

The background of the cover features a bright sun in the upper right corner, casting rays across a light gray sky with soft, wispy clouds. The lower half of the cover is dominated by large, flowing, abstract shapes in dark gray and light gray, separated by thick white outlines. These shapes create a sense of movement and depth, resembling stylized waves or a modern landscape.

First IBL Modaraba

**Half Yearly Report
December 31, 2018**

www.jamapunji.pk



Be aware, Be alert, Be safe

Learn about investing at
www.jamapunji.pk

Key features:

- Licensed Entities Verification
- Scam meter*
- 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](https://www.facebook.com/jamapunji.pk)

[@jamapunji_pk](https://twitter.com/jamapunji_pk)

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

Table of Contents

1- Corporate Information	1
2- Director's Report	2-3
3- Shari'ha Advisor Report	4
4- Auditor's Report	5
5- Balance Sheet	6
6- Profit & Loss	7
7- Other Comprehensive Income	8
8- Cash Flow Statement	9
9- Statement of Changes and Equity	10
10- Note's	11-14

CORPORATE INFORMATION

Modaraba Management Company

IBL Modaraba Management (Pvt.) Limited

Board of Directors

Arslan Khan Khakwani
Shiraz Butt
Ibrahim Hassan Murad
Naveed Amin

Chairman
Director / CEO
Director
Director

Company Secretary

Hassan Fareed

Chief Financial Officer

Zeeshan Ahmed

Internal Auditor

Hasnain Shafqat

Audit Committee

Naveed Amin
Arslan Khan Khakwani
Muhammed Ilyas

Chairman
Member
Secretary

Sharia'ah Advisor

Dr. Salman Ahmed Khan

Legal Advisor

M/s. Holscott International [Legal Services]

Auditors to Modaraba

RSM Avasi Hyder Liaquat Nauman
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

Room #1, 87 Aurangzeb Block
New Garden Town, Lahore.

Principal Office

87 Aurangzeb Block, New Garden Town, 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, 2018 along with Directors' Report to its certificate holders.

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

Due to competition with giant financial institutions and commercial banks profitability was at the lower side during the six months period ended December 31, 2018. During the period under review modaraba booked income of Rs.14.183 million as compared to Rs. 20.945 million in the preceding period.

Despite of inflationary effect and increase in overhead cost nationwide, modaraba managed to reduce its operational expenses by 21.58%. Total expenses were booked amounting to Rs.16.645 million as compared to Rs.18.586 million in the corresponding period.

The management of modaraba implemented strict credit scrutiny in order to provide financing to quality borrowers only, that is why modaraba invested Rs.10.956 million in Ijarah and Rs.43.75 million in musharikhah segments.

Total assets during the period under review were stood at Rs.223.147 million as compared to Rs.224.222 million in corresponding period. Whereas total liabilities reported amounting to Rs.37.8 million as compared to Rs.34.942 million.

During the six months period ended December 31, 2018, the management successfully verified amount of Other Receivables amounting to Rs. 2.665 million which was previously showing in qualification of external auditors. The management is hopeful for the successful recovery of the same in near future.

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 team of First IBL Modaraba.

for & on behalf of the Board,

S/D

Shiraz Butt

Chief Executive

February 27, 2019

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 2018 کو اختتام پذیر ہونیوالی ششماہی کے، غیر تصدیق شدہ مالیاتی دستاویزات مع ڈائریکٹرز رپورٹ، اپنے سرٹیفیکیٹ ہولڈر کو پیش کرتے ہوئے خوش محسوس کرتا ہوں۔

گورنٹ کی تبدیلی اور انجینیئر 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 کی وجہ سے چھ ماہ کے دوران منافع میں کمی ہوئی۔ زیر جائزہ مدت کے دوران مضاربہ نے گذشتہ مدت کے 20.945 ملین روپے کے مقابلے میں 14.183 ملین روپے آمدن دیکھا کی۔

ملک میں بڑھتی ہوئی افراط زر کی شرح میں اور آپریشنل اخراجات میں اضافے کے باوجود، مضاربہ کے اخراجات میں %21.58 کمی ہوئی۔ کل اخراجات پچھلے سال کے 18.586 ملین روپے کے مقابلے میں 16.645 ملین روپے رہے۔

