabilities

	September 30, 2022	June 30, 2022
	Rupees	
	300,375	321,099
	654,696	339,994
	205,113	142,173
	104,072	102,961
	1,264,255	906,227

**Note 6**

**Related Party Transactions**

**6.1** Related parties comprise Management Company, major certificate holders of the Modaraba and their close family members, directors of the management company and their close family members, key management personnel of the management company and their close family members and entities with common directors or under common management.

**6.2** Details of transactions with related parties and balances outstanding with them at the quarter ended are as follows:

**Transactions during the year**

Related party	Relationship	Nature of Transaction
IBL Modaraba Management (Private)	Management Company	Management fee accrued during the year/ quarter Management fee paid during the year/ quarter
University of Management & Technology	Holds 14.16% of the paid up certificates	Rent of library building accrued Rent of library building received
Provident Fund	Employee Fund	Provident fund paid during the period/ year

	September 30, 2022	June 30, 2022
	Rupees	
	314,702	-
	-	-
	1,873,860	7,495,440
	1,873,860	6,246,200
	48,393	193,572

**FIRST IBL MODARABA  
NOTES TO THE ACCOUNTS (UN-AUDITED)  
FOR THE QUARTER ENDED SEPTEMBER 30, 2022**

<b>Outstanding Balance at the quarter end</b>	<b>September 30, 2022</b>	<b>June 30, 2022</b>
	Rupees	Rupees
Payable to the Modaraba Management Company	(654,696)	(339,994)
Receivable from University of Management & Technology	1,249,240	1,249,240

Transactions with related parties, except the management fee payable to the management company, are carried at an arm's length in the normal course of business.

**Note 7**

**Date of authorization for issue**

The financial statement were authorized for issue on October 27, 2022 by the Board of Directors of IBL Modaraba Management (Pvt.) Limited.

**Note 8**

**General**

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

CHIEF EXECUTIVE

DIRECTOR

DIRECTOR

CHIEF FINANCIAL OFFICER