معیاری کسٹرز کے ساتھ کاروبار کرنے کے لیے مضاربہ کی انتظامیہ نے کریڈٹ جانچ پڑتال کی موثر پالیسی متعارف کرائی ہے۔ جس پر عمل کرتے ہوئے سرمایہ کاری کی مد میں 10.95 ملین روپے اجارہ اور 43.75 ملین روپے مشارک میں لگائے گئے۔

پہلی ششماہی کے دوران مضاربہ کے اثاثہ ثبات پچھلے سال کے 224.222 ملین روپے کے مقابلے میں 223.147 ملین روپے رہے جبکہ مالیاتی ذمہ داریاں پچھلے سال کے 34.942 ملین روپے کے مقابلے میں 37.80 ملین روپے رہیں۔

دسمبر 2018، 31 کی ششماہی کے دوران انتظامیہ نے 2.665 ملین روپے کی قابل وصول رقم جو کہ پہلے ڈیڑھ کی رپورٹ میں کوالیفائیڈ تھی کی تصدیق کروائی ہے اور اسکی مستقبل قریب میں وصولی متوقع ہے۔

آئی بی ایل مضاربہ مینجمنٹ (پرائیویٹ) لمیٹڈ کا بورڈ، سیکورٹی اینڈ انچارج کمیٹی 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 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 کروا تا 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

S/D

شیراز بٹ

چیف ایگزیکٹو

27 فروری 2019

**SHARI'AH ADVISOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2018**

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, 2018 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 Ijarah and 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, 2018, 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 27, 2019

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 Modarba ("the Modarba") as at December 31, 2018 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 the six months period ended (here-in-after referred to as the "the interim financial information"). Management of Modarba 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 analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Our review indicates that:

We were unable to verify receivable balances aggregating to Rs. 3.656 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, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Other matter

The financial statements of the Modaraba for the year and period ended June 30, 2018 and December 31, 2017 were audited and reviewed respectively by another firm of Chartered Accountants, whose report dated October 26, 2018 and February 20, 2018 expressed a qualified opinion and conclusion on such statements. The figures for the quarters ended December 31, 2018 and December 31, 2017 in the condensed interim profit and loss account has not been reviewed and we do not express a conclusion on them.

RSM Avasi Hyder Liaquat Nauman

Chartered Accountants

Islamabad

Dated: 27 February, 2019

Engagement Partner: Nauman Mehmood

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2018

	Note	December 31, 2018 (Un-audited) Rupees	June 30, 2018 Audited Rupees
ASSETS			
Current Assets			
Bank balances		42,779,097	23,503,774
Ijarah rentals receivable	5	931,271	439,111
Advances, prepayments and other receivables		10,512,688	9,212,560
Short term investments	6	4,886,875	5,927,880
Short term musharka receivable		-	53,857,958
Current portion of long term musharaka receivables		19,113,514	11,204,478
Murabaha receivable		-	500,000
		78,223,445	104,645,761
Non-Current Assets			
Long term musharaka receivables		26,502,441	1,891,061
Long term advances and deposits		2,619,260	2,619,260
Investment property	7	69,583,648	72,083,662
Fixed assets under ijarah arrangements	8	42,823,161	40,132,004
Fixed assets under own use	9	3,395,828	2,850,284
		144,924,338	119,576,271
Total Assets		223,147,783	224,222,032
LIABILITIES			
Current Liabilities			
Creditors, accrued and other liabilities		807,092	1,044,156
Musharaka profit payable		1,430,192	1,430,192
Musharaka finances		700,000	700,000
Current portion of long term security deposits		11,114,320	11,114,320
Deferred murabaha income		-	17,600
Unpresented profit warrants		10,479,829	10,480,807
		24,531,433	24,787,075
Non-Current Liabilities			
Long term security deposits		13,269,250	10,155,550
Total Liabilities		37,800,683	34,942,625
NET ASSETS		185,347,100	189,279,407
REPRESENTED BY:			
Certificate capital	10	216,875,000	216,875,000
Reserves		46,914,882	48,385,700
Accumulated loss		(78,442,782)	(75,981,293)
Contingencies and commitments	11	-	-
		185,347,100	189,279,407

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

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT(UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half Year Ended		Quarter Ended	
	December 31, 2018	December 31 2017	December 31, 2018	December 31 2017
	Rupees	Rupees		
INCOME FROM OPERATION				
Income from ijarah	4,917,839	13,161,053	2,704,246	7,753,567
Profit on murabaha investment	14,734	29,266	101	17,600
Profit on musharaka investments	3,144,141	3,826,244	1,814,821	1,581,103
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	352,223	59,219	352,137	58,657
Income from short term investments	429,813	-	462,240	-
	12,606,470	20,823,502	7,207,405	11,284,787
OTHER INCOME				
Reversal of provision against non-performing musharaka receivable	32,288	-	213,601	(13,524)
Other income	1,545,033	122,206	805,700	83,789
	1,577,321	122,206	1,019,301	70,265
TOTAL INCOME	<u>14,183,791</u>	<u>20,945,708</u>	<u>8,226,706</u>	<u>11,355,052</u>
EXPENSES				
Operating expenses	(9,802,069)	(11,273,609)	(5,277,237)	(5,517,407)
Depreciation on assets under ijarah	(6,818,661)	(6,056,217)	(3,358,770)	(3,116,444)
Other operating expenses	(24,550)	(1,256,982)	(13,750)	(1,051,684)
	<u>(16,645,280)</u>	<u>(18,586,808)</u>	<u>(8,649,757)</u>	<u>(9,685,535)</u>
Net Profit/Loss for the Period	<u>(2,461,489)</u>	<u>2,358,900</u>	<u>(423,051)</u>	<u>1,669,517</u>
Earnings/ (loss) per Modaraba Certificate - Basic and Diluted	<u>(0.11)</u>	<u>0.12</u>	<u>(0.02)</u>	<u>0.08</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

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

	Half Year Ended December 31, 2018	December 31 2017	Quarter Ended December 31, 2018	December 31 2017
	Rupees	Rupees	Rupees	Rupees
Net Profit/ (loss) for the period	(2,461,489)	2,358,900	(423,051)	1,669,517
Other comprehensive income				
Items that may be reclassified subsequently to profit and loss				
Unrealized loss in value of available for sale investments	(1,470,818)	(1,807,344)	(1,101,665)	(385,058)
Total Comprehensive Income/ (loss) for the period	<u>(3,932,307)</u>	<u>551,556</u>	<u>(1,524,716)</u>	<u>1,284,459</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

CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2018

	Half Year Ended December 31, 2018	Half Year Ended December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/Loss before tax	(2,461,489)	2,358,900
Adjustments for:		
- Depreciation of fixed assets under own use	436,646	322,086
- Depreciation of investment properties	2,500,014	2,500,014
- Depreciation of fixed assets under ijarah arrangements	6,818,661	6,056,217
- Gain on disposal of short term investments available for sale	(1,470,818)	-
- Gain on termination of ijarah arrangements	(171,948)	-
- Profit on bank deposits	(352,223)	(59,219)
	<u>7,760,332</u>	<u>8,819,098</u>
Operating profit before working capital changes	5,298,843	11,177,998
(Increase) / Decrease in operating assets and liabilities		
Advances, prepayments and other receivables	(1,258,789)	18,730
Ijarah rentals receivable	(492,160)	(3,275,681)
Musharaka receivables	(32,520,416)	(1,038,626)
Short term musharaka receivable	53,857,958	-
Long term murabaha receivable	500,000	(730,768)
Deferred murabaha income	(17,600)	-
Long term security deposits - ijarah	3,113,700	1,834,740
Creditors, accrued and other liabilities	(237,064)	(667,295)
Net cash (used in) / generated from changes in working capital	<u>22,945,629</u>	<u>(3,858,900)</u>
Cash Generated from Operations	28,244,472	7,319,098
Income taxes paid	(41,339)	(47,654)
Profit received on bank deposits	<u>352,223</u>	<u>59,219</u>
Net Cash Generated from Operating Activities	28,555,356	7,330,663
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets under ijarah arrangements	(10,956,000)	(5,874,500)
Purchase of fixed assets under own use	(982,190)	(141,990)
Proceeds from disposal of assets on termination / completion of ijarahs	1,618,130	-
Short term investments - net	1,041,005	345,258
Long term loans and deposits	-	90,000
Net Cash Used in Investing Activities	(9,279,055)	(5,581,232)
CASH FLOW FROM FINANCING ACTIVITIES		
Dividends paid	(978)	(6,089,046)
Net Cash used in Financing Activities	<u>(978)</u>	<u>(6,089,046)</u>
Net Decrease in Cash and Cash Equivalents	19,275,323	(4,339,615)
Cash and cash equivalents at the beginning of the period	23,503,774	13,917,457
Cash and Cash Equivalents at the end of the Period	<u><u>42,779,097</u></u>	<u><u>9,577,842</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

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2018

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, 2017	201,875,000	43,059,884	6,738,639	49,798,523	(68,808,789)	182,864,734
Total comprehensive (loss) / profit for the six months period ended December 31,2017	-	-	(1,807,344)	(1,807,344)	2,358,900	551,556
Profit distributed for the year ended June 30, 2017	-	-	-	-	(7,206,938)	(7,206,938)
Balance as at December 31, 2017	201,875,000	43,059,884	4,931,295	47,991,179	(73,656,827)	176,209,352
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

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

CONDENSED INTERIM BALANCE SHEET

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE HALF YEAR AND QUARTER 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 Room #1, 87-Aurangzaib Block, New Garden Town, 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 certificate holders as required under law.
- 2.2** This financial information should be read in conjunction with annual audited financial statements for the year ended June 30, 2018. Comparative balance sheet is extracted from annual audited financial statements for the year ended June 30, 2018; 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 December 31, 2018.
- 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 review report thereon.
- 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 year ended June 30, 2018.

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		December 31 2018	June 30 2018
		Rupees	Rupees
Note 5 Ijarah Rentals Receivable	Considered good	931,271	439,111
	Considered doubtful	9,054,925	8,902,560
		<u>9,986,196</u>	<u>9,341,671</u>
	Provision against doubtful ijarah rentals	<u>(9,054,925)</u>	<u>(8,902,560)</u>
		<u>931,271</u>	<u>439,111</u>

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	8,902,560	8,855,077
Addition during the year	179,695	214,063
Reversed during the year	(27,330)	(166,580)
	<u>152,365</u>	<u>47,483</u>
Ijarah balances written off	-	-
Closing balance	<u>9,054,925</u>	<u>8,902,560</u>

Note 6

Short Term Investments

Investments in listed equity securities are classified as:

- Available for sale	6.1	3,846,431	5,317,249
- At fair value through profit or loss	6.2	1,040,444	610,631
		<u>4,886,875</u>	<u>5,927,880</u>

6.1 Available for sale

December 31, 2018	June 30, 2018	Name of entity		
No. of shares/ certificates				
Holdings are in ordinary				
<u>15,662</u>	<u>15,662</u>	The Searle Company Limited	<u>3,846,431</u>	<u>5,317,249</u>

6.2 At fair value through profit or loss

Holdings are in ordinary shares /

219	219	IBL Health Care	10,941	17,570
200	200	Attock Refinery Limited	29,504	43,062
<u>100,000</u>	<u>100,000</u>	First Punjab Modaraba	<u>1,000,000</u>	<u>550,000</u>
<u>100,419</u>	<u>100,419</u>		<u>1,040,445</u>	<u>610,632</u>

Note 7

Investment Property

Cost

Opening balance	100,000,465	100,000,465
Additions during the year	-	-
Closing balance	<u>100,000,465</u>	<u>100,000,465</u>

Accumulated Depreciation

Opening balance	(27,916,803)	(22,916,775)
Charged during the year	(2,500,014)	(5,000,028)
Closing balance	<u>(30,416,817)</u>	<u>(27,916,803)</u>
	<u>69,583,648</u>	<u>72,083,662</u>

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

7.2 The fair value of investment property as at December 31, 2018 was Rs. 102.769 million (30 June 2018: 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	40,132,004	42,287,085
Additions at cost	10,956,000	14,103,900
Less: Written down value of assets disposed off	<u>(1,446,182)</u>	<u>(2,627,767)</u>
	<u>49,641,822</u>	<u>53,763,218</u>
Less: Depreciation charged during the period / year	<u>(6,818,661)</u>	<u>(13,631,214)</u>
	<u>42,823,161</u>	<u>40,132,004</u>

Note 9

Fixed Assets Under Own use

Operating fixed assets
Capital work in progress - Advance for purchase of vehicle

December 31 2018	June 30 2018
Rupees	Rupees
3,395,828	2,250,284
-	600,000
<u>3,395,828</u>	<u>2,850,284</u>

Written down value at beginning of the period / year
Additions at cost
Less: Written down value of assets disposed off

2,250,284	333,646
1,582,190	2,533,010
-	(268,700)
<u>3,832,474</u>	<u>2,597,956</u>

Less: Depreciation charged during the period / year

(436,646)	(347,672)
<u>3,395,828</u>	<u>2,250,284</u>

Note 10

Issued, Subscribed and Paid up Certificate Capital

December 31 2018	June 30 2018
(Un-audited)	(Audited)

Authorized:

50,000,000	50,000,000	Modaraba Certificates of Rs. 10 each	500,000,000	500,000,000
------------	------------	--------------------------------------	-------------	-------------

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:

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
-	3,015,820	Director	-	30,158,200
<u>5,100,905</u>	<u>8,116,725</u>		<u>51,009,050</u>	<u>81,167,250</u>

10.2.1 3,015,820 Modaraba Certificates were in the name of Director (Dr. hassan Shoaib Murrad - Late), upon the sad demise of the said Director, the legal heirs had obtained a succession decree from the court of law and as of December 31, 2018 Modaraba Certificates are in process of transfer to the legal heirs.

Note 11

Contingencies and Commitments

There were no material contingencies and commitments outstanding as at the statement of financial position date (June 30, 2018: 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, 2018	December 31, 2017
IBL Modaraba Management (Private) Limited			
Management fee paid during the period	Management Company	-	711,964
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:

Short term borrowing from director	-	15,000,000
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, 2018		June 30, 2018	
	(Un-audited)		(Audited)	
	Rupees	%	Rupees	%
Musharaka receivable and profit on musharaka receivable				
Media advertising	20,345,700	45%	22,177,370	33%
Construction	21,143,164	46%	2,643,133	4%
Textile	-	0%	6,179,507	9%
Individual	4,127,091	9%	35,953,488	54%
	<u>45,615,955</u>	<u>100%</u>	<u>66,953,498</u>	<u>100%</u>

Ijarah receivable

Individuals	905,996	97%	401,346	91%
Others	25,275	3%	37,765	9%
	<u>931,271</u>	<u>100%</u>	<u>439,111</u>	<u>100%</u>

Investment in ijarah under (IFAS-2)

Individuals	27,602,789	64%	23,025,727	57%
Medical and pharmaceuticals	1,436,766	3%	1,439,752	4%
Media advertising	5,226,667	12%	7,870,517	20%
Leasing	283,906	1%	283,906	1%
Hotel	120,000	0%	120,000	0%
Engineering	60,000	0%	60,000	0%
Others	8,093,033	19%	7,332,102	18%
	<u>42,823,161</u>	<u>100%</u>	<u>40,132,004</u>	<u>100%</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 27, 2019.

Note 15
General

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

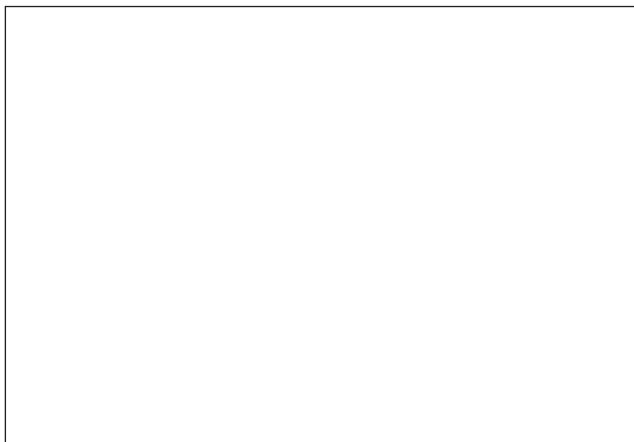
S/D
CHIEF EXECUTIVE

S/D
DIRECTOR

S/D
DIRECTOR

Book Post

To:



First IBL Modaraba

Managed by: IBL Modaraba Management (Pvt.) Ltd.

Registered Office:

Room #1, 87-Aurangzaib Block,
New Garden Town, Lahore.
Tel: +92 42 3595 2148-49
Fax: +92 42 3595 2150
Web: www.firstibl.com

Principal Office:

87-Aurangzaib Block,
New Garden Town, Lahore.
Tel: +92 42 3595 2148-49
Fax: +92 42 3595 2150
e-mail: ibl@firstibl.com